

MINUTES
REINVESTMENT ZONE NO. ONE OF THE CITY OF PFLUGERVILLE
(FALCON POINTE TIRZ)
BOARD OF DIRECTORS MEETING
100 EAST MAIN STREET, SUITE 500
WEDNESDAY, MARCH 30, 2016
6:00 PM

- 1. Call to Order.** Chairman Mike Marsh called the meeting to order at 6:03 p.m. Boardmembers Mike Marsh, Ron Beyer, Jeff Thompson, and Scott Williams were in attendance. Boardmember Bob Dwyer was absent. Also attending: Habib Erkan, TIRZ Attorney; Brandon Wade, City Manager; George Hyde, City Attorney; Trey Fletcher, Assistant City Manager; Lauri Gillam, Assistant City Manager; Amy Good, Finance Director; Karen Thompson, City Secretary; Rainer Ficken, Newland Communities; Bill Meyer, Newland Communities; Richard Donoghue, McCall, Parkhurst and Horton, Bond Counsel.
- 2. Public Comment.** None.
- 3. Approval of the minutes of the February 18, 2015 meeting.** Mr. Thompson made a motion to approve. Mr. Williams seconded the motion. All voted in favor. The motion carried.
- 4. Review financial reports and discuss and consider action to approve expenditures.** Ms. Good provided information. She asked for approval of the fiscal year 2015 expenditures and fiscal year 2016 first quarter expenditures. Mr. Beyer made a motion to approve. Mr. Thompson seconded the motion. All voted in favor. The motion carried.
- 5. Discuss progress report, budget and schedule update for Terrabrook Falcon Pointe LLC projects.** Mr. Ficken provided a report under the item and discussed with the Board. He reported that all of the developer projects in the TIRZ are complete.
- 6. Discuss quarterly development update.** Mr. Fletcher provided a report under the item and discussed with the Board.

Mr. Marsh opened items 7 and 8 for discussion and consideration.

- 7. Discuss and consider action regarding amendments to the project plan and financing plan and the development reimbursement agreement.** Mr. Fletcher provided information on the proposed Second Amendment and Third Amendment to the Development Financing agreement which were recommended by the auditor. He explained that the Second Amendment provides an additional Exhibit A-1 which allows project costs to be consolidated and clarifies that a Construction Price Index can be applied for reimbursement purposes; and the Third

Amendment has been requested for clarity regarding the audit process to provide for two auditors, one for project reimbursement reconciliation and one for an accounting audit. Discussion of the Board followed with Mr. Fletcher with input from Mr. Hyde and Mr. Erkan. Mr. Marsh asked if there was a motion to approve the proposed amendments. Mr. Thompson made a motion to approve. Mr. Beyer seconded the motion. All voted in favor. The motion carried.

- 8. Discuss and consider action to accept the Reimbursement Audit prepared by Belt Harris Pechacek, LLLP.** Mr. Fletcher provided information. The Board reviewed and discussed the findings. Mr. Williams made a motion to approve the audit. Mr. Thompson seconded the motion. All voted in favor. The motion carried.
- 9. Discuss and consider action regarding a recommendation to issue bonds.** Mr. Fletcher stated that they are looking for a recommendation to proceed to the Council to sell bonds in an amount that can be supported by the increment, which is estimated at \$5.2 million to include the issuing costs. Further discussion on the item was postponed until after the executive session item.
- 10. 1.) Executive Session Item: Discussions regarding deliberations on economic development negotiations associated with Project ALBA and Project HASTUR pursuant to Chapter 551.087 of the Texas Government Code and consultation with legal counsel pursuant to Chapter 551.071 of the Texas Government Code for legal advice concerning economic development negotiations.** Mr. Marsh announced that the Board was retiring to executive session for discussion on the item. He read the item and retired to executive session. The time was 7:05 p.m. Mr. Marsh reconvened in open session at 8:27 p.m.
- 9. Discuss and consider action regarding a recommendation to issue bonds.** Mr. Thompson made a motion to recommend to the City Council to issue taxable Certificates of Obligation in an amount sufficient to allow the TIRZ to reimburse the debt service to the City with increment derived by the TIRZ. Mr. Beyer seconded the motion. All voted in favor. The motion carried.
- 11. Discuss and consider action regarding future agenda items and meeting schedule.** Mr. Fletcher stated that they would resume with quarterly meetings as needed.
- 12. Adjourn.** Mr. Beyer made a motion to adjourn. Mr. Thompson seconded the motion. All voted in favor. The meeting was adjourned at 8:28 p.m.

Approved as amended on August 24, 2016.

Mike Marsh
Chair