

MINUTES OF A SPECIAL MEETING OF THE DEVELOPMENT AUTHORITY OF PEARLAND, CITY OF PEARLAND TEXAS, HELD ON MONDAY, SEPTEMBER 21, 2015, 3:00 P.M., IN THE FIRST FLOOR CONFERENCE ROOM AT PEARLAND CITY HALL, 3519 LIBERTY DRIVE, PEARLAND, TEXAS.

Mayor Reid called the meeting to order at 4:03 p.m. with the following present:

Chairman	Tom Reid
Secretary	Ed Baker
Boardmember	Tony Carbone
Boardmember	Bill Sloan
Boardmember	Tom Pool

Others in attendance: Claire Bogard, Finance Director Maria E. Rodriguez, Deputy City Secretary, Lynne Humphries, Allen Boone Humphries and Robinson LLP, John Robuck BOSC, Inc. Rick Witte, Andrews Kurth LLP, Drew Pelter Shadow Creek Ranch Development Company Ltd.

NEW BUSINESS:

Board Action – Discussion and Approval to Proceed with Private Placement Bond Sale – for Series 2015 Bonds.

Claire Bogard Finance Director stated at the last meeting the Board requested the Financial Advisor to go back and look at what the impact fee would be if the Board fixed out the Bond Series 2012, for those Bonds that have a variable rate after May 2022, along with the Bond Sale.

John Robuck BOSC, Inc. stated after looking at the refunding Bonds for 2012 that go to variable in 2021, it make sense to go ahead and proceed with the Private Placement Bond Sale for Series 2015 Bonds. He stated not much has changes from last week the Current Market Conditions are the same. He provided the Board with an overview of the preliminary \$65,995,000 Tax Increment Contract Revenue and Refunding Bonds, Series 2015.

Claire Bogard stated this would result in a total Bond sale of \$65,995,000, \$45 million to be used to refund the series 2012 Bonds, and set the interest rate out. New money \$9,565,000 and about \$3,018,000 in issuance costs that make up almost \$66 million.

John Robuck, noted the refunding is not a restructuring but a savings purely to provide capacity to the Developer by extending it for savings, and locking in the fixed rates.

Boardmember Carbone stated by doing this it is saving \$1.5 million in terms of value plus getting rid of the tale end interest rate. He stated he appreciates all the scrambling and work that has been done to provide this information.

Discussion ensued between the Board and John Robuck regarding the 10 year call provision and the fixed rate.

Boardmember Carbone made the motion, seconded by Boardmember Sloan, to approve the refunding of \$45 million and the new money of \$19,500,000 a total of \$65,995,000 as an estimate.

Voting "Aye" Boardmembers Reid, Baker, Carbone, Sloan, and Pool.

Voting "No" None.

Motion Passed 5 to 0.

Board Input and Discussion – Discussion Items - \$1.0 million reserve, List of Letter of Financing Agreements approved for reimbursement; Bank Credit Use.

Claire Bogard stated there are 3 three items for discussion, the first being the Letter of Financing Agreements that has been Approved for Reimbursement based on actual cost which is \$149 million. The Letter of Finance that was approved by the Board was \$173 million this amount is lower by \$20 million and under budget. That is only the construction cost excluding interest. She noted in the Boards packet is a list with the Letter of Finance Agreements, and they are listed in order of reimbursement. She stated there is still \$11 million owed to Shadow Creek Ranch Retail, almost \$6.0 million owed to the City, and the remaining owed to Shadow Creek Ranch. Mrs. Bogard also stated there is still \$21,585,000 left for reimbursements worth of Letter of Finance Agreements.

Discussion ensued between the Board, Lynne Humphries, and Claire Bogard regarding the order of the Letter of Agreements and the process for reimbursement.

Claire Bogard stated that she has checked with Mark McGrath to see if they can go back and adjust the annual interest rate for a small fee, if the Board agrees, it is worth it. Since the compounded interest is calculated based on when the Letter of Agreement is approved for reimbursement without the interest that is actually being paid at the time of reimbursement.

Boardmember Reid stated that the records should reflect the actual amounts being reimbursed.

Claire Bogard stated at the Boards request staff looked into the options to pay the Agent Fees with the Wells Fargo Bank Credit, but, since they are separate entities Bank Credits cannot be used for paying agent fees. There are \$2,800 in bank credits currently available which can only be used by the Board for small bank services.

Boardmember Reid moved an amended motion to approve Resolution No. RDAP2015-09 second by Boardmember Baker.

Voting "Aye" Boardmembers Reid, Baker, Sloan and Pool.

Voting "No" None.

Motion Passed 4 to 0. Boardmember Carbone absent.

Board Action – Resolution No. RDAP-2015-10 – A resolution of the Development Authority Of Pearland (DAP), Texas authorizing a developer reimbursement to Shadow Creek Ranch Development Company LTD to reimburse for Tax Increment Reinvestment Zone Number Two (TIRZ NO. 2) infrastructure improvements in the amount of \$19,565,000.

Claire Bogard stated the Development Authority has sold their Bonds the Bonds will be closing in about a month. Once the funds have been received we can proceed to reimburse the Tax Increment Reinvestment Zone. To date there is about \$69 million worth of improvements that have been approved for reimbursement still outstanding excluding interest. The Board is being asked to approve this Resolution authorizing a developer reimbursement to Shadow Creek Ranch Development Company to reimburse for TIRZ infrastructure improvements based on the Bond Sale in the revised amount of \$19,575,000 as amended.

Boardmember Sloan made the motion to modify the amount of \$19,565,000 to \$19,765,000 and approve RDAP-2015-10 second by Boardmember Reid.

Voting "Aye" Boardmembers Reid, Baker, Sloan and Pool.

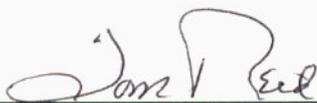
Voting "No" None.

Motion Passed 4 to 0. Boardmember Carbone absent.

ADJOURNMENT

Meeting was adjourned at 4:20 p.m.

Minutes approved as submitted and/or corrected this the 26th day of September, A.D., 2016.



Tom Reid
Chair

ATTEST:



Ed Baker
Secretary