

MINUTES  
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 4

July 8, 2016

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 8th day of July, 2016, 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
Brandon Kerr	Assistant Secretary
D. Bruce Fincher	Director
Peter Elgohary	Director
Peter D. Johnston	Director
Chuck Cervas	Director
Vacant	Director

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

Also present at the meeting were Clark Martinson, General Manager for the District; Ali Lamkahouan, Finance and Administration Manager for the District; Kelly Rector, Transportation Coordinator for the District; Robert Rayburn, Senior Project Manager for the District; Rachael Weaver, Community Relations Coordinator for the District; Fabiana Demarie, Urban Planning Associate for the District; Peter Lee, director appointee; Les Lee and Joshua Bowie of eSiteful; Michelle Lofton of ETI Bookkeeping Services; Pat Hall of Equi-Tax, Inc.; Mark Klein; Sgt. Philip Bennett of Harris County Precinct 5 Patrol; Darren Willis and Scott Saenger of Jones & Carter, Inc.; and Angela Lutz 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 Cervas called the meeting to order.

MINUTES

The Board first considered the minutes of the June 10, 2016, regular meeting. Following discussion and review, Director Kerr moved to approve the minutes as submitted. The motion was seconded by Director Halick and passed unanimously.

Mr. Martinson updated the Board on the Active Living Research proposal discussed at last month's meeting, noting the item was removed from today's meeting agenda.

APPOINT PETER LEE TO POSITION #9

The Board considered appointing Peter Lee to the Board, who has been recommended as former Director Kmeal Winters' replacement. After discussion, Director Elgohary moved to appoint Peter Lee to position no. 9 on the Board. Director Johnston seconded the motion, which passed unanimously.

APPROVE SWORN STATEMENT, OFFICIAL BOND, AND OATH OF OFFICE

Mr. Lee presented his executed Sworn Statement, Official Bond, and Oath of Office in connection with his appointment to the Board. After review and discussion, Director Johnston moved to approve the Sworn Statement, Official Bond, and Oath of Office of Peter Lee. Director Halick seconded the motion, which passed by unanimous vote.

REORGANIZATION OF BOARD AND EXECUTION OF DISTRICT REGISTRATION FORM

The Board considered reorganizing and concurred for Director Lee to retain the vacant position no. 9 as Director. Ms. Lutz stated that the District is required to file an updated District Registration Form with the Texas Commission on Environmental Quality reflecting the new District Director. Following review and discussion, Director Halick moved to authorize execution and filing of the District Registration Form reflecting Director Lee in position no. 9 as Director for the unexpired term ending June 1, 2019. Director Elgohary seconded the motion, which passed unanimously.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Ms. Lutz presented a memorandum to Director Lee regarding the Open Meetings Act and Public Information Act training requirements. She stated that each elected or appointed public official is required to complete a course of training regarding responsibilities of the governmental body and its members under the Texas Open Meetings Act, Chapter 551, within 90 days of taking the oath of office. Ms. Lutz then discussed the methods by which Director Lee can receive the required training and requested that he forward his certificate of completion to ABHR for the District's records.

CONFLICT OF INTEREST DISCLOSURE REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE

Ms. Lutz reviewed a memorandum from ABHR regarding conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code and disclosure forms adopted by the Texas Ethics Commission. She stated that pursuant to Chapter 176 of the Texas Local Government Code, the District maintains a List of Local Government Officers. Ms. Lutz reviewed the List of Local Government Officers. After review and discussion, Director Halick moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director West seconded the motion, which passed unanimously.

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

Ms. Hall reviewed the assessment collector's report for June, 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 Kerr and passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Lofton reviewed the June 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 discussed two additional checks prepared following preparation of her report, noting a corresponding change to the amount of the Houston Housing Finance Corporation ("HHFC") loan payment. Following review and discussion, Director West moved to approve the bookkeeper's report and payment of the bills, including the two additional bills discussed by Ms. Lofton. Director Johnston seconded the motion, which was approved by unanimous vote.

2016 YTD VARIANCE BUDGET AND MID-YEAR BUDGET REVIEW

Mr. Lamkahouan reviewed the 2016 budget summary, a copy of which is attached. He next reviewed a mid-year budget summary, a copy of which is attached.

2017-2024 OFFICE SPACE PROPOSAL

Mr. Martinson reported on efforts to identify a new District office. He reviewed the optional properties identified as possibilities and reviewed the next steps to proceed with a new lease by January 1, 2017. Mr. Martinson discussed the option to take over a sublease in Eldridge Place for an 8-year term with TierReit, which would require preparation of a pricing plan with the owner's architect, Ziegler Cooper. He reviewed a proposal from Ziegler Cooper in the amount of \$2,200 to preparing pricing plans for the

District's buildout of the Eldridge Place space. The Board discussed the construction allowance of \$20 per square foot for the Eldridge Place space. Following discussion and review, Director Johnston moved to (1) approve the Ziegler Cooper proposal in the amount of \$2,200 for preparation of pricing plans for the Eldridge Place space and (2) direct Mr. Martinson to contact the owner of the Ashford 7 space to determine if they will approve a lease term of eight years. Director West seconded the motion, Directors Kerr and Lee abstained, and the motion passed.

#### WPM SH 6/GRISBY ROAD TRAFFIC SIGNAL AND ECD TRAFFIC MITIGATION PROPOSAL

Mr. Martinson discussed the increased need to address traffic speeds and congestion on the Interstate Highway 10 frontage road between State Highway 6 ("SH 6") and Eldridge Parkway. He said the Constable patrols have increased their presence to enforce speed limits along the frontage road. Mr. Martinson reviewed a proposal from Walter P. Moore in the amount of \$8,000 to coordinate with the City of Houston (the "City") and the Texas Department of Transportation to study the eastbound frontage road traffic conditions between SH 6 and Eldridge Parkway and identify a long-term solution to address traffic speeds and congestion, and to discuss the status of a possible traffic signal at the intersections of the SH 6 frontage roads at Grisby Road. Following discussion and review, Director Kerr moved to approve the proposal from Walter P. Moore in the amount of \$8,000. The motion was seconded by Director West and passed by unanimous vote.

#### HOUSTON TECHNOLOGY CENTER PROPOSAL

Mr. Martinson discussed an inquiry from the Houston Technology Center regarding its proposed expansion to the west side of Houston and a possible partnership with the District. He discussed the District's proposed sponsorship role to provide a meeting place. After discussion, the Board concurred it was in favor of a District partnership with Houston Technology Center and for Mr. Martinson to obtain an updated memorandum of understanding based on meeting place availability for the Board's consideration.

#### ANNEXATION UPDATE

Ms. Demarie updated the Board on annexation efforts. She reported that no action is necessary on the proposal from Brown & Gay Engineers, Inc. to conduct title research and prepare a survey exhibit since the City indicated the survey exhibit is not required.

#### PARK ROW COMPLETION PROJECT

Mr. Rayburn discussed the District's agreement to restore the Omni Hotel's irrigation system during the parking lot modifications that required removal of parts of the system. He presented a proposal from Hou-Scape, Inc. in the amount of \$4,555 to restore the irrigation system. After review and discussion, Director Kerr moved to

approve the proposal from Hou-Scape, Inc. in the amount of \$4,555. Director Johnston seconded the motion, which passed by unanimous vote.

Director Hightower discussed the amendment to the District's license agreement with the U.S. Army Corps of Engineers ("USACE"), which he executed pursuant to prior authorization by the Board. Upon a motion made by Director Kerr and seconded by Director Halick, the Board voted unanimously to ratify execution of the amendment.

Mr. Willis updated the Board on the Phase II Park Row Completion Project paving, bridge, and utility work. He presented and recommended approval of Pay Estimate No. 5 in the amount of \$366,299.02, payable to SER Construction Partners, LLC.

Mr. Willis next updated the Board on the Phase II Park Row force main project. He presented and recommended approval of Change Order No. 1, which increases the total contract amount by \$99,605.27, and Pay Estimate No. 3 in the amount of \$89,644.74, payable to Alcott, Inc., dba TCH.

Mr. Willis reviewed a proposal from CenterPoint Energy in the amount of \$13,861 to remove and reinstall the streetlights at Park Row west of North Eldridge Parkway, in connection with the Phase II Park Row Completion Project. After review and discussion, the Board concurred to table consideration of the proposal until next month's meeting.

Director Hightower reported that the archeological field investigation report was submitted to USACE for review and authorization for the District to proceed with construction on the subject property.

After review and discussion, Director Halick moved to take the following actions, based on the engineer's recommendation: (1) approve Pay Estimate No. 5 in the amount of \$366,299.02 for the Phase II Park Row Completion Project paving, bridge, and utility work; and (2) approve Change Order No. 1 for a net increase of \$99,605.27 and Pay Estimate No. 3 in the amount of \$89,644.74 for the Phase II Park Row force main project. Director Johnston seconded the motion, which passed unanimously.

Mr. Lamkahouan reported on receipt of payment from the City in the amount of \$2,519,948.19, pursuant to the Interlocal Development Agreement between the District and the City. He also reported that an invoice was submitted to the City for reimbursement of \$3,001,041.85 pursuant to the Economic Development Agreement between the District and the City. Mr. Lamkahouan requested authorization to disperse the amount received and the amount to be received to pay current expenses associated with the Phase II Park Row Completion Project and to reduce the HHFC loan balance. After discussion, Director West moved to authorize dispersal of funds received pursuant to the Interlocal Development Agreement and funds to be received pursuant to the Economic Development Agreement for payment of current Phase II Park Row

Completion Project expenses and to reduce the HHFC loan balance. Director Halick seconded the motion, which passed unanimously.

#### MEMORIAL/ELDRIDGE INTERSECTION PROJECT

Ms. Demarie reviewed renderings prepared by Kimley-Horn & Associates, Inc. of the Memorial Drive/Eldridge Parkway intersection with proposed improvements to the plaza and landscape areas at each corner, right turns, and buried utilities. Discussion ensued regarding the proposed intersection enhancement options and right-of-way that would need to be acquired for the project. In response to questions, Mr. Martinson said a meeting is scheduled for the following week with Binkley & Barfield to discuss the proposed utility burial locations. Mr. Martinson said meetings are also scheduled with representatives of CVS and the Church to discuss the plans and rights-of-way to be acquired for the project.

#### ECD COMMUNICATIONS TEAM UPDATE AND ECD BRAND STRATEGY DOCUMENT

Messrs. Klein and Bowie updated the Board on communication and public relations outreach efforts by the District's communications team to promote the District and its programs. Mr. Klein responded to questions regarding the Houston Business Journal event scheduled for the following week.

#### HARRIS COUNTY PRECINCT 5 CONSTABLE PATROL PROGRAM

Sergeant Bennett reviewed June crime statistics for the District. He discussed the previously mentioned traffic speed and congestion issues along the Interstate Highway 10 frontage road between SH 6 and Eldridge Parkway, including an increase in congestion at the end of the day with BP employees exiting their office building and crossing four lanes of traffic to reach the u-turn lane. Sergeant Bennett then commended one of the deputies for an incident at Houston's Barbecue.

#### GENERAL MANAGER'S REPORT

Mr. Martinson reported on the retirement of John Nuñez, former Transportation Manager for the District, effective June 30, 2016.

Mr. Martinson reported on efforts of District staff and eSiteful representatives to produce the 2016-2020 Unified Transportation Plan. He presented a draft outline and map, noting that the Plan will be presented at the August meeting.

Mr. Martinson then reported on preparation of the District's Employee Handbook.

NEXT MEETING

The Board discussed next month's meeting date and concurred to hold the next regular Board meeting on August 12, 2016, subject to confirming a quorum.

ADJOURN

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

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Secretary, Board of Directors

(SEAL)