

Minutes
Columbus Community and Industrial Development Corporation
Board of Directors Meeting

The Columbus Community & Industrial Development Corporation met in Special session on Monday, **May 4, 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
Secretary	-	Elizabeth Flint
Board Member	-	DyAnn Lauzon
Board Member	-	Joel Usher-arrived at 6:40
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. Discussion and Action, if necessary, regarding Andy Nunmaker as a consultant for CCIDC.

Curtiss stated that Andy Nunmaker had been at the CCIDC meetings in an advisory capacity. He was cleared by his boss to be a consultant to the CCIDC Board. He would be a non-paid consultant. Byron said Mr. Nunmaker had been prepared and had done his homework for the prior meeting and he adds knowledge to the Board. Curtiss also stated that Nunmaker is a resident of the county and would serve as a Board member if the opportunity would arise. The bylaws would need to be changed if that were to happen, since he lives in the county. The bylaws states only 2 members can live outside the city limits. Byron asked that the discussion of the bylaws be added to the next agenda.

Lori An made a motion to make Andy Nunmaker a non-paid consultant for CCIDC. Byron Marburger seconded the motion. The vote was as follows:

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

The motion passed.

4. Discussion and Action, if necessary, concerning the new sales contract and performance agreement with E'Kabel.

Attorney, Cary Bovey, was in attendance at the meeting to answer questions concerning the E'Kabel real estate contract and performance agreement changes.

Real Estate Contract:

Article 1.1- seller will reserve oil, gas, liquid hydrocarbons and other minerals

The reservation of mineral interests were changed in favor of the CCIDC. Mr. Bovey also stated that he added the provision in the performance agreement. He stated that since we are not out of the 60 day

time period after the advertisement of the notice of the project with E'Kabel, there is a potential that a petition could be circulated and then an election is required under state law. So he put the provision in the agreement that says at closing, if there is a petition that is successful that requires an election on the project, then all these time periods will be put on hold until the election is held and the transaction approved. The reason the 60 day time period is state law is to allow someone who has questions about the project to circulate a petition and require an election on the issue. The 60 day time period starts on the day of the publication of the notice of the project, which was April 30, 2015. Elizabeth asked how the public could object to a contract that the Board has not even finalized. She stated that it was unfair to ask the public to make that decision. Mr. Bovey stated that under state law, whenever an EDC is considering a project, then state law requires the EDC to publish a notice of the project, even before they enter into any agreements. If a citizen comes to a meeting or sees the publication in the newspaper and they are against the project, a petition can be circulated. If the 60 day window is passed, it is too late to object to the project.

Additional questions:

Barbara asked if the original contract for the 10 acres had been voided. Mr. Bovey replied that he would suggest that be done by a simple one page agreement to rescind the 10 acres, which would have the deed conveying the property back to CCIDC in it. He stated that E'Kabel's attorney, Boots Goldberg, is aware of the desire of the Board to start over and he didn't have an issue with that.

Barbara asked if there was documentation of the owners of E'Kabel. Mr. Bovey stated that he would get some documentation of ownership of the company to satisfy the Board. He said he did check on the franchise tax status of the company, and E'Kabel is in good standing with the comptroller's office.

Article 10.1- Transaction Costs

Byron said that he thought the Board agreed at the last meeting that CCIDC was not going to pay any closing costs, and that the buyer was going to pay. Byron said that this contract has CCIDC paying some of the closing costs. Mr. Bovey said he was not aware of that and he would change it. He asked if E'Kabel was aware of that. Curtiss said they did not know. Donald said that E'Kabel was paying for the survey costs. Mr. Bovey said he would change it to where the buyer is responsible for all the transaction costs and reduce that part of the contract down to one paragraph.

Performance Agreement:

Section 3, Page 4(i)

Mr. Bovey stated that this provides CCIDC with some security in case E'Kabel ends up not building. If they have not built by the said time, then CCIDC has the right to repurchase for \$10. E'Kabel would pay all the closing costs again because they defaulted.

Joel Usher came in at 6:40 pm.

Section 3, Page 3(f)

Elizabeth asked, where it says at least 36 full-time employees at E'Kabel's business operations on the property, if saying at least for the past year was needed. Mr. Bovey said that was a possibility. Elizabeth said she was not saying these particular employees should have been there the last year, but the full-time positions should have been filled. Byron asked how the Board would know if the positions were filled. Mr. Bovey said E'Kabel would be required to report to the Board by June 30th. They are supposed to certify their compliance with this agreement by June 30th, 2018. Mr. Bovey said that CCIDC will have access to their records as it has to do with this agreement. Concerning the employment for one year, Mr. Bovey stated that it could be addressed by saying they have to maintain employment for 12 months. He said that the Board could pick out a period of time that they want to require E'Kabel to prove they have 36 employees for a certain number of months. Lori An asked if Mr. Bovey recommended putting a period of time in the agreement. He said he thought it was wise to put that in there. Mr. Bovey will add the 12 month checkup.

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

Curtiss stated that Mr. Bovey reviewed the Habitat for Humanity performance agreement that was drawn up by Pat Gillespie. Curtiss said that City Council had a question about the Habitat grant because it was self-perpetuating. Mr. Bovey stated this contract is not limited to the city limits of Columbus. He recommended some additions to the agreement be made and to tighten it up, and he will have it ready for the next meeting. He asked if the Board wanted the agreement to be on a "per grant" basis, not a revolving loan type situation. Elizabeth stated the Board wanted to be able to use this multiple times. Mr. Bovey said he can make a form to be used multiple times.

Curtiss put a hold on item 5 to move to item 7 to approve the engagement letter for Mr. Bovey as CCIDC's legal counsel.

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

Lori An made a motion to approve the engagement letter from Cary Bovey for legal counsel. Joel Usher seconded the motion. The vote was as follows:

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

The motion passed.

Mr. Bovey said he would be honored to be CCIDC's legal counsel.

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

Item 5 was reopened.

Lori An made a motion to have Cary Bovey, our new legal counsel, review and redraft the performance agreement for Habitat and a generic performance agreement that can be used for other projects, moving forward. Byron seconded the motion. The vote was as follows:

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

The motion passed.

Mr. Bovey also stated that whenever you are going to engage in a project outside of the city limits, you have to have a approval of the governing body of the jurisdiction outside of the city limits, which is the county commissioner's court. If this performance agreement is limited to the city limits of Columbus, there will not be an issue. Just be aware that in the future, if you want to attract a business and there is an incentive you want to give outside of the city limits, you have to have approval from commissioner's court.

6. Discussion on the land exchange at the Crossroads Business Park.

Curtiss stated that the exchanging the 54 acre property was in an ongoing process. Elizabeth said that the current land owner of the 54 acres wanted the Board to pay the difference on the additional taxes if the agricultural exemption was not granted. She asked Mr. Bovey if that was something that could be done. Mr. Bovey stated that you can enter into an agreement, as long as it is a project, with terms that the Board feels are in the best interest of the Board, including some extra compensation for the taxes that may have to be paid. City Manager, Donald Warschak, asked if the 60 day notification period applied to this same contract situation. Mr. Bovey said it did. He said to consider in the future, when publishing notices of the budget, to have anticipated projects for the year with the 60 day window handled in one publication to minimize the number of notices in the newspaper. He stated that an EDC is not subject to the same restrictions as a city in terms of exchanging property.

Mr. Bovey thanked everyone and said he looked forward to working with everyone.

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

No Executive Session was needed.

9. Reconvene into Regular Session and consideration and action, if any, regarding Executive Session, deliberations regarding real property and economic development.

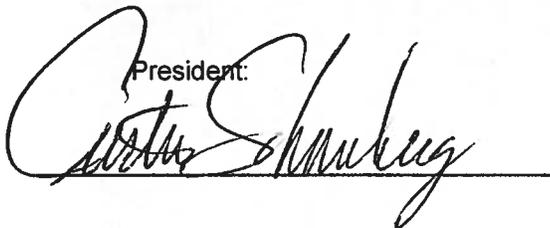
This item was not needed.

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

Barbara Peterman asked that the Board get information sooner.

11. Adjournment

President, Curtiss Schonenberg, adjourned the meeting at 7:32 pm.

President:


Attest
Secretary:

