

MINUTES
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 4

November 20, 2015

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 20th day of November, 2015, 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
D. Bruce Fincher	Director
Peter Elgohary	Director
Peter D. Johnston	Director
Chuck Cervas	Director
Kmeal O. Winters	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; Katherine Wallace, Finance and Economic Development Manager for the District; Shelley Malone, Assistant to Finance and Economic Development 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; John Nuñez, Transportation Manager for the District; Fabiana Demarie, Urban Planning Associate for the District; Les Lee and Joshua Bowie of eSiteful; Pat Hall of Equi-Tax, Inc.; Michelle Lofton of ETI Bookkeeping Services; Darren Willis and Erin Williford of Jones & Carter, Inc.; Mark Klein; Brett Richards of BCR Interests; Lieutenant Steven Phares of the City of Houston Police Department; 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 October 16, 2015, regular meeting. Following discussion and review, Director Fincher moved to approve the minutes as

submitted. The motion was seconded by Director Johnston and passed unanimously.

RESIGNATION OF DIRECTOR MOSKOWITZ AND APPOINTMENT OF BRANDON KERR TO POSITION 3

The Board discussed Director Moskowitz's retirement from ConocoPhillips Company and resignation from the Board. The Board expressed its appreciation for Director Moskowitz's service to the District and well wishes for his future endeavors.

The Board next considered appointing Brandon Kerr to the Board, who has been recommended as Director Moskowitz's replacement. After discussion, Director Halick moved to accept the resignation of Director Moskowitz, appoint Brandon Kerr to position no. 3 on the Board, and accept the Sworn Statement, Official Bond, and Oath of Office of Brandon Kerr, subject to receipt of such executed documents. Director Fincher seconded the motion, which passed unanimously.

REORGANIZATION OF BOARD AND EXECUTION OF DISTRICT REGISTRATION FORM

The Board considered reorganizing and concurred for Director Kerr to retain the vacant position no. 3 as Assistant Secretary of the District. Ms. Holoubek 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 Elgohary moved to authorize execution and filing of the District Registration Form reflecting Director Kerr in position no. 3 as Assistant Secretary for the unexpired term ending June 1, 2017. Director West seconded the motion, which passed unanimously.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

There was no discussion on this item.

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

Ms. Holoubek 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 will maintain a List of Local Government Officers. Ms. Holoubek reviewed the List of Local Government Officers. After review and discussion, Director Johnston 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 Elgohary 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 October, 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. Following discussion and review, Director Johnston moved to accept the assessment collector's report. The motion was seconded by Director Elgohary and passed by unanimous vote.

HEARING EXAMINER'S REPORT REGARDING ASSESSMENT ROLL

Director Halick reported on the District's assessment hearing held on November 4, 2015. The Board reviewed the Hearing Examiner's Report and Proposal for Decision relating to the hearing. Following review and discussion, Director Johnston made a motion to accept the Hearing Examiner's Report and Proposal for Decision. The motion was seconded by Director West and carried unanimously.

COMMENTS FROM THE PUBLIC REGARDING ASSESSMENT ROLL

There were no comments from the public regarding the assessment roll.

ORDER ADOPTING THE ASSESSMENT ROLL FOR HARRIS COUNTY IMPROVEMENT DISTRICT NO. 4 DBA THE ENERGY CORRIDOR DISTRICT; LEVYING ASSESSMENTS AGAINST THE PROPERTY ON THE ASSESSMENT ROLL FOR THE REMAINDER OF THE TEN-YEAR PERIOD; AND SETTING THE RATE OF ASSESSMENT FOR THE YEAR 2015

Ms. Holoubek reviewed the Order Adopting the Assessment Roll for Harris County Improvement District No. 4 dba The Energy Corridor District; Levying Assessments Against the Property on the Assessment Roll for the Remainder of the Ten-Year Period; and Setting the Rate of Assessment for the Year 2015 (the "Order"). She stated that the Order adopts the findings from the Hearing Examiner's Report and Proposal for Decision. Following review and discussion, Director West made a motion to adopt the Order. Director Halick seconded the motion, which carried unanimously.

AMENDMENT TO INFORMATION FORM

Ms. Holoubek reviewed an Amendment to Information Form reflecting the 2015 assessment rate. Following review and discussion, Director Fincher made a motion to authorize execution and filing of the Amendment to Information Form. Director Johnston seconded the motion and it passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Lofton reviewed the October 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 Elgohary moved to approve the bookkeeper's report and payment of the bills presented in the report. Director Fincher seconded the motion, which was approved by unanimous vote.

2015-16 COMPENSATION COMMITTEE

The Board considered establishing a committee to meet with District staff to review the previous year's accomplishments and goals for the coming year and to decide on salaries and merit pay. The Board agreed that Directors Halick, Hightower, Fincher, and Johnston will serve on the 2015-16 compensation committee.

2015 YTD VARIANCE, PRELIMINARY 2016 AND 5-YEAR/10-YEAR BUDGETS

Ms. Wallace reviewed the year-to-date budget summary, a copy of which is attached. She also reviewed a preliminary 2016 budget.

Mr. Martinson reviewed a summary of 10-year discretionary budget project options. Discussion ensued regarding the options. After review and discussion, the Board requested additional detail regarding the project costs associated with the various options and a breakdown linking the projects and costs to the District's Master Plan. Director Hightower also requested information regarding a proposed policy for addressing burial of overhead utilities throughout the District. Mr. Martinson said he will send the requested information to the Board and will present the proposed final 2016 budget at next month's meeting.

GRISBY ROAD CROSSWALK PROPOSAL

Mr. Rayburn reviewed bids received for the Grisby crosswalk and bus stop boarding platform, which was designed by Walter P. Moore. He recommended award of the contract to Tikon Group Inc. in the amount of \$28,475.25, subject to review by ABHR, and approve funding allocation of \$34,170.30 for the project, which includes a 20% contingency. Director Fincher inquired about the possibility of installing a shelter at the boarding platform. Mr. Rayburn discussed the unusual nature and size of the platform and previous options explored for the project. He discussed the possibility of installing a shelter in the future once the platform is constructed. Discussion ensued regarding ridership at the mid-block Grisby location and options for installing a shelter in the future. Following review and discussion, Director Fincher moved to award the contract for the crosswalk and boarding platform to Tikon Group Inc., the contractor that will be most advantageous to the District and will result in the best and most economical completion of the project, in the amount of \$28,475.25, subject to review by

ABHR, and to approve a total funding allocation of \$34,170.30 for the project. Director Johnston seconded the motion, which passed unanimously.

IH 10 ECD MAINTENANCE SIGNS PROPOSAL

Mr. Rayburn reported on policy changes within the Texas Department of Transportation ("TxDOT") and said the Houston TxDOT District now allows limited Partnership Landscape Maintenance signage on controlled access highways. He reviewed sample highway maintenance signage for submittal to TxDOT for approval and installation, along with District street name signage for installation west of South Highway 6. In response to questions from the Board, Mr. Lee said eSiteful will work with Mr. Rayburn to adjust the wording for the highway maintenance signage. After discussion, the Board concurred to table installation of the District street name signage west of South Highway 6, pending annexation of those properties into the District. Upon a motion made by Director West and seconded by Director Johnston, the Board voted unanimously to authorize submittal of the final signage to TxDOT following review of the final wording by the Board.

DECEMBER 31, 2015 NEW YEARS EVE FIREWORKS PROPOSAL

Mr. Martinson presented a fireworks proposal from Pyrotechnico for a New Year's Eve fireworks display. He reported that the property owner is considering the District's request for access to the top level of the Eldridge Oaks garage to launch the fireworks. Mr. Martinson discussed proposed plans for the fireworks show in connection with a performance by the Energy Corridor Houston Orchestra. Director Fincher noted that the drawings provided by Pyrotechnico also show the use of Eldridge property for the event. Discussion ensued regarding the necessary agreements and insurance/indemnification that should be in provided for use of the commercial properties for the proposed fireworks show. Ms. Holoubek said she will contact Pyrotechnico regarding a form of license agreement to address property owner concerns. After review and discussion, Director Fincher moved to approve the proposal from Pyrotechnico in the amount of \$10,050 plus support costs, subject to approval by the commercial property owners for use of their properties for the event. Director Halick seconded the motion, which passed unanimously.

Directors Johnston and Elgohary left the meeting.

MEMORIAL/ELDRIDGE INTERSECTION UTILITIES AND ENHANCEMENT PROJECT

Ms. Demarie updated the Board on plans for enhancements and burial of overhead utilities at the Memorial Drive/Eldridge Parkway intersection to be coordinated with the City of Houston's (the "City") plans to reconstruct Turkey Creek Bridge and the intersection. She reported on a meeting with the City to review the

preliminary design work completed by Jacobs and Binkley & Barfield. Ms. Demarie also reported on a meeting with Civiltech, the City's engineer for the project. She discussed a recommendation to request a proposal from Civiltech to amend their drainage study, identify methods to mitigate drainage changes, revise the culvert headwalls detail, and modify the construction documents to extend the culverts pursuant to the preliminary design by Jacobs. Ms. Demarie also discussed a proposal from Binkley & Barfield to be presented at the January 2016 meeting for the Board's consideration. After discussion, the Board concurred for District staff to request a proposal from Civiltech.

ECD CAR SHARE PROGRAM CMAQ GRANT

Ms. Rector reported on the CMAQ Car Share grant program and marketing efforts. She also reported on payments received for District invoices through July 2015.

HOLIDAY LUNCHEON AT CARMELO'S DECEMBER 1, 2015

Ms. Weaver reported that the District's holiday luncheon is scheduled for December 1, 2015, at 11:30 a.m. at Carmelo's.

PARK ROW COMPLETION PROJECT

Mr. Willis updated the Board on the Park Row Phase I street lighting project, the improvements to the TRT Development Company surface parking lot, and the Park Row Phase II Force Main project.

Mr. Willis next reported on bids received for the Phase II Park Row Completion Project paving, bridge, and utility work. He recommended that the contract be awarded to the lowest bidder, SER Construction Partners, LLC, in the amount of \$6,256,957.40, subject to approval of the contractor's construction bonds and insurance. The Board concurred that, in its judgment, SER Construction Partners, LLC was a responsible bidder whose bid would result in the best and most economical completion of the District's project. Discussion ensued regarding the request for the City to amend the Economic Development Agreement with the District and the Interlocal Development Agreement related to the Park Row Completion Project to increase the maximum reimbursement amount for the project. Director Hightower noted that a notice to proceed should not be issued to the contractor until the City approves such amended agreements. Based on the engineer's recommendation, Director West moved to award the contract for the Phase II Park Row Completion Project paving, bridge, and utility work to SER Construction Partners, LLC in the amount of \$6,256,957.40, pending approval of the contractor's construction bonds and insurance and subject to City approval of amendments to the agreements. Director Fincher seconded the motion, which passed unanimously.

Ms. Wallace reviewed the monthly expenses associated with the Phase II Park Row Completion Project totaling \$23,855.32 to be paid from capital funds. Following review and discussion, Director Fincher moved to approve the monthly expenses associated with the Phase II Park Row Completion Project. Director Halick seconded the motion, which passed unanimously.

HOUSTON POLICE DEPARTMENT AND NEIGHBORHOOD PROTECTION AND CODE ENFORCEMENT UPDATE

Ms. Wallace presented and reviewed reports on the District's security patrols.

Mr. Richards introduced himself to the Board and reported on discussions with neighboring property owners regarding an increase in the number of automobile break-ins on their properties. He reported that Staybridge Suites plans to install fencing around its parking lot.

GENERAL MANAGER'S REPORT

Mr. Martinson reported on review of the proposed agreement between the District and the Harris County Constable's Office Precinct 5 for security services to begin on January 1, 2016, subject to approval of the agreement by both parties in December.

Mr. Martinson next discussed Ms. Wallace's upcoming retirement and reported on a new Finance and Administration Manager that was hired. He noted that Ms. Wallace will remain on staff on an hourly basis to assist with the transition.

Mr. Martinson then reported on the pending annexation of properties into the District, noting the schedule for the annexations has been delayed to 2016.

Lieutenant Phares discussed his disappointment upon hearing of the District's decision to replace its current patrol service provided by the City of Houston Police Department with Harris County Constable service. He said he prepared a list of items that the Board should consider to ensure the District continues to receive the same level of service. Lieutenant Phares expressed appreciation to the Board and District staff for contracting with the City Police Department for patrol services during the previous 10 years.

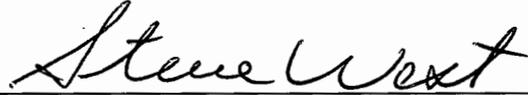
NEXT MEETING

The Board discussed next month's meeting date and concurred to hold the next regular Board meeting on December 11, 2015, subject to confirming a quorum. The Board discussed the proposed timeline for the City to consider amending the Economic Development Agreement with the District and the Interlocal Development Agreement related to the Park Row Completion Project to increase the maximum reimbursement

amount for the project. After discussion, Director Fincher moved to authorize the President to execute amendments to such agreements. Director Halick seconded the motion, which passed unanimously.

ADJOURN

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



Secretary, Board of Directors



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