

Minutes
Columbus Community and Industrial Development Corporation
Board of Directors Meeting

The Columbus Community & Industrial Development Corporation met in Special session on Monday, **July 16, 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	-	Steve Woodall
Treasurer	-	Matt Sprague (absent)
Secretary	-	Elizabeth Flint
Board Member	-	DyAnn Lauzon (arrived at 6:45 p.m.)
Board Member	-	Joel Usher
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 June 2012 financial statements.
- c. Approval of regular meeting minutes for June 18, 2012.
- d. Approval of Investment Report for the quarter ended June 30, 2012.

Curtiss Schonenberg had Kayla Duncan, Assistant City Secretary, go over the invoices to be approved. Curtiss explained the background behind the Brushline Dozer Works invoice. There were no questions concerning the invoices.

Steve Woodall stated that they might need to start looking at the budget because some of the numbers are in the negatives. Linda Lakich, City Secretary, stated that it is a little skewed because the CCIDC has already made their debt service payments. There were no other questions concerning the June financials.

Curtiss stated that Kayla had made one correction to the minutes that he had pointed out before the meeting and the minutes in the packets in front of the Board members reflected that correction. Curtiss stated that he did not see any other corrections that needed to be made. There were no further comments.

Curtiss stated that everything looked pretty straightforward with regards to the Investment Report. There were no further questions about the Investment Report.

Steve Woodall made the motion to approve the Consent Agenda as presented with corrections to the minutes as already made. Elizabeth Flint seconded the motion. There was no further discussion. The vote was as follows:

Ayes: Flint, Woodall, Usher and Schonenberg

The motion passed.

4. Citizen comments.

Kevin Ruether, Kevin D. Ruether Contractor, wished to speak during item #8.

5. City Manager's Report.

Donald Warschak, City Manager, stated that the CCIDC's portion of sales tax revenues for the month of July was \$28,783.94 in comparison to last year at the same time with \$27,454.44. He stated that the City as a whole saw an increase in sales tax of about \$4,000.00 in comparison to last year. He stated that Colorado County saw a decrease while Columbus, Eagle Lake and Weimar all saw an increase in sales tax revenue. There were no questions for the City Manager on his report.

6. Discussion and Action to appoint three (3) members to the Architectural Control Committee.

Curtiss stated that they postponed this at the last meeting and that his recommendation at that point in time was to put Donald Warschak as a member of the ACC because he brings a lot to the table because he knows the park. Curtiss also stated that they could appoint another individual and have Donald continue to sit with the Committee as an advisor if he did not sit as a member and so they would have four (4) points of view.

Steve Woodall nominated Elizabeth Flint, Donald Warschak, and Matt Sprague to be members of the Architectural Control Committee.

Curtiss stated that Matt had not previously been a member of the ACC. Elizabeth Flint stated that she believed Matt had previously declined to serve on the ACC. Curtiss explained the history and purpose of the ACC to the new Board members. Steve Woodall stated that he would like to change his nominations since Matt was not present at the meeting.

At 6:45 p.m. DyAnn Lauzon arrived.

Steve Woodall changed his nominations for the Architectural Control Committee to Elizabeth Flint, Donald Warschak, and Curtiss Schonenberg.

Elizabeth Flint stated that she believed it was unfair to ask Donald to do something else in his role as City Manager and, while she did feel that his experience and knowledge would be a wonderful advisor, she would really like to have someone else actually be on the committee. She stated that she had talked to a couple of City Councilmen and they might have some ideas of who might serve. Donald stated that he would be at the ACC meetings regardless. Curtiss stated that both situations have merit and even if Donald were not appointed as a member they would still have the privilege of Donald's input. Joel Usher asked if there would be any legal issues with Donald being appointed as a member. Curtiss stated that he did not believe there would be any legal issues. He also stated that the decision-making is made by the CCIDC Board and that the ACC brings the information to the Board. Elizabeth Flint stated that she would like to see an engineer fill that position if Donald is not appointed. Curtiss agreed and stated that was why he had looked to Donald. Curtiss asked Steve Woodall if his nominations still stood. Steve replied in the affirmative.

