

Minutes
Columbus Community and Industrial Development Corporation
Board of Directors Meeting

The Columbus Community & Industrial Development Corporation met in Regular session on Monday, **May 20, 2013** at 6:30 p.m., in the Council Chambers of City Hall located at 605 Spring Street, Columbus, Texas. The following CCIDC Members were present:

President	-	Curtiss Schonenberg
President Elect	-	Steve Woodall
Treasurer	-	Lori An Gobert (Arrived at 7:05 p.m.)
Secretary	-	Elizabeth Flint
Board Member	-	DyAnn Lauzon
Board Member	-	Joel Usher (Arrived at 7:00 p.m.)
Board Member	-	Byron Marburger (Absent)
City Manager	-	Donald Warschak (Absent)
City Secretary	-	Linda Lakich
Assistant City Secretary	-	Kayla Duncan
City Attorney	-	Pat Gillespie

1. Call to Order.

President, Curtiss Schonenberg, called the CCIDC meeting to order at 6:35 p.m.

2. Pledge of Allegiance and Invocation.

The Pledge of Allegiance and Invocation were led by Curtiss Schonenberg.

Curtiss Schonenberg moved to Item #5.

5. Discussion and action regarding mineral rights at the Crossroads Business Park.

City Attorney, Pat Gillespie, stated that Elizabeth Flint had wanted her to find out about putting the mineral rights in a trust. Mrs. Gillespie stated that she did contact TML and they said that they had no objection to that, but that it's not something that they handle or know anything about. Mrs. Gillespie stated that TML recommended that the CCIDC contact an attorney who does trusts. Pat Gillespie stated that is not something she handles. Elizabeth Flint asked if any members of her firm do that. Pat stated that she could asked.

Elizabeth Flint stated that her goal is to prevent ever transferring mineral rights and asked how they could do that. Pat Gillespie stated that if the CCIDC wants the mineral rights in a trust then they need to speak with a trust attorney. Elizabeth Flint asked if there was a better way than putting them in a trust. Pat Gillespie stated that she did not think anything was fool-proof and that she was sure that a trust attorney would tell you that is the perfect way to do it. Elizabeth Flint stated that if they were in a trust that is filed at the Court House it would be the responsibility of the title company if someone on the Board or their legal counsel overlooked that. Pat Gillespie stated that trusts are not what she does and not what TML does.

Elizabeth Flint asked if it was not impossible and not, not recommended by TML. Pat Gillespie stated that it is not, not recommended, it is not impossible, it is not something that the Board is forbidden to do or anything like that. Pat Gillespie stated that the Board is safe if they want to do it and that TML says they have no problem with it, but it is just not something that they handle so they did not have any recommendations they could give other than if you want to do it, the Board needs to contact an attorney who does trust work. Pat Gillespie stated that she thought her partner does some trust work, but that she

was not sure and that she would have to check with him to see if he would be comfortable doing something like that.

Curtiss Schonenberg asked Mrs. Gillespie how she felt about a trust concerning the Board's mineral rights, and if that was something she would recommend. Pat Gillespie stated that she did not know that it fixes the problem. She stated that what she thinks needs to be done is that everyone on the Board needs to be cognizant that mineral rights are there and that they should not be transferred so that whenever the Board does a contract they should be sure that there is a reservation in the contract for mineral rights. She added that if they have new board members they need to be educated about this. She stated that is probably the best way to handle it. Elizabeth Flint stated that she would propose that is not effective. Ms. Flint stated that on September 20, 2010 the Board had an agenda item on the transfer of mineral rights and a motion was made and passed that they do not transfer any mineral rights in the future and she concluded that was obviously not effective. Pat Gillespie stated that apparently the Board was not educated about that.

No action was necessary.

6. Discussion and Action regarding updates about the existing Crossroads Business Park Tenants: KW International and E'Kabel.

Pat Gillespie stated that she had not received an answer from E'Kabel. She stated that she e-mailed them after the last meeting and before this meeting and that all she gets is an answer back stating that it is still in their legal department. Mrs. Gillespie stated that KW International's attorney contacted her two weeks ago, but Mrs. Gillespie was involved in something else, and then Mrs. Gillespie tried to contact KW International's attorney again and at that time KW International's attorney was involved in something else. Mrs. Gillespie stated that she tried to reach KW International's attorney again today, but that she was in a meeting and did not get back with Mrs. Gillespie. Pat Gillespie stated that the attorney with KW International is trying to reach her in order to talk about wording in the deed.

Elizabeth Flint asked if it was realistic to expect an attorney to advise their client to return their mineral rights. Pat Gillespie stated that she had no way of knowing that. Elizabeth Flint stated that she was asking for Pat Gillespie's opinion. Pat Gillespie stated that she would expect that they would do it because there was never an intention to transfer those mineral rights. Mrs. Gillespie stated that her understanding from Donald is that both KW International and E'Kabel said that they would agree to the revised deed. Pat Gillespie stated that the companies have not, at any point, said that this isn't happening. Curtiss Schonenberg stated that, during conversations he had with E'Kabel, they are wanting to resolve this issue. Pat Gillespie stated that she will continue to attempt to reach the attorney for KW International.

No action was necessary.

Pat Gillespie left at 6:40 p.m.

Curtiss Schonenberg moved back to Item #3.

3. Consent Agenda:

- a. Approval of invoices.**
- b. Approval of April 2013 financial statements.**
- c. Approval of Regular meeting minutes for April 15, 2013.**

Assistant City Secretary, Kayla Duncan, went over the invoices to be paid. Curtiss Schonenberg explained the invoice for roses from Alexander Plant Farm. Kayla Duncan showed various pictures of the building at 302 Walnut associated with the Business Improvement Grant. Elizabeth Flint gave an update about the company that will be utilizing that building. Elizabeth Flint asked that when they vote to approve the invoices if they could do the Business Improvement Grant reimbursement invoice separately because she would like to abstain because of her friendship with the Wade's. Curtiss questioned what invoices from the Business Improvement Grant qualified for reimbursement. Kayla Duncan explained how much

and for what the original grant was approved and discussion ensued. Elizabeth Flint repeated that she still would not like to vote on that portion. Curtiss Schonenberg stated that when they approve the invoices they will approve the invoice for the grant separately. There were no further questions regarding the invoices.

Kayla Duncan stated that the sales tax revenues were up from this time last year at \$40,041.24. She stated that this evens out the dip that we had last month in sales tax revenues. Curtiss Schonenberg stated that the Board is still over budget at this point, with regards to sales tax. There were no further questions regarding financials.

There were no questions regarding the minutes.

Steve Woodall made the motion to approve the Consent Agenda for the invoices with the exception of the grant, and the approval of the financial statements and the regular meeting minutes for April 15, 2013. DyAnn Lauzon seconded the motion. There was no further discussion. The vote was as follows:

Ayes: Woodall, Flint, Lauzon, and Schonenberg

The motion passed.

DyAnn Lauzon made the motion to approve the grant invoice. Steve Woodall seconded the motion. There was no further discussion. The vote was as follows:

Ayes: Woodall, Lauzon, and Schonenberg
Abstain: Flint

The motion passed.

4. Citizens' Presentations and Comments.¹

John Wagner spoke on behalf of Joe Roberts, who could not attend the meeting. He summed up the events that had led him to this point. He stated Mr. Roberts had been attempting to contact Pat Gillespie and that things have seemed to have stalled out.

Mr. Wagner stated the Joe Roberts proposed one of two things: that he would either pay cash for the land at its fair market value. He stated that since they are only dealing with 14 acres, that would be somewhere in the range of \$350,000.00 to \$400,000.00. Mr. Wagner stated that alternatively Mr. Roberts proposed a 90 day earnest money contract for him to bring in his investors to look at the property and decide if they wanted to buy it. Mr. Wagner stated that both of those seemed like reasonable offers on Mr. Roberts' part, especially the cash because that would be something new for CCIDC to actually get cash in its checking account from the sale of real estate.

Mr. Wagner stated that, whether he buys it or has an earnest money contract, what this accomplishes is that it gives him the incentive to bring his clients to the table to buy. He stated that Joe is out of Houston, that he has known Joe for 30 years and that he has good clients, they have money, they make deals, they do things. He stated that if Mr. Roberts buys it and sells it for more than he pays for it certainly he is going to make the profit, but that's how we do things in this country. Mr. Wagner stated the Mr. Roberts is very agreeable to the terms set forth by CCIDC. He stated that there is no harm and no foul that will happen as a result of Mr. Roberts acquiring this land directly or getting a 90 day earnest money contract. Mr. Wagner added that if he buys it for cash right now it goes on the tax roll, so more money comes into the CCIDC.

Mr. Wagner discussed possible clients that included a service station and food court that would need 2 to 3 acres, would invest \$2 to 3 million dollars, and will hire between 15 to 30 employees. The second would be a hotel in the \$4 to 5 million range, with 45 to 50 employees, and would need 3 to 4 acres. In the balance of the tract would be for an individual out of Houston to develop a facility to be used for canning

or bottling, Mr. Wagner was not sure which. Mr. Wagner stated that none of those would seem to violate the rules and regulations of the CCIDC.

Curtiss Schonenberg stated that because this is not an agenda item, it cannot be discussed. He stated that what he can do is make it an agenda item and the Board can meet on it in a special meeting. Mr. Wagner stated that would be fine. Mr. Wagner stated that something needs to be decided at that meeting because no progress has been made with Pat. Mr. Wagner stated that they need to make a decision that either yes they want to do this or tell Joe to go away, which he will do. Mr. Wagner stated that they cannot drag this out any longer because it's gone on long enough. Curtiss Schonenberg stated that they would set a special agenda item for him and that the Board would do that within the next week. Discussion ensued on when the special meeting could be held. Elizabeth Flint stated that she would like all of the Board to be here. Curtiss Schonenberg agreed. Steve Woodall stated that he believe they needed an answer sooner rather than later.

Curtiss Schonenberg stated that it will need to be in the form of a proposal. Mr. Roberts stated that Mr. Roberts would agree to reasonable and equitable terms whatever they may be to make this happen.

A tentative date of May 28, 2013 was set to hold the special meeting.

Joel Usher Arrived at 7:00 p.m.

Curtiss Schonenberg moved to Item #7.

7. Executive Session: In accordance with Texas Government Code, Subchapter D, Section 551.072 deliberation regarding real property and Section 551.087 deliberation regarding economic development.

At 7:05 p.m. Curtiss Schonenberg closed the regular session and opened the executive session.

Lori An Gobert arrived at 7:05 p.m.

8. Reconvene into Regular Session and consideration and action, if any, regarding Executive Session, deliberations regarding real property and economic development.

At 7:36 p.m. Curtiss Schonenberg reconvened the regular session with the same individuals present as before. Lori An Gobert had arrived at 7:05 p.m.

Joel Usher made the motion to allow Lori An Gobert and Curtiss Schonenberg to enter in negotiations on the prospective real property. DyAnn Lauzon seconded the motion. There was no further discussion. The vote was as follows:

Ayes: Woodall, Gobert, Flint, Lauzon, Usher and Schonenberg

The motion passed.

Curtiss Schonenberg skipped Item #9.

10. Discussion and Action regarding the CCIDC land west of Great Southern Wood Preserving at the Industrial Park.

Curtiss Schonenberg gave an update and stated that progress is being made. Elizabeth Flint asked if they are expecting the citizens of Columbus to pay for the relocation of the fence and when do they anticipate they will be removing the fence. Curtiss stated that Delton Hollmann asked Donald to locate the spots for him and that he and Donald went out and located both pegs. Elizabeth Flint asked if the Board was going to give him a time limit. Curtiss Schonenberg stated that would be Donald. Elizabeth Flint reminded him that they had said several months ago that the Board would have this issue settled by the

end of April and that it was in the minutes. Lori An Gobert stated that they had said that if they had not heard from the Railroad by April they would take action, but the Board heard back from them and they are moving forward.

No action was necessary.

Curtiss Schonenberg went back to Item #9.

9. Discussion regarding an update on prospective companies interested in land at the Industrial Park.

Curtiss Schonenberg stated that he had not heard back from the previously mentioned prospective companies.

Curtiss stated that the people with E'Kabel are out of the country right now trying to build their business and that as soon as they get back into the states they would come back and talk to the Board and get their proposal for the layout.

11. Discussion and Action regarding Municode.

Kayla Duncan gave an update regarding the issue. She stated that the City is not currently looking to change their hosting program. She compared and contrasted Municode with Franklin Legal Publishing and stated that Municode would simply be another resource. There were no questions.

No action was necessary.

12. Discussion and Action regarding possible ordinances from the Kerry R. Gilbert Study.

There was a discussion about the ordinances presented by Curtiss Schonenberg and Lori An Gobert, the change or addition of ordinances as related and important to the economic development committee, and how to approach the Planning and Zoning Committee about such changes and additions. The formation of a three person subcommittee was suggested with a member from CCIDC, City Council, and Planning and Zoning. Curtiss Schonenberg stated that they should approach the City Council with this in mind.

Elizabeth Flint made the motion to have Lori An Gobert form a three (3) person committee consisting of herself, someone from City Council that is not on CCIDC, and a member of the Planning and Zoning Committee of her choosing to try to review the ordinances, coordinate them, and make them suitable for Columbus.

Curtiss Schonenberg stated that would be the wishes from this Board and that they do not know how the City Council or the Planning and Zoning Committee are going to respond to that. Lori An stated that she thought the recommendation would need to be that they recommend to the City that they start a task force. Steve Woodall questioned if the Board has to go that route or if they can skip going to City Council for the time being. Curtiss asked Elizabeth Flint to repeat her motion. Elizabeth Flint asked Lori An Gobert to repeat the motion Ms. Flint had made. Lori An Gobert stated that the motion made was to make a recommendation to the City Council to form a subcommittee for the Planning and Zoning Committee pertaining to the Kerry R. Gilbert Study with Lori An Gobert, a member of City Council not currently serving as a CCIDC member, and a person from the Planning and Zoning Committee.

Joel Usher seconded the motion. There was no further discussion. The vote was as follows:

Ayes: Woodall, Gobert, Flint, Lauzon, Usher and Schonenberg

The motion passed.

13. Discussion and Action regarding the future acquisition of property, property appraisals at the Industrial Park and other long range planning issues, as necessary.

Curtiss Schonenberg stated that he had tried to talk to Mr. Naumann, but that he had not returned his calls. Curtiss stated that he did not know what is going to happen there.

Mr. Schonenberg stated that they may have an avenue they can go with on the 54 acres and asked Lori An Gobert if she thought Mrs. Ray would be receptive to a trade. The Board discussed this possibility. Lori An Gobert stated that she thought they needed to present a formal request to the trust asking for a sit down meeting with her. Curtiss stated that he would like her to do that. The discussion continued about possible properties and the location of and access to those properties. Steve Woodall asked if there were any other options available.

14. Discussion of items to be placed on future agendas and announcements.²

Curtiss Schonenberg – No Comment.

Lori An Gobert – Requested an executive session at the special meeting that would pertain to mineral rights and that it would be under the heading deliberations about real property at the special meeting.

Elizabeth Flint – Requested agenda items with discussion and action on receiving legal documents in a timely manner so that they may be reviewed by the entire Board before authorizing binding signatures and publicity of the City's and CCIDC's role in providing Mr. Banegas a the free house.

DyAnn Lauzon – No Comment.

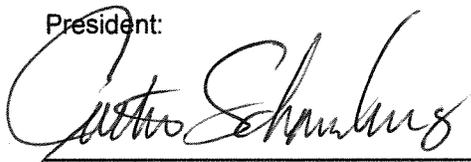
Joel Usher – No Comment.

Steve Woodall – No Comment.

15. Adjournment.

President, Curtiss Schonenberg, adjourned the meeting at 8:17 p.m.

President:



Attest

Secretary: