

MINUTES
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 4

April 11, 2014

The Board of Directors (the "Board") of Harris County Improvement District No. 4 d/b/a The Energy Corridor Management District (the "District") met in regular session, open to the public, on the 11th day of April, 2014, at 14701 St. Mary's Lane, Suite 290, 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
Steve Moskowitz	Assistant Secretary
D. Bruce Fincher	Director
Sean Tackett	Director
Peter D. Johnston	Director
Chuck Cervas	Director
Debbie Fujimoto	Director

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

Also present at the meeting were Clark Martinson, General Manager for the District; Robert Rayburn, Landscape Architect for the District; Katherine Wallace, Finance and Economic Development Manager for the District; Rachael Weaver, Community Relations Coordinator for the District; John Nuñez, Transportation Manager for the District; Christi Todd, CPA; Kelly Rector, District intern; Les Lee and Joshua Bowie of eSiteful; Shaun Gray of Gray & Associates Events; Pat Hall of Equi-Tax, Inc.; Michelle Lofton of ETI Bookkeeping Services; Darren Willis of Jones & Carter, Inc.; 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 March 21, 2014, regular meeting. Following discussion and review, Director Fincher moved to approve the minutes as submitted. The motion was seconded by Director Moskowitz and passed unanimously.

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

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

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Lofton reviewed the March 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. She responded to questions regarding two checks previously issued by the District that have not been cashed to date. Following review and discussion, Director West moved to accept the bookkeeper's report and payment of the bills presented in the report. Director Fujimoto seconded the motion, which was approved by unanimous vote.

2014 YEAR-TO-DATE VARIANCE BUDGET

Ms. Wallace reviewed the year-to-date budget summary, a copy of which is attached.

AUDIT FOR FISCAL YEAR END DECEMBER 31, 2013

Ms. Todd said the District's audit for the fiscal year end December 31, 2013, will be presented at next month's meeting. The Board tabled this item.

SPECIAL PURPOSE AUDIT PROPOSAL

Ms. Todd next discussed the requirement for the District to conduct a special purpose audit when more than \$500,000 in federal funds is received during the fiscal year. She said the 2013 special purpose audit will be presented at next month's meeting with the annual audit. The Board tabled this item.

HOUSTON POLICE DEPARTMENT AND NEIGHBORHOOD PROTECTION AND CODE ENFORCEMENT UPDATE

Ms. Wallace reviewed reports on the District's security patrols, neighborhood protection, and code enforcement.

APRIL 5, 2014 ENERGYFEST "ROCK THE CORRIDOR"

Ms. Weaver and Mr. Gray reported on the EnergyFest "Rock the Corridor" event held on April 5, 2014.

BIKE TO WORK DAY MAY 15, 2014 UPDATE

Ms. Rector reported on plans for the District's "Bike to Work Day" scheduled for May 15, 2014.

CARMA GRANT APPLICATION UPDATE

Mr. Nuñez reported on discussions with representatives of the Houston-Galveston Area Council ("HGAC") and Carma regarding possible participation with the District on implementing a Carma real-time carpooling project for the Houston area. He discussed increased HGAC federal funding for Congestion Mitigation Air Quality ("CMAQ") grants and support from other local governments and organizations. Mr. Nuñez reviewed the grant application for the Board's consideration, including a 5-year budget for the project, and responded to questions from the Board. After review and discussion, Director Halick moved to authorize submittal of the Carma grant application to HGAC. Director Fincher seconded the motion, which passed unanimously.

TRANSPORTATION SURVEY RESULTS

Mr. Nuñez reported on the results of the District's commuter survey. He said District staff recommends approaching METRO about a possible commuter service from Katy Mills Mall to Energy Corridor workplaces, based on the survey results. Mr. Nuñez noted that METRO is currently in negotiations with the owner of the Katy Mills Mall regarding implementation of a new park-and-ride commuter service from the Katy Mills Mall to downtown Houston.

TIGER III IH 10 MULTI-MODAL/MULTI-JURISDICTIONAL TRANSPORTATION PLANNING GRANT APPLICATION

Mr. Nuñez discussed an opportunity for the District to prepare and submit an application to the U.S. Department of Transportation for Transportation Investment Generating Economic Recovery (TIGER) grant funding. He discussed projected costs and local match requirements and reviewed planning projects to be included in a proposed TIGER grant application for a West Houston Multi-Modal Planning Project. In response to questions from the Board, Mr. Nuñez clarified that the associated letter for execution by the Board President is for the purpose of confirming financial capacity to complete the project if grant funds were awarded. Mr. Nuñez added that submittal of the application and associated letter does not commit the District to spending such funds. Upon a motion made by Director Moskowitz and seconded by Director Fincher,

following review and discussion, the Board voted unanimously to authorize submittal of a TIGER grant application for a West Houston Multi-Modal Planning Project, including authorization for the Board President to execute the associated letter indicating financial capacity.

FEDERAL GRANT PROJECTS

Ms. Rector reported on the CMAQ Car Share grant program, the JARC 75 Eldridge Crosstown bus program, and the New Freedom sidewalk project. She reviewed financial reports for such projects.

TEXAS A&M UNIVERSITY LANDSCAPE MASTER PLAN PROPOSAL

Mr. Martinson reported on a meeting of District staff members with professors of the Texas A&M University Department of Landscape Architecture and Urban Planning ("Department") regarding a possible thesis project to develop a conceptual master plan for the property within the District. He reviewed a proposed Memorandum of Agreement ("MOA") between the District and the Department for the District to sponsor three graduate students over three semesters to complete such thesis project for a total cost of \$8,500. Director Hightower presented questions about the terms of the MOA and proposed modifications to the MOA. After review and discussion, Director Moskowitz moved to authorize Mr. Martinson and Director Hightower to negotiate and execute a final MOA with the Department. Director Halick seconded the motion, which carried by unanimous vote.

GENERAL MANAGER'S REPORT

Mr. Martinson reported on efforts by teams of Texas A&M University students to obtain conceptual site plans from property owners along Park Row and prepare presentations to be made at HGAC's office on May 1, 2014, at 12:30 p.m.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

At 9:33 a.m., Director Hightower announced that the Board would convene in executive session to deliberate the purchase, exchange, lease or value of real property. All of the attendees except the Board members, Mr. Martinson, Mr. Willis, Ms. Holoubek, and Ms. Hogan left the meeting.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

At 9:43 a.m., Director Hightower announced that the Board would reconvene in open session. Ms. Todd, Ms. Wallace, Mr. Lee, Mr. Bowie, and Ms. Weaver re-entered the meeting. Upon reconvening in open session, Director Fincher moved to authorize execution of an escrow agreement, authorize acceptance of temporary construction and right-of-way easements, and authorize SMC Consulting, Inc. to update the phase I site assessment. Director Halick seconded the motion, Director Hightower abstained, and the motion passed.

PARK ROW COMPLETION PROJECT

Mr. Willis updated the Board regarding phase I of the Park Row Completion Project, noting he had no action items for the Board's consideration.

Ms. Holoubek discussed modifications to the terms of the District's Loan Agreement with the Houston Housing Finance Corporation ("HHFC") to defer principal and interest payments for the 2014 calendar year. She reviewed a proposed First Modification Agreement between the District and HHFC reflecting such modifications and a loan modification fee of \$40,000. Following review and discussion, Director Moskowitz moved to authorize execution of the First Modification Agreement with HHFC and approve payment of the loan modification fee in the amount of \$40,000. The motion was seconded by Director Johnston and carried, with Director Hightower abstaining from the vote.

Ms. Todd reviewed a reimbursement report prepared by the District's auditor, McCall Gibson Swedlund Barfoot PLLC ("MGSB"), in connection with the District's prior engagement of MGSB for the Park Row completion project reimbursements. She noted the daily interest per diem rate at which interest will be calculated on the reimbursement through the date of reimbursement. Ms. Holoubek noted the report excludes reimbursement of right-of-way acquisition costs, pending conveyance of the property to the District. Following review and discussion, Director Moskowitz moved to approve the reimbursement report and authorize disbursement of funds to Central Park West LP as shown in the report, with the addition of interest calculated through the date of reimbursement. The motion was seconded by Director Halick and carried, with Director Hightower abstaining from the vote.

Ms. Todd reviewed an updated draw request for the HHFC loan for payment of consultant invoices, escrow fees, and reimbursement to Central Park West LP. She noted the total amount of these disbursements is \$313,012.39, with additional interest on the reimbursement to be calculated through the date of reimbursement and included in the disbursement of funds. After discussion and review, Director Moskowitz moved to

approve the draw request from the HHFC loan totaling \$313,012.39 plus additional interest to be calculated through the date of reimbursement to Central Park West LP. Director Fujimoto seconded the motion, Director Hightower abstained, and the motion carried.

Director Hightower then updated the Board on discussions with the City of Houston regarding revisions to the 380 agreement to address project cost overruns.

NEXT MEETING

The Board concurred to hold the next Board meeting on May 9, 2014.

ADIJOURN

There being no further business to come before the Board, Director West moved to adjourn the meeting. Director Fujimoto seconded the motion, which was unanimously approved.



Secretary, Board of Directors

