

Minutes
Columbus Community and Industrial Development Corporation
Board of Directors Meeting

The Columbus Community & Industrial Development Corporation met in Regular session on Monday, **May 21, 2012** 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
President Elect	-	James Weishuhn
Treasurer	-	Matt Sprague (absent)
Secretary	-	Elizabeth Flint
Board Member	-	John Mau
Board Member	-	Steve Woodall (arrive at 7:10pm)
Board Member	-	Lori An Gobert (absent)
City Manager	-	Donald Warschak
City Secretary	-	Linda Lakich
Assistant City Secretary	-	Kayla Duncan

1. Call to Order.

President, Curtiss Schonenberg, called the CCIDC meeting to order at 6:35 p.m.

2. Pledge and Invocation.

The Pledge of Allegiance and Invocation were led by Curtiss Schonenberg.

3. Consent Agenda

- a. Approval of invoices.
- b. Approval of April 2012 financial statements.
- c. Approval of regular meeting minutes for April 16, 2012.

Kayla explained one of the invoices to the Board. There were no other questions about the consent agenda.

James Weishuhn made a motion to accept the consent agenda as presented. John Mau seconded the motion. There was no discussion. The vote was as follows:

Ayes: Schonenberg, Weishuhn, Flint and Mau

The motion passed.

4. Citizen comments.

Chuck Rogers signed up to speak during Item 9 as needed.

5. City Manager's Report: Sales Tax.

Donald Warschak, City Manager, state that the City of Columbus saw a slight dip in our sales tax revenue as compared to the same time last year. In May 2011 sales tax revenues were \$38,264.70 and in May 2012 tax revenues are \$37,615.67. He stated that in the state San Antonio, Houston and Austin all saw an increase, while Dallas saw a slight decrease. He also stated that Colorado County, Weimar, and Eagle Lake all saw an increase in tax proceeds over the same time last year.

Donald talked about how he is currently talking to AEP about a power agreement at the Industrial Park and finding out what the Board needs to do at this time. James asked if the Board thought that they should press the incoming companies for load analysis now rather than later, even if the

numbers are just preliminary. Donald stated that he would talk to the companies and try to get some information from them.

With regards to clearing, Donald updated that Board. Schomburg Dozer Service is clearing and had started burning. He stated that they should have most everything taken care of out there in about a week.

Donald brought up the subject of Schomburg clearing the TxDot right-of-ways. He stated that if they are going to do it, now would be the best time while there are dozers out there. He also talked about the advantages of clearing the land. James Weishuhn asked why TxDot is not clearing their own right-of-way and asked if we could ask them to clear it instead of CCIDC paying for it. James stated that he thought the Board should ask them before they spend their money in the state's right-of-way. He also brought of the issue of possible liability if something were to happen. Curtiss stated that they had talked to the state and that they said it was okay for the CCIDC to clear their land.

6. Discussion of application to begin history of agricultural exemption at Industrial Park.

Elizabeth Flint stated that she completed and submitted the application for agricultural exemption. Please see the letter attached to these minutes. She stated that Bill Mitchell spoke to her and that the CCIDC was not awarded the exemption because of lack of history, but that he is aware that they are establishing it. She stated that he also indicated to her that the work the CCIDC is doing to get ready to put it into hay production this year would be enough to qualify this as a year.

7. Consideration of Annual Financial Report for 2011.

Curtiss told the Board that they would not be acting on this tonight so that the members of the Board could take it home and look over it. Curtiss pointed out some of the charts in the Financial Report. He stated that it would be discussed at the next meeting.

8. Discussion and Action regarding maintenance contract at the Industrial Park.

Curtiss stated that this is the place that the Board could discuss clearing the TxDot right-of-ways. Curtiss stated that in the interest of time, he believed that the prudent thing to do would be to move forward with it because Schomburg Dozer Service is almost done out there. He talked about clearing two different pieces of TxDot property to make the property visible from both the north and the south. Curtiss stated that this clearing would be an extra \$2,500.00 if they clear both or \$1,300.00 if they just clear the one right-of-way.

Elizabeth Flint stated that she thought they should anticipate some expenses for chemical huisache control the remainder of the year. Curtiss stated that he had talked to Chuck and most of the huisache popped right out.

James Weishuhn stated that he still has an issue with spending their money in the state's right-of-way. He talked about some of the liabilities that the CCIDC might face in doing this work. He stated that if they do this they need to proceed with utmost caution. Curtiss stated that the CCIDC has their insurance requirements, but that he was not sure if those requirements met the state's requirements. James, Donald, and Curtiss brought up many different things that they will have to think about if they decide to clear this land. James stated that he would like to act on it with provisions.

Elizabeth Flint stated that her feelings were that the goal of clearing the property now is not to make it pretty so that someone will want to buy it, but to qualify it for an agricultural exemption so that at a later date they can do a like-kind swap with the land. She stated that this does not fit into what she thought their goal was. Curtiss replied that their goal was to work towards qualifying for the agricultural exemption plus make it presentable so that if someone did want it they could recognize

it for its beauty and so forth. Curtiss stated that this land is for sale. Elizabeth agreed that he had a point.

James Weishuhn stated that he agreed that it needs to be done, but that it is not something that they can just jump out there and randomly do. Curtiss asked James to come up with a list of provisions for this.

Curtiss Schonenberg made a motion that they move forward with the clearing of both section for the \$2,500.00 with the list provisions that James Weishuhn is working on. The motion was seconded by James Weishuhn with the provisions. Curtiss asked if there was any other discussion.

Donald stated that they would have to have at least the minimum signage out there according to the state. Curtiss brought up the issue of buried cables. Elizabeth Flint stated that they needed to look at insurance and liability, cables, and traffic control. Jody Ripper stated that a locate had been done on the area and there were no buried cables in the right-of-way. James brought up the possible need for a storm water pollution prevention plan since they would be working close to the river. Donald stated that they would have to put up some silt fencing. James stated that there will be monies involved and that it may be about \$500.00 but probably more. Donald stated that they could put in a \$1,000.00 contingency.

Curtiss added that a provision should be that the total cost not exceed \$3,500.00.

James Weishuhn listed the provision that the motion on the table referred to by stating that along with the motion that is on the table to proceed with a change order for additional scope on the clearing project, that work needs to be closely coordinated with TxDot to include: ask if a traffic plan is necessary or what provisions of a traffic plan would they like to see us implement or if they could volunteer their own staff to be our flagmen, buried utilities – Jody stated that per the locate done on the area there are no buried lines, ask whether they can help us out in the future – which he knows they cannot guarantee, ask what the insurance and liability requirements are for their contractor, and a storm water pollution prevention plan. He continued by adding that if the sum total of those additional items is less than \$1,000.00 then the Board has the City Manager move the change-order forward for a total of less than \$3,500.00.

John Mau asked how far the contractor is from being able to do this clearing. Curtiss replied that he is right there. Elizabeth asked if it was going to be able to happen before he left the site. Curtiss stated that is what they are trying to do. Curtiss stated that he is within a week to 10 days of being done.

Curtiss stated that there is a motion on the table made by Curtiss Schonenberg and that it was seconded by James Weishuhn. He asked if there was any discussion. The vote was as follows:

Ayes: Schonenberg, Weishuhn and Mau
Noes: Flint

The motion passed.

9. Discussion and Action regarding Automated Weather Observation System (AWOS).

Curtiss stated that this had gone to the City Council but because the county had not acted on the issue yet, they are still awaiting the county's stance on that issue. Curtiss asked the Board to table the item.

Elizabeth Flint asked if there was a written long range plan. Chuck Rogers stated that the airport has a Layout Plan that has been approved by TxDot and issued to the county and the county has accepted that. He stated that Layout Plan is on file with the county. He then explained what makes up the Layout Plan. She stated that she would like to see the Layout Plan.

Steve Woodall arrived at 7:10 p.m.

Elizabeth Flint asked for clarification of a letter that was written by a member of the Airport Advisory Board, Dr. Hancher, and read during a City Council meeting. Curtiss explained what he took from the letter and stated that the issue is still active at the county level.

Elizabeth stated her concerns about the expansion of the airport. Steve Woodall stated that this is a moot point because City Council is not going to move on this until a formal request from the county comes in. He continued by saying that this whole discussion is really about the Board either backing out or wanting to go forward.

Elizabeth Flint asked John Mau his opinion on the matter. He stated that there is a lot of positive and there is a lot of grey area involved in this. He stated that he sees it being a benefit down the road, but that there are some hills that they need to get over.

Curtiss stated that this is on the County's agenda for their next meeting.

Steve Woodall brought up rescinding the original motion and Curtiss agreed that it probably would not be a bad thing to do until they get a formal request, so that it is not an open ended situation.

Steve Woodall made the motion to rescind the original motion made by Lori An Gobert to approve the amount of \$14,434.50 for the Automated Weather Observation System for the Robert R Wells Airport. The motion was seconded by John Mau. There was no further discussion. The vote was as follows:

Ayes: Schonenberg, Weishuhn, Flint, Woodall and Mau

The motion passed and the original motion was rescinded.

Curtiss stated that they would wait for the county to revisit the Board about this.

10. Discussion and Action regarding fencing at the Industrial Park.

Curtiss stated that with the current contract with Brushline Dozer Works the 100 foot right-of-way on the west side of the Industrial Park was fenced off when they put that road improvement in. He stated that the fence was continued from the railroad property and connected to the chain-linked fence of Great Southern Wood. This in effect fenced off the CCIDC's 100 foot right-of-way. From a maintenance standpoint, to get in there and clear it and to be able to maintain it in the future, they are either going to have to do something about gating it or fencing it. Donald stated that about 600 feet of fencing would be needed. They pulled up a map of the area in question on the projector so that the Board could see the area they are talking about.

Elizabeth Flint stated that you cannot take public land by adverse possession and so she did not think there is any point in them fencing it. She added that they are at an advantage in that they are grazing the property now and if and when they need to mow it why don't they just cut the fence and then repair it.

Steve Woodall asked who was grazing the land. Elizabeth Flint stated that it was Southern Pacific's property. Steve stated that that bothers him because the Board has a liability because somebody else's property is on the Board property. Curtiss stated the Mr. Holman is running cattle on that property and that fence is the only thing keeping them restrained. James stated that they should lease the property to him for one dollar (\$1.00) and avoid spending money on the fence; that way he is in control of it, making use of it, and the Board does not have to spend the money for fence. Steve added that it would need to be a month to month lease.

Curtiss stated that they need to gain access to get this clearing taken care of. James stated that they could put a fence on it or cut a gap and then repair it when finished. Elizabeth asked why they needed to clear the land. Curtiss replied that the land was part of the clearing bid awarded to Brushline Dozer Works.

Elizabeth stated that if it needs to be cleared the cheapest thing to do would be to cut the fence, do the clearing, and then repair the fence.

Donald stated the three (3) different estimates he had received for putting in fencing along the CCIDC's property line. All estimates were over \$1,500.00.

Curtiss stated that he sees two options. One is to put in a gate and clear it so that they can still maintain it or put in a fence. James Weishuhn stated to putting in a gate would probably cost less than \$500.00.

Steve stated that he thought they need to get Pat, the City Attorney, to take a look at this and give the Board her opinion and recommendation on what they need to do.

James Weishuhn made the motion to table any decision on fencing the western right-of-way easement along the Union Pacific property with the recommendation that they get a legal opinion from Pat, the City Attorney, concerning liability issues. Curtiss Schonenberg seconded the motion.

Steve Woodall asked how that works with relationship to the Dozer people getting in there and clearing the land. He asked if they need to approve for them to go and cut the fence so they can get in. Curtiss stated that he is going to have to get his machinery in there and then re-establish the fence to keep the cattle in there. Steve stated that right now they cannot get through the fence and asked if they should add to the motion about letting him in there and repairing the fence. Curtiss stated that from a time standpoint they are probably safe to hold off because it is still wet.

Curtiss stated that they have a motion made and seconded. There was no further discussion. The vote was as follows:

Ayes: Schonenberg, Weishuhn, Flint, Woodall and Mau

The motion passed.

James asked that we also ask Pat about leasing the land to the current tenant.

11. Discussion regarding rail priority.

Curtiss stated the he and Donald went to a planning meeting and they were asked about how the CCIDC is addressing the rail access at the Industrial Park. They were told that in some other places property with rail access is held at a premium.

Curtiss stated that they have one property with rail access and asked the Board how they want to handle that.

Curtiss then stated that he was combining Items 11 and 12. For the rest of this discussion please see Item 12.

12. Discussion regarding long range planning for CCIDC.

Curtiss then asked what the Board is going to do if they decide to prioritize that and they have a potential "non-rail" tenant approach the Board. Curtiss stated that he wants to get this out there and get people thinking about it. Steve Woodall stated that they have new board members coming on at

the next meeting and that it might be beneficial to discuss this. Steve suggested that a tour of the facility be done by the Board and then have a workshop.

The Board looked at the layout of the Industrial Park and talked about the size and location of the available properties, the possible future uses/tenants of unsold tracts, and the possible expansion opportunities at the Park.

James Weishuhn stated that it is a "catch-22" but to him it is a first come first serve if it is a good enough deal (they are bringing enough jobs, ect. into town). Steve stated that he thought that no matter what plan they come up with, that plan should always be open to change based on the facts at hand. Elizabeth Flint stated that she thought that they should not commit themselves to a plan for the future and instead evaluate each situation as it comes before the Board. Steve disagreed with her and stated that he thought they should develop a plan because they need to pay attention to the properties and what they should be used for but that they should also be open to making changes.

Curtiss stated that he wanted this on the agenda so that the Board would start thinking about it and that there is no action for this item.

13. Discussion regarding an update on potential prospects at the Industrial Park.

Curtiss stated that he and Donald had visited with an oil related company that had approached the Board. He stated that he and Donald showed them the park and the potential sites. He added that they would need rail and that neither he nor Donald had heard back from them yet. He stated this is a foreign company and that they are in their initial planning process.

Curtiss stated that the second prospect was a machine company and that Elizabeth and Steve paid a visit to those people. Elizabeth stated that she was very impressed with his operation, but that they need to be careful and protect themselves from similar operations in the future that are not run perhaps as well as his is. She added that she thought Curtiss' idea of small tracts would be alright, but she added that the purpose of economic development is to retain and create jobs for the community and that they should not completely disregard their limitations. Curtiss stated that he thought this was the intent of the original Board to have an area that was devoted to small tracts and gave the example of the incubator project. Steve stated that he thought it would be short-sighted not to consider it. James Weishuhn asked if the company was looking for abatement and what kind of package does he want. Curtiss replied that he is looking for an acre and access into town. He stated that the owner does not want to expand at home anymore, but that he does need to expand. Elizabeth stated that he never mentioned abatements. Steve stated that he is looking to expand, likes the ease of access to Interstate 10 and that he has not stated that he would not buy the property.

Items 13 and 14 were combined. Please see Item 14 for the remainder of the conversation.

14. Discussion and Action regarding small acreage tracts at Industrial Park.

Curtiss stated that he thinks they could start out with an area that would be conducive to two projects and set that aside in the original incubator area. James talked about how a single acre is very small and that once someone gets out there they may realize that they need more land. Steve stated that he thought they should have a minimum acreage that they will sell and that he thought one (1) acre is "pushing it". Elizabeth brought up the incentive of free land. Steve did not think that they should offer the incentive of free land because while they are looking at substantial investment, they are not looking at substantial employment. Elizabeth agreed. John Mau asked if they could develop a plan and maybe develop this tract into a "mini industrial park" and divide it up so that it is most beneficial for the City. Donald talked about possible designs for small acreage tracts.

Curtiss stated that if they want to move on it, it will have to go to the ACC because under the covenants of the Park, the Board cannot sell a piece of property of less than four (4) acres unless it goes to ACC. He talked about what the ACC might do, such as designating the area as a small tract area. Steve recommended having a workshop to discuss this. Curtiss asked if they should send this to ACC.

James made the suggestion that they so look at minimum one (1) acre parcels and the one acre parcels could be put together like building blocks to the owners' specific venue as needed. Elizabeth Flint agreed with James' plan, but that she does not want to have a patchwork and that she would like to have some plan that would make the sold tracts contiguous. James talked about how there will probably be a need to make decision as they go and that it would be difficult to come up with a hard set plan because they do not know the needs of any possible future tenants. John Mau talked about how the ACC might be able to look at others who have come across the problem of oddly shaped property and that they do not "need to reinvent the wheel, they just need to make it rounder".

Steve suggested that Donald and James come up with some possibilities for the layout of these small acreage tracts.

Elizabeth Flint made the motion to make the western side of Tract E a small acreage tract project. The motion was seconded by Steve Woodall. There was no further discussion. The vote was as follows:

Ayes: Schonenberg, Weishuhn, Flint, Woodall and Mau

The motion passed.

Curtiss stated that this now has to go to ACC.

Steve asked why not designate the entire tract for small acreage. Curtiss stated that the eastern side of the tract could be valuable because it is the most visible tract. Elizabeth agreed.

James asked if Donald could contact Mr. Swyden and get the possible dimensions for the building that he would like to put in.

15. Discussion and Action regarding updating the CCIDC marketing.

Curtiss stated that Kayla had made some more changes to the website. Kayla mentioned that, as requested, she had added more information about the school district and the hospital to the website. Curtiss asked Kayla to get with the hospital and school to make sure that the information she has is the most up to date that she can get. Curtiss stated that the KWI logo is on the website, but that Kayla is still working on getting the okay from Great Southern to put their logo on the homepage.

16. Discussion regarding Kerry R. Gilbert study.

Curtiss stated that he City Council is having a workshop on the historical district on Tuesday, May 22, 2012 at 6:30 p.m. in the council chambers. Steve asked for everyone to pass the word on because they need a good turnout for this so that they can find out what the issues are and address those issues. Steve stated that they need input.

Donald stated that the Housing Committee is having a meeting this Wednesday, May 23, 2012.

17. Discussion and Action regarding KW International.

Curtiss stated that they have not heard anything from their engineering. Elizabeth stated that she is apprehensive that they have already paid the real estate fees and that nothing is happening. Curtiss talked about how their project seems to keep getting larger and larger in scale. Steve asked if someone on the Board needed to visit with them. Curtiss replied that he and Donald have been in contact with them, but have not gone to their corporate office in Houston. Elizabeth stated that they have a three (3) year tax abatement and that they do not care what they do within those three years because if they have not met their obligation at the end of three years then they pay the CCIDC for the land.

18. Discussion of items to be placed on future agendas.

Items to be placed on future agendas include:

Curtiss Schonenberg – He would like to see the agenda basically stay the way it is right now. Curtiss thanked the outgoing members of the CCIDC Board.

James Weishuhn – James Weishuhn stated that he will look at his calendar and then give suggested dates for the ACC meeting.

John Mau – No comment.

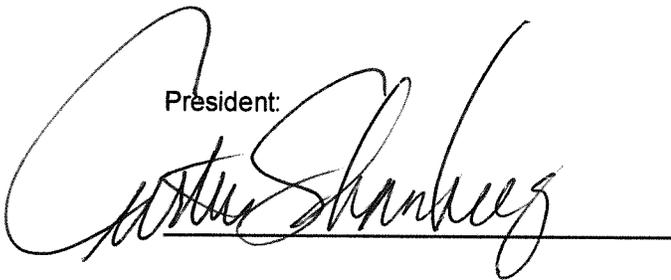
Steve Woodall – Asked if the ACC has to follow the Open Meetings Act. Donald stated he thought last time they sent notices out to the tenants at the Park and posted notices for the meeting.

Elizabeth Flint – She felt that they should invite Mr. Swyden to the ACC meeting.

19. Adjourn.

President, Curtiss Schonenberg, adjourned the meeting at 8:15 p.m.

President:



Attest
Secretary: