

**MINUTES OF THE BOARD OF DIRECTORS MEETING
TAX INCREMENT REINVESTMENT ZONE NUMBER TWO / SHADOW CREEK RANCH
CITY OF PEARLAND TEXAS
FEBRUARY 4, 2021 | 4:00 P.M.
VIA WEBEX VIDEO/TELEPHONE CONFERENCE**

I. CALL TO ORDER AND ROLL CALL

Chair Phillips called the meeting to order at 4:01p.m. by introducing himself and requesting that each attendee do the same. Ms. Daugherty stated that this would be her last meeting, and introduced each attendee:

Henry Fuertes, on P&Z commission, new board member
Ali Hasanali, Ft Bend County representative board member
Tommy King, representative of State Rep Ed Thompson board member
David Selsky, new board member
Michael Stevens, new board member
Buck Stevens, representative of Senator Larry Taylor board member
Geoff Tonini, representative of Alvin ISD board member
Trent Epperson, Deputy City Manager, City of Pearland
Shamaira Jagrup, Treasury Manager for City of Pearland
Clay Pearson, City Manager
Robert Upton, Director of Engineering for City of Pearland
Kristen Woolley, Interim Finance Director, City of Pearland
Everett Deao/LJA filling in for James Ross.
Crystal Horn/McGrath & Co. auditor, preparer of developer reimbursement reports
Lynne Humphries/ABHR attorney for the TIRZ
Suewan Johnson/ABHR attorney for the TIRZ
Alan Mueller, Sue Darcy, and Jan Buehler with Marsh Darcy Partners administrators for the TIRZ

A quorum of directors was declared. Chair Phillips stated that Mr. Mueller would be the moderator of the meeting.

II. PUBLIC COMMENTS

There were no comments.

III. PURPOSE OF THE MEETING:

1. Consideration and Possible Action - Regarding the Regular Meeting Minutes of the September 23, 2020, Tax Increment Reinvestment Zone Number 2 (TIRZ No. 2) Board of Directors Meeting.

A motion by Director Stevens to approve the Regular Meeting Minutes of September 23, 2020 as presented was seconded by Director King, and passed unanimously.

2. Consideration and Possible Action

a. Acknowledgement of service by Herbert Fain to the Board.

Mr. Mueller presented the Commemorative Resolution Acknowledging the Service of Herbert Fain to Tax Increment Reinvestment Zone No. 2 Shadow Creek Ranch.

A motion by Director Fuertes to approve the Resolution as presented was seconded by Director Hasanali, and passed unanimously.

b. Elect Board Vice Chair.

Mr. Mueller requested a volunteer to serve as Vice Chair to perform the duties of Chair in their absence. Chair Phillips suggested that, since the City had appointed him, a representative from Brazoria County, Alvin ISD, or Fort Bend County would be appropriate. After discussion of Director King's longtime involvement with the TIRZ, he expressed willingness to serve. Chair Phillips requested election of Director King as Vice Chair by acclamation, which passed unanimously.

3. Consideration and Possible Action - Financial Report for the period ending December 31, 2020 (unaudited).

Ms. Daugherty reviewed the Income Statement through December 31, 2020 noting the TIRZ has collected \$10.9 million in property tax revenue to date from the City of Pearland. She also noted that Brazoria County, Alvin ISD and Fort Bend County as well as supplemental property taxes reflect zero on the report since those entities transfer their increment quarterly or annually which will be posted near the end of the fiscal year September 30, 2021. The report indicated that investment earnings were just under \$3,000, invoices approved and paid under \$4,000, administrative fees paid to the City under \$7 million, and a net gain of \$3.9 million.

A motion by Director Tonini to approve the Financial Report as presented was seconded by Director Stevens, and passed unanimously.

4. Consideration and Possible Action - Investment Report for the Quarter Ending December 2020.

Ms. Jagrup presented the Quarterly Investment Report for the period ending December 31, 2020 noting the ending book value of \$10.8 million which was \$3.9 million higher than previous quarter due to property taxes collected less TIRZ administration fees. She reported that interest earned in the quarter of \$2,700 which was \$3,300 less than the previous quarter. She reported on the decline of interest rates stating that no investments had been purchased over the previous year. Due to that, all funds remain in the operating account and the Alvin ISD suspense funds account.

A motion by Director Selsky to approve the Investment Report as presented was seconded by Director Fuertes and passed unanimously.

5. Consideration and Possible Action – Ratification of invoices authorized for payment by the Invoice Review Committee and approving invoices presented for payment.

Mr. Mueller stated that the Invoice Review Committee (IRC) consists of Directors Phillips and King who review consultants' invoices on a monthly basis. Reviewing the summary list of invoices, Mr. Mueller stated that invoices 1-11 were reviewed and recommended by the IRC and paid by the City and presented to be ratified by the board. Also, newly-received invoices 12 and 13 had not been reviewed by the IRC and are presented for board approval. Discussion followed with all questions being answered satisfactorily.

A motion by Chair Phillips that the action on invoices 1-11 of the Invoice Review Committee be ratified and invoices 12-13 be approved for payment was seconded by Director Selsky and passed unanimously.

6. Consideration and Possible Action – New Letter Finance Agreements.

a. LFA 21-02-001 Shadow Creek Ranch Sidewalk Extensions

Mr. Mueller reminded of the purpose of Letter Finance Agreements (LFA). Mr. Deao recommended approval of the LFA to set the budget for the sidewalk improvements as outlined. Mr. Mueller and Chair Phillips reviewed the procedure for setting the budgets included in the LFA and authorizing the expense and reimbursement. Director Tonini requested a review of the map regarding possible overlap of the Shadow Creek HOA plans of 2021 repairs. Mr. Upton clarified that his staff is meeting with the HOA to solidify all plans for changes.

A motion by Director Stevens to adopt the LFA 21-02-001 document as presented was seconded by Director Selsky and passed unanimously.

7. Consideration and Possible Action – Completed Letter Finance Agreements.

a. LFA 16-08-001 CCAC Reserve Holdings, LLC

Mr. Mueller advised this LFA was approved by the board in 2016, the developer built the project with all information submitted to LJA and McGrath & Co for review, and now ready for board approval to be placed in line for reimbursement when funds are available. Ms. Horn reviewed the Independent Accountant's Report on Applying Agreed-Upon Procedures for the TIRZ Improvements Roadway to Serve Reserve at Shadow Creek noting the grand total of \$2,399,013. Ms. Humphries reviewed the process of the auditor's review and the method and timing for reimbursement.

A motion by Director Selsky to accept the auditor's AUP report for completed LFA 16-08-001 to document the eligible amount to be in line for reimbursement when funds are available was seconded by Director Phillips and passed unanimously.

8. Discussion Item – TIRZ projects update

Mr. Upton reviewed a visual presentation mapping each of the TIRZ projects and provided an update of same, to include: Library at 30,000 square feet to complete and open in December; fire station #8 is near completion to submit for documentation; phase 2 of the sports complex at Shadow Creek Regional Park to complete in late 2021; Shadow Creek trail connection to Kirby Drive; currently in design trail connection underneath Shadow Creek Parkway into trail system at Shadow Creek Ranch and to library site; landscaping, street lighting and beautification of sidewalks with Shadow Creek Parkway; engineering review of intersection improvements at various locations; sidewalk extension is at 90% in final reviews to connect Kirby at Shadow Creek Parkway and more; widen FM521 from FM2234 to Highway 6 funded by TxDOT and led by Fort Bend County. Mr. Upton stated that the list of projects totals \$68.5 million.

9. Discussion Item – Report from TIRZ consultants and Board member comments.

Mr. Mueller advised that the annual meeting would be in September of 2021. The Board and Consultants extended thanks to Rhonda Daugherty for her work with the TIRZ.

IV. ADJOURN

There being no further business, Director Stevens moved to adjourn at 4:53pm, which was seconded by Director King.

APPROVED:



Kenneth R. Phillips
Chair, Board of Directors

ATTEST:



Board of Directors, Vice Chair

Minutes approved as submitted and/or amended on 10.18.2021