

MINUTES OF A REGULAR MEETING OF THE DEVELOPMENT AUTHORITY OF PEARLAND, CITY OF PEARLAND TEXAS, HELD ON MONDAY, NOVEMBER 10, 2014, 4:00 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	Bill Sloan
Boardmember	Tom Pool
Boardmember	Anthony Carbone

Others in attendance: Claire Bogard City of Pearland Director of Finance; Rick Overgaard, Assistant Finance Director, Maria E. Rodriguez City of Pearland Deputy City Secretary; John Robuck BOSC Inc.; Rick Witte, Andrews Kurth LLP, Drew Pelter Shadow Creek Ranch Development Company.

NEW BUSINESS:

Board Action – Approval of the Development Authority of Pearland Board of Directors Meeting Minutes for September 29, 2014, Special Meeting held at 4:00 P.M. *DAP Board of Directors.*

Boardmember Sloan made the motion, seconded by Boardmember Pool, to approve the Minutes of the September 29, 2014, Development Authority of Pearland Meeting.

Voting “Aye” Boardmembers Reid, Baker, Sloan, Pool, and Carbone.

Voting “No” None.

Motion Passed 5 to 0.

Board Action – Resolution No. RDAP- 2014-09 – A Resolution of the Development Authority of Pearland (DAP), accepting the Investment Report for the quarter ending September 2014.

Boardmember Baker made the motion, seconded by Boardmember Carbone, to approve the Resolution No. RDAP-2014-09.

Rick Overgaard Assistant Finance Director, provided the Board with an overview of the Quarterly Investment Report ending September 2014.

Boardmember Sloan asked how the \$922,340 jump to \$1,932,931 from June 2014 to September 2014.

Claire Bogard Finance Director stated pursuant to the Tri-Party Agreement between the TIRZ No. 2, and the Development Authority of Pearland, each August any funds available in the TIRZ No. 2 account get transferred to the Development Authority of Pearland. That money then gets shipped out to Regions Bank. Regions Bank keeps the amount needed to make the annual debt service payments and returns the remainder to the Development Authority of Pearland. Regions Bank has \$932,000 of the \$1 million for the debt service that is due in March. The \$1 million is being kept as a safety net to allow the flexibility to go towards the public market instead of private placement should the Board want to do so in the future.

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

Voting "No" None.

Motion Passed 5 to 0.

Board Action – Resolution No. RDAP- 2014-10 – A Resolution of the Development Authority Of Pearland (DAP), Texas authorizing a Developer Reimbursement to Shadow Creek Ranch Development Company Ltd to reimburse for TIRZ infrastructure improvements in the amount of \$7,920,000.

Boardmember Baker made the motion, seconded by Boardmember Sloan, to approve the Resolution No. RDAP-2014-10.

Claire Bogard Finance Director stated this item is to authorize a Developer Reimbursement to Shadow Creek Development for TIRZ No. 2 infrastructure improvements. The amount of the reimbursement is now being amended to \$7,890,000 as a result of the bond sale. To date there is approximately \$183 million of audited and actual improvements approved for reimbursement by the TIRZ No. 2 Board of which \$98 million is left to be reimbursed excluding accrued interest. Payment of \$7,890,000 will be made to the developer upon closing of the Series 2014 bonds anticipated around December 9, 2014.

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

Voting "No" None.

Motion Passed 5 to 0.

Board Action – Resolution No. RDAP-2014-11 – A Resolution Authorizing the issuance of \$8,60,000 Development Authority Of Pearland Tax Increment Contract Revenue Bonds, Series 2014; approving documents relating to the Series 2014 Bonds; and containing other provisions related thereto.

Boardmember Pool made the motion, seconded by Boardmember Carbone, to approve the Resolution No. RDAP-2014-11.

John Robuck BOSCO, Inc., stated the term sheet has been sent out to 17 banks throughout the country. To date we have received (3) three bids with the lowest being from Bank of Texas for 2.72 percent. The overview is a fixed rate of 2.72 percent the bonds maturing on or after September 1, 2025, with a 10 year callable at any time at par starting with September 1, 2014. Bank of Texas has also waived the reserve fund requirement. This savings allows for a larger reimbursement shown on page 2 of the Board's packet. He stated there were \$80, 60,000 bonds sold based on the revenue history, less the expense of \$170,000, equal the total proceeds for developer reimbursement of \$7,890,000. The all cost True Interest Rate was at 3.033 percent with the average life of 7.9 years. The approximate date for closing on this bond issue is December 9th at that point the funds will be deposited into the Development Authority of Pearland's account. Mr. Robuck continued to provide the Board with an overview of the debt service requirements, the bond issue parameters, and, coverage requirements. He stated they are pleased with the results of the bid and it is his recommendation to approve Resolution No. RDAP-2014-11.

Rick Witte Andrews Kurth LLP stated if this resolution is approved today it will be sent to the Attorney General's office for review and approval. He anticipates closing on December 9th.

Discussion ensued between the Board, and Claire Bogard Finance Director regarding the Fort Bend County contractual rate for 2019-2028 of the Agreement.

Boardmember Sloan asked if there are any covenants or requirements that are different from the ones in the past.

Rick Witte Andrews Kurth LLP, stated that there are no covenants or requirements and that it is basically the same agreement as in the past (2) two years.

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

Voting "No" None.

Motion Passed 5 to 0.

ADJOURNMENT

Meeting was adjourned at 4:30 p.m.

Minutes approved as submitted and/or corrected this the 14th day of September, A.D., 2015.

/S/

Tom Reid
Chair

ATTEST:

/S/

Ed Baker Secretary