

Minutes
Columbus Community and Industrial Development Corporation
Board of Directors Meeting

The Columbus Community & Industrial Development Corporation met in Regular session on Monday, **March 16, 2015** 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
Vice President	-	Byron Marburger- absent
Treasurer	-	Lori An Gobert- absent
Secretary	-	Elizabeth Flint
Board Member	-	DyAnn Lauzon- absent
Board Member	-	Joel Usher
Board Member	-	Barbara Peterman
City Manager	-	Donald Warschak
City Secretary	-	Linda Lakich
Assistant City Secretary	-	Traci Edman

1. Call to Order.

President, Curtiss Schonenberg, called the CCIDC meeting to order at 6:38 p.m.

2. Pledge of Allegiance and Invocation.

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

3. Consent Agenda:

- a) Approval of Invoices.
- b) Approval of February 2015 Financial Statements.
- c) Approval of Regular Meeting Minutes for February 16, 2015.

Elizabeth said that Item 9 on the February 16, 2015 minutes stated she said a survey has already been done, but that did not reflect exactly what she said. She said what she said was "there was a survey that has points on it already from when the purchase was originally made." She said she listened to the CD three times and it was hard for her to pick out the point that she thought she wanted to include. She said the only way that could be done was to have a verbatim transcription. Traci said she takes notes from the CD and she could show Elizabeth the notes. Elizabeth said that might help. She also stated that Item 11 did not reflect the content of what was said.

Elizabeth Flint made the motion to approve the consent agenda, with the exception of the corrections on agenda items 9 and 11 on the February 16, 2015 minutes. Barbara Peterman seconded the motion. The vote was as follows:

Ayes: Flint, Peterman, Usher, and Schonenberg
Absent: Marburger, Gobert, Lauzon

The motion passed.

4. Citizens' Presentations and Comments.¹

No citizen presentations or comments were made.

5. City Manager's Report: Sales Tax

City Manager, Donald Warschak, stated the March sales tax revenue was up from last year's same time period. The CCIDC's portion of sales tax revenue was up about \$6,000 from last year. The City of Weimar and the county also experienced increases in their sales tax revenue for the same time period. The City of Eagle Lake's sales tax was down \$100-200 from last year's same time period. Looking at the sales tax graph, Donald said right now that we are above the budget line.

6. Discussion and Action, if necessary, concerning a new proposal from E'Kabel.

Curtiss said since three Board Members were going to be absent at this March 16, 2015 meeting, he called for a special meeting on March 23, 2015 to accommodate more members. E'Kabel agreed to attend the March 23, 2015 meeting. Elizabeth asked to change the March 23, 2015 meeting to another day. Curtiss said he had already called E'Kabel to confirm the meeting date, but he would call them again. He said he hated that something of this magnitude be deliberated without the whole Board.

7. Discussion and Action, if necessary, concerning a proposal from Acorn Seekers.

Acorn Seekers did not attend to make a presentation.

8. Discussion and Action, if necessary, regarding the agricultural exemption of the 54 acres at the Crossroads Business Park.

Curtiss contacted the Central Appraisal District several times, but they still do not have the status of the agricultural exemption on the 54 acres.

9. Discussion and Action, if necessary, on establishing a new contract for acquiring the agricultural exemption at the 54 acres at the Crossroads Business Park.

The grazing lease agreement was received March 16 and the Board members did not have much time to review it. Curtiss asked if they wanted to move on it at this time. Elizabeth asked if our real estate attorney, Barry Rutta, prepared the agreement and Curtiss said he had. Elizabeth said it looked like a good lease, particularly A-3, where the tenant agrees to engage in agricultural activities sufficient to procure an agricultural tax exemption for the premises from the Colorado County Central Appraisal District. Elizabeth asked where the fencing was in the contract. Curtiss said it would be separate from the grazing lease agreement. Elizabeth asked if we had to put the fencing out for bids. Donald said if the amount was between \$2,000 and \$8,000, informal quotes could be used. If it was over that amount, written pricing would be needed. It did not need to be put in the paper because it should be under \$8,000. Elizabeth said she was ready to vote on the lease agreement, but Barbara said she had not read through it yet. Elizabeth said the important parts to her were: part B-Tenant agrees not to..., part E-5 Default by landlord/tenant remedies and part E-6, Default by tenant/events. Joel said he read the contract. Barbara said she was looking under A-3 for fertilizing and keeping the grass up and it was not there. She said you would think you cannot run cattle unless you have grass, so you suppose you would have to fertilize. Elizabeth said the other thing that was not in there was the number of cattle you can run on the land. She said she could understand why he wouldn't agree to a head limit because he will use it in rotation with his other property. Barbara said we could not prescribe how many he stocks because that would change from month to month. She was concerned about the place getting run down, in terms of the quality of grass. She said other than that issue, the agreement looked good to her. Curtiss said under A-3, it says "engage in an agricultural activity sufficient to procure an agricultural tax exemption." In order for him to do that, he would have to do activities that would require that. That would mean running the right number of cattle and if it needs fertilizing, he would need to do that. That is why we had that put in the agreement.

Joel Usher made a motion to accept the grazing agreement as presented. Elizabeth Flint seconded the motion. The vote was as follows:

Ayes: Flint, Peterman, Usher, and Schonenberg
Absent: Marburger, Gobert, Lauzon

The motion passed.

10. Discussion and Action, if necessary, regarding the transfer of mineral rights to the City of Columbus.

There was no update on this agenda item.

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

Curtiss stated he was maintaining contact with OIC and Prime. He had discussions with both companies during the past month.

12. Discussion and Action, if necessary, regarding performance agreements and application requirements for prospective tenants at the Crossroads Business Park.

Elizabeth said she felt like the Board needed to follow this so carefully. Section 501.158, which is in the agenda packet, says exactly what a performance agreement is and what it should contain. She wants any future agreements to meet the provisions of 501.158. Curtiss said TML also has an interpretation of Section 501.158, and it states that in a contract, you have to have a performance agreement that includes employment and also if there is an incentive package for infrastructure. Elizabeth said that jobs can either be created or retained. Curtiss replied that was correct, but there has to be a reference to jobs. Elizabeth also said that there should be specified terms under which repayment must be made. Curtiss said that was correct and if they don't satisfy the terms of the contract, then there has to be a remedy within. Elizabeth said that Section 501.157 talks about what should be in the default on the agreement. It states 1. mandamus (order by court) or 2. The appointment of the receiver with the power to charge and collect rents, purchase price payments and loan payments and to apply the revenue from the project in accordance with the resolution, mortgage or instrument. Curtiss said that was an issue that came up with the current E'Kabel contract, but the contract we have with them now was corrected to include that verbiage with the mandamus. Elizabeth said she would like to go over the application requirements. She went over the information that is required on the application. The information would help the Board make a decision on prospective tenants to see if they are a viable company that would benefit the community. She thinks this application should be used on all of the prospective tenants. The important parts to Elizabeth were the required attachments #6-13 on the last page. Barbara asked if this application had been around and not used or if we are proposing something new. Elizabeth said it had been around, but not been used. Curtiss said this application was given to E'Kabel and Acorn Seekers, but they have not been received yet. Elizabeth said many of her concerns would not be concerns had we had the application in the beginning. She said she was just making sure we have this for all future prospects. Curtiss said that was a good statement and it needed to be followed. No motion was needed, just an awareness to use the application from now on.

13. Discussion and Action, if necessary, regarding developmental plans and goals for CCIDC.

Curtiss recommended tabling this item, since there was not a complete Board present. Joel then asked about having a special meeting concerning this item. Curtiss agreed that would be a good recommendation. With the Board members present, dates were discussed that might work for everyone. April 6, 13 and 27th were suggested. Curtiss said he would contact all the Board members to see which dates would be better, then send an email to let everyone know.

14. Discussion and Action, if necessary, regarding a prospective meeting with local businesses and school districts concerning job skills training.

Curtiss asked if anyone on the Board that felt connected to this project would start working on it. No one responded. Elizabeth said Section 501.162 talks about job training through a business enterprise only if the business enterprise has committed in writing to create new jobs that pay wages and increase its payroll. This talks about doing job training for specific jobs and a specific business. She said somewhere she has seen that we can partner with a junior college if we are not in a junior college district and help them provide job training in and for the community without having a specific business job for them to go into. Joel said he remembers reading that too. Barbara asked if she was talking about job training for Columbus in general and the economic needs of the local businesses in addition to whoever comes to the park, or specific training for businesses who are going to have jobs. Elizabeth said it would probably tell us if we could find the reference. Barbara said she thought job training was essential. Curtiss said he has talked to several employees that have hired high school graduates that have no intention of going to college. They are saying that they think that their skill levels could be higher coming out of high school. He was going to get with some of the businesses and brainstorm with the schools to see if the schools could implement programs that would better prepare the students that were not headed for college. Barbara said if you were only working with the high school, you would eliminate the possibility of older people partaking. Many in this area are not in a position to take advantage of some of the better job offers that will be coming along. Curtiss said that was a good point. Joel said he would like to see us get with a college and see if there is a way to offer job training through a college, like Wharton County Junior College. Elizabeth said it would improve their skills and make them employable and make our community more employable. She said there are good jobs to be had and good money to be made if the people had the skills. She does not think we are going to be able to give money to the high school, but thinks we are going to have to go through a junior college. She has met someone that works for Lamar Institute of Technology that could possibly come and give some guidance on what might be useful and how to go about it. Barbara asked if this was about offering the classes and giving a completion certificate, a tech school, or a building where you would start training. Curtiss said he was thinking in terms of a class. Elizabeth said she thought the classes were going to have to be offered by a junior college in order to qualify for economic development funds. Joel added that we need to find out what we can or cannot use our money on as far as job training. Elizabeth asked if we could consult a TML attorney and they could give us an opinion. Barbara said she is for it. Curtiss said he would start the process. He asked Elizabeth to get in touch with the person from Lamar Institute of Technology to see if she is familiar with 4B funds and see what programs they do that would fall under that program. Elizabeth said that some sort of canvas of the local employers and citizens of the community might be needed. No motion was made.

15. 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.

Curtiss adjourned the Regular Session for Executive Session at 7:30 pm.

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

Curtiss reconvened the Regular Session at 7:45 pm, with the same members present as before. No action was needed.

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

Barbara requested the possibility of receiving the agenda sooner than Friday to have more time to look over it before the Monday meeting. Elizabeth requested the proposed attachments and a preliminary agenda. She did not feel like they were getting the information early enough to educate themselves to make a sound opinion.

Barbara announced the St. Patrick's Day party from 4:00-8:00 pm at 1114 Milam. There will be food, drinks and music.

Joel announced that next week was National Boys and Girls Club Week. All 4,000 clubs across the nation would be celebrating. Their "Open the Door and Take the Tour" would be March 27 from 3:30-5:00.

Elizabeth included in the packet the original proposal from E'Kabel to show that the new proposal is much different than what they originally proposed in 2011-2012. Barbara asked if E'Kabel was a manufacturing company that gets raw materials and manufactures products and sells them, or if they were a distributor that buys ready-made products, brings them here and sells them. Curtiss said right now they are buying manufacturing time from different manufacturers, they do not manufacture the products. Elizabeth asked how much inventory they would have. Curtiss opened agenda item 6.

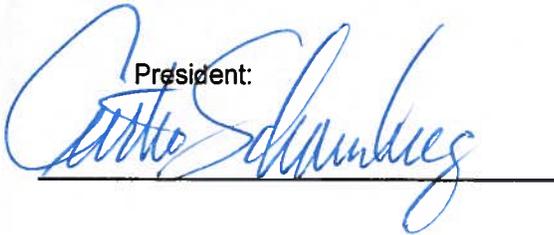
6. Discussion and Action, if necessary, concerning a new proposal from E'Kabel.

Curtiss said Juan would be at the meeting on March 23 and he could address questions. Barbara asked if they manufactured in Venezuela and then decided to immigrate. Curtiss said they have always bought manufacturing time from people who make the products in the states and elsewhere. They have never manufactured products before. Right now, with their new proposal, they are wanting to do that, proceed with a warehouse here, and then move into manufacturing. Barbara asked if this would be their prime location and Curtiss answered that this would be their only manufacturing sight that he was aware of, and they would have a warehouse here.

18. Adjournment

President, Curtiss Schonenberg, adjourned the meeting at 7:54 pm.

President:



Attest
Secretary: