

**LAND ASSEMBLAGE REDEVELOPMENT AUTHORITY
MINUTES OF BOARD MEETING
HOUSTON, TEXAS**

July 21, 2006

A meeting of the Board Of Directors (“the Board”) of the Land Assemblage Redevelopment Authority (“LARA”), a Texas non-profit corporation created and organized by the City of Houston as a local government corporation pursuant to the Texas Transportation Code Annotated, Section 431.101, et seq., and the Texas Local Government Code Annotated, Section 394.001 et seq., was held in the Houston City Hall Annex Council Chambers, Public Level, 900 Bagby Street, Houston, Harris County, Texas, on Friday, July 21, 2006. Written notice of the meeting, including the date, hour, place and agenda for the meeting was posted in accordance with the Texas Open Meetings Act.

Board members in attendance were:

David Collins, Chairman of the Board
Reginald Adams, President
Yolanda Black-Navarro
Tyrone Dorian
Jeremy Ratcliff
Jolanda Jones
Teresa Morales

Board members absent were:

Ray Fisher
Cheryl Armitige
Antoinette Jackson
Reverend James Nash
Craig Presley
James Harrison, III

Others in attendance included: Steve Tinnermon and Pat McFarland of the Neighborhoods and Housing Division of the Mayor’s Office; Lynn Henson and Allen Parker of the City of Houston’s Planning and Development Department and Jim Lemond, Cantrell Dumas and Archana Singh of Winstead Sechrest & Minick P.C., the Authority’s General Counsel.

I. Call to Order

The meeting was called to order by Mr. Collins, the Board Chairman, at 2:08 o'clock p.m.

II. Review and Approval of Minutes from the May 26, 2006 Board Meeting

Mr. Collins directed the Board to review the minutes of the June 23, 2006 meeting. Upon a motion by Mr. Adams, duly seconded by Ms. Black-Navarro, the minutes of the June 23, 2006

meeting were unanimously approved.

III. Old Business

a. Treasurer's Report

Ms. Morales addressed the Board and discussed the current financial report for LARA. She called to attention a \$1000 receivable, outstanding for over 1 year, for which Comerica Bank recently made payment. Ms. Morales noted that the environmental reports, performed on over 200 properties, accounted for a large portion of LARA expenses. She added that additional monies for administrative expenses would be reflected in the August statement. Mr. Adams inquired as to when LARA would begin to prepare for a year-end audit. Ms. Morales replied that LARA would begin preparations for the audit in the next month. After a motion by Ms. Jones, duly seconded by Mr. Adams, the report was approved.

b. Auction Update

The auction update was postponed until later in the meeting.

IV. Committee Reports

a. Executive Committee

Mr. Adams addressed the Board and reported on the executive committee meeting held earlier the same day. He stated that the committee discussed the replatting of certain lots. At this time Ms. Henson summarized the need for replatting, stating that 8 oversize lots require replatting in order to accommodate more homes. Mr. Adams proposed a motion to receive proposals for replatting these 8 properties, as well as other oversize lots. Mr. Collins noted that such a motion would be more appropriately deferred until later in the meeting.

Ms. Morales inquired as to whether the RFP for replatting services would be sent to engineers currently engaged business with City. Mr. Tinnermon replied that while he would solicit recommendations from both the LARA Board and the City, the City does not maintain a panel of engineers who perform this service as it does with firms that perform environmental reports. Mr. Parker added that the City of Houston Planning and Development Department will develop preliminary layouts of the lots.

Next, Ms. Black-Navarro asked if a proposal to replat the lots would come before the Board for approval. Mr. Collins affirmed that such a proposal would eventually be subject to Board approval, while the proposal at hand authorizes the solicitation of bids for the replatting service. Mr. Adams added that at the executive meeting, the cost of replatting was estimated at roughly \$3500 per lot. He stated the possibility, due to the significant number of properties in need of replatting, of LARA paying a reduced rate. Mr. Ratcliff inquired whether, of all the LARA properties, only 8 have been identified as lots in need of adjustment. Mr. Tinnermon clarified that the 8 lots under discussion are the oversize lots included in the current RFP, and there are additional lots in need of replatting.

V. New Business

a. Consideration and possible action to accept proposals for replatting services.

Upon a motion by Ms. Jones, seconded by Mr. Adams, the Board approved the motion to accept proposals for replatting services.

b. Update on release of LARA RFP

Mr. Tinnermon addressed the Board and provided brief update on the status of the LARA Request for Proposal ("RFP"). He then provided an overview of the LARA Pre-Proposal Conference, reporting that the conference will take place on July 28 between 10 o'clock a.m. and 12 o'clock noon at 611 Walker Street (The Lanier Building) in the Garden Level Auditorium. Mr. Tinnermon added that Mayor White, along with others, would attend and answer questions regarding the redevelopment process. He proposed dedicating the time from 11:15 to 12 o'clock noon to a session in which the builders and the community development corporations ("CDCs") could meet and acquaint themselves with each other. He stated that he hoped LARA Board members would also attend this session.

Ms. Morales said the Board previously discussed holding a workshop with builders and CDCs and inquired if the Pre-Proposal Conference would serve the same purpose. Mr. Adams responded that because the conference was already scheduled, he felt the builders and CDCs could use the forum to familiarize themselves with each other in lieu of attending another meeting. He added that having lenders at the conference could also be beneficial.

Next, Ms. Morales stated that CDCs, as leaders in the redevelopment process, should be made aware of the benefits of conducting due diligence on the builders with whom the CDCs may potentially partner. Mr. Collins stated that he felt the need for due diligence has been made clear to the CDCs. Ms. Morales expressed concern that CDCs may be confused as to their role in the redevelopment process. Mr. Adams suggested that the Pre-Proposal Conference might clarify any ambiguity on this topic. Mr. Tinnermon agreed that the conference would elucidate the roles of the builders and CDCs, adding that a question and answer section, to which parties may direct inquiries regarding the redevelopment process, is maintained on the RFP website. He encouraged the Board to visit the section. Mr. Tinnermon added that LARA has also developed a questionnaire that provides guidance as to critical questions CDCs should ask of a builder when assessing compatibility for a partnership. Ms. Morales commended the development of the questionnaire and emphasized the importance of CDCs inquiring as to the financial strength of the builders.

Mr. Adams then suggested generating a short survey for attendees to complete in order to assess the usefulness of the Pre-Proposal Conference, and to determine what areas remain unclear to the CDCs or builders. Ms. Black-Navarro inquired as to whether attendance at the conference is required to participate in the redevelopment process. Mr. Tinnermon replied that attendance is not mandatory. Ms. Black-Navarro then expressed concern about LARA Board members interacting with potential bidders at the Pre-Proposal Conference. She stated that, although she felt confident that such interaction would not result in preferential treatment with

regard to selection to participate in the redevelopment process, she wished to avoid even the appearance of any preferential treatment.

Ms. Morales inquired as to how the builders were notified of the Pre-Proposal Conference. Mr. Tinnermon stated that the builders were notified via phone and email, with the aid of a list of builders from state organizations.

At this time Mr. Tinnermon presented the auction report. He reported that no tax auction took place in July due to the July 4th holiday. As a result, 114 properties, an exceptionally large number, are available at the August tax sale. Mr. Tinnermon added that LARA currently owns 353 lots, and that Ms. Stolar would provide a more detailed report at the August Board meeting.

Mr. Adams expressed disappointment that LARA has yet to acquire all the properties slated for acquisition under the Pilot Program, especially in light of the progress made in acquiring properties under the umbrella of Houston Hope I. He noted the steady rise of property values in the Third Ward and the Fifth Ward. Mr. Lemond stated that, as previously reported by Ms. Stolar, legal proceedings prevent the acquisition of certain LARA Pilot Program properties. Mr. Tinnermon directed the Board to the activity report, which notes that 6 Pilot Program properties have a lawsuit pending, while independent attorneys are examining the ownership of 29 properties. Ms. Jones summarized the legal complications surrounding several of the Pilot Program properties.

VI. Chairman's Report

Mr. Collins indicated that he had no additional matters to report.

VII. Public Comment

Ms. Black-Navarro inquired as to the status of the District Advisory Council. Mr. Tinnermon stated that City Council members have been asked to make appointments to the council, but as there have been no submissions to date, he will submit another request. There were no additional comments.

VIII. Executive Session under Section 555.072 of the Texas Open Meetings Act

No matters were posted for discussion in the Executive Session and not Executive Session was held.

IX. Adjournment

On a motion by Mr. Adams, seconded by Ms. Black-Navarro, the meeting was adjourned at 2:28 o'clock p.m.

Minutes prepared by:
Jim Lemond and Archana Singh
Winstead Sechrest & Minick, P.C.

Signed on the _____ day of _____, 2006.

Reginald Adams, President

Jolanda Jones, Secretary