

Minutes of a Development Authority of Pearland of the City Council of the City of Pearland, Texas, held on October 22, 2018 at 4:00 PM, in the Community Development - Houston Conference Room Pearland City Hall Annex 3523 Liberty Drive, City Hall, 3519 Liberty Drive, Pearland, Texas

Chairman Reid called the meeting to order at 4:00 p.m. with the following present:

Boardmember Present: Chairman Tom Reid
Secretary Ed Baker
Boardmember Tony Carbone
Boardmember Bill Sloan

Boardmember Absent: Boardmember Tom Pool

Also Present : Cynthia Pearson City Finance Director, Jon Branson Deputy City Manager, Maria Rodriguez Deputy City Secretary, Rick Witte, Andrews Kurth LLP, Lynne Humphries, Allen Boone Humphries and Robinson LLP, John Robuck BOK Financial Securities, Inc., Rhonda Daugherty Assistant Finance Director, Carla Campbell, Management Assistant, Gary Cook Shadow Creek Ranch Development Company, Drew Pelter Shadow Creek Ranch Development Company.

CALL TO ORDER

NEW BUSINESS

Board Action - Approval of the Development Authority of Pearland Board of Directors Meeting Minutes for October 1, 2018 Regular Meeting held at 4:00 p.m.

Boardmember Baker made a motion seconded by Boardmember Carbone to Approve the Meeting Minutes of the October 1, 2018.

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

Motion passed 3 to 0.

Voting No. None

Absent Boardmember Pool absent.

Board Action - Resolution No. RDAP 2018-07 - A Resolution Authorizing the Issuance of Development Authority of Pearland Tax Increment Contract Revenue Bonds, Series 2018; Approving Documents Relating to the Series 2018 Bonds; and Containing Other Provisions Related Thereto.

Boardmember Carbone made the motion Seconded by Boardmember Baker to Approve Resolution No. RDAP 2018-07.

Cynthia Pearson Finance Director addressed the Board and stated on October 1st, the Development Authority Board gave approval to proceed with a private placement the series 2018 Bond Sale in the amount of \$6,040,000. Bid forms and term sheets were prepared on Tuesday, October 2, 2018, and distributed to local and state financial institutions with competitive bids due on Monday, October 22, 2018. Approval of the bond sale with the Authority and City Council is tonight, and the bond closing on Tuesday, November 20, 2018.

John Robuck with BOK Financial Securities, Inc., provided a brief overview of the bids received. This is a Tax Increment Contract Revenue Bond and the rates came in higher than what was shown on October 1st. The winning bid came from Regions Capital Advantage Bank at a 3.41% percent, with a 10 year call and no fund reserve requirement. The sale of the Bonds were \$5,835,000, less Expenses \$166,000 Development Reimbursement Proceeds \$5,669,000 all cost true interest rates 3.950% percent and the average of live is about 6.2 years. After the close of Bonds the money will be available to the Developer on November 20th.

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

Motion passed 3 to 0.

Voting No. None

Absent Boardmember Pool absent.

Board Action - Resolution No. RDAP-2018-08 - A Resolution of the Development Authority of Pearland, Texas Authorizing a Developer Reimbursement to Shadow Creek Ranch Development Company Liquidating Trust to Reimburse for TIRZ Infrastructure Improvements in the amount of \$5,870,000.

Boardmember Sloan made the motion Seconded by Boardmember Carbone to approve Resolution No. RDAP 2018-08.

Cynthia Pearson, Finance Director addressed the Board and stated this item is for authorizing a developer reimbursement to Shadow Creek Ranch Development Company Liquidating Trust to reimburse for TIRZ infrastructure improvements in the amount of \$5,669,000, rather than the anticipated requested amount of \$5,870,000.

Boardmember Sloan made the motion to Amend Seconded by Boardmember Carbone to approve the reimbursement to Shadow Creek Ranch Development Company Liquidating Trust to reimburse for TIRZ infrastructure improvements in the amount of \$5,669,000.

Chairman Reid called for the vote on the amended motion.

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

Motion passed 3 to 0.

Voting No. None

Absent Boardmember Pool absent.

Chairman Reid called for the vote on the original motion.

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

Motion passed 3 to 0.

Voting "No". None

Absent Boardmember Pool.

Board Action - Resolution No. RDAP-2018-09 - A Resolution of the Development Authority of Pearland (DAP), Texas authorizing the Development Authority of Pearland Board of Directors to enter into an engagement agreement with McGrath & Co., PLLC for accounting services related to developer reimbursements services.

Boardmember Reid made the motion Seconded by Boardmember Baker to approve Resolution No. RDAP 2018-09.

Cynthia Pearson Finance Director addressed the Board and stated the Development Authority requires professional services in the execution of procedures related to the review and verification of developer reimbursements. The developer reimbursements are on behalf of TIRZ No. 2 bond issuances through the Development Authority in accordance with financing agreements between TIRZ No. 2 and each developer. The accounting procedures performed by McGrath & Co., PLLC will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. All supporting documentation related to developer reimbursements will be inspected, interest amounts recalculated, and a written determination made as to whether or not amounts reimbursed are appropriate and in accordance with commitments or policies of the Authority. Consideration and Approval authorizing the Development Authority of Pearland Board of Directors to enter into an engagement agreement with McGrath & Co., PLLC for accounting services related to developer reimbursements services.

Discussion ensued Boardmember Carbone, Lynn Humphries Allen Boone Humphries and Robinson LLP, regarding projected working hours and adding a "not to exceed \$5,000 "clause in the engagement letter agreement.

Boardmember Carbone made the motion Seconded by Boardmember Baker to amend the motion to include a clause "not to exceed \$5,000.

Chairman Reid called for the vote on the amended motion.

Voting "A" Aye". Boardmembers Baker, Carbone and Sloan.

Motion passed 3 to 0.

Voting No. None

Absent Boardmember Pool absent.

Chairman Reid called for the vote on the original motion.

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

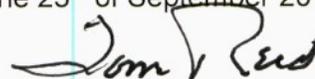
Motion passed 3 to 0.

Voting "No". None

Absent Boardmember Pool.

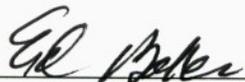
Meeting was adjourned at 4:30 p.m.

Minutes approved as submitted and/or corrected this the 23rd of September 2019.



Tom Reid
Chairman

ATTEST:



Ed Baker
Secretary