

Minutes
Columbus Community and Industrial Development Corporation
Board of Directors Meeting

The Columbus Community & Industrial Development Corporation met in Regular session on Monday, **August 21, 2017** 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	-	Bruce Tesch
Vice President	-	Curtiss Schonenberg
Treasurer	-	Lori An Gobert
Secretary	-	Joel Usher (arrived at 7:05)
Board Member	-	DyAnn Lauzon
Board Member	-	Ryan Thomas
Board Member	-	Andy Nunmaker
City Manager	-	Donald Warschak
Assistant City Secretary	-	Traci Edman

1. Call to Order.

President Bruce Tesch called the CCIDC meeting to order at 6:34 p.m.

2. Pledge of Allegiance and Invocation.

The Pledge of Allegiance and Invocation were led by Bruce Tesch.

3. Consent Agenda:

- a) Approval of Invoices.
- b) Approval of July 2017 Financial Statements.
- c) Approval of Regular Meeting Minutes for July 17, 2017.
- d) Approval of Quarterly Investment Report for the Quarter Ended June 30, 2017.

Curtiss Schonenberg made a motion to approve the consent agenda as presented. Andy Nunmaker seconded the motion. The vote was as follows:

Ayes: Gobert, Thomas, Nunmaker, Lauzon, Schonenberg, and Tesch
Absent: Usher

The motion passed.

4. Citizens' Presentations and Comments.¹

Billy Kahn, Executive Director of the Chamber of Commerce, introduced himself to the Board. He stated that the Chamber and the Board have common purposes and that they would like to work with the Board. His goal at the Chamber is to get the day-to-day operations of the Chamber moving along smoothly so the Executive Director can work on promoting Columbus, attracting tourists and visitors, bringing in new businesses, and talking with people interested in relocating to Columbus.

Evan Herchek gave a power point presentation on his Eagle Scout project, the City Park Playground Project. The playground equipment will be installed on the playground at the City Park by the softball fields. He has applied for the 2017-18 Community Development grant.

5. City Manager's Report: Sales Tax

City Manager, Donald Warschak, stated the August sales tax revenue was \$50,589, which was up from last year's same time period. The County, Weimar and Eagle lake also saw an increase in its sales tax revenue over the same time period from last year.

The last quarterly report from KWI had 55 jobs that would go toward the grant, which is closing in on the 85.3 jobs needed. An extension was applied for, but was not granted. The City has asked for a letter from the state stating the reason for the rejection. Once that letter is received, the City can coordinate with state representatives to see if they can help. Curtiss and Donald will get in contact with Senator Kolkhorst on this issue.

President Bruce Tesch moved to item 8.

8. Discussion and Action, if necessary, regarding E'Kabel.

Juan Torrealba from E'Kabel discussed the attached. He stated that after reviewing all of their locations in the first and second quarter of the year, their numbers are going down. He said they have seen an increase in Asian companies in the states that directly affect the market. Because of this, they have presented this proposal. When November 2018 comes around and the market hasn't shifted, they propose to buy an extra year of extension. They would take 20% of the fair market value and pay that amount, up to the next five years. If after five years the market is still down and the last 20% payment is made, then the contract can be cancelled, as long as it is permitted by 4B law. He also said that if they have paid 40% over a two year period and the market goes up, then the payments would be applied to the amount of the contract, but the number of employees would remain the same. They would still commit to the drainage project.

Joel Usher arrived at 7:05 pm.

Curtiss stated that under 4B law, if we are under contract with E'Kabel and are giving them a discount off the property, by state law, we have to show they are going to have some contractual obligation with CCIDC to satisfy the difference between what we gave to them and the market value. So basically they would be buying it at fair market value and would not have a contractual obligation at that point. Bruce stated that the value stated per the Central Appraisal District is probably not rated at fair market value and there would have to be an appraisal. Mr. Torrealba asked if that would be every year. Curtiss said there would have to be an agreement for that. Mr. Torrealba said they want to add the proposal to their current performance agreement. Lori An asked how they would be addressing the \$450,000 drainage project contribution. Mr. Torrealba stated that an escrow account would be set up, with up to \$450,000.

Andy and Ryan asked what would happen if E'Kabel paid 40%, contributed \$450,000 to the drainage project and then decided that they wanted out. They asked if CCIDC would keep the \$450,000 and the 40%? Mr. Torrealba said they do not foresee that happening, but they are willing to listen to what CCIDC would propose. Andy said there needs to be a nonperformance remedy in the contract. He said he understands that they have every intention of moving forward, but if not, are they expecting CCIDC to reimburse for what has been paid. Mr. Torrealba said he did not think so and they will never ask for the money back. It is their responsibility to make it happen and that can be put in writing. DyAnn said it is concerning that the delay has been because of the market and the Asian competition, because the longer that they wait, the more competition will grow. Bruce suggested E'Kabel propose a full written recommendation, send that to our lawyer and let this move forward under his direction. If there is a contract that E'Kabel and CCIDC agrees to, then it would come to the Board for a vote. We have been in this situation before with extensions and we don't want to be in that situation again.

Curtiss Schonenberg made a motion to move forward with a contractual proposal for the Board. Andy Nunmaker seconded the motion. The vote was as follows:

Ayes: Gobert, Thomas, Nunmaker, Lauzon, Usher, Schonenberg, and Tesch

The motion passed.

President Bruce Tesch move back to item 6.

6. Discussion and Action, if necessary, regarding Acornseekers.

The proposed contract is with Acornseeker's lawyer and the Board should hear from them in the next couple of weeks.

7. Discussion and Action, if necessary, regarding the drainage study.

The drainage project is on hold at this time.

9. Discussion and Action, if necessary, regarding assistance for potential expansion at Great Southern Wood.

The application has been sent to Great Southern Wood's corporate office, but has not been returned.

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

There has been no new inquiries from prospective companies.

11. 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.

This item was not needed.

12. Reconvene into Regular Session and Consideration and Action, if any, regarding Executive Session, deliberations regarding real property and economic development.

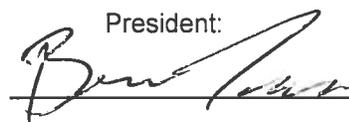
This item was not needed.

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

Bruce Tesch announced that a Beautification Award will be presented to Schobels Restaurant on Friday, August 25 at noon if anyone is available for the presentation. Bruce also said the improvements on Bella Pella's building looks great. Curtiss stated he would like to make this a monthly award. LoriAn asked that an item be placed on the next agenda to do a performance agreement review.

14. Adjournment.

President Bruce Tesch adjourned the meeting at 7:37 pm.

President:


Attest
Secretary:

