

**LORENA TIRZ #1 EAST
REGULAR MEETING OF THE BOARD OF DIRECTORS
MONDAY, MARCH 2, 2020, AT 6:30 P.M.**

**LORENA CITY HALL
107-A S. Frontage Rd. Lorena, Texas 76655**

MINUTES

Call to Order and Verification of Agenda Posting

The meeting was convened at 6:31 pm and Chairman Coleman noted that the meeting was posted in accordance with the requirements of the Texas Open Meetings Act and a quorum was present. Members Present: Bill Coleman, Chuck Roper, J Fagner, Steve Meadows, and William Callan. Members Not Present: Chad Hanson and Kelly Snell. Also Present: Joseph Pace (City Manager), Jason Mundo of Mundo and Associates, Inc. (TIRZ Administration and Program Management Consultants), Luke Cochran of Bovey Cochran (TIRZ legal counsel), Jose Loera (Loera Home Builders - developer), Dave Deaconson (legal counsel to Jose Loera).

1. Discussion and possible action to approve Lorena TIRZ #1 East Meeting Minutes – January 6, 2020.

The Board reviewed the meeting minutes. J Fagner moved to approve the Lorena TIRZ #1 East Meeting Minutes – January 6, 2020. Chuck Roper seconded the motion. The motion was unanimously approved.

2. Update on Path Forward of Lorena TIRZ #1 East.

Mr. Mundo updated the Board on the Administration of Lorena TIRZ #1 East.

January 2020 - Administration Contract:

January TIRZ meeting preparation, coordination with Gary Tully of Mitchell-Tully Group requesting attendance at TIRZ meeting; coordination with City Manager regarding annexation request letters from McElla and Braswell; revision and update to TIRZ meeting Agenda, coordination with Chairman Coleman on Agenda review and approval; coordination with City Financial Officer regarding upcoming February TIRZ debt service payments and EDC contribution payment and City contribution payment; board pack preparation; sent Agenda to City for posting; posted Agenda to website; sent Board Pack to Board; TIRZ board pack printing, assembly, and meeting preparation; conduct TIRZ meeting; processing of TIRZ invoices for payment with City Financial officer; coordination with EDC Treasurer Mark McLean reminding him of EDC development agreement contribution of \$15,000 to TIRZ by

Feb 1; coordination with Gary Tully reminding him of development agreement contribution of \$50,000 to TIRZ by Feb 1; coordination with City Financial Officer on Bond Agent Fees; coordination with Gary Tully on bank wire instructions and TIRZ housing projection; coordination with City Financial Officer sending her additional meeting minutes for 2019 audit; updating of meeting minutes on the website; preparation of TIRZ financial pack for January services;

February 2020 - Administration Contract

coordination with Chairman Coleman on steps forward regarding progress of commercial development for Mitchell-Tully property; sent Financial Pack to Chairman Coleman for review and approval; coordination with Chairman Coleman and TIRZ legal counsel Luke Cochran regarding review of options regarding legal notice and fines associated with Mitchell-Tully not meeting their TIRZ development obligations; coordination with City Financial Officer on processing and payment of TIRZ financial reports and invoices; preparation of draft TIRZ Agenda for March 2 meeting; coordination with Chairman Coleman regarding Waco ETJ/swap and Mitchell-Tully development status; coordination with Chairman Coleman and legal counsel regarding drafting of default letter to Mitchell-Tully in accordance with the development agreement; drafting of January meeting minutes; coordination with City Manager regarding posting of TIRZ Meeting agenda for March 16 workshop of City Council, P&Z, and EDC in case of accidental TIRZ quorum if Bill, Chuck, Chad, and Steve are all in attendance; coordination with City Manager Joseph Pace and City Planner Karen Mitchell and collecting TIRZ boundary, aerial, development, and financial impact exhibits for use in preparation of Lorena Comprehensive Plan; coordination with realtor of Barnes/Hightower property providing them requested adjacent water and sewer utility information as well as inquiry with them regarding current sale price of the property and communicating to them that the previous price of \$5 per square foot is considered significantly higher and out of proportion with the rest of the Waco area market by interested developers and retailers; revision and preparation of draft TIRZ meeting agenda; sent agenda to Chairman Coleman for review; coordination with Chairman Coleman inquiring about draft of Mitchell-Tully default letter from legal counsel; coordination with legal counsel and Chairman Coleman on review of draft Mitchell-Tully default letter to be sent by certified mail to Mitchell-Tully on 2/25. TIRZ meeting preparation and board pack preparation; preparation of January meeting minutes; review of Loera development agreement requests, preparation of financial impact calcs based on those requests and coordination with Chairman Coleman; preparation of financial scenarios and items for consideration regarding forthcoming Loera negotiation; preparation of financial analysis of TIRZ for Chairman Coleman and TIRZ legal counsel for Loera negotiation; revision of TIRZ Agenda; sent revised Agenda to Chairman Coleman and legal counsel for review; received approval of

