

Medina County, Texas

Potranco Ranch Public Improvement District Board of Directors' Meeting MEETING MINUTES

Wednesday, January 11, 2017, at 11:15 a.m.

Sammy's Restaurant

202 Old US Highway 90 E, Castroville, TX 78009
(830) 931-2204

NOTICE: At any time during the course of this meeting, the Board of Directors may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the City Commission under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at any time during the course of this meeting, the Board of Directors may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code.

1. Call to Order:
 - a. General Habiger, Chair, called the meeting to order at 11:33 a.m.
2. Roll Call:
 - a. Members Present: General Eugene Habiger, Megan Earl, Harry Hausman, Mary Hoyt, Commissioner Larry Sittre
 - b. Members Absent: None
 - c. Others Present: David Earl, Jimmy Hoyt
3. Proof of Quorum: A quorum was present.
4. Citizens to be Heard: None
5. Receive briefing from Developer and County on the status of project and discussion on any potential future actions/items for consideration by Board, including briefing on current status and performance of PID:
 - a. *Megan Earl made a motion to accept the Tax Increment Reinvestment Zone ("TIRZ") Board briefing provided at the TIRZ Board Meeting as printed below. The motion was seconded by Commissioner Larry Sittre. The motion was unanimously approved and carried.*
 - i. Harry Hausman, on behalf of the Developer, provided an update to the Board. There are 170 homes either built or under construction, and only 37 lots are vacant. Wall seems to be selling more homes than LGI. A new reuse system was just installed and funding was acquired to start expansion of the sewer plant. The Developer just recorded the Unit 7A plat. On schedule to record and record Unit 7B before March 2017. Gehan Homes has interest in building in the new 84 acres. Harry, on

behalf of the Developer, responded to Gehan's letter of intent over the weekend.

- ii. David Earl on behalf of the Developer, also provided an update to the Board. David and Megan Earl attended the annual HOA meeting in November 2016. Many issues were discussed at the HOA meeting, and the Developer addressed all issues within four days of the meeting. Spectrum is providing the internet service in the subdivision. The Developer is also looking at modifying the mailbox configuration to address safety concerns. Mr. Earl stated that the Developer, HOA Board and HOA Management Company take all calls seriously and try to address any homeowner issues. Mr. Earl stated that he had a meeting with Larry Sittre, Clay Binford and the County regarding an expansion of the TIRZ (to incorporate and include the 84 acres). 117 more lots will be added to the subdivision, which are the same size, quality, and price-point. The Developer is currently looking at whether to extend reuse into this additional acreage. In order to expand the TIRZ, the Project and Finance Plan, as well as the Development Agreement will be revised. The PID Development Agreement will incorporate the 84 acres, and an item will be brought to the PID Board.
 - iii. Commissioner Larry Sittre, provided an update to the PID Board on behalf of the County. The Veteran's Affairs Director attended the HOA meeting in November 2016. This service is provided in Castroville. Commissioner Sittre would like VA Service provider to attend next Potranco Ranch HOA meeting. The VA offers services every Wednesday from noon to 7. County is looking to hire someone fulltime for the VA office in Medina County as the demand has increased.
6. Discussion and approval of minutes from the following Potranco Ranch Public Improvement District Board of Directors' meeting:
 - a. September 13, 2016
 - i. This item was deferred to a future meeting.
 7. Discussion and action on Developer's reimbursement request number nine in the amount of \$3,575.21 for Unit 7A pursuant to the terms of the Development Agreement:
 - a. *Harry Hausman made a motion to acknowledge and approve the account payable of \$3,575.21 for maintenance expenses in Unit 7A. Harry Hausman seconded the motion. The motion was unanimously approved and carried.*
 8. Discussion and action on approval of a Promissory Note made by the Potranco Ranch Public Improvement District and payable to Earl Holdings, LLC in the approximate principal amount of \$30,000.00 with an effective date of October 7, 2016 for reimbursement of expenses advanced to the PID by Earl Holdings, LLC on behalf of the PID, and authorization for Chairman and Secretary to execute same:
 - a. David Earl, on behalf of the Developer, discussed Items #8 and #9 with the Board. Mr. Earl stated that both Earl Holdings, LLC and Hausman Holdings, LLC put in an infusion of capital into the PID. This is so that the PID has funds for operation. The money was transferred to the PID's bank account.
 - b. *Larry Sittre made a motion to approve the Promissory Note made by the Potranco*

Ranch Public Improvement District and payable to Earl Holdings, LLC in the approximate principal amount of \$30,000.00 with an effective date of October 7, 2016 for reimbursement of expenses advanced to the PID by Earl Holdings, LLC on behalf of the PID, with an interest rate of 5%, and authorization for Chairman and Secretary to execute same. Harry Hausman seconded the motion. Motion unanimously approved and carried.

9. Discussion and action on approval of a Promissory Note made by the Potranco Ranch Public Improvement District and payable to Hausman Holdings, LLC in the approximate principal amount of \$30,000.00 with an effective date of October 7, 2016 for reimbursement of expenses advanced to the PID by Hausman Holdings, LLC on behalf of the PID, and authorization for Chairman and Secretary to execute same:

- a. *Commissioner Larry made a motion to approve the Promissory Note made by the Potranco Ranch Public Improvement District and payable to Hausman Holdings, LLC in the approximate principal amount of \$30,000.00 with an effective date of October 7, 2016 for reimbursement of expenses advanced to the PID by Hausman Holdings, LLC on behalf of the PID, with an interest rate of 5%, and authorization for Chairman and Secretary to execute same. Harry Hausman seconded the motion. Motion unanimously approved and carried.*

10. Acceptance and donation of park land from 320 Potranco Ranch LLC to the PID and authorization for the Chairman to execute any and all necessary documents to accept conveyance and title, and recommendation regarding same to the Medina County Commissioner's Court;

- a. David Earl, on behalf of the Developer, discussed the donation of park land from 320 Potranco LLC to the PID. Initially, the County agreed that Developer would donate approximately 30 acres in the development. There is a tax form that will be signed by the PID and the County. The Commissioner's Court wanted to wait until the property had access. An appraisal will be completed with regard to the value of the land, and will dictate the value that the Developer can take as the donation. The Donation Deed will be made from 320 Potranco Ranch, LLC, as the Donor to 'Medina County acting by and through its Public Improvement District #1', as the Donee, signed by the County Judge or Chair for the PID Board.

- i. *Harry Hausman made a motion to ratify the donation of 30 acres of park land from 320 Potranco Ranch LLC, as Donor, to Medina County acting by and through its Public Improvement District #1, as the Donee, and for authorization for the Chairman to execute any and all necessary documents to accept conveyance and title, and recommendation regarding same to the Medina County Commissioner's Court. Commissioner Larry Sittre seconded the motion. The motion was unanimously approved and carried.*

11. New Business:

- a. Discussion and possible action regarding past PID assessment collection with assessments based on market/appraised value of the property rather than the assessed value (which may be zero if people have full exemptions-disabled, etc.)

12. Discussion by the Board to set next meeting date:

- a. Megan Earl, Board Secretary, will send out notices for the next meeting via email.

13. Motion to Adjourn.

- a. *Harry Hausman made a motion to adjourn. Megan Earl seconded the motion. Motion unanimously approved and carried. Meeting adjourned at 11:54 a.m.*