

Minutes
Columbus Community and Industrial Development Corporation
Board of Directors Meeting

The Columbus Community & Industrial Development Corporation met in Regular session on Monday, **September 17, 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 6:46 p.m.)
Board Member	-	Joel Usher
Board Member	-	Lori An Gobert
Mayor	-	Dwain Dungen
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 August 2012 financial statements.
- c. Approval of regular meeting minutes for August 20, 2012.

Curtiss asked Assistant City Secretary, Kayla Duncan, to explain the invoices and she did so. Elizabeth Flint asked for clarification on an invoice which was given to her by Kayla Duncan. There were no questions regarding the August 2012 financial statements. Regarding the August 20, 2012 minutes, Lori An Gobert asked for Donald Warschak to give an update during his City Manager's report for Item #6 in those minutes.

Lori An Gobert made the motion to approve the Consent Agenda as presented. Steve Woodall seconded the motion. There was no further discussion. The vote was as follows:

Ayes: Gobert, Woodall, Flint, Usher and Schonenberg

The motion passed.

4. Citizen comments.

Mayor Dwain Dungen signed up to speak to the CCIDC Board. He first expressed his appreciation to the CCIDC Board for all the work they do. He then spoke about new changes in legislation that would allow 4B Corporations to change to a Municipal Development Corporation and create a Municipal Development District. Each of the Board members had been supplied with Local Government Code, Title 12, Subtitle A, Chapter 377 Municipal Development Districts and Chapter 379A Municipal Development Corporations. He then briefly went over key points concerning those Municipal Development Districts, Municipal Development Corporations and addressed some possible concerns.

DyAnn Lauzon arrived at 6:46 p.m.

Steve Woodall stated that they cannot discuss this at this time, but that he would like to see it on the Agenda for next time.

Dwain Dungen then spoke about the KW International Permit fee reimbursement coming from 4B funds.

5. City Manager's Report: Sales Tax.

City Manager, Donald Warschak, stated that the CCIDC's portion of the September sales tax was \$29,785.96 and that last year for the same time period the sales tax revenues were \$27,921.84. He stated that Weimar, Eagle Lake and the County all saw an increase in their sales tax revenue as well.

He stated that the maintenance contract for shredding and clean-up work around the perimeter of property that is for sale is out for bids and those will be brought to the October meeting for action on them. He then explained some details of the contract out to bid.

He stated that the 4B grants have been received from the various organizations and are at the City Attorney's Office. Kayla Duncan, Assistant City Secretary, listed the applications submitted.

In regards to the railroad right-of-way, the land west of Great Southern Wood Preserving, Donald stated that they had sent an e-mail to Doug Woods and that he is looking into it on his end.

He stated that they were looking at moving the sign on KW International's property to the northern 54 acres later in the week.

6. Discussion and Action regarding KW International.

Curtiss Schonenberg stated that KW International asked the City of Columbus for payment of their building permit. Donald stated that the building permit is just under \$24,000.00 and he did not have the figures yet for the electrical and plumbing, but that it would probably be another \$4,500.00 for those permits. Elizabeth Flint asked about what else the Board is providing KW International. Donald stated that they were given the incentives of the land and that they were working on the tax abatement. Curtiss explained how the scope of their project has expanded since they originally made the agreements. Lori An Gobert asked what they had previously agreed to and stated that she thought this was in the contract and that this was just a formality.

Lori An Gobert made a motion to approve all of the building permits necessary. Curtiss stated that he thought they should be more specific and state the building, electrical, and plumbing permits. Elizabeth Flint asked if this was already contained in the contract. DyAnn Lauzon asked why, if it is in the contract, are they asking. Curtiss stated that it was just for clarification and Lori An stated because of the amount. Lori An asked if this would have to go back to the City for approval. Curtiss stated that it would because it is over \$10,000.00. The Board discussed the original contract with KW International. Dwain Dungen stated that if it was in the contract, it has already been approved and it is part of the deal and so it would not have to go back to Council, in his opinion. He stated that he thought it was more of them just approving the bill. Mayor Dungen continued by talking about how if there is not an exact amount in the the contract they may have to go through the process of sending it to City Council. Lori An asked if this could be paid in the current year's budget.

Elizabeth Flint stated that she had talked to the City Attorney, Pat Gillespie, and she stated that KWI should not start building until they have the tax abatement because it applies only to new construction and anything they construct before the abatement is granted will not be included in the abatement.

After looking at a copy of the original contract, Curtiss Schonenberg stated that it there is no direct statement in it concerning this issue, but he knows that they have talked about that. Curtiss asked what the wishes of the Board were concerning this issue and stated that he personally felt like it is an expense that they, the Board, should shoulder.

Lori An Gobert's original motion failed for lack of a second.

Lori An Gobert made a motion to approve all required plumbing, electrical, and building permits. Curtiss Schonenberg added that he thought it should be all associated building permits. Curtiss asked if this should only be on the first phase or for all phases. Donnie Templeton stated that the current permits are for the first and second phases. Steve Woodall stated that he thought they should cap the amount. Lori An Gobert added to her motion that it is not to exceed \$30,000.00. Steve Woodall stated that he seconded that motion. Curtiss Schonenberg stated that the current motion is for all building permit fees associated with the KWI Project capped at \$30,000.00. DyAnn Lauzon asked if they are setting a precedent. Lori An Gobert stated that they are, but that is why they deal with each company on an individual basis per negotiation. There was no further discussion. The vote was as follows:

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

The motion passed.

Lori An Gobert stated that this now has to go the City Council for Public Reading. She also stated that because it is going on the next year's budget there is going to have to be a line item adjustment. She asked for that to be an agenda item at the next meeting.

7. Discussion and Action regarding E'Kabel.

Curtiss gave an update. He stated that the survey has been completed and all of the paperwork is at the title company. Donald stated that they are looking at a second or third week of October closing.

There was no action necessary.

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

Curtiss stated he has spoken with the pipe company and that they are still very interest, but they have a big project in Mexico that is a priority for them right now.

He also stated that the oil recycling company says that they are putting together their financial package right now. Elizabeth asked if they thought TCEQ would approve them. Donald stated that they will have to get the necessary permits to be able to operate. Curtiss stated that they are bringing forth a pretty good size infrastructure. Lori An asked how many acres they are wanting. Curtiss stated that they are looking for a small area of about 5 acres and would have about 40 employees. DyAnn Lauzon asked how many employees KWI would have. Lori An Gobert stated 155 employees and Donnie Templeton added that would be at maximum capacity. Elizabeth Flint asked Donnie how many employees they were anticipating in the first year or two. He replied with around 60 employees. DyAnn asked for the numbers for the oil recycling company. Curtiss stated that their initial phase would be 25 employees and that it would be 1.25 million in infrastructure give or take 10%. DyAnn asked where are they going to live. Steve Woodall stated that there is plenty of property that they can build on.

Lori An Gobert asked Donnie Templeton when they are looking to break ground. He replied with as soon as they finalize the tax abatement with the City and the County and that they are hoping for the second week in October. Lori An stated that she does not want to hold them up and they discussed the timeline.

9. 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.

At 7:16 p.m. Curtiss Schonenberg closed the regular session and opened the executive session.

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

At 7:52 p.m. Curtiss Schonenberg reconvened the regular session with the same individuals present as before.

No action was necessary.

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

The following items were requested to be on the next agenda:

Curtiss Schonenberg - The Municipal Development Districts/Corporations and the land west of Great Southern Wood Preserving
Lori An Gobert – Budget Adjustment and Kerry R. Gilbert Study as related to Planning and Zoning
Steve Woodall – None
Joel Usher – None
DyAnn Lauzon – None
Elizabeth Flint - None

12. Adjourn.

President, Curtiss Schonenberg, adjourned the meeting at 7:54 p.m.

President:



Attest
Secretary:


