

MINUTES
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 4

January 12, 2018

The Board of Directors (the “Board”) of Harris County Improvement District No. 4 d/b/a The Energy Corridor District (the “District”) met in regular session, open to the public, on the 12th day of January, 2018, at the Wyndham Hotel, 14703 Park Row, Houston, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

David W. Hightower	President
Robert Halick	Vice President
Steve West	Secretary
Brandon Kerr	Assistant Secretary
D. Bruce Fincher	Director
Peter Elgohary	Director
Peter D. Johnston	Director
Tom Halaska	Director
Peter Lee	Director

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Clark Martinson, Executive Director for the District; Ali Lamkahouan, Controller for the District; Kelly Rector, TDM Program Manager for the District; Fabiana Demarie, Urban Planner for the District; Robert Rayburn, Landscape Architect for the District; Rachael Weaver, Community Relations Coordinator for the District; Michelle Lofton of ETI Bookkeeping Services; Pat Hall of Equi-Tax, Inc.; Scott Saenger and Kristen Hennings of Jones|Carter; Deputy K.Z. Jenkins of Harris County Constable Precinct 5; Les Lee and Josh Bowie of eSitemple; Mark Klein; David Lane of Wolff Companies; Steve Spillette and Ty Jacobson of CDS Market Research; John Dupuy of Studio Dupuy LLC; Ralph De Leon of TIFWorks, LLC; Margarita Dunlap of METRO; and Jessica Holoubek and Kristen Hogan of Allen Boone Humphries Robinson LLP (“ABHR”).

ESTABLISH A QUORUM AND CALL THE MEETING TO ORDER

Having established that a quorum of the Board was present, Director Hightower called the meeting to order.

MINUTES

The Board first considered the minutes of the December 8, 2017, regular meeting. Following discussion and review, Director Halick moved to approve the minutes as submitted. The motion was seconded by Director Elgohary and passed unanimously.

ASSESSMENT AND COLLECTION MATTERS AND STATUS OF HARRIS COUNTY APPRAISAL DISTRICT LAWSUITS

Ms. Hall reviewed the assessment collector's report for December, a copy of which is attached. She also reviewed a chart regarding the status of District assessment payers' lawsuits against the Harris County Appraisal District, a copy of which is attached. Following discussion and review, Director Halick moved to accept the assessment collector's report. The motion was seconded by Director Halaska and passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Lofton reviewed the December cash management, capital funds and investment report, a copy of which is attached, and reviewed the bills presented for payment from the District's accounts. Following review and discussion, Director Fincher moved to approve the bookkeeper's report and payment of the bills presented in the report. Director Halick seconded the motion, which was approved by unanimous vote.

ADMINISTRATIVE

2017 END OF YEAR FINANCIAL REPORT

Mr. Martinson reviewed a 2017 financial report with the Board. Mr. Lamkahouan responded to questions regarding the timing for receipt and payment of a tax statement related to property acquired for the Park Row Completion Project.

PARK ROW COMPLETION PROJECT

PARK ROW PHASE II EXPENSES

The Board reviewed the monthly expenses for Phase II of the Park Row Completion Project, noting payment of such expenses were approved with the bookkeeper's report.

FEMA / USACE BANK MITIGATION REIMBURSEMENT REPORT

Mr. Saenger reported on an upcoming meeting with the U.S. Army Corps of Engineers regarding proposed bank stabilization work beneath Park Row Blvd. to ensure the District will be reimbursed for eligible costs.

ECD ENVIRONMENTAL URBAN DESIGN PROGRAM

MEMORIAL/ELDRIDGE INTERSECTION PROJECT UPDATE

Ms. Demarie discussed the Memorial Drive/Eldridge Parkway intersection improvements project. She reported that Kimley-Horn & Associates, Inc. (“Kimley-Horn”) split the plans into separate construction sets for the City of Houston’s (the “City”) paving improvements and the District’s landscape improvements. Ms. Demarie then responded to questions regarding the timeline for the project and traffic coordination. She said Kimley-Horn will attend next month’s meeting to give a presentation on the project.

KIMLEY HORN MEMORIAL ELDRIDGE PROPOSAL

Ms. Demarie reviewed a proposal from Kimley-Horn for a total cost not to exceed \$45,000 for design and construction administrative services associated with the District’s landscape improvements for the Memorial/Eldridge intersection. After review and discussion, Director West moved to approve the proposal from Kimley-Horn for a cost not to exceed \$45,000. Director Lee seconded the motion, which passed unanimously.

ECD PUBLIC SAFETY AND SECURITY PROGRAM

Deputy Jenkins reported on December patrols and activity. The Board next reviewed the proposed Interlocal Agreement between the District and Harris County for 2018 security services. Following review and discussion and upon a motion made by Director West and seconded by Director Halick, the Board voted unanimously to approve the Interlocal Agreement for 2018 security services.

ECD FLOOD STUDY PRESENTATION

Ms. Jennings gave a presentation on data collected and analyses performed regarding the impact of Hurricane Harvey on the Energy Corridor, including operations of the Addicks and Barker Reservoirs, downstream Buffalo Bayou conveyance inundations, and roadway closures. She reviewed possible improvements along Buffalo Bayou (from the Barker Reservoir to Chimney Rock) that could reduce flooding during major rainfall events. Ms. Jennings responded to questions and said she will follow up with information about rainfall impacts on Buffalo Bayou without considering the releases from the Reservoirs and information about the average width of possible improvements to Buffalo Bayou.

ECD PROJECT MANAGEMENT

ECD SIDEWALK PROGRAM AND CONTRACT UPDATE

Mr. Rayburn reported on evaluation of the bids and bidder qualifications for the 2016-2017 sidewalk improvements on Memorial Dr. and Dairy Ashford Road, noting the Board's action at last month's meeting authorize award of the contract to the lowest responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project, based on staff recommendation following evaluation of the bids and bidder qualifications, in an initial contract amount not to exceed \$250,000.00. He discussed the recommendation to award the contract to RAC Industries, LLC in the amount of \$236,435.00 and to approve funding allocation of \$260,078.50 for the project, which includes contingencies. The Board concurred, in its judgment, that RAC Industries, LLC was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. Director Fincher moved to award the contract for the 2016-2017 sidewalk improvements to RAC Industries, LLC in the amount of \$236,435.00 and to approve funding allocation of \$260,078.50 for the project. Director Lee seconded the motion, which passed unanimously.

Mr. Rayburn next updated the Board on the status of preparing construction documents and obtaining plan approvals for the Local Initiative Project bus shelter/sidewalk grant project. He said he expects the plans to be submitted to the City and the Texas Bureau of Licensing and Regulations ("TBLR") for review by mid-February 2018.

Mr. Rayburn discussed the 2017-2018 sidewalk project, noting that the construction plans are approximately 70% complete. He said he expects the plans to be submitted to the City and TBLR for review by March 2018.

Mr. Rayburn then gave an update on construction of the Texas Department of Transportation's IH-10 intersections enhancement project. He discussed minor issues that remain outstanding and said the improvements will be turned over to the District for maintenance once complete.

Mr. Martinson responded to questions regarding the status of the Grisby Square Park and Streetscape improvements.

ECD TRANSPORTATION PROGRAM

ECD CARSHARE PROGRAM UPDATE

Ms. Rector updated the Board on the District's CarShare program, noting a continued increase in utilization of the cars in the aftermath of Hurricane Harvey.

Director Johnston discussed news articles regarding dockless bike rentals. Mr. Martinson reported that the City contacted the District about participating in a dockless bike pilot program, but he declined the request due to the Board's lack of interest in pursuing a bike share program.

EXTEND HDR TRANSIT CONSULTANT AGREEMENT

Ms. Rector reported that the District's transit consultant agreement with HDR expired on December 31, 2017, noting that approximately \$14,000 of the total contract amount was unspent. She recommended that the Board extend the contract for an additional year for HDR to assist with planning for future transit service and applying for grants and pilot transit projects on an as-needed basis. Ms. Rector added that no additional costs are included in the contract extension other than the unspent amount from 2017. After review and discussion, Director Elgohary moved to approve a one-year extension of the HDR transit consultant agreement to expire on December 31, 2018. Director West seconded the motion, which passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

ECD GOVERNANCE COMMITTEE UPDATE

At the request of the Committee members, Mr. Martinson reviewed a summary of the recent meeting of the Governance Committee to discuss roles, responsibilities and operations of the District. Mr. Martinson reviewed various ideas and options discussed at the meeting. He then commented on Board member participation in District matters.

RELATIONAL DYNAMICS AT WORK - ECD STRATEGIC PLAN WORKSHOP AND REPORT

Mr. Martinson addressed instructions from the Compensation Committee to prepare analytics to evaluate staff performance during 2018. He reviewed a request for proposal that was sent to Thomas Billings at Relational Dynamics at Work and a proposal submitted by Mr. Billings to assist with planning and facilitating staff and Board member workshops, identifying 2018 priorities, and preparing a report outlining a strategic plan for District organization. Mr. Martinson stated that Mr. Billings requested a strategic meeting with some or all of the Board members to discuss 2018 priorities and determine whether such services could be beneficial for the District. Directors Hightower and Elgohary volunteered to attend the meeting with Mr. Billings.

TIFWORKS - ECD ANNEXATION PROFESSIONAL SERVICES

Mr. Martinson reviewed a request for proposal that was sent to TIFWorks, LLC and a proposed work authorization submitted by TIFWorks for a cost not to exceed \$50,000 to assist the District with pursuing annexation of property into the District. Mr. Martinson noted that annexation was established as a priority by the Compensation Committee. He said TIFWorks would assist in preparation of strategies and materials

for meeting with property owners to explain the benefits of being annexed into the District.

Director Elgohary inquired about the workloads of District staff and the reasons for recommending engagement of additional outside consultants. Director Johnston added that proposals from outside consultants should be presented with resumes reflecting the consultant's expertise and experience. Mr. De Leon of TIFWorks discussed his experience with economic development matters and special districts and responded to questions regarding the annexation services included in his proposed work authorization proposal. Mr. Martinson then discussed the need for assistance to develop materials and guidelines to promote the District and entice property owners to petition for annexation into the District. Discussion ensued regarding the skills and materials required to market the District to property owners. Director Halaska inquired about any feedback from property owners that could be considered when developing materials and meeting with property owners.

Director Kerr then moved to approve the work authorization proposal from TIFWorks, LLC. Director Lee seconded the motion. Discussion ensued. Upon calling for a vote on the pending motion, Directors Johnston and Elgohary voted nay, the other Board members voted aye, and the motion passed.

STUDIO DUPUY - ECD OUTSOURCE PROJECT MANAGEMENT

Mr. Martinson explained that the various consultant proposals being presented under the Executive Director's report today are aimed at organizing a collaborative team for the next six months to address the priorities established by the Compensation Committee. In connection therewith, Mr. Martinson presented a proposal from Studio Dupuy LLC for a six-month initial consulting agreement to outsource management of Urban Planning and Design projects that were intended to be managed by the Executive Director. Mr. Martinson added that Studio Dupuy LLC also would prepare uniform design guidelines for the District. He introduced Mr. Dupuy and discussed his experience in project management and urban design.

Director Elgohary again inquired as to the necessity for hiring outside consultants instead of utilizing existing District staff members. Mr. Martinson responded that the consultants proposed to be engaged have skill sets that would supplement District staff. He reviewed the proposed responsibilities included in the Studio Dupuy LLC proposal and said the services would be evaluated after the initial six-month term. Discussion ensued. After review and discussion, the Board concurred to table consideration of the proposal from Studio Dupuy LLC.

CDS MARKET RESEARCH - ECD 2018 LAND USE AND DEMOGRAPHICS REPORT

This item was tabled for consideration at next month's meeting.

ESITEFUL - ECD 2018 COMMUNICATIONS PLAN

The Board reviewed a proposal from eSiteful to coordinate with District staff and provide communications services for a cost not to exceed \$10,000 per month. Mr. Martinson said eSiteful would continue assisting with 2018 communications plans until a full time equivalent staff person is hired. After review and discussion, Director West moved to approve the proposal from eSiteful for communications services for a cost not to exceed \$10,000 per month. Director Halick seconded the motion, which passed unanimously.

NEXT MEETING

The Board discussed next month's meeting date and concurred to hold the next regular Board meeting on February 9, 2018, subject to confirming a quorum.

ADJOURN

There being no further business to come before the Board, the meeting was adjourned.

Secretary, Board of Directors

(SEAL)

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