

**MINUTES OF THE MEETING OF THE
HOBBY AREA MANAGEMENT DISTRICT
BOARD OF DIRECTORS**

August 13, 2015

DETERMINE QUORUM; CALL TO ORDER.

The Board of Directors of the Hobby Area Management District held a regular meeting on Thursday, August 13, 2015, at 1:00 p.m. in the Doubletree Hilton Hobby, 8181 Airport Blvd., Houston, Texas 77061, inside the boundaries of the District, open to the public, and the roll was called of the duly appointed members of the Board, to-wit:

Position 1 - Danny Perkins, *Chairman*
Position 2 - Helen Bonsall, *Vice-Chair*
Position 3 - Todd Szilagyi
Position 4 - Perry J. Miller
Position 5 - Ann Collum
Position 6 - Sue De Haven, *Secretary*

Position 7 - Marjorie Evans
Position 8 - Joe Edd Nelson
Position 9 - Darryl Bailey
Position 10 - Vic J. Zachary
Position 11 - Alberto Cardenas

and all were present, with the exception of Directors Szilagyi, Miller and Zachary, thus constituting a quorum. Also present were David Hawes, Josh Hawes, Gretchen Larson, Tony Allender, Linda Clayton, Jerry Lowry and Eoles Whitaker, all with Hawes Hill Calderon, LLP; Clark Lord, Bracewell & Giuliani; Jack Roland, Roland Fry & Warren; Mario Ramirez, Hobby Business Ambassador. Others attending the meeting were Robert Belt, Belt Harris Pechacek; Joaquin Martinez, Councilman Gallegos' office; Rhedonda Cox, S.E.A.L. Security; and Ann Culver, Scenic Houston. Chairman Perkins called the meeting to order at 1:05 p.m.

RECEIVE PUBLIC COMMENTS.

There were no public comments.

APPROVE MINUTES OF MEETING HELD JULY 9, 2015.

Upon a motion duly made by Director Cardenas, and being seconded by Director Collum, the Board voted unanimously to approve the Minutes of the July 9, 2015, Board meeting, as presented.

RECEIVE ASSESSMENT COLLECTION REPORT.

Mr. Hawes presented the Assessment Collection Report, included in the Board agenda materials. He reported 97% collected on the 2014 assessments, no uncertified property and 43 unsettled accounts. No action from the Board was required.

RECEIVE BOOKKEEPER'S REPORT AND APPROVE INVOICES FOR PAYMENT.

Mr. Roland presented the Bookkeeper's Report and went over invoices, included in the Board agenda materials. Upon a motion duly made by Director De Haven, and being seconded by Director Nelson, the Board voted unanimously to accept the Bookkeeper's Report and approved invoices for payment, as presented.

RECEIVE REPORT FROM THE ENVIRONMENT, URBAN DESIGN AND MOBILITY COMMITTEE.

Mr. Allender gave an update on the Broadway Blvd. project. He reported the Airport Blvd. enhancement project was on currently on target with its schedule. Ms. Culver handed out Scenic Houston's cash flow projection spreadsheet, fundraising update and benchmark report on the Broadway Blvd. project, a copy is attached as Exhibit A. Mr. Hawes updated the Board on the progress of funding for the Broadway

project from Gulfgate TIRZ. Chairman Perkins expressed sincere appreciation to Scenic Houston for its fundraising efforts for the Broadway project. No action from the Board was required.

DISCUSS AND CONSIDER AN INTERLOCAL AGREEMENT WITH HOUSTON-GALVESTON AREA COUNCIL REGARDING THE LIVABLE CENTERS STUDY.

Mr. Allender went over the Interlocal Agreement with Houston-Galveston Area Council (H-GAC), included in the Board agenda materials, and answered questions. He reported H-GAC is now prepared to begin the process of hiring a consultant team for completion of the study. He reported the Agreement binds both H-GAC and the District in regards to funding and expectations. He reported the total projected cost is estimated to be \$268,750 with the District's obligation in the amount of \$55,362, which was part of the current budget. He reported the study is geared toward implementation and ultimately it would be TxDOT funds for the implementation. Upon a motion duly made by Director De Haven, and being seconded by Director Bonsall, the Board voted unanimously to approve the Interlocal Agreement with Houston-Galveston Area Council, as presented.

RECEIVE AND APPROVE FY2014 FINANCIAL AUDIT REPORT FROM BELT HARRIS PECHACEK.

Mr. Belt presented the FY2014 Financial Audit, a copy is attached as Exhibit B. He went over the budget vs. actual comparison, independent audit report, statement of net position and governmental fund balance sheet, and statement of activities. Mr. Hawes requested on page 17 under the revenues that property taxes be changed to assessments. Mr. Belt went over the auditor disclosure letter and reported no exceptions during the audit process. He answered questions regarding earmarking funds for projects for future years. No action was taken to give the Board time to review the audit for approval at next month's meeting.

RECEIVE REPORT FROM THE BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE.

Ms. Larson reported the Committee continues work on the State of the District event. She reported the Business Ambassador visited 106 businesses with 48 complete and has been well received. Mr. Hawes reported staff was working on identifying local property owners in the District. He reported the Business Ambassador would be visiting with local business owners first. Ms. Larson reported the summer newsletter should be ready for print next week. No action from the Board was required.

RECEIVE REPORT FROM THE PUBLIC SAFETY COMMITTEE.

Mr. J. Hawes reported the Committee met on July 15 and received the latest report on RCR in the District. He reported the County Attorney has filed two nuisance lawsuits and was currently working with HPD to address game room and after hour parlors in the District. Mr. Whitaker provided an update on the vagrancy issues along the I-45 corridor. The SEAL Security Year-to-Date Summary Report, January-June 2015, was handed out, a copy is attached as Exhibit C. No action from the Board was required.

RECEIVE EXECUTIVE DIRECTOR'S MONTHLY REPORT ON ACTIONS/INITIATIVES IN SUPPORT OF THE DISTRICT'S SERVICE PLAN.

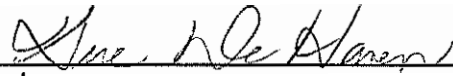
Mr. Hawes reported Scenic Houston and District were working together with TxDOT to discuss the most effective way to clean the corridor. There was general discussion regarding maintaining the service roads along Gulf Freeway. Mr. Whitaker provided an overview of the tour of I-45. He reported during the tour options were discussed on cleaning the corridor. Mr. Martinez reported there was a small section before 610 that was not part of the District or any other District. Mr. Hawes reported there were ongoing discussions regarding the area and would be brought to Committee for discussion. Mr. Cardenas announced the opening of the International terminal at Hobby with its first flight scheduled October 15. No action from the Board was required.

ADJOURN.

There being no further business to come before the Board, Chairman Perkins adjourned the meeting at 2:01 p.m.

(Seal)




Secretary

List of Exhibits:

- A. Scenic Houston fundraising update and benchmark report on the Broadway Blvd. project
- B. Draft FY2014 Financial Audit
- C. SEAL Security Year-to-Date Summary Report, January-June 2015

Cash Flow Projection

Broadway Project

February 2015 thru January 2017

Presented to Harris County Improvement District No. 9

as of August 13, 2015

as of August 13, 2015		Quarterly									Beyond Jan 2017
		2015				2016				2017	
		Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan	
		Amount									
Beginning Cash Balance		0	172,063	207,108	1,045,479	1,347,642	362,240	(579,167)	(1,299,021)	(2,221,124)	(2,639,259)
Requested, Pending, or Committed											
Foundations	2,010,000	60,000	-	450,000	1,260,000	-	-	-	60,000	-	180,000
Corporations	1,130,000	20,000	38,334	568,000	-	120,000	38,333	262,000	-	-	83,333
Non-Profits & Public Entities	1,900,000	-	-	100,000	50,000	550,000	300,000	300,000	300,000	100,000	200,000
Board Members & Individuals	164,120	113,120	1,000	25,000	-	-	-	25,000	-	-	-
Total Potential Contributions	5,204,120	193,120	39,334	1,143,000	1,310,000	670,000	338,333	587,000	360,000	100,000	463,333
Expense task or project											
Softscape (landscape and soll)	2,359,398	-	-	-	-	714,848	464,850	464,850	464,850	250,000	-
Hardscape (paths, curbs, crosswalks, pavers)	1,614,715	-	-	-	-	403,679	403,679	403,679	403,679	-	-
Lighting, Electrical, Site Furniture & Amenities	1,236,855	-	-	-	135,000	225,464	275,464	275,464	275,464	-	-
Street Enhancements and retrofitting	500,000	-	-	-	550,000	-	-	-	-	-	-
Professional Design Costs	499,500	-	-	180,000	180,000	139,500	-	-	-	-	-
Site Prep and Demolllion (tree protection)	395,428	-	-	-	-	98,857	98,857	98,857	98,857	-	-
Project Management and Administration	820,670	21,057	4,289	124,629	142,838	73,054	36,891	64,004	39,253	264,135	50,520
Initial Maintenance (2 years)	100,000	-	-	-	-	-	-	-	-	4,000	96,000
Total Expenses	7,526,566	21,057	4,289	304,629	1,007,838	1,655,402	1,279,740	1,306,854	1,282,103	518,135	146,520
Ending Cash Balance		172,063	207,108	1,045,479	1,347,642	362,240	(579,167)	(1,299,021)	(2,221,124)	(2,639,259)	(2,322,446)

Project Timeline

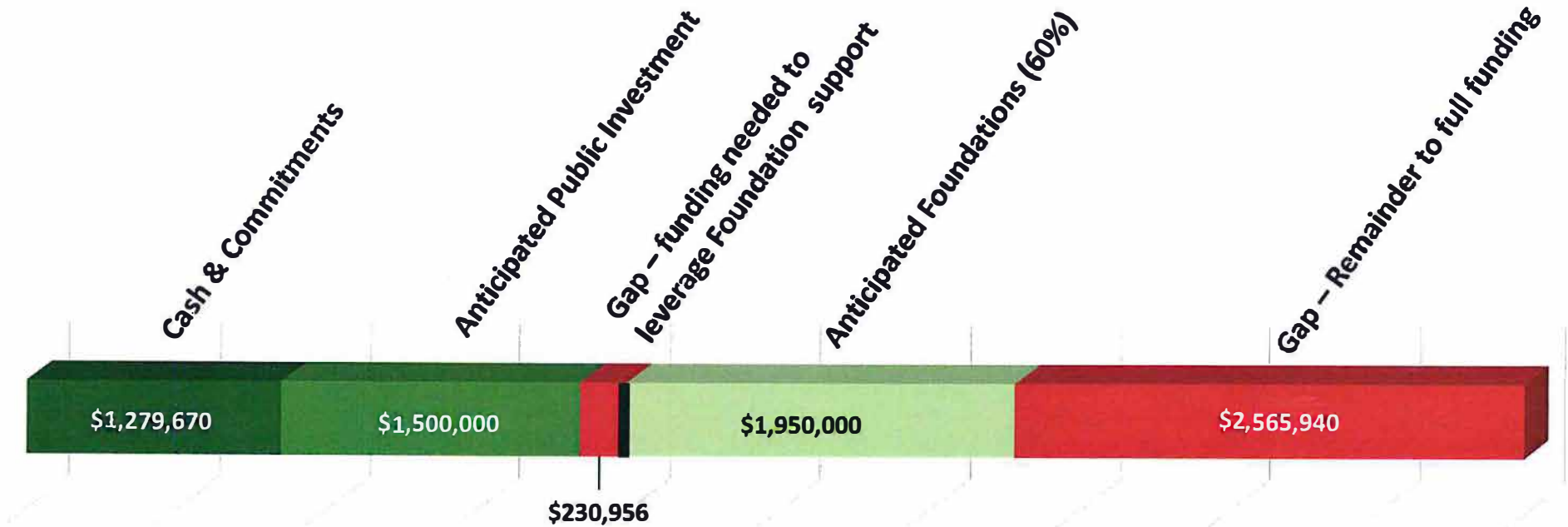
Construction design and documentation
 Construction bid
 Construction let
 Project execution



Ex A

BROADWAY / HOBBY GATEWAY REDEVELOPMENT PROJECT

FUNDRAISING



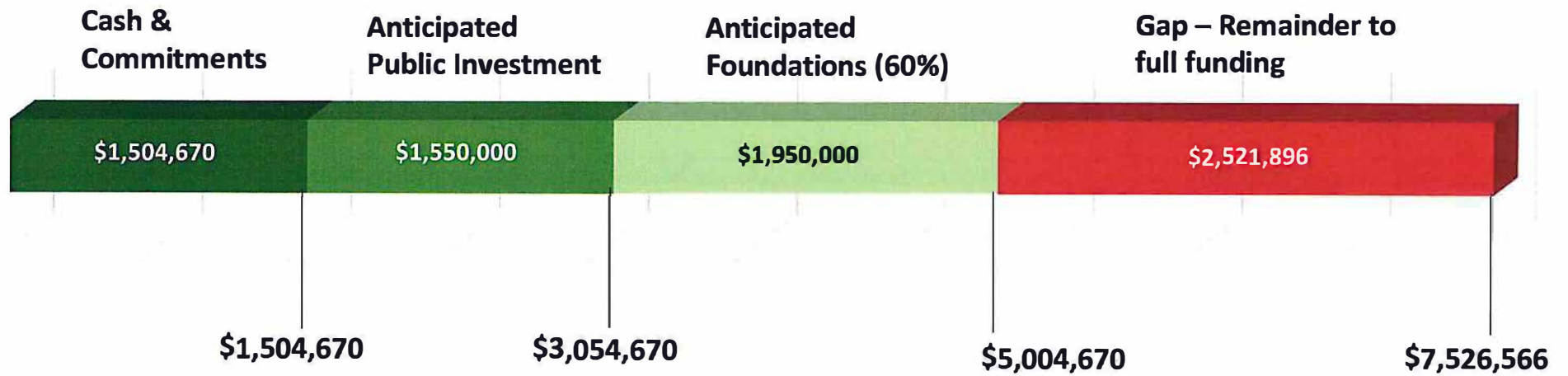
July 10, 2015

Feb 2015

Aug 2015

Oct 2015

Jan 2016



August 13, 2015

ANNUAL FINANCIAL REPORT

of the

**HARRIS COUNTY
IMPROVEMENT DISTRICT No. 9**

For the Year Ended
December 31, 2014



HOBBY DISTRICT

YEAR-TO-DATE

SUMMARY REPORT

JANUARY - JUNE 2015

Prepared For:

Hobby Area Management District



About This Report:

This is a year-to-date summary report prepared by SEAL Security Solutions, LLC for the Hobby Area Management District. This report highlights some of the incidents by categories since January 2015, when SEAL Security was contracted. The word “incident” is loosely used to describe any kind of emergency and non-emergency situations, on-site observations, and requests for assistance that has occurred in the district. SEAL’s dispatch center receives all calls from clients and SEAL officers concerning dangerous or potentially threatening situations or activity, and observations of incidents that occurred in the area. These incidents have been thoroughly recorded to provide Hobby Area Management District on pertinent information that impacts the community. Each month, SEAL Security collects all information on incidents that has occurred within the district and provides the Hobby Area Management District with a monthly incident report.

About SEAL Security:

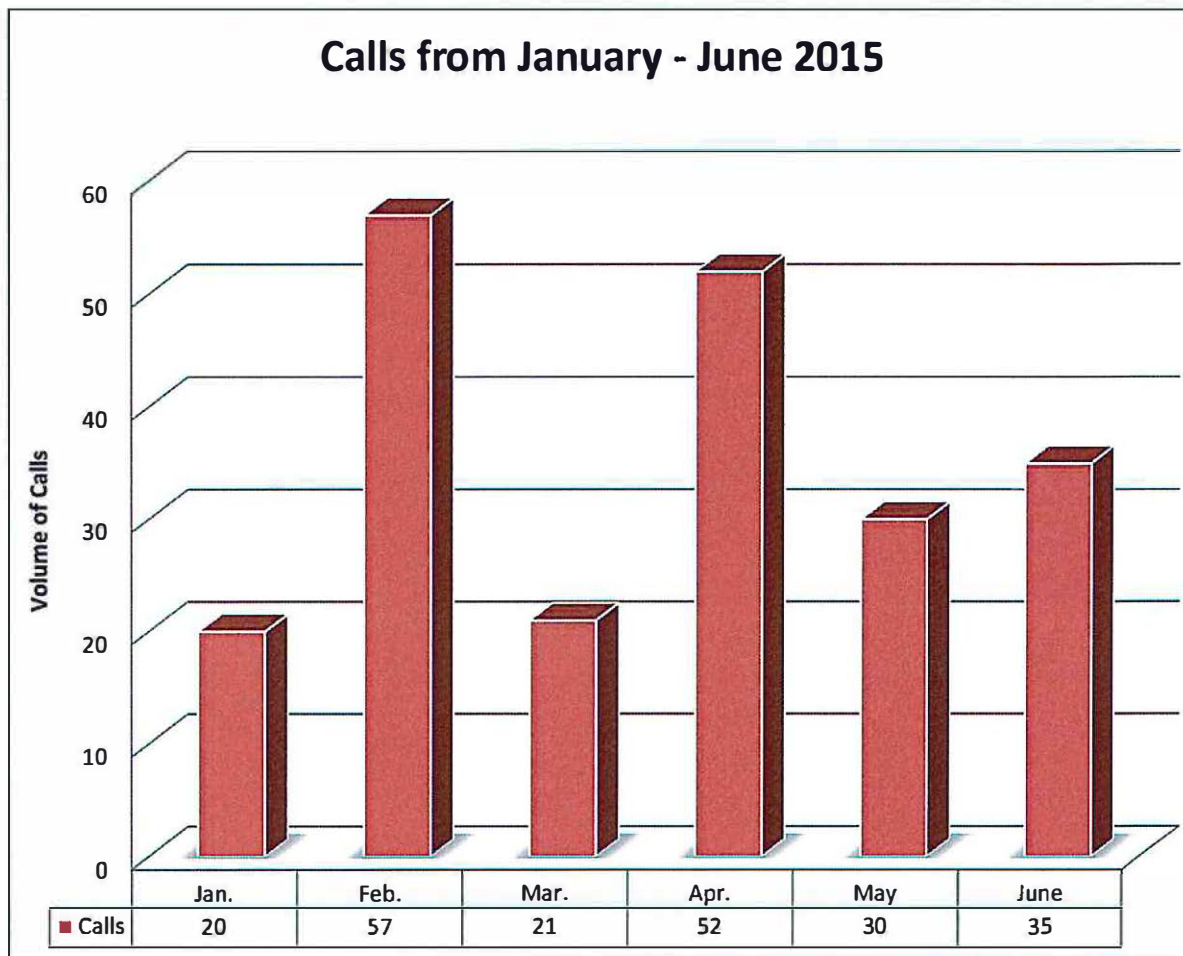
SEAL Security was contracted to safeguard your community and be on call during high risk situations. All SEAL officers are armed and patrol in marked patrol units. SEAL Security takes a proactive position on patrolling and securing the Hobby Area District. Our expanded canine (K-9) division includes foot patrol in your community. In addition to patrol services, our dogs are trained in drug and explosive detection. Our specially-trained experts and their canine partners can be one of the most effective and productive security tools available to dissuade, discourage, and prevent crime. In the interest of safety, we ask that clients and residents do not approach the dogs or attempt to pet them. We appreciate everyone’s assistance.

Year-to-Date Summary

	Jan.	Feb.	Mar.	Apr.	May	Jun.	YTD
Calls	20	57	21	52	30	35	215
CTW	0	0	10	8	7	7	32
Assistance	0	1	1	5	4	2	13
Alarm	0	0	0	1	0	1	2
Animal	0	0	0	0	0	0	0
Assault	0	0	0	0	0	0	0
Auto Theft	0	0	1	1	0	15	17
BMV	0	0	1	0	0	0	1
Burglary of Habitation	0	0	0	2	0	1	3
Damage/Defacing of Property	2	2	8	3	3	2	20
Disturbance	2	4	6	8	8	6	34
Emergency Medical Services	0	0	1	0	1	0	2
Solicitors	0	0	0	1	0	1	2
Suspicious Activity	1	2	6	11	2	6	28
Suspicious Person	3	3	6	12	12	17	53
Suspicious Vehicle	0	2	0	0	2	2	6
Theft	0	1	2	1	2	1	7
Vehicle Collision	0	0	2	2	1	0	5

CALL CENTER: 713.489.6300

SEAL Security has designated the Hobby Area Management District with a hotline number where clients, employees, residents and the general community are able to call to report incidents or request assistance. This allows us to keep an accurate count of the call volume each month.



Total Calls to Date: 215

Average Number of Calls Per Month: 36

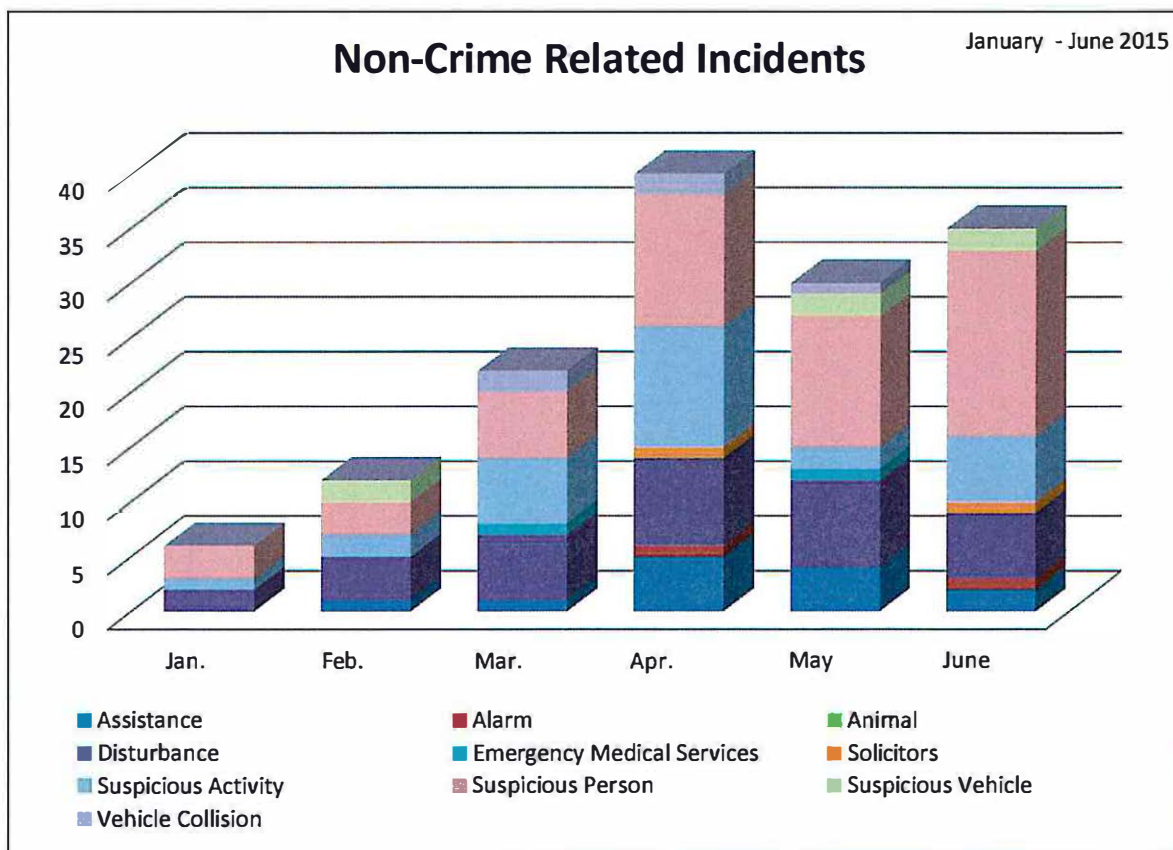
Largest Increase: February 2015

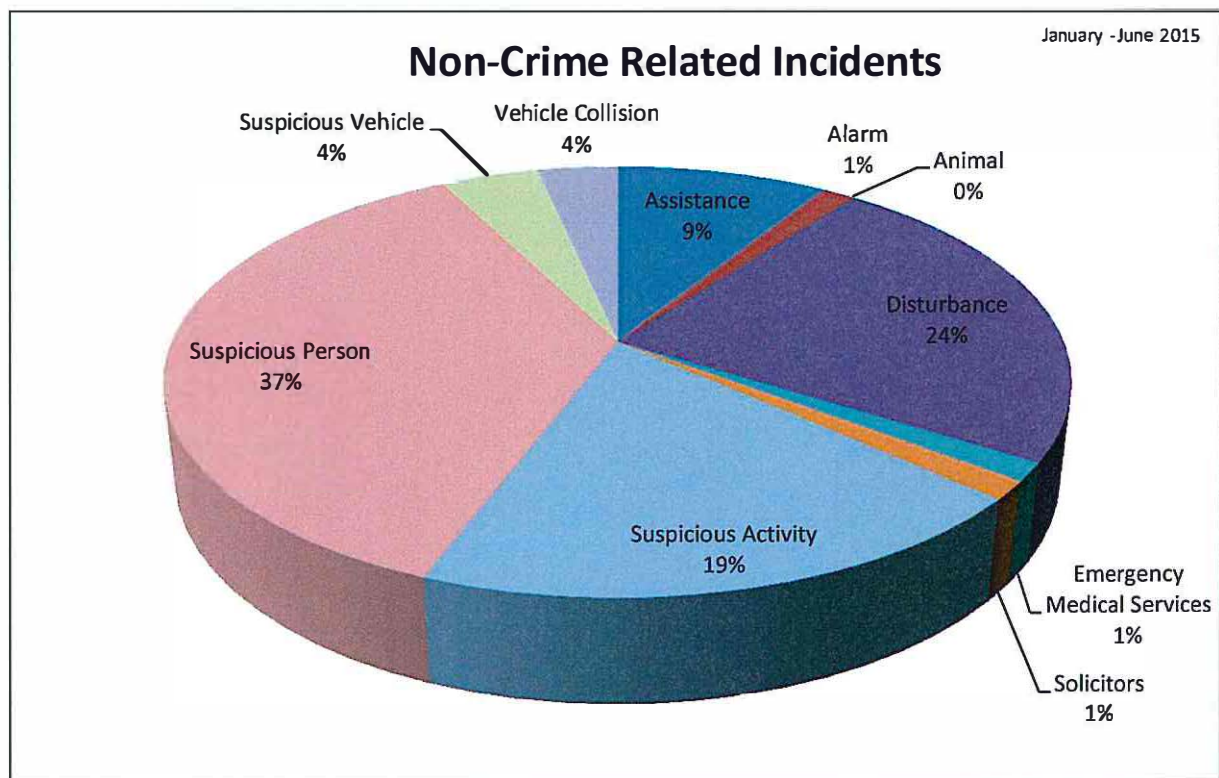
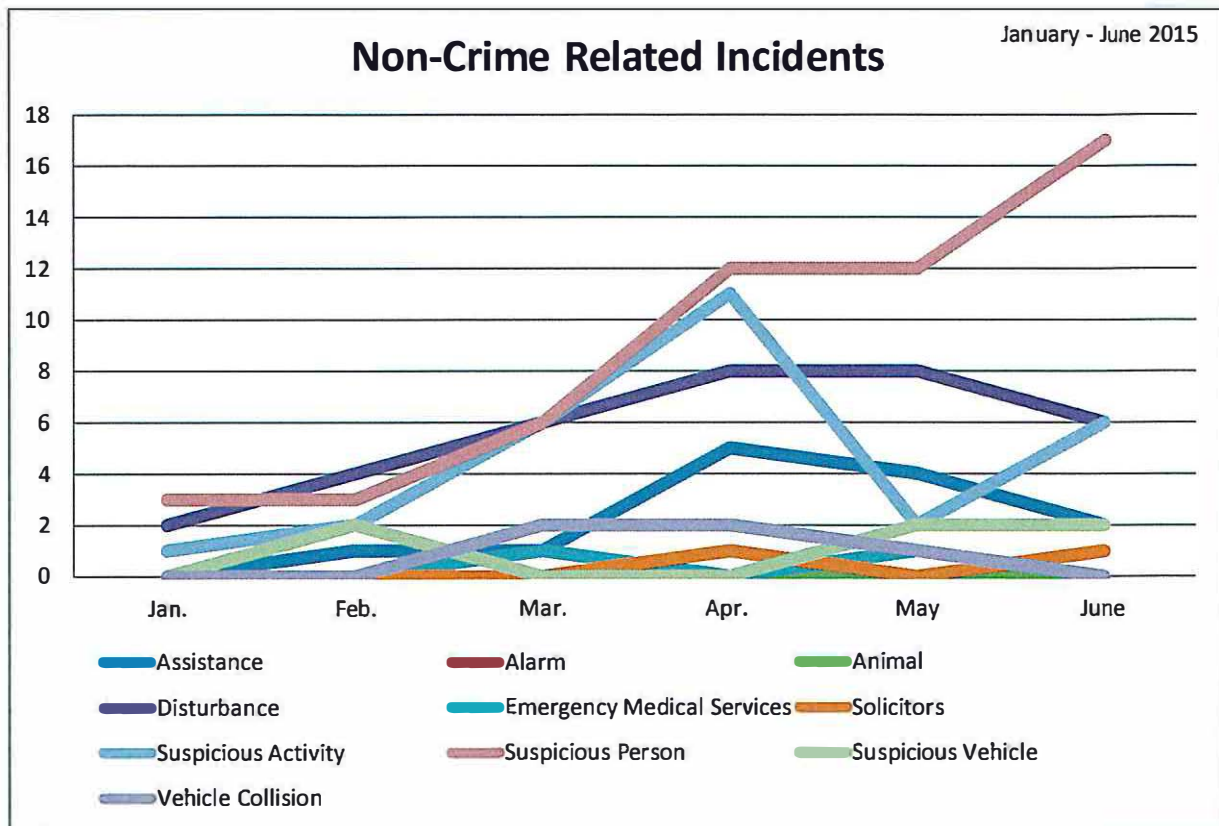
Largest Decrease: January 2015

NON-CRIME RELATED INCIDENTS

Non-Crime Related Incidents – The charts below displays the amount of calls received within each category that is not considered crimes. These include assistance, alarm, animal (any issues related to an animal), disturbances, need for EMS, solicitors, suspicious activity, suspicious person, suspicious vehicle, and vehicle collisions. In each of these categories an officer was sent to render assistance, investigate, and/or dispatch contacted law enforcement if necessary.

Non-Crime Related Incidents	Jan.	Feb.	Mar.	Apr.	May	June	YTD
Assistance	0	1	1	5	4	2	13
Alarm	0	0	0	1	0	1	2
Animal	0	0	0	0	0	0	0
Disturbance	2	4	6	8	8	6	34
Emergency Medical Services	0	0	1	0	1	0	2
Solicitors	0	0	0	1	0	1	2
Suspicious Activity	1	2	6	11	2	6	28
Suspicious Person	3	3	6	12	12	17	53
Suspicious Vehicle	0	2	0	0	2	2	6
Vehicle Collision	0	0	2	2	1	0	5

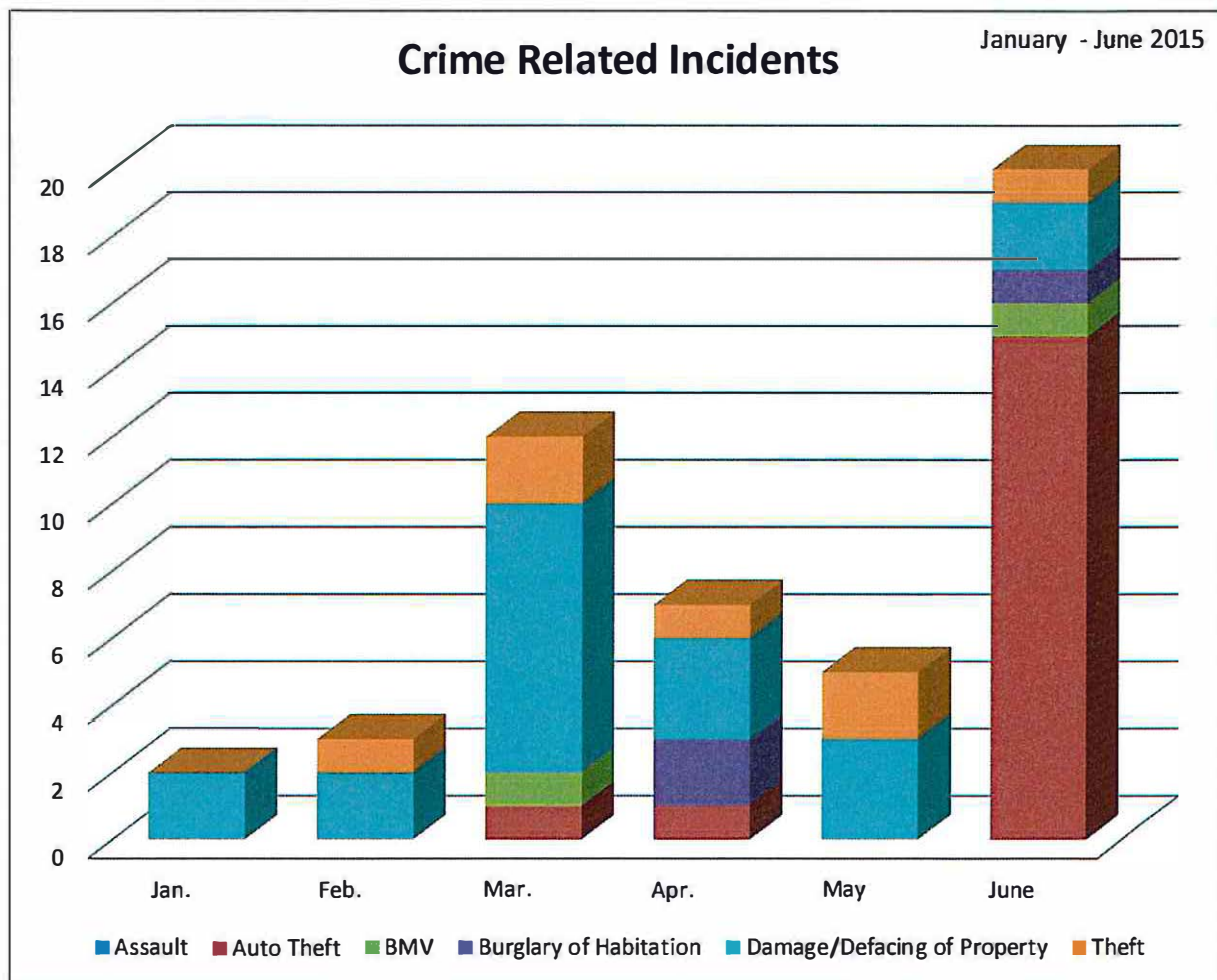


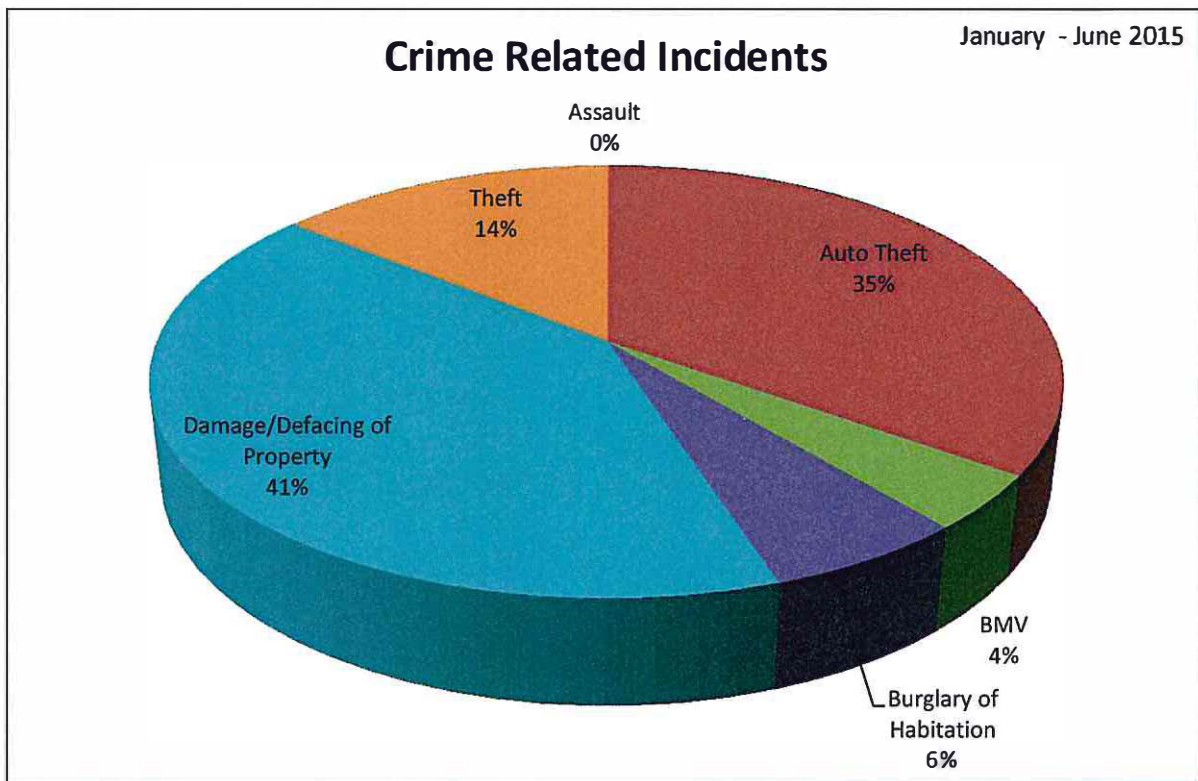
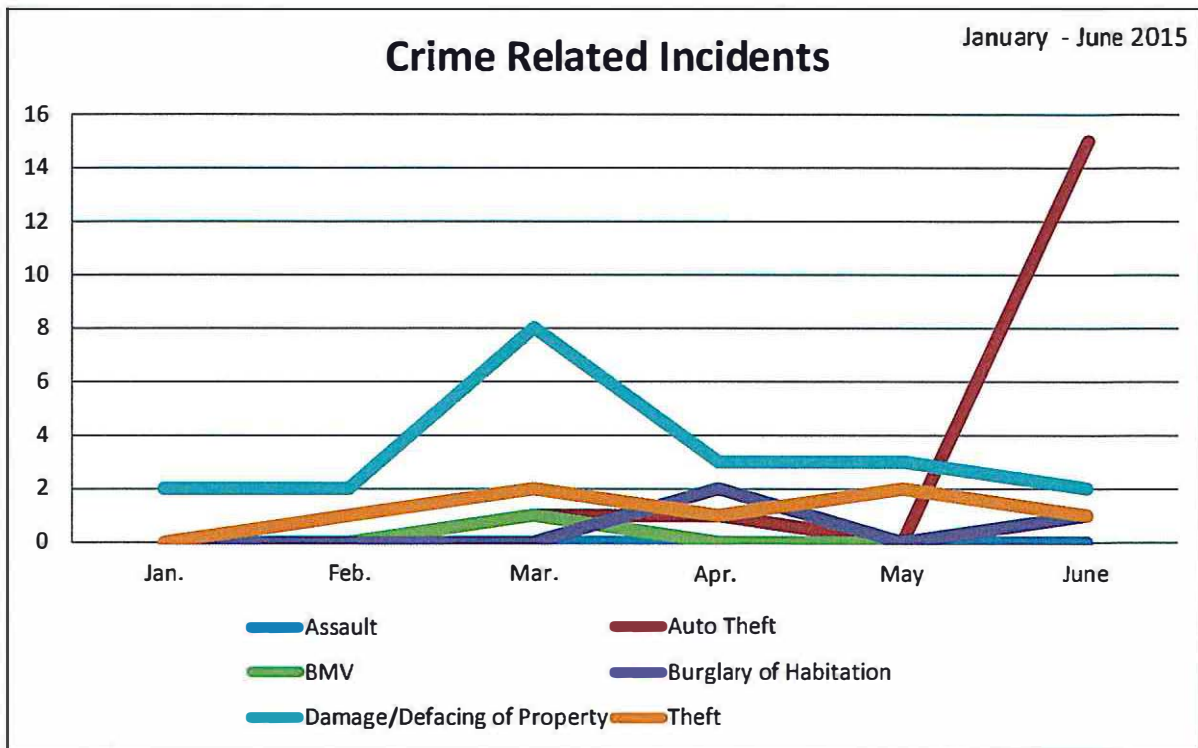


CRIME RELATED INCIDENTS

Crime Related Incidents – This sections highlights crime related incidents that occurred within the district. Law enforcement was made aware of these incidents. These include assault, auto theft, burglary of motor vehicle, burglary of habitation (or business), damage/defacing of property (graffiti, damage to city property or private property), and theft (includes shoplifting).

Crime Related Incidents	Jan.	Feb.	Mar.	Apr.	May	June	YTD
Assault	0	0	0	0	0	0	0
Auto Theft	0	0	1	1	0	15	17
BMV	0	0	1	0	0	1	2
Burglary of Habitation	0	0	0	2	0	1	3
Damage/Defacing of Property	2	2	8	3	3	2	20
Theft	0	1	2	1	2	1	7





END OF REPORT