

Minutes
Columbus Community and Industrial Development Corporation
Board of Directors Meeting

The Columbus Community & Industrial Development Corporation met in Regular session on Monday, **November 19, 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	-	Lori An Gobert (arrived at 6:41 p.m.)
Secretary	-	Elizabeth Flint
Board Member	-	DyAnn Lauzon
Board Member	-	Joel Usher
City Manager	-	Donald Warschak
City Secretary	-	Linda Lakich
Assistant City Secretary	-	Kayla Duncan
City Attorney	-	Pat Gillespie

1. Call to Order.

President, Curtiss Schonenberg, called the CCIDC meeting to order at 6:40 p.m.

2. Consent Agenda

- a) **Approval of invoices.**
- b) **Approval of October 2012 financial statements.**
- c) **Approval of regular meeting minutes for October 15, 2012.**
- d) **Approval of Investment Report for the quarter ended September 30, 2012.**

Assistant City Secretary, Kayla Duncan, explained the invoices to be paid.

Lori An Gobert arrived at 6:41 p.m.

There were no questions regarding the consent agenda.

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

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

The motion passed.

3. Citizen comments.¹

All those who signed up to speak wished to speak during later items.

4. City Manager's Report: Sales Tax.

Donald Warschak stated that the CCIDC portion of the November 2012 sales tax was \$36,269.76 compared to \$37,112.80 received during the same time period in 2011. He stated that the County saw a massive jump in their sales tax revenues and that Weimar and Eagle Lake also saw an increase in their sales tax. Lori An Gobert asked why the county's sales tax increased so much. Donald stated that he did not know. There were no further questions.

5. Discussion and Action regarding the 2012-2013 Community Grant Applications.

Regarding the 2012-2013 Community Grant Application submitted by the Boys and Girls Club of Champion Valley – Columbus Unit, Pat Gillespie, City Attorney, stated that based on the resubmission she would say that it now fits within the guidelines. Pat Gillespie explained that it has to be a project that has expenses; it cannot be for ongoing regular costs of running an organization. Pat stated that the first time they submitted it was for ongoing costs and when they resubmitted it they resubmitted it as a project to supply children with play items and equipment.

Elizabeth Flint asked if this would provide more jobs. Pat stated that it would not provide jobs but it is helping youth and that does fit in. Elizabeth Flint expressed her concern that, if they approve this grant request, they might be inundated with other requests that would distract from their main purpose of economic development. Curtiss Schonenberg stated that a few years back they had helped the Little League. Lori An Gobert stated that there are jobs being created by the Boys and Girls Club and it is a benefit to new people coming into town with new businesses coming into the Park.

Steve Woodall stated that he would like a better understanding of what they would be buying with this. Dr. O'Connor explained what they want to purchase. Elizabeth Flint asked for the Boys and Girls Club to submit a list of the supplies they would like to buy with this money. Steve Woodall asked if other Industrial Development Boards have funded monies for Boys and Girls Clubs. Robert O'Connor stated that he knows that there has been with some of the ones they had talked to and that everyone does it differently. Dr. O'Connor explained the activity and participation level of the Boys and Girls Club.

Amy Brandt, the Chief Volunteer Officer for the Boys and Girls Club of Champion Valley – Columbus Unit, stated that the Boys and Girls Club is open year round. She spoke about what the Boys and Girls Club does, the demographics, and the jobs that have been created by the organization. Joel Usher spoke about the demographics and attendance levels for the organization.

Steve Woodall expressed his concern about the need to prioritize what the Board is spending money on. Curtiss Schonenberg stated that he believed this project was worthy of consideration. Steve Woodall echoed wanting to see more detail. Curtiss asked the Boys and Girls Club to bring a list of their needs to the next meeting.

The item was tabled until the next meeting. No action was necessary.

6. Discussion regarding Promotional and Advertising Expenses.

Pat Gillespie stated that an Attorney General Opinion that she had read that said that with the 4B there was no promotional expenditure, but the legislature decided to override that. She stated that, the cap, is 10 percent (%) of revenues per year that a 4B Corporation can use for promotional expenses. She stated that if they do not use the whole 10% in a year they can carryover what they did not use to the next year and add it to that 10%.

Curtiss asked for clarification of promotional expenses. Pat stated that it is for anything that is going to advertise the event rather than the actual project. Pat stated that this 10% is not for advertising and promotion for CCIDC and discussed what would apply to the 10%. They discussed what would and would not fall under advertising and promotion. The Board asked if the Gateway Project would fall under advertising and promotion and Pat stated that she believed the signage would come under the entertainment/tourist part of the 4B, not advertising. Elizabeth Flint asked if it would be more appropriately paid for by the Hotel Occupancy Tax (HOT) Funds rather than CCIDC funds. Pat stated that is more appropriate but that there is a thing for entertainment, tourist, and convention facilities.

7. Discussion and Action regarding Municipal Development Districts and Municipal Development Corporations.

Pat Gillespie went over why a Municipal Development District would be formed and what they would do. She stated that unless the City is planning on building a convention center, she does not think a Municipal Development District is what they're looking at because they already have the industrial development corporation that takes care of projects that are defined the same way as Municipal Development Districts.

Pat discussed Municipal Development Corporations. She stated that it can be formed by City Council and does not have to be voted on by the electorate. She discussed the powers of that type of corporation. She stated that the voters do have to vote on how to fund it. She stated that it is funded the same way as the CCIDC, by sales and use tax, and that someone would have to back down and change their sales and use tax if they wanted to fund a Municipal Development Corporation. Pat stated that these would be two separate boards, the Municipal Development Corporation and the CCIDC.

The Board discussed the possibility of folding the CCIDC up and moving to a Municipal Development Corporation. Pat Gillespie asked why they would want to do that because the CCIDC has a very valuable job. Steve asked if the Municipal Development Corporation also did what the CCIDC does. Pat replied that it absolutely does not, that they do two entirely different things, and discussed the differences between the two corporations. She explained what the school wants to do with the Boys and Girls Club would fit much better into a Municipal Development Corporation. She stated that she sees the two corporations working in concert to build businesses (this Industrial Development Corporation) and then raise up a better workforce (Municipal Development Corporation). Pat stated that it is not up to the CCIDC to decide on the Municipal Development Corporation, that it is up to the City Council.

Donald asked if the Municipal Development District allowed them to tax the extraterritorial jurisdiction (ETJ) where as the CCIDC is still confined within city limits. Pat stated that is correct but if they do a Municipal Development District it would be a redundancy and they do not really need the Industrial Development Corporation and that Municipal Development District. Donald spoke about merging the Industrial Development Corporation into the Municipal Development District. Pat stated that she did not know about merging because she thought it would be a disbanding and a reforming and that there is no merging in the statute.

Lori An Gobert stated that she is not in favor of this but that it is up to City Council. Pat added that the Municipal Development District does require a vote of the population. Pat stated that if they want to expand to the ETJ then what they will probably want to do is disband the CCIDC and put in a Municipal Development District, but that would have to be voted on by the population. Elizabeth added that there is very little within the ETJ at the present time or in the foreseeable future that would benefit the CCIDC. Lori An asked, if they were to disband, where the debts of the CCIDC go because they cannot pay them off. Pat stated that she did not know if they could disband if they could not pay their debts.

Elizabeth Flint made the motion to not recommend the advancement. Joel Usher seconded the motion. Elizabeth Flint stated that they do recognize the value of the Municipal Development District and Corporation. The vote was as follows:

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

The motion passed.

8. Discussion and Action regarding the Business Improvement Grant Application for 302 Walnut Street.

Pat Gillespie stated that it is fine, that it is a new business. Roger Wade gave a presentation of the history of the building and how it used to look. He discussed what they want to do to the building and stated that his intent is to get it to where a business can move into it. He stated that at this point they do have a

business that is interested in moving into it and he talked about that business. He stated that they would be bringing in new business.

He stated that their request for the grant is to help with the infrastructure of that building, to try and get it so that it is rentable and useable for commercial purposes. Roger Wade stated that they have talked to the business about opening up in February. Lori An Gobert asked what amount are they asking for and stated that all the CCIDC can do is the façade improvement. Roger Wade explained some of the expenses.

Steve Woodall asked if they had a lease right now; Roger Wade replied that there is no signed contract right now. Steve talked about the application reading such that the lease facility and the owner of lease facility must apply jointly for the program and stated that if they do not have a lease then they cannot do anything. Roger Wade and the Board discussed this. Pat Gillespie stated that what Steve read is stating that if the owner of the business is applying for the program and he was leasing the facility then he would have to have the owner of the facility apply with him. She continued by stating that he, Roger Wade, is the owner of the facility and that she does not see that it precludes him from applying.

Lori An stated that the grant states that it must be operational within six (6) months. Lori An spoke in favor of approving this grant. Roger Wade stated that six (6) months is not going to be a problem.

Lori An Gobert made the motion to approve the Business Improvement Grant for up to \$5,000.00 of qualified expenses. Curtiss Schonenberg seconded the motion. There was no further discussion. The vote was as follows:

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

Elizabeth Flint stated that she was going to abstain because she is friends with Marilyn and Roger Wade and that she approves of the project but that she must abstain from this vote. The motion passed.

Pat Gillespie left at 7:48 p.m.

9. Discussion and Action regarding the 2012 Texas Capital Fund Downtown Revitalization Program for Sidewalk Construction.

Donald Warschak talked about the history and details of this program and stated that this grant had been approved. Donald also discussed ADA requirements. Lori An asked what it will do to the buildings; Donald replied by describing the precautions they would take to not damage the buildings and stated that they would take caution and be observant in watching what's going on. Donald added that once they have a design consultant on staff they would want to have a general meeting of all of the business owners up and down that street to get their input and answer questions. They discussed what area this project would encompass. The Board discussed other design issues with the sidewalk. Steve Woodall stated that he is having a hard time understanding why they need to do anything with that because those sidewalks are good. Elizabeth Flint talked about how there are some areas that do need repair but agreed with Steve about the sidewalks being good on the north part.

Laura Ann Rau spoke against the sidewalk improvements and gave the history of the building she owns on the street where the improvements are to be made. Laura Ann Rau talked about the damage done to her building when TxDot replaced the corner of the sidewalk in front of her building. Laura Ann Rau stated that there are a number of places that need to be repaired. Laura Ann Rau stated that they are applying for this just because it is a grant available and that she resents that.

Joel Usher asked if the City had gotten with the businesses yet to ask them about their take on it. Elizabeth Flint stated that she had talked to some of them and they would like the sidewalk repaired and they had indicated they have no problem with handicap access. Lori An Gobert stated there is nothing wrong with the section in front of the Art Center, but that she has not walked up and down the block to

know about the rest. Lori An stated that there is an issue with the gap from the street to the sidewalk. Donald talked about possible remedies for that. Elizabeth asked about damage to the buildings and Donald replied that every time you tear into something there is always a risk of something going wrong but if you have an observant contractor who's watching and aware of his surroundings you can minimize any potential for collateral damages to the existing buildings.

Curtiss Schonenberg asked if they have to do the full project or will they let them just address the areas that need to be addressed. Donald stated that it might become an issue with ADA compliance. The Board discussed just patching the sidewalks instead of replacing all of it. Donald stated trying to do bits and pieces may be more expensive. Elizabeth Flint stated that she would rather spend more on less and have a more authentic result than tearing the whole thing out and having a bland, new sidewalk. Elizabeth stated that she thinks it will destroy the historic integrity of the downtown.

Curtiss Schonenberg stated he thinks the challenge for this board is do they want to fund the City's portion. He added that the way the project is going to be approached will fall on City Council. Joel stated that he appreciated Laura Ann Rau for coming and letting them know her feelings towards it, but those things will be an issue with the City. Elizabeth Flint mentioned waiting to decide on whether or not to fund the project. Donald stated that they have to execute their contract with the State. Other details about the sidewalk construction process and ADA compliance of the sidewalks were discussed by the Board.

Lori An Gobert stated that she is torn on this. Elizabeth Flint stated that she is reluctant to say that they will support the project when she thinks that it conflicts with the historical tourism part of the town. Laura Ann Rau asked, as a business owner, if she can opt out of this project. The Board discussed liability issues if a structure were damaged during the construction process. Lori An Gobert stated that they have worked hard to get a good public opinion of the CCIDC and for her it is a personal concern. Elizabeth Flint stated that until she knows how it is going to be done, she cannot vote to fund it.

Joel Usher made the motion to decline the expenditure in its current presentation. Lori An Gobert seconded the motion. There was no further discussion. The vote was as follows:

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

The motion passed.

10. Discussion and Action regarding Budget Amendments.

Linda Lakich, City Secretary, stated that there is a question about Tenant Assistance because they had authorized more assistance than currently budgeted.

Lori An Gobert made the motion to make a line item adjustment to the Tenant Assistance for it to be increased to \$42,000.00. Steve Woodall seconded the motion. There was no further discussion. The vote was as follows:

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

The motion passed.

11. Discussion and Action regarding EzTask Web Services Web Hosting Agreement.

Lori An asked Linda Lakich if she was happy with them and Linda replied in the affirmative.

Lori An Gobert made the motion to approve. Curtiss Schonenberg seconded the motion. Curtiss explained what this was for. The vote was as follows:

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

The motion passed.

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

Curtiss stated that they still have not heard from the Railroad and so it is a non-issue right now. Elizabeth Flint stated that they will have to talk to Mr. Wood in person.

No action was necessary.

13. Discussion and Action regarding KW International.

The Board discussed the groundbreaking for KW International.

No action was necessary.

14. Discussion and Action regarding Ekabel Projekts.

Curtiss Schonenberg stated that they are looking at a closing possibly as early as next week.

No action was necessary.

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

Curtiss Schonenberg stated that he and Donald went to Houston to talk to another potential prospect. He stated that they contacted the CCIDC but that they are already in negotiations with two other cities.

16. Discussion and Action regarding the Planning and Zoning Committee as related to the Kerry R. Gilbert Study.

Lori An Gobert stated that she has not finished research to present.

No action was necessary.

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.

The Board decided that an executive session was not necessary. This item was skipped.

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

This item was skipped.

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

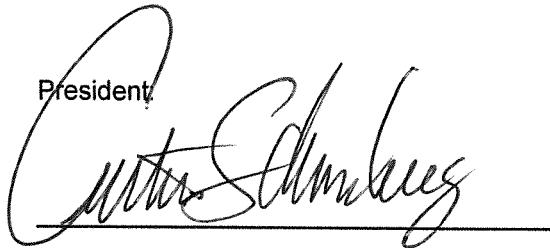
The following items were requested to be on the next agenda:

- Curtiss Schonenberg – No comment.
- Lori An Gobert – No comment.
- Steve Woodall – No comment.
- Joel Usher – No comment.
- DyAnn Lauzon – No comment.

Elizabeth Flint – Discussion, no action, about the AWOS.

20. **Adjourn.**

President, Curtiss Schonenberg, adjourned the meeting at 8:42 p.m.

President


Attest
Secretary:



