

Minutes
Columbus Community and Industrial Development Corporation
Board of Directors Meeting

The Columbus Community & Industrial Development Corporation met in Special session on Monday, **March 23, 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
Secretary	-	Elizabeth Flint
Board Member	-	DyAnn Lauzon
Board Member	-	Joel Usher
Board Member	-	Barbara Peterman- absent
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 6:39 p.m.

2. Pledge of Allegiance and Invocation.

The Pledge of Allegiance and invocation were led by Joel Usher.

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

Juan Torrealba and his wife were present to make a presentation for E'Kabel. He gave the Board members a copy of his power point and an approval letter from Wallis State Bank. He also displayed cable examples for everyone to see. He thanked the Board for letting him speak at the meeting. He then went over each section of the power point presentation, a copy of which is attached to these minutes. Mr. Torrealba told the Board that what they are doing has been a big decision for the company. They are present in many different countries, where labor is cheaper. On the other hand, this was the right thing to do and their investment could be protected here. That was why they decided to do everything in Columbus. The Board then asked Mr. Torrealba questions.

Curtiss said they had asked for 23.5 acres. Would the project fit on 20 acres? Jay Altieri, from Drymalla Construction Company, was present at the meeting and answered the question. He said they needed 20 acres, but more warehouses were recently added. He was not sure the 20 acres would work anymore. 23 acres would be more realistic.

Curtiss asked if they had people in place now that they could lean on to start up this manufacturing facility. Mr. Torrealba said they do. There will be one facility for warehousing purposes. They would get in contact with the suppliers from US and Europe, which would come here for 2-3 months. Then they would need to hire the appropriate staff for specific job functions, and do commissioning with the people that they have at that point.

Curtiss asked if they were going to have a manager with manufacturing expertise that would be in charge of the team for them. Mr. Torrealba said they will need to hire a supervisor and a general manager with experience to take care of it.

Dyann Lauzon asked since a lot of the work is customized, would it slow down the process. Mr. Torrealba said not necessarily. They would prepare for that. There would be a team from Venezuela and Mexico that would back them up.

Dyann asked about the estimated start-up date and the number of employees they would start off with. He said that they should have the first stage ready by the beginning of the second quarter of 2016. They

should be able to start hiring 9 people at that point and then have at least 20 people by the time the year ended.

Elizabeth asked if they have always had the cables custom made from other facilities. He answered that E'Kabel has an agreement with different wire and cable manufacturing facilities around the world and they manufacture the cable.

Elizabeth asked if the manufacturing would be a new business for E'Kabel. He said it would be and they would start manufacturing the instrumentation cables.

Elizabeth asked if he had any idea of the cost of the initial start-up. He answered it would be about \$3 million, which is pretty conservative. He said he was sure that it would be way more than that.

Elizabeth asked about their business in Oklahoma. He said that the business in Oklahoma was a sales office and procurement sight of the pieces.

Elizabeth asked what the delay had been on getting started with the initial property that was given to them. He said it had been very difficult to get permission from them to start the project. They had been waiting and eventually got tired of waiting. The other issue was with Mexico. They had expanded their business there, but it was not safe. They needed to protect their investment. Even though they would be paying higher taxes and labor here, they felt like Columbus was the right place.

Elizabeth asked about storing inventory in their warehouses for a long period of time. He said in the US, they do not store inventory for a long time. In Venezuela, they do stock copper. Once they take it to the next step here in Columbus, they would start stocking material.

Elizabeth asked if they were planning on closing their businesses in Venezuela and Mexico, and if they were manufacturing in those places. He said they were not closing their other businesses and they are not manufacturing in Venezuela or Mexico.

Elizabeth asked what type of jobs they would have in Columbus and the approximate salaries for the workers. He answered that the starting salaries were based on the salaries from the Texas Workforce Agency. They will be hiring a GM, administration, machinists and maybe a couple of sales people.

Curtiss asked if the loan amount was \$1.5 million. He said that was correct.

Elizabeth asked what they were using as collateral for the loan. He said they would be using the land and the building.

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

Sergio, president of Acorn Seekers, showed a video about Acorn Seekers. He said they had been working seven years on this project to get to this point. He explained how they sent 150 pigs from Spain to New York, where they spent 30 days. From there, they were shipped by truck to Texas. The pigs are now healthy and happy. There are almost 800 pigs at this time. The acorns from here were key for the pigs. Their idea was instead of importing the meat, to import the animal and breed it here and build a new industry. For the project, they would need facilities to cure the ham and process the meat.

Manuel Murga also gave a power point presentation. He spoke about the gourmet market and the people that would be buying their gourmet ham. He said they wanted to build their facilities in Columbus for processing and curing the meat, to produce jobs, generate business, generate taxes for the local government here, and add value to the City of Columbus. The Board then asked Mr. Murga questions.

Curtiss asked if the 60,000 square feet space requirements were for the building or property. He said the 60,000 square feet was for the building and they needed 2 acres surrounding the building.

Curtiss asked if it was going to give them enough room for expansion. He said he thought it would give them enough room.

Curtiss asked if the 60,000 square foot facility would be climate controlled. He said it would be climate controlled.

Curtiss asked what the approximate cost of the building would be. He said they are redesigning the building, so they would have the figures in about 20 days.

Curtiss asked how quickly they wanted to begin this project. He said they would like to start building this summer.

Elizabeth asked if he had any idea of the value or the cost of the improvements that they would be putting on the land. He said it would be around \$1 million.

Elizabeth asked how he planned to finance the building and what they were going to use as collateral. He said they have an agreement with the local bank for \$1.5 million and they also have a group of investors that have raised \$2.5 million. They will not be using the building as collateral.

Elizabeth asked if they had ever done this business before or if it would be a new business. Sergio said that Manuel was the expert. He is the CEO of the company, an engineer, and has been working with the pigs and this kind of job for more than 20 years. Joel asked if they still have a business in Spain. Manuel said they were still doing business there. Elizabeth asked about the 8 employees and if they might add more, if needed. He said that they would.

5. Executive Session: In accordance with Texas Government Code, Subchapter D, Section 551.72 liberation regarding real property and Section 551.087 deliberation regarding economic development.

Curtiss adjourned the Regular Session for Executive Session at 8:11 pm.

6. 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 8:23 pm, with the same members present as before. Curtiss stated the Board was very pleased and they liked both projects. The Board would like to extend an invitation to Columbus, but the application was still needed. He asked Juan if he had the application and said as soon as that is received, it would be reviewed. Juan asked to forward the application to the Board at that time, but Curtiss said it could not be done right now. The Board would have to get back to him. April 20th would be the next meeting, but a special meeting could be called if it was needed. Juan expected an answer during the meeting. Lori An said the Board's hands were tied because the application was needed because it has all the information. Elizabeth said she did not think it was realistic to expect the Board to look over financials and business references in 15-20 minutes. Juan said they could call Orlando, their banker, on the phone and ask him any financial questions. Elizabeth said the application was more than just 1-2 pages, and there were more things on the back page that was also required. He said the email he received from Romer did not show those requirements. Juan asked if anyone had concerns about anything in his company. Lori An said they were not concerned about the company. Protocols say documentation is needed to support them in the decisions that are made, about granting the land, the tax abatements and different things offered. That information has to be reviewed. That is the only thing holding the Board up right now. Curtiss said it was all part of the 4B economic development situation that they work under. It has to all be in place. Curtiss apologized for the inconvenience and stated that the Board really wants them to be a part of the community.

7. Discussion and Action, if necessary, to set a date for the purpose of discussing developmental plans and goals for CCIDC.

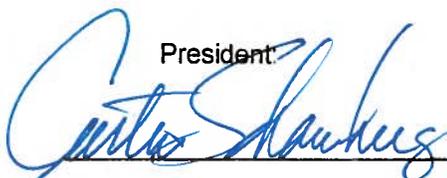
This item was skipped.

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

This item was skipped.

9. Adjournment

President, Curtiss Schonenberg, adjourned the meeting at 8:29 pm.

President


Attest
City Secretary:
