

Minutes
Columbus Community and Industrial Development Corporation
Board of Directors Meeting

The Columbus Community & Industrial Development Corporation met in Regular session on Monday, **September 18, 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 7:10) |
| Board Member | - | DyAnn Lauzon (absent) |
| Board Member | - | Ryan Thomas |
| Board Member | - | Andy Nunmaker (absent) |
| | | |
| City Manager | - | Donald Warschak |
| Assistant City Secretary | - | Traci Edman |

1. Call to Order.

President Bruce Tesch called the CCIDC meeting to order at 6:32 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 August 2017 Financial Statements.
- c) Approval of Regular Meeting Minutes for August 21, 2017.

Curtiss Schonenberg made a motion to approve the consent agenda as presented. Lori An Gobert seconded the motion. The vote was as follows:

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

The motion passed.

President Bruce Tesch moved to item 13 on the agenda.

13. Executive Session: In accordance with Texas Government Code, Subchapter D, Section 551.071 consultations with attorney, Subchapter D, Section 551.072 deliberation regarding real property and Section 551.087 deliberation regarding economic development.

Bruce Tesch adjourned the Regular Session for Executive Session at 6:34 pm.

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

Bruce Tesch reconvened the Regular Session at 7:02 pm, with the same members present as before. No action was needed.

President Bruce Tesch moved to item 4 on the agenda.

4. Citizens' Presentations and Comments.¹

There were no presentations or comments.

5. City Manager's Report: Sales Tax

City Manager, Donald Warschak, stated the September sales tax revenue was \$37,069.12, 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.

Concerning the KWI grant, Donald stated that the Mayor discussed the denial of the extension request with Senator Lois Kolkhorst today. The results of the meeting are not known at this time. The contract with the state will end September 19. There is not yet an official employee count, but it does appear that they have hired some additional employees.

6. Discussion and Action, if necessary, regarding to award the bank depository bid.

Depository bids were received from First State Bank and Industry State Bank. Donald stated that Industry State Bank offered 1.41% on deposits and CD's, while First State Bank offered the higher of the two, which was 1.32% or .31 basis points above the 91 day T-Bill rate (currently 1.04%) on all deposits.

Curtiss Schonenberg made a motion to accept Industry State Bank as CCIDC's depository. Lori An Gobert seconded the motion. The vote was as follows:

Ayes: Gobert, Thomas, Schonenberg, and Tesch

Absent: Usher, Lauzon, and Nunmaker

The motion passed.

7. Discussion and Action, if necessary, to approve the amended Business Improvement Grant application.

Curtiss stated that in the past the facade grant application needed a separate performance agreement, so attorney Cary Bovey has added a performance agreement in the application to cover both.

Curtiss Schonenberg made a motion to incorporate the changes to the Business Improvement Grant application proposed by attorney Cary Bovey. Lori An Gobert seconded the motion. The vote was as follows:

Ayes: Gobert, Thomas, Schonenberg, and Tesch

Absent: Usher, Lauzon, and Nunmaker

The motion passed.

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

There are no new updates regarding Acornseekers.

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

The drainage project is on hold at this time. Lori An updated the Board regarding City Council comments about the drainage project, which was discussed during the budget workshop agenda item at the meeting. She stated council may be talking to other entities about why they are not assisting with the drainage project. A council member inquired why it did not flood in the 500 year flood, but it did during the 100 year flood. It was also asked if anything needed to be done at the Park now since it did not flood during the hurricane. Curtiss stated that there had been some improvements after the tax day flood, and he also asked if there was a need to go to the extent planned for the drainage project. Bruce also stated

that the tax day flood produced 12 inches overnight, while the hurricane flood was 20 inches over 3.5 days. The water had time to run off over that period of time.

Joel Usher arrived at 7:10 pm.

10. Discussion and Action, if necessary, regarding the E'Kabel project.

A proposed red-lined contract from attorney Cary Bovey was given to the board members, which included the items requested from E'Kabel at the last meeting. Lori An stated that right now there is not a current contract with E'Kabel and they want an amendment to a contract that is already null and void because they did not meet all the obligations. Joel asked the recourse if they did not meet the requirements. Lori An said everything reverts back to CCIDC. Curtiss advised asking the attorney about the dates on the contract. Lori An said that she did not want to give them a lot of time to decide if they are going to sign the proposed contract. She does not want to just give them an opened-ended amount of time. Based on the attorney's recommendations that they need to review and sign within 30 days or all contracts are null and void. Curtiss said he did not know if he would be willing to allow them to go the full five years. Bruce said that would be 13 years total. Curtiss said that they are taking 23.5 acres that could potentially be used by other companies. Bruce said the way E'Kabel is proposing it, they want that money back for the purchase of the land. In five years if they move on and do not come here, then we keep it. But if they build, they want that money back to go toward their project. E'Kabel proposed they would pay so much per year. Curtiss said that the money would be applicable against the terms of the contract, against the infrastructure. Bruce stated that we are giving them the land. If they are paying us and they walk away, we keep the money. Basically they will pay for the land. We can't give them the money back. Ryan added that we are giving them the land for 12 employees. Bruce said that we would have to leave the money they pay each year in an account and will not be able to spend it. So if they go through with this deal, we would have to put it toward their investment. They are not buying anything from us. They are just giving us money and saying we are going to be there within five years. In five years if they build, then they are going to get that money back. Lori An said that we do not have to approve any of this. Bruce said that we are giving them the land, so there is no reason for them to buy the land. Ryan said it will be 12 years, we are giving them the land, and for only 12 employees. Joel said this is not about economic development anymore, but a real estate transaction. Bruce said the only thing we will have is the \$450,000 toward the drainage project. Lori An asked what would happen to the money in escrow if we did not do the drainage project. Bruce said they would get it back. Joel asked what would happen if we don't do anything. Lori An said that the land belongs to us now. It reverted back to us on June 30, 2017. We are renegotiating an already expired contract, we are giving away the land for 12 employees, and questionable drainage issues. Ryan stated that we just had a natural disaster hit, and there are going to be a lot of businesses possibly looking to relocate to some different areas. Bruce said that we need to make an exception to another contract on our terms and if that fails, then we are done. Bruce suggested tabling this item, getting back with Mr. Bovey and asking him the best thing for the Board. Joel requested that we ask Mr. Bovey what happens if we do nothing, and if the land reverts back to us. Curtiss and Bruce stated that we need to make sure we do this the correct way.

Curtiss Schonenberg made a motion to table this item until the next meeting. Joel Usher seconded the motion. The vote was as follows:

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

Absent: Lauzon, and Nunmaker

The motion passed.

11. 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.

12. Discussion and Action, if necessary, regarding any prospective companies interested in land

at the Crossroads Business Park.

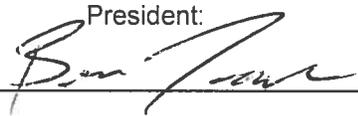
There has been no new inquiries from prospective companies.

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

Schobels Restaurant award has not been given to them yet. A date needs to be set up to present the award. Lori An asked to add an item to next month's agenda to review the performance agreements and acquire certificates of completion of the two applicable community development grants.

14. Adjournment.

President Bruce Tesch adjourned the meeting at 7:31 pm.

President:


Attest
Secretary:
