



Downtown  
Redevelopment  
Authority

**Board of Directors Meeting**  
September 12, 2023

Tax Increment Reinvestment Zone, Number Three  
City of Houston

**Downtown Redevelopment Authority**  
Tax Increment Reinvestment Zone Number Three, City of Houston

**Board of Directors Meeting**  
**September 12, 2023**

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**MINUTES OF THE REGULAR MEETING  
OF THE  
DOWNTOWN REDEVELOPMENT AUTHORITY**

June 13, 2023

The Board of Directors (the “Board”) of the Downtown Redevelopment Authority (the “Authority”) convened in regular session, in person and open to the public, inside the Large Conference Room at the Authority’s office, located at 1221 McKinney Street, Suite 4250, Houston, TX 77010, on the 13<sup>th</sup> of June 2023, and the roll was called of the duly constituted officers and members of the Board, to wit:

Curtis Flowers	Chair
Michele Sabino	Vice Chair
Barry Mandel	Secretary
Keith Hamm	Treasurer
Regina Garcia	Director
James Harrison	Director
Sherman Lewis	Director
Tiko Reynolds-Hausman	Director
William Taylor	Director

and all of said persons were present except for Directors Harrison, Garcia, Lewis and Reynolds-Hausman. Also present were Allen Douglas, Executive Director (“ED”); Kris Larson, President; Jana Gunter, Director of Finance; and staff members Brett DeBord, David Gwin, Aaron Hernandez, Ryan LeVessuer, Lonnie Hoogetboom, Jamie Perkins, Ann Taylor and Candace Williams; Algenita Davis, consultant to the Authority; and Clark Lord, outside counsel to the Authority.

Also in attendance were guests and presenters Hunter Gillaspie, Garrett Harper, Paul Butterfras and Chris Roberson, all with AECOM. Andrew Busker with the City of Houston’s Office of Economic Development attended from the public.

**DETERMINE QUORUM; CALL TO ORDER**

Chair Flowers conducted a roll call and quorum was established. The meeting was called to order at 12:09 PM.

**INTRODUCTION OF GUESTS AND PUBLIC COMMENTS**

Chair Flowers invited meeting attendees to introduce themselves and welcomed all. Next, he asked if there were any comments from the public. There were no comments from the public.

**MINUTES OF PREVIOUS MEETING**

The Board considered approving the minutes of the May 9, 2023 regular joint board meeting. Hearing no questions or need for discussion; Chair Flowers called for a motion, moved by Secretary Mandel and seconded by Vice Chair Sabino, and the minutes of the May 9, 2023 regular joint board meeting were approved as presented.

**FINANCE & ADMINISTRATION**

May 2023 Finance Summary

Chair Flowers asked Jana Gunter to provide updates from finance and administration. Ms. Gunter shared highlights from the check register for the month ending May 31, 2023. She then asked if there were any questions or comments. There were no questions or comments.

A motion to accept the May check register was entertained by Chair Flowers; moved by Secretary Mandel and seconded by Vice Chair Sabino, and the May check registers were accepted as presented.

#### Investment Policy Review

ED Douglas provided background about the annual Investment Policy Review. He referred to the draft Investment Policy included in the materials previously provided. Next, Chair Flowers called for questions or comments. Hearing none, he then called for a motion to accept the review of and adopt any suggested changes to the Investment Policy. This was moved by Vice Chair Sabino and seconded by Treasurer Hamm, and the annual review of the Investment Policy and any suggested changes were accepted as presented.

#### **AECOM UPDATES & PRESENTATIONS ON ADAPTIVE REUSE/OFFICE CONVERSION PROJECT**

ED Douglas opened discussion about the Adaptive Reuse/Office Conversion Project. He gave a brief overview of the Project's history and introduced members of the AECOM Team. The AECOM team shared a presentation and provided updates on the Project. Discussion ensued and questions were asked and answered. Next steps of the Project were discussed, and AECOM will return in early fall with a set of recommendations for the Board to review. No further action was required.

#### **RETENTION OF CARR, RIGGS & INGRAM FOR DRA FY23 AUDIT**

Chair Flowers called on Jana Gunter to present an action item authorizing staff to engage and enter into any necessary agreements with the audit firm Carr, Riggs and Ingram to conduct the FY23 DRA/TIRZ #3 audit, in an amount not to exceed \$20,500. No questions were asked, and no discussion occurred.

Chair Flowers called for a motion, moved by Director Taylor and seconded by Secretary Mandel, and the Board approved this request to engage Carr, Riggs and Ingram to conduct the FY23 DRA/TIRZ #3 yearly audit as presented.

#### **DRA/TIRZ#3 FY24 DRAFT BUDGET**

Chair Flowers called on ED Douglas to introduce this item. He presented the draft of the FY24 Authority budget, which was previously reviewed by the Budget & Finance Committee on June 5, 2023. Next, ED Douglas provided an overview of future planned capital project expenses. Discussion ensued over the \$980,000 line item budgeted for the COH and HPD. Both Board and staff expressed a need for more involvement with how dollars from \$980,000 line item are allocated and used. The Board agreed to use this new fiscal year as an opportunity to partner with HPD to re-evaluate priorities and initiatives to meet the current needs of downtown.

Chair Flowers asked for a motion to approve the final draft of the FY24 Operation & CIP Budget and release it to the City of Houston for review and City Council approval, with the agreed upon condition on the \$980,000 line item for DRA/TIRZ #3 to partner with HPD and re-evaluate priorities and initiatives that address the current needs of downtown. This motion was moved by Treasurer Hamm and seconded by Secretary Mandel, and the FY24 DRA/TIRZ #3 Budget was approved as drafted, with the above stated condition on the \$980,000 COH line item.

#### **CENTRAL HOUSTON CIVIC IMPROVEMENT – CIVIC OPPORTUNITIES FOR NHHIP PROJECT**

Chair Flowers called on ED Douglas to present this item. He began by providing a brief background and history this budget item and explained how this sixth installment is going to Central Houston Civic Improvement ("CHCI") in assisting with "civic opportunities" associated with TxDOT's North Houston Highway Improvement Project ("NHHIP"). No discussion occurred and there were no questions presented.

Chair Flowers asked for a motion to approve a sixth installment to Central Houston Civic Improvement for the advocacy of the Civic Opportunities associated with the North Houston Highway

Improvement Project of an amount not to exceed \$250,000 and the execution of the necessary agreements by the appropriate officer of the Authority. Upon a motion duly made and seconded, the Board voted unanimously to approve this item.

### **STRATEGIC ALIGNMENT UPDATES**

President Larson provided an overview of the prior month's progress on cross-organizational Strategic Initiatives. No further action was required.

### **OTHER BUSINESS**

No further business was brought forth before the Board.

### **NEXT MEETINGS**

Chair Flowers announced the July Board, and all Collaborative Committee meetings are cancelled. The next Board meeting will take place on Tuesday, August 8, 2023 at 12:00 PM.

### **ADJOURNMENT**

There being no further business to come before the Board, a motion was called to adjourn at 1:52 PM.

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Barry Mandel, Secretary  
Downtown Redevelopment Authority  
("Authority")

**MINUTES OF THE REGULAR MEETING  
OF THE  
TAX INCREMENT REINVESTMENT ZONE NUMBER THREE**

June 13, 2023

The Board of Directors (the "Board") of the Tax Increment Reinvestment Zone Number Three (the "Zone") convened in regular session, in person and open to the public, inside the Large Conference Room at the Zone's office, located at 1221 McKinney Street, Suite 4250, Houston, TX 77010, on the 13<sup>th</sup> of June 2023, and the roll was called of the duly constituted officers and members of the Board, to wit:

Curtis Flowers	Chair
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Also in attendance were guests and presenters Hunter Gillaspie, Garrett Harper, Paul Butterfrass and Chris Roberson, all with AECOM. Andrew Busker with the City of Houston's Office of Economic Development attended from the public.

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Chair Flowers asked for a motion to approve a sixth installment to Central Houston Civic Improvement for the advocacy of the Civic Opportunities associated with the North Houston Highway Improvement Project of an amount not to exceed \$250,000 and the execution of the necessary

agreements by the appropriate officer of the Zone. Upon a motion duly made and seconded, the Board voted unanimously to approve this item.

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Barry Mandel, Secretary  
Tax Increment Reinvestment Zone  
Number Three ("Zone")



# Check register for June 2023

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- Total checks issued in June 2023 were \$4.4 million
  - City of Houston
    - Municipal Support - \$1,882,161
  - Buffalo Bayou Partnership
    - Contractual Support - \$1,319,363
  - Woodbranch Tower, LLC
    - DLI Payment - \$667,141
  - Central Houston Civic Improvement
    - NHHIP - \$250,000
  - Central Houston
    - Administrative Contractors - \$112,772

# Check register for July 2023

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- Total checks issued in July 2023 were \$865K
  - Rusk @ San Jacinto Partners, LP
    - DLI Payment - \$396,303
  - Fairfield Block 334 LP
    - DLI Payment - \$193,272
  - SWVP Houston Hotel LLC
    - DLI Payment - \$142,723
  - Central Houston
    - Administrative Contractors - \$107,581



# Statement of Net Position, June 30, 2023

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## Assets

- Cash and Investments are \$30.4 million
- Other Receivables – \$648K
  - HDMD support for DLI - \$512K
  - Harris Co. Tax Increment - \$137K

## Payables

- Accounts Payable & Accrued Expense are \$4.3 million.
  - DLI and Economic Development Grants outstanding \$3.5 million
  - Retainage Payable – \$738K, Bagby \$470K, Trebly \$268K
- Bonds Payable due Sept 2023 – \$2.25 million



# Statement of Activities, June 30, 2023

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- Total Revenues of \$21.8 million is \$2.1 million less than budget due to lower property values than forecasted by the City of Houston offset by a \$611K increase in interest income due to better rates than forecasted.
- Project Costs are \$17.2 million, \$4.4 million higher than projected due primarily to the 2023 funding of the Lynn Wyatt Square budgeted in 2022 scheduled to open later this year.



# Cash & Investments, June 30, 2023

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- Cash balance - \$616,131
- Investment Funds
  - Logic Increment - \$21.271 million
  - Morgan Stanley Investment Fund
    - Debt Service - \$4.214 million, interest payments are issued in September and March.
    - Bond Reserve - \$4.365 million



# 2023 Disadvantaged Business Enterprise Program (DBE) Activity Report (7/1 – 6/30)

	2023	2022
	Operating	Operating
Total Certified MWBE	\$510K	\$2,616K
Adjusted Total Spending	\$19,826K	\$20,526K
Less: Qualified Exclusions	(\$18,528K)	(\$10,376K)
Qualifying Total Spending	\$1,298K	\$10,150K
% MWBE Certified	39.3%	25.8%
Total Self-Certified MWBE	\$15K	\$ -
% Certified + Self Certified	40.4%	25.8%
<b>GOAL</b>	<b>20.0%</b>	<b>20.0%</b>

# Check register for August 2023

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- Total checks issued in August 2023 were \$428K.
  - TIRZ #27 – Montrose RA
    - Montrose Blvd Bridge Design Work - \$268K
  - Central Houston, Inc.
    - Admin support - \$132K
  - Downtown Launchpad/Office Conversion
    - Ryan M. LeVasseur consultant - \$20K

**MAIN STREET MARKET SQUARE**  
 AP Check Register (Current by Bank)  
 Check Dates: 6/1/2023 to 6/30/2023

Check No.	Date	Vendor ID	Payee Name	Amount
<b>BANK ID: OP - JPMORGAN CHASE BANK, N.A.</b>				<b>101.000</b>
3078	06/01/23	3025	CENTRAL HOUSTON, INC	\$112,771.81
3079	06/01/23	6/1/23 3025		
3080	06/01/23	6/1/23 3025		
3081	06/01/23	6/1/23 3025		
3082	06/01/23	9930	WOODBANCH TOWER LLC	\$677,141.00
3083	06/28/23	3050	CITY OF HOUSTON	\$1,882,161.00
* 1319758	06/08/23	3212	DAVID GWIN	\$22.04
* 1319765	06/08/23	2070	BRACEWELL LLP	\$4,600.00
* 2948961	06/15/23	4986	RYAN M. LeVASSEUR	\$20,000.00
* 2948964	06/15/23	3026	CENTRAL HOUSTON CIVIC	\$250,000.00
* 2948966	06/15/23	3700	HOUSTON DOWNTOWN MANAGEMENT	\$149,144.57
* 4526794	06/23/23	2100	BUFFALO BAYOU PARTNERSHIP	\$1,319,363.48
<b>BANK OP REGISTER TOTAL:</b>				<b>\$4,415,203.90</b>
<b>GRAND TOTAL :</b>				<b><u>\$4,415,203.90</u></b>



**MAIN STREET MARKET SQUARE**  
**AP Check Register (Current by Bank)**

Check Dates: 7/1/2023 to 7/31/2023

Check No.	Date	Vendor ID	Payee Name	Amount
<b>BANK ID: OP - JPMORGAN CHASE BANK, N.A.</b>				<b>101.000</b>
* 3084	07/01/23	3025	CENTRAL HOUSTON, INC	\$107,580.61
3085	07/01/23	7/1/23 3025		
3086	07/01/23	7/1/23 3025		
3087	07/01/23	7/1/23 3025		
3088	07/05/23	3660	HDT HOTEL LLC	\$23,274.00
3089	07/05/23	7201	RUSK@ SAN JACINTO PARTNERS, LP	\$396,303.00
3090	07/10/23	3204	FAIRFIELD BLOCK 334 LP	\$193,272.00
3091	07/21/23	7310	SWVP HOUSTON HOTEL LLC	\$142,723.00
* 875245	07/21/23	1970	BEE-LINE DELIVERY SERVICE	\$62.80
* 9592884	07/13/23	2070	BRACEWELL LLP	\$1,300.00
<b>BANK OP REGISTER TOTAL:</b>				<b>\$1,114,515.41</b>
<b>GRAND TOTAL :</b>				<b>\$1,114,515.41</b>



**Downtown Redevelopment Authority**  
**Statement of Net Position**  
**June 30, 2023 and June 30, 2022**

	<b>2023</b>	<b>2022</b>
	<b>YTD Balance</b>	<b>YTD Balance</b>
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Cash	\$ 616,131	\$ 2,231,071
Investments - Project Funds	-	-
Investments - Debt Service	8,585,226	8,559,039
Investments - General	21,270,676	22,375,320
Tax Increments Receivable	136,966	380,796
Other Receivables & Prepaid Expenses	515,100	511,854
Capital Assets, Net	10,589,671	11,177,828
Cost of Issuance	357,533	387,747
<b>Total Assets</b>	<u>\$ 42,071,304</u>	<u>\$ 45,623,654</u>
<b>Liabilities</b>		
Accounts Payable & Accrued Expenses	\$ 4,312,464	\$ 5,306,542
Accrued Interest Payable	676,081	686,196
Lease Liabilities Due in One Year	408,374	392,471
Lease Liabilities Due After One Year	10,559,425	10,968,446
Notes Payable Due in One Year	-	-
Bonds Payable Due in One Year	2,250,000	2,180,000
Notes Payable Due After One Year	-	-
Bonds Payable Due After One Year	42,560,493	45,033,633
<b>Total Liabilities</b>	<u>60,766,836</u>	<u>64,567,289</u>
<b>Net Position</b>		
Net Position	(18,695,532)	(18,943,634)
<b>Total Liabilities &amp; Net Position</b>	<u>\$ 42,071,304</u>	<u>\$ 45,623,655</u>

**Downtown Redevelopment Authority**  
**Statement of Activities**  
**For the quarter and year ended June 30, 2023**

	<b>2023</b> <b>Q4 Actual</b>	<b>2023</b> <b>YTD Actual</b>	<b>2023</b> <b>YTD Budget</b>	<b>Fav (Unfav)</b> <b>Variance</b>
<b>Revenues</b>				
Tax Increments	\$ 3,650,391	\$ 24,156,187	\$ 29,514,910	(5,358,723)
Other Revenues	-	168	-	168
Interest Income	160,510	636,460	25,000	611,460
<b>Total Revenues</b>	<b>\$ 3,810,901</b>	<b>\$ 24,792,815</b>	<b>\$ 29,539,910</b>	<b>\$ (4,747,095)</b>
<b>Transfers</b>				
Administrative Fees	130,466	985,461	1,139,993	154,532
HISD Adjustment	259,004	1,922,208	4,391,454	2,469,246
	<u>389,470</u>	<u>2,907,669</u>	<u>5,531,447</u>	<u>2,623,778</u>
<b>Net Revenues</b>	<b>\$ 3,421,431</b>	<b>\$ 21,885,146</b>	<b>\$ 24,008,463</b>	<b>\$ (2,123,317)</b>
<b>Expenses</b>				
Project Costs	5,191,683	17,165,431	12,739,126	(4,426,305)
Municipal Services	1,882,161	1,882,161	2,045,000	162,839
Accounting	-	-	2,500	2,500
Auditing	-	19,228	18,000	(1,228)
Administrative Contractor	274,827	690,945	700,000	9,055
Legal Fees	13,300	15,369	18,000	2,631
Insurance	1,237	5,280	36,500	31,220
Consulting Fees	(2,720)	10,320	25,000	14,680
Office Expense	3,414	37,953	7,500	(30,453)
Interest Expense - Bonds	439,317	1,780,143	1,781,512	1,369
Cost of Issuance	7,554	30,214	30,214	(0)
<b>Total Expenses</b>	<b>\$ 7,810,772</b>	<b>\$ 21,637,044</b>	<b>\$ 17,403,352</b>	<b>\$ (4,233,692)</b>
<b>Change in Net Position</b>	<b>(4,389,341)</b>	<b>248,102</b>	<b>6,605,111</b>	<b>(6,357,009)</b>
Net Position Beginning of Year		(18,943,634)	(18,943,634)	-
<b>Net Position End of Period</b>		<b>\$ (18,695,532)</b>	<b>\$ (12,338,524)</b>	<b>\$ (6,357,009)</b>

**Downtown Redevelopment Authority**  
**Statement of Activities**  
**For the quarter and year ended June 30, 2023 and June 30, 2022**

	<b>2023</b>	<b>2022</b>	<b>Fav (Unfav)</b>
	<b>YTD Actual</b>	<b>YTD Actual</b>	<b>Variance</b>
<b>Revenues</b>			
Tax Increments	\$ 24,156,187	\$ 25,010,673	(854,486)
Other Revenues	168	2,440,588	(2,440,420)
Interest Income	636,460	29,920	606,540
<b>Total Revenues</b>	<b>\$ 24,792,815</b>	<b>\$ 27,481,181</b>	<b>\$ (2,688,366)</b>
<b>Transfers</b>			
Administrative Fees	985,461	1,022,034	36,573
HISD Adjustment	1,922,208	2,130,491	208,283
	<u>2,907,669</u>	<u>3,152,525</u>	<u>244,856</u>
<b>Net Revenues</b>	<b>\$ 21,885,146</b>	<b>\$ 24,328,656</b>	<b>\$ (2,443,510)</b>
<b>Expenses</b>			
Project Costs	17,165,431	16,435,860	(729,570)
Municipal Services	1,882,161	1,993,206	111,045
Accounting	-	-	-
Auditing	19,228	17,500	(1,728)
Administrative Contractor	690,945	347,333	(343,612)
Legal Fees	15,369	11,615	(3,754)
Insurance	5,280	10,886	5,606
Consulting Fees	10,320	15,453	5,133
Office Expense	37,953	10,014	(27,939)
Interest Expense - COH	-	-	-
Interest Expense - Bonds	1,780,143	1,836,945	56,802
Cost of Issuance	30,214	30,214	-
<b>Total Expenses</b>	<b>\$ 21,637,044</b>	<b>\$ 20,709,027</b>	<b>\$ (928,017)</b>
<b>Change in Net Position</b>	<b>248,102</b>	<b>3,619,629</b>	<b>(3,371,526)</b>
Net Position Beginning of Year	(18,943,634)	(22,563,263)	3,619,629
<b>Net Position End of Period</b>	<b>\$ (18,695,532)</b>	<b>\$ (18,943,634)</b>	<b>\$ 248,102</b>

**Downtown Redevelopment Authority**  
**Project Cost Detail**  
**For the year ended June 30, 2023**

	<b>2023</b> <b>YTD Actual</b>	<b>2023</b> <b>YTD Budget</b>	<b>Fav (Unfav)</b> <b>Variance</b>
<b>Project Costs</b>			
<b>Capital Improvement Projects</b>			
Allen Parkway	149,145	150,000	855
Southern Downtown Pocket Park	1,531,718	1,456,000	(75,718)
Bagby Street Improvements	942,569	-	(942,569)
NHHIP Civic Opportunities	250,000	250,000	-
Lynn Wyatt Square For The Performing Arts	7,560,490	-	(7,560,490)
<b>Total Capital Improvement Projects</b>	<b>10,433,920</b>	<b>\$ 1,876,000</b>	<b>\$ (8,557,921)</b>
Future Project Costs	(96,252)	1,000,000	1,096,252
Buffalo Bayou Park	2,706,949	2,618,719	(88,230)
806 Main/JW Marriott	142,723	260,344	117,621
Hotel Alessandra	56,032	73,976	17,944
Holiday Inn/Savoy Hotel	23,274	29,392	6,118
723 Main/AC Hotel	27,334	17,326	(10,008)
Downtown Living Initiative	19,379	-	(19,379)
Economic Development/Retail Program	118,684	60,000	(58,684)
Texaco Building/The Star	337,569	407,571	70,002
SkyHouse Houston	242,926	312,996	70,070
Fairfield Block 334	153,552	198,710	45,158
Hines Market Square	427,508	478,683	51,175
Market Square Tower	689,393	720,688	31,295
SkyHouse Main	243,726	324,395	80,669
Post HTX	344,032	425,000	80,968
Fairfield Residential	-	283,506	283,506
Hike & Bike Trails East of Allens Landing	448,719	1,000,000	551,281
Downtown Launchpad	557,349	497,820	(59,529)
Gener8tor	250,000	250,000	-
Montrose Bridge at Allen Parkway	-	1,000,000	1,000,000
Targeted Blight Remediation	38,614	500,000	461,386
<b>Total Developer/Project Reimbursements</b>	<b>6,731,510</b>	<b>10,863,126</b>	<b>4,131,616</b>
<b>Total Project Costs</b>	<b>17,165,431</b>	<b>\$ 12,739,126</b>	<b>\$ (4,426,305)</b>

**DOWNTOWN REDEVELOPMENT AUTHORITY  
INVESTMENT REPORT, FOURTH QUARTER FYE 2023  
FOR THE PERIOD APRIL 1, 2023 THROUGH JUNE 30, 2023**


FUND	BEGINNING BAL. BOOK VALUE	BEGINNING BAL. MARKET VALUE	GAIN (LOSS) TO MARKET FILE	INTEREST EARNED / ACCRUED THIS PERIOD	NET DEPOSITS OR (WITHDRAWALS)	ENDING BALANCE BOOK VALUE	ENDING BALANCE MARKET VALUE	ENDING BALANCE % OF PORTFOLIO	SIMPLE INTEREST YIELD	WT AVG MAT. DAYS
<b><u>OPERATING</u></b>										
JP MORGAN CHASE OPERATING	489,588.04	489,588.04	0.00	0.00	126,542.66	616,130.70	616,130.70	2.02%	N/A	1
JP MORGAN CHASE BOND OPERATING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	N/A	1
<b>TOTAL JPM</b>	<b>489,588.04</b>	<b>489,588.04</b>	<b>0.00</b>	<b>0.00</b>	<b>126,542.66</b>	<b>616,130.70</b>	<b>616,130.70</b>	<b>2.02%</b>		
<b><u>POOLED INVESTMENT FUNDS</u></b>										
LOGIC INCREMENT	9,096,918.54	9,096,918.54	0.00	110,185.36	12,063,572.45	21,270,676.35	21,270,676.35	69.80%	5.2700%	34
LOGIC BOND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%		
<b>TOTAL POOLED</b>	<b>9,096,918.54</b>	<b>9,096,918.54</b>	<b>0.00</b>	<b>110,185.36</b>	<b>12,063,572.45</b>	<b>21,270,676.35</b>	<b>21,270,676.35</b>	<b>69.80%</b>		
<b><u>REPURCHASE AGREEMENTS</u></b>										
BAYERISCHE LANDESBANK	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%		
<b>TOTAL BLB</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>		
<b><u>DEBT SERVICE</u></b>										
MORGAN STANLEY INVESTMENT FUND	35,838.42	35,838.42	0.00	402.03	4,177,965.55	4,214,206.00	4,214,206.00	13.83%	3.3681%	1
<b><u>BOND RESERVE</u></b>										
MORGAN STANLEY INVESTMENT FUND	4,446,637.93	4,446,637.93	0.00	49,922.64	(131,160.57)	4,365,400.00	4,365,400.00	14.33%	3.3681%	1
<b><u>PLEGGED FUNDS</u></b>										
BANK OF NEW YORK MELLON	7,625.50	7,625.50	0.00	0.00	(2,005.50)	5,620.00	5,620.00	0.02%	N/A	1
<b><u>PROJECT FUNDS</u></b>										
BANK OF NEW YORK MELLON	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	N/A	1
<b>TOTAL BNY</b>	<b>4,490,101.85</b>	<b>4,490,101.85</b>	<b>0.00</b>	<b>50,324.67</b>	<b>4,044,799.48</b>	<b>8,585,226.00</b>	<b>8,585,226.00</b>	<b>28.18%</b>		
<b>GRAND TOTAL</b>	<b>14,076,608.43</b>	<b>14,076,608.43</b>	<b>0.00</b>	<b>160,510.03</b>	<b>16,234,914.59</b>	<b>30,472,033.05</b>	<b>30,472,033.05</b>	<b>100%</b>		

Downtown Redevelopment Authority  
Disadvantaged Business Enterprise Program (DBE) Activity Report

**Reporting Period: 7/1/2022 -6/30/2023**

	<b>2023</b>	<b>2022</b>
	<b><u>DRA TIRZ #3</u></b>	<b><u>DRA TIRZ #3</u></b>
Total Certified DBE	\$ 509,681	\$ 2,615,836
Adjusted Total Spending	\$ 19,826,687	\$ 20,525,937
Less Qualified for Exclusion	\$ (18,528,269)	\$ (10,376,425)
Qualifying Total Spending	\$ 1,298,418	\$ 10,149,512
%DBE Certified	39.3%	25.8%
Total Self-Certified MWBE	\$ 15,000	\$ -
% Certified + Self-Certified	40.4%	25.8%



An aerial photograph of downtown Chicago, featuring a large stadium with a white roof and green structural elements in the foreground. The stadium is surrounded by parking lots and urban buildings. In the background, a dense skyline of skyscrapers is visible under a cloudy sky. A white curved shape on the left side of the image frames the text.

Downtown  
Division  
TIRZ Initiatives  
2023-2024

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# Civility Enforcement Initiative

- Civility enforcement will focus on identifying hotspots in the downtown area where large numbers of individuals tend to congregate who violate city civility ordinances and cause an overall decrease in quality of life in the area.
- The Downtown Differential Team will conduct civility focused operations. The Downtown Crime Suppression Team will focus on identifying and targeting violent or otherwise criminal behavior occurring among these groups.
- Officers will continue to monitor the movements of groups located within the Midtown area and provide consistent enforcement along the border between Downtown and Midtown.



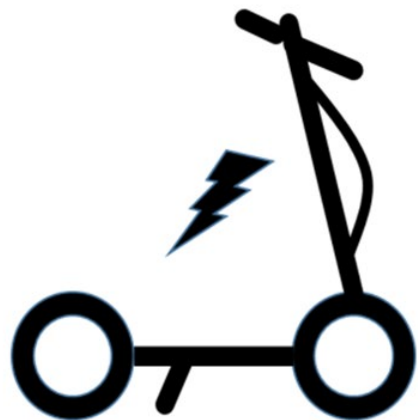
# BMV/Auto Theft Initiative

- BMVs & auto thefts remain the most prevalent crime in the Downtown area.
- Downtown CST will work collaboratively with Auto Theft Division to conduct regular BMV operations during large events. Officers will also target parking lot attendant impersonators during these operations.
- In 2022, Downtown CST recovered over \$1.5 million in stolen vehicles and will continue to identify and dismantle the auto theft crews operating downtown.
- The Downtown Bike Training Unit will utilize e-bikes to provide visibility in surface parking lots to deter BMV/auto thefts.





**SCOOT**  
RESPONSIBLY



## Scooter/Street Racer Initiative

- Scooter vendors consistently violate city ordinance and will be identified, cited and admonished to leave the area.
- Officers will provide Scoot Responsibly brochures to riders & vendors to educate them on the current ordinances and consequences for violating them.
- Officers will also focus on conducting traffic enforcement targeting large car clubs that visit the downtown area and cause a nuisance to residents and visitors.

# Logistics / Cost

- Average officer hourly OT rate = \$63
  - Average sergeant hourly OT rate = \$80
  - 4-hour Patrol shift (2 officers) = \$500
  - 4-hour DRT shift (1 sergeant, 4 officers) = \$1350
  - 4-hour CST shift (1 sergeant, 8 officers) = \$2350
- **Civility Enforcement Initiative:**
- DRT & CST each working one shift per week would *average \$14,800/month*
  - Patrol working three shifts per week would average *\$6,000/month*
- **BMV/Auto Theft Initiative:**
- CST working two shifts per week would *average \$18,800/month*
- **Scooter/Street Racer Initiative:**
- Patrol officers working three shifts per week (2 officers per day Thur/Fri/Sat evenings) would average *\$6,000/month*

# Information Sharing

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During our monthly meetings, and additionally as requested, Downtown Division will provide activity reports and financial snapshots for all TIRZ initiatives.



The Downtown Division management team will continuously assess each initiative to ensure the deployment of resources is effective in addressing the identified issues.

# Update: 8.1.23 through 9.8.23

Current spending = \$18,695

*Approximately 283 hours worked, 7 arrests made, and 3 major operations executed*

- ❖ Downtown CST organized a joint BMV operation after several vehicles were burglarized, many of which had weapons stolen from the vehicles. The operation led to the identification of 2 suspect vehicles involved. 2 arrests were made, 4 charges filed (Felony BMV, Felon in Possession of Weapon, Misdemeanor BMV & Class A Assault warrant), and 4 stolen firearms were recovered. A third suspect was later identified, charged and arrested on a Felony BMV warrant.
- ❖ CST organized a multi-agency operation (HPD, Texas DPS, Harris County SO, Fort Bend County SO, Galveston County SO, Brazoria County SO, Baytown PD) serving search warrants and arrest warrants simultaneously at 8 different locations across 4 counties (Harris County, Fort Bend County, Galveston County, and Brazoria County). The operation targeted an organized auto theft crew responsible for the theft of over 30 (mostly high-end) vehicles, many of which were stolen from downtown or the Galleria area. The operation led to 3 arrests and the recovery of 15 vehicles which, in total, valued approximately \$1.27 million. Several additional charges are pending for Engaging in Organized Criminal Activity.

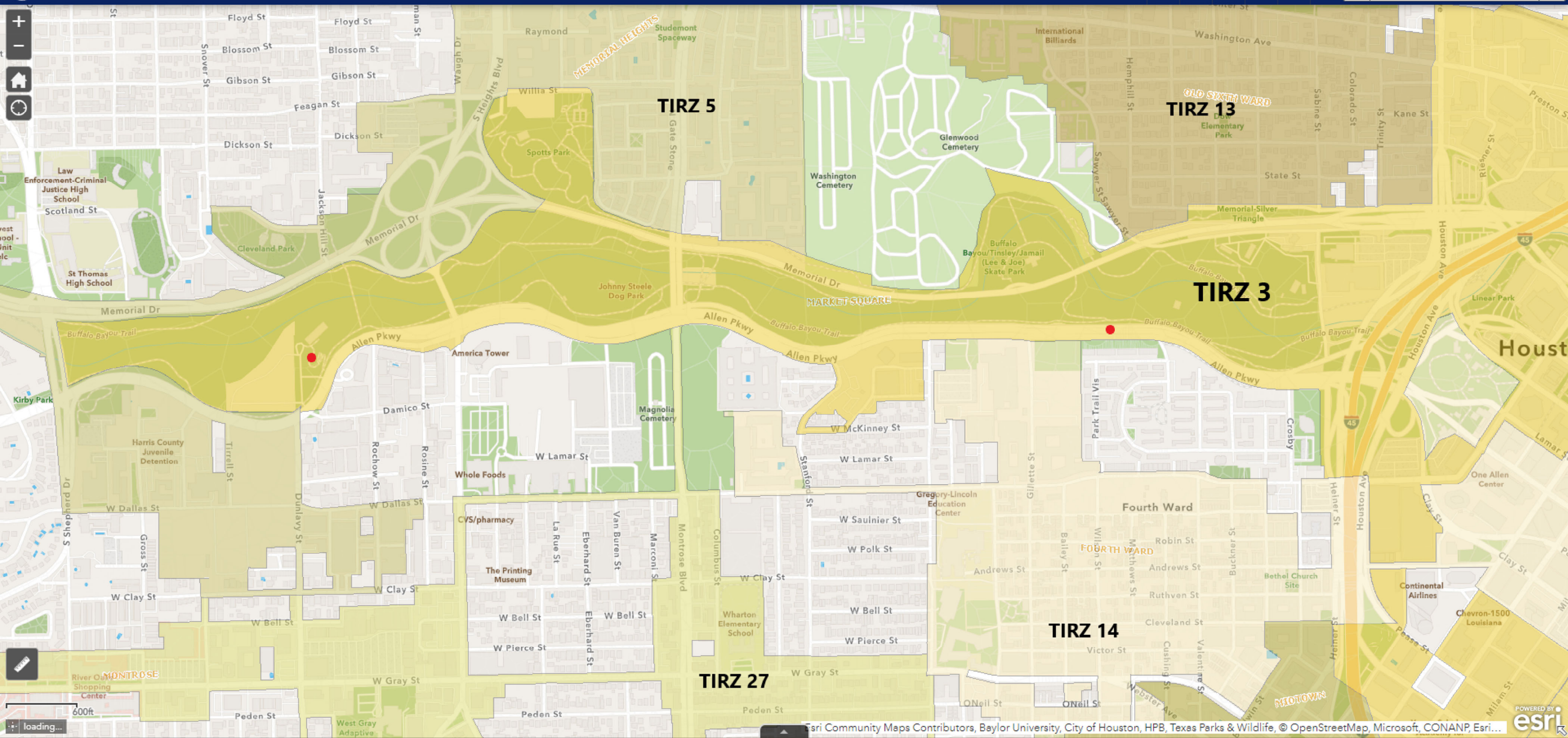
## Update: 8.1.23 through 9.8.23, cont.

- ❖ CST organized a joint operation (HPD Auto Theft Division, Harris County Pct 4) to arrest an auto theft suspect responsible for running an organized crew known to target the Downtown area – specifically surface and apartment parking lots. The suspect was arrested for Engaging in Organized Criminal Activity & officers immediately executed a search warrant at his residence. Over \$40K cash was seized along with evidence tying the suspect to numerous auto thefts.
- ❖ Downtown CST worked with Homicide Division to arrest a suspect for a Felony Aggravated Assault DW warrant & Class A Assault warrant. The suspect was then charged with Capital Murder while in custody.
- ❖ The recent Beacon Initiative utilized a different funding source – TIRZ funding is allowing us to maintain the area with the Civility Enforcement Initiative. Additional focus has also been added to the area of 500 Fannin, as well as addressing illegal vendors along Main/Prairie.
- ❖ Pedi-Cab enforcement has been added to the Scooter/Street Racer Initiative. Pedi-cabs have been causing significant traffic issues before Astros games, especially those in the evening that coincide with rush-hour traffic.



Questions?

<b>PROJECT NAME</b>	Operation and Maintenance of Electric Vehicle Charging Stations Along Allen Parkway
<b>REQUEST</b>	Review, discuss, and request for the DRA Board of Directors to consider approving an authorization to allow staff to enter into an Agreement with a vendor/supplier to operate and maintain two electric vehicle charging stations located within the DRA/TIRZ #3 boundaries along Allen Parkway.
<b>DESCRIPTION</b>	Authorize staff to enter into an Agreement with a vendor/supplier to operate and maintain two electric vehicle charging stations located in the on-street parking area along Allen Parkway between Sabine and Taft Streets. The purchase of these charging stations will be financed from federal funds at the behest of Council Member Kamin. A portion of the federal funds, in excess of the cost of purchase, will and can be used to defray the operations and maintenance of the stations for a period of time. The negotiated Agreement with the chosen vendor will be designed to permit the DRA to expense the use of the charging stations at a charge-rate designed to cover the continued cost of maintenance, operation, and energy fees.
<b>ACTION ITEM</b>	Authorize staff to negotiate an Agreement with a vendor/supplier to operate, maintain and charge for the use of two electric vehicle charging stations along Allen Parkway.
<b>CONTACTS</b>	DRA: Kris Larson, President DRA: Allen Douglas, Chief Operating Officer & DRA Executive Director HDMD: Brett DeBord, Director of Operations and Capital Projects

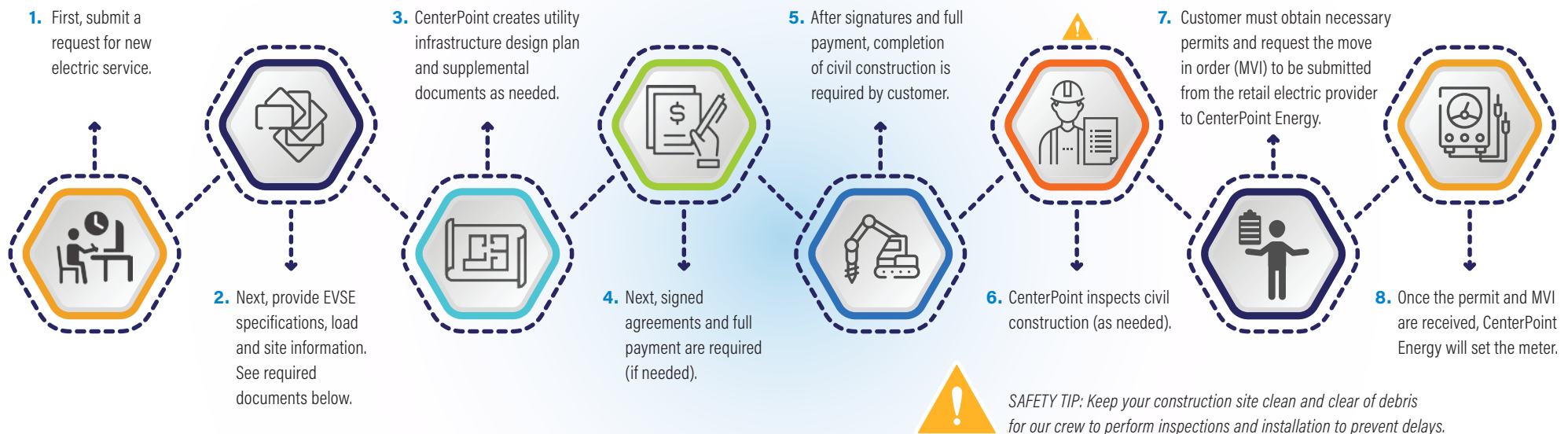




# Helping you install your electric vehicle supply equipment (EVSE)

CenterPoint Energy is excited to support you during the installation process of your new EVSE equipment! We've provided a process map and required documents to support efficient installation of your equipment. These estimated completion timelines are dependent upon the scope and scale of your project.

In the event of unforeseen circumstances that impact gas and electric distribution operations, like hurricanes or cold weather, restoration efforts take priority over other services, including EVSE installation services. These efforts may result in timeline delays.



## Required documents

- NEC load analysis
- One-line diagram
- Site plan\*
- Recorded plat
- Recorded warranty deed (if applicable)

\*For major underground construction, site plan must be submitted in Auto CAD 2013 or earlier versions.

For comprehensive process details, visit

[CenterPointEnergy.com/EVSEInstall](https://www.CenterPointEnergy.com/EVSEInstall).



# Downtown Launchpad Floor Plan



# Downtown Launchpad Interior



# Downtown Launchpad Interior



# Downtown Launchpad Interior





# Downtown Launchpad Interior



### **SEDIE Support Stack Overview – MBDA Capital Readiness Grant**

In recent weeks, the Socially and Economically Disadvantaged Individual Entrepreneurs (SEDIE) Support Stack, spearheaded by Impact Hub, secured a substantial \$3 million grant from the U.S. Minority Business Development Agency (MBDA). To secure this grant, the DRA provided local in-kind matching funds through recognition of the lease arrangement DRA commits to the maintenance of the Downtown Launchpad. DRA's contribution manifested in the form of a rent waiver for the Launch Pad over a span of four years. The grant application stipulated a 25% local matching contribution (equivalent to \$750,000) to permit the SEDIE Support Stack consortium to seek the largest grant amount of \$3 million.

The SEDIE Support Stack is comprised of ten distinct organizations, with a range of functions. The Downtown Redevelopment Authority is a principal of the Support Stack consortium through the Downtown Launchpad. Four other organizations serve as grant applicants and direct recipients: Impact Hub Houston, Houston Minority Supplier Development Council (HMSDC), LiftFund, and Houston Business Development Inc. (HBDI). The remaining five entities are subawardees in the grant application: Houston Area Urban League (HAUL), Camara de Empresarios Latinos, United4Change, Goodspero, and Spectrum Fusion.

The SEDIE Support Stack's member organizations collectively provide an array of services to a diverse range of individuals and small businesses. The table below offers a summarized overview of each organization's services, while also indicating which entities will be responsible for delivering the grant-supported core services: capacity building, capital access, and network building.

<b><i>Organization</i></b>	<b><i>Business Focus</i></b>	<b><i>Capacity Building</i></b>	<b><i>Capital Access</i></b>	<b><i>Network Building</i></b>
Impact Hub Houston	Serves as a grant conduit for non-registered charities. Hosts events, like hackathons, for start-ups. Provides digital literacy services to senior citizens.	X	X	X
Houston Minority Supplier Development Council (HMSDC)	Supports minority owned businesses register for appropriate status and provides administrative support to MWBEs	X	X	X

<b><i>Organization</i></b>	<b><i>Business Focus</i></b>	<b><i>Capacity Building</i></b>	<b><i>Capital Access</i></b>	<b><i>Network Building</i></b>
LiftFund	Administers micro loans and small loans for small business start-ups (minority focused)	X	X	X
Houston Business Development Inc. (HBDI)	Provides bridge financing for small businesses	X	X	X
Houston Area Urban League (HAUL)	Provides a range of social and business services for Houston's African American community.	X		X
Camara de Empresarios Latinos	Supports the growth of Hispanic-owned businesses established in the city of Houston.	X		X
United4Change	Administers entrepreneur training programs for founders in Latin-American countries.	X		X
Spectrum Fusion	Fosters career opportunities for neurodiverse individuals.	X		X
Goodspero	Creates audio and visual content for small businesses.			X

## **EXECUTIVE SUMMARY - DRAFT COH TIRZ ADMINISTRATIVE PROCEDURES**

### **TIRZ Program Background & Purpose**

- Tax Increment Financing - An economic development financing tool used to generate revenue from tax revenue attributable to the increase in property value within a Tax Increment Reinvestment Zone (TIRZ or Zone). Revenue is used to fund infrastructure or other public improvements within the TIRZ/Zone.
- Purpose of TIRZ Creation – to promote economic development in unproductive, underdeveloped, or blighted areas by developing and diversifying the economy of the Zone. Develops or expands transportation, business, and commercial activity.
- TIRZ Program is collaborative and relies heavily on investment from the private sector, which in turn increases economic activity and the subsequent taxable value. Five key stakeholders play an active role in a TIRZ:
  - City Government: creates the TIRZ, provides governance and oversight
  - TIRZ Board: creates and adopts the Zone’s project financing plan and oversight
  - Redevelopment Authority Board: public non-profit local Government Corporation responsible for administration and implementation of project plan
  - TIRZ/RDA Administrator: manages day to day operations of Zone and RDA
  - Private Developers: invest in private projects resulting in increased property values

### **Policy Goals**

To enhance the City’s role and involvement in TIRZs by creating a comprehensive set of polices and structure for all TIRZs to follow. Such set of policies will be approved by the City Council, encompassing the areas of:

- Governance (G)
- Fiscal Responsibility (FR)
- Equity (E)
- Compliance (C)
- Transparency (T)

Currently, each TIRZ abides by City Ordinances and internal policies developed by the Mayor’s Office of Economic Development (MOED) and the TIRZ Boards.

### **Guiding Philosophy**

For a TIRZ to act as a catalyst for place-based private investment through construction or improvement of public infrastructure, aligned to the City’s Goals and without compromising economic needs of the City as a whole.

### **Proposed TIRZ Program Administrative Procedures**

Will supplement the amended City of Houston Financial Policies ordinance (approved every 2 years) by City Council and reviewed every 2 years thereafter.

- TIRZ Creation
  - TIRZs will be considered only when the proposed area clearly demonstrates a nexus between the proposed eligible TIRZ projects and economic growth spurred by new investment. Administration will consider two approaches when creating a TIRZ: traditional or single-site.
- TIRZ Life Extension
  - The life extension of an existing TIRZ will be evaluated and considered if the extension is required to secure financing for an approved project, expedite construction, will provide for additional time to complete an approved project, will allow for additional revenue if supported by a plan that demonstrates the viability for new investment or is needed to leverage new local, state, federal or philanthropic funding.
- TIRZ Termination
  - A TIRZ that has either met the objectives defined in the Zone’s project plan or that has “underperformed” and has been unsuccessful at meeting the objectives defined in the zone’s project plan after 15 years from its creation will be a candidate for termination immediately if there are no outstanding obligations or reclassified from active to “pre-termination” if there are exiting debt or outstanding obligations.
- TIRZ Boundary Adjustments
  - Annexations into existing Zones will be evaluated and considered when the annexation will further the objectives of the TIRZ’s project plan, attract private investment in the proposed area, support an application to the state or federal housing agency for the development and/or construction of workforce or affordable housing, support an application for state, federal or philanthropic funding for transportation, park, or other infrastructure. Consideration will be given if there is sufficient evidence that the TIRZ will encourage private investment in the proposed area. De-annexation will be evaluated and considered if the reduction in the boundary will increase the revenue generated in the area remaining after the reduction and will increase the city’s capacity to designate other areas for Tax Increment Financing considering the 25% statutory limitation.
- Non-Contiguous TIRZs
  - Non-Contiguous TIRZs will be evaluated and considered on a case-by-case basis where the criteria in chapter 311 are met. Additional consideration for a Non-Contiguous TIRZ may include an alignment between the area proposed for annexation with the existing TRIZ And the existing TRIZ’s capacity to generate revenue sufficient to meet its project plan objectives and to fund public capital infrastructure in the proposed area that is likely to encourage private investment or spur economic development.
- TIRZ Performance
  - The MOED will engage regularly with each TIRZ Board to assess and evaluate the TIRZ’s performance relative to the goals, objectives, and timeline for the delivery of capital

projects stated in the project plan. TIRZs that are either not performing or underperforming on the project plan will be required to provide an action plan that will encourage private investment and increase the revenue generated within the Zone.

- TIRZ Budget & Capital Improvement Plans
  - The annual budget and CIP will be presented to City Council for approval consideration only after the operating budget and capital projects have been reviewed and approved by the mayor or designee, HPW, and the TIRZ/RDA Boards. The budget will only reflect projects with identified funding sources or clear disclosure that additional funding sources are required and may contain a minimal capital reserve.
  
- TIRZ Debt Authorization and Issuance
  - The City's Finance Department and the TIRZ Bond Team will work cooperatively on all bond related matters including meetings, appointment of bond related providers to ensure governance and to benefit from low issuance cost options.

<b>AGENDA ITEM</b>	Administrative Policies and Procedures - Annual Review
<b>REQUEST</b>	<p>Approve the draft of the Downtown Redevelopment Authority's Administrative Policies and Procedures Manual, as amended September 2023.</p> <p>The draft of the Downtown Redevelopment Authority's Administrative Policies and Procedures Manual is enclosed. Proposed changes shown in redline form.</p>
<b>ITEM HISTORY</b>	<p><b>Fall 2022 – Summer 2023:</b> Authority Staff performed an internal review of the policies and procedures. This review integrated information to align with the latest Employee Handbook, which was adopted in late 2022.</p> <p>Authority Staff consulted outside legal counsel regarding the Investment Policy (Section 14) to review for continued alignment with current best practices and compliance with all applicable law. To remain in compliance with the audit of FY23, the Investment Policy (Section 14) was brought to the Board separately from the Administrative Policies &amp; Procedures Manual in June 2023 for review and approval. The Board approved the Investment Policy (Section 14) at that time.</p>
<b>DESCRIPTION</b>	<p>Per Section 16 of the Manual, <b>Adoption and Revision:</b></p> <p>“A. The Board officially finds, determines and declares that these Administrative Policies and Procedures were reviewed, carefully considered, and adopted at a regular meeting of the Board on <b><u>September 12, 2023</u></b>, and that a sufficient written notice of the date, hour, place, and subject of this meeting was posted at a place readily accessible and convenient to the public within the Authority and on a bulletin board located at City Hall, 901 Bagby St. Houston, TX 77002 for the time required by law preceding this meeting, as required by Chapter 551, Texas Government Code and that this meeting had been open to the public as required by law at all times during which these Code of Ethics and Policies were discussed, considered, and acting upon. The Board further ratifies, approves, and confirms such written notice and the contents and posting thereof.”</p>
<b>CONTACTS</b>	<p>DRA: Allen Douglas, Executive Director and General Counsel          Bracewell LLP: Clark Lord, Partner</p>



Downtown  
Redevelopment  
Authority

**Tax Increment Reinvestment Zone No. 3**  
Houston, Texas

# **DRAFT Administrative Policies and Procedures Manual**

~~November 9, 2021~~ September 12, 2023



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## Section 1. Definitions

- A. Accounting Personnel and/or Accountant: Administration Contractor personnel (Key Personnel) performing any of the various functions of business accounting on behalf of the Authority.
- B. Administration Contractor: Central Houston, Inc. is contracted to provide personnel and administrative support to the business of the Authority.
- C. Administration Contractor's Executive: The President & CEO of Central Houston, Inc.
- D. Agreement: The interlocal agreement and approved amendments by and between the Authority, TIRZ #3 and Central Houston, Inc. for project management and administrative services.
- E. Authority: The Downtown Redevelopment Authority ("Authority"), created pursuant to Chapter 431, Texas Transportation Code, ~~and as~~ amended and Resolution No. 1999-39 of the City.
- F. Authority Officials: Board Directors, Officers, Key Personnel, and any other persons and business entities engaged in handling of the day-to-day business of and investments for the Authority and TIRZ#3.
- G. Board: Board of Directors of the Authority/TIRZ#3.
- H. Board Director: A person appointed by the mayor of the City of Houston to serve on the Board of Directors of the Authority.
- I. Certified Public Accountant: the independent and licensed accountant or accounting firm hired to perform the financial business of the Authority.
- J. Chair~~person~~: The Chair~~person~~ of the Authority's Board of Directors shall be a member of the Board and approved by the mayor of ~~t~~The City of Houston. He or she shall have such duties as assigned by the Board of Directors. The Chair~~person~~ may call special or emergency meetings of the Board consistent with the Bylaws.
- K. Chief Operating Officer: Administration Contractor personnel.
- L. City: City of Houston, Texas ("City").
- ~~L.~~M. Collaborative Committees: Programmatic Committees consisting of members and stakeholders from all three affiliate boards (CHI, HDMD, and DRA). May also include public stakeholders.
- ~~M.~~N. Disadvantaged Business Enterprise ("DBE"): shall mean a business which has been certified by the City of Houston Minority/Women/ Persons with Disabilities Business Enterprises Program or through the internal TIRZ qualifications listed in Section 5 herein.

~~N.O.~~ District: The Houston Downtown Management District (“District” or “HDMD”).

~~O.P.~~ Executive Committee: Shall consist of the Chair~~person~~, Vice Chair~~person~~, Secretary, Treasurer/ Investment Officer, Executive Director and the President.

~~P.Q.~~ Executive Director: Administration Contractor personnel acting as Executive Director of the Authority. The Executive Director shall be the principal executive officer of the Authority and subject to the Board of Directors. He or she shall be in general charge of the properties and affairs of the Authority. In furtherance of the purposes of the Authority and subject to the limitations contained in the Articles of Incorporation. The President, Executive Director, Chair~~person~~, Vice Chair~~person~~ or Secretary may sign and execute all bonds, notes, deeds, conveyances, franchises, assignments, mortgages, notes, contracts and other obligations in the name of the Authority.

~~Q.R.~~ Expense Reports: Shall be reports developed by Key Personnel that will include information pertaining to all expenses and payments made by the Authority either through Board approval or through permissions given for payments that do not require Board approval.

~~R.S.~~ General Counsel: The person serving as the Chief ~~Legal Officer and~~ Legal Counsel for the Administration Contractor. It is the responsibility of the General Counsel to seek additional assistance from outside counsel as needed.

~~S.T.~~ Houston Downtown Management District: “District” or “HDMD,” a municipal management district created by S.B. 1620 in the 74th Session of the Texas Legislature.

~~T.U.~~ Investment Officer: Shall be an officer position filled by a Board Director and duly appointed by the Board and is responsible for the custody and charge of the books of account and financial records. These responsibilities may be delegated to Key Personnel as deemed necessary by the Investment Officer and the Executive Director.

~~U.V.~~ Key Personnel: Administration Contractor personnel provided under contract to execute the work program of Authority. Specifically, these individuals include but are not limited to: President & CEO; Executive Director; Chief Operating Officer; ~~Director of Planning, Design & Capital Projects~~ Director of Operations & Capital Projects; Director of Strategic Initiatives; Director of Engagement; Director of Finance; Director of Urban Strategy and Design; Accounting Personnel; ~~Accounts Payable Clerk~~; Administrative ~~Assistant~~ Personnel; ~~Receptionist~~, and all other staff employed by the Administration Contractor. ~~and Office Manager~~.

~~V.W.~~ Officers: Shall be Chair~~person~~, Vice Chair~~person~~ of the Board, Executive Director, Secretary, Treasurer/ Investment Officer and other officers as the Board may from time to time elect or appoint. One person may hold more than one office except that neither the Chair~~person~~ of the Board nor the Executive Director hold the office of Secretary.

~~W.X.~~ Operating Committees: The four committees of the Authority created pursuant to the Bbylaws include ~~Economic Development~~, Budget & Finance, ~~Capital Projects~~, and Executive.

~~X.Y.~~ Personnel Provider: The Administration Contractor and other third parties as may by contractual agreement provide personnel to the Authority.

~~Y.Z.~~ President: Shall mean Administration Contractor Personnel who serves as President of the Authority, and President & CEO of; the District and Central Houston, Inc.

~~Z.AA.~~ Public Official: Duly appointed member of the Board of Directors of the Authority.

~~AA.BB.~~ Records Management Officer/Records Administrator: Administration Contractor Personnel authorized by act of the Board to oversee the administration of the Authority's Records Management Program.

~~BB.CC.~~ Records Management Program: Process by which all records are managed and retained in accordance with local, state and federal law pertaining to records management, access and retention.

~~CC.DD.~~ Secretary: The Secretary of the Board shall keep the minutes of all meetings of the Board in books provided for that purpose: He or she shall attend to the giving and serving of all notices: in furtherance of the purposes of the Authority and subject to the limitations contained in the Articles of Incorporation. He or she may sign with the Executive Director in the name of the Authority and/or attest the signatures thereof, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes, and other instruments of the Authority. He or she shall have custody and -charge of the Authority's books, records, documents and instruments, except the books of account and financial records and securities of which the Treasurer/ Investment Officer shall have custody and charge, and such other books and papers as the Board may direct, all of which at all reasonable times be open to inspections of the Board upon application at the office of the Authority during business hours; and, he or she shall in general perform all duties incident to the office of Secretary subject to the control of the Board. Some or all of these tasks may be delegated to Key Personnel as deemed necessary by the Secretary and Executive Director.

~~DD.EE.~~ Treasurer: shall be considered the same as "Investment Officer" with all the duties, rights and responsibilities contained herein.

~~EE.FF.~~ TIRZ#3: City of Houston Tax Increment Reinvestment Zone Number Three ("TIRZ#3") created by Ordinance No. 1999-713 pursuant to Chapter 311, Texas Tax Code as amended.

~~FF.GG.~~ Vice Chairperson: Shall serve in the Capacity of the Chairperson in the event that the Chairperson cannot serve any longer or in the absence of the Chairperson.

## Section 2. Personnel

- A. The Authority has no employees. The Administration Contractor provides all administrative and managerial personnel in accordance with the agreement, as amended from time to time. It is the Authority's intent that all work performed by Key Personnel will be performed in a manner that meets the objectives of the Authority as set by the Board.
- B. ~~Time sheets will be kept by those employees who divide their time between activities exclusively sponsored by the Administration Contractor and activities undertaken by the Administration Contractor on behalf of the Authority.~~ The Authority will annually review and consider adjustments to Key Personnel compensation based on established rates and time allocations which will be adjusted to reflect actual time allocated to the work program of the Authority.
- C. Rates of compensation for Key Personnel will be reviewed annually and advice will be provided by the Authority's Executive Committee.
- D. The Authority's Executive Committee will have the opportunity to provide input in annual or more frequent reviews of Key Personnel. Input will be provided to President, Executive Director and/or Chief Operating Officer.
- E. The Authority's Executive Committee, at its discretion, will participate in the recruitment process and the hiring of the Executive Director. Executive Committee members may conduct interviews and provide advice to the Chair~~person~~ and the President, who have the responsibility for hiring and evaluating the Executive Director.
- F. It is the Authority's policy that any personnel provider shall provide equal employment and economic opportunity at every level without regard to race, color, creed, age, disability, sex, ethnicity, religion, sex, ethnicity, familial status, genetic information, marital status, military status, pregnancy, ~~age, disability~~, sexual orientation, gender identity or national origin.
- G. It is the Authority's intent that Key Personnel conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting Authority's business; and that the appearance of impropriety be avoided to ensure and maintain public confidence.
- H. Any performance not consistent with sound business and ethical practice by any Key Personnel should be reported to the Executive Committee and/or the Chair~~person~~ by the Executive Director as soon as possible.
- I. It is the Authority's intent that Key Personnel of the Administration Contractor be managed, directed and deployed at the direction of the Authority through the Executive Director.

### Section 3. Safe and Secure Workplace

- A. It is the Authority's desire that Central Houston, Inc. provide a safe and secure work environment for Key Personnel, as described on pages 2-28-35 through 2-372 of the Central Houston, Inc. Employee Handbook, ~~'s General Policies and Procedures~~. To achieve this, Central Houston, Inc. shall adhere to established safe and secure workplace policies, including having a safe and drug-free work environment which explicitly prohibits:
1. ~~1.~~ 1. The use, possession, solicitation for, or sale of narcotics or other illegal drugs, alcohol, or prescription medicine without a prescription while on Authority premises or while performing Authority assignments on or off premises;
  2. ~~2.~~ 2. The use of alcohol while performing a work assignment (excepting certain events and/or collegial gatherings where such activity is sanctioned and/or generally accepted).
  3. Being impaired or under the influence of legal or illegal drugs or alcohol on or off premises, if such impairment or influence adversely affects Key Personnel's work performance, the safety of you or others, or puts at risk the ~~Authority's~~ reputation of the Authority and its affiliates;  
~~and~~
  4. ~~3.~~ 3. Possession, use, solicitation for, or sale of legal or illegal drugs or alcohol away from CHI or affiliate workplace, if such activity or involvement adversely affects your work performance, the safety of you or of others, or puts at risk the reputation of CHI or its affiliates.
  5. The presence of any detectable amount of prohibited substances in your system while at work, while performing work for CHI, or while representing CHI in any capacity. "Prohibited substances" include illegal or prescription drugs not taken in accordance with a prescription provided by a licensed medical professional.
  6. Workplace Violence; and
  7. Concealed weapons, including handguns (regardless of having a permit) and other weapons.~~.~~
- B. Authority Officials are committed to the immediate reporting of work related injury or illness, whether on or off premise, to the Executive Director or other designated Key Personnel.

#### Section 4. Procurement and Contract Administration

- A. It is the Authority's intent to obtain the highest quality, most cost-effective goods and services. Service excellence and responsiveness are hallmarks of the Authority. Competitive procurement of services can support the achievement of this goal. Specific procurement guidelines are included herein and purchasing thresholds may be amended from time to time.
- B. It is the intent of the Authority to stimulate the growth of Minority, Disabled, Women, Small Businesses otherwise known as Disadvantaged Business Enterprises (DBE's) by encouraging the full participation of DBE's in all phases of its procurement activities and affording disadvantaged businesses a full and fair opportunity to compete for Authority's contracts. (See Section 5-).
- C. [Personal Solicitation and Conflict of Interest: Board Members and Key Personnel are discouraged from personally soliciting and/or contracting for services delivered by any company or vendor to the Authority or any of its affiliate entities. If such a relationship is unavoidable due to unforeseen reasons, the details of the personal solicitation of vendors to the Authority, and/or any of its affiliates, must be disclosed in detail to the Authority's Legal Counsel. Additional information about this policy is located in the Central Houston, Inc. Employee Handbook on pages 2-7 and 2-40.](#)
- D. Contract Administration: Any record, regardless of form or format, which constitutes an agreement between Authority and any other agency, institution, business entity (for profit or not for profit), vendor or consultant, with or without a related expenditure, is a contract and subject to Authority's [Records Retention Policy](#). (See Section 5-).
- E. Each vendor, or ~~other person~~ [person other people](#), who contracts for the sale or purchase of property, goods, or services, including construction and maintenance of improvements, is subject to the requirements of Chapter 176 of the Texas Local Government Code, and a completed Conflict of Interest ~~Questionnaire (COIQ)~~ form must be filed with the Authority.

[All parties entering into contracts with the Authority shall, to the extent required, comply with Section 2232.908 of the Texas Government Code, including making all filings with the Texas Ethics Commission. ~~Such contracts will also~~ This will require the business entity to submit a disclosure of interested parties Form 1295 \[with the Texas Ethics Commission\]\(#\) at the time the business entity submits the signed contract. Completing the Form 1295 will apply where the contract either \(1\) requires an action or vote by the Board before the contract may be signed or \(2\) has a value of at least \\$1 million.](#)

- E. Contract Award – Professional Services. Professional services, as distinguished from other services, are not required to be procured on a price bid basis. For all professional services, Authority may not consider cost as a factor, rather professional services must be selected solely on qualifications.
1. Professional services contracts for less than \$25,000 do not require Board approval. Professional services contracts of greater than \$25,000 require Board approval and an examination of qualifications is required.
  2. When contracting for professional services of fees greater than \$25,000, the selection shall be based on demonstrated competence and qualifications, determined by a thorough examination, and procured at a fair and reasonable price.
  3. DBE firms are included when comparative pricing for professional services ~~are~~is solicited.
- F. Contract Award – Construction. – Contracts for the construction, repair and renovation of Authority facilities and for the purchase of equipment, materials, machinery, and all things that constitute or will constitute the plants, works, facilities, or improvements of the Authority will be awarded in accordance with the following:
1. The Authority is governed by procurement provisions pertaining to an entity created pursuant to Chapter 431 of the Texas Transportation Code.
  2. A contract may cover all the work to be provided or the various elements of the work may be segregated for the purpose of receiving bids and awarding contracts so long as the work is not divided simply to avoid advertisement.
  3. A contract may provide for the payment of a total sum that is the completed cost of the work or may be based on bids to cover cost of units of the various elements entering into the work as estimated and approximately specified by the Authority’s engineers, or a contract may be let and awarded in any other form or composite of forms and to any responsible person or persons that, in the Board’s judgment, will be most advantageous to the Authority and result in the best and most economical completion of the Authority’s proposed plants, improvements, facilities, works, equipment, and appliances.
  4. For contracts over \$50,000, the Authority shall advertise the letting of the contract, including the general conditions, time and place of opening of sealed bids.
    - a. Bidding documents, plans, specifications and other data needed to bid on a project must be available at the time of the first advertisement and the advertisement shall state the location at which these documents may be reviewed.



- b. The notice shall be published in one or more newspapers circulated in Harris County.
  - c. The notice shall be published once a week for two consecutive weeks before the date that the bids are opened, and the first publication shall be not later than the 21<sup>st</sup> day before the date of the opening of the sealed bids.
5. For contracts over \$25,000 but not more than \$50,000, Authority shall solicit written competitive bids on uniform written specifications from at least three bidders.
  6. For contracts of not more than \$25,000, Authority is not required to advertise or seek competitive bids.
  7. For contracts of less than \$25,000, the contract may be approved by the Executive Director without Board approval if the Executive Director determines the contract is in the best interests of the Authority.
  8. The Authority may not subdivide work to avoid the advertising requirements specified in this section.
  9. Authority may not accept bids that include substituted items unless the substituted items were included in the original bid proposal and all bidders had the opportunity to bid on the substituted items or unless notice is given to all bidders at a mandatory pre-bid conference.
  10. Authority is not required to advertise or seek competitive bids for the repair of Authority facilities if the scope or extent of the repair work cannot be readily ascertained or if the nature of the repair work does not readily lend itself to competitive bidding.
  11. Authority is not required to advertise or seek competitive bids for security or surveillance systems or components of or additions to Authority facilities relating to security or surveillance, including systems used for the prevention of terrorists or criminal acts and incidents or acts of war, if doing so would compromise the safety and security of Authority facilities or residents.
  12. If changes in plans or specifications are necessary after the performance of the contract is begun, or if it is necessary to decrease or increase the quantity of the work to be performed or of the materials, equipment, or supplies to be furnished, the Board may approve change orders making the changes. The aggregate of the change orders may not increase the original contract price by more than 10 percent. Additional change orders may be issued only as a result of unanticipated conditions encountered during construction, repair, or renovation or changes in regulatory criteria or to facilitate project coordination with other political entities.

13. Final Acceptance of a Construction Contract. ~~Final acceptance procedures shall be set forth in every contract and generally meet the following guidelines:~~
- a. Once the work is sufficiently complete, a formal inspection may determine that the work is ready to be used for the use intended, the Authority will call an inspection to include such participants as the designer, inspector, contractor, accepting agency's representatives and others as appropriate. Results of the inspection shall be presented to the contractor in writing. If the completeness and condition of the work ~~indicates~~ indicate to the Chair ~~person~~ that the work is ready to be used for the use intended, then the work will be declared Substantially Complete.
  - b. Once the necessary work to be done as identified in the Substantial Completion inspection is complete then a final inspection will be made by the Authority and written results presented to the Contractor.
  - c. A recommendation to accept the work will be made to the Board of Directors after all work is complete, all issues ~~resolved~~ resolved, and the Contractor has agreed in writing with the proposed final payment.
- G. The above procedure notwithstanding, the Board of Directors may waive competitive bid requirements in the event of an emergency, in accordance with applicable law.
- H. Contracts and agreements with contractors or vendors shall provide conditions under which contracts may be terminated and faulty products or unprofessional service can be returned or remedied.
- I. For purchases and construction contracts made involving the use of federal, state, or grant funds, the Authority will comply with specific guidelines of the funding entity.
- J. ~~All contracts shall comply with Section 2270.002 of the Texas Government Code, as amended by HB 793, and such contracts shall contain the following language: [Company] hereby verifies that [Company] does not boycott Israel and will not boycott Israel through the term of this Agreement.~~
- Pursuant to Section 2270.002, as amended by HB793, [Company] hereby verifies this contract is:
- a) between a governmental entity and a company with 10 or more full-time employees;
  - b) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity;
  - c) the Company is not a sole proprietorship;

d) does not boycott Israel; and

e) will not boycott Israel during the term of the contract.

For purposes of this verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

- K. ~~All parties entering into contracts with the Authority (or whatever the defined term is) shall, to the extent required, comply with Section 2232.908 of the Texas Government Code, including making all filings with the Texas Ethics Commission.~~

## Section 5. Disadvantaged Business Enterprise Program (DBE Program)

- A. Goal: The Authority shall attempt to stimulate the growth of disadvantaged businesses by encouraging the full participation of disadvantaged businesses in all phases of its procurement activities and affording those disadvantaged businesses a full and fair opportunity to compete for Authority contracts. The purpose of the program is to increase the participation of disadvantaged businesses in public contract awards. Without limiting the generality of the foregoing, the Authority will objectively demonstrate good faith efforts to award non-personnel contract lettings and purchasing to DBE’s.
- B. Disadvantaged Business Enterprise (DBE) means:
1. A Corporation formed for the purpose of making a profit of which at least fifty-one percent (51%) of all classes of the shares of stock or other equitable securities are owned by one or more persons who are socially disadvantaged because of their identification as members of certain groups, that may include, but are not limited to: African Americans, Hispanic Americans, Native Americans, Asian-Pacific and Subcontinent Asian Americans, ~~American Indians~~, women, ~~and the~~are disabled, that have suffered the effects of discriminatory practices or similar insidious circumstances over which they have no control;
  2. A sole proprietorship for the purpose of making a profit that is one hundred percent (100%) owned, operated, and controlled by one or more persons described by Paragraph ~~{B-1}~~ of this subsection; ~~subdivision~~;
  3. A partnership for the purpose of making a profit in which fifty-one percent (51%) of the assets and interest in the partnership must be owned by one or more persons described by Paragraph ~~{B-1}~~ of this ~~subdivision~~subsection, and minority or women partners must have a proportionate interest in the control, operation, and management of the partnership affairs;

4. A joint venture between minority and women’s group members for the purpose of making a profit in which the minority participation is based on the sharing of real economic interest and must include equally proportionate control over management, interest in capital, and interest earnings. If majority (non-minority and non-women’s) group members own or control debt securities, leasehold interest, management contracts, or other interests, the joint venture shall not be designated a disadvantaged business; ~~or~~
  5. A supplier contract between persons described in Paragraph (B-1) of this ~~subdivision~~ subsection and a prime contractor in which the disadvantaged business is directly involved for the manufacture or distribution of the supplies or materials or otherwise for warehousing and shipping the supplies; ~~or~~
  6. The disadvantaged business enterprise must have the training and expertise to perform the work, and where required, have a license or certificate issued in his or her name.
- C. Certification: All disadvantaged businesses for the purposes of this program must be either:
1. Certified by the City of Houston Office of Business Opportunity, Houston Minority Suppliers Development Council, Women’s Business Enterprise Alliance, Houston Independent School District, Texas Department of Transportation (TxDOT); ~~and~~ Texas Historically Underutilized Business Program (Statewide HUB); or Texas Unified Certification Program (TUCP); or
  2. Certified by self-representation attesting to the business meeting the definition of a Disadvantaged Business Enterprise (DBE) as described in Paragraphs B-1 through B-6 of this Section 5
  3. The self-certification form shall require that:
    - a. The business attests to its eligibility in accordance with Paragraph ~~(1) of the subdivision B-1 of, this~~ Section 5; ~~and~~
    - b. The business is for profit, independent and currently functioning; ~~and~~
    - c. The business meets the Small Business Administration Size Standard(s) for its industry classification(s). [sba.gov/document/support-table-size-standards](https://www.sba.gov/document/support-table-size-standards); ~~and~~
    - d. The applicant must have a personal net worth of less than \$1,320,000 – excluding value of home and ownership interest in the business. There is no local presence requirement; and
    - e. The business acknowledges that any statement of material misrepresentation could result in termination of or from the contract.

- D. Actions: The Authority shall attempt to stimulate participation of disadvantaged businesses by the following:
1. It will periodically obtain and review relevant listings of certified disadvantaged businesses from the certification programs of entities shown above in ~~item~~ [Paragraph C](#). It will familiarize itself with disadvantaged businesses in relevant skills, trades and services relevant to the Authority's work. It will particularly note businesses located within the TIRZ boundaries.
  2. In procurement processes, as qualified bidders are identified, it will identify at least three disadvantaged businesses which will be mailed requests for qualifications, proposals or bids.
  3. Advertisements for procurements will be placed in at least two publications of general circulation within the community and a good faith effort will be made to advertise in publications circulated in predominantly Latinx and Asian communities. Advertisements will be forwarded [to](#) organizations with DBE memberships.
  4. Requests for procurement will plainly state the Authority's objective to stimulate the growth of disadvantaged businesses and the conditions for certification of disadvantaged businesses.
  5. On purchases of less than \$25,000, the Authority will identify disadvantaged businesses and include them in comparative pricing.
  6. Authorization requests of the [B](#)oard shall include an explanation of disadvantaged business participation in the process and results of the TIRZ efforts encouraging DBE selection of disadvantaged business involvement in the proposed expenditure.
  7. Consistent with its procurement activities, the Authority will reach out to disadvantaged businesses to provide information as to how a firm may effectively compete for work of the Authority.
  8. The Authority will keep records of the actions described above.
  9. In addition to its own procurement, the Authority shall attempt to educate itself and, to the extent possible, assist disadvantaged businesses in taking part in the economic activity within its boundaries.
  10. The Authority will review its disadvantaged business program annually with [a](#) review of policies and procedures.
- E. Oversight: The Executive Committee shall have oversight of the disadvantaged business program including audits of the program.

- F. Reporting: Annually, the Administration Contractor will provide a report of its efforts to engage the services of historically underutilized businesses. The report will be prepared within 120 days of the fiscal year ending June 30.
- G. Review: The review must consider the performance of the Administration Contractor in general with respect to disadvantaged businesses contracting rather than within a specific service or trade. The Authority's review shall determine whether statically significant disparities exist between the disadvantaged businesses in the relevant market that are qualified to undertake Authority work and the percentage of total Authority funds that are awarded to disadvantaged businesses.

## Section 6. Budgeting and Accounting

- A. The fiscal year for the Authority begins on July 1 and ends on June 30.
- B. The annual budgeting process will include the following: Prior to April 30 each year, the Board of Directors will review and approve the budget for the succeeding year and submit to the City for City Council Approval.

Budget preparation will involve the following before the Board of Directors adopts the budget:

1. Review of needs and priorities within the Authority.
  2. Review of a draft budget by the Budget & Finance Committee.
  3. Review of the draft budget by the Board of Directors.
- C. Financial records of the Authority are kept in accordance with generally accepted accounting principles.
  - D. Each year an annual audit of Authority funds for the prior year will be completed by an independent accounting firm and accepted by the Board of Directors. This audit will be submitted to the City by the Executive Director or Chief Operating Officer.
  - E. With respect to bank accounts:
    1. The signatures ("wet ink" or electronically) of any (i) two ~~Board~~ members of the Executive Committee; ~~and~~ or (ii) one Board member and the Executive Director or President of the Authority ~~—~~ will be required on all checks, drafts, warrants or orders.
    2. The bank will collateralize or sweep to AAA securities accounts all funds left in accounts overnight less the amount FDIC insured or as ~~prescribed~~ described in the ~~i~~investment ~~P~~policy.
    3. Wire transfers require bank notification electronically or in writing. The Board of Directors will pre-approve individuals authorized to request ~~or to~~ and approve wire transfers. No preset wire transfers from Authority accounts may be initiated and authorized by less than two of the pre-approved individuals. Transfers from investment institutions may be preset so that only one pre-approved individual may transfer funds from investment accounts to other Authority accounts.
  - F. Specific accounting procedures by the Administration Contractor will be conducted as follows:
    1. Tax Increment Fund Receipts will be transferred from the City to an Authority bank account.

2. Authority Receipts Other Than Assessments. ~~—~~Incoming checks and cash are logged daily by Administrative Personnel. A copy of the log, ~~t~~The checks, cash and original documentation are given to ~~the~~ Accounting Personnel. The log is given to the Director of Finance, the Executive Director, and the Chief Operating Officer.

Accounting Personnel will prepare the deposit slip and take the deposit to the bank. A detailed copy of the deposit slip is attached to the Accountant's copies to be entered into the computer and a copy of the deposit slip is given to ~~the receptionist~~ the Administrative Personnel who logged on that particular day for adding the deposit date to the daily log of receipts.

4. ~~3.~~ Vendor, Contractor Payment, and Other Payment Requests. ~~—~~  
Aaccounts will be established with vendors when appropriate. Budget account codes will be used by Accounting Personnel to allow purchases to ~~be correctly~~ be correctly accounted.

Vendors will be procured following the procedure as outlined in the Procurement Ssection of this manual. Contractors will be procured in the same manner. As required by this Administrative Policies and ~~procedures manual~~ Procedures manual, vendors and contractors will be pre-approved by the Board of Directors. Where appropriate and/or necessary, Letters of Agreement or contracts will be pre-approved by the Board of Directors and duly executed. Invoices and other forms of payment requests will be approved by Key Personnel and processed for payment by the Accounting Personnel according to the following procedure:

- (a) Vendors will be paid only upon submission of properly approved invoices. Accounting Personnel will refer invoices and other requests for payment to the appropriate Key Personnel for approval before further processing.
- (b) The Executive Director, ~~or~~ Chief Operating Officer or Director of Finance will review invoices, sales receipts and other evidence to affirm that materials or services were in fact provided. They will contact vendors or service providers to have questions answered and ensure the accuracy of the invoice. Contracts will be monitored for progress toward completion and adequacy of available funds. If an invoice is correct and in line with the contract, Key Personnel will approve the invoice in writing and ascribe the account code, and forward to Accounting Personnel for payment.
- (c) After receipt by Accounting Personnel of an invoice or other payment request approved by the appropriate Key Personnel and/or the Chief Operating Officer, a check will be prepared and forwarded to the authorized Officers for signature (“wet ink” or electronically).
- (d) For payments made by check, the normal Accounting processing time will be the Thursday following the receipt of a properly authorized invoice or payment request. To avoid late charges or other penalties, Key Personnel



should make every effort to expedite review and approval of their invoices or payment requests, taking into consideration the time necessary to process and mail a payment. However, the need for special check requests (e.g. advance registration, research materials, etc.) may arise, and Accounting Personnel may process invoices outside of the normal accounting period in accordance with the approval procedure described above.

4. Approval and processing of Key Personnel expense disbursements. ~~—~~
- (a) An expense check will be issued only upon submission of a properly approved invoice, expense report or request for expense memorandum.
- (b) The Chair ~~person~~ or Chief Operating Officer/Executive Director is authorized to approve the payment of expense disbursements and such approval should be indicated by either initialing or signing the document in ink after the Accountant has stamped the statement or invoice.
- (c) Expense Reports should be approved according to the following table:
- |                                      |  |
|--------------------------------------|--|
| <u>Submitted by:</u>                 | <u>Approved by:</u>                                |
| President                            | Chief Operating Officer <del>&amp;-or</del>        |
| <del>Executive Director</del>        | Executive Director <u>or Director of</u>           |
|                                      | <u>Finance</u>                                     |
| Chief Operating Officer <u>&amp;</u> | <del>Chief Operating Officer/President</del>       |
| <u>Executive Director</u>            | <del>Executive Director/</del> President <u>or</u> |
| All other Key Personnel              | <u>Director of Finance</u>                         |
|                                      | Executive Director                                 |
- (d) — Checks are processed once per week. The Accountant must have the properly completed and approved invoice or Expense Report by that time in order for the check to be processed.
- (e) The Accountant will notify the requester when checks are available.
5. Monthly Close-out. ~~—~~ The ~~Accountant~~ Director of Finance meets with the Certified Public Accountant and prepares the trial balance and general ledger. Financial reports are prepared as directed by the Authority by the Certified Public Accountant.
6. Financial Reporting. — Quarterly financial reports are reviewed by the Executive Director, ~~Chief Operating Officer~~ Director of Finance, and Treasurer/-Investment Officer and presented to the Board of Directors. Financial reports shall include a balance sheet, expenditure by program for the quarter and year-to-date, and a comparison with budgeted expenses.
7. Reconciliation of Bank Statements. — ~~Accountant~~ Accounting Personnel will reconcile monthly bank statements.

8. Board Directors' Compensation. ~~—~~Board Directors will not be compensated.
9. Board Directors Travel. ~~—~~Travel of Board Directors to meetings, conferences, seminars, and other educational gatherings will not be compensated unless such travel expense is authorized in advance by the Executive Committee. For such authorized travel, documentation shall follow the procedure in ~~Sub~~Section 11.
10. Expense Reporting. ~~—~~As referenced in the Employee Handbook on page 2-26,  
~~t~~The following general principles apply to the expenditure of Authority funds and in the reporting of related personnel expenditures:
  - (a) For these expenses to qualify for reimbursement by the CHI, they must be incurred in the conduct of Company business and shall include only necessary and reasonable costs. Certain expenses which employees may elect to incur, even though related to CHI business, are considered personal expenses and are not reimbursable. [See Business Meals (Normal Business Location)] Any questions concerning business expenses must be discussed in advance of incurring the expense. An expenditure involving special circumstances not in conformance with these guidelines may be authorized only by the President & CEO or Chief Operating Officer or, in the case of the President & CEO, by the Chair or Treasurer of the Board.
  - (b) Employees seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid impropriety or the appearance of impropriety. Business travel policies are aligned with the company reimbursement rules. All business-related travel paid with company funds must comply with company expenditure policies.
  - (c) Staff travel must be authorized. Travelers should verify that planned travel is eligible for reimbursement before making travel arrangements.
  - (d) Designated approval authorities are required to review expenditures and withhold reimbursement if there is reason to believe that the expenditures are inappropriate or extravagant.
  - (e) Reporting for reimbursement should state exactly the type, amount, date, persons, and entities involved in the expenditure.
  - (f) Expenses eligible for reimbursement generally include travel expenses including airfare, luggage fees, car rental, personal mileage, parking tolls, meals, lodging, tips, conference fees, local travel expenses (but not ordinary expense of getting to work and/or parking fees for work obligations within Downtown) and local meals of employees and business guests clearly serving a business purpose conducted on behalf of CHI.
  - (g) Ordinarily, expenses of the spouse of an employee incurred when accompanying you on official company business, whether at the normal

business location or out-of-town, will not be reimbursed. When the presence of a spouse at a meeting does not serve a business purpose, the spouse's expenses are considered a personal expense.

(h) Upon receipt of proper documentation of who, what, where, when, and why supported by receipts, approval by the supervisor and the Director of Finance, the Company will reimburse you through the regular Accounts Payable process.

~~When spending Authority money or personal money that will be reimbursed, the personnel involved should make sure that Authority receives proper value in return. Prudent and proper judgment must be used in reporting and approving business expenses. Lavish or extravagant expenditures must be avoided.~~

~~(b)~~

~~The concept that personnel is "entitled" to certain types or amounts of expenditures when on Authority business, whether actually incurred or not, is an erroneous one, and reimbursement for expenditures not incurred would put the personnel in the position of having defrauded the Authority.~~

~~(c) A claim for reimbursement for expenses incurred in the conduct of Authority business must not include any expense, either in type or amount, that has not been incurred. There are not arbitrary averages provided for any type of expenditures. Personal expenditures to be reported for reimbursement should be stated exactly as they were incurred; in type, amount and with respect to the date and the persons involved in the expenditure.~~

~~(d) The purpose of travel and meeting expense is to assist the Authority's objectives. Out-of-town travel is expected to be limited. In all cases, prudent judgment should be used in incurring expense, especially those for hotels, air travel, and entertainment. Excessive amounts will not be reimbursed. All personal expenses are to be paid for separately by the employee while on the trip.~~

~~(e) An Expense Report is to be prepared by each person for reimbursable expenses incurred for a meeting, travel, or miscellaneous reasons. A completed Expense Report should be submitted within 30 days of when the expenses are incurred, thereby allowing those expenses to be matched with budgeted expenses. It is the employee's obligation to ensure that all requests for reimbursement of expenses over \$25.00 are supported by an appropriate invoice or receipt and are reported on a timely basis. A personal check should be attached to the Expense Report if an amount is due to the Authority.~~

~~(f) Generally, no spousal travel expense will be reimbursed.~~

- ~~(g) — Generally, no first class air travel will be allowed. Tickets for air travel should be purchased by Authority directly and not reimbursed as an expense. Business Class air travel will be allowed for distances exceeding 3,000 miles or 4,828 kilometers.~~
- ~~(h) — Mileage is reimbursable only to the extent that it is in excess of the mileage driven by an employee daily on his or her round trip between the Authority offices and his or her home. Mileage will be reimbursed at the rate allowed by the Internal Revenue Service. Each person so using his or her own auto must provide adequate insurance for their own protection.~~
- ~~(i) — Meal expenses will be reimbursed if they relate directly to the conduct of work for the Authority. Reporting must be detailed including date, place, persons with title and affiliation, purpose of meal and amount. Questions as to the efficacy of an expense should be reviewed with the Executive Director in advance of their incurrence.~~

#### 11. Expense Advances. —

- ~~(a) — Expense advances may be obtained when personnel expects to incur reimbursable expenses while on Authority business. The amount of the advance should be based upon the expected cash expenditures; however, the minimum amount for an advance is \$50.00. Credit cards should be used for hotels, meals, etc., whenever possible, and the advance should be accounted for within 30 days on an Expense Report.~~
- ~~(b) — An expense advance should be requested in writing and approved by the Executive Director.~~

Upon review and recommendation by the designated supervisor and with the Chief Operating Officer's approval, a cash amount authorized by the Chief Operating Officer may be paid to you in advance of incurring expenses. The advance, whether for travel related or other expenditures, must be repaid no later than 30 days from its issuance to the entity issuing the advance in either one of the following methods:

- Repayment by you of the full amount of the advance in cash; or
- Submission of a fully supported and approved reimbursement expense form reflecting an offset entry for the cash advance. Any amount remaining due to you will be paid through the regular Accounts Payable process. Any amount of the cash advance remaining unspent must be repaid with the fully documented and approved reimbursement expense form and its receipts.

## **Section 7. Ownership of Property, Data, Equipment and Other Materials**

- A. The Authority may own property, equipment, fixtures, landscaping materials, data, and other materials required to accomplish its purposes. Unless the Board of Directors adopts a position to the contrary, it is the policy of the Authority to donate fixtures and materials attached to public rights of way and properties to the appropriate department of the City of Houston. A condition of such donation may be HDMD's maintenance of such fixtures with HDMD's concurrence.
- B. All files, data, illustrations, maps and similar material paid for by the Authority will be clearly labeled "Downtown Redevelopment Authority" or some derivative thereof as to show ownership by the Authority. Such material may be readily removed from the premises of the Administration Contractor.
- C. The Authority may lease property to accomplish the TIRZ Project Plan; however, no lease shall survive beyond the completion date of the Plan. Procurement procedures would be followed in obtaining a lease.
- D. Intellectual Property Assets – Intellectual Property Assets (IPA) is the term used to describe intangible personal property falling within one of the categories of assets known as patent rights, copyrights, trademarks, and trade secrets. It is Authority's policy to safeguard IPA against theft, unauthorized disclosure, misuse, and infringement, and against indiscriminate handling. Accordingly, all personnel are expected to
  1. Comply with the laws and regulations applicable to the creation and protection of IPA.
  2. Comply with the laws, regulations, and contractual commitments protecting the valid and enforceable IPA rights of third parties. The Authority will not knowingly infringe or misuse the valid and enforceable IPA rights of third parties.

3. Recognize that IPA is a valuable asset and to contractually address ownership at the time of creation.
4. Avoid any use of Authority's IPA for personal gain.
5. Comply with all contractual obligations safeguarding the IPA of third parties.
6. Be accountable for the protection, use and disclosure of IPA and to seek guidance when unsure of their responsibility.
7. Report violations of this policy to appropriate management.

### **Section 8. Power of Attorney**

- A. Only the Board in open, properly called meetings may enter into contracts, obligate the Authority, or authorize the expenditure of funds. The Board in such sessions may direct its Executive Committee, Chair ~~person~~ and other Officers, and the Administration Contractor to take specific actions within parameters as set by the Board.
- B. Authority will retain Counsel and it is the responsibility of the Authority and the Administration Contractor to seek its assistance as needed.

### **Section 9. Insurance**

- A. Administration Contractor will cause to have at all times commercial general liability insurance including commercial property coverage.
- B. Administration Contractor will cause to have at all times commercial auto coverage.
- C. Administration Contractor will cause to have at all times Key Personnel subject to Workers Compensation, crime, fiduciary and employment practices coverage.
- D. Both Authority and Administration Contractor will provide public official bonding of its Board Directors.
- E. Authority will require indemnification and additional insured certification by its contractors and cause Administration Contractor to be named as a co-insured as well.

## Section 10. Public Relations

- A. “Downtown Redevelopment Authority” and/or logo, to be adopted by the Board of Directors, will be the official public identification of services and improvements provided through funds of the Authority.
- B. The Authority will endeavor to communicate progress on the Project Plan and seek input from the community, especially property owners within the TIRZ boundaries.
- C. The Chair~~person~~, as assisted by the Executive Director and President, will be principal spokespersons for the Authority. Positions on issues will not be stated unless there is concurrence on a position by the Board or, absent Board discussion, the Executive Committee.

## Section 11. Open Meetings and Training

- A. The Texas Open Meetings Act (TOMA), Chapter 551, Texas Government Code, provides that meetings of governmental bodies must be open to the public, except for expressly authorized executive sessions, and that Board Directors, as appointed public officials, must complete a course of training not later than the 90<sup>th</sup> day after the date a Board Director takes the oath of office.
- B. Prior to a meeting of the Board, the Records Management Officer will post a meeting notice at least 72 hours in advance, stating the time, place and subject matter of the meeting.
- C. Each appointed Board Director will complete their training and confirm their completion of TOMA training by filing a certificate of course completion with the Records Management Officer. The Records Management Officer can assist each Board Director with training materials disseminated by the Texas Attorney General’s Office.
- D. Public comments during regularly scheduled meetings of the Board of Directors will be limited to no more than three minutes per individual speaker. Individuals may only speak once per meeting. The Chair~~person~~, at their own discretion, may extend time for public comments in order to take questions or introduce discussion on the topic.

## Section 12. Open Records and Training

- A. The Texas Public Information Act (TPIA), Chapter 552, Texas Local Government Code, stipulates certain information and records of the Authority, with exceptions, are subject to public scrutiny at the formal request of a member of the public. Therefore, Authority has developed the following procedure to accommodate any requests by the public for its information. Questions as to whether information is of public record should be addressed to the [General](#) Counsel; however, the Texas Attorney General makes the final determination whether information is subject to an exception. (see also Section 15(I))
  - 1. The Authority requires all requests for copies of files to be in writing.

2. The request must include the requesting individual's name, company (if relevant), address, phone number, and specific details of information being sought.
3. Requests may be submitted to the Counsel, as follows:
  - (a) By U. S. mail or other delivery service to Authority's offices;
  - (b) By facsimile; or
  - (c) By electronic mail.
4. The Authority will date stamp the written request and respond in accordance with all applicable law.
5. ~~The Authority charges \$.15 per copy per page and charges must be paid in full prior to Authority releasing its information. If charges are anticipated to exceed \$40.00, the Authority will provide an estimate of charges in advance.~~
6. TPIA mandates each appointed Board Director as well as the "officer for public information of a governmental body," without regard to whether such person is appointed or elected, must complete training within the same time period as the TOMA training.
7. No later than 90 days after the Board Director has taken the oath of office, the Board Director must confirm completion of TPIA training and file the certificate of course completion with the Records Management Officer.
8. The Records Management Officer, as the public information coordinator, will also file a certificate of completion with respect to TPIA training. This certification will satisfy the training requirements of Section 552.012 for those public officials who so designate.

### **Section 13. Code of Ethics**

#### **A. Policy and Purposes**

1. Authority Officials will conduct themselves in a manner consistent with sound business and ethical practices; the public interest always will be considered in conducting corporate business; the appearance of impropriety will be avoided to ensure and maintain public confidence in the Authority; and the Board will establish policies to control and manage the affairs of the Authority fairly, impartially, and without discrimination.
2. The Code of Ethics is adopted to encourage high ethical standards in official conduct by Authority Officials and to establish guidelines for such ethical standards of conduct.

#### **B. Qualification of Board Directors**

1. A person shall not serve as a Board Director if he or she is disqualified by law from doing so.



2. To be qualified to serve as a Board Director, a person must be 18 years old and be a resident of the City of Houston;
3. Qualified Board Directors must have on file with the Authority's Secretary, Records Management Officer, and/or Public Information Coordinator, all of the following documents as currently required and as may be revised or amended or legislated by any future act of revision, amendment, or legislation:
  - (a) Sworn Statement;
  - (b) Oath of Office;
  - (c) Open Meetings Act Training Certification;
  - (d) Public Information Act Training Certification or equivalent designation;
  - (g) Conflicts Disclosure Statement, where applicable;
  - (h) Other affidavits as may be required by act of legislature or board resolution.

#### C. Participation of Board Directors

1. In accepting nomination to be a Board Director, a person understands the obligation of his or her service and responsibilities pursuant to the position including participation in at least 80% of the meetings of the Board of Directors.
2. When a Board Director has missed three (3) successive regularly scheduled Board of Directors meetings, he or she will be reminded of his or her responsibility to participate. After a Board Director has missed one-half or more of the regularly scheduled meetings during the prior twelve (12) months, the Board of Directors may elect to remove the person from office as a Board Director.

#### D. Conflicts of Interest

1. Although Chapter 171 and Section 375.072(a) and (b) of the Texas Local Government Code provides that a Board Director may participate in all votes pertaining to business of the Authority regardless of any other statutory provision to the contrary, a Board Director or officer is prohibited from participating in a vote, decision, or award of a contract involving a business entity or real property in which the Board Director or the officer has a substantial interest, if it is foreseeable that the business entity or real property will be economically benefited by the action except as provided in subsection 3.

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A person has a substantial interest in a business: (a) if ~~his~~ the person's ownership interest is ten percent or more of the voting stock or shares of the business entity

or ownership of \$15,000 or more of the fair market value of the business entity, or (b) if the business entity provides more than ten percent of the person's gross income.

- \_\_\_\_\_ A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more. An interest of a person related in the first degree by affinity or consanguinity to a Board Director or officer is considered a substantial interest.
2. Board Directors or Key Personnel who have a substantial interest in any matter involving the business entity or real property covered by D.1 above shall disclose that fact to the other Board Directors by Affidavit. The Affidavit must be filed with the Secretary of the Board.
  3. Board Directors or Key Personnel who have a substantial interest in a business entity that will receive a pecuniary benefit from an action of the Board may vote on that action if a majority of the Board has a similar interest in the same action or if all other similar business entities in the Authority will receive a similar pecuniary benefit.
  4. An employee of a public entity may serve on the Board, but that public employee may not participate in the discussion or vote on any matter regarding assessments on or contracts with the public entity of which the Board Director is an employee.
- E. Acceptance of Gifts.—Authority Officials may not solicit or accept any benefit from a person or business entity known to be interested in or likely to become interested in any contract, purchase, payment, claim, or transaction involving the exercise of the Authority Official's discretion, or any matter before the Board for any decision, opinion, recommendation, vote, or other exercise of discretion in carrying out his official acts for the Authority as prohibited by law. As of the date of adoption of this Code of Ethics, Section 36.08, Texas Penal Code prohibits gifts to public servants such as the Board Directors. Section 36.08 does not apply to the matter set forth in Section 36.10. Violations of penal laws may subject Authority Officials to criminal prosecution.
- F. Bribery.—Authority Officials shall not intentionally or knowingly offer, confer, or agree to confer on another, or solicit, accept, or agree to accept from another, any benefit as consideration when to do so is prohibited by law. As of the date of adoption of this Code of Ethics, Section 36.02, Texas Penal Code", lists the offenses that are considered bribery when committed by Authority Officials. Violations of penal laws may subject Authority Officials to criminal prosecution.
- G. Nepotism.—Authority Officials shall comply with all anti-nepotism laws applicable to tax reinvestment zones or quasi-public governmental non-profit corporations. As of the date of adoption of this Code of Ethics, Chapter 573 of the Texas Government Code, is the anti-nepotism law governing tax reinvestment zones or quasi-public governmental non-profit corporations.

## Section 14. Investment Policy

### INVESTMENT POLICY

This Investment Policy (the “Policy”) is adopted by the Board of Directors of Downtown Redevelopment Authority (the “Authority”) on June 13, 2023, pursuant to Chapter 2256 of the Texas Government Code, effective as of October 1, 2022.

#### ARTICLE I PURPOSE

Section 1.01. Purpose. This Policy with respect to Authority investments has been adopted to establish the principles and criteria by which the funds of the Authority should be invested and secured and to comply with various provisions of Texas law relating to the investment and security of funds of local government corporations. As of the date of the adoption of this Policy, the following laws are applicable to the investment of the Authority’s funds: Chapter 2256, Texas Government Code; Chapter 791, Texas Government Code; Chapter 2257, Texas Government Code; and Section 404.101 et seq., Texas Government Code. The Investment Laws generally provide the minimum criteria for the authorized investment and security of the Authority’s funds and require the Authority to adopt rules to ensure the investment of Authority funds in accordance with such laws. This Policy will specify the scope of authority of Authority Officials who are responsible for the investment of Authority funds.

#### ARTICLE II DEFINITIONS

Section 2.01. Definitions. Unless the context requires otherwise, the following terms and phrases used in this Policy shall mean the following:

- (a) “Authority Officials” means the Investment Officer, Directors, Employees, and persons and business entities engaged in handling the investment of Authority funds.
- (b) “Authorized Collateral” means any means or method of securing the deposit of Authority funds authorized by Chapter 2257, Texas Government Code.
- (c) “Authorized Investment” means any security in which the Authority is authorized to invest under Chapter 2256, Texas Government Code.
- (d) “Board” means the Board of Directors of the Authority.
- (e) “Collateral” means any means or method of securing the deposit of Authority funds under Article IV hereof.
- (f) “Collateral Act” means Chapter 2257, Texas Government Code, as amended from time to time.
- (g) “Director” means a person appointed to serve on the Board of Directors of the Authority.
- (h) “Employee” means any person employed by the Authority, but does not include independent contractors or professionals hired by the Authority as outside consultants, such as the Authority’s financial advisor, accountant or general counsel.
- (i) “FDIC” means the Federal Deposit Insurance Corporation or any successor entity.

- (j) "Investment Act" means Chapter 2256, Texas Government Code, as amended from time to time.
- (k) "Investment Officer(s)" means the Director(s) or Employee(s) of the Authority appointed from time to time by the Board to invest and reinvest the funds of the Authority held in its various accounts.
- (l) "State" means the State of Texas.

### **ARTICLE III INVESTMENT OFFICER**

#### Section 3.01. Investment Officer.

From time to time, the Authority shall appoint one or more of its Directors or Employees to serve as Investment Officer(s) to handle the investment of Authority funds. The Investment Officer(s) shall be responsible for investing Authority funds in accordance with this Policy. The Investment Officer(s) shall invest the Authority's funds, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived, with all investment decisions to be governed by the objectives set forth in Section 7.01 hereof.

Section 3.02. Training. The Investment Officer(s) shall attend training sessions and receive the number of hours of instruction as required by the Investment Act.

Section 3.03. Reporting by the Investment Officer and Authority Officials. Not less than quarterly and within a reasonable time after the end of the period reported, the Investment Officer and Authority Officials shall prepare and submit to the Board a written report of the investment transactions for all funds of the Authority for the preceding reporting period. The report must (1) describe in detail the investment position of the Authority as of the date of the report, (2) be prepared jointly by all the Investment Officers of the Authority, if the Authority appoints more than one, (3) be signed by all Investment Officers and Authority Officials who prepare the report, (4) contain a summary statement of each pooled fund group that states the beginning market value for the reporting period; ending market value for the period; and fully accrued interest for the reporting period; (5) state the book value and the market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested, (6) state the maturity date of each separately invested asset that has a maturity date, (7) state the Authority fund for which each individual investment was acquired, and (8) state the compliance of the investment portfolio as it relates to this Policy and the Investment Act.

Section 3.04. Assistance with Certain Duties of the Investment Officer. The Board hereby authorizes and directs the Authority Officials requested by the Investment Officer to assist the Investment Officer(s) with any of his/her duties, including but not limited to the following:

- (a) Presenting a copy of this Policy to any person or business organization seeking to sell an investment to the Authority and obtaining the necessary written certification from such seller referred to in this section;
- (b) Handling investment transactions;

- (c) Preparing and submitting to the Board the written report of all investment transactions for the Authority as required by this section;
- (d) Researching investment options and opportunities;
- (e) Obtaining written depository pledge agreements as required herein;
- (f) Obtaining safe-keeping receipts from the Texas financial institution which serves as a depository for pledged Collateral;
- (g) Reviewing the market value of the Authority's investments and of the Collateral pledged to secure the Authority's funds; and
- (h) Such other matters from time to time as required by the Investment Laws

#### **ARTICLE IV PROCEDURES FOR INVESTMENT OF AUTHORITY MONIES**

Section 4.01. Qualified Broker/Dealers. The list of qualified broker/dealers with whom the Authority may engage in investment transactions is attached hereto as **Exhibit A**.

Section 4.02. Disclosures of Relationships with Entities Offering to Enter into Investment Transactions with the Authority. The Investment Officer(s) and the Authority Officials shall disclose in writing (a) any "personal business relationship" with a business organization offering to engage in an investment transaction with the Authority and (b) any relationship within the second degree by affinity or consanguinity, as determined by Chapter 573, Texas Government Code, to any individual seeking to sell an investment to the Authority, as required by the Investment Act. The existence of a "personal business relationship" shall be determined in accordance with the Investment Act. Such disclosure statement shall be filed with the Board and the Texas Ethics Commission.

Section 4.03. Certifications from Sellers of Investments. The Investment Officer(s) or the Authority Officials shall present this Policy to any person or business organization offering to engage in an investment transaction with the Authority and obtain a certificate stating that such potential seller has reviewed the Policy as provided in the Investment Act. This certificate shall be in a form acceptable to the Authority and shall state that the potential seller has received and reviewed the Policy and has acknowledged that the potential seller has implemented reasonable procedures and controls in an effort to preclude investment transactions with the Authority that are not authorized by this Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the Authority's entire portfolio or requires an interpretation of subjective investment standards. Neither the Investment Officer nor the Authority Officials shall purchase or make any investment from a potential seller that has not delivered to the Authority this required certification.

Section 4.04. Solicitation of Bids for Certificates of Deposit. Bids for certificates of deposit may be solicited orally, in writing, electronically or in any combination of those methods.

Section 4.05. Settlement Basis. All purchases of investments, except investment in investment pools or in mutual funds, shall be made on a delivery versus payment basis. The safekeeping entity for all Authority investments and for all Collateral pledged to secure Authority funds shall be one approved by the Investment Officer(s).

Section 4.06. Monitoring of the Market Value of Investments and Collateral. The Investment Officer(s), with the help of such Authority Officials as needed, shall determine the market value of each investment and of all Collateral pledged to secure deposits of Authority funds at least quarterly and at a time as close as practicable to the closing of the reporting period for investments. Such values shall be included on the investment report. The following methods shall be used:

- (a) Certificates of deposit shall be valued at their face value plus any accrued but unpaid interest.
- (b) Shares in money market mutual funds and investment pools shall be valued at par plus any accrued but unpaid interest.
- (c) Other investment securities with a remaining maturity of one year or less may be valued in any of the following ways:
  - (1) the lower of two bids obtained from securities broker/dealers for such security;
  - (2) the average of the bid and asked prices for such investment security as published in The Wall Street Journal or The New York Times;
  - (3) the bid price published by any nationally recognized security pricing service; or
  - (4) the market value quoted by the seller of the security or the owner of such Collateral.
- (d) Other investment securities with a remaining maturity greater than one year shall be valued at the lower of two bids obtained from securities broker/dealers for such security, unless two bids are not available, in which case the securities may be valued in any manner provided in 4.06(c) hereof.

Section 4.07. Monitoring the Rating Changes in Investments. Consistent with Section 2256.021, Texas Government Code, as amended, the Investment Officer shall monitor all investments that require a minimum rating under subchapter A of Chapter 2256, Texas Government Code, as amended, such that any such investment that does not have the minimum rating shall no longer constitute an authorized investment. Such investments that do not have the required minimum rating shall be liquidated within 30 days of the investment's failure to maintain its required minimum rating.

## **ARTICLE V PROVISIONS APPLICABLE TO ALL FUNDS**

### Section 5.01. Provisions Applicable to All Fund Groups.

- (a) All funds of the Authority shall be invested only in accordance with this Policy and shall comply with any additional requirements imposed by bond resolutions or trust indentures of the Authority and applicable state law or federal tax law, including the Investment Laws.
- (b) The Board, by separate resolution, may provide that a designated officer or agent of the Authority may withdraw or transfer funds from and to accounts of the Authority only in compliance with this Policy.
- (c) No fund groups shall be pooled for the purposes of investment, e.g. the funds in the Operating Account and in the Project Account shall not be commingled or pooled for purposes of investment.

Section 5.02 Policy of Securing Deposits of Authority Funds -- Applicable to All Deposited Authority Funds.

- (a) The Authority recognizes that FDIC (or its successor) insurance is available for Authority funds deposited at any one Texas Financial Institution (including branch banks) only up to a maximum of \$250,000 (including accrued interest) for each of the following: (i) demand deposits, (ii) time and savings deposits, and (iii) deposits made pursuant to an indenture or pursuant to law in order to pay bondholders or noteholders.<sup>i</sup> It is the policy of the Authority that all deposited funds in each of the Authority's accounts shall be insured by the FDIC, or its successor, and to the extent the deposit surpasses the FDIC Deposit Insurance Coverage limit at any given time, shall be secured by Collateral pledged to the extent of the fair market value of the principal amount deposited plus accrued interest as required by the Collateral Act.
- (b) If it is necessary for the Authority's depositories to pledge Collateral to secure the Authority's deposits, (1) the Collateral pledge agreement must be in writing, (2) the Collateral pledge agreement must be approved by the depository's board of directors or loan committee, (3) the depository's approval of the Collateral pledge agreement must be reflected in the minutes of the meeting of the depository's board or loan committee approving same, and (4) the Collateral pledge agreement must be kept in the official records of the depository. The depository must provide to the Investment Officer or Authority Officials with written proof of the depository's approval of the pledge agreement as required herein in a form acceptable to the Authority. A signed or certified copy of the minutes of the meeting of the depository's board or loan committee reflecting the approval of the Collateral pledge agreement or other written documentation of such approval acceptable to the Investment Officer will be accepted. It is the preference of the Board that all requirements of this section be met prior to the deposit of any Authority funds in such financial institution when a pledge of Collateral is required; however, the Board recognizes that compliance with this preference might not be practicable due to time constraints for making a deposit. In such event, the Board directs the Investment Officer and Authority Officials to proceed diligently to have such agreement approved and documented to assure protection of the Authority's funds. If the decision is made to forego the protection of a Collateral pledge agreement with any depository, the Authority's Executive Director shall be responsible for maintaining the balance of deposit(s) in such depository plus any accrued but unpaid interest at or below FDIC insurance levels.
- (c) Collateral pledged by a depository shall be held in safekeeping at an independent third party institution, and the Authority's Executive Director shall obtain safekeeping receipts from the Texas financial institution or the safekeeping institution that reflect that Collateral as allowed by this Investment Policy and in the amount required was pledged to the Authority. Principal and accrued interest on deposits in a financial institution shall not exceed the FDIC's, or its successor's, insurance

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<sup>i</sup> The \$250,000 limit is temporary and may change from time to time under applicable law.

limits or the market value of the Collateral pledged as security for the Authority's deposits. It shall be acceptable for the Authority's Executive Director to periodically receive interest on deposits to be deposited to the credit of the Authority if needed to keep the amount of the funds under the insurance or Collateral limits. It is the preference of this Board that there be no sharing, splitting or co-tenancy of Collateral with other secured parties or entities; however, in the event that a depository cannot accommodate this preference due to the denominations of the securities to be pledged, the Board directs the Investment Officer and Authority Officials to obtain appropriate protections in the pledge agreement with the depository to assure that the Collateral is liquidated and the funds distributed appropriately to all parties with a security interest in such Collateral. The Authority's Executive Director shall monitor the pledged Collateral to assure that it is pledged only to the Authority, review the fair market value of the Collateral to ensure that the Authority's funds are fully secured, and report periodically to the Investment Officer and the Board regarding the Collateral.

- (d) The Authority's funds deposited in any Texas financial institution, to the extent that they are not insured, may be secured in any manner authorized by the Investment Laws. As of the date of this Policy, the following securities are authorized to serve as Collateral under the Collateral Act:
- (1) Surety bonds;
  - (2) An obligation that in the opinion of the Attorney General of the United States is a general obligation of the United States and backed by its full faith and credit;
  - (3) A general or special obligation that is (a) payable from taxes, revenues, or a combination of taxes and revenues and (b) issued by a state or political or governmental entity, agency, instrumentality or subdivision of the state, including a municipality, an institution of higher education as defined by Section 61.003, Texas Education Code, a junior college, a district created under Article XVI, Section 59, of the Texas Constitution, and a public hospital;
  - (4) A fixed-rate collateralized mortgage obligation that has an expected weighted average life of 10 years or less and does not constitute a "high-risk mortgage security" under the Collateral Act;
  - (5) A floating-rate collateralized mortgage obligation that does not constitute a "high-risk mortgage security" under the Collateral Act;
  - (6) A letter of credit issued by a federal home loan bank; or
  - (7) A security in which a public entity may invest under the Investment Act. As of the date of this Policy, the following are the securities in which a public entity may invest under the Investment Act and, therefore, may be used as Collateral:
    - i. Obligations, including letters of credit, of the United States or its agencies and instrumentalities;
    - ii. Direct obligations of the State of Texas or its agencies and instrumentalities;



- iii. Collateralized mortgage obligations directly issued by a federal agency or instrumentality or the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
- iv. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the United States or the State of Texas or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;
- v. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
- vi. Certificates of deposit issued by a depository institution that has its main office or a branch office in the State of Texas that are (1) guaranteed by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, (2) secured by the obligations in which the Authority may invest under the Investment Act, or (3) secured in any other manner and amount provided by law for deposits of the Authority;
- vii. Certificates of deposit made in accordance with the following conditions: (1) a broker that has its main office or a branch office in this state and is selected from a list adopted by the Authority; (2) the funds are invested by the Authority through a depository institution that has its main office or a branch office in the State of Texas and that is selected by the Authority; (3) the broker or the depository institution selected by the Authority under Subdivision (2) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the Authority; (4) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (5) the depository institution selected by the Authority under Subdivision (2), an entity described by Section 2257.041(d), or a clearing broker dealer registered with the Securities and Exchange Commission and operating pursuant to Security and Exchange Commission Rule 15c3-3 (17C.F.R. Section 240.15c3-3) as custodian for the Authority with respect to the certificates of deposit issued for the account of the Authority;
- viii. Repurchase agreements that comply with the Investment Act;
- ix. Bankers' acceptances that comply with the Investment Act;
- x. Commercial paper that complies with the Investment Act;
- xi. No-load money market mutual funds that comply with the Investment Act;
- xii. No-load mutual funds that comply with the Investment Act; and
- xiii. Guaranteed investment contracts that comply with the Investment Act.

- (e) Notwithstanding anything to the contrary provided above, the following may not be used as Collateral and are not authorized as investments for the Authority under the Investment Act:
- (1) Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
  - (2) Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
  - (3) Collateralized mortgage obligations that have a final stated maturity date of greater than 10 years other than those listed in Sections 5.02(d)(4) and 5.02(d)(5) above; or
  - (4) Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Section 5.03. Diversification. The Investment Officer may invest up to 100% of the funds of the Authority in any investment instrument authorized in this Policy.

## **ARTICLE VI AUTHORIZED INVESTMENTS**

Section 6.01. Authorized Investments. Unless specifically prohibited by law or elsewhere by this Policy, Authority funds may be invested and reinvested only in the following types of investments:

- (a) Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
- (b) Direct obligations of the State or its agencies and instrumentalities;
- (c) Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
- (d) Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State or the United States or their respective agencies and instrumentalities;
- (e) Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
- (f) Bonds issued, assumed, or guaranteed by the State of Israel;
- (g) Interest-bearing banking deposits that are guaranteed or insured by:
  - (1) The Federal Deposit Insurance Corporation or its successor; or
  - (2) The National Credit Union Share Insurance Fund or its successor;
- (h) Interest-bearing banking deposits other than those described by Subsection (g) if:

- (1) The funds invested in the banking deposits are invested through (i) a broker with a main office or branch in this state and is selected from a list adopted by the Authority, or (ii) a depository institution with a main office or branch office in this state that the Authority selects;
  - (2) The broker or depository institution selected as described by Subdivision (1) arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the Authority's account;
  - (3) The full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and
  - (4) The Authority appoints as the Authority's custodian of the banking deposits issued for the Authority's account: (i) the depository institution selected as described by Subdivision (1); (ii) an entity described by Section 2257.041(d) of the Texas Government Code, as amended; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3.
- (i) Certificates of deposit issued by a depository institution that has its main office or a branch office in the State of Texas that are (1) guaranteed by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, (2) secured by the obligations in which the Authority may invest under the Investment Act, or (3) secured in any other manner and amount provided by law for deposits of the Authority;
  - (j) Certificates of deposit made in accordance with the following conditions: (1) (A) a broker that has its main office or a branch office in this state and is selected from a list adopted by the Authority or (B) the funds are invested by the Authority through a depository institution that has its main office or a branch office in the State of Texas and that is selected by the Authority; (2) the broker or the depository institution selected by the Authority under Subdivision (1) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the Authority; (3) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (4) the depository institution selected by the Authority under Subdivision (1), an entity described by Section 2257.041(d), or a clearing broker dealer registered with the Securities and Exchange Commission and operating pursuant to Security and Exchange Commission Rule 15c3-3 (17C.F.R. Section 240.15c3-3) as custodian for the Authority with respect to the certificates of deposit issued for the account of the Authority;
  - (k) Repurchase agreements that comply with the Investment Act;
  - (l) Bankers' acceptances that comply with the Investment Act;
  - (m) Commercial paper that complies with the Investment Act;
  - (n) No-load money market mutual funds that comply with the Investment Act;

- (o) No-load mutual funds that comply with the Investment Act;
- (p) Investment Pools which meet the requirements set forth in Section 2256.016 and Section 2256.019 of the Texas Government Code, as amended, and which are specifically authorized by a resolution that is approved by the Board; and
- (q) With respect to bond proceeds, guaranteed investment contracts that comply with the Investment Act.

**Section 6.02. Prohibited Investments.** Notwithstanding anything to the contrary stated herein, no funds of the Authority may be invested in the following or in any other type of investment prohibited by the Investment Act or other applicable law:

- (a) Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (IO's);
- (b) Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (PO's);
- (c) Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
- (d) Collateralized mortgage obligations the interest rate of which are determined by an index that adjusts opposite to the changes in the market index (inverse floaters).

**Section 6.03. Investment of Funds Held Under Trust Indentures.** Anything in this Policy to the contrary notwithstanding, to the extent that any funds are held by a trustee under a trust indenture relating to the Authority's bonds, such funds may be invested as provided by the resolution authorizing the issuance of the bonds or the trust indenture.

## **ARTICLE VII INVESTMENT STRATEGIES**

**Section 7.01. Strategy Applicable to All Funds.** The Authority's general investment strategy for all fund groups shall be to invest such monies from such fund groups so as to accomplish the following objectives, which are listed in the order of importance:

- (a) Understanding of the suitability of the investment to the financial requirements of the Authority;
- (b) Preservation and safety of principal;
- (c) Liquidity;
- (d) Marketability of the investment if the need arises to liquidate the investment before maturity;
- (e) Diversification of the investment portfolio; and
- (f) Yield.

**Section 7.02. Investment Strategy for the Operating Account.** Funds in the Operating Account shall be invested to meet the operating and cash flow requirements of the Authority as determined by the annual operating budget adopted by the Board. Operating funds shall not be invested for longer than three years.

## **ARTICLE VIII**

## MISCELLANEOUS

Section 8.01. Annual Review. The Authority shall review this Investment Policy at least annually and adopt a resolution confirming the continuance of the Investment Policy without amendment or adopt an Amended Investment Policy.

Section 8.02. Superseding Clause. This Policy supersedes any prior policies adopted by the Board of Directors regarding investment or securitization of Authority funds.

Section 8.03. Open Meeting. The Board officially finds, determines and declares that this Policy was reviewed, carefully considered, and adopted at a regular meeting of the Board, and that a sufficient written notice of the date, hour, place and subject of this meeting was posted at a place readily accessible and convenient to the public within the Authority and on a bulletin board located at a place convenient to the public in the City of Houston, Texas for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, and that this meeting had been open to the public as required by law at all times during which this Policy was discussed, considered and acted upon. The Board further ratifies, approves and confirms such written notice and the contents and posting thereof.

**EXHIBIT A**


## List of Qualified Broker/Dealers

Allegiance Bank	HomeTown Bank, N.A.
Amegy Bank of Texas (Amegy Bank, N.A.)	IBC Bank
American First National Bank	Icon Bank
Bank of America Corporation	Independence Bank
Bank of America, N.A.	Independent Bank
Bank of OZK	Integrity Bank
Bank of Texas (BOKF, NA)	Invesco
BBVA Compass Bank	J.P. Morgan Securities LLC
Beal Bank	JPMorgan Chase & Co.
BOKF Financial	Legacy Texas Bank
Capital Bank, N.A.	Legg Mason
Capital Markets Group, Inc.	LOGIC (Local Government Investment Cooperative)
Capital One, N.A.	Lone Star Investment Pool
Cathay Bank	Lone Star National Bank
Central Bank	LPL Financial Services
Chase Bank, N.A.	Masterson Advisors
Chase Investments Services Corp.	Mercantil Commercebank, National Association
Chasewood Bank	Merchants Bank
Citibank	Metro Bank, National Association A-2
City Bank	Midkiff & Stone Capital Group, Inc.
Comerica Bank	MidSouth Bank
Commercial State Bank	Moody National Bank
CommunityBank of Texas, N.A.	Morgan Stanley
CUNA	Morgan Stanley Wealth Management
Edward Jones	New First National Bank
Encore	Northern Trust, National Association
Enterprise Bank and Trust Company	Omnibank National Association
First Bank Texas	Patriot Bank
First Citizens Bank	Plains State Bank
First Community Bank, N.A.	Post Oak Bank
First Financial Bank	Preferred Bank
First International Bank & Trust	Prime Way Federal Credit Union
First National Bank of Bastrop	Prosperity Bank
First National Bank Texas	Prudential Equity Group
First Texas Bank	Raymond James
FirstBank & Trust Company	RBC Wealth Management USA
Fiserve, Inc.	Regions Bank
Frost Bank	Regions Financial Corporation
FTN Financial	Security State Bank
Golden Bank, National Association	Southwestern National Bank
Green Bank, N.A.	Spirit of Texas Bank
Guaranty Bank and Trust	State Bank of Texas
Hanmi Bank	State Street Bank & Trust Co.
Herring Bank	
Hilltop Securities	

Texan Bank  
Texas Capital Bank, National Association  
Texas Citizens Bank  
Texas CLASS  
Texas Community Bank  
Texas First Bank  
Texas Gulf Bank  
Texas State Bank  
TexPool/TexPool Prime  
TexSTAR  
The Bank of River Oaks

TIB – The Independent BankersBank  
Tri Star Financial  
Trustmark National Bank  
U.S. Bank National Association  
UBS Financial Services, Inc.  
Unity National Bank  
Vista Bank  
Wallis State Bank  
Wells Fargo Advisors, LLC  
Wells Fargo Bank, N.A.  
Woodforest National Bank

## Section 15. Information Protection and Management

- A. Information Protection – Information assets are vital resources. These resources include information in any form, whether acquired from others or developed by the Authority, and any systems that store, process, or transmit information. It is the policy of the Authority to ensure the availability, integrity and confidentiality of these resources in a manner that is consistent with risk and business value. It is the joint responsibility of management and all Key Personnel to take the necessary actions to protect these resources. Key Personnel have the responsibility to understand the business value of their information resources. Key Personnel also have the responsibility to understand the risks associated with the possible compromise of the availability, integrity and confidentiality of these resources. Key Personnel are responsible for taking appropriate actions to ensure that Authority information resources are protected commensurate with business value and risk. Accordingly, Key Personnel who are unsure of the legal or regulatory implications of their actions will be responsible for seeking management or supervisory guidance. Authority information is to be used in pursuing Authority's own business interests and must not otherwise be used or disclosed by any Key Personnel either during or after performing work for the Authority.
- B. Records Retention Policy – In lieu of a formal Records Management Program approved by the State and Local Records Management Division of the Texas State Library and Archives Commission, the Authority has a policy of permanent retention with respect to all of its vital records, files, and data. The Records Management Officer is responsible for creating a policy and maintaining a procedure which ensures the integrity and protection of the Authority's records.
- C. Contract Files  Any record, regardless of form or format, which constitutes an agreement between the Authority/ TIRZ and any other agency, institution, business entity (for profit and not for profit), vendor or consultant, with or without a related expenditure, is a contract and all contracts are filed in a central location according to a predetermined file arrangement.
- D. Key Personnel are required to apply Authority's Records Retention Policy to all documents and other forms of information--including any and all electronic data--they create or receive in the course of exercising their responsibilities under the Administration Contract.
- E. Computer Systems and Other Technical Resources – It is the joint responsibility of management and all Key Personnel to ensure that the computer systems and other technical resources are used appropriately, that is, consistent with the Authority's and its Administration Contractor's standards of business and ethical conduct and policies.
1. Internet
    - (a) [Internet services support the advancement of goals and objectives of the Authority and its affiliate entities. Management encourages use of the Internet as](#)



a strategic business and learning tool. Occasional access to the Internet for learning or personal use is acceptable to facilitate the learning process and to promote the use of this strategic resource. At all times, during and after work, the Internet user is responsible for avoiding Internet sites including sexually explicit and game sites that violate the Authority's policies. Any unintentional contact with such a site requires the user to avoid exposing anyone else to the material, which should be deleted immediately from computer storage.

The Authority has the right to monitor and log Internet activity and to block offensive, illegal, and non-business-related sites. If an Internet user is uncertain whether a site violates company policy or the law, he or she should contact the President, Chief Operating Officer, or Director of Finance.

Internet activity is to be considered public and users must conduct their activity accordingly. Use caution when sending e-mail to a non-Authority or its affiliates internet address. These messages travel across non-secure, public lines and may be stored in third-party systems, subject to discovery and/or disclosure. In addition, the address of the intended recipient should be confirmed prior to sending the communication.

~~The internet can be used to communicate and exchange information so long as usage complies with all applicable laws, regulations, and this Handbook. Internet services support the advancement of the Authority's goals and objectives. Authority encourages use of the Internet as a strategic business and learning tool. Occasional access to the Internet for learning or personal use is acceptable to facilitate the learning process and to promote the use of this strategic resource. At all times, during and after work, the Internet user is responsible for avoiding Internet sites including sexually explicit and game sites that violate Authority and the Administration Contractor's policies. Any unintentional contact with such a site requires the user to avoid exposing anyone else to the material, which should be deleted immediately from computer storage.~~

~~(b) Authority has the right to monitor and log Internet activity and to block offensive, illegal, and non-business-related sites. If an Internet user is uncertain whether a site violates company policy or the law, he or she should contact the Records Management Officer.~~

~~(c) Internet activity is to be considered public and users must conduct their activity accordingly. Use caution when sending e-mail to a non-Authority Internet address. These messages travel across non-secure, public lines and may be stored in third-party systems, subject to discovery and/or disclosure. In addition, the address of the intended recipient should be confirmed prior to sending the communication.~~

~~(d) The Internet can be used to communicate and exchange information as long as usage complies with all applicable laws, regulations, and these Administrative Policies.~~

2. Electronic Mail – Authority operates and maintains electronic mail ("e-mail") systems to facilitate business communications. While the company's e-mail system may be used for incidental and occasional personal messages, such use should be kept to a minimum. E-mail may not be used in any way that may be disruptive to operations, offensive to others or violate policy or law. E-mail users should be aware that Authority and others may access e-mail records that are either stored or managed by the Authority's e-mail systems. E-mail messages, including personal messages, may thus be subject to review by management and others for appropriate purposes. Personnel with unique or special access to e-mail records shall not access such records outside the normal course of supporting or administering these systems, without proper authorization. Personnel who access the e-mail records of others without proper justification and authorization will be subject to disciplinary action up to and including separation of employment.~~Authority operates and maintains electronic mail ("e-mail") systems to facilitate business communications. While the company's e-mail system may be used for incidental and occasional personal messages, such use should be kept to a minimum. E-mail may not be used in any way that may be disruptive to operations, offensive to others or violate policy or law. E-mail users should be aware that Authority and others may access e-mail records that are either stored or handled by Authority's e-mail systems. E-mail messages, including personal messages, may thus be subject to review by management and others for appropriate purposes. Key Personnel with unique or special access to e-mail records shall not access such records outside the normal course of supporting or administering these systems, without proper authorization. Key Personnel who access the e-mail records of others without proper justification and authorization will be subject to disciplinary action up to and including termination of employment by the Administration Contractor.~~

- F. Use of Social Media by Employees - "Social Media" integrates technology, social interaction, and the construction of words, pictures, videos, and audio. Examples of social media may include instant messaging, YouTube, Facebook, Twitter, LinkedIn, TikTok, podcasts, wikis, blogs, discussion lists, newsgroups, or any other electronic communication format. You are a representative of the Authority, even during non-working hours.

As an employee, you should be careful to use social media, even on your own personal time, responsibly and respectfully. Protecting the Company's reputation in the community is every employee's responsibility.

Use of social media is subject to the following conditions and restrictions:

- Social media should not be used while at work unless the use is specifically related to managing business relationships or the Authority's social media accounts.
- Do not disclose any confidential or privileged information about the company, employees, partners, projects, or initiatives through social media.
- Remember that nothing is anonymous on the Internet.
- Do not imply or state that you represent the views of the Authority (except where assigned to do so as part of your job) and you must clearly represent your views are your own.
- The Authority rules prohibiting discrimination, harassment, and threats of violence apply to on-line communication as well as verbal communication.

The use of social media to bypass Authority policies is not acceptable. If you are uncertain about the appropriateness of any social media posting, you should refrain from making the posting until you speak to your supervisor or the President.

The Authority prohibits taking negative action against any Key Personnel for reporting a possible deviation from this policy or for cooperating in an investigation. Any Key Personnel who retaliates against another Key Personnel member for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including separation.

G. File Access – Key Personnel may access only files or programs, whether digital or not, that they have permission to enter. Unauthorized review, duplication, dissemination, removal, damage or alteration of files, passwords, computer systems or programs, or improper use of information obtained by unauthorized means, may be grounds for disciplinary action, up to and including separation of employment. ~~Key Personnel may access only files or programs, whether computerized or not, that they have permission to enter. Unauthorized review, duplication, dissemination, removal, damage or alteration of files, passwords, computer systems or programs, or improper use of information obtained by unauthorized means, may be grounds for disciplinary action, up to and including termination of employment by the Administration Contractor.~~

H.G. Privacy – It is the Authority's policy to comply with applicable legal requirements concerning privacy in the workplace. However, personnel should be aware that they have no right of privacy as to any information or file maintained in or on the Authority's property or transmitted or stored through its computer systems, voice mail, e-mail, or other technical resources. The Authority may override any applicable passwords for purposes of inspecting, investigating or searching all digital files or transmissions, voice mail, or e-mail, or any other Authority media in which information is stored or transmitted. As well, certain records associated with affiliate organizations – HDMD &

DRA – are subject to the Texas Public Information Act, Texas Government Code Chapter 552, giving citizens the right to access government records. Records associated with the HDMD & DRA are presumed to be available to the public – including related correspondence – though some narrow exceptions may apply to the disclosure of some information. ~~It is Authority's policy to comply with applicable legal requirements concerning privacy in the workplace. However, Key Personnel should be aware that they have no right of privacy as to any information or file maintained in or on Authority and Administrative Contractor owned property or transmitted or stored through their computer systems, voice mail, e mail, or other technical resources. Authority may override any applicable passwords for purposes of inspecting, investigating, or searching any and all computerized files or transmissions, voice mail, or e mail or any other Authority media in which information is stored or transmitted.~~

H. Litigation Discovery – Special care must be taken with information requests during litigation. It is the policy of the Authority to respect the judicial process. Truth in that process is essential. Therefore, Key Personnel involved in litigation discovery (that is, when documents or other evidence are required to be produced) shall:

- (a) Treat litigation discovery as a priority;
- (b) Thoroughly and continuously review any questions they have with the Executive Director or designee and, if subsequently directed, the Authority's counsel handling the matter, and fully and completely comply with the instructions received from them; and
- (c) Immediately report any suspected noncompliance to the Executive Director.

J. Requests for Information (Open Records Policy) – Information and records of Authority are subject to public scrutiny at the formal request of a member of the public. Therefore, Authority has developed the procedures outlined in Section 12 to accommodate any requests by the public for its information. Key Personnel having a question as to whether information is of public record should contact the Records Management Officer. (see also Section 12).

K. Testimonials and Endorsements – It is the Authority's policy not to provide information in the form of endorsements or testimonials of products or services. However, in those cases where further interpretation may be needed, please contact the Chair ~~person~~.

**Section 16. Adoption and Revision**

- A. The Board officially finds, determines and declares that these Administrative Policies and Procedures were reviewed, carefully considered, and adopted at a regular meeting of the Board on ~~November 19, 2019~~[September 12, 2023](#), and that a sufficient written notice of the date, hour, place, and subject of this meeting was posted at a place readily accessible and convenient to the public within the Authority and on a bulletin board located at City Hall, 901 Bagby St. Houston, TX 77002 for the time required by law preceding this meeting, as required by Chapter 551, Texas Government Code and that this meeting had been open to the public as required by law at all times during which these Code of Ethics and Policies were discussed, considered, and acting upon. The Board further ratifies, approves, and confirms such written notice and the contents and posting thereof.
- B. Authority Administrative Policies and Procedures shall be reviewed at least annually; if necessary, amended and approved by the Authority's Board in an open meeting.

**END**



CENTRAL HOUSTON, INC.

# STRATEGIC ALIGNMENT PLAN UPDATES

AUGUST 2023

# GOAL 1

## Champion major projects, initiatives and investments that improve Downtown.

- 1.1** Build and maintain cross-sector relationships with area leaders so that CHI can support, facilitate or lead on catalytic opportunities.

**Highlight:** For the first time, CHI is producing a mayoral candidate forum focused on issues important to Downtown stakeholders. The event will be held on August 22nd and will be hosted at the South Texas College of Law Houston (STCL). The Op-Ed editor at the *Houston Chronicle*, Lisa Gray, will serve as the event moderator. CHI staff has sought guidance from local political science professors and the League of Women Voters regarding the event program and structure, and has offered GHP, UHD and STCL the opportunity to invite their members, staff and students (where applicable) to the event. The last day for prospective candidates to file for a place on the ballot is Monday, August 21st.

**Participating Agencies:**



- 1.3** Plan collaboratively for Downtown’s evolving edges, connections, and major attractions.

**Highlight:** On June 28th, CHI leadership presented to the Mayor and his NHHIP Steering Committee a series of designs on the proposed 25 “Garden Bridges” that will link Downtown to adjacent neighborhoods. These Garden Bridges are made possible with the advent of the highway project. CHI has been working with TxDOT and adjacent communities to design these Garden Bridges with a wider, more comfortable pedestrian realm for increased safety for pedestrian and multi-modal users. The Garden Bridges will accommodate buffer plantings, separating vehicles from pedestrians and bicyclists, and will ease pedestrian use through the construction of shade trellises.

**Participating Agencies:**



## GOAL 2

### Enhance and maintain a comfortable, welcoming, and well-managed public realm.

- 2.7** Expand collaboration and explore novel approaches to maintain a low crime rate and make Downtown feel safe.

**Highlight:** CHI management has secured a lease of the former “Rachel’s Café” space across Prairie Street from the Beacon to serve as a “satellite” security outpost. This satellite would provide a high level of transparency for outreach, security, and law enforcement personnel and serve as a regular drop-in location for HPD officers. This strategy is intended to produce more consistent “eyes on the street”, a method used for decades to help improve public safety.

In a related strategy, Beacon leadership will conduct a two-week diversion of services to help facilitate a “reset” of the environmental conditions in the proximate area. During that period, CHI would rally an intense level of outreach and HPD enforcement within the area to help get people into housing and deter nuisance and criminal activity. The temporary service diversion is scheduled for Aug 5th – 14th. The aforementioned satellite space is opening on a commensurate timeline to help reinforce an elevated crime deterrence presence to support a sustained crime rate reduction.

**Participating Agency:**



- 2.10** Broadly address the needs of people experiencing homelessness and the associated impacts.

**Highlight:** As of August 3rd, the HDMD-funded housing surge pilot initiative, approved in November 2022, has successfully housed 96 individuals. Developed in partnership with The Coalition for the Homeless, the initiative provides interim rent subsidies, allowing unhoused individuals to wait for their future home, inside their home, during the 90-day waiting period for governmental subsidy approval. With HDMD's \$500K contribution, of which \$286K has been utilized, the initiative is set to exceed expectations in the number of people housed, therein significantly impacting homelessness in Downtown.

**Participating Agencies:**





## GOAL 3

Drive vibrancy through improved street-level connectivity, a commitment to walkability, and inclusive programming strategies.

- 3.5** Partner with public and private property owners to beautify targeted corridors or block faces to improve connectivity.

**Highlight:** In conjunction with the Beacon Service Diversion initiative, staff will deploy a contractor to address the failing curb and gutter in the 1100 – 1200 blocks of Prairie Street. The existing curb and gutter are in disrepair due to ground and base material subsidence which has resulted in major water ponding issues. These failures pose a significant trip and safety hazard for pedestrians and result in additional work for our cleaning and maintenance crews in dealing with the stagnant water. The failing portions of curb and gutter will be removed and reinstalled with positive drainage.

**Participating Agencies:**



- 3.8** Prioritize investments in pedestrian lighting on key walking corridors and near residential buildings.

**Highlight:** Arup has officially kicked off work on the Downtown Pedestrian Lighting Framework. They have completed the Pre-Assessment Report, a subjective analysis of the visual impressions and conditions in our Downtown based on their professional experience of comparable urban settings. In July, they also conducted the first round of multiple night surveys to measure and build a Survey of Existing Conditions for the entirety of Downtown. This includes capturing at least five light-level measurements per blockface plus one at each intersection. This survey effort will continue through September, followed by a deeper, dive Nighttime Vulnerability Assessment of strategically selected locations.

**Participating Agency:**



## GOAL 4

### Foster a vital and thriving economy through business growth, residential expansion, and enhanced reasons to be in Downtown.

- 4.10** Continue investing in innovation and technology start-ups to support the diversification of the Downtown employment base.

**Highlight:** To advance the framework by which the Downtown Launchpad start-up and innovation center can further its commitment to serve and attract a richly diversified Downtown employment base, CHI executive leadership has initiated a comprehensive assessment of opportunities for programmatic partnerships within the Launchpad. This preliminary study of the Downtown Launchpad’s ecosystem suggests several fruitful avenues that, once implemented, might serve to advance diversified business opportunities for entrepreneurs through the Launchpad that will enrich Downtown’s business climate. We look forward to announcing and implementing these suggestions as we engage the questions raised by the opportunity to make the Downtown Launchpad both a site for scaling business and a funnel for business retention Downtown.

**Participating Agencies:**



- 4.16** Enhance and expand data capabilities and reporting to provide more detailed intelligence to stakeholders and prospects.

**Highlight:** CHI management recently hired 2 individuals to comprise the organization’s research team. Brendan Harrison joined CHI on June 26th as the senior member of the in-house research team and will also take the lead on office-focused economic development strategies. Before joining CHI, Brendan worked as an Underwriting Associate for Trimont Real Estate Advisors in Dallas, TX where he prepared in-depth market research to support commercial acquisition strategies. Brendan possesses a MS in Economics from Texas A&M and moved back to his hometown of Houston, TX for the opportunity. Additionally, Tahsin Fairouz joined the research team in a support capacity on July 10th. Tahsin will support the organization’s research needs beyond real estate, including operations analyses & reporting, marketing metrics, and materials that help articulate CHI’s and Downtown’s progress. Tahsin graduated from the University of Houston in the spring of 2023 with a BA in Economics.

**Participating Agencies:**



## GOAL 5

Develop a hivemind of intelligence and goodwill by genuinely engaging and convening stakeholders.

- 5.4** Explore the potential for simplifying stakeholders' awareness of CHI and its affiliates by unifying their brand identities.

**Highlight:** The goal of unifying CHI, DRA, and HDMD brand identities to enhance and streamline stakeholders' awareness advanced through three virtual presentations to more than 40 board and collaborative committee members. Overwhelmingly positive feedback greeted the presentations. Comments included: "feels more forward-looking," "reflects the future of Downtown being for everyone," and "it shows how our city works together." One key aspect of the rebrand is that the four existing legal entities' names will remain distinct, while being brought together under a shared "umbrella" identity, via a single website and a more intuitive user experience. Logo design has commenced.

**Participating Agencies:**



- 5.7** Develop programs and collateral to orient new companies, employees, and residents to Downtown.

**Highlight:** Growing Downtown's residential base is a strategic priority for CHI, the City of Houston, and partners. It is specifically called out in our strategic plan, which aims to reach a residential population of 15,000 by 2027. With the most effective advertising for Downtown living being good word-of-mouth from current residents, the Residents and Rooftops summer event series launched to bring prospective residents together with Downtown residents, while showcasing some breathtaking views. Reporting positive experiences with the events, property managers requested making them a regular feature of Downtown District's community-building among "Downtowners by choice." Brava hosted the final event of the summer series on Wednesday, August 9th.

**Participating Agencies:**





CENTRAL HOUSTON,  
**STRATEGIC**  
**ALIGNMENT**  
**PLAN UPDATES**

SEPTEMBER 2023

# GOAL 1

## Champion major projects, initiatives and investments that improve Downtown.

- 1.1** Build and maintain cross-sector relationships with area leaders so that CHI can support, facilitate or lead on catalytic opportunities.

**Highlight:** On August 22, CHI held its first-ever Mayoral Candidates Forum at South Texas College of Law. Five candidates were invited to participate, including: R. Gallegos, G. Garcia, I. Kaplan, S. Jackson Lee, and J. Whitmire. The Op-Ed editor at the *Houston Chronicle*, Lisa Gray served as the event moderator. The event was covered extensively by television and newspapers, and CHI produced a video of the event that was available for streaming beginning the next day. Approximately 300 Downtown stakeholders participated.

### Participating Agencies:



- 1.3** Plan collaboratively for Downtown's evolving edges, connections, and major attractions.

**Highlight:** On August 23, CHI provided the NHHIP Steering Committee with an in-depth presentation on the EaDo cap. The presentation showcased the base condition as would be delivered alone by TxDOT plus various options that ranged from a greened lawn to programmed spaces. The relationship between the EaDo cap and the upcoming planning for the east elevation of the George R. Brown Convention Center were explored. Members noted the large task ahead with maintaining the 30-acre space once the initial capital project was completed. The next Mayor's Steering Committee meeting will be held on September 27.

Aside from the Steering Committee, CHI is also supporting the City of Houston in pursuing a grant to cover the excess infrastructure capacity needed to support the features and amenities desired by the community for the caps & bridges envisioned in Segment 3 of the NHHIP (the Downtown / Midtown segment). CHI has retained (through CHCI) the City's preferred consultant to complete the cost/benefit analysis required for the application to the Federal Highway Administration (FHWA) Reconnecting Communities grant program. The application is due to the FHWA on September 28<sup>th</sup>.

### Participating Agencies:



## GOAL 2

### Enhance and maintain a comfortable, welcoming, and well-managed public realm.

- 2.7** Expand collaboration and explore novel approaches to maintain a low crime rate and make Downtown feel safe.

**Highlight:** Following the Beacon two-week Service Diversion, "The Beacon Security Network" emerged, uniting key partners such as HDMD, Houston PD's Homeless Outreach and Crime Suppression Teams, The Beacon's Executive Staff and Off-Duty HPD Coordinator, Christ Cathedral Church, Precinct 1 Constable's Office, Harris County Sheriff's Office, and SEAL Security. The group will focus on public safety challenges near The Beacon. Their inaugural meeting took place on August 11th, breaking down communication silos. The network established a WhatsApp channel for real-time updates and support requests, committing to monthly meetings for enhanced collaboration in addressing issues and sharing information.

**Participating Agency:**



- 2.10** Broadly address the needs of people experiencing homelessness and the associated impacts.

**Highlight:** On August 7, CHI/HDMD opened its new "satellite" safety outpost in the former "Rachel's Café" space across Prairie Street from The Beacon. The satellite will provide a higher level of visibility for outreach, security, and law enforcement personnel and serve as a regular drop-in location for HPD officers. This strategy is intended to produce more consistent "eyes on the street", a method used for decades to help improve public safety. Thus far, that strategy is working. In the first 25 days of operation, 64+ groups of uniformed law enforcement and security officers accessed the satellite office using keycode entry.

**Participating Agencies:**



## GOAL 3

Drive vibrancy through improved street-level connectivity, a commitment to walkability, and inclusive programming strategies.

**3.5** Plan, design, and construct public infrastructure that supports safety and equity.

**Highlight:** Fourteen years in the making, a massive sidewalk improvement effort is finally underway in Downtown. In 2009, the HDMD pledged the 20% local match (\$632,000) to leverage an 80% federal grant to improve sidewalks in the SE side of Downtown. The federal funds are flowing through TxDOT. The project, known internally as “Southeast Sidewalks”, will reconstruct and widen sidewalks within a 56-block area in the southeast quadrant of Downtown bounded by Polk, Hamilton, Pierce, and Fannin Streets. All told, the initiative will result in 7,115 linear feet or 1.347 miles of improved sidewalks. The project began construction on July 31, 2023, and is slated for completion in January, 2024.

**Participating Agencies:**



**3.11** Plan and implement an events and programming strategy that appeals to diverse audiences and drives vibrancy in strategic areas.

**Highlight:** The Market Square Park Farmers Market made significant strides in collaboration with Central City Co-Op, confirming over 25 vendors, with additional farmers and vendors considering participation. The market will provide access to fresh and affordable seasonal fruits, vegetables, meat proteins, prepared foods, and household goods. Live music performances by local artists and other entertainment enhance the experience. In August, Chef Chris Zettlemoyer from Figo Sugo showcased his culinary talents using Central City Co-Op ingredients in cooking demonstrations and by offering food samples at various resident and office properties, promoting the first market launch on September 9th.

**Participating Agency:**



## GOAL 4

### Foster a vital and thriving economy through business growth, residential expansion, and enhanced reasons to be in Downtown.

- 4.11** Foster a thriving storefront economy, prioritizing recruitment efforts, where possible, to fill available properties that have favorable co-tenancy on key corridors.

**Highlight:** As part of our Downtown Storefront Activation Program, staff proactively participated in “Retail Live! 2023” in Austin. This annual retail-focused regional event brings together several hundred suppliers, brokers and developers to network, engage and explore retail opportunities in major markets across Texas. During this 2-day event, strong new connections were fostered with over two dozen real estate professionals interested in learning more about retail development opportunities in Downtown Houston. Over the coming months, staff will continue to build on these new investment relationships and the many prospective projects and clients they represent. Our next major retail promotion event is planned for January 2024.

#### Participating Agencies:



- 4.12** Develop focused marketing materials and incentive programs intended to support storefront recruitment efforts.

**Highlight:** CHI has taken steps to enhance storefront recruitment efforts by developing a “Why Downtown Houston” brochure curated with quick facts and data about the Downtown market. CHI management effectively utilized this resource at the “Retail Live” conference in Austin, showcasing Downtown’s potential to brokers, developers and retailers. This targeted marketing material is a valuable tool in our efforts to attract and promote business opportunities in Downtown Houston.

#### Participating Agencies:





## GOAL 5

Develop a hivemind of intelligence and goodwill by genuinely engaging and convening stakeholders.

- 5.4** Explore the potential for simplifying stakeholders' awareness of CHI and its affiliates by unifying their brand identities.

**Highlight:** The goal of unifying CHI, DRA, and HDMD brand identities under a shared umbrella identity continues to advance. After receiving positive feedback from the 40+ Board members who attended the online engagement sessions, logo design has commenced to advance the name, "Downtown Houston +". The new logo will be revealed at the November 2 State of Downtown / Annual Meeting.

As a reminder, although this rebrand will create a refreshed identity that encapsulates the organizations operating in alignment, the four existing entities' names will remain as they are associated with legal filings and governmental activities. Further, a new website is being built on a parallel path to help integrate and simplify consumer and stakeholder access to information about Downtown and the individual entities. The new website will launch alongside the unified brand reveal.

**Participating Agencies:**



- 5.6** Improve and expand external communications to increase awareness of CHI, its actions, and general Downtown happenings.

**Highlight:** CHI's public relations team landed a cover article and six-page spread in the Aug 4-10 edition of *Houston Business Journal* focused on the state of Downtown Houston and opportunities for its future. The article was well received by area stakeholders, and additional hard copies are available for interested Board members.

**Participating Agencies:**

