



THE DEVELOPMENT AUTHORITY OF PEARLAND

CITY OF PEARLAND
SPECIAL DAP MEETING
MONDAY, SEPTEMBER 26, 2016, 4:00 P.M.
IN THE FIRST FLOOR | CONFERENCE ROOM | PEARLAND CITY HALL
3519 LIBERTY DRIVE
281.652.1600

I. CALL TO ORDER AND ROLL CALL

II. PUBLIC COMMENTS

III. NEW BUSINESS:

1. **Consideration and Possible Action** – Approval of the Development Authority of Pearland Board of Directors Meeting Minutes for September 21, 2015, Special Meeting held at 4:00 P.M.
2. **Consideration and Possible Action** – Approval of the Development Authority of Pearland Board of Directors Meeting Minutes for October 12, 2015, Special Meeting held at 4:00 P.M.
3. **Consideration and Possible Action – Resolution No. RDAP- 2016-01** – A Resolution of the Development Authority of Pearland (DAP), accepting the 2015 Annual Financial Report for the Fiscal Year ending September 20,15.
4. **Consideration and Possible Action – Resolution No. RDAP-2016-02** – A Resolution of the Development Authority of Pearland (DAP), accepting The Investment Report for the Quarters ending September 2015, December 2015, March 2016, and June 2016.
5. **Consideration and Possible Action – Resolution No. RDAP-2016-03**– A Resolution of the Development Authority of Pearland (DAP), accepting the Financial Report for the period ending August 31, 2016.
6. **Consideration and Possible Action – Resolution RDAP-2016-04** – A Resolution of the Development Authority of Pearland (DAP), Ratifying Checks 1142 through 1157 totaling \$620,338.03.

7. **Consideration and Possible Action – Resolution No. RDAP-2016-05 –**
A Resolution of the Development Authority of Pearland (DAP), Texas Approving a Contract with Arbitrage Compliance Specialists, Inc. for Arbitrage Compliance Services.
8. **Board Discussion and Approval – To Proceed with Private Placement Bond Sale – for Series 2016 Bonds.**
9. **Consideration and Possible Action – Resolution No. RDAP-2016-6 –**
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 \$11,722,500.

IV. ADJOURNMENT

This site is accessible to disabled individuals. For special assistance, please call Young Lorfing at 281-652-1840 prior to the meeting so that appropriate arrangements can be made.

All agenda supporting documents are available at pearlandtx.gov

MINUTES OF A SPECIAL MEETING OF THE DEVELOPMENT AUTHORITY OF PEARLAND, CITY OF PEARLAND TEXAS, HELD ON MONDAY, SEPTEMBER 21, 2015, 3:00 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	Tony Carbone
Boardmember	Bill Sloan
Boardmember	Tom Pool

Others in attendance: Claire Bogard, Finance Director Maria E. Rodriguez, Deputy City Secretary, Lynne Humphries, Allen Boone Humphries and Robinson LLP, John Robuck BOSC, Inc. Rick Witte, Andrews Kurth LLP, Drew Pelter Shadow Creek Ranch Development Company Ltd.

NEW BUSINESS:

Board Action – Discussion and Approval to Proceed with Private Placement Bond Sale – for Series 2015 Bonds.

Claire Bogard Finance Director stated at the last meeting the Board requested the Financial Advisor to go back and look at what the impact fee would be if the Board fixed out the Bond Series 2012, for those Bonds that have a variable rate after May 2022, along with the Bond Sale.

John Robuck BOSC, Inc. stated after looking at the refunding Bonds for 2012 that go to variable in 2021, it make sense to go ahead and proceed with the Private Placement Bond Sale for Series 2015 Bonds. He stated not much has changes from last week the Current Market Conditions are the same. He provided the Board with an overview of the preliminary \$65,995,000 Tax Increment Contract Revenue and Refunding Bonds, Series 2015.

Claire Bogard stated this would result in a total Bond sale of \$65,995,000, \$45 million to I be used to refund the series 2012 Bonds, and set the interest rate out. New money \$9,565.000 and about \$3,018,000 in issuance costs that make up almost \$66 million.

John Robuck, noted the refunding is not a restructuring but a savings purely to provide capacity to the Developer by extending it for savings, and locking in the fixed rates.

Boardmember Carbone stated by doing this it is saving \$1.5 million in terms of value plus getting rid of the tale end interest rate. He stated he appreciates all the scrambling and work that has been done to provide this information.

Discussion ensued between the Board and John Robuck regarding the 10 year call provision and the fixed rate.

Boardmember Carbone made the motion, seconded by Boardmember Sloan, to approve the refunding of \$45 million and the new money of \$19,500,000 a total of \$65,995,000 as an estimate.

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

Voting “No” None.

Motion Passed 5 to 0.

Board Input and Discussion – Discussion Items - \$1.0 million reserve, List of Letter of Financing Agreements approved for reimbursement; Bank Credit Use.

Claire Bogard stated there are 3 three items for discussion, the first being the Letter of Financing Agreements that has been Approved for Reimbursement based on actual cost which is \$149 million. The Letter of Finance that was approved by the Board was \$173 million this amount is lower by \$20 million and under budget. That is only the construction cost excluding interest. She noted in the Boards packet is a list with the Letter of Finance Agreements, and they are listed in order of reimbursement. She stated there is still \$11 million owed to Shadow Creek Ranch Retail, almost \$6.0 million owed to the City, and the remaining owed to Shadow Creek Ranch. Mrs. Bogard also stated there is still \$21,585,000 left for reimbursements worth of Letter of Finance Agreements.

Discussion ensued between the Board, Lynne Humphries, and Claire Bogard regarding the order of the Letter of Agreements and the process for reimbursement.

Claire Bogard stated that she has checked with Mark McGrath to see if they can go back and adjust the annual interest rate for a small fee, if the Board agrees, it is worth it. Since the compounded interest is calculated based on when the Letter of Agreement is approved for reimbursement without the interest that is actually being paid at the time of reimbursement.

Boardmember Reid stated that the records should reflect the actual amounts being reimbursed.

Claire Bogard stated at the Boards request staff looked into the options to pay the Agent Fees with the Wells Fargo Bank Credit, but, since they are separate entities Bank Credits cannot be used for paying agent fees. There are \$2,800 in bank credits currently available which can only be used by the Board for small bank services.

Claire Bogard stated at the previous meeting the Board had a question on whether to hold the million dollar reserve. In 2012, the Authority's previous bond sales were all refunded via a private placement which required no reserve and the Bond Reserve was used to reimburse the Developer. A reserve is used for debt payments if by chance the Authority could not make its annual debt service payment. Since there is no debt service reserve requirement, the Board, at staff recommendation, set aside \$1.0 million in order to have some reserve in case of lower taxable value resulting in lower tax increment coming into the Zone to meet its obligations. Based on a \$1 million reserve, that would allow for up to a 13 percent drop in value in a year or a drop in value over several years. The \$1.0 million would only cover one year for a 13 percent drop in value, if values did not rebound the following year. If we were to assume a 10 percent drop in values in a given year, this would require \$745,000 in reserves, based on current value, based on current debt. Staff's recommendation is to keep the \$1.0 million reserve requirement.

John Robuck stated when Bonds are issued as public debt the \$1.0 million is the minimum requirement in the reserve fund. He stated the \$1.0 million dollar reserve fund is a safety net should the values drop.

Discussion ensued between the Board, John Robuck and Lynne Humphries regarding private placement reserve requirements and the interest rate.

Boardmember Carbone stated this item should be looked at again around 2018 or 2019 once the full built out is reached.

No action taken on this item at this time.

ADJOURNMENT

Meeting was adjourned at 4:30 p.m.

Minutes approved as submitted and/or corrected this the 26th day of November, A.D., 2016.

TOM REID
CHAIR

ATTEST:

ED BAKER
SECRETARY

MINUTES OF A SPECIAL MEETING OF THE DEVELOPMENT AUTHORITY OF PEARLAND, CITY OF PEARLAND TEXAS, HELD ON MONDAY, OCTOBER 12, 2015, 3:00 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 Carbone absent.

CALL TO ORDER and ROLL CALL: Chairman Reid, Secretary Baker, Boardmembers Sloan, Pool, and Carbone.

Others in attendance: Claire Bogard Finance Director, Maria E. Rodriguez Deputy City Secretary; Lynn Humphries, Allen Boone Humphries Robinson LLP; Gary Cook Shadow Creek Ranch; Drew Pelter, Shadow Creek Ranch; Rick Witte.

PUBLIC COMMENTS

NEW BUSINESS:

Board Action – Approval of the Development Authority of Pearland Board of Directors Meeting Minutes for September 14, 2014, Regular Meeting held at 4:00 P.M. *DAP Board of Directors.*

Board Action – Resolution No. RDAP-2015-09 – A Resolution authorizing the issuance of \$65,995,000 Development Authority of Pearland Tax Increment Contract Revenue and Refunding Bonds, Series 2015; approving documents relating to the Series 2015 Bonds; authorizing the redemption prior to maturity of certain outstanding Bonds; and containing other provisions related thereto.

John Robuck, stated the amount is a little different from the one listed on the agenda items and if it will be amended to reflect the correct amount if approved by the Board. The summary of bids are in the Boards packets. There were term sheets and bid sheets sent out to 26 banks and financial institution across the area who expressed interest in Bank Bonds or Private Placement Bonds. The winning bid is from Regence Bank BBVA Compass Bank from their subsidiaries of a joint bid 50/50 with a rate of 2.4 percent which is very good in this environment. This is a fixed rate, and a 10 year call and no reserve requirement. Mr. Robuck continued to provide a brief overview of the Tax Increment Contract Revenue and Refunding Bond, Bonds, Series 2015.

Boardmember Reid moved an amended motion to approve Resolution No. RDAP2015-09 second by Boardmember Baker.

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

Voting "No" None.

Motion Passed 4 to 0. Boardmember Carbone absent.

Board Action – Resolution No. RDAP-2015-10 – A resolution of the Development Authority Of Pearland (DAP), Texas authorizing a developer reimbursement to Shadow Creek Ranch Development Company LTD to reimburse for Tax Increment Reinvestment Zone Number Two (TIRZ NO. 2) infrastructure improvements in the amount of \$19,565,000.

Claire Bogard stated the Development Authority has sold their Bonds the Bonds will be closing in about a month. Once the funds have been received we can proceed to reimburse the Tax Increment Reinvestment Zone. To date there is about \$69 million worth of improvements that have been approved for reimbursement still outstanding excluding interest. The Board is being asked to approve this Resolution authorizing a developer reimbursement to Shadow Creek Ranch Development Company to reimburse for TIRZ infrastructure improvements based on the Bond Sale in the revised amount of \$19,575,000 as amended.

Boardmember Sloan made the motion to modify the amount of \$19,565,000 to \$19,765,000 and approve RDAP-2015-10 second by Boardmember Reid.

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

Voting "No" None.

Motion Passed 4 to 0. Boardmember Carbone absent.

ADJOURNMENT

Meeting was adjourned at 4:20 p.m.

Minutes approved as submitted and/or corrected this the 26th day of September, A.D., 2016.

Tom Reid
Chair

ATTEST:

Ed Baker
Secretary

**AGENDA REQUEST
DEVELOPMENT AUTHORITY OF PEARLAND
PEARLAND, TEXAS**

AGENDA OF: 9/26/2016	ITEM NO.: Resolution No. RDAP-2016-01
DATE SUBMITTED: 8/24/2016	REPRESENTING: City of Pearland
PREPARED BY: Carrie Ditta	PRESENTOR: Rick Overgaard
SUBJECT: Resolution RDAP 2016-01 -A Resolution of the Development Authority of Pearland Accepting the 2015 Annual Financial Report for the Fiscal Year Ending September 30, 2015.	
EXHIBITS: Resolution No. RDAP-2016-01 Independent Auditors Report, Balance Sheet, Revenue and Expenditure Report, Statement of Net Position, and Note 5 - Debt	
EXPENDITURE REQUIRED: None PROJECT: N/A	

EXECUTIVE SUMMARY

Pursuant to State law, a municipality shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The Development Authority, which is considered a blended component unit of the primary government, was included in the audit for the fiscal year ended September 30, 2015. Since a blended component unit, the Authority's liability for debt issued is included in the city-wide financials, versus shown in the fund statement. As such, we have prepared a balance sheet at 9/30/2015 showing the true Net Position of the Pearland Development Authority.

Attached is the auditor's opinion, which is unqualified or clean, as well as the statements pertaining to the Development Authority. Staff will be prepared to review the results with the board.

RECOMMENDED ACTION

Consideration and approval of Resolution RDAP 2016-01, accepting the 2015 Annual Finance Report of the Fiscal Year Ending September 30, 2015.

RESOLUTION NO. RDAP- 2016-01

A RESOLUTION OF THE DEVELOPMENT AUTHORITY OF PEARLAND (DAP), ACCEPTING THE 2015 ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015.

BE IT RESOLVED BY DAP BOARD OF DIRECTORS:

Section 1. That the Development Authority of Pearland, TX hereby accepts the Fiscal Year 2015 Annual Financial Report as prepared by the accounting firm of Whitley Penn, L.L.P..

PASSED, APPROVED, AND ADOPTED this _____ day of _____ . A.D 2016.

DAP CHAIRMAN

ATTEST:

DAP SECRETARY

REPORT OF INDEPENDENT AUDITORS

To the Honorable Mayor and Members of
the City Council
City of Pearland, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Pearland, Texas (the “City”) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Honorable Mayor and Members of
the City Council

Emphasis of Matter

As discussed in Note 1 and Note 16 to the financial statements, the City adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68* for the year ending September 30, 2015. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 17, budgetary comparison information on pages 74 through 75, and pension system supplementary information and other post-employment benefit supplementary information on page 76 through 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, other supplementary information, budgetary comparison schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, other supplementary information, and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

To the Honorable Mayor and Members of
the City Council

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
March 14, 2016

CITY OF PEARLAND, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2015

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Tax Increment Reinvestment Zone #2</u>
Assets				
Cash and cash equivalents	\$ 10,530,938	\$ 1,698,576	\$ 17,314,441	\$ 4,952,937
Investments	9,466,449	3,225,894	4,483,470	
Receivables, net of allowance for uncollectibles	6,272,108	8,416,110	2,546,390	
Due from other governments	518,592		7,140,395	
Due from other funds	44,456			
Inventories	210,352			
Prepaid items	83,097	166,894		
Restricted cash and cash equivalents				
Total Assets	<u>\$ 27,125,992</u>	<u>\$ 13,507,474</u>	<u>\$ 31,484,696</u>	<u>\$ 4,952,937</u>
Liabilities				
Accounts payable	\$ 3,135,170	\$ 166,894	\$ 1,349,141	\$ 4,191
Accrued expenditures	1,604,808		2,474,981	
Deposits	90,975			
Due to other funds				
Unearned revenue	460,480	1,562,194	1,431,020	
Total Liabilities	<u>5,291,433</u>	<u>1,729,088</u>	<u>5,255,142</u>	<u>4,191</u>
Deferred Inflows of Resources				
Unavailable revenue	480,322	6,744,771	5,709,375	
Total Deferred Inflows of Resources	<u>480,322</u>	<u>6,744,771</u>	<u>5,709,375</u>	
Fund Balances				
Non-spendable				
Inventories	210,352			
Prepaid items	83,097	166,894		
Restricted				
Debt service		4,866,721		
Capital improvements			20,520,179	
Community development programs				
Public safety				
Economic development				4,948,746
Assigned	1,406,453			
Unassigned	19,654,335			
Total Fund Balances	<u>21,354,237</u>	<u>5,033,615</u>	<u>20,520,179</u>	<u>4,948,746</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 27,125,992</u>	<u>\$ 13,507,474</u>	<u>\$ 31,484,696</u>	<u>\$ 4,952,937</u>

See Notes to Financial Statements.

Development Authority of Pearland	Non-major Governmental Funds	Total Governmental Funds
\$ 988,693	\$ 10,194,946	\$ 45,680,531
	13,492,962	30,668,775
	5,847,896	23,082,504
	149,352	7,808,339
		44,456
		210,352
	5,900	255,891
968,397		968,397
<u>\$ 1,957,090</u>	<u>\$ 29,691,056</u>	<u>\$ 108,719,245</u>
\$ 556	\$ 310,681	\$ 4,966,633
	34,697	4,114,486
	38,333	129,308
	44,456	44,456
		3,453,694
<u>556</u>	<u>428,167</u>	<u>12,708,577</u>
	<u>3,781,478</u>	<u>16,715,946</u>
	<u>3,781,478</u>	<u>16,715,946</u>
		210,352
	5,900	255,891
968,397		5,835,118
	1,963,607	22,483,786
	4,938,387	4,938,387
	393,582	393,582
988,137	18,179,935	24,116,818
		1,406,453
		19,654,335
<u>1,956,534</u>	<u>25,481,411</u>	<u>79,294,722</u>
<u>\$ 1,957,090</u>	<u>\$ 29,691,056</u>	<u>\$ 108,719,245</u>

CITY OF PEARLAND, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2015

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Tax Increment Reinvestment Zone #2</u>
Revenues				
Property taxes	\$ 13,261,422	\$ 28,757,970	\$	\$ 20,902,201
Sales and use taxes	19,073,940			
Franchise fees	6,663,788			
Licenses and permits	4,544,396			
Fines and forfeitures	2,968,636			
Charges for services	14,228,228			
Investment earnings	123,308	47,779	75,913	11,699
Intergovernmental	11,229	653,322	1,097,268	
Other	1,034,745	115,393	4,482,428	
Total Revenues	<u>61,909,692</u>	<u>29,574,464</u>	<u>5,655,609</u>	<u>20,913,900</u>
Expenditures				
Current:				
General government	8,828,201			
Public safety	31,999,650			
Public works	9,024,549		924,517	
Community services	3,114,754			
Parks and recreation	5,678,666			
Economic development				7,644,683
Debt Service:				
Principal	174,935	12,389,612		
Interest and other charges	27,022	12,978,019	357,492	
Capital outlay	3,860,304		20,464,495	
Intergovernmental		4,792,379		
Total Expenditures	<u>62,708,081</u>	<u>30,160,010</u>	<u>21,746,504</u>	<u>7,644,683</u>
Excess (deficiency) of revenues over expenditures	<u>(798,389)</u>	<u>(585,546)</u>	<u>(16,090,895)</u>	<u>13,269,217</u>
Other Financing Sources (Uses)				
Revenue bonds issued				
Certificates of obligation issued			9,485,000	
Permanent improvement bonds issued			8,495,000	
Refunding bonds issued		47,165,000		
Payments to refunded bond escrow agent		(54,303,290)		
Premium on debt issued		7,608,103	445,228	
Capital leases	574,049			
Sale of capital assets			3,157,291	
Transfers in	3,456,210	613,411	298,415	
Transfers out	(1,332,134)		(884,669)	(12,666,896)
Total Other Financing Sources (Uses)	<u>2,698,125</u>	<u>1,083,224</u>	<u>20,996,265</u>	<u>(12,666,896)</u>
Net change in fund balances	1,899,736	497,678	4,905,370	602,321
Fund balances - beginning	<u>19,454,501</u>	<u>4,535,937</u>	<u>15,614,809</u>	<u>4,346,425</u>
Fund balances - ending	<u>\$ 21,354,237</u>	<u>\$ 5,033,615</u>	<u>\$ 20,520,179</u>	<u>\$ 4,948,746</u>

See Notes to Financial Statements.

Development Authority of Pearland	Non-major Governmental Funds	Total Governmental Funds
\$	\$	\$
	10,895,771	62,921,593
	307,217	29,969,711
		6,971,005
	139,598	4,544,396
	433,165	3,108,234
1,906	172,261	14,661,393
	1,434,955	432,866
	1,443,341	3,196,774
		7,075,907
<u>1,906</u>	<u>14,826,308</u>	<u>132,881,879</u>
15,043	1,626,685	10,469,929
	229,037	32,228,687
	349,064	10,298,130
	293,481	3,408,235
	144,260	5,822,926
14,730,000	3,250,595	25,625,278
3,800,000	7,425,000	23,789,547
2,159,421	1,073,288	16,595,242
	145,716	24,470,515
		4,792,379
<u>20,704,464</u>	<u>14,537,126</u>	<u>157,500,868</u>
(20,702,558)	289,182	(24,618,989)
8,060,000		8,060,000
		9,485,000
		8,495,000
		47,165,000
		(54,303,290)
		8,053,331
		574,049
		3,157,291
12,666,896	8,041	17,042,973
	(349,731)	(15,233,430)
<u>20,726,896</u>	<u>(341,690)</u>	<u>32,495,924</u>
24,338	(52,508)	7,876,935
1,932,196	25,533,919	71,417,787
<u>\$ 1,956,534</u>	<u>\$ 25,481,411</u>	<u>\$ 79,294,722</u>

CITY OF PEARLAND, TEXAS
STATEMENT OF NET POSITION
September 30, 2015

	Development Authority of Pearland	
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Assets		
Cash and cash equivalents	\$	988,693
Investments		
Receivables, net of allowance for uncollectibles		
Prepaid items		
Restricted cash		968,397
Deferred charges		
Capital Assets:		
Capital assets not subject to depreciation		
Capital assets, net of accumulated depreciation		
Total Capital Assets		<hr/> -
Total Assets	\$	1,957,090
		<hr/> <hr/>
Liabilities		
Accounts payable and accrued liabilities	\$	556
Accrued Interest		-
Deposits		
Unavailable/unearned revenues		
Long-term liabilities		
Due within one year		-
Due in more than one year		-
Total Liabilities	\$	556
		<hr/> <hr/>
Net Position		
Invested in capital assets, net of related debt	\$	-
Restricted for:		
Debt service		968,397
Economic Development		988,137
Total Net Position	\$	1,956,534
		<hr/> <hr/>

CITY OF PEARLAND, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 5 - Long-Term Debt (continued)

A. Governmental Activity Debt (continued)

The City issued \$4,860,000 of Certificates of Obligation, Series 2015 dated September 1, 2015. Proceeds from the sale of the certificates will be used for certain street improvements within the City including improvements to Industrial Drive, certain improvements to existing City facilities including Fire Station 2, and to pay the costs of issuance of the certificates.

The City issued \$8,495,000 of Permanent Improvement Bonds, Series 2015 dated September 1, 2015. Proceeds from the sale of the bonds will be used for construction and improvement to City facilities and to pay for the cost of issuance of the bonds.

The City issued \$47,165,000 of Permanent Improvement Refunding Bonds, Series 2015 dated April 1, 2015. Proceeds from the sale of the bonds will be used for the refunding of certain outstanding obligations of the City and to pay for the cost of issuance of the bonds.

The City issued \$8,060,000 of Tax Increment Contract Revenue Bonds Proceeds, Series 2014 dated December 9, 2014. Proceeds from the sale of the bonds were used to reimburse the developer \$7,890,000 for infrastructure within the TIRZ boundaries.

The City issued \$4,625,000 of Certificates of Obligation, Series 2014 dated October 1, 2014. Proceeds from the sale of the certificates will be used for improvements, renovations and additions to the existing public works service center located at East Orange Street and Old Alvin Road, acquisition of land for and the design and construction of two new fire stations located at Yost Road and FM 518 and at Harkey Road and Fite Road, project management for parks, street and facility capital projects within the City, renovations to the existing City Hall Complex, and to pay the costs of issuance of the Certificates.

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended September 30, 2015. In general, the City uses the General and Debt Service funds as well as the Economic Development Corporation and Development Authority to liquidate governmental long-term liabilities.

	<u>Balance September 30, 2014</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance September 30, 2015</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 236,730,000	\$ 55,660,000	\$ (46,525,000)	\$ 245,865,000	\$ 9,775,000
Certificates of obligation	56,505,000	9,485,000	(15,960,000)	50,030,000	2,600,000
Sales tax revenue bonds	22,690,000		(7,425,000)	15,265,000	720,000
Tax increment revenue bonds	57,435,000	8,060,000	(3,800,000)	61,695,000	3,855,000
Unamortized premium/(discount)	10,122,356	8,053,331	(1,990,621)	16,185,066	
Total bonds payable	<u>383,482,356</u>	<u>81,258,331</u>	<u>(75,700,621)</u>	<u>389,040,066</u>	<u>16,950,000</u>
Other liabilities:					
Net pension liability	10,013,507	4,693,718		14,707,225	
Obligations under capital leases	4,344,215	574,049	(1,289,549)	3,628,715	1,050,017
Compensated absences	5,682,057	2,856,633	(2,734,483)	5,804,207	968,388
Other post-employment benefits	1,721,250		794,737	2,515,987	
Total Governmental Activities	<u>\$ 405,243,385</u>	<u>\$ 89,382,731</u>	<u>\$ (78,929,916)</u>	<u>\$ 415,696,200</u>	<u>\$ 18,968,405</u>

CITY OF PEARLAND, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 5 - Long-Term Debt (continued)

A. Governmental Activity Debt (continued)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

The full amount estimated to be required for debt service on general obligation debt is provided by (1) the debt service portion of the tax levy; (2) interest earned in the Debt Service Fund; and (3) transfers from the Water and Sewer Enterprise Fund. Transfers from the Enterprise Funds are approved at the discretion of City Council and are not intended to service a specific bond series.

A summary of the terms of general obligation bonds and certificates of obligation, as of September 30, 2015, follows:

Series	Original Issue	Matures	Interest Rate (%)	Debt Outstanding
General Obligation Bonds				
Permanent Improvement and Refunding Bonds, Series 2005	37,015,000	2029	3.25-5.00	\$ 940,000
Permanent Improvement and Refunding Bonds, Series 2006	32,165,000	2029	4.00-5.00	8,525,000
Permanent Improvement and Refunding Bonds, Series 2007	69,640,000	2032	4.00-5.00	40,135,000
Permanent Improvement, Series 2008	22,835,000	2032	4.50-5.50	16,180,000
Permanent Improvement and Refunding Bonds, Series 2009	16,735,000	2034	2.00-5.00	14,580,000
Permanent Improvement, Series 2010A	12,415,000	2035	3.00-4.00	10,625,000
Permanent Improvement Refunding, Series 2010B	1,630,000	2018	2.00-4.00	555,000
Permanent Improvement, Series 2011	5,400,000	2036	2.125-4.125	4,905,000
Permanent Improvement and Refunding Bonds, Series 2012	43,575,000	2029	3.00-5.00	42,890,000
Permanent Improvement Bonds, Series 2013	9,315,000	2038	3.00-5.00	8,745,000
Permanent Improvement and Refunding Bonds, Series 2014	40,410,000	2034	2.00-5.00	39,875,000
Permanent Improvement Refunding Bonds, Series 2015	47,165,000	2032	2.00-5.00	47,165,000
Permanent Improvement Bonds, Series 2015	8,495,000	2035	2.00-4.00	8,495,000
Annexed Municipal Utility District Bonds				
BC MUD 4 Series 2011	2,640,000	2032	2.50-5.00	2,250,000
Total General Obligation Bonds				<u>\$ 245,865,000</u>
Certificates of Obligation				
Certificates of Obligation, Series 2006	9,700,000	2029	3.65-4.68	\$ 800,000
Certificates of Obligation, Series 2007	23,250,000	2032	3.25-5.25	11,640,000
Certificates of Obligation, Series 2008	9,000,000	2032	3.75-5.00	8,180,000
Certificates of Obligation, Series 2009	8,520,000	2034	2.25-5.00	7,370,000
Certificates of Obligation, Series 2009A	12,145,000	2029	2.00-4.50	8,945,000
Certificates of Obligation, Series 2011	2,095,000	2021	2.09	1,255,000
Certificates of Obligation, Series 2013	2,745,000	2038	3.00-4.625	2,585,000
Certificates of Obligation, Series 2014	4,625,000	2034	2.00-4.00	4,395,000
Certificates of Obligation, Series 2015	4,860,000	2035	2.00-4.00	4,860,000
Total Certificates of Obligation				<u>\$ 50,030,000</u>

CITY OF PEARLAND, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 5 - Long-Term Debt (continued)

A. Governmental Activity Debt (continued)

A summary of the terms of the revenue bonds recorded as long-term liabilities in the Pearland Economic Development Corporation and Development Authority of Pearland as of September 30, 2015, is as follows:

Series	Original Issue	Matures	Interest Rate (%)	Debt Outstanding
Pearland Economic Development Corporation				
Sales Tax Revenue Bonds, Series 2005	\$ 10,590,000	2026	2.30-4.42	\$ 6,635,000
Sales Tax Revenue Bonds, Series 2006	10,235,000	2030	3.66-4.75	8,630,000
Development Authority of Pearland				
Tax Increment Revenue Bonds, Series 2012	56,915,000	2029	3.07*	45,830,000
Tax Increment Revenue Bonds, Series 2013	9,150,000	2029	3.77	8,355,000
Tax Increment Revenue Bonds, Series 2014	8,060,000	2029	3.00	7,510,000
Total Component Unit Long-Term Debt				<u>\$ 76,960,000</u>

*Fixed for 10 years, then rate changes to be 65% of LIBOR, not to exceed 6.0%

Current Year Refunding

The Permanent Improvement Refunding Bonds, Series 2015 were issued on April 1, 2015 in the amount of \$47,165,000 to refund certain outstanding obligations of the City in the aggregate principal amount of \$51,210,000. The new bonds bear interest from 2.00% - 5.00% and are due in annual installments ranging from \$320,000 to \$4,975,000 through March 1, 2032. The refunding will save \$7.227 million over 17 years, or annual savings of about \$425,000 with a present value savings percent of 11.17%.

Prior Year Refunding

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 2015, approximately \$79 million of previously refunded bonds outstanding were considered defeased.

General Obligation

PIB Series 2006	\$ 21,495,000
CO Series 2006	7,300,000
CO Series 2007	10,160,000
PIB Series 2007	21,295,000
PIB Series 2008	4,870,000
	<u>\$ 65,120,000</u>

Development Authority of Pearland

Series 2006	\$ 6,970,000
Series 2009	6,880,000
	<u>\$ 13,850,000</u>

Total: \$ 78,970,000

**AGENDA REQUEST
DEVELOPMENT AUTHORITY OF PEARLAND
PEARLAND, TEXAS**

AGENDA OF: 09/26/2016	ITEM NO.: Resolution No. RDAP No. 2016-02
DATE SUBMITTED: 08/31/2016	REPRESENTING: City of Pearland
PREPARED BY: Carrie Ditta	PRESENTOR: Rick Overgaard
SUBJECT: Resolution RDAP 2016-02 – A Resolution of the Development Authority of Pearland, Accepting the Investment Report for Quarters ending September 2015, December 2015, March 2016, and June 2016	
EXHIBITS: Resolution RDAP No. 2016-02 Investment Portfolio Reports	
EXPENDITURE REQUIRED: None	
PROJECT: N/A	

EXECUTIVE SUMMARY

Pursuant to the Public Funds Investment Act, not less than quarterly, the Investment Officer shall prepare and submit to the entity a report of investment transactions.

Attached are the Investment Reports for the quarters ending September 30, 2015, December 31, 2015, March 31, 2016, and June 30, 2016. Highlights are:

	<u>Sept 2015</u>	<u>Dec 2015</u>	<u>Mar 2016</u>	<u>Jun 2016</u>
• Beginning Book Value	\$ 959,078	\$ 1,957,090	\$ 1,955,415	\$ 1,142,821
• Ending Book Value	\$1,957,090	\$ 1,955,415	\$ 1,142,821	\$ 1,141,514
• Increase/ (Decrease) in Portfolio	\$998,012	\$ (1,675)	\$ (812,594)	\$ (1,307)
• Interest Earned for Quarter	\$ 537	\$ 272	\$ 376	\$ 190
• Weighted Average Maturity	1 Day	1 Day	1 Day	1 Day
• Total Rate of Return	.05%	.04%	.05%	.08%
• One Year T-Bill Benchmark	.35%	.46%	.58%	.57%
• Portfolio Composition:				
Money Market	100%	100%	100%	100%
CD	0%	0%	0%	0%

RECOMMENDED ACTION

Consideration and Approval of Resolution RDAP 2016-02 Accepting the September 2015, December 2015, March 2016, and June 2016 Quarterly Investment Reports.

RESOLUTION NO. RDAP2016-02

A RESOLUTION OF THE DEVELOPMENT AUTHORITY OF PEARLAND (DAP), ACCEPTING THE INVESTMENT REPORT FOR THE QUARTERS ENDING SEPTEMBER 2015, DECEMBER 2015, MARCH 2016, AND JUNE 2016.

BE IT RESOLVED BY THE DAP BOARD OF DIRECTORS:

Section 1. That the Board hereby accepts the Investment Report for the Quarters ending September 2015, December 2015, March 2016, and June 2016.

PASSED, APPROVED, AND ADOPTED this _____ day of _____, A.D., 2016.

DAP CHAIRMAN

ATTEST:

DAP SECRETARY



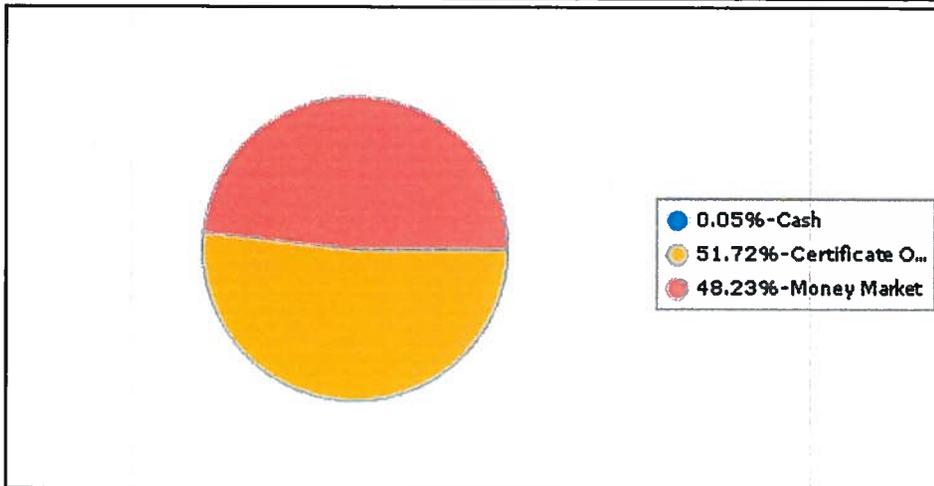
City of Pearland Distribution by Security Type - Book Value Report Group: Development Authority

Begin Date: 6/30/2015, End Date: 9/30/2015

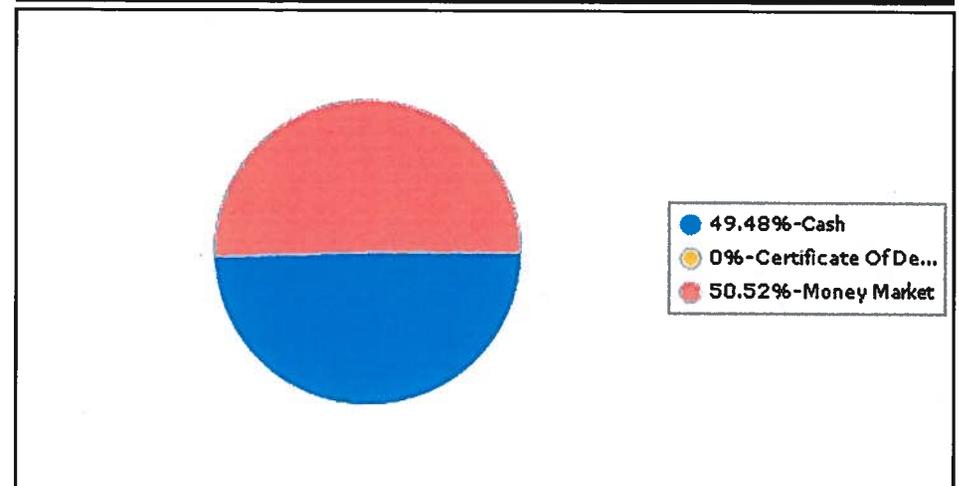
Security Type Allocation

Security Type	Book Value 6/30/2015	% of Portfolio 6/30/2015	Book Value 9/30/2015	% of Portfolio 9/30/2015
Cash	503.30	0.05	968,396.82	49.48
Certificate Of Deposit	496,000.00	51.72	0.00	0.00
Money Market	462,574.83	48.23	988,693.29	50.52
Total / Average	959,078.13	100.00	1,957,090.11	100.00

Portfolio Holdings as of 6/30/2015



Portfolio Holdings as of 9/30/2015





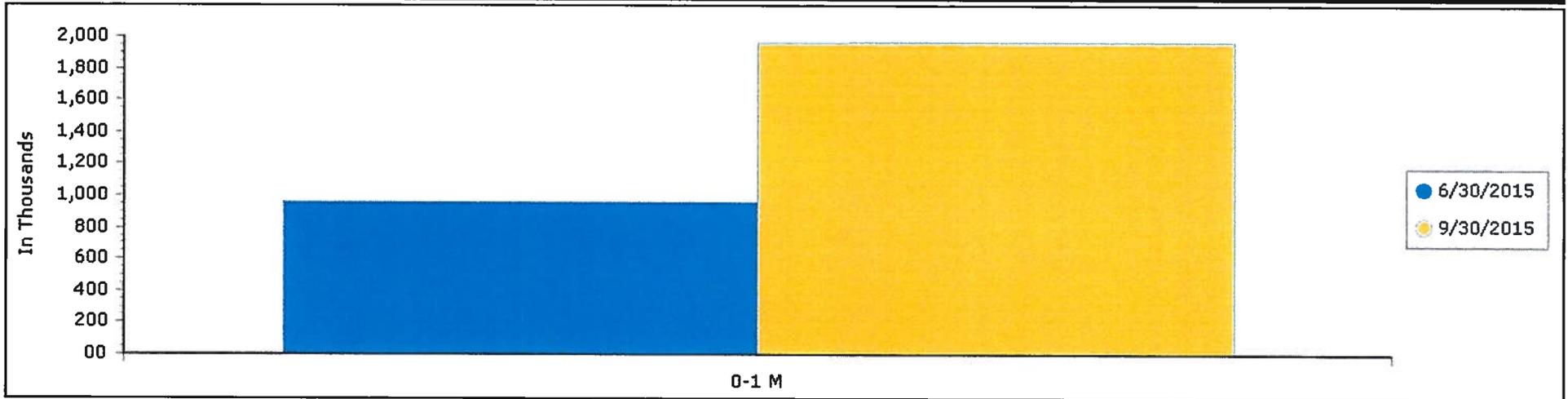
City of Pearland
Distribution by Maturity Range - Book Value
Report Group: Development Authority

Begin Date: 6/30/2015, End Date: 9/30/2015

Maturity Range Allocation

Maturity Range	Book Value 6/30/2015	% of Portfolio 6/30/2015	Book Value 9/30/2015	% of Portfolio 9/30/2015
0-1 Month	959,078.13	100.00	1,957,090.11	100.00
Total / Average	959,078.13	100.00	1,957,090.11	100.00

Portfolio Holdings





City of Pearland

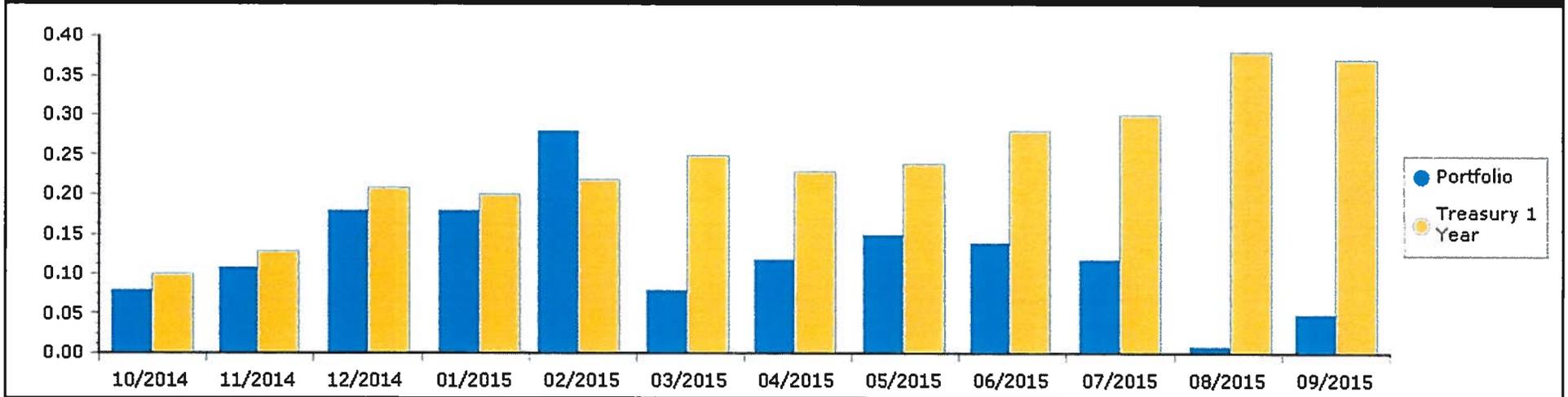
Total Rate of Return - Book Value by Month

Report Group: Development Authority

Begin Date: 10/31/2014, End Date: 9/30/2015

Month	Beginning BV + Accrued Interest	Interest Earned During Period-BV	Realized Gain/Loss-BV	Investment Income-BV	Average Capital Base-BV	TRR-BV	Annualized TRR-BV	Treasury 1 Year
10/31/2014	1,932,931.60	124.44	0.00	124.44	1,932,931.60	0.01	0.08	0.10
11/30/2014	1,933,056.04	174.14	0.00	174.14	1,989,317.92	0.01	0.11	0.13
12/31/2014	1,930,221.21	288.54	0.00	288.54	1,933,298.82	0.01	0.18	0.21
1/31/2015	1,936,178.98	286.90	0.00	286.90	1,936,039.70	0.01	0.18	0.20
2/28/2015	1,936,423.75	465.31	0.00	465.31	2,003,494.71	0.02	0.28	0.22
3/31/2015	1,929,472.63	96.82	0.00	96.82	1,402,620.12	0.01	0.08	0.25
4/30/2015	968,838.40	71.42	0.00	71.42	710,385.07	0.01	0.12	0.23
5/31/2015	964,809.82	119.68	0.00	119.68	961,627.81	0.01	0.15	0.24
6/30/2015	959,129.50	115.77	0.00	115.77	959,043.89	0.01	0.14	0.28
7/31/2015	959,245.27	117.86	0.00	117.86	1,199,213.01	0.01	0.12	0.30
8/31/2015	959,363.13	89.94	0.00	89.94	7,833,956.15	0.00	0.01	0.38
9/30/2015	13,495,475.64	328.85	0.00	328.85	7,341,494.64	0.00	0.05	0.37

Annualized TRR-BV





City of Pearland
Portfolio Holdings by Security Type
Report Group: Development Authority

Date: 9/30/2015

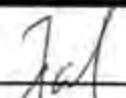
Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
Cash								
Regions Bank Cash		9/1/2012	963,624.32	100.00	963,624.32	49.24%	None	1
RG3948	963,624.32	0.00	963,624.32	0.00		0.00	None	0
Regions Bank Cash		10/31/2012	4,772.50	100.00	4,772.50	0.24%	None	1
RG3939	4,772.50	0.00	4,772.50	0.00		0.00	None	0
Sub Total Cash	968,396.82	0.00	968,396.82	0.00		49.48%		1
Money Market								
Wells Fargo Bank MM		9/30/2006	988,693.29	100.00	988,693.29	50.52%	None	1
WF4258	988,693.29	0.09	988,693.29	0.09		0.00	None	0
Sub Total Money Market	988,693.29	0.09	988,693.29	0.09		50.52%		1
TOTAL PORTFOLIO	1,957,090.11	0.05	1,957,090.11	0.05		100.00%		1

**Development Authority of Pearland
Quarterly Investment Report
September 30, 2015 to December 31, 2015**



This report is prepared for the Development Authority of Pearland in accordance with Chapter 2256 of the Public Funds Investment Act (PFIA). Section 2256.023 (a) of the PFIA states that "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Investment Officer and includes the disclosures required in the PFIA.

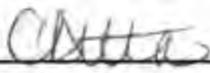
Month	Market Value	Book Value	Unrealized Gain/Loss	YTM @ Cost	Treasury 1 Year	Interest Earned	Days To Maturity
10/31/2015	1,956,560.25	1,956,560.25	0.00	0.05	0.26	75.63	1
11/30/2015	1,955,323.90	1,955,323.90	0.00	0.05	0.48	105.39	1
12/31/2015	1,955,415.26	1,955,415.26	0.00	0.05	0.65	91.36	1
Total / Average	1,955,766.47	1,955,766.47	0.00	0.04	0.46	272.38	1



Rick Overgaard, Assistant Director of Finance

6/11/16

Date



Carrie Ditta, Accounting Supervisor

6/01/16

Date



City of Pearland Distribution by Security Type - Book Value Report Group: Development Authority

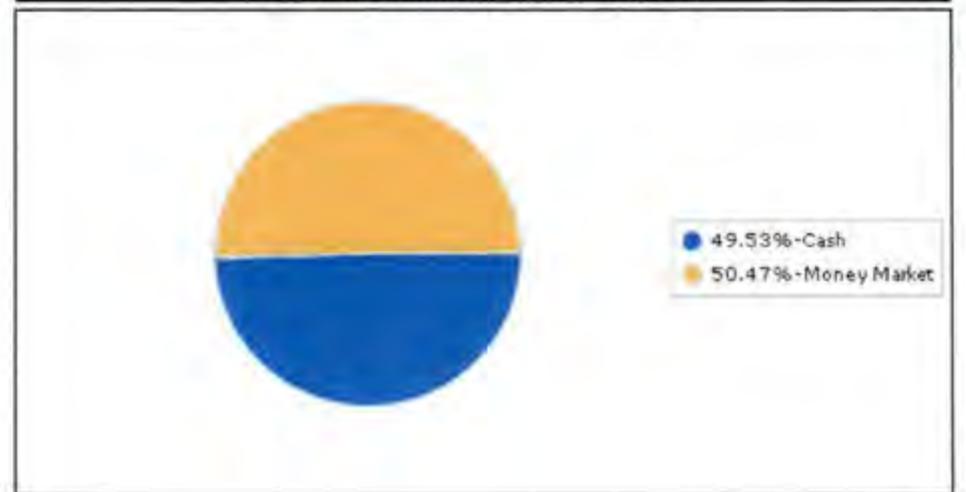
Begin Date: 9/30/2015, End Date: 12/31/2015

Security Type Allocation				
Security Type	Book Value 9/30/2015	% of Portfolio 9/30/2015	Book Value 12/31/2015	% of Portfolio 12/31/2015
Cash	968,396.82	49.48	968,445.11	49.53
Money Market	988,693.29	50.52	986,970.15	50.47
Total / Average	1,957,090.11	100.00	1,955,415.26	100.00

Portfolio Holdings as of 9/30/2015



Portfolio Holdings as of 12/31/2015





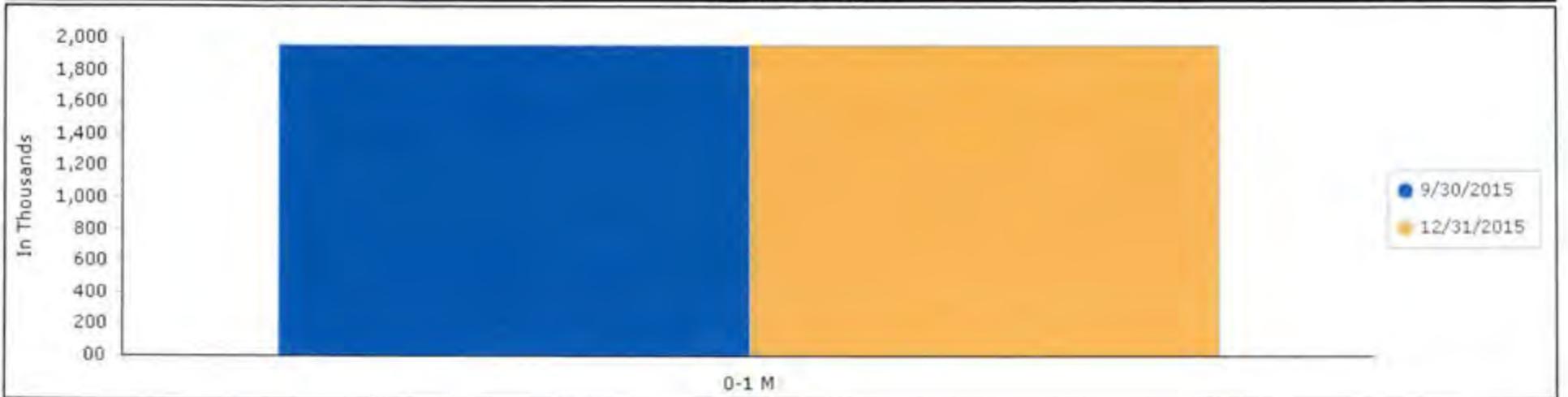
City of Pearland
Distribution by Maturity Range - Book Value
Report Group: Development Authority

Begin Date: 9/30/2015, End Date: 12/31/2015

Maturity Range Allocation

Maturity Range	Book Value 9/30/2015	% of Portfolio 9/30/2015	Book Value 12/31/2015	% of Portfolio 12/31/2015
0-1 Month	1,957,090.11	100.00	1,955,415.26	100.00
Total / Average	1,957,090.11	100.00	1,955,415.26	100.00

Portfolio Holdings





City of Pearland
Portfolio Holdings by Security Type
Report Group: Development Authority

Date: 12/31/2015

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
Cash								
Regions Bank Cash		10/31/2012	4,772.74	100.00	4,772.74	0.24%	None	1
RG3939	4,772.74	0.00	4,772.74	0.00		0.00	None	0
Regions Bank Cash		9/1/2012	963,672.37	100.00	963,672.37	49.28%	None	1
RG3948	963,672.37	0.00	963,672.37	0.00		0.00	None	0
Sub Total Cash	968,445.11	0.00	968,445.11	0.00	968,445.11	49.52%		0
Money Market								
Wells Fargo Bank MM		9/30/2006	986,970.15	100.00	986,970.15	50.47%	None	1
WF4258	986,970.15	0.09	986,970.15	0.09		0.00	None	0
Sub Total Money Market	986,970.15	0.09	986,970.15	0.09	986,970.15	50.47%		0
TOTAL PORTFOLIO	1,955,415.26	0.05	1,955,415.26	0.05	1,955,415.26	100.00%		0

Pledged Collateral Reconciliation Report December 31, 2015

Bank	Account Number	Account Name	Amount
Wells Fargo	807-1613395	Credit Card Account	-
Wells Fargo	001-3042841	Sweep Account	90,925,459.89
Wells Fargo	7169195455	False Alarm Reduction Program	211,067.61
Wells Fargo	818-4567843	Alvin ISD	4,943,643.36
Wells Fargo	179-0121790	EMS Payments	-
Wells Fargo	280-7409871	Health Claims	<u>166,474.82</u>
Total of Bank Balances			\$ 96,246,645.68
Pledged Collateral for City			108,226,429.71
FDIC Insurance			<u>250,000.00</u>
			\$ 108,476,429.71
Over (Under) Collateralized			\$ 12,229,784.03
Total % Collateralized			112.7%

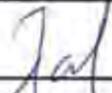
Bank	Account Number	Account Name	Amount
Wells Fargo	100-7284258	Development Authority	<u>986,970.15</u>
Total of Bank Balances			\$ 986,970.15
Pledged Collateral for DAP			834,381.86
FDIC Insurance			<u>250,000.00</u>
			\$ 1,084,381.86
Over (Under) Collateralized			\$ 97,411.71
Total % Collateralized			109.9%
Total % Collateralized			112.7%
Status			Collateralized

**Development Authority of Pearland
Quarterly Investment Report
December 31, 2015 to March 31, 2016**



This report is prepared for the Development Authority of Pearland in accordance with Chapter 2256 of the Public Funds Investment Act (PFIA). Section 2256.023 (a) of the PFIA states that "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Investment Officer and includes the disclosures required in the PFIA.

Month	Market Value	Book Value	Unrealized Gain/Loss	YTM @ Cost	Treasury 1 Year	Interest Earned	Days To Maturity
1/31/2016	1,955,516.19	1,955,516.19	0.00	0.05	0.54	100.93	1
2/29/2016	1,950,243.15	1,950,243.15	0.00	0.05	0.53	126.96	1
3/31/2016	1,142,821.19	1,142,821.19	0.00	0.08	0.66	148.01	1
Total / Average	1,682,860.18	1,682,860.18	0.00	0.05	0.58	375.90	1



Rick Overgaard, Assistant Director of Finance

4/1/16

Date



Carrie Ditta, Accounting Supervisor

5/26/16

Date



City of Pearland

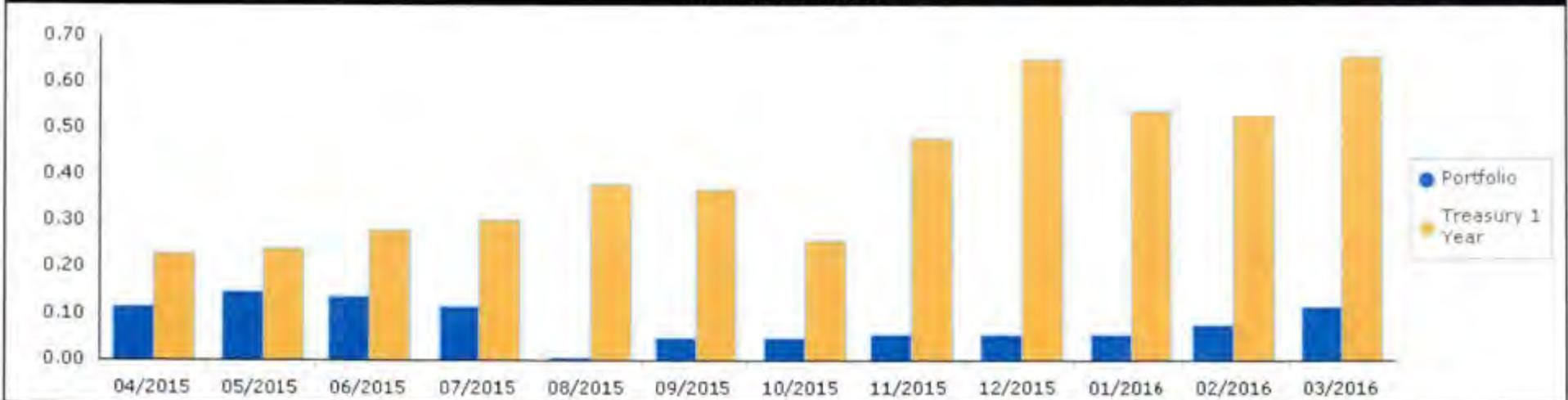
Total Rate of Return - Book Value by Month

Report Group: Development Authority

Begin Date: 4/30/2015, End Date: 3/31/2016

Month	Beginning BV + Accrued Interest	Interest Earned During Period-BV	Realized Gain/Loss-BV	Investment Income-BV	Average Capital Base-BV	TRR-BV	Annualized TRR-BV	Treasury 1 Year
4/30/2015	968,838.40	71.42	0.00	71.42	710,385.07	0.01	0.12	0.23
5/31/2015	964,809.82	119.68	0.00	119.68	961,627.81	0.01	0.15	0.24
6/30/2015	959,129.50	115.77	0.00	115.77	959,043.89	0.01	0.14	0.28
7/31/2015	959,245.27	117.86	0.00	117.86	1,199,213.01	0.01	0.12	0.30
8/31/2015	959,363.13	89.94	0.00	89.94	7,833,956.15	0.00	0.01	0.38
9/30/2015	13,495,475.64	328.85	0.00	328.85	7,341,494.64	0.00	0.05	0.37
10/31/2015	1,957,090.11	75.63	0.00	75.63	1,956,758.07	0.00	0.05	0.26
11/30/2015	1,956,560.25	105.39	0.00	105.39	1,955,844.66	0.01	0.06	0.48
12/31/2015	1,955,323.90	91.36	0.00	91.36	1,955,323.90	0.00	0.06	0.65
1/31/2016	1,955,415.26	100.93	0.00	100.93	1,955,415.26	0.01	0.06	0.54
2/29/2016	1,955,516.19	126.96	0.00	126.96	1,952,723.09	0.01	0.08	0.53
3/31/2016	1,950,243.15	148.01	0.00	148.01	1,507,382.20	0.01	0.12	0.66

Annualized TRR-BV





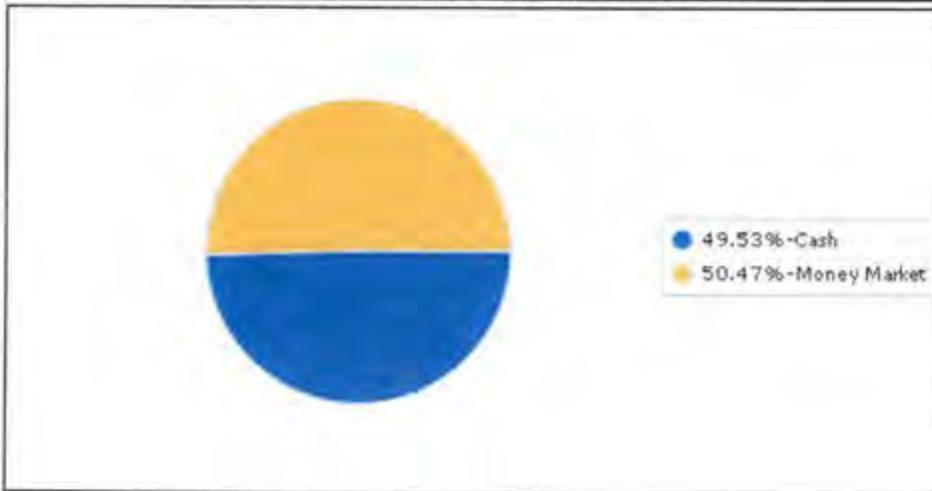
City of Pearland
Distribution by Security Type - Book Value
Report Group: Development Authority

Begin Date: 12/31/2015. End Date: 3/31/2016

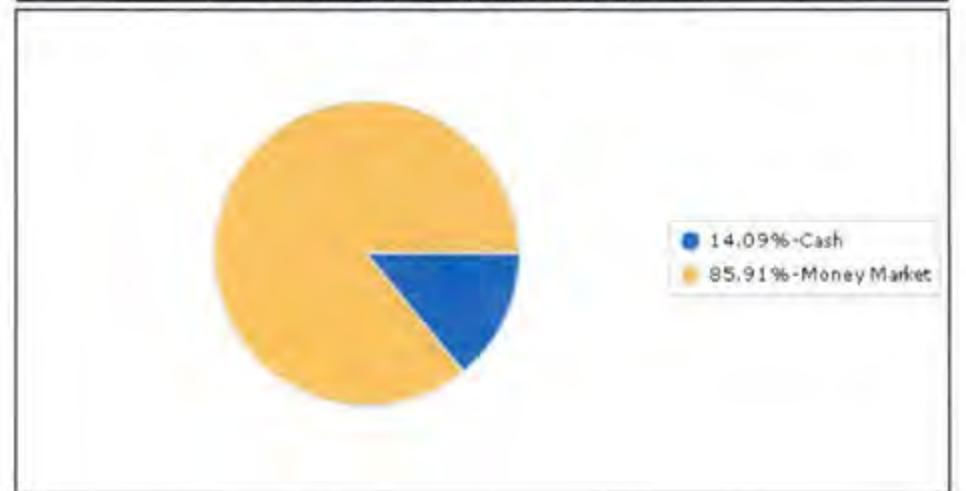
Security Type Allocation

Security Type	Book Value 12/31/2015	% of Portfolio 12/31/2015	Book Value 3/31/2016	% of Portfolio 3/31/2016
Cash	968,445.11	49.53	161,030.11	14.09
Money Market	986,970.15	50.47	981,791.08	85.91
Total / Average	1,955,415.26	100.00	1,142,821.19	100.00

Portfolio Holdings as of 12/31/2015



Portfolio Holdings as of 3/31/2016





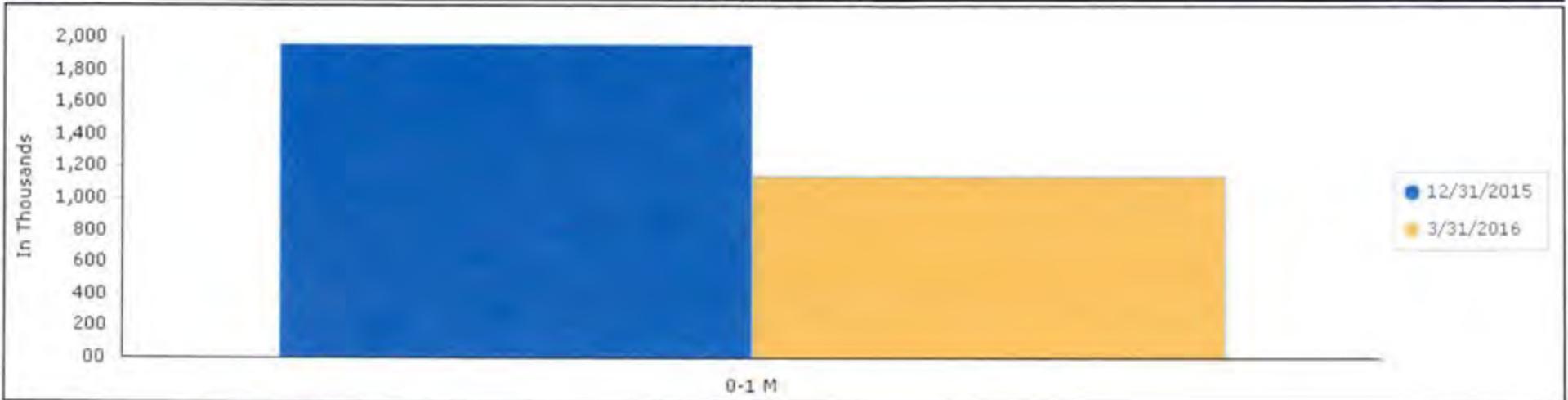
City of Pearland
Distribution by Maturity Range - Book Value
Report Group: Development Authority

Begin Date: 12/31/2015, End Date: 3/31/2016

Maturity Range Allocation

Maturity Range	Book Value 12/31/2015	% of Portfolio 12/31/2015	Book Value 3/31/2016	% of Portfolio 3/31/2016
0-1 Month	1,955,415.26	100.00	1,142,821.19	100.00
Total / Average	1,955,415.26	100.00	1,142,821.19	100.00

Portfolio Holdings





City of Pearland
Portfolio Holdings by Security Type
Report Group: Development Authority

Date: 3/31/2016

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
Cash								
Regions Bank Cash		10/31/2012	4,623.51	100.00	4,623.51	0.4%	None	1
RG3939	4,623.51	0.00	4,623.51	0.00		0.00	None	0
Regions Bank Cash		9/1/2012	156,406.60	100.00	156,406.60	13.69%	None	1
RG3948	156,406.60	0.00	156,406.60	0.00		0.00	None	0
Sub Total Cash	161,030.11	0.00	161,030.11	0.00	161,030.11	14.09%	0.00	0
Money Market								
Wells Fargo Bank MM		9/30/2006	981,791.08	100.00	981,791.08	85.91%	None	1
WF4255	981,791.08	0.09	981,791.08	0.09		0.00	None	0
Sub Total Money Market	981,791.08	0.09	981,791.08	0.09	981,791.08	85.91%	0.00	0
TOTAL PORTFOLIO	1,142,821.19	0.08	1,142,821.19	0.08	1,142,821.19	100.00%	0.00	0



City of Pearland
Portfolio Holdings by Portfolio Name
Report Group: Development Authority

Date: 3/31/2016

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
920: Development Authority / TIRZ								
Regions Bank Cash		9/1/2012	156,406.60	100.00	156,406.60	13.69%	None	1
RG3948	156,406.60	0.00	156,406.60	0.00		0.00	None	0
Regions Bank Cash		10/31/2012	4,623.51	100.00	4,623.51	0.4%	None	1
RG3939	4,623.51	0.00	4,623.51	0.00		0.00	None	0
Wells Fargo Bank MM		9/30/2006	981,791.08	100.00	981,791.08	85.91%	None	1
WF4258	981,791.08	0.09	981,791.08	0.09		0.00	None	0
Sub Total 920: Development Authority / TIRZ	1,142,821.19	0.08	1,142,821.19	0.08	1,142,821.19	100%	0.00	0
TOTAL PORTFOLIO	1,142,821.19	0.08	1,142,821.19	0.08	1,142,821.19	100.00%	0.00	0

Pledged Collateral Reconciliation Report March 31, 2016

Bank	Account Number	Account Name	Amount
Wells Fargo	807-1613395	Credit Card Account	-
Wells Fargo	001-3042841	Sweep Account	87,067,220.50
Wells Fargo	7169195455	False Alarm Reduction Program	247,389.05
Wells Fargo	818-4567843	Alvin ISD	7,852,576.10
Wells Fargo	179-0121790	EMS Payments	-
Wells Fargo	280-7409871	Health Claims	<u>390,778.39</u>
Total of Bank Balances			\$ 95,557,964.04
Pledged Collateral for City			107,593,515.43
FDIC Insurance			<u>250,000.00</u>
			\$ 107,843,515.43
Over (Under) Collateralized			\$ 12,285,551.39
Total % Collateralized			112.9%

Bank	Account Number	Account Name	Amount
Wells Fargo	100-7284258	Development Authority	<u>981,791.08</u>
Total of Bank Balances			\$ 981,791.08
Pledged Collateral for DAP			835,962.96
FDIC Insurance			<u>250,000.00</u>
			\$ 1,085,962.96
Over (Under) Collateralized			\$ 104,171.88
Total % Collateralized			110.6%
Total % Collateralized			112.8%
Status			Collateralized

**Development Authority of Pearland
Quarterly Investment Report
March 31, 2016 to June 30, 2016**



This report is prepared for the Development Authority of Pearland in accordance with Chapter 2256 of the Public Funds Investment Act (PFIA). Section 2256.023 (a) of the PFIA states that "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Investment Officer and includes the disclosures required in the PFIA.

Month	Market Value	Book Value	Unrealized Gain/Loss	YTM @ Cost	Treasury 1 Year	Interest Earned	Days To Maturity
4/30/2016	1,142,835.48	1,142,835.48	0.00	0.08	0.56	14.29	1
5/31/2016	1,142,927.61	1,142,927.61	0.00	0.08	0.59	89.51	1
6/30/2016	1,141,514.15	1,141,514.15	0.00	0.09	0.55	86.54	1
Total / Average	1,142,425.75	1,142,425.75	0.00	0.08	0.57	190.34	1

Cynthia Pearson 8/10/16
Cynthia Pearson, Director of Finance Date

Rick Overgaard 8/10/16
Rick Overgaard, Assistant Director of Finance Date

Carrie Ditta 8/10/16
Carrie Ditta, Accounting Supervisor Date

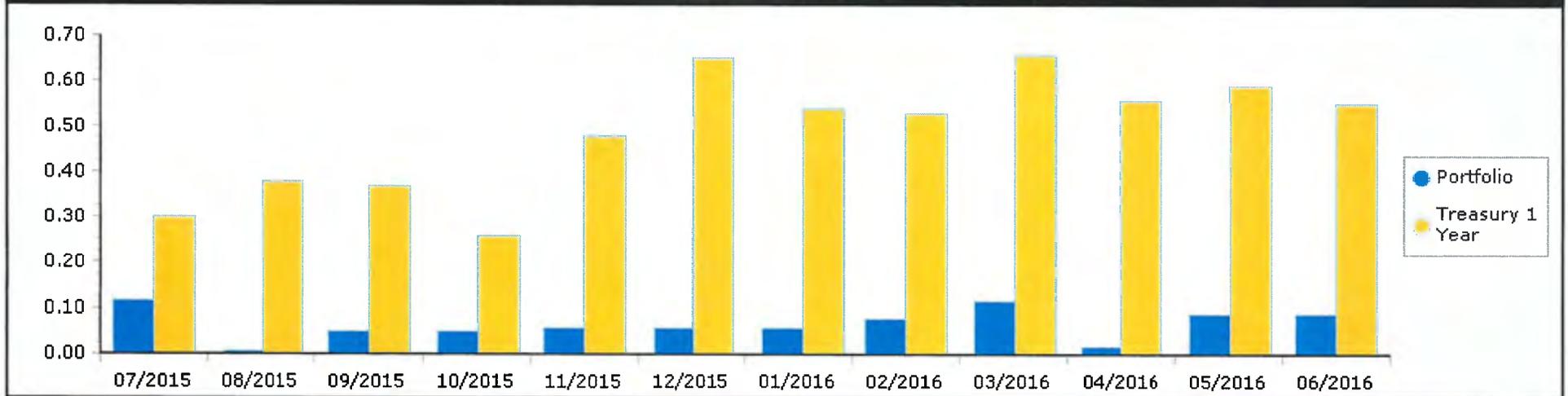


City of Pearland Total Rate of Return - Book Value by Month Report Group: Development Authority

Begin Date: 7/31/2015, End Date: 6/30/2016

Month	Beginning BV + Accrued Interest	Interest Earned During Period-BV	Realized Gain/Loss-BV	Investment Income-BV	Average Capital Base-BV	TRR-BV	Annualized TRR-BV	Treasury 1 Year
7/31/2015	959,245.27	117.86	0.00	117.86	1,199,213.01	0.01	0.12	0.30
8/31/2015	959,363.13	89.94	0.00	89.94	7,833,956.15	0.00	0.01	0.38
9/30/2015	13,495,475.64	328.85	0.00	328.85	7,341,494.64	0.00	0.05	0.37
10/31/2015	1,957,090.11	75.63	0.00	75.63	1,956,758.07	0.00	0.05	0.26
11/30/2015	1,956,560.25	105.39	0.00	105.39	1,955,844.66	0.01	0.06	0.48
12/31/2015	1,955,323.90	91.36	0.00	91.36	1,955,323.90	0.00	0.06	0.65
1/31/2016	1,955,415.26	100.93	0.00	100.93	1,955,415.26	0.01	0.06	0.54
2/29/2016	1,955,516.19	126.96	0.00	126.96	1,952,723.09	0.01	0.08	0.53
3/31/2016	1,950,243.15	148.01	0.00	148.01	1,507,382.20	0.01	0.12	0.66
4/30/2016	1,142,821.19	14.29	0.00	14.29	1,142,821.19	0.00	0.02	0.56
5/31/2016	1,142,838.08	89.51	0.00	89.51	1,142,838.08	0.01	0.09	0.59
6/30/2016	1,142,927.61	86.54	0.00	86.54	1,142,127.61	0.01	0.09	0.55

Annualized TRR-BV





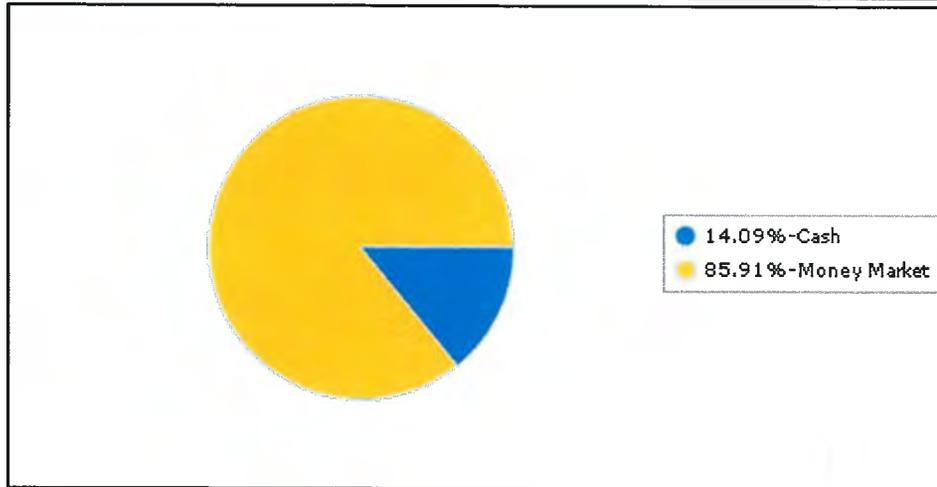
City of Pearland Distribution by Security Type - Book Value Report Group: Development Authority

Begin Date: 3/31/2016, End Date: 6/30/2016

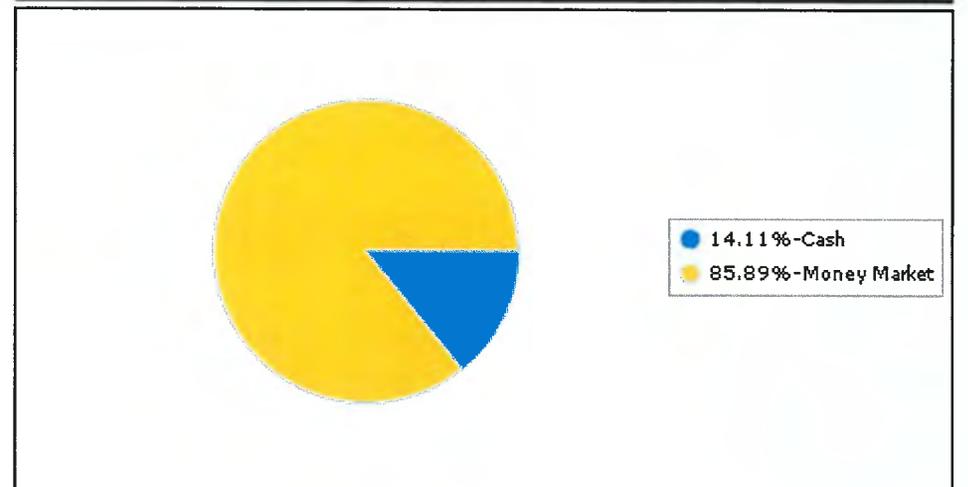
Security Type Allocation

Security Type	Book Value 3/31/2016	% of Portfolio 3/31/2016	Book Value 6/30/2016	% of Portfolio 6/30/2016
Cash	161,030.11	14.09	161,072.87	14.11
Money Market	981,791.08	85.91	980,441.28	85.89
Total / Average	1,142,821.19	100.00	1,141,514.15	100.00

Portfolio Holdings as of 3/31/2016



Portfolio Holdings as of 6/30/2016





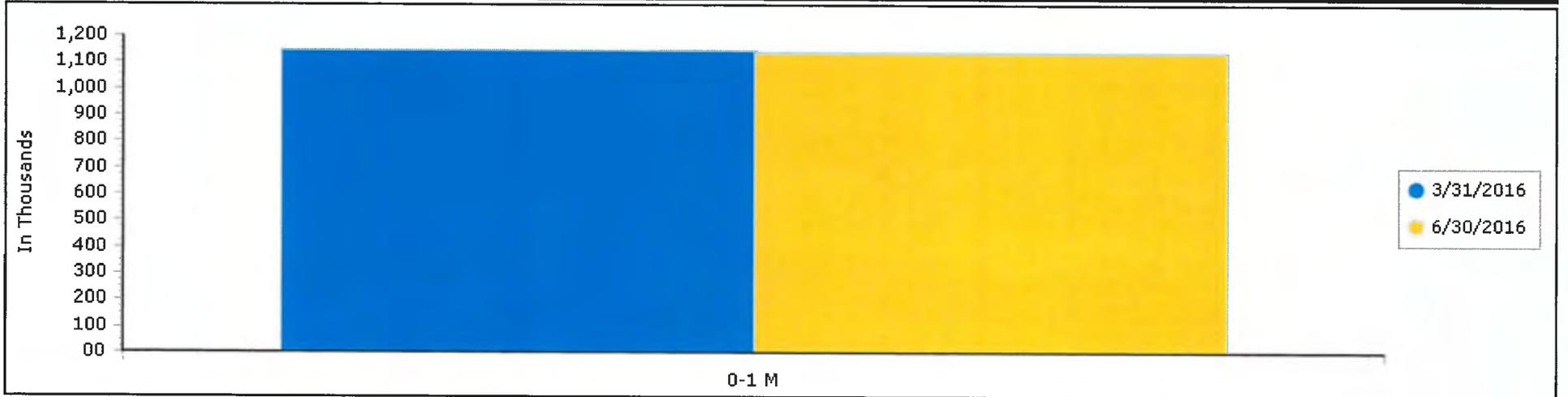
City of Pearland
Distribution by Maturity Range - Book Value
Report Group: Development Authority

Begin Date: 3/31/2016, End Date: 6/30/2016

Maturity Range Allocation

Maturity Range	Book Value 3/31/2016	% of Portfolio 3/31/2016	Book Value 6/30/2016	% of Portfolio 6/30/2016
0-1 Month	1,142,821.19	100.00	1,141,514.15	100.00
Total / Average	1,142,821.19	100.00	1,141,514.15	100.00

Portfolio Holdings





City of Pearland
Portfolio Holdings by Security Type
Report Group: Development Authority

Date: 6/30/2016

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
Cash								
Regions Bank Cash		9/1/2012	156,448.13	100.00	156,448.13	13.71%	None	1
RG3948	156,448.13	0.10	156,448.13	0.10		0.00	None	0
Regions Bank Cash		10/31/2012	4,624.74	100.00	4,624.74	0.41%	None	1
RG3939	4,624.74	0.10	4,624.74	0.10		0.00	None	0
Sub Total Cash	161,072.87	0.10	161,072.87	0.10	161,072.87	14.12%	0.00	0
Money Market								
Wells Fargo Bank MM		9/30/2006	980,441.28	100.00	980,441.28	85.89%	None	1
WF4258	980,441.28	0.09	980,441.28	0.09		0.00	None	0
Sub Total Money Market	980,441.28	0.09	980,441.28	0.09	980,441.28	85.89%	0.00	0
TOTAL PORTFOLIO	1,141,514.15	0.09	1,141,514.15	0.09	1,141,514.15	100.00%	0.00	0



City of Pearland
Portfolio Holdings by Portfolio Name
Report Group: Development Authority

Date: 6/30/2016

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
920: Development Authority / TIRZ								
Regions Bank Cash RG3939	4,624.74	10/31/2012 0.10	4,624.74	100.00 0.10	4,624.74	0.41% 0.00	None None	1 0
Regions Bank Cash RG3948	156,448.13	9/1/2012 0.10	156,448.13	100.00 0.10	156,448.13	13.71% 0.00	None None	1 0
Wells Fargo Bank MM WF4258	980,441.28	9/30/2006 0.09	980,441.28	100.00 0.09	980,441.28	85.89% 0.00	None None	1 0
Sub Total 920: Development Authority / TIRZ	1,141,514.15	0.09	1,141,514.15	0.09	1,141,514.15	100.01% 0.00		1 0
TOTAL PORTFOLIO	1,141,514.15	0.09	1,141,514.15	0.09	1,141,514.15	100.00% 0.00		1 0

Pledged Collateral Reconciliation Report June 30, 2016

Bank	Account Number	Account Name	Amount
Wells Fargo	807-1613395	Credit Card Account	-
Wells Fargo	001-3042841	Sweep Account	123,259,126.00
Wells Fargo	7169195455	False Alarm Reduction Program	273,553.28
Wells Fargo	818-4567843	Alvin ISD	9,950,770.17
Wells Fargo	179-0121790	EMS Payments	-
Wells Fargo	280-7409871	Health Claims	<u>202,935.77</u>
Total of Bank Balances			\$ 133,686,385.22
Pledged Collateral for City			153,010,589.52
FDIC Insurance			<u>250,000.00</u>
			\$ 153,260,589.52
Over (Under) Collateralized			\$ 19,574,204.30
Total % Collateralized			114.6%

Bank	Account Number	Account Name	Amount
Wells Fargo	100-7284258	Development Authority	<u>980,441.28</u>
Total of Bank Balances			\$ 980,441.28
Pledged Collateral for DAP			833,151.26
FDIC Insurance			<u>250,000.00</u>
			\$ 1,083,151.26
Over (Under) Collateralized			\$ 102,709.98
Total % Collateralized			110.5%
Total % Collateralized			114.6%
Status			Collateralized

**AGENDA REQUEST
DEVELOPMENT AUTHORITY OF PEARLAND
PEARLAND, TEXAS**

AGENDA OF: 9/26/2016	ITEM NO.: Resolution No. RDAP-2016-03
DATE SUBMITTED: 9/19/2016	REPRESENTING: City of Pearland
PREPARED BY: Rick Overgaard	PRESENTOR: Rick Overgaard
SUBJECT: Resolution RDAP 2016-03 – A Resolution of the Development Authority of Pearland, accepting the Financial Report for the Period Ending August 31, 2016.	
EXHIBITS: Resolution, RDAP -2016-03 1 - Balance Sheet 2- Income Statement	
EXPENDITURE REQUIRED: None PROJECT: N/A	

EXECUTIVE SUMMARY

Attached are the financial statements (Balance Sheet and Statement of Revenues and Expenditures) for the Development Authority of Pearland for the eleven month period ending August 31, 2016.

- Cash and Investments total \$13,673,472 with 100% in interest bearing accounts. Funds totaling \$7,425,410 are held with the bond trustee, Regions Bank and are set aside for the 9/1/2016 and 3/3/2017 annual debt payments, leaving \$6.0 million available for developer reimbursement and a debt service reserve.
- Revenues total \$78,957,196, which include contributions of \$12,926,181 from the TIRZ for annual debt service and reimbursement to the developer, \$66,030,000 in bond proceeds from Series 2015, and interest earned of \$1,015 on the interest bearing accounts.
- Fiscal year to date expenditures total \$67,456,767, which include a reimbursement to developer of \$19,575,000, operating costs of \$6,222, the March 1st bond payment of \$807,420, bond issuance costs of \$342,542 from Series 2015 bonds and \$7,150 in fiscal agent fees for debt service. On August 31st, the September 1st bond payment of \$6,329,239 for bond Series 2013, Series 2014 and Series 2015 was initiated to Regions Bank as trustee.
- Fund balance as of August 31, 2015 is \$13,456,963.

RECOMMENDED ACTION

Consideration and approval of Resolution RDAP 2016-03, accepting the Financial Report for the Period Ending August 31, 2016.

RESOLUTION NO. RDAP 2016-03

A RESOLUTION OF THE DEVELOPMENT AUTHORITY OF PEARLAND (DAP), ACCEPTING THE FINANCIAL REPORT FOR THE PERIOD ENDING AUGUST 31, 2016.

BE IT RESOLVED BY DAP BOARD OF DIRECTORS:

Section 1. That the Development Authority of Pearland, TX hereby accepts the Financial Report for the period ending August 31, 2016.

PASSED, APPROVED, AND ADOPTED this _____ day of _____ . A.D 2016.

DAP CHAIRMAN

ATTEST:

DAP SECRETARY



Balance Sheet

Through 08/31/16

Detail Listing

Include Rollup Account/Rollup to Base Account

Account	Account Description	Current YTD Balance	Net Change	Change %
Fund Category	Other			
Fund Type				
Fund	920 - Development Authority			
	ASSETS			
1000	Cash			
1000.030	Cash DAP Wells Fargo	6,031,552.10	6,031,552.10	+++
1000.060	Cash DAP Regions Bank Debt Service	7,425,410.50	7,425,410.50	+++
	1000 - Cash Totals	\$13,456,962.60	\$13,456,962.60	+++
	ASSETS TOTALS	\$13,456,962.60	\$13,456,962.60	+++
	FUND EQUITY			
2950	Fund Balance - Unassigned	1,956,533.73	1,956,533.73	+++
	FUND EQUITY TOTALS Prior to Current Year Changes	\$1,956,533.73	\$1,956,533.73	+++
	Prior Year Fund Equity Adjustment	.00		
	Fund Revenues	(78,957,195.69)		
	Fund Expenses	67,456,766.82		
	FUND EQUITY TOTALS	\$13,456,962.60	\$13,456,962.60	+++
	LIABILITIES AND FUND EQUITY TOTALS	\$13,456,962.60	\$13,456,962.60	+++
Fund	920 - Development Authority Totals	\$0.00	\$0.00	+++
	Fund Type Totals	\$0.00	\$0.00	+++
	Fund Category Other Totals	\$0.00	\$0.00	+++
	Grand Totals	\$0.00	\$0.00	+++



Income Statement

Through 08/31/16
Consolidated Detail Listing
Exclude Rollup Account

Account	Account Description	Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget
Fund Category Other						
Fund Type						
REVENUE						
Investment Earnings						
3600.010	Interest Earnings Interest	.00	49.02	1,014.63	(1,014.63)	+++
<i>Investment Earnings Totals</i>		<u>\$0.00</u>	<u>\$49.02</u>	<u>\$1,014.63</u>	<u>(\$1,014.63)</u>	<u>+++</u>
Other Financing Sources						
4000.010	Long Term Debt Bond Proceeds	.00	.00	66,030,000.00	(66,030,000.00)	+++
<i>Other Financing Sources Totals</i>		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$66,030,000.00</u>	<u>(\$66,030,000.00)</u>	<u>+++</u>
Transfers In						
3900	Transfers In	.00	12,926,181.06	12,926,181.06	(12,926,181.06)	+++
<i>Transfers In Totals</i>		<u>\$0.00</u>	<u>\$12,926,181.06</u>	<u>\$12,926,181.06</u>	<u>(\$12,926,181.06)</u>	<u>+++</u>
REVENUE TOTALS		<u>\$0.00</u>	<u>\$12,926,230.08</u>	<u>\$78,957,195.69</u>	<u>(\$78,957,195.69)</u>	<u>+++</u>
EXPENSE						
Miscellaneous Services						
5400.070	Professional/Contractual Services Legal Expense	.00	.00	70.00	(70.00)	+++
5400.160	Professional/Contractual Services Miscellaneous	.00	.00	6,152.03	(6,152.03)	+++
5420.170	Other Services Reimb to Developer	.00	.00	19,575,000.00	(19,575,000.00)	+++
<i>Miscellaneous Services Totals</i>		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$19,581,222.03</u>	<u>(\$19,581,222.03)</u>	<u>+++</u>
Principal Payment						
5800.010	Debt Service Principal Principal	.00	.00	505,000.00	(505,000.00)	+++
<i>Principal Payment Totals</i>		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$505,000.00</u>	<u>(\$505,000.00)</u>	<u>+++</u>
Interest Expense						
5850.010	Debt Service Interest Interest	.00	.00	909,555.97	(909,555.97)	+++
<i>Interest Expense Totals</i>		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$909,555.97</u>	<u>(\$909,555.97)</u>	<u>+++</u>
Bond Issuance Cost						
5875.010	Bond Issuance Costs Issuance Costs	.00	.00	342,541.62	(342,541.62)	+++
<i>Bond Issuance Cost Totals</i>		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$342,541.62</u>	<u>(\$342,541.62)</u>	<u>+++</u>



Income Statement

Through 08/31/16
 Consolidated Detail Listing
 Exclude Rollup Account

Account	Account Description	Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget
Fund Category Other						
Fund Type						
EXPENSE						
<i>Other Debt Service</i>						
5890.010	Other Debt Service Arbitrage Fees	.00	.00	5,150.00	(5,150.00)	+++
5890.020	Other Debt Service Fiscal Agent Fees/Arbitrage	.00	.00	1,900.00	(1,900.00)	+++
5890.040	Other Debt Service Payment to Escrow	.00	.00	46,111,397.20	(46,111,397.20)	+++
	<i>Other Debt Service Totals</i>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$46,118,447.20</u>	<u>(\$46,118,447.20)</u>	<u>+++</u>
	EXPENSE TOTALS	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$67,456,766.82</u>	<u>(\$67,456,766.82)</u>	<u>+++</u>
Fund Type Totals						
	REVENUE TOTALS	.00	12,926,230.08	78,957,195.69	(78,957,195.69)	+++
	EXPENSE TOTALS	.00	.00	67,456,766.82	(67,456,766.82)	+++
	Fund Type Net Gain (Loss)	\$0.00	\$12,926,230.08	\$11,500,428.87	\$11,500,428.87	+++
Fund Category Other Totals						
	REVENUE TOTALS	.00	12,926,230.08	78,957,195.69	(78,957,195.69)	+++
	EXPENSE TOTALS	.00	.00	67,456,766.82	(67,456,766.82)	+++
	Fund Category Other Net Gain (Loss)	\$0.00	\$12,926,230.08	\$11,500,428.87	\$11,500,428.87	+++
Grand Totals						
	REVENUE TOTALS	.00	12,926,230.08	78,957,195.69	(78,957,195.69)	+++
	EXPENSE TOTALS	.00	.00	67,456,766.82	(67,456,766.82)	+++
	Grand Total Net Gain (Loss)	\$0.00	\$12,926,230.08	\$11,500,428.87	\$11,500,428.87	+++

**AGENDA REQUEST
DEVELOPMENT AUTHORITY OF PEARLAND
PEARLAND, TEXAS**

AGENDA OF: 09/26/16	ITEM NO.: Resolution No. RDAP 2016-04
DATE SUBMITTED: 08/24/16	REPRESENTING: City of Pearland
PREPARED BY: Carrie Ditta	PRESENTOR: Rick Overgaard
SUBJECT: Resolution RDAP 2016-04 - A Resolution of the Development Authority of Pearland ratifying Checks 1142-1157 totaling \$620,338.03.	
EXHIBITS: Resolution RDAP 2016-04 Exhibit A	
EXPENDITURE REQUIRED: \$620,338.03 PROJECT: N/A	

EXECUTIVE SUMMARY

In July 2007, the Board approved the creation of an invoice review committee to review and approve invoices for payment. At that time the Board directed that invoices and checks signed by the committee be ratified by the Board.

The Board last approved checks on September 14, 2015, through check number 1141. Since September 2015 the invoice committee reviewed and approved 16 checks for payments totaling \$620,338.03.

Payments mainly deal with the annual financial services provided by the City of Pearland for \$6,000.00 annually, Wells Fargo Bank for paying agent fees on the Development Authority Bonds totaling \$1,600.00; payments to Arbitrage Compliance Specialists for arbitrage calculations on the bonds of \$5,150.00; ABHR for legal services totaling \$150 and \$152 for Errand Runner services for delivery of packets. Principal and interest for Series 2014 Revenue Bonds was paid in July for \$607,286. All invoices were reviewed for services rendered, and subsequent checks approved for payment.

Attached is a list of all checks signed by the invoice committee from November 2015 through July 31, 2016.

RECOMMENDED ACTION

Consideration and approval of Resolution RDAP 2016-04 ratifying checks 1142 through 1157 totaling \$620,338.03.

RESOLUTION NO. RDAP-2016-04

A RESOLUTION OF THE DEVELOPMENT AUTHORITY OF PEARLAND (DAP), RATIFYING CHECKS 1142 THROUGH 1157 TOTALING \$620,338.03.

BE IT RESOLVED BY DAP BOARD OF DIRECTORS:

Section 1. That the Development Authority of Pearland, TX hereby ratifies checks 1142 through 1157 as shown in Exhibit A for payment of services rendered to the Development Authority of Pearland..

PASSED, APPROVED, AND ADOPTED this _____ day of _____.
A.D 2016.

DAP Chairman

ATTEST:

DAP Secretary

**CITY OF PEARLAND, TX
 DEVELOPMENT AUTHORITY OF PEARLAND
 FISCAL YEAR 2015-2016
 CHECK REGISTER FOR FISCAL YEAR 2016
 As of August 8, 2016**

EXHIBIT A

CHECK	PAYEE	AMOUNT	CHECK DATE	DESCRIPTION OF SERVICES
1142	Wells Fargo Bank	\$ 800.00	11/11/2015	Series 2006 Paying Agent and Redemption Fee for 9/1/2016 Call
1143	City of Pearland	\$ 1,500.00	11/11/2015	Financial Services Oct - Dec. 2015
1144	Errand Runner	\$ 152.03	11/11/2015	Delivery of Packets on 9/11, 9/18 and 10/9
1145	ABHR LLP	\$ 80.00	11/11/2015	Information on Conflict of Interest sent to Finance Director
1146	VOID			
1147	Arbitrage Compliance Specialists	\$ 1,400.00	12/31/2015	Series 2005 Arbitrage Calculations
1148	Arbitrage Compliance Specialists	\$ 2,500.00	01/07/2016	Series 2013 & 2014 Arbitrage Calculations
1149	VOID			
1150	VOID			
1151	City of Pearland	\$ 1,500.00	02/24/2016	Financial Services Jan-Mar 2016
1152	ABHR LLP	\$ 70.00	03/22/2016	Filing for Eminent Domain/House Bill 1295
1153	City of Pearland	\$ 1,500.00	05/24/2016	Financial Services Apr-June 2016
1154	Wells Fargo Bank	\$ 800.00	07/19/2016	Series 2009 Paying Agent and Redemption Fee 9/1/2018 Final call
1155	Arbitrage Compliance Specialists	\$ 1,250.00	07/19/2016	Series 2012 Arbitrage Calculations
1156	City of Pearland	\$ 1,500.00	07/19/2016	Financial Services July - Sept 2016
1157	BOKF, NA	\$ 607,286.00	07/19/2016	Series 2014 Revenue Bonds P&I Payment
Total FY2016		\$ 620,338.03		
Cash Available		\$ 986,894.71	excludes Regions DS Reserve Account	

**AGENDA REQUEST
DEVELOPMENT AUTHORITY OF PEARLAND
PEARLAND, TEXAS**

AGENDA OF: 09/26/16	ITEM NO.: RDAP- 2016-05
DATE SUBMITTED: 08/29/16	REPRESENTING: City of Pearland
PREPARED BY: Rick Overgaard	PRESENTOR: Rick Overgaard
SUBJECT: Contract for Annual Arbitrage Calculations	
EXHIBITS: Resolution No. RDAP – 2016-05 Contract Letter	
EXPENDITURE REQUIRED: \$6,160.00 PROJECT: N/A	

EXECUTIVE SUMMARY

The Development Authority has issued tax-exempt bonds and is planning on issuing additional tax-exempt bonds in the future. IRS regulations state that an entity cannot earn more interest on the bonds than it is paying. If an entity does, this is called arbitrage, and an entity is required to report and pay the gain to the IRS. Calculations are required every 5 and 10 years until the construction funds are depleted and until there is no outstanding debt.

It was staff's recommendation, with board consensus, to track and calculate arbitrage annually versus every 5 years. The calculations are current, the Development Authority will know of potential liabilities, and information and data required to be sent to the consultant is easily accessible annually versus re-creating/gathering the data every 5 years. Calculations to-date show no tax liability on any bond issue.

Attached is the annual contract with Arbitrage Compliance Specialists, Inc. to bring current all rebate reports through 9/30/17. The total amount of the contract, not to exceed, is \$6,160.00.

RECOMMENDED ACTION

Consideration and approval of contract with Arbitrage Compliance Specialists, Inc. for fiscal year 2017 arbitrage calculations in the amount not to exceed \$6,160.00.

RESOLUTION NO. RDAP 2016-05

A RESOLUTION OF THE DEVELOPMENT AUTHORITY OF PEARLAND (DAP), TEXAS APPROVING A CONTRACT WITH ARBITRAGE COMPLIANCE SPECIALISTS, INC. FOR ARBITRAGE COMPLIANCE SERVICES

BE IT RESOLVED BY DAP BOARD OF DIRECTORS:

Section 1. That contract letter for arbitration compliance services, a copy of which is attached hereto as Exhibit "A" and made a part hereof for all purposes, is hereby authorized and approved.

Section 2. That the Chairman is hereby authorized to execute and the Secretary to attest a contract letter for arbitration compliance services.

PASSED, APPROVED, AND ADOPTED this _____ day of _____, A.D 2016.

DAP Chairman

ATTEST:

DAP Secretary



April 22, 2016

Mr. Rick Overgaard, Assistant Director of Finance
City of Pearland, Texas
3519 Liberty Drive
Pearland, Texas 77581-5416
on behalf of:
Development Authority of Pearland (“Authority”)

FOR FYE 9/30/17
COMPREHENSIVE CONTRACT LETTER FOR ARBITRAGE COMPLIANCE SERVICES
FOR THE DEVELOPMENT AUTHORITY OF PEARLAND TAX-EXEMPT BOND ISSUES

Arbitrage Compliance Specialists, Inc. (“ACS”) is proposing a comprehensive contract (“Contract”) to complete and bring to current status all rebate reports through the FYE September 30, 2017, pertaining to the required rebate to the United States Treasury, Internal Revenue Service (“IRS”) for all tax-exempt debt issues (“Debt”) of the Authority listed in Exhibit A of this Contract. *ACS has offered the Authority volume discounted fees of \$1,250 for annual Rebate Reports from our standard fee of \$1,500.*

Based on ACS’ prior experience with arbitrage rebate computations for the Authority’s Debt, ACS’ review of various Authority accounting information and, ACS’ experience with similar engagements of this nature and scope, we have set forth the total contractual cost to complete rebate reports as defined in Exhibit A of this Contract to be \$5,600 with a contingency of \$560, for a Contract total not to exceed \$6,160. The fees due for arbitrage compliance services will be billed by ACS, based on ACS’ Fees, at the time of the Report delivery to the Authority. All invoices will be paid to ACS by the Authority as of the payable date of the invoice.

The scope of this Contract would cover the services, as stipulated in Exhibit A for arbitrage compliance reports. ACS has provided for a \$685 contingency budget in this Contract if the scope of the Contract needs to expand for any services after discovery and will be based on the Fee Schedule defined in Exhibit B. ACS is the prime manager and Contractor of this Contract and does not plan to retain or manage any subcontractors to assist with this Contract.

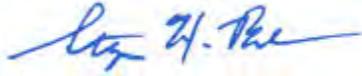


We appreciate the opportunity to present this Contract to the Authority. If we may be of further assistance, or if you or any of the involved Authority personnel have any questions, please do not hesitate to call us at (800) 672-9993 ext. 7526 or 7530.

Sincerely,



Matt Collins
Account Manager



Stephen H. Broden
Vice President

Please acknowledge acceptance of this Contract by executing and returning one copy of this letter to Arbitrage Compliance Specialists, Inc. along with any other purchase orders or required paperwork deemed necessary by the Authority to Arbitrage Compliance Specialists, Inc.

Accepted by – Signature

Print Name

EXHIBIT A

DEVELOPMENT AUTHORITY OF PEARLAND					
ARBITRAGE AND YIELD RESTRICTION REPORT FEES					
				NEXT	
				FILING DATE	
				(R=REBATE)	
				(YR=YIELD REST)	
				(5TH=5TH YEAR)	
CNTRL		ISSUE	DELIVERY	(10TH=10TH YEAR)	FY
#	BOND ISSUE	AMOUNT	DATE	(F=FINAL)	10/1/14 - 9/30/15
59	Tax Increment Contract Revenue Bonds, Series 2009	\$8.815M	6/23/09	6/23/16 - 6/23/17 (R)	\$1,250
71	Tax Increment Contract Revenue and Refunding Bonds, Series 2012	\$56.915M	5/22/12	5/22/16 - 5/22/17 5TH (R)	\$1,850
72	Tax Increment Contract Revenue and Refunding Bonds, Series 2013	\$9.15M	11/26/13	11/26/15 - 11/26/16 (R)	\$1,250
74	Tax Increment Contract Revenue and Refunding Bonds, Series 2015	\$8.06M	11/12/15	11/12/15 - 11/12/16 (R)	\$1,250
SUBTOTAL					\$5,600
ESTIMATE OF HOURLY UNCOMMINGLING FEES + CONTINGENCIES (10%)					\$560
TOTAL					\$6,160



April 22, 2016

Mr. Rick Overgaard, Assistant Director of Finance
 City of Pearland, Texas ("City")
 3519 Liberty Drive
 Pearland, Texas 77581-5416

EXHIBIT B
FEE SCHEDULE
FOR ARBITRAGE COMPLIANCE SERVICES
FOR THE CITY OF PEARLAND

SERVICE	FEE SCHEDULE:
<u>REBATE REPORT FEES (PER YEAR):</u>	
FIXED RATE BONDS:	
FIRST YEAR OF REPORT (COMPUTATION PERIOD OF UP TO ONE YEAR)	\$1,250
EXTENSION FEE (REPORTS IN EXCESS OF ONE YEAR)	\$600
VARIABLE RATE BONDS:	
FIRST YEAR OF REPORT (COMPUTATION PERIOD OF UP TO ONE YEAR)	\$1,850
EXTENSION FEE (REPORTS IN EXCESS OF ONE YEAR, PARTIAL YEARS ARE PRORATED)	\$700
<u>REBATE SUPPLEMENTAL FEES:</u>	
BOND YEAR SLICING (PER YEAR)	\$1,000
PREPARATION OF FORM 8038-T AND IRS FILING INSTRUCTIONS	ON-TIME \$295 LATE \$395
REFUNDING BONDS WITH TRANSFERRED PROCEEDS ALLOCATIONS	HOURLY; RATE \$150
ALLOCATION/REVIEW/VERIFICATION OF COMMINGLED FUNDS	HOURLY; RATE \$150
OTHER CONSULTING/IRS AUDIT ASSISTANCE/DATA GATHERING	HOURLY; RATE \$175
<u>YIELD RESTRICTION CALCULATIONS:</u>	
YIELD RESTRICTION CALCULATIONS (REPORT FEE FOR 1ST YEAR PERIOD)	\$1,000
REPORTS COVERING COMPUTATION PERIOD IN EXCESS OF 1 YEAR FOR EACH ADDITIONAL PARTIAL OR FULL YEAR	\$875
<u>PENALTY/SPENDING EXCEPTION REPORT FEES:</u>	
SPENDING EXCEPTION CALCULATIONS - PER SEMI-ANNUAL SPENDING PERIOD	\$1,250



ACS' fees are based on the following three categories:

Rebate Report Fees - There are different report fees for the various types of bond issues that reflect the necessary time and effort required for legal and technical analysis, due diligence and transactional reporting.

Rebate Supplemental Fees - Optional fees may apply in more complex rebate areas dealing with Transferred Proceeds arising in connection with refunding bonds or commingled investments to be evaluated.

Spending Exception Report Fee - Fees for calculating ACP (the amount to be spent semi-annually), determining expenditures and retainage and any penalties owed. These fees are in lieu of rebate fees.

* **THE IRS ALLOWS A CREDIT OF UP TO \$7,340 PER 5-YEAR FILING. ACS' FEES ARE LESS THAN THE CREDIT YOU RECEIVE FROM THE IRS.**

Note: ACS' fees should be paid from bond proceeds. ACS' fees stated above include all normal business expenses such as faxes, copies, regular U.S. mail postage, and telephone access via ACS' toll free telephone number. FedEx, when needed, is billed to the City at cost.

**AGENDA REQUEST
DEVELOPMENT AUTHORITY OF PEARLAND
PEARLAND, TEXAS**

AGENDA OF: 9/26/2016	ITEM NO.:
DATE SUBMITTED: 9/8/16	REPRESENTING: City of Pearland
PREPARED BY: Cynthia Pearson	PRESENTOR: John Robuck
SUBJECT: Discussion and Approval to Proceed with Private Placement Bond Sale – for Series 2016 Bonds	
EXHIBITS: Overview Presentation	
EXPENDITURE REQUIRED: None PROJECT: N/A	

EXECUTIVE SUMMARY

Pursuant to a Tri-Party Agreement with the City, the Tax Increment Reinvestment Zone (TIRZ) #2, and the Development Authority, (Resolution R2004-170) dated October 11, 2004, the Development Authority facilitates the TIRZ plan and assists with the reimbursement to the developers of certain project costs that are identified in the TIRZ plan through the issuance of bonds or other monies available to the Authority.

The Authority uses the TIRZ property tax increments that are provided by the participating entities in the zone; the City, Alvin ISD, Brazoria County, and Fort Bend County, to finance the reimbursements to the developers. Letter of Financing Agreements between the TIRZ and the developers are approved pursuant to the project plan and the amount for reimbursement is placed in line for reimbursement upon completion of the infrastructure, audit of the actual expenditures, and approval by the TIRZ Board.

As of June 2016, there is \$173,694,345 in actual costs, excluding interest, that have been approved for reimbursement, of which \$141,822,560 has been paid through a combination of issuing bonds or using cash on hand, leaving a balance of \$31,871,785 yet to be reimbursed, excluding interest due.

BACKGROUND

Each year, BOSC Inc., the Authority's financial advisor, analyzes the property values and subsequent tax increment, to determine if the valuation on the ground will support the issuance of additional debt. Based on property values estimated as of 7/01/2016 and financial analysis prepared by BOSC, Inc, the Authority can competitively bid a private placement sale in the estimated amount of \$11,910,000 based on 2.75% indicative pricing. A private placement keeps bond closing costs to a minimum and negates the need for a reserve on the bonds, which increases the amount available to the developer. Estimated

amount to the developer under a competitive private placement is \$11,722,500, net of \$187,500 for bond issuance costs.

BOSC Inc. the Authority's financial advisor will present the financial analysis, estimated savings, and total sources and uses of funds.

Based on the boards direction, bid forms and term sheets will be prepared and distributed with competitive bids due on Friday October 7, 2016. Approval of the bond sale with the Authority and City Council would be on Monday, October 10th with bond closing on November 15, 2016.

The actual amount of bonds sold will be determined on the day of sale, based on the competitive bids received.

RECOMMENDED ACTION

Review and discussion on potential bond sale Series 2016 and approval to proceed with private placement.



Development Authority of Pearland

Overview of:

\$11,910,000* Tax Increment Contract Revenue Bonds, Series 2016

September 26, 2016

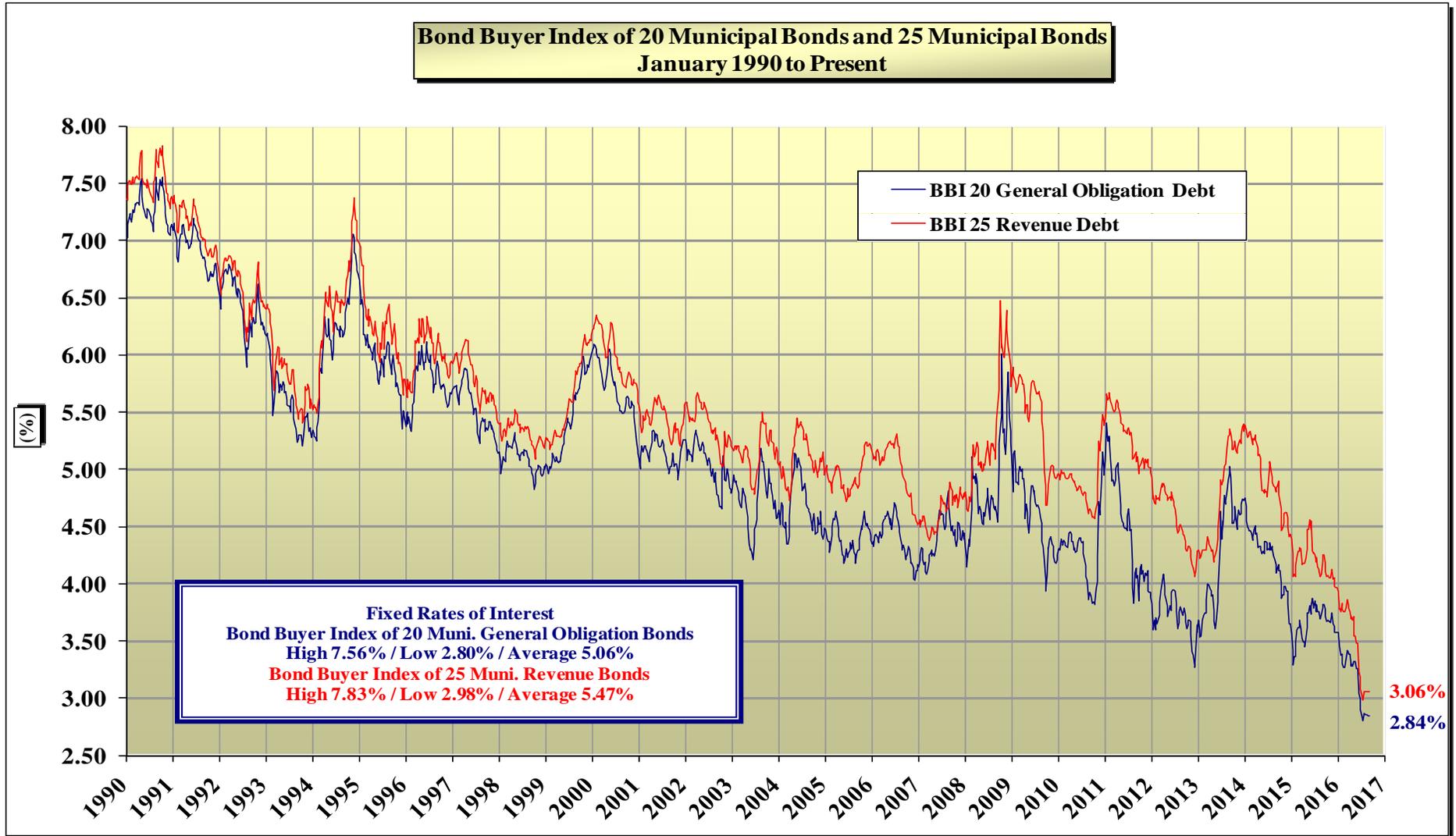
* Preliminary, subject to change.

Broker/Dealer Services and Securities offered by BOSC, Inc., an SEC registered investment adviser, a registered broker/dealer, member FINRA/SIPC. SEC registration does not imply a certain level of skill or training. Insurance offered by BOSC Agency, Inc., an affiliated agency. Investments and insurance are not insured by FDIC, are not deposits or other obligations of, and are not guaranteed by, any bank or bank affiliate. Investments are subject to risks, including possible loss of principal amount invested.



Development Authority of Pearland

Current Market Conditions



The BBI 20 is published every Thursday. The rate consists of general obligation bonds maturing in 20 years with an average rating equivalent to Moody's "Aa2" and S&P's "AA." The BBI 25 is also published every Thursday. The rate consists of revenue bonds maturing in 30 years with an average rating equivalent to Moody's "A1" and S&P's "A+".



Development Authority of Pearland

Estimated Sources and Uses of Funds

Private Placement (Market Indication)

Principal Amount of the Bonds:		\$11,910,000
Less: Expenses:		(187,500)
Co-Bond Counsel (Andrews Kurth LLP)	55,000	
Co-Bond Counsel (ABHR LLP)	55,000	
Financial Advisor	53,500	
Attorney General Fee	9,500	
Paying Agent/Trustee	6,000	
Bank Counsel	3,500	
Miscellaneous	5,000	
Total Proceeds (Developer Reimbursement):		\$11,722,500

"All Cost" True Interest Rate (a): **2.997%**

Average Life: 7.317 Years

Sale Date: October 10, 2016
Delivery Date: November 15, 2016

(a) Includes transaction costs.



Development Authority of Pearland

Estimated Debt Service Requirements

Fiscal Year Ending (9/30)	Current Total Debt Service	Plus: The Series 2016 Bonds			Total Debt Service
		Principal *	Interest (a)	Total	
2016	\$7,136,659				\$7,136,659
2017	7,443,144	\$280,000	\$260,200	\$540,200	7,983,344
2018	7,440,158	965,000	319,825	1,284,825	8,724,983
2019	7,442,997	985,000	293,288	1,278,288	8,721,284
2020	7,041,437	855,000	266,200	1,121,200	8,162,637
2021	7,041,317	880,000	242,688	1,122,688	8,164,005
2022	7,041,885	900,000	218,488	1,118,488	8,160,372
2023	7,045,427	925,000	193,738	1,118,738	8,164,165
2024	7,041,254	955,000	168,300	1,123,300	8,164,554
2025	7,042,133	980,000	142,038	1,122,038	8,164,170
2026	7,042,790	1,005,000	115,088	1,120,088	8,162,877
2027	7,043,088	1,030,000	87,450	1,117,450	8,160,538
2028	7,042,840	1,060,000	59,125	1,119,125	8,161,965
2029	7,041,856	1,090,000	29,975	1,119,975	8,161,831
Totals	\$99,886,981	\$11,910,000	\$2,396,400	\$14,306,400	\$114,193,381

* Preliminary, subject to change. Generates \$11,722,500 in proceeds to the Authority.

(a) Interest estimated at 2.75% based on an indication rate as of September 13, 2016. For illustrative purposes only.



Development Authority of Pearland

Debt Service Requirements: Bond Issue Parameters and Coverage Requirements For Fiscal Year 2017 - Based on Certified Appraised Values as of January 1, 2016 For Years 2018 – 2029 – Based on Estimated Appraised Values as of July 1, 2016

City of Pearland

Brazoria County

Fort Bend County

Estimated Value:	\$2,629,902,934	Estimated Value:	\$1,903,297,299	Estimated Value:	\$475,465,311
1998 Base Year Value:	(7,172,980)	1998 Base Year Value:	(4,143,160)	1998 Base Year Value:	(3,029,820)
Est. Captured Value:	\$2,622,729,954	Est. Captured Value:	\$1,899,154,139	Est. Captured Value:	\$472,435,491

Year Ending 9/30	City of Pearland			Brazoria County			Fort Bend County			Total Collections	Coverage 125%	DAP Current Debt	Plus: \$11,910,000 Series 2016 (a)	Total Debt Requirements
	Participation	Tax Rate	Collections	Participation	Tax Rate	Collections	Participation	Tax Rate	Collections					
2016	36%	0.255000	5,196,569	38%	0.135900	2,076,460		0.468075	1,652,214	8,925,243	7,140,195	7,136,659		7,136,659
2017	36%	0.255000	5,715,104	38%	0.135900	2,309,847		0.468075	1,958,356	9,983,308	7,986,646	7,443,144	540,200	7,983,344
2018	36%	0.255000	6,353,563	38%	0.135900	2,451,903		0.468075	2,100,785	10,906,251	8,725,001	7,440,158	1,284,825	8,724,983
2019	36%	0.255000	6,353,563	38%	0.135900	2,451,903	2019-2028	0.312050	2,100,785	10,906,251	8,725,001	7,442,997	1,278,288	8,721,284
2020	36%	0.255000	6,353,563	38%	0.135900	2,451,903		0.312050	1,400,523	10,205,989	8,164,792	7,041,437	1,121,200	8,162,637
2021	36%	0.255000	6,353,563	38%	0.135900	2,451,903		0.312050	1,400,523	10,205,989	8,164,792	7,041,317	1,122,688	8,164,005
2022	36%	0.255000	6,353,563	38%	0.135900	2,451,903		0.312050	1,400,523	10,205,989	8,164,792	7,041,885	1,118,488	8,160,372
2023	36%	0.255000	6,353,563	38%	0.135900	2,451,903		0.312050	1,400,523	10,205,989	8,164,792	7,045,427	1,118,738	8,164,165
2024	36%	0.255000	6,353,563	38%	0.135900	2,451,903		0.312050	1,400,523	10,205,989	8,164,792	7,041,254	1,123,300	8,164,554
2025	36%	0.255000	6,353,563	38%	0.135900	2,451,903		0.312050	1,400,523	10,205,989	8,164,792	7,042,133	1,122,038	8,164,170
2026	36%	0.255000	6,353,563	38%	0.135900	2,451,903		0.312050	1,400,523	10,205,989	8,164,792	7,042,790	1,120,088	8,162,877
2027	36%	0.255000	6,353,563	38%	0.135900	2,451,903		0.312050	1,400,523	10,205,989	8,164,792	7,043,088	1,117,450	8,160,538
2028	36%	0.255000	6,353,563	38%	0.135900	2,451,903		0.312050	1,400,523	10,205,989	8,164,792	7,042,840	1,119,125	8,161,965
2029	36%	0.255000	6,353,563	38%	0.135900	2,451,903		0.312050	1,400,523	10,205,989	8,164,792	7,041,856	1,119,975	8,161,831
Total:												\$99,886,981	\$14,306,400	\$114,193,381

(a) Generates \$11,722,500 in proceeds to the Authority. Based on an estimated rate of 2.75%.
Collection rate of 95%. Appraised value estimates provided by Assessments of the Southwest.

Average Annual: 8,156,670



Development Authority of Pearland

Tentative Schedule of Events

\$11,910,000*

Tax Increment Contract Revenue Bonds, Series 2016

September - 2016						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October - 2016						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

November - 2016						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

<u>Date</u>	<u>Action</u>	<u>Role</u>
Tuesday, September 20 th	Prepare Private Placement Bid Form / Term Sheet	BOKF, ABHR, AK, DAP
Monday, September 26 th	DAP Meeting to Review Schedule of Events	BOKF, DAP
Tuesday, September 27 th	Distribute Private Placement Bid Form / Term Sheet	BOKF, ABHR, AK, DAP
Friday, October 7 th	Private Placement Bids Due	BOKF
Monday, October 10 th	DAP Board Approves Sale (Bond Pricing) City Council Meeting to Approve Sale	BOKF, ABHR, AK, DAP
Tuesday, November 15 th	Bond Closing	BOKF, ABHR, AK, DAP

PARTICIPANTS

DAP – Development Authority of Pearland
 BOKF – BOK Financial Securities, Inc.
 ABHR – Allen Boone Humphries Robinson LLP
 AK – Andrews Kurth LLP

* Preliminary, subject to change.

**AGENDA REQUEST
DEVELOPMENT AUTHORITY OF PEARLAND
PEARLAND, TEXAS**

AGENDA OF: 09/26/2016	ITEM NO.: Resolution RDAP 2016-06
DATE SUBMITTED: 9/14/2016	REPRESENTING: City of Pearland
PREPARED BY: Cynthia Pearson	PRESENTOR: Cynthia Pearson
SUBJECT: Resolution RDAP 2016-06 Authorizing a Developer Reimbursement to Shadow Creek Ranch Development Company LTD to Reimburse for TIRZ Infrastructure Improvements in the amount of \$11,722,500.	
EXHIBITS: Resolution RDAP-2016-06	
EXPENDITURE REQUIRED: Est. \$11,722,500 PROJECT: N/A	

EXECUTIVE SUMMARY

In 2004, by Resolution 2004-107, the City authorized the creation of the Development Authority of Pearland to aid, assist and act on behalf of the City with respect to, and to providing financing for the TIRZ #2, better known as Shadow Creek Ranch, plan of finance. Pursuant to the Tri-Party Agreement between the TIRZ, the City, and the Development Authority, each year in August, all TIRZ revenues after operating expenditures are transferred to the Development Authority for the financing of infrastructure reimbursements.

Financing for the reimbursement of the construction and installation of public infrastructure, pursuant to the plan of finance, is accomplished in two ways; either by the sale of bonds supported by the incremental property value or by the use of cash.

To-date, there is approximately \$173.69 million of audited and actual improvements approved for reimbursement by the TIRZ board, of which \$31.87 million has yet to be reimbursed, excluding accrued interest. On September 26, 2016, the Board approved a cash reimbursement to the developer in the amount of \$5,625,000.

Today, the Board will be asked to consider a Series 2016 bond sale, yielding an estimated amount of \$11,722,500 available for developer reimbursement based on indicative market pricing around September 14, 2016. The actual reimbursement amount will be based on the final results of the bond sale on Monday, October 10, 2016. Payment will be made to the developer upon closing of the Series 2016 bonds, anticipated on November 15, 2016.

RECOMMENDED ACTION

Consideration and approval of a Resolution of the Development Authority of Pearland, Texas authorizing a developer reimbursement to Shadow Creek Ranch Development Company LTD to reimburse for TIRZ infrastructure improvements in the amount of \$11,722,500.

RESOLUTION NO. RDAP-2016-06

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 \$11,722,500.

BE IT RESOLVED BY DAP BOARD OF DIRECTORS:

Section 1. That the Board of Directors hereby authorizes a reimbursement in the amount of \$11,722,500 to Shadow Creek Ranch Development Company LTD for TIRZ infrastructure improvements upon receipt of bond proceeds.

PASSED, APPROVED, AND ADOPTED this _____ day of _____, A.D 2016.

Development Authority of Pearland
Chairman

ATTEST:

Development Authority of Pearland
Secretary



Balance Sheet

Through 08/31/16

Detail Listing

Include Rollup Account/Rollup to Base Account

Account	Account Description	Current YTD Balance	Net Change	Change %
Fund Category	Other			
Fund Type				
Fund	920 - Development Authority			
ASSETS				
1000	Cash			
1000.030	Cash DAP Wells Fargo	6,031,552.10	6,031,552.10	+++
1000.060	Cash DAP Regions Bank Debt Service	7,425,410.50	7,425,410.50	+++
	1000 - Cash Totals	\$13,456,962.60	\$13,456,962.60	+++
	ASSETS TOTALS	\$13,456,962.60	\$13,456,962.60	+++
FUND EQUITY				
2950	Fund Balance - Unassigned	1,956,533.73	1,956,533.73	+++
	FUND EQUITY TOTALS Prior to Current Year Changes	\$1,956,533.73	\$1,956,533.73	+++
	Prior Year Fund Equity Adjustment	.00		
	Fund Revenues	(78,957,195.69)		
	Fund Expenses	67,456,766.82		
	FUND EQUITY TOTALS	\$13,456,962.60	\$13,456,962.60	+++
	LIABILITIES AND FUND EQUITY TOTALS	\$13,456,962.60	\$13,456,962.60	+++
Fund	920 - Development Authority Totals	\$0.00	\$0.00	+++
	Fund Type Totals	\$0.00	\$0.00	+++
Fund Category	Other Totals	\$0.00	\$0.00	+++
	Grand Totals	\$0.00	\$0.00	+++

Cash Analysis for Reimbursement

Cash and Cash Equivalents	\$	6,031,552.10
Plus Wire from Regions		607,136.00
Total Monies Available		6,638,688.10
Less:		
DS Reserve		1,000,000.00
Operating Costs		15,000.00
Total Funds to be Held		1,015,000.00
Monies Available for Cash Reimbursement		5,623,688.10
Cash Developer Reimbursement	\$	5,625,000.00