

Minutes
Columbus Community and Industrial Development Corporation
Board of Directors Meeting

The Columbus Community & Industrial Development Corporation met in Regular session on Monday, **September 15, 2014** 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
Treasurer	-	Lori An Gobert
Secretary	-	Elizabeth Flint
Board Member	-	DyAnn Lauzon
Board Member	-	Joel Usher
Board Member	-	Barbara Peterman
City Manager	-	Donald Warschak

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 lead by Curtiss Schonenberg.

3. Consent Agenda:

- a) Approval of Invoices.
- b) Approval of August 2014 Financial Statements.
- c) Approval of Regular Meeting Minutes for August 18, 2014.

Curtiss asked to scratch the word "they" on Item 11, the third line. It read, "Curtiss asked everyone what they their primary objective was."

Lori An Gobert made the motion to approve the consent agenda as presented. Byron Marburger seconded the motion. The vote was as follows:

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

The motion passed.

4. Citizens' Presentations and Comments.¹

There were no citizen presentations or comments.

5. City Manager's Report: Sales Tax

City Manager, Donald Warschak, stated the sales tax revenue was down slightly compared to last year's same time period. The CCIDC's portion of sales tax revenue was \$30,605.80, compared to last year, which was \$32,461. The City of Weimar also experienced an increase, while Eagle Lake and the county saw a decrease. Donald also stated that the E'Kabel mineral rights transfer had been recorded and is at the court house.

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

Curtiss stated that Mr. Ruether should be able to bale some hay within a week or two due to grass growing on the 54 acres. Elizabeth said she talked with Mr. Mitchell about hay production and he is expecting 70 bales. LoriAn and Curtiss stated he did not tell them they needed 70 bales, just hay production. Mr. Mitchell said another way to get an exemption of 20 acres was to put bee hives on it. LoriAn stated that the 20 acres is not 50 percent of the land, so it would not qualify on its own. LoriAn spoke to Mr. Mitchell about the bees. He said we could have 6-12 active bee hives, but the maximum is 20 acres, no matter how big the property. Byron asked if the board was taking steps to avoid getting into this situation next year. Elizabeth stated she had been trying to do that for the last 18 months. LoriAn stated that the contract is not specific enough and needs to be redrafted because there is liability on our part to reimburse him if we sell, but there is no liability on his part if he fails. There are no penalties and no minimums outlined. Elizabeth asked Curtiss if Mr. Ruether would be willing to give up the lease. Curtiss responded that Mr. Ruether intends to fulfill his part of the agreement. LoriAn made a motion to have the contract amended with specific details about the ag exemption and the expectations to meet that exemption. LoriAn's motion died for lack of a second. Elizabeth suggested that we ask advice on what should be included in the contract. Barbara stated that we know what needs to be done according to the Appraisal District to get the ag exemption and that is what needs to be in the contract. So when Mr. Ruether fulfills his part, then we fulfill our obligation to the Appraisal District. Donald and Curtiss will inquire from experienced hay bailers what should be written in the contract and report back at the next meeting.

7. Discussion and Action, if necessary, regarding the appraisal and the for sale sign on the 54 acres at the Crossroads Business Park.

Elizabeth stated that she thinks the Board needs to be careful with the actions taken so down the road, if people are questioning them, we can say we did this and made the best decision. We don't want to just make a decision that someone can't justify by looking at our records fifteen years from now. About a year ago we agreed to put a sign on the 54 acre property. She thinks we should put up a sign that says "Riverfront Property for Sale." Several Board members stated there had been a sign there and Elizabeth said it did not say "Riverfront Property". Elizabeth wants to see open, above board efforts to so that everyone is aware that the property is available and that we would like either money or land in return for it. Also, there was an appraisal on March 15, 2013 and Elizabeth was concerned about that appraisal because it didn't have any comparables in it. She said if the Board is truly going to offer the land for sale, it would be nice to know they were quoting an accurate price. She said the Board needs to be very transparent in the actions concerning this affair and make the very best effort to get as much value as possible for the property. LoriAn said we have gotten three appraisals since she was on the Board and that it would be a waste of time to get another one. In the March 15, 2013 appraisal, the market value was \$880,000, \$16,200 an acre, which she thought was a reasonable number. Curtiss stated that the Board had tried to market the property with CB Richard Ellis and there was never a single call about it. The Board decided if there was a chance to trade that property for a piece of property that could be developed in the park, that they would. And now is the opportunity. He agreed the Board needs to be very transparent in the trade and that they are getting the value out of the property. He thinks the Board is going about it in the right way. Elizabeth said if the Board agrees with Curtiss, then she will agree with everyone because Curtiss made a valid point. Curtiss stated that everything had been documented and in open session and that he feels good about the process that has been taken to this point. Elizabeth recommended that no action be taken on this item.

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

Curtiss attempted to contact Attorney Barry Rutta, but did not speak with him. He thinks the best thing to do at this point is to go to our lawyer and also have the City's lawyer involved with this. LoriAn wants our attorney to draw up the contract. Elizabeth added that the purpose of transferring the mineral rights out of the Board's name was so in the future it would be the title company's responsibility to realize if they were

inadvertently transferred. Any income from the property from the mineral rights will belong to the economic development, while the actual rights to the minerals will belong to the City. She said that Pat Gillespie spoke to a TML lawyer and he said there was nothing prohibiting the transfer of the minerals to the City. The transfer of the rights will be the whole Park, minus KWI and Great Southern.

LoriAn Gobert made a motion to authorize Curtiss and Donald to go into negotiations with CCIDC's real estate attorney to draw up a contract to transfer the mineral rights from CCIDC to the City of Columbus. Joel Usher seconded the motion. The vote was as follows:

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

The motion passed.

9. Discussion and Action, if necessary, regarding updates about the existing Crossroads Business Park Tenants: E'Kabel.

Donald spoke with Jay Altieri, from Drymalla Construction Company, about another possible ten acres for E'Kabel and they are working on that right now. Barbara asked for some specifics about E'Kabel. The Board said that they are going to build a wire and cable manufacturing plant to produce fiber optic cable for the communications industry. The first contract with CCIDC did not require any employees because it was originally going to be for shipping and receiving, but they would start out with employees numbering in the teens. They would get most of their employees from here, except for upper management. The timeline to begin construction was three years and they have approximately 14 months left. Management and international issues were stated as reasons for the delay in construction.

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

There have been no new interests in the land. Curtiss stated he had not been in contact for some time with Texas Solar or LubriTech.

11. Discussion and Action, if necessary, to award the bid for bank depository.

There was only one bid submitted by First State Bank. The rates were discussed and they were better than the Logic account. The money can be moved in CD's later for a better rate. Curtiss stated that more clarification on their CD program would be brought to the next meeting.

LoriAn Gobert made a motion to award the bank depository to First State Bank. DyAnn Lauzon seconded the motion. The vote was as follows:

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

The motion passed.

12. Discussion and Action, if necessary, regarding modifications to the City of Columbus and County of Colorado's Tax Abatement Programs.

On the 17th of September, there will be a meeting with City Managers and Mayors of Columbus, Weimar, and Eagle Lake, all from Colorado County. The meeting will be for the purpose of discussing and amending the county's tax abatement program. They will be comparing the Wharton County and Austin County Tax Abatement Program to the Colorado County Tax Abatement Program. Right now our county only has a five year program and most of the surrounding counties have a ten year program. Mr. Sweeny will not be attending the meeting due to a conflict in interest. He works for one of the companies that might possibly move here.

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

This item was moved after item 15, but then tabled after executive session due to time constraints. Elizabeth handed out a summary on economic development spending from Susan Combs, State Comptroller, for use on setting goals in a future meeting.

14. 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 7:28 pm.

15. 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 8:08 pm, with the same members present as before. Byron Marburger moved to allow Curtiss to continue negotiations on real property from Executive Session. LoriAn Gobert seconded the motion. The vote was as follows:

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

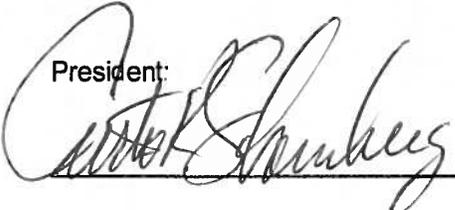
The motion passed.

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

No discussion of items for future agendas or announcements.

15. Adjournment

President, Curtiss Schonenberg, adjourned the meeting at 8:12 pm.

President:  _____

Attest
Secretary:  _____