

MINUTES OF A SPECIAL MEETING OF THE TAX INCREMENT REINVESTMENT ZONE NUMBER TWO (TIRZ # 2), ALSO KNOWN AS SHADOW CREEK RANCH, CITY OF PEARLAND TEXAS, HELD ON MONDAY, JUNE 11, 2012, AT 4:00 P.M., IN THE COUNCIL CHAMBERS, CITY HALL, 3519 LIBERTY DRIVE, PEARLAND, TEXAS.

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

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| Chair | Kenneth R. Phillips |
| Vice Chair | Gary Cook |
| Secretary | Mike Pyburn |
| Boardmember | Donna Coleman |
| Boardmember | Herbert Fain |

Absent: Boardmembers Gary Davis, Jo Knight, Ron Castillo, Larry Loessin.

Others in attendance: Bill Eisen City Manager City of Pearland; Lynne Humphries Allen Boone Humphries Robinson LLP; James Ross LJA Engineering; Rick Overgaard Assistant Director of Finance City of Pearland; Maria Rodriguez Deputy City Secretary City of Pearland; Drew Pelter Shadow Creek Ranch Development Company Ltd; Rick Hale Perry Homes.

NEW BUSINESS

BOARD ACTION – REGARDING THE APPROVAL OF THE SPECIAL MEETING MINUTES OF THE NOVEMBER 14, 2011, TAX INCREMENT REINVESTMENT ZONE NUMBER 2 (TIRZ NO. 2) BOARD OF DIRECTORS MEETING.

TIRZ NO. 2 Board of Directors.

Boardmember Pyburn made the motion, seconded by Boardmember Cook, to amend the minutes of November 14, 2011 to reflect that Boardmember Herbert Fain was in attendance.

Voting “Aye” Boardmembers Phillips, Cook, Coleman, Fain, and Pyburn.

Voting “No” None.

Motion Passed 5 to 0, with Boardmembers Davis, Knight, Castillo, and Loessin absent.

Boardmember Pyburn made the motion, seconded by Boardmember Cook, to approve the amended minutes of the November 14, 2011, Tax Increment Reinvestment Zone Number 2 (TIRZ No. 2) Board of Directors Meeting.

Voting "Aye" Boardmembers Phillips, Cook, Coleman, Fain, and Pyburn.

Voting "No" None.

Motion Passed 5 to 0, with Boardmembers Davis, Knight, Castillo, and Loessin absent.

BOARD ACTION – RESOLUTION NO. RTIRZ-2012-01 – A RESOLUTION OF THE TAX INCREMENT REINVESTMENT ZONE NO. 2 (TIRZ), APPROVING THE 2011 ANNUAL REPORT. *Ms. Claire Bogard, Director of Finance.*

Chairman Phillips made the motion, seconded by Boardmember Coleman, to approve Resolution No. RTIRZ-2012-01.

Director of Finance Claire Bogard stated for your consideration this is the Pearland Tax Increment Reinvestment Zone 2011 Annual Report as required by state law. She stated that there are not too many changes from last year. Ms. Bogard provided the Boardmembers with a brief overview of the 2011 Annual Report. She stated that after the Board's approval the Report is being presented to Council then to Brazoria County followed by School District.

Voting "Aye" Boardmembers Phillips, Cook, Coleman, Fain, and Pyburn.

Voting "No" None.

Motion Passed 5 to 0, with Boardmembers Davis, Knight, Castillo, and Loessin absent.

BOARD ACTION – RESOLUTION NO. RTIRZ-2012-02 – A RESOLUTION OF THE TAX INCREMENT REINVESTMENT ZONE NO. 2 (TIRZ), ACCEPTING THE 2011 ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2011. *Ms. Claire Bogard, Director of Finance.*

Chairman Phillips made the motion, seconded by Boardmember Cook, to approve Resolution No. RTIRZ-2012-02.

Director of Finance Claire Bogard provided Boardmembers with an overview of the 2011 Annual Financial Report for the fiscal year ending September 30, 2011.

Boardmember Phillips asked for clarification regarding the administrative cost being paid back to the City.

Discussion ensued between Boardmembers, Finance Director Claire Bogard and Lynne Humphries, Allen Boone Humphries Robinson LLP regarding the Administrative cost being paid back to the City.

Lynne Humphries, Allen Boone Humphries Robinson LLP, stated for clarification the words, "Administrative Expense" is the legal terminology for the statute, It is actually the City's share of the increase tax revenue.

Boardmember Phillips stated it is the City's part of the increment that grows over time. Initially the Developer gets 100 percent for taking on the risk for borrowing the money and assuming the debt and now part of the increased tax value is coming back to the City. The legislature deems it an administrative expense. It is actually the City's share of the increase tax revenue.

Voting "Aye" Boardmembers Phillips, Cook, Coleman, Fain, and Pyburn.

Voting "No" None.

Motion Passed 5 to 0, with Boardmembers Davis, Knight, Castillo, and Loessin absent.

BOARD ACTION – RESOLUTION NO. RTIRZ-2012-03 – A RESOLUTION OF THE TAX INCREMENT REINVESTMENT ZONE NO. 2 (TIRZ), ACCEPTING THE FINANCIAL REPORT FOR THE PERIOD ENDING APRIL 30, 2012. Ms. Claire Bogard, Director of Finance.

Boardmember Pyburn made the motion, seconded by Boardmember Coleman, to approve Resolution No. RTIRZ-2012-03.

Director of Finance Claire Bogard provided Boardmembers with an overview of the Financial Report for the period ending April 30, 2012.

Voting "Aye" Boardmembers Phillips, Cook, Coleman, Fain, and Pyburn.

Voting "No" None.

Motion Passed 5 to 0, with Boardmembers Davis, Knight, Castillo, and Loessin absent.

BOARD ACTION – RESOLUTION NO. RTIRZ-2012-04 – A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PEARLAND TAX INCREMENT REINVESTMENT ZONE 2 (TIRZ), ACCEPTING THE INVESTMENT REPORT FOR THE QUARTERS ENDING DECEMBER 2011 AND MARCH 2012. Mr. Rick Overgaard, Assistant Finance Director.

Chairman Phillips made the motion, seconded by Boardmember Coleman, to approve Resolution No. RTIRZ-2012-04.

Assistant Director of Finance Rick Overgaard presented an overview of the Four Quarter Investment Report for the quarters ending December 2011 and March 2012.

Voting "Aye" Boardmembers Phillips, Cook, Coleman, Fain, and Pyburn.

Voting "No" None.

Motion Passed 5 to 0, with Boardmembers Davis, Knight, Castillo, and Loessin absent.

BOARD ACTION – RESOLUTION NO. RTIRZ-2012-05 – A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PEARLAND TAX INCREMENT REINVESTMENT ZONE #2 (TIRZ #2) BOARD OF DIRECTORS, APPROVING A LETTER FOR FINANCING AGREEMENT WITH 518SCR, LTD. FOR VILLAGE 7 PHASE 1, LFA 12-006-001. *Mr. James Ross, Zone Engineer.*

Boardmember Pyburn made the motion, seconded by Chairman Phillips, to approve Resolution No. RTIRZ-2012-05.

Mr. James Ross, Zone Engineer stated this is being presented to the Board for approval of a Letter of Financing Agreement number LFA 12-06-001. This Finance Agreement with 518SCR LTD, (Perry Homes) is for the development of Village 7, Phase 1, for the construction and engineering of the first session of the work with a budget of \$8,824,599.

Discussion ensued between Boardmembers and Mr. James Ross Zone Engineer regarding the first phase of the infrastructure.

Voting "Aye" Boardmembers Phillips, Cook, Coleman, Fain, and Pyburn.

Voting "No" None.

Motion Passed 5 to 0, with Boardmembers Davis, Knight, Castillo, and Loessin absent.

BOARD ACTION – RESOLUTION NO. RTIRZ-2012-06 - A RESOLUTION OF THE TAX INCREMENT REINVESTMENT ZONE NO. 2 (TIRZ), RATIFYING INVOICES THAT WERE PAID FROM OCTOBER 2011 THROUGH MAY 2012 AND APPROVING INVOICES FOR PAYMENT. *Ms. Claire Bogard, Finance Director.*

Boardmember Cook made the motion, seconded by Boardmember Fain, to approve Resolution No. RTIRZ-2012-06.

Director of Finance Claire Bogard stated since the last meeting in November 2011, the invoice review committee has reviewed and approved for payment invoices totaling \$1,901.22. The board also has three invoices pending payment for approval totaling \$3,651.39. Upon payment, total operating expenses for FY2012 to date will total \$5,975.48.

Voting "Aye" Boardmembers Phillips, Cook, Coleman, Fain, and Pyburn.

Voting "No" None.

Motion Passed 5 to 0, with Boardmembers Davis, Knight Castillo, and Loessin absent.

ADJOURNMENT

Meeting was adjourned at 5:00 p.m.

Minutes approved as submitted and/or corrected this the 24th day of June, A.D., 2013.



KENNETH R. PHILLIPS
TIRZ NO. 2 CHARIMAN

ATTEST:


MIKE PYBURN
TIRZ NO. 2 SECRETARY