

Minutes
Columbus Community and Industrial Development Corporation
Board of Directors Meeting

The Columbus Community & Industrial Development Corporation met in Special session on Monday, **May 28, 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
Secretary	-	Elizabeth Flint
Board Member	-	DyAnn Lauzon
Board Member	-	Joel Usher (Absent)
Board Member	-	Byron Marburger
City Manager	-	Donald Warschak
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.

3. Citizens' Presentations and Comments.¹

John Wagner wished to speak during the agenda item.

4. Discussion and Action, if necessary, regarding prospective companies interested in land at the Crossroads Business Park.

John Wagner stated that in February Joe Roberts, a client of Mr. Wagner's and real estate broker/investor in Houston, contacted him about property at the Industrial Park. He stated that he and Mr. Roberts met with Curtiss Schonenberg about the property. He stated that his client is still interested in purchasing the 14 acres and that he came in March to make a presentation to the Board about purchasing the property but has not been able to get it off dead center since.

Mr. Wagner stated that he is representing Mr. Roberts. Mr. Wagner stated that their proposal is to purchase the 14 acres at the front of the park for cash or to give them a 90 day earnest money contract and allow him to get his clients to come out and purchase the property from him. Mr. Wagner stated that this gives him the incentive to bring his clients out. He stated that Mr. Roberts will make some money off of this property if he purchases or gets an earnest money contract. Mr. Wagner stated the Mr. Roberts is very agreeable to the terms that the property is subject to.

Mr. Wagner stated that several things are good about this. He stated that it would put money into the bank account of CCIDC and added that would be a first on the sale of property out there. He stated that this would put the property on the property tax rolls immediately so that the City gets some additional property taxes that they were not going to get.

Mr. Wagner stated that his clients at this point are a service station with a food court at the entrance to the Park, Nick Massey who developed the Homestead Hearth at I-10 and Highway 71, and a

company/investor out of Houston who has a number of commercial properties there and who wants to get out of Houston. He added that this last client is either a cannery or a bottling facility. Mr. Wagner stated that, that day, Mr. Roberts contacted him about a possible buyer who would take the entire 14 acres. He stated that it is a wholesale operation that wishes to be centrally located. Mr. Wagner stated the Mr. Roberts would like to get a contract in place so that he can move forward with his clients.

Elizabeth Flint asked if Mr. Roberts had made a valid offer with a price. Mr. Wagner stated that Mr. Roberts and his attorney attempted to talk to Pat Gillespie on a number of occasions and nothing ever moved forward. He stated that they did send an earnest money contract to Mrs. Gillespie. Pat Gillespie stated that there was no other contract than what she was given originally and that it had no money in it at all.

Curtiss Schonenberg stated that the intent of the 4B funds was to develop the Park in the best interests of the people of Columbus and to develop primary jobs. Curtiss stated that the service station is not considered a primary job by definition. He added that it is not that the Board is not trying to promote that. Curtiss read the definition of primary jobs as defined by the TEDC. He stated that primary jobs are created by manufacturing, professional services, distribution/warehouse, service industry that produce or sell their services on a regional, state, national or international basis. Elizabeth Flint stated that there is a list of what are considered primary jobs at the beginning of the Act. Curtiss stated that the possible canning operation would possibly be a primary job.

Curtiss stated that the bottling plant would possibly be a primary job because it is manufacturing. Curtiss stated that they have concerns about the bottling plant because of the demands it would have on the infrastructure and that Mr. Roberts has not disclosed that information. Curtiss also talked about wanting employment numbers, how much acreage, and the demand on infrastructure. Curtiss added that they are concerned about whether or not the businesses are a good fit for the Park.

Elizabeth Flint stated that she voted for the economic development tax for economic development and that she did not believe that the citizens of Columbus voted for the tax so that they could go into the real estate business. Mr. Wagner stated that he did not believe there was anything that prohibited the CCIDC from selling the property outright. Elizabeth Flint stated that it does not.

Mr. Wagner stated the Mr. Roberts is agreeable to being subject to the discretion of the Board.

Lori An Gobert stated that from her personal perspective there was not an earnest money contract and that he was willing to give the CCIDC a nominal fee for a 90 day hold, but then the CCIDC could not enter into negotiations with other individuals on that same piece of property and the Board was not willing to remove it from the market for 90 days. She stated that there was never a contract price negotiated. Lori An Gobert stated that he was bringing a proposal that sounds like it could be a legitimate offer, but they do not have anything in writing that says Mr. Roberts is willing to pay fair market value.

Mr. Wagner asked what the fair market value on the property was. Elizabeth Flint explained that she talked to the tax office and they gave her estimates of what the property might sell for based on the taxable value of Great Southern Wood's property and stated what the land might be valued at on the tax rolls according to them. She stated that those estimates were based on the land alone. Curtiss Schonenberg stated that they would have to have the land reappraised. Elizabeth Flint agreed.

Mr. Wagner stated that he does not know who the exact end buyers are and that he just knows what Mr. Roberts is looking at now and the people who have expressed an interest.

Mr. Wagner stated that he has the authority to commit Mr. Roberts to up to \$30,000.00.

Curtiss Schonenberg asked Mr. Wagner to have Mr. Roberts make an offer for the tract E and within that offer have him be as specific as he can be about employment numbers, demands on infrastructure, types of businesses, and timeframe of development. Mr. Schonenberg asked that be put in written form. Mr.

Wagner stated that information would not be part of the earnest money contract, but that it would be submitted along with the earnest money contract.

Curtiss Schonenberg stated that they do have another party interested in that same parcel of land.

Mr. Wagner indicated that he would have the document to the Board by the end of the week. Curtiss Schonenberg stated that it would probably be an agenda item at the next regularly scheduled meeting on June 17, 2013.

Steve Woodall stated that it does not seem like a very good location for a gas station. Mr. Wagner stated that the company looked at it and liked it. Steve Woodall presented his concerns to Mr. Wagner. Mr. Woodall suggested doing a simple non-disclosure agreement so that the Board can learn more about these people and give everyone a little bit more confidence that this is going to be a good deal. Mr. Wagner stated that it could probably be discussed in a closed meeting. Pat Gillespie agreed that information about the companies could be disclosed in executive session. Steve Woodall and John Wagner talked about confidentiality.

Pat Gillespie stated that if they come up with an earnest money contract that would give the Board something to actually consider. She stated that they need to know what kind of business is coming in, how many jobs they are going to provide, and they need to know something about the background of these companies. Lori An Gobert stated that if the Board sells the land for fair market value, they do not have to supply all of that information. Pat Gillespie stated that they can only sell the land for fair market value if it comports with the Board's purpose and that the Board's purpose is to develop new business and to develop primary jobs. Pat Gillespie adds that they should provide that information.

Steve Woodall stated that they might be open to something once they have some concrete information. Lori An Gobert stated that if they have something in writing then they have something to move forward on.

Mr. Wagner stated that they would get the Board an earnest money contract and that they would be ready for the June 17, 2013 meeting to disclose all the information in closed session. Mr. Wagner indicated that Joe Roberts and his attorney would be present.

Elizabeth Flint made a presentation of pictures of the Houston site for Chateau Dominique and explained a little about the company and the products they offer. Elizabeth Flint added that she was told that they are looking to hire about 40 skilled craftsmen.

No action was necessary.

5. 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 7:12 p.m. Curtiss Schonenberg closed the regular session and opened the executive session.

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

At 7:56 p.m. Curtiss Schonenberg reconvened the regular session with the same individuals present as before.

Elizabeth Flint made the motion to allow Lori An Gobert and Curtiss Schonenberg to talk to KW International and E'Kabel about matters concerning real property and to consult adequate sources as being necessary. Steve Woodall seconded the motion. There was no further discussion. The vote was as follows:

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

The motion passed.

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

Curtiss Schonenberg – No Comment.

Lori An Gobert – Leave the item for Kerry R. Gilbert.

Elizabeth Flint – Requested agenda items for a celebration for KW International and one for the recognition of the City's and CCIDC's participation in the free house for Mr. Banegas.

DyAnn Lauzon – No Comment.

Steve Woodall – No Comment.

Byron Marburger – No Comment.

8. Adjournment.

President, Curtiss Schonenberg, adjourned the meeting at 8:01 p.m.

President:



Attest
Secretary:


