

Minutes of Regular Board Meeting
of the
Gun Barrel City Economic Development Corporation

The Gun Barrel City Economic Development Corporation met in Regular Session at the office located at 1720 West Main Street, Gun Barrel City, Texas, 75156 on April 15, 2014 at 5:00 p.m. Rankin called the meeting to order at 5:00 p.m. with the following directors present: Braswell, Osborne, Damiano, Cassady, Janow and Cavanaugh. A quorum was established.

Citizens in attendance: Councilman Dennis Baade, Jack Thompson/Orasi ED, Connie Holubar/Outreach PR, Carol Strickland, Ron Wyrick, Mayor Paul Eaton, and Stan Fernald/Johnson-Monroe Realty.

Citizen's Comment: None

1. Discuss and/or take action to approve the minutes of the regular EDC meeting on March 18, 2014.
Cassady had reviewed the minutes with corrections. Damiano made a motion to accept the minutes as written. Janow seconded. All directors voted 'aye'. Motion carried.
2. Discuss and/or take action to approve the March 2014 financial/Cavanaugh.
Cavanaugh had reviewed the financials and reported all payments were normal that's paid on regular basis. He was watching legal expense, because we were over budgeted by 125% on that item. All payments on our active loans were made. Project expense was low. Even though the water levels have been down we were right on track with \$252.00 over the year-to-date.
Holubar asked how that compared to last year.
Rankin: I'm just going to have to make a point. We have tried to keep it at this table. I will allow your question this time, but for those that are here, we are trying to keep it at the table.
Holubar: Never mind, I have it.
Rankin: One thing I will mention on the financials coming up. The cinema now has invoices ready for our review. Jim C. and Linda would review Cinema invoices before they were paid.
Damiano: Do they actually have to be open before we pay them?
Rankin: Certificate of Occupancy.
Damiano: They have that?
Rankin: Not yet, but what they've done is signed an agreement with the cinema that they have their most major items completed for a Certificate of Occupancy with an agreement by October 1 they will be in total compliance. It's rather an unusual way of handling it, but that's an agreement made with the city not with us.
Cavanaugh: Expecting opening date?
Rankin: They've already pushed it twice, but Spider Man for sure.
Cassady made a motion to approve the financials as reported. Osborne seconded. All directors voted 'aye'. Motion carried.
3. Discuss and/or take action regarding the pricing of EDC properties./Stan Fernald
Rankin: Today we've invited Stan Fernald to visit with us, because he sat down and went over the contracts with myself and we established the price on them. The pricing was based pretty much on what we had already voted on as a board from the \$410,000 on the old city hall, \$150,000 on Church & Luther corner. On the back property we did have to come up with an amount. So Stan I'm going to let you explain how you came up with the prices.
Fernald: Well as you said we discussed what you all had voted on the two prices. I looked at comps for the acreage and came up with a price in general for that. I'm not uncomfortable with

that number considering there are a couple of other comps out there that we looked at that are a little bit lower coming off behind the telephone company. There are 50 acres and 99 acres back there.

Rankin: We are talking about the land behind the park.

Damiano: Are they full comps or liquid comps.

Fernald: Both. There is not much sold, very little activity, mostly listed. In our world today we've pretty much run on what the competition is out there today.

Damiano: The market is pretty much against us.

Fernald: That's what everybody is going to be comparing these to. Where it comes in to play is the property next door is the ability to appraise. That is, ultimately the issue is without an appraisal you can't sell. I'm not uncomfortable totally with the Church property. There are not a lot of other comps on it. I've got some information on it. I've found two other properties; well one is really not the same thing. It's \$100,000 for three half acre lots down on Dunaway. They are competitive in the way that the location is convenient; they are individual half acre lots that are down there. There was one that closed in '09, that's the closet that we've got and it was 1.44 acres. So basically the same size and it sold for \$105,000 south on 198. That's the closet comp that we have. We are in it for \$2.39 a square foot; I'm not uncomfortable with that.

Rankin: That's the Church Street?

Fernald: That's the Church Street.

Rankin: One thing I will remind you is that on Church Street it's been improved so there will be a fire lane on it by the time we probably sell it and it's also going to have Luther Lane extended. So that will be improvements.

Fernald: Once you get those improvements that will help a great deal. It will help the acreage in the back too.

Rankin: To add to the comments on Church Street. I did talk to Country Place, because we need to have an easement agreement for the fire lane. The fire lane will run right on the property line. We are having that drawn up and we should have that in a couple of weeks. That way if he were to sell the property we would have everything in good order.

And old city hall-

Fernald: And old city hall. You all had voted on \$410,000 which is \$285,000 an acre or \$6.53 a square foot. Initially the issue came up in reviewing the appraisal that you all have of \$300,000 but that included the city hall and the other building. In the appraisal is the site value. And the site value is stated in the appraisal at \$267,000 and here is where the concept of the appraisal sale comes from, because without it, it won't work. There are some other properties that are available right now and I've compared the comps and the other comps real estate appraisals there based on. The numbers he came up with were based on sales. Now there weren't many that were recent, but as a whole they are roughly \$5.00 a foot. The nearest is \$4.23 a foot, \$5.73 a foot, \$4.20. Most recent was a \$5.00 a foot. Right now on the market as everybody knows that Spruce Street and Main Street has been on the market forever. A Sue Stalcup listing, it's on at \$5.13 a foot and then one that's on Main, just past Chili's, right across from Wal-Mart is listed at \$5.25 a square foot. It's not on a corner, but it's also a little more prominently located being directly across from Wal-Mart. It's going to stare us right in the face and we are \$1.25 square foot higher than it is. So I think that we need to look at lowering that price. I don't think that \$410,000 is a realistic number. I think we need to look at an alternative number to get it down to a more competitive number. It doesn't necessarily have to go to the appraised value. I think we can

probably argue some other points on appraised value. And every deal that comes in to you is going to be based on the appraisal. So ultimately a decision gets made to get an offer, get a deal going and it ends up for appraising for less then we have to make a decision.

Damiano: What did we pay for this? What do we have in this?

Rankin: We have \$300,000 for purchase of the land with the properties and we have another \$35,000 I think for the destruction of the two buildings. We still have another \$15,000 to take down Brawner Hall.

Damiano: Has that been paid?

Rankin: Brawner is not. So we have quite a bit in it.

Damiano: We'll have about \$345,000 in it when it's all done?

Rankin: Doing some calculations we felt like \$375,000 would be an adequate amount, because if it is appraised it's still going to appraise lower than \$375,000. So to get a loan to handle the \$375,000 they would have to have capital.

Damiano: And we can't sell it for less than we have in it, right?

Rankin: I wouldn't say that, because we could even use it as an incentive. As an EDC we could give that land if it was for the right purpose. But at this point we need to make it fair so we can get some lookers.

Fernald: No one wants to lose money, but sometimes its reality.

Damiano: I'm not saying we should lose it, I'm just wondering what our breakeven point is.

Cavanaugh: About \$350,000.

Rankin: \$375,000 gives us negotiating room. At \$375,000 we were at what amount for square foot?

Fernald: I believe it was \$5.25.

Rankin: When I talked to Kim Wiens their property is in the perfect position, right across from Wal-Mart, they were seeking \$8.00 at the most and they ended up getting less. So for us to think we could get \$10.00, I know I've heard others say 'hey you've got a light, a hard corner, there are not but two of these left in the city" I understand that.

Damiano: Does that make any difference?

Fernald: Not significantly-well your significant benefit of the corner is because you have access to Business 175. But that road is not wide enough for the delivery people to use to travel on, 334 is the main run way and that's where they are going.

Rankin: We know it's going to be quite some time before Harbor Point road is going to get widened and there is more going on than this at this point and time.

Fernald: There still is and will for a while continue until we get some more development down through Heritage Cove and to the west, Wal-Mart is the barrier for people wanting to locate for business and that sort of thing and that's where you get your prime numbers from a retail standpoint.

Rankin: Is there anything else that you guys need to know to try and set a price tonight for that piece of property? I would like for us to go ahead tonight and make any adjustment to what we are selling it for, because it is on the market and if he does get a prospect we would want to give them a correct number.

Osborne: What is your gut feeling on it?

Fernald: Jim, I think the \$375,000 is ok, I think it's still high. The goal is to get an offer in one way or the other. The main thing is there is not an awful lot of activity. It's been generally slow, but it is a good pad site and it has opportunities for various things. There is a lot of competition out there from others that you all have been working with in selling pad sites for the other fast

food markets that are coming in here. I don't think this is going to be a location for that kind of business.

Cassady: What do we have it published at right now?

Rankin: \$410,000. We had started at \$600,000, which was really out of the market.

Osborne: What number would you-what is the realistic number to get people to look at it? Where are you happy with it? I'm happy with it being a lot lower than \$375,000, but where are you comfortable where we're not giving away the store at the front door, yet it's-

Fernald: It's not my job to worry about giving away the store. Obviously it's my job to get the best price we can, but it doesn't do us any good if we don't get an offer.

Damiano: What's going on with the property next door? Is that being looked at?

Fernald: I have no way of really knowing. The activity that we've had on any businesses on any vacant land is just extremely quiet for the last couple of years. It's exciting that we've got some fast food businesses coming in; that's going to help. It will bring us more attention. My number is \$335,000, but that will put you guys in a real tight position.

Rankin: We've still got one building to tear down.

Fernald: You've got work to do.

Osborne: Yes and no, you've got one building to tear down. If the offer is accepted; just say that's your building.

Rankin: It has asbestos.

Fernald: You've got an environmental hazard declared. It's got to go away.

Braswell: What are we looking at to tear the building down?

Rankin: \$15,000.

Damiano: What does that make our breakeven at?

Cavanaugh: \$350,000.

Fernald: Less than what you are asking.

Damiano: We can sell at \$350,000 and breakeven?

Cavanaugh: Yes.

Cassady: It's more than \$350,000. Didn't you say it was \$345,000 plus the \$15,000?

Cavanaugh: Its \$330,000 and another \$15,000. No wiggle room.

Fernald: Here is the general guideline. If you take, for example \$350,000 and to cover commission and closing expenses you will come pretty close to that. Then you've got to have some negotiating room and that's going to be \$6,000 or 8%. So you can take the \$350,000 and add 16 or 17% to it and that's your \$410,000. So the point is you are in that double edge sword; it's a catch 22. You are either going to lose money or not sell it.

Cavanaugh: \$375,000 is beginning to sound more reasonable.

Rankin: At \$375,000 we wouldn't lose near as much. If they start negotiating we could come down some and it wouldn't hurt as bad.

Osborne: When was that appraisal made to put it up at that?

Rankin: We bought that in 2012, I believe.

Fernald: The only good part you have and I asked Linda at the very beginning to find out what the pad sites went for Chicken Express. The seven to nine range as I understand it and that's a commendable number for the location of the area and bringing it down to more realistic of October 2012 appraisal. You haven't seen a significant increase in value since then.

Janow: It seems like the EDC has got a lot of property and we're not in the property business. So how can we turn this into dollars?

Rankin: Can I comment on this because it's been on my mind a lot and I've tried to figure this out. I am meeting with the past President of the Dallas Real Estate Council and he is very knowledgeable about the commercial realtors in the retail site selection in the Dallas area. He and I are meeting with Judge Chapman and we are going to try and get a handle on who we need to get to know well in the Dallas area that could possibly bring us some commercial realtors. At least bring them down here. If we needed to we could have a day of all of them coming down here. The other thing is I'm working on trying to set up a 175 corridor of EDC's that will have a booth at Dallas Commercial Realtors and with the industrial people that are in Dallas so that they get to know who we are and where we are. So hopefully in the next month I would hope we can begin to help you.

Fernald: As I told you in the beginning, I've got a fairly recent email list of Dallas Commercial agents.

Rankin: This would be a good time to tell them the list of places that we are now listed.

Fernald: Of course the usual local listings. Two commercial listing locations are Loop Net and CoStar. Loop Net owns Co Star and they are all there now along with the other commercial properties I have, I've never had any activity from either one of those two sources nor have I had any activity from Dallas agents. But that's not to say that it might not happen. With the activity that's going on in the Dallas area now, if we can get any activity going it will be worth it. It's on Lake House.com, Cedar Creek Lake.com; even though they are technically residential they are still out there. People do look and of course our commercial listing on MLS and that sort of thing. Signs and traffic are the two biggest draws and then the EDC and anything you can do to help draw traffic in the area. Traffic up and down the street is what with our experience has been the most beneficial.

Rankin: Back to our item on the agenda regarding the pricing of the property. Let's decide what we want to do on old city hall. Anybody want to throw a number out there?

Cavanaugh made a proposal that we list the property of old city hall at \$375,000. Damiano seconded. All directors voted 'aye'. Motion carried.

Fernald: Shoot me an email that that's what you want to do and we will have it fixed tomorrow.

Rankin: If we find out in a period of time then we will come back to the board.

Osborne: Why don't we look at it in 90 days to see if anything has happened?

Rankin: His contract is up in 90 days. If you recall we were just going to give a realtor 90 days, then he comes back to us and we can talk about it then. I might add that I've read through all of the deeds of the contract when we bought them, because I had heard rumors that this property across the street had some kind of hold on it from previous owners and previous estates, etc. So in reading through all of those I did find where it was released. So we don't have to concern ourselves. I will say the mineral rights on our back 50 acres behind the park, they did keep those.

4. Discuss and/or take action to reverse the action taken on March 18, 2014, but pay for April's invoice for Loop Net.

Rankin: As you heard tonight Stan now has a Loop Net and Co Star. So if you like we can now release our purchase of Loop Net and use his for the next 90 days. We still need to pay for April. Cassidy made a motion to reverse the action of March 18, 2014 for Loop Net and pay the April invoice. Osborne seconded. All directors voted 'aye'. Motion carried.

5 Discuss and/or take action regarding any issues related to completing the Business Park Feasibility Studies./Rankin

Thompson: Right now we've been working with the engineer gathering all of the data on water, sewer, looking at the map trying to figure out how to get the basic infrastructure out to sites. Looking at the crater site for wetland water issues that may present itself with the actual tank that's on the property; really just going through the whole development cycle if they develop that property out there and reclaim some of that pond.

Rankin: Any expectations of when you may have that finished?

Thompson: I hope to have some preliminary stuff to you at the May meeting.

Rankin: One thing I did check on is there is a map of the aquifer that is out there by that property and if we need to purchase more property it might be we could use water from that area. But Mabank is the district that we would have to work with to get water to a business park.

Janow: Are these certified water engineers?

Thompson: Yes that's what they do. They handle development sites and all aspects of the development.

Rankin: It's really one of the larger firms out of the Metro Plex. They have skilled employees in various areas. If they have a question there are people they can go to for an answer. He's really done well in getting a company to work on this.

Damiano: What are we going to do about the second site?

Rankin: If you find a site I'll look at.

Damiano: So none of the sites that were in the brochure that was passed out-

Rankin: I think that when we went around the map and the board was all here we all had reasons to why a lot of those numbers would not work. I think we pretty well dismissed those numbers due to their locations.

Damiano: I don't think anybody had a chance to actually view that brochure prior to the meeting which may have made a difference, it may have not, I don't know.

Rankin: It's in your packet.

Damiano: No it wasn't.

Rankin: That one was not.

Damiano: No.

Thompson: We handed it out two meetings ago and then you waited a meeting, you waited a month to review it.

Damiano: No actually we didn't. The Emergicon thing interrupted any further discussion.

Cassady: We had the packet.

Damiano: We had the packet but we haven't had the discussion since we had the packet to decide if there is a second site or not.

Rankin: So is there a site on there that you are wanting us to look at?

Damiano: I don't know. I was thinking we at least needed to have the discussion. We've paid for two feasibility studies; we are getting one.

Rankin: That can be adjusted.

Damiano: I know it can.

Rankin: Okay.

Damiano: I just don't want to miss the boat either way around. If there is another site-I ask the question a couple of days ago and I don't know all of the changes. I know little about the changes in Montana. Are there any changes in Montana that would free up the land back there that maybe makes that eligible for a site?

Rankin: Let me just say this. Anything that seems to be this side of 198 is off limits according to information I get from city hall. They want to keep that kind of industry outside of the main populated area. So rather than waste our time and our money on a feasibility study inside our city I think we just need to keep trying to find that property that's out east.

Damiano: Let me ask another question. I've heard two terms tied to this. I've heard business and industrial park. So it's a blended?

Rankin: It could be.

Damiano: Does the city want to keep an industrial park out of that area? Is the same true for a business park?

Rankin: No but-

Damiano: You see what I'm asking?

Rankin: Yeah I do and what I've gathered over the time we've all talked about this is that a business park, we were hoping might be Emergicon. But when we get the other people coming in here, the prospects that need a big slab or a big build out that's ready to go we don't have that. So we knew we had a need for that as well. So I can see how you can have Emergicon in the front and then behind that have slabs out there, maybe even some buildings for distribution or a light manufacturing.

Damiano: Or a call center-

Rankin: Whatever, yes and maybe a training center. So I think what we call it, I wouldn't want to call it an industrial park.

Damiano: The reason I'm breaking it up is if the city is objecting to an industrial park back there, I can buy that.

Rankin: Anything that deals with trucks.

Damiano: A business park.

Rankin: An industrial park would have distribution, and then you've got trucks. So for that reason why put ourselves into a situation like Nathan has got himself in. Let's just keep the trucks outside of the city. That's what my thinking is. But if you guys really truly want to go back and visit this I'll hear it.

Damiano: All I'm doing is asking the question.

Cavanaugh: I think he has a very good point. We never did have a detailed discussion about the five options that's been identified. It might be a real good agenda item for our next meeting.

Rankin: So what would you want a feasibility done for?

Cavanaugh: Those have been identified, right?

Damiano: If we set down and have a serious conversation about the sites that were originally identified we may knock them all out.

Rankin: I thought we did that.

Damiano: I don't think so.

Rankin: Because we talked about the airport, we talked about being outside of the city limits and in the ETJ, we talked about being too close to population and schools, we talked about every site that night. But I don't mind if this is important to y'all, I'll do this, but I just don't want us to waste time.

Damiano: What does everybody else feel?

Cassady: I've been looking at it. I didn't see any other site that would be feasible based on the discussion and the criteria we talked about.

Rankin: Jim?

Cavanaugh: I believe, it sounds like there is still a little bit of uncertainty about if any of the sites may work. I think before we put it in the files we should look at it one more time.

Rankin: Okay, so we will put it on the agenda.

Cavanaugh: If the majority agrees with that.

Osborne: Let's do that.

Cavanaugh: It's worth another discussion. If we pay the money to have it developed let's take a look at it again and make sure we are all certain.

Rankin: Just know that if we only go with one, there is always an adjustment we can make.

Damiano: To wrap it up cleanly.

Rankin: Okay, we will put it on our next agenda, but I need a motion.

Damiano made a motion that we want to go back and look at the Orasi report regarding the feasibility study to see if there is a second site. Cavanaugh seconded. All directors voted 'aye'. Motion carried.

Braswell: Rita can we get copies of minutes for the meeting where we discussed all of that.

Rankin: It was two meetings ago.

Cavanaugh: I think last month there was a discussion also.

6. Update, discuss and/or take action on Emergicon.

Rankin: You go ahead.

Thompson: We've been in talks with Emergicon. Really right now where we are, they are interested in, when we talk about the sites the last time, they are really interested in the old city hall site. They would really like to see some kind of elevation and a site plan as to what, maybe even a floor plan of what a building would look like. What would fit on the site as well as a tenant mix, you know, kind of get a general overall picture of what we are talking about? So that's kind of really where we are. We've talked rent numbers. There is nothing concrete to talk about until you know what kind of building you are building that will impact the cost.

Damiano: Just so that we all know. What's been eluded too, promised? Are they going to buy the land?

Rankin: That's why we are updating. I contacted Paul Canup who is a local architect and lives in Tool, Texas. He has done a lot of commercial buildings. Just to get a price that's in your packet to see what he would charge to get us some renderings of what it might look like and give us some idea of what he could come up with that would fit either a business park or old city hall property.

Damiano: Who are we up against? Are we up against Mabank?

Rankin: We are up against wherever he wants to move to. He is looking for site that is already built. He doesn't have necessarily any particular place in mind.

Damiano: Does he have us negotiating against Mabank?

Rankin: No.

Thompson: What we are really negotiating against is other space, other rent rates. He would like to stay in Gun Barrel.

Damiano: He doesn't want to move too far away from his base.

Thompson: No, the thing is he is paying nothing for rent right now which is part of the problem. The second thing is we really don't have anything on the ground built that would suffice his need. So we are going to have to build new. If we are going to keep him, we are going to have to build new.

Rankin: And if you've got 50 employees, it's worth looking into finding something he can move into.

Thompson: So our competition could be anything in the general area and probably even Dallas. What existing space is available elsewhere? What kind of rent deal can he get or can he get something new and what would that look like somewhere else.

Rankin: We know that Athens is looking for people; we know Kaufman is looking for people so our competitors are going to find out.

Damiano: I'm just wondering if we are going head to head with Mabank. If he is setting in the cat-bird seat putting us head to head with Mabank.

Rankin: No there is none of that.

Damiano: So what is his proposal? Is he going to buy the land?

Rankin: No, that was in our last meeting. He does not want to buy.

Damiano: Okay.

Rankin: He only wants to lease and at a very good price.

Cavanaugh: What's his expectation on cost for square foot?

Rankin: You won't believe it, it's pretty bad.

Thompson: It's pretty low.

Cavanaugh: Is it \$4.10?

Rankin: Yeah.

Thompson: Closer to \$3.

Osborne: That sounds great.

Rankin: That's why he is looking for a place that he can go in and renovate. We don't even have anything he can go in and renovate.

Thompson: So what we have to do is – really we have to figure out and get our minds wrapped around-I mean we've run some basic rent numbers on a traditional build. From what we've seen in other cities and other projects that we've done and we ran those number by him and there was some sticker shock. The next trick is, okay we're dealing in hypothetical's and he is like well what would the building really look like, what are we really talking about foot wise and how is it going to fit on the property and so to do those kinds of things we would need an architect to come in and do that. And also help us try to game plan and that gives us flexibility when Linda, Lance and I set down with the architect and say look give me an option on what it would take to build a 12,000 square foot building with an expansion out to 20,000. What would it take to build a 20,000 square foot building? What would it take to do a two-story, 24,000 square foot building. How would all of this work? What's the construction cost we'd be looking at? You know then you can kind of back door in the rent rate and that kind of stuff.

Rankin: The one thing he did say to us as we drove him around during the site selection. He was excited about the fact that he could build out a building so it better suited their environment and what they needed. So I think if we could find the right thing for him, it would work.

Cavanaugh: For a cubical environment, he's not looking for high walls.

Thompson: Predominately cubicles.

Cavanaugh: So basically it's open space.

Thompson: Interior finish out.

Damiano: So then if you start renting it out then you've got tenant proven that's thrown into the mix. It depends on who owns the building

Thompson: What's your contention?

Damiano: I'm being tacky, I'm sorry. What does he put into the game?

Rankin: Well think about it? He's bringing in the clients, he's bringing in more employees every year, he's bringing in notoriety to Gun Barrel City and for once it's a professional sort of salary that we've been wishing for. So those are what he contributes.

Cavanaugh: But I would think-there's two things. Number 1 is he is not bringing sales tax into the city. Secondly with any type of office build out that's he going to be paying for the furniture; cubicals and that's an expensive piece.

Rankin: And he buys new software

Thompson: It helps you get a nice building. It starts setting more of a trend of what type of-Multiply conversation.

Damiano: I don't disagree with all of that. Look, we've funded him once and now he is threatening to leave.

Rankin: No, no, don't use that word.

Thompson: He's looking at possibly leaving, because they have to.

Cavanaugh: He's looking to grow, how's that?

Osborne: He's looking to grow with a possible option of leaving town.

Cavanaugh: That's well put, Jim.

Osborne: If I were going to rent property, I'd know I'd want two floors, one floor, do I want-instead of us having to make up his mind.

Rankin: That is why he gave us those pictures. He gave us those pictures in hopes perhaps maybe we could put in some other professionals down stairs until he could grow into the entire building. So he gives you the pictures; he told us what he wanted.

Thompson: He really does want to stay. This isn't something hanging over our head. At the end of the day he's a business guy. He's got a business that's growing, he's got employees, he's got to grow. We either have the product or the ground or we don't and he goes somewhere else.

Damiano: Part of my argument is he is not going to move and disturb his employees, because he is going to have hire more new employees and train them. That's down time and effort.

Rankin: Are we getting too far into this? I don't want us to get so far in to this that we bog down. That's what y'all complaint was.

Osborne: What I'm hearing is he really doesn't know what kind of building, but you guys have talked to an architect and what's it going to cost per square foot for us to put this building together. They should pose what this is all about?

Rankin: Not necessarily, because if you recall this was discussed in our last meeting that a developer is interested in building it and being owner of it and leasing it. We have a developer that does that, not us.

Damiano: Who owns the land that the developer is going to build the building on?

Rankin: It could be right there, it could be us. That's what we've been saying.

Damiano: We give it to somebody?

Rankin: You don't have to give it to them. That is something you will determine when you know how much it's all going to cost and what they are willing to do.

Damiano: If we continue to own the land will a developer come in and build the building?

Rankin: That's how an EDC works. We go in and we work out these details when we know the developer-.

Damiano: I'm trying to get to the details.

Thompson: It's very likely that you would have to give the land up, just to be blunt. To get the rent rate down to what you need to get the rent to, I would anticipate giving the land up to a developer. You have two options. You develop it or you get a private developer to develop it. That's your two options and it would be my guess that you would probably need to be giving the land up to get the rent rate down because construction costs are what they are. There is no skirting around those. When you develop it at the end of the day you've got to have the rent rate to cover your debt note and make some money on it. That's probably what you are looking at.

Cavanaugh: Would he be receptive to a land site other than a prime one on a corner, possible down in the 92 acres.

Thompson: Well we drove all the sites; showed him everything and that may be a possibility.

Cavanaugh: Price wise that may be more realistic cost wise.

Damiano: It's a cheaper piece of land.

Cavanaugh: Absolutely.

Damiano: Or one that's not set up for retail.

Cavanaugh: That was exactly my point.

Thompson: Well part of the thought too was you could use multi tenant use here. You could do office and retail or some kind of restaurant.

Damiano: All I'm trying to do is find out what the whole deal is.

Rankin: Time out. Rita would like for us to create an Emergicon Project.

Evans: If you are going to.

Rankin: But let me start by saying I have been told that if Emergicon Project was in our budget and we approved that project that was approved in our budget that it is already a project. Thus I think we have one; Dennis would you just confirm if that is correct or not.

Baade: If it's in your budget?

Cavanaugh: It's in our budget.

Baade: Formed by a committee?

Rankin & Thompson: No.

Thompson: That it's already budgeted. We've done this in much of our other cities so we don't have to do the 60 day wait. That's a real bug a boo is that we put it in our budget and then the council approves it as a budget project, a city project.

Damiano: It's not in the budget now.

Rankin: It is.

Thompson: It doesn't have to go back to council unless you exceed that amount.

Rankin: The one thing that I don't want us to do, I don't want a split on this board. I want this board cohesive and that we are working on this project together.

Thompson: It does include the site plan, the building lay out, elevation.

Rankin: One thing I did do is ask Jack to visit with Paul Canup, the architect, so that we could tell him the specifically the details Emergicon was needed. I'm not the one giving that information. He's already acknowledged what's needed by Emergicon.

Braswell: This could be as good of project that we've seen come to the city in quite a while and it's going to take funds to get it done. It's going to take cooperation between the board and outside sources. If we want to see this thing come to fruition we need to move forward on it.

Rankin: He is running out of time.

Braswell: Because he will leave and go somewhere else.

Damiano: All I'm doing is walking down a road and ask where the money is going to come from.

Rankin: The money can come from-.

Damiano: Not the 10 thousand.

Rankin: That is something we have to figure out and this is a process. This is a process. It's not something we are going to do over night. We do have to move, because we do know by the end of the year he will be out of room and his lease is also up.

Braswell: Which means he is out of room because he is bringing more employees in. So we find a developer. We tell the developer we've got the property. Hand in hand with our piece of dirt and your developing of a building, move tenants we have for you right now.

Rankin: And this is the start to let Emergicon know that we are serious and that we want to work with them and see if we can come up with something.

Osborne: I agree with both of you about not having the board not split. Let's do it.

Cavanaugh: Yep.

Rankin: I need a motion about the project. I need a motion from this board that we would like to create a project to see if we can build an Emergicon business park.

Damiano: I make a motion that we create a project focusing on Emergicon to see if we-.NO SECOND.

Braswell: Excuse me. Why don't we call it something besides Emergicon?

Damiano: That's probably a fair idea.

Rankin: Okay.

Cavanaugh: Business Park.

Braswell: Business Development.

Evans: What is the motion?

Cavanaugh: We don't have one.

Evans: This agenda item talks about Emergicon. You've got to have something in there in the motion about Emergicon. You can call it anything you want to. You can say Emergicon and call it something else.

Rankin: We are on the right path; you would like to set up a project-.

Damiano: I make a motion that we set up a project focused on Emergicon issue to help them build their business. Will that work?- NO SECOND.

Rankin: You need a project name.

Braswell: Project X.

Damiano: Project Office Space.

Rankin: Okay. Restate the motion.

Damiano: I would like to make a motion focused on Emergicon, titled Project Office Space to look into efforts to help them grow their business in Gun Barrel City. NO SECOND.

Cassady: Was create a project included in that? It was the first time.

Rankin: I want this on the record verbatim.

Damiano: I would like to make a motion focused on Emergicon called Project Office Space allowing us to look into ways to help them grow their business and stay in Gun Barrel City.

Osborne seconded.

Cassady: There is a second.

Rankin: You have a comment?

Braswell: To be, in the future referred to as Project Office Space.

Rankin: That would be an addendum to what was just said.

Evans: No he said that.

Rankin: Do you want to read that back. Evans read the motion back.

All directors voted 'aye'. Motion carried.

Rankin: The next part of that is do we now want to have a motion to approve Mr. Canup work with us on doing a drawing so we can get an idea of what we can present to Emergicon as to what they can grow into.

Damiano: Who owns the drawing Emergicon or us? Can Emergicon take those drawings and market them to other cities?

Rankin: No, they are ours.

Damiano: Can Emergicon take those and show them to other cities?

Rankin: No we buy.

Braswell: That's a good point. Do they get copies?

Thompson: They will be public records.

Cassady made a motion that we approve Paul Canup to move forward with doing an architectural package.-NO SECOND.

Damiano: We have a project, but where is the money allocated to the project.

Rankin: We will approve everything that goes into that budget, into that project.

Cavanaugh: Tied to your proposal?

Damiano: Tied to hers. We've got the money.

Cavanaugh: Unreserved. Unidentified Reserve.

Rankin: We don't have to move money into it; we can do it as we go.

Damiano: We are about to spend before we move it.

Cassady: It comes from Reserves.

Rankin: Did we have a motion?

Cassady: I make a motion that we approve Paul Canup to move forward with providing us with an architectural planning package.

Damiano: Can't understand comment.

Cassady: It's included in the letter. Braswell seconded. All directors voted 'aye'. Motion carried.

Rankin: We are going to move forward with Emergicon. I appreciate your time and effort in this.

7. Update, discuss and/or take action on Certified Retirement Community (Go Texan).

Cassady: That's my agenda item. A month or so ago Linda asked me to take the lead on getting us recertified for the Go Texan Certified Retirement Community. And actually we expired last fall, like October or November. But they've extended it for us. We are still on the list, which is not a problem. I worked with the, can't remember what his title is, the man that heads the department up in the Department of Agricultural. He has given us until the end of May. There is a whole binder of different things that needs to be completed; a lot of data about the city and why we should be a Certified Retirement Community. So Gerry Boren and the city staff are taking on some of the sections. Linda has taken on a few. Jack was involved last time as well and he is going to help out. I've got some sections. We've pretty much got it divided up. One of the things that we do need to do and I'll get an email sent out to everybody. We need to do business support letters so we need to talk to businesses around town to see if they would provide a letter of support for Gun Barrel being a Certified Retirement Community. They did this last time and basically made contact with people we know and I've got a list of different businesses in town we can use that. I'm sure we can come up with quite a few. It's not that we have to have EDC

everyone supporting us. But if we can get several of those it will be helpful. I'll get those draft letters out for everybody and that's pretty much what's going on with that.

Cavanaugh: How often do we have to renew this?

Cassady: Every five years. There is a cost to it which is already in the budget.

Evans: You've already approved it.

Cassady: We don't pay that until after we've been recertified. That will be down the road a little bit. Anyway that's all. No action taken.

8. Discuss and/or take action to purchase ERSI statistics from Orasi Development.

Rankin: The reason this is on our agenda is because when we started working on the Go Texan certification that she was just speaking of I asked Jack if I could get some updated statics. If you've ever seen them they are usually in your packet when we give them to a prospective client. I sent those to you by emails so you would have an idea of what we were talking about. Because Jack is purchasing those through his company he would like to spread the cost out to all the cities he is working for. The reason being, I found out, is a \$2,500 or \$3,000 package that he has to purchase. If we wanted to purchase what we get from Jack it would cost us \$2,500 to \$3,000. So I put on our agenda that he is willing to offer us that same service that we've had in the past for \$250.00 a year. Quite a bargain I would say.

There was no discussion on this agenda item.

Janow made a motion to purchase.-Osborne seconded. All directors voted 'aye'. Motion carried.

9. Discuss and/or take action on Orasi monthly report./Thompson

Thompson: Basically the biggest thing that we've been working on this month was continuing communication with Emergicon now known as Project Office and working with the engineers on the crater site. Other than that really on the city hall site with Stan coming on, we've kind of backed off marketing and promoting that site. We are working on the brochure, still and I just need to get the pictures from Linda and we are good to go.

Rankin: Just so you know I did send the pictures but they got stuck. He will get the thumb drive today.

Thompson: That's about it.

Rankin: Any questions? Do we have to approve it?

Cavanaugh: No, just discussion.

10. Discuss and/or take action on Outreach PR monthly report.

Holubar: Well you all have my report and there is not a lot of activity between the last time we met and right now. We are working on Boots to Business and Jim will go over this. Part of what I do in promotions for some of the Veteran Organizations. I've been looking for opportunities to promote ourselves in Dallas. We've talked about that. And honestly the best and I'll quickly say this and you can think about this over time-the best thing we have to promote down here is the lake and some other tourism things that aren't actually what the EDC's mission is. I find opportunities for the best place in Texas and things like that. But in reality it does fall a little bit outside of what I do for the EDC. I'm happy to do it and since I'm doing it for the city- I don't know-when the deadline comes up for nominations for different-D Magazine has the best place-the best town to commute from, things like that that would be good for us to be a part of. In the big picture it fits into what the charge of promoting Gun Barrel City is, but it's not specifically related to businesses and you're shaking your head and it's not our charge. There is a little bit of

a myth to the flip side of that. So I just throw that out. There is not like great opportunity. We don't have a lot of activity going on. You have to create some news. This week we are in the news for the gay bar scene, but that's not what we want to be in the news for. Every time that stuff goes out, if you look at the Dallas Observer and read the comments it makes us look stupid, it makes people comment on how crappy that building looks, what a weird name the town-I mean it's not good stuff so anyway I'm just pointing out that I'm trying to find opportunities for us. It's somewhat frustrating to do a Google of Gun Barrel City and that's what it's about. I'm still looking for opportunities for us I think some of the work Linda is doing for us on the 175 Corridor and some of that is where we put our positive Dallas face forward.

Rankin: I'd like to be known for going after some businesses.

Holubar: To be aggressive. I think the EDC itself and what we do here could become a story, but you've got to find a place where that makes sense to get it up to Dallas. Other than that, all of those other little projects move forward and kind of roll. That's all I have. Does anybody have any questions? Jim has a lot of info on the next item.

No action taken.

11. Discuss and/or take action regarding content requirement for the agenda package.

Rankin: I have no idea what this is about.

Damiano: That would be me. In an effort to speed some things up what I'd like to see or what I'm proposing that it be mandatory that if something is listed on the agenda all the relevant information is in our pre-meeting package. That means all of the relevant information. If it's not there we don't discuss it.

Cassady: At last month's meeting the board voted on Rita and me, I don't know if we voted-.

Rankin: Yes we did.

Cassady: On the standing Rules. I had forgotten about it until last week. So I got with Rita and we didn't get a chance to meet until today. So we are working on that. And essentially I think we will be having a-there will be a required document which I think we've seen- which is the City Council's form-that at a minimum and we can talk about it when we provide the draft of the Standing Rules. We can get into it in more detail, but that at a minimum will be required and it will include why it's an important issue for the board.

Damiano: But in the packet though we need to put in all the backup information related to what he topic is.

Cassady: There are some items that may not require backup. For example this item what would you require-

Damiano: Which item?

Cassady: The one we are talking about. So what would be the backup-?

Damiano: Probably some dialogue relating to

Cassady: No-your;

Damiano: Might be the backup. In other words to give everybody a feel for what's-

Cassady: That's what is on the form.

Damiano: We don't have a form yet.

Cassady: Just so you know, Rita and I are working on that. We will have it at the next meeting and it will be a draft and then we can get into more detail about what everybody wants.

Damiano: Basically what-if we have to make a decision about something that's on the table it would be nice to have the information ahead of time to be able to review it and form our own thoughts about it.

Rankin: What kind of information are you talking about?

Damiano: The feasibility presentation that Jack did for the business/industrial park. Had we had that prior to the meeting as opposed to getting it at the meeting and then told hey-what sites do you want? And I'm not taking shots, but it would have been helpful to have it to review it formulating our questions. Jack did a presentation and we already have our questions. We are accustomed to seeing what he is talking about as opposed to getting it dropped on us. Does that make sense?

Rankin: Yes. The only thing I will say having been on this board five years and having worked with this board for five years sometimes I truly don't have that information to me until the weekend right before. So I've missed her deadline. I'm just making a point that we can do our very best and we will wait to see what your form is.

Osborne: This is fine.

Rankin: Anything else you would like to say on that?

Damiano: No.

12. Update on Boots to Business Program/Braswell

Braswell: Connie and I met with Tom Terrell and Gus Trevino who is helping him with his books. It's all here if anyone wants to examine this, but I've got to say so far he's doing a great job. His total income for the first quarter was \$21,575.00 and he netted out of that \$9,231.14 after expenses. That was buying new equipment, all new equipment that was-it would have been about \$1,800 even better if he hadn't had a transmission go out on him. He's at the point now he's booking a lot of business. He even realizes that he is going to have to hire maybe part-time help, full-time help or get him a lead guy. He's talking to the bank tomorrow about a possible contract to take care of all their landscaping. So the man is working hard. He's nervous as a cat about making sure we have all the right information. I met him about 30 days ago. He said you know I could get a lot more work; I've got 25 houses lined up in Dallas if I could go up there. Why can't you go up there? Because I've got to do all the work in Gun Barrel City. No you don't. He's going to Dallas, he's going to Plano, Richardson; he's got all kinds of projects around here. We made a good choice by helping him out; I applaud him. He gave all his reports, financials and is very happy. And we've got-we met with two guys today; I got real excited about it. The name of the business is Eye on the Country and these are two young guys. They are looking to start a business and have it based in Gun Barrel City that would lend itself more to visual concentration on the lake and people and everything that goes on around here. Connie and I offered them some suggestions. They already had their paperwork filled out and they are going to go back and work that so hopefully we will have that on the agenda next time to let them make a presentation.

Who are those guys?

Braswell: Those guys are Gordon Mayhall and James Robinson. And if you like to look on their website it's Eye on the Country.com.

Holubar: I have just one more to add. We have another potential candidate; a plumber over in Mabank that lives in Gun Barrel City. He's growing quite a bit. He owns his building in Mabank and he needs a bigger building. He's looked at what's available over here and was telling me in kind of a separate conversation that he was interested in moving his business to Gun Barrel. In talking to him he's a 6 year Air Force Veteran. He also a neighbor of Jim Braswell and I think we're going to be meeting with him in the next week or so, so he can better understand the Boots

to Business Grant. I don't know much about sales tax revenue. I'm assuming he gets sales tax for plumbing and with his equipment and stuff.

Damiano: Let me ask one quick question. What do we do to help Tom? Is he getting stretched too thin? Does he have the knowledge to do-?

Braswell: I think the next thing he's got to do is he's got to get to a point where he is going to have to put on some additional help. It's like Dennis told him when he first met with Tom, we don't want to see you running around with his trailer, truck and lawnmower. We want to see him expand his business, get crews working for him. He's following those jobs, showing up on those jobs and hopefully that's what we will help him do. Connie and I talked about what he needs to do if he did not do something about this he would lose all of the momentum that he's gained so far. He would lose face with some of his customers; he just can't handle it all.

Damiano: We need an incubator around here.

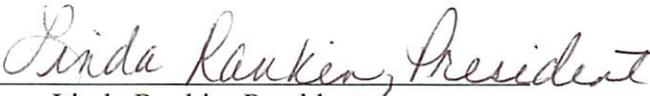
Braswell: Yep.

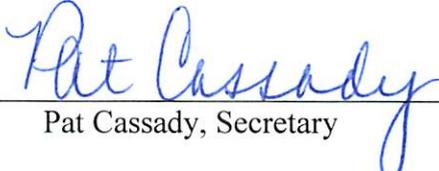
Rankin: For what it's worth it's been proven that the incubators are hard to fund. A lot of them have gone under. Do y'all have anything else to say about Boots to Business? At this time if we don't then I'll adjourn.

"A quorum of the full governmental body may attend the meeting of a committee of that body, city economic development board, or any other city advisory board. For example, a quorum of the Gun Barrel City Council may attend a council committee meeting, city economic development board meeting or city advisory board meeting."

The Gun Barrel City EDC reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) or 551.087 (Deliberations Regarding Economic Development Negotiations).

Adjournment: 6:10 p.m.

Approved by: 
Linda Rankin, President

Attest by: 
Pat Cassady, Secretary