

Minutes
Columbus Community and Industrial Development Corporation
Board of Directors Meeting

The Columbus Community & Industrial Development Corporation met in Regular session on Monday, **April 20, 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
Treasurer	-	Lori An Gobert-absent
Secretary	-	Elizabeth Flint
Board Member	-	DyAnn Lauzon
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 6:30 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 March 2015 Financial Statements.
- c) Approval of Quarterly Investment Report for the Quarter ended March 31, 2015.
- d) Approval of revised Regular Meeting Minutes for February 16, 2015.
- e) Approval of Regular Meeting Minutes for March 16, 2015.
- f) Approval of Special Meeting Minutes for March 23, 2015.
- g) Approval of Special Meeting Minutes for April 6, 2015.

Byron Marburger made the motion to approve the consent agenda as presented, with two corrections on the February 16, 2015 minutes. DyAnn Lauzon seconded the motion. The vote was as follows:

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

The motion passed.

4. Citizens' Presentations and Comments.¹

Andy Nunmaker will speak during agenda item 7.

5. City Manager's Report: Sales Tax

City Manager, Donald Warschak, stated the April sales tax revenue was up compared to last year's same time period. The CCIDC's portion of sales tax revenue was up about \$2,000 from last year. The City of Eagle Lake and the county also experienced increases in their sales tax revenue for the same time period, while Weimar saw a decrease in their revenue.

6. Discussion and Action to approve the Annual Financial Report for the year ended September 30, 2014.

Curtiss asked that the Board review this for the next meeting and then it can be approved at that point in time. Linda Lakich told the Board to contact her if they had questions. No action needed.

Barbara asked to get the agenda packet earlier to have more time to review it.

7. Discussion and Action, if necessary, concerning the new contract with E'Kabel.

Curtiss and the mayor contacted two different lawyers that represent economic development boards. One represented Brenham and one represented Bastrop. Both submitted resumes. LoriAn, Donald, Mayor Dungen and Curtiss reviewed the resumes and decided on Cary Bovey, the lawyer that represents Brenham. He was invited to a meeting to discuss concerns that came out of the April 6, 2015 meeting about the E'Kabel contract. Three Board members, DyAnn, Byron and Curtiss, were asked to sit in on the meeting so a special meeting. The concerns that were discussed were the 23.5 acre contractual agreement. Mr. Bovey said that it would probably be better to utilize the existing 10 and add to the 13.5. Curtiss called Cary and told him that he didn't think the Board would be happy with this contract because the Board did specify a new contract on 23.5 acres. Mr. Bovey said he did get an email from Juan Torrealba that reflected a conversation with his attorney to be expecting a contract that would reflect a new contract of 23.5 acres. Mr. Bovey said he did not think he needed to attend the meeting tonight to discuss a contract that the Board was not going to be working with. Curtiss said he had some concerns that can be forwarded to Mr. Bovey and then those concerns can be incorporated into the contracts because they want to move on this quickly, but to make sure it is done correctly. Byron said they are going to make sure they get a good contract and E'Kabel sounded like they were motivated now and have financing in place.

Elizabeth, Barbara and Joel voiced their concerns that the entire Board was not at the meeting to choose the attorney and discuss the contracts. Curtiss said he was trying to move things forward and choose a very good lawyer. Mr. Bovey has TML and economic development experience. He said he did not mean to stop on toes, but would accept responsibility for it.

Concerning the proposed contract, Juan Torrealba is good with rescinding the 10 acres. The mineral rights were not covered in the contract. The motion coming out of the meeting on April 6, 2015 was 24 full time employees, not full time equivalents, with an average of \$36,000 per employee made by June 2018, and an infrastructure performance agreement of 2 million of infrastructure with a time frame of 2 years ending in June 2017.

Performance Agreement:

Recitals:

Strike the 10 acres and acquiring the 13.5 acres and replace it with 23.5 acres. It needs to be very clear that the original 10 acres is gone and this contract will supercede any other contract before it.

Agreements: Section 3 (f)

The 24 full time equivalents needs to be 24 full time employees, at an average of \$36,000 per employee by June 2018. Also, a total of 48 employees by June 2020. DyAnn said in the meeting they felt like they needed to have a minimum salary. Byron stated that you could skew the numbers with high paid managers, but most of the people are going to be laborers and skilled technicians. He said he was hesitant to tell a business how much to pay their employees. Byron said the \$36,000 came from their application, so they are the ones that put that number out there. He said that they also had a larger number of employees on their application, and we brought that number down and put a time limit on it. There was not anything in the motion coming out of the meeting about a 5 year checkup. Curtiss suggested doing 24 employees by June 2018 and 36 by the end of 2020.

The part that states that if E'Kabel doesn't attain the employment level set forth in the agreement, then they shall pay CCIDC. This is a penalty if they don't have the base salary of \$36,000. The penalty will be \$36,000 per employee that is not up to the number agreed upon. If they don't pay, then it would be a breach of contract. The checkup in 2018 will be done by the City.

Agreements: Section 2 (a)- take out this section

Elizabeth mentioned that when they are discussing the 10 acres with the attorney, that the correct volume and page number is referenced from the courthouse because there have been 3 different references to this property.

Andy Nunmaker stated that the banker at Wallis State Bank said they were putting up working capital and letters of credit, but that E'Kabel was also using money of their own. They will be using the land and structures as collateral.

Real Estate Contract:

Article 9- E'Kabel should assume all costs

Article 10.1- Sellers cost should be zero

All closing costs should be E'Kabel's responsibility

Curtiss will take the corrections from this meeting to Mr. Bovey.

8. Discussion and Action, if necessary, to approve the Habitat for Humanity Performance Agreement.

No discussion or action taken. This item will be on the next agenda.

9. Discussion and Action, if necessary, to approve the engagement letter for legal counsel from Cary Bovey.

No discussion or action taken. This item will be on the next agenda.

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

The investors from Acorn Seekers will be in Columbus and would like to speak to the Board at some point. Mr. Murga has not sent in his application, and Elizabeth asked about sending out the financial information on the application through email so it could be reviewed without coming to City Hall.

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

Curtiss stated that we are moving forward and Mr. Kearney is in place. Elizabeth asked if an appointment had been made to discuss the ag exemption status with the review board.

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

The Board is still waiting for the transfer of properties. No discussion or action needed.

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

OIC- They have officially bowed out because some of the investors are pulling out due to the downturn in the oil industry.

Prime- Donald and Curtiss will be meeting with them tomorrow. Elizabeth asked if they had filled out an application. Curtiss stated that the meeting is pertaining to Texas A&M offering a review of a business. They look at how the business is run and offer suggestions.

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

Curtiss said the application was an old form and needed to be beefed up. Elizabeth asked if Andy had any recommendations regarding the application. Mr. Nunmaker did not have any recommendations now.

Curtiss tabled this item until the next meeting. Curtiss asked that utilizing Mr. Nunmaker as a consultant be put on the next agenda. Curtiss said he had a wealth of information that the Board would benefit from. Elizabeth suggested amending the business references, bank references, personal references, and business financial statements, along with adding the owners of the company on the application.

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

This item was tabled until the next meeting. No action was needed.

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

Elizabeth contacted the person from Lamar Institute of Technology, but there was nothing they could help with since Columbus was out of their service area. She also contacted Wharton County Junior College. In order for them to help, they would have to partner with a business to give them something beyond classroom instruction. There would have to be at least 100 employees for them to come out to set up a classroom, skills stations and equipment. So basically, Wharton County Junior College cannot help. The group would not be large enough and there would not be one specific skill. Barbara said this was about meeting with local businesses and school districts concerning job training. She said talking to the local businesses would maybe be the first thing to do. Curtiss said that was his original intent. He wanted to talk to local school districts and businesses to see if we can implement something at the local schools to help the kids coming out of school have a better skill set. DyAnn and Joel volunteered to talk to the Columbus superintendent and Andy Nunmaker said he would speak with the Weimar superintendent. Curtiss said the intent was to talk to Columbus, Weimar and Eagle Lake. Mr. Nunmaker said Weimar wants to add a whole curriculum to their votech program, but they are not big enough to do it by themselves. Mr. Nunmaker also said he thought it would be great to get the schools and companies in the area involved. Curtiss said there is a need and he thinks the Board can do something to help. Barbara volunteered to talk to the Chamber of Commerce to see if they will canvas businesses that would be interested in this.

17. 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.

No Executive Session was needed.

18. 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.

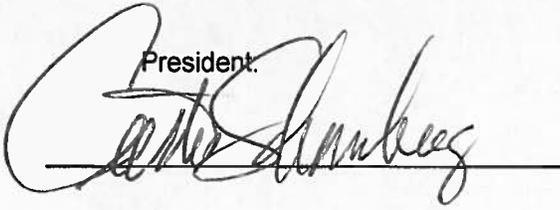
19. Discussion of items to be placed on the future agendas and announcements.²

Donald said that work is being done on the surveying for the exchange. Barry Rutta will be the lawyer for that. As soon as the surveys are complete, the easements can be taken care of.

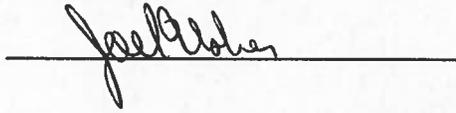
20. Adjournment

President, Curtiss Schonenberg, adjourned the meeting at 8:45 pm.

President.

A handwritten signature in cursive script, appearing to read "C. M. ...", written over a horizontal line.

Attest
Secretary:

A handwritten signature in cursive script, appearing to read "J. ...", written over a horizontal line.