agenda with revision by legal counsel; sent meeting agenda to city secretary for posting, posted meeting agenda to website; coordination with legal counsel requesting their invoice; preparation of monthly TIRZ financial report and monthly cash flow report, preparation of Path Forward report; coordination with Chairman Coleman and legal counsel regarding Loera development negotiation; compiled and prepared Board Pack; send Board Pack for March 2 meeting to TIRZ Board;

Look Ahead Months: 3/01 to 05/01, 2020

Administration Contract (may include but not limited to):

Complete preparation of TIRZ Semi-Annual Report (July 2019 – December 2019);

Complete annual TIRZ report form for state Comptroller.

Preparation of TIRZ Financial Pack in April including preparation and review of all financial reports and invoices for March services. Coordination with Chairman Coleman and the City on approval and payment of those invoices.

Preparation for May 4 TIRZ Meeting including path forward document, monthly financial report and cash flow report, and review and preparation of invoices,

Any additional coordination with TIRZ and City as needed regarding suggested path forward steps to address annexation and development issues and move forward with proposed Loera and Mitchell-Tully developments.

Project Planning: Pct. 1/TIRZ Park Project Planning. (Implementation of TIRZ Project Plan)

Website updates as needed and any other administrative items as they arise.

3. Discussion and possible action(s) to approve the following financial reports and invoices:

- A) Lorena TIRZ #1 East monthly Financial Report and monthly Cash Flow Report;
- B) Mundo and Associates invoice representing Administration services February 2020;
- C) Bovey & Cochran, PLLC invoice representing legal services for 1/27/20 through 2/26/20.

The Board reviewed and discussed items A and B and C listed above. Chuck Roper moved to approve items A and B and C listed below:

A. Lorena TIRZ #1 East Financial Report and Cash Flow Report.

B: authorize payment of \$2,000.00 to Mundo and Associates representing Administration services February 2020.

C: authorize payment of \$1,684.60 to Bovey Cochran PLLC representing legal services for 1/27/20 through 2/26/20

J Fagner seconded the motion. The motion was unanimously approved.

4: Executive Session:

The Lorena EDC Board of Directors will now hold a closed Executive Session meeting pursuant to Section 551.071 of the Texas Government Code, Consultation With Attorney:

- (1) Regarding development agreement between Lorena TIRZ #1 East and Mitchell/Tully Group.
- (2) Regarding development agreement between Lorena TIRZ #1 East and Loera Home Builders Company

The Board entered closed Executive Session at 6:39 pm.

5. Reconvene to Open Session:

The Board reconvened into Open Session at 7:47 pm. The Board discussed the development agreement with Jose Loera and his attorney Dan Deaconson. The Board re-entered closed Executive Session at 8:38 pm. The Board reconvened into Open Session at 8:45 pm.

- (1) Discussion and possible action regarding the development agreement between Lorena TIRZ #1 East and the Mitchell/Tully Group.

The Board took no action on item (1) above.

- (2) Discussion and possible action regarding the development agreement between Lorena TIRZ #1 East and Loera Home Builders Company.

Regarding item (2) above: Chuck Roper moved to amend the Developer Agreement between the City of Lorena, Lorena TIRZ #1 East, and Loera Home Builders Company as follows:

- ***Reduce total number of homes required to 198.***
- ***Increase required value of homes to \$650,000***
- ***Build the following number of homes in the next 5 years: 4,7,7,8,8***
- ***Pay \$222,500 within twenty-four hours of notice of preliminary plat approval.***
- ***Make second payment of \$222,500 no later than June 1, 2024.***
- ***Amend bank listed in the Agreement***
- ***If all requirements are met then reimbursement of \$222,500 will be made to Jose Loera once TIRZ #1 East is solvent and can pay all other debts***

Lorena TIRZ #1 East
Minutes of Regular Meeting of the Board of Directors
Monday, March 2, 2020

J Fagner seconded the motion. The motion was unanimously approved.

6. Adjournment

The meeting was adjourned at 9:00 pm

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

Bill Coleman, Board Chairman, Date

Chuck Roper, Board Secretary, Date