Joel Usher stated that he did not see a problem with Donald being appointed and seconded the nominations. Curtiss stated that the current people nominated were Elizabeth Flint, Donald Warschak, and Curtiss Schonenberg by Steve Woodall and asked if there was any more discussion. There was no further discussion. The vote was as follows:

Ayes: Flint, Lauzon, Woodall, Usher and Schonenberg

The motion passed.

7. Discussion and Action regarding the land west of Great Southern Wood Preserving at the Industrial Park.

Curtiss explained the history of this piece of property as discussed in previous meetings. Curtiss stated that Doug Woods is still planning on coming down to talk to them and that he does not have anything further on this item. Elizabeth stated that she did not realize that they had discussed wanting to fence that area and she thought that their last decision was to work with the gentleman who was currently grazing the land and get a nominal lease for him to continue to graze it. Curtiss stated that they originally intended to clear those properties so they could keep them maintained and if they do not fence it every time they go in there they will have to go in from the fence down the road. Curtiss stated that Southern Pacific did not have an issue with that, but there is a liability issue for the individual running cattle on CCIDC property. Steve asked if Pat had been contacted about this. Curtiss stated that she had not because the Railroad stated that there was a good chance they would be able to get it fenced and so that would not be an issue. Curtiss stated that he thought the individual with the Railroad would have been to Columbus much sooner. Elizabeth asked if the Railroad was going to pay for fencing and Curtiss replied in the affirmative. Elizabeth discussed obtaining agricultural exemption of that property, but Curtiss stated that the property would be too small. Steve Woodall suggested that they table this item and talk to Pat about the liability issue.

Steve Woodall made a motion to take this issue to Pat Gillespie, the City Attorney, to discuss the liability and any other legal issues. Curtiss Schonenberg seconded the motion. There was no further discussion. The vote was as follows:

Ayes: Flint, Lauzon, Woodall, Usher and Schonenberg

The motion passed.

8. Discussion and Action to award bid for leasing the 54 acres on the north side of the Industrial Park.

Curtiss Schonenberg explained that they had two bids and had Donald elaborate on the specifics of both bids. See the bid tabulation attached to these minutes. Donald stated that Kevin Ruether was present and available to make clarifications and answer questions about his bid. Curtiss stated that if the land did not sell before the 5 years with either bid they would not owe anything to either bidder, but they stand to gain \$4,050 from the Ruether bid. Donald added that they would have a coastal hay meadow established as well. Curtiss stated that after about two years there would be an established coastal patch versus Brushline where it would be leveled and a productive property but there would not be any native grasses established. Curtiss explained this recent history of these 54 acres to the new Board members and about the bid.

At the request of Elizabeth Flint, Mr. Ruether explained about himself and what he does to the Board and then answered some questions. Curtiss briefly explained who Brushline Dozer Works is and their history with the CCIDC to Joel. Mr. Ruether explained that the land would have to be disked and land-planed. DyAnn noted that removing stumps and leveling the land is mention in Mr. Ruether's bid, but not in Brushline Dozer Works' bid. Mr. Ruether stated that he would go back and clean the land up to make it easier on his equipment. There were no other questions for Mr. Ruether. DyAnn Lauzon asked for a recommendation from Donald Warschak. Donald stated that with Mr. Ruether's bid at the end of five (5) years they will have a coastal meadow and with Brushline's bid he will be planting every season so at the end of it whatever grasses are out there would slowly re-establish themselves. Donald added the Mr. Ruether is offering to pay to lease the land. Steve Woodall asked about the difference to improvements to the land between the two bids. Donald stated that Brushline would have to remove the stumps as well. Curtiss explained Brushline's seasonal planting and how at the end of five (5) years they will have farmland with his bid. The Board talked about the difference in hay productivity between the two bid approaches.

Curtiss stated that because of his connection with Brushline Dozer Works he would participate in discussions but refrain from voting.

Steve Woodall made a motion to award the bid to Kevin D. Ruether Contractor. Elizabeth Flint seconded the motion. There was no further discussion. The vote was as follows:

Ayes: Flint, Lauzon, Woodall, and Usher
Abstain: Schonenberg

The motion passed.

Curtiss stated that he would need to get with Mr. Ruether and Donald to set up a contract. Donald explained about possibly starting the contract January 1, 2013 but having an open window to where he could get preparation started before that date. Elizabeth stated that she would want him to get started as soon as possible and not wait until January. Curtiss stated that he wanted to make sure that from a liability standpoint the City is covered and from an investment standpoint Mr. Ruether is covered. Elizabeth stated that even if Mr. Ruether is not able to produce hay next year any work he does will count toward the CCIDC's agricultural exemption and that at the end of the next year they will have two years that count towards that exemption.

9. Discussion and Action to approve signage on CCIDC properties.

Curtiss stated that at the entrance of the Industrial Park they have two stone signs. He stated that those have not been irrigated for years and that Donald, with the help of the City, has gotten the irrigation system working. He added that some of the foliage is not in very good condition. He stated that the Columbus Garden Club recommends that they remove all of the vegetation currently out there and start new. Curtiss stated that he needed a directive from the Board to establish an amount of monies that the Garden Club can spend to buy all the plants they need. Elizabeth asked if the Garden Club was willing to do that for the CCIDC and asked if they realized that the CCIDC was willing to pay them. Curtiss stated that the Garden Club would probably need some City help to get the plants planted. Curtiss stated that he thinks they need to have this done in order to have a nice attractive entrance. Donald stated that City workers would be able to help but noted that some of the roots of the plants currently in the ground may be wrapped around the irrigation system and there might be some damage to the system when the plants are removed and so they may want to take that into consideration when setting a price point. The Board talked about possibly needing to have a budget amendment for this item. Steve Woodall suggested setting a limit of \$750.00, but Elizabeth Flint thought it should be higher at \$1,000.00 so that the Garden Club would have more leeway. Elizabeth asked if this would involve overtime for City employees and Donald replied that it would not. With regard to the budget Linda Lakich, City Secretary, stated that Donald has the ability to move things from one account to another.

Elizabeth Flint made a motion to approve the Garden Club's kind offer to rehabilitate the planting at the entrance to the Industrial Park and for the expenses to not exceed \$1,000.00. Joel Usher seconded the motion. There was no further discussion. The vote was as follows:

Ayes: Flint, Lauzon, Woodall, Usher and Schonenberg

The motion passed.

Curtiss stated that there is a sign on the property obtained by KW International now that is advertising the Park. He stated that they are going to have to move that sign because it is on their property. Curtiss asked if the Board would like to move that sign to the northern 54 acres to market that property. Curtiss stated that he had talked to B&D Graphics to see how much it would cost to move the sign and to put new faces on that sign to address the sale of that property. Curtiss explained what type and size of sign they have on the property to Steve. Curtiss explained that to cut and move the sign to the northern 54 acres it would cost \$2,470.00 and to put new faces on it would cost \$2,018.00 for a total cost of \$4,488.00. Donald talked about the possibility of the City workers moving the sign to the 54 acres and setting it back

up. Elizabeth asked if the wood was good enough for reuse. Donald stated that most of it was in good shape. Curtiss stated that he did not know if it would withstand the rigors of the move. Steve asked if they would need to make a motion on this since the City would be moving it. Curtiss replied that they would because they would still need to put new faces on it to advertise the 54 acres. Donald stated that he thought the sign currently had the old website on it as well. Curtiss stated that he thought the Board should have the City move the sign and set it back up, have new faces put on it, and try to sell that piece of property. DyAnn asked if at the last meeting they discussed the possibility of realtors. Elizabeth stated that they had and that they discussed that they did not want to affiliate with a specific realtor. DyAnn asked what would they put on the sign. Curtiss stated that they would put 54 acres for sale and a contact number and Elizabeth added that they would include that it was riverfront property. Steve asked if they needed approval from TxDot to put up the sign. Elizabeth stated that she did believe those laws do not apply to advertising the sale of the property the sign is on. Steve Woodall stated that they should look into it. Elizabeth and Curtiss stated that they could make a motion and have Donald check with TxDot to make sure it is okay so they can get the sign up while they are still having summer traffic. Steve Woodall stated that he would like to get a second bid so they are protected, but after a discussion the Board decided that there were no other local sign companies that did this type of work. Joel asked if this is even an issue if the City is going to move it; Curtiss stated that they still have to put a new face on it.

Steve Woodall made a motion to let the City to move the existing sign and have B&D graphics put the new face and install it for \$2,018.00. The Board decided that this would go under advertising and promotion in the budget. DyAnn Lauzon seconded the motion. There was no further discussion. The vote was as follows:

Ayes: Flint, Lauzon, Woodall, Usher and Schonenberg

The motion passed.

10. Discussion regarding long range planning for CCIDC.

Curtiss told the Board that they were given the Commercial Development Policy and explained its history and what it is. He stated that was for the Board's review and that it could be discussed tonight, but he thought the Board members should take some time to look over it. Elizabeth expanded on the history of the Policy. The Board agreed that they should come back to this over several meetings.

Curtiss explained that the Board members were also given three (3) appraisals from 2008. He explained the history of these appraisals. Elizabeth stated that only one of the appraisals addressed the 54 acres. Curtiss stated that there was a directive coming from the last Board meeting that the Board does get an updated appraisal of that property. Curtiss stated that Appraisal Resources was contacted and are going to do an update of that appraisal with values that are current. He stated that appraisal should be ready by the next meeting.

Curtiss talked about when looking at possible new properties to purchase they might need to look at properties near the Industrial Park so that they can expand on and take advantage of the current infrastructure at the park. Curtiss stated that they are potentially two (2) sales away from not having any significant piece of property at the current Industrial Park.

11. Discussion and Action regarding 2012-2013 Budget.

Curtiss explained that the CCIDC has to get their budget completed and approved before the City can complete their budget because certain items in the CCIDC budget directly relate to the City's budget, including the City Infrastructure Costs. Curtiss explained that in the past few years the CCIDC has given \$90,000.00 to the City for upgrades that have been done to the infrastructure. Curtiss talked about some of the improvements that were made and their benefit to the CCIDC. Curtiss stated that they could go over everything at this meeting and then really hash it out at the next meeting.

Elizabeth Flint asked about the 4B tax rate and Kayla Duncan told her that it was 0.5%.

Steve Woodall asked about the details of the expansion and how much it cost. Linda Lakich stated that the City is paying \$500,000.00 in debt service every year and stated that not all of the borrowed money was spent on the expansion on the south side of Columbus. Donald explained the history and details of the upgrades and expansion associated with these debt service payments made by the City of Columbus. Donald stated that he would have to go back and see how much was associated with the expansion on the south side of Columbus. Elizabeth Flint told the Board her understanding of the history of what has happened with the situation. She stated that she is under the understanding that the CCIDC is obligated to transfer \$90,00.00 to the City every year to help repay what has been called economic development/infrastructure costs. Steve Woodall questioned CCIDC's obligation to give this money to the City. Curtiss stated that previously the transfer to the City had been much higher and that it was the consensus of this Board that the payment should be reduced to \$90,00.00. Curtiss stated that 4B tax funds can be used for infrastructure improvement if it is economically based improvement and that it has been the consensus of this Board that \$90,000.00 be used for that. Curtiss stated that the \$183,000.00 that they had previously paid was a high amount, but that the \$90,000.00 was a very fair amount. Joel asked how they came up with the \$90,000.00. Curtiss stated that Donald did a survey on it and Donald explained some of the history of the survey and that he believed they found that the debt service payments would actually be a little higher than \$90,000.00. Curtiss stated that there is some merit to this figure. Steve Woodall stated that they are running out of property and the CCIDC has its own debt obligations and there is a point in time where they have to retire the debt so that can accumulate more debt and acquire more property. Steve talked about how he has to look at the situation as both a Council member and a Board member. Elizabeth stated that she thought it was unfortunate that it was not made as a formal grant request at the time of expansion. Steve Woodall stated that he would like to see something more formal in writing that showed an end point to these payments.

Curtiss explained that the budget they were given is the proposed budget that the administration is suggesting. Linda told the Board members to feel free to call either Kayla or herself if they have any questions, comments or concerns.

The Board briefly discussed the budget and commented on specific accounts. Curtiss explained a little bit about each expense account listed on the budget.

Elizabeth Flint brought up possibly needing to change the nomenclature of economic development account to promotion. Elizabeth asked for that to be added as an agenda item for the next meeting.

Curtiss stated that next month they would need to adopt a budget. Curtiss asked the Board members to address any questions about the budget to Kayla or Linda.

No action was taken.

12. Discussion regarding KW International.

Curtiss explained that KW International is currently working on getting engineering to be submitted to the CCIDC so it can go to the ACC. Donald stated that Corby Collins told him that they are about 2-3 weeks out on having some drawing to be submitted. Steve asked if they could bypass the CCIDC and go straight to the ACC. Donald said they could do that and then just present the ACC's findings. They discussed having to call a special meeting of the CCIDC to be able to send the submitted material to the ACC.

13. Discussion regarding an update on prospective companies interested in land at the Industrial Park.

Curtiss talked about a company called AgriRock who was interested in property at the Industrial Park. He talked about what the business does, that they were interested in approximately 5 acres, and stated that he had not heard back from them yet.

14. Executive Session: In accordance with Texas Government Code, Subchapter D, Section 551.072 deliberations about real property.

At 8:10 p.m. Curtiss Schonenberg closed the regular session and opened the executive session.

15. Reconvene into Regular Session and consideration and action, if any, regarding Executive Session, deliberations about real property.

At 8:50 p.m. Curtiss Schonenberg reconvened the regular session with the same individuals present as before.

DyAnn Lauzon made a motion to allow the president, Curtiss Schonenberg, to explore options for expansion of the Industrial Park and to include discussion with future tenants. Joel Usher seconded the motion. There was no further discussion. The vote was as follows:

Ayes: Flint, Lauzon, Woodall, Usher and Schonenberg

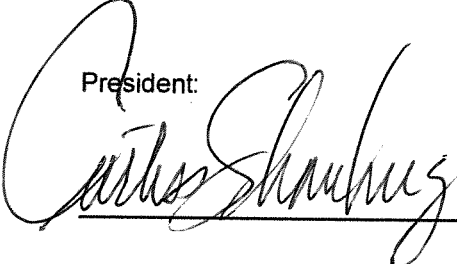
The motion passed.

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

Curtiss asked to go over the agenda items for the next meeting. This included having item #7 on the next agenda again. Curtiss asked for a discussion and action regarding E'Kabel be added to the next agenda. Curtiss stated that the budget and long range planning would both need to be on the next agenda. Kayla stated that an action item would need to be added to the discussion regarding KW International. Curtiss included adding the granting process that Elizabeth brought up to next agenda in order to change the economic development account to something about promotion. Steve Woodall stated that a discussion item would need to be added for the historical district.

17. Adjourn.

President, Curtiss Schonenberg, adjourned the meeting at 8:55 p.m.

President:


Attest
Secretary:





Hay Production and Land Management Proposal
 54 Acre Tract
 Columbus Industrial Development Corporation

Prorated Reimbursement Costs

	<u>Kevin D. Ruether Contractor</u>	<u>Brushline Dozer Works</u>	<u>Seasonal Cost Per Season</u>	<u>Total</u>
Year 1	\$ 11,770.00	\$ 5,500.00	\$ 5,200.00	\$ 10,700.00
Year 2	\$ 9,772.40	\$ 2,750.00	\$ 5,200.00	\$ 7,950.00
Year 3	\$ 7,774.80	\$	\$ 5,200.00	\$ 5,200.00
Year 4	\$ 5,777.20	\$	\$ 5,200.00	\$ 5,200.00
Year 5	\$ 3,779.60	\$	\$ 5,200.00	\$ 5,200.00
Annual Lease Offer (Based on 54 Acres @ \$15/acre)	\$ 810.00	\$		

Kevin D. Ruether Contractor

Remove stumps from property, disc, level and landplane
 Trim Trees left on cleared ground for equipment clearance
 Apply 1 1/2 quarts per acre Grazon P+D or equivalent for huisache control annually
 Establish a Hybrid bermuda variety and native grasses for hay/forage production
 Shred/mow under trees in hay field and corners of field not cut for hay.

Brushline Dozer Works

Grass production through the use of winter rye/oats and summer sorghum
 Prepare property by plowing two times, leveled where necessary and disked once
 There will be two planting seasons each year.
 Huesache control herbiced will be applied during the change of winter to summer grass.

