

Minutes of the 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 July 15, 2014 at 5:00 p.m. Rankin called the meeting to order with the following directors present: Janow, Cavanaugh, Osborne, Damiano, and Cassidy. A quorum was established.

City Officials in attendance: City Manager Gerry Boren, Mayor Jim Braswell, Councilman Dennis Baade, Curtis Webster, Marty Goss and Ron Wyrick.

Citizens in attendance: Stan Fernald/Johnson Monroe Realtors, Travis Tarlton, Patsy Black, Rob Rea, Lee Romine, Robert Johnson, Jack Thompson/Orasi Development, Carlo Andreani/Pacheco Koch.

Citizen's Comment: None

1. Discuss and/or take action to approve the minutes of the regular EDC meeting on June 17, 2014. Janow made a motion to accept the minutes as written. Damiano seconded. All directors voted 'aye'. Motion carried.
2. Discuss and/or take action to approve the June 2014 financial. Cavanaugh had reviewed the financials with no unusual expenses. EDC received the money that was expected. There were no big pay outs. Cassidy made a motion to accept the financials. Janow seconded. All directors voted 'aye'. Motion carried.
3. Open Public Hearing on Feasibility/Business Park Study.
Rankin opened the Public Hearing with comments:
Janow reported on his research from two years ago on the cost of a feasibility study and suggested an outline of services and expectations from any firm that was hired.
Robert Johnson: I'm new to these meetings so I don't know what exactly what y'all protocol is, but on the end of 334 that I live on I've heard that there is a possible extension to the three hundred fifty feet annexation that is already there for an additional thousand feet annexation which I would like to say right now that I'm opposed to and me and my brother we grew up down here. We really don't want any businesses coming in the area or anything like that. I just put it on record that all the east end of 334 we are against any annexation or industrial buildup.
Rankin: Is that on the east side of 175?
Robert Johnson: It would be-it's where C.J.'s is, you come back about a quarter of a mile down 334 and that's my property. Right now the annexation stops at my gate, my mailbox got into Gun Barrel City, that's why I have a Gun Barrel address. But if you go back another thousand feet it's going to take almost all my property and I'm against that.
Rankin: Just for the record, we are not in charge of annexation, but it's nice to know that.
Robert Johnson: I didn't know what y'all protocol was or anything. That's one reason I'm here is to try and find out what's going on.
Rankin: Any other public comment regarding the feasibility/business park study?
4. Close Public Hearing on Feasibility/Business Park Study.
Public Hearing closed.

5. Discuss and/or take action to extend the contract with Johnson/Monroe on EDC land.

Fernald: Not much to report. We don't have a way to keep a record of who calls in to any agent. We don't have a record of who's called in on various properties. So far we have none that's given us any particular feedback. The calls that I've received have been more along the line of 'how much do you want for the corner property'. That's really the only one that we've had any interest in. The calls are in regards to the price. There has not been a lot of activity. No calls had been received on Church and Luther Lane. It's posted on Loop Net and Co Star are the two primary listings. Emails had been sent out to a list of Commercial Agents in Dallas. My experience, if it's a major player interested he will contact the EDC, COC, that kind of thing and start looking around. Rarely do they contact the agent directly involved in it. Those are the big players. Everyday people will call and ask, but they aren't willing to pay the price for it. We would like the opportunity to continue and keep trying. It's been a short period of time and we haven't had a chance. Commercial base takes time and would like to continue working with you all.

I would like to get more than ninety days out of it.

Damiano: Commercially what's moving and what isn't?

Fernald: The answer to what isn't is easy, nothing. Other than what you guys have done with Chicken Express and Taco Casa we have not seen any commercial activity in the past three or four years. We don't do print media ads, Sandy. It doesn't accomplish anything on the electronic side. We are not putting anything out at this time. If you want to do an ad we will work with you and put it in the Dallas Morning News or something along those lines.

Rankin: We do have it own our website.

Damiano: Is there any way to market that directly to entities that might be interested in that?

Fernald: We can send to their marketing department. I've done that previously on other properties with no results.

Damiano: We have nothing to lose.

Rankin: Gary, I might add that Orasi had actually marketed that property to Walgreens. What we do know from the market place right now is some of the big boxes are not putting in much. They are going to express boxes. There might be something in the future in some smaller piece in the corporation.

Damiano: I'm just thinking that things change in two or three months.

Fernald: This is something that I probably need to sit down with Linda and talk about what opportunities are out there. I don't really know who all you've contacted and how you go about sending out information. I can get with Linda on that.

Rob Rea: I do have a question.

Rankin: Can I just make a comment? I'm not saying this Rob, to be rude. But this is for our entire audience. When we are in session it's a closed meeting as far as the board working.

Rea: I just have a question that might be an advantage.

Rankin: I'll go ahead and accept your question.

Rea: I was wondering if it would be advantageous if your realtors had something in writing that said 'if you're interested in this property, the EDC is available to help you with your business.

Fernald: If we get contacted by anyone the first thing I would do is put them in contact with the EDC.

Rea: What I'm getting at is even if you are not interested in that property the EDC is available to help you with this property or another one that they own.

Fernald: Any inquiry that we get on property I would send them to the EDC. As you say it's not necessarily the property you called about, but anything the EDC has; very good thinking.

Osborne made a motion to extend the contract for six months with Stan Fernald/Johnson Monroe Realty. Damiano seconded.

All directors voted 'aye'. Motion carried.

6. Discuss and/or take action to extend the Alexander tract contract for 60 days that expires on July 15, 2014 for road extension/Webster

Webster: I asked that this be put on the agenda because everyone knows that the Alexander tract, there is a contract on it through the estate and the land would eventually connect with Heritage Cove and Harbor Point Road. It was due to expire on July 15th, which is today. In your packet you should have an amendment to that, which is already been signed by Mike Groom, extending the option period to August 29. That preserves our option period and earnest money so we don't lose it. This will give us time to clear up some of the issues.

Rankin: I have one question. My understanding from the engineering study that was done on this particular piece was outside of the budget for putting in a road and we had decided that would not be a good viable place to put it in. Is that still an option now?

Webster: I don't know that we've killed the road.

Boren: The cost of the road was 1.3 million.

Rankin: What did the Task Force decide?

Webster: To extend the contract.

Damiano: How does the road get paid for?

Cassady: Right.

Webster: We have additional funds coming in. There is a grant available and there is seven or eight hundred thousand dollars from Lowes which we probably aren't going to tap into. All we are doing is extending the contract. We are not taking action.

Rankin: Are we going to need to extend it again in thirty or ninety days?

Webster: That depends on something on the next item.

Rankin: So for now we would like to have a motion on the table for the extension.

Osborne made a motion to extend the contract on the Alexander property until August 29.

Damiano: seconded. All directors voted 'aye'. Motion carried.

7. Discuss and/or take action to construct an offer to Travis Tarlton for his piece of land for the extension of Harbor Point Road for \$10,750 subject to approval by City Council approval./Webster

Webster: I see Travis Tarlton is here and we constructed an offer and sent it out to get it off of square one. The Task Force wanted me to do that. I called Mr. Tarlton and couldn't get a hold of him. I talked to his wife and left my phone number. It was suggested that we send him the offer through regular mail and certified mail. I think he talked to Rita this morning and she said he could say something if you don't have a problem with him saying something.

Tarlton: This road goes out into Mr. Alexander's pasture. I don't want it to go out into that pasture. Guys this is really confusing piece of land. I own the land under the easement. A lot of people don't understand it when I say I own it. They get all mixed up when it's an easement. But I have a reason for that. I've had this thing twenty-four years. I could have done sold it fifty

times over and every buyer doesn't want that easement interrupted to their property. They want it left alone for their own personal whatever. I just feel like to go out across the easement my taxes will go up; they will reappraise the land. Ten thousand fifty won't get it. I've said it to Curtis; he needs to go up the easement to Harbor Point Road.

Boren: Down the right-a-way.

Tarlton: That gets me out of the mowing and maintains the easement.

Rankin: I thought that we were simply going to purchase the land from Harbor Point Road-.

Tarlton: That is not in his contract. This is just to go across it.

Rankin: So it's not from Heritage Cove or whatever to Harbor Point Road? Is it from Heritage Cove to Harbor Point Road?

Tarlton: The way I read it and other people have read it, you are going across my easement and going out into Don's (Alexander) pasture.

Boren: We want to build a road on your easement.

Tarlton: I know, but I'm going by his contract.

Rankin: You are saying the contract needs some correction. If we corrected the contract you would be interested in selling us-(Rankin goes to the map to point out the location)

Tarlton: This easement is fifty foot wide.

Webster: So you say this is not enough money.

Tarlton: I'm working on that now. You've got something I want. At another meeting I can show you why.

Webster: Here is the thing. We need to get you off high center. Do you want to sell the land, the easement?

Tarlton: Yes.

Webster: How much do you want?

Tarlton: I can't tell you right now.

Webster: I'm sorry we need to know; we need to move along with this. We've extended this other deal while waiting on you and that's why we sent the offer.

Cavanaugh: So we could expect a counter offer by July 20th.

Tarlton: This all boils down to these people in this development. The people that bought these lots, this acreage, they can't get rid of them to resell them or get anybody on them until that road extends. I've talked to them. That's the reason we are doing this. To help the businesses that is in there and to get other people in there to make that a successful sub division. It's not successful now.

Webster: That's why we want to extend the road to Harbor Point.

Tarlton: I understand.

Webster: This extension is going to push commercial on your land, which will raise the value of your land.

Tarlton: And I'll pay more taxes.

Rankin: If we were to call another open meeting by the July 20th would you attend with your representative to discuss the contract with us?

Tarlton: If it wouldn't interfere with my schedule.

Rankin: I understand. Can you give us a time frame?

Tarlton: Not now.

Webster: Well, you know we don't want to go into perpetuity here. I'm sixty nine years old; I don't want to die before I get an answer out of you.

Cavanaugh: He's got until the twentieth.

Webster: You've got until the twentieth of July or this is going to terminate.

Tarlton: No, I've got one more deal. Landers didn't get this land over here. This has something to do with this whole thing. Y'all gave him permission to push dirt, haul dirt, and I've got a water problem. (Passed around a newspaper article from 2006 showing the backed up water on his property). I've still got that water problem and it's not my culvert. It goes over my road and it still backs up when I get a rain of three or four inches. You know I've been a nice guy. I didn't have any money to spend on a law suit. It's all changed and I'll put up with this when it rains. I can't get into a hundred four acres; I can't even get stuff out. Y'all are going to have to deal with it. This is on the EDC's property. When this picture was took; Landers filled that in. I have written complaints, complaints, complaints and complaints. The man that owns the land, he knows him. I don't want this man that owns it; it's the E.D.'s problem. You turned Landers loose with a backhoe back there and he put all of that dirt in that gully. When Don Alexander was alive he came over here and talked to Landers and he ran him off. That's all I've got to say about that.

Rankin: I appreciate your comments.

Webster: Ken Landers filed bankruptcy. He is not around anymore.

Tarlton: I've still got that water problem.

Rankin: What we could do is have conferences with Curtis and perhaps maybe the council and board can come together and make something right for you.

Multiple conversations.

Tarlton: It's not my land that's causing the problem. It's another man, Mr. Ford. And it's really not Mr. Ford's problem, it's the EDC problem. After all of this time.

Rankin: And I understand and it goes back a quite a number of years. I do agree.

Webster: July 20th, I'd like the board to stick to that date to have a response.

Rankin: Can we have a conference with you outside.

Webster: Before July 20th, sure.

Rankin: Is there action we need to take on item #7?

Webster: We've done the offer and it has been signed.

Rankin: The board has not approved the offer or the contract.

Webster: OK, let's go ahead and approve the contract.

Rankin: We need to verify the information on the contract if what he is saying might be accurate.

Webster: We can do that, sure.

Rankin: With that caveat, do I have a motion to proceed to construct an offer to Travis Tarlton for his piece of land for the extension-instead of piece of land I'm going to say that the motion should have easement. Motion should be to construct an offer to Travis Tarlton for his easement as an extension of; perhaps you can say either Heritage Cove Parkway to that affect for \$10,750.00 subject to the approval of City Council. That's the motion I need on the table.

Cavanaugh made the motion that we should construct the current and offer for contract for the land-easement for the extension of Heritage Cove Road for \$10,750.00 as stated in the contract that Curtis has drawn up. Osborne seconded. Rankin, Cavanaugh, Osborne, Damiano and Cassidy voted 'aye', Janow voted 'nay'. Motion carried.

Webster: You are welcome to contact your attorney and make changes on this contract in your counter offer.

Janow: If you guys can't cut a deal, let it go.

Webster: It's going to die July 20th.

Item 8. Discuss and/or take action to appoint an EDC member to the Task Force to replace Gary Damiano. /Webster

Webster: Dennis Baade who is here tonight and I had a conversation this afternoon and he reminded me that when the EDC appointed members to the Task Force that Sandy Janow was appointed as an alternate if somebody left. So Sandy you are automatically on the Task Force. What we should do, if we can is appoint an alternate to Sandy.

Rankin: The action that we need to take is to appoint an alternate. Do I hear a nomination for an alternate to be on the Task Force?

Sandy nominated Pat Cassady.

Cassady: I respectfully decline.

Rankin: Does anyone else want to nominate themselves.

Janow: Gary

Rankin: He can't. Jim Cavanaugh and Jim Osborne are already on it. That just leaves myself. If I would not hear any objections then I would be the alternate.

Goss: I object.

Rankin: So we don't have an alternate. If you don't have a quorum; if you don't have our three in there, we have to have a full attendance. That was the agreement.

Webster: Sandy, stay well.

9. Discuss and/or take action to approve or disapprove invoice from Shackleford, Hawkins & Searcy, P.C.

Rankin: This is an invoice that derived from the Task Force. I'm not sure what heading you were wanting that to be charged to. We have in your packet a copy of the invoice and what was obtained with that service.

Goss: That was for the final background search for the easement. It was all wrapped up in the road.

Rankin: What part of the approval that the EDC has made does this come under; what heading?

Goss: Phase I.

Rankin: What part of that?

Boren: Right-a-Way acquisition.

Damiano: I didn't think the Task Force could spend money.

Cassady: Without our approval.

Webster: You did approve it.

Rankin: We approved Phase I.

Goss: When it was passed as Phase I, \$60,000 was allocated to Phase I. It was approved by this group and it was approved by the Council for the purpose of the road, signage, entry way, all in Phase I and purchasing easement ROW to do that road and road acquisition.

Webster: That was how much?

Osborne: \$541.

Boren: So this board knows the City picked up engineering that was done for the \$1.3 million cost estimate for the road. If you all picked up this one we'd pick up the other one.

Osborne moved to pay the Shackleford, Hawkins & Searcy, P.C. invoice for \$541.25 charged to Phase I project. Janow seconded. All directors voted 'aye'. Motion carried.

Boren: We said we would come back to both boards to let them know what we are spending.

10. Discuss and/or take action to approve or disapprove payment of Adam's Engineering invoices for May 31, 2014 and June 30, 2014.

Rankin: This again comes under what is this for?

Cavanaugh: The development; the overall project.

Boren: Can I take the floor for a minute. In your 2/18 minutes-EDC minutes where you were talking about this project is says' Landscape Architect \$10,000, money has been approved and funds collected. There are more comments going on then Mayor Braswell who was on the board at that time says 'we've approved two projects of the \$60,000. You have already approved this project.

Rankin: Yes, but what I would like an explanation on is the contract itself, what it calls for.

Boren: The City Council has approved the payment of this. I don't even have to go to them. There were two projects approved by this board. They were approved before we did the contract. ROW cleanup and hiring a landscape architect. All related to this project. The contract has already been signed. Right now the city is in default of the contract because it's a net 30.

Rankin: The contract that I had Jeff look at, we modified and made a point to make it the full 60 days, because we knew we couldn't do it in 30 days. So we should not be in default on it.

Boren: The second reading, we said 5-5 from the public hearing and they billed after 5-5.

Rankin: And we made a stipulation in the contract that we had plenty of time to pay it. We changed the contract to make sure we could pay it.

Boren: Right and this payment has been authorized by both boards.

Rankin: The second part of the problem is what was in the contract to be accomplished has not been accomplished so we are paying for something that does not fulfill the contract.

Boren: Then you need to notify them by the contract. The board needs to notify them by the contract that they are in violation.

Rankin: We don't have rights to talk to them.

Boren: It's an EDC contract.

Damiano: This is just an opinion. We contracted for one thing, which was the layout of Heritage Cove. As it progressed the contract was modified by the Task Force to approve something that wasn't in the contract, meaning the architectural design of an entry which takes additional time and money to do. That pulls money out of the \$10,000 to do it so it's additional.

Rankin: So was the contract modified?

Damiano: No. It was never officially modified. It was verbally modified. If they are supposed to do a layout of Heritage Cove for \$10,000 then go off and take this right hand turn and start doing the entry way, they spend time doing the entry way that was not in the contract. That's additional man power, that's additional cost. I don't know where it leads up, because if we go back and say now we want you to finish the landscape it probably means more money.

Rankin: Let me just ask everyone from the Task Force who approved this to move forward like he did.

Yes.

Rankin: Even though it was never brought to this board it was approved at your Task Force meeting.

Damiano: A contract is a contract.

Rankin: What I need to know is there a motion to pay for this. I just need a motion.

Cavanaugh: How much money are we talking about?

Rankin: We are talking about \$4,864.50 and 400.00.

Damiano: I question that. If you look at the invoices they both show the same level of completion. The invoices are a month apart. It either means nothing was done to the basic assignment or this is a duplicate invoice following up the first one. I don't know if it's a request for a second payment or a reminder that we still owe them.

Multiple conversations.

Cassady: It's described differently on the invoice.

Rankin: The problem I have with the end product whether for the front signage or whether it's for the entire site layout was to be a full colored; nicely well done layout and we don't have anything like that. We have had drawings. So I'm not interested in paying for something that's not of the quality that they guaranteed us.

Boren: That's where the board needs to reply or the Task Force. Curtis I think you are in charge of the Task Force now or whoever. They need to reply back to Adams saying you didn't deliver your product.

Multiple conversations.

Rankin: I have no control over it.

Boren: I agree.

Goss: Then the conversation needs to go tomorrow, have a conversation with Adams on the entryway. We said Heritage Cove entryway included in the overall drawings and everything the way I see it. I will have a conversation, if Jim would like to be there for it, tomorrow pertaining to this. They cannot do the coloring rendering until we give them the last information which we have another meeting coming up to specify what the landowners wanted done with it to give them direction. They cannot give us color rendering until we finish this up which we will do the next meeting. We scheduled it with correlation with Mr. Tarlton either responding or rejecting, we will either kill the road issue by the 20th and finish the project and it will be done or we will extend it out because of the road issue and keep going that way as far as that development. But the way I read it and understood it. This is the way I will present it to them tomorrow is the entryway is part of the project. As far as I'm concerned the \$10,000 that was budgeted for the renderings include the entryway.

Damiano: The clarification I want to make is I don't, it's probably on the word rendering. You are not going to get an architectural view of the buildings within Heritage Cove, you are going to get the layout, lighting, streets and all of that, but it's not going to show architectural design. The same goes for the entryway.

Goss: We've already gotten that.

Damiano: I know you do, that's what I'm saying. That was something extra. If the plan had been stuck to you might have seen the outline for a lack of a better term. You might have seen the outline for a better term. You wouldn't have had an architectural rendering of it. That's why I'm hinging on the difference.

Boren: So it's agreed that tomorrow.

Osborne: Just call me tomorrow and I'll come over.

Boren: I assumed. I got an email that had the conceptual bubble map-.

Rankin: I've seen that.

Boren: If you look at the same email there is another attachment that has an entryway. I understand that's part of the \$10,000.

Osborne: That's my understanding all the way through.

Rankin: What I'm seeing and it was done very free handed, it was done within an hour's time and we are paying nearly \$5,000 and that really does not ring true to me. I don't like it.

Goss: A lot of projects like this done with builders, you have to pay a certain amount up front and they get the remainder when it's finished. I'll resolve it tomorrow.

Rankin: I need a motion to table this until we can get some clarification.

Janow made the motion to table Item 10. Adams Engineering Invoices.

Damiano: Are we making a motion to table it or tying it to a date.

Rankin: We are tabling it.

Osborne seconded the motion. All directors voted 'aye'. Motion carried.

11. Discuss and/or take action on legal expense and process./Cavanaugh

Rankin: I have had a conversation with Mr. Cavanaugh and I will say that we are pulling all of our legal invoices and we are going to separate out charges into categories into legal charges to projects, legal charges associated with issues, and legal charges associated with miscellaneous others that has to do with EDC business.

Cavanaugh: I think the important thing is it's going to give us the ability as we work on the budget and what kind of money we are going to be spending next year.

Rankin: I don't think I need an action on this.

Cavanaugh: But the other thing that is; I think we said possible action, maybe the action could be, I don't know how specifically the city works when it comes to approving following up employees and who has the authority to follow up with the attorneys. Do they all go through you Gerry?

Boren: That's because of previous council items where the council just went and talked to an attorney. That's the only way I can control the budget. Sometimes they come to me and say I need to call the attorney for this information and either I will know where to get it off of TML or TEDC website or I may make a phone call.

Webster: You can cross check it and they bill by a quarter of an hour?

Boren: It's a half hour. I get a detailed listing of the invoice for every email, every call made.

Rankin: Do I need a motion?

Janow: Gerry, can we appreciate this that there are no calls to the attorney from any of us unless you-.

Rankin: No.

Cavanaugh: I think we need a focal point. It could be a call to Linda and Linda saying 'hey' how is the budget looking. Do we have money in it?

Boren: Council comes to me and says I have this issue. Sometime I can answer it; sometime I need to call the attorney. But somebody needs to call that budget item.

Cavanaugh: And that's the whole point I'm trying to make.

Rankin: Do we need any action, Jim.

Cavanaugh: The action is maybe we make the motion that all request for contacting attorneys for EDC members are approved first by you.

Rankin: Is that a motion.

Webster: Preapproved?

Cavanaugh: It's not I just finished talking to Jeff two hours.

Rankin: Do I hear a second. The motion is contact with Jeff Moore will be approved through the President of the EDC. Osborne seconded. All directors voted 'aye'. Motion carried.

Damiano: I'm thinking this one over.

Rankin: I think if the President would ever want that person to contact that attorney they could give them that privilege. If they know it's a legitimate issue and they are the ones that need to handle it.

Damiano: I'm trying to figure out how it works in reverse when you feel the need to go and contact the attorney.

Rankin: The only ones I've been doing are the ones that are allegations.

Damiano: I know that.

Rankin: Okay. I think I know a legal matter when I see it.

Damiano: It might help to have a team or a second opinion when you contact him. That's just my thinking.

Rankin: Okay, we've got a motion it's already been seconded and passed. Can we come back to this?

Cavanaugh: I think what we can do is put detail process together after we break them down.

Cassady: When we get into the detail; that makes sense.

12. Discuss and/or take action to appoint a vision committee to assess what projects need to be added to the 2014/2015 Fiscal Budget.

Rankin: In our Standing Rules Policy that we created, modified the Vision Committee so we could prepare our budget and hopefully not run into any issues. I would like to have nominations from the table as to who you would see being on the Vision Committee. This is only for a period of while we prepare our budget.

Cassady: Probably for the next couple of months.

Cavanaugh: It would probably be for not even a couple of months. We don't have that much time.

Rankin: No we don't. That's why I want you all to meet quickly.

Cavanaugh: So if we think about whom the heads of different Task Force are.

Rankin: I have a list here and-

Cavanaugh: If that is the process you want to use then we get the Task Force heads together with what they feel they will need and next year to spend.

Rankin: What I would like to do is add a council member as the liaison or the City Manager or else the Mayor. I want one person on the Vision Committee from the other side. Gerry who would you recommend?

Boren: Mickie, my financial person. I think that would be the target key.

Rankin: Now if we are putting projects on our budget I do not want any kind back lash. I want to make sure whoever is on our Vision Committee-

Boren: Just put me on there and I'll report to Mickie. I want to make sure the financial aspect is one of the things-our projects need to work together.

Cavanaugh: The budget is going to go through Linda and you to before we approve it anyway and the council. I think Mickie could be on it or yourself.

Boren: I may use her as a resource. To understand the impact on what decisions we are making here. I was thinking of Ron needs to learn the finances. This will give him an opportunity as a council member to build a budget up.

Cavanaugh: What's the expectation of the Vision's Committee?

Rankin: We have to have our budget ready by July 31st. And we have to meet with them next week and get this order in good order and gone over all the projects, categories in our budget, and make sure we don't make a mistake.

Boren: One of the things I think the board needs to know that's on the agenda, I've added strategic planning, thinking that's where the council and board can get together to come up with projects.

Rankin: We have to get ours ready and we have two weeks.

Boren: Tuesday the council is going to discuss capital projects.

Rankin: On the Vision Committee I have Sandy, myself. Jim Cavanaugh, Jim Osborne, Gerry Boren and Ron Wyrick. A notice will be posted. Janow made the motion on the above statement. Osborne seconded. All directors voted 'aye'. Motion carried.

13. Discuss the Fiscal Year 2014-2015 Budget/Cavanaugh

Cavanaugh passed a working draft of the 2014-2015 budget. He suggested giving the working draft to the Vision's Committee because that they will be doing is filling in the boxes for the new projects this year and projects already underway.

After discussion on the expected sales tax revenue for this fiscal year budget it was suggested by the City Manager to review the projected sales tax growth from MuniService report that was discussed at the June meeting. The report provided three scenarios and the City Manager said the city would go with the 'optimistic' prediction.

Janow had nine projects he wanted to mention: Water Park, Montana Project, July 4th (no parade like the city of Crandall had) War Memorial (establish a committee and raise funds) Heritage Cove street lights and theatre, and local newspaper reports were not positive toward the city, Widen of 334, the 10 acres Stan Fernald owns we should be thinking about putting Gun Barrel on the map, I offered that to the Bar B Q, buy Big Chief. 175 Corridor, Poker Run,

Boren: In your promotion expense I was going to talk about Live Well Run, it's an ICMA project about more promotion about how to be positive.

Rankin: These items can be discussed when the group meets to discuss the budget as part of promotion and marketing.

No action taken.

14. Discuss and/or take action to approve marketing projects for 2014/2015 fiscal budget.

Rankin had provided a spread sheet that shows marketing in the past and marketing items discussed in the board meeting for the future. Any suggestions could be sent to the committee. Current marketing expenses had been given to Linda.

No action taken.

15. Discuss and/or take action to appoint an ad hoc committee responsible for the preparation and details of the November ICSC tradeshow in Dallas.

Rankin: Let's form the committee to get all the details and get us moving in the right direction. I want a committee in charge of this and move it quickly. We need to have all of our deadlines met by September. Cassady made a motion to appoint Gary Damiano, Connie Holubar and Jim Braswell to the committee for the November ICSC tradeshow in Dallas. Osborne seconded. All directors voted 'aye'. Motion carried.

16. Discuss and/or take action to continue dialog with the developer of Splash Kingdom and provide comments and feedback.

President and CEO Johnny Blevins of Splash Kingdom made a presentation on building a Splash Kingdom Express in Gun Barrel City. Three Splash Kingdom parks are in operation now. They

are in the process of taking over a park in west Texas. Blevins and Scott Steenson are building a Splash Kingdom Park in Greenville, Texas that will be open next year. Scott Steenson mentioned the property in Gun Barrel City. Steenson owns approximately five acres located adjacent to the Brookshire property on Hwy 334 and behind South Side Bank. All aspects of the construction and operation of the park would be by Splash Kingdom, but the city would own it. Splash Kingdom would have full responsibility of the park.

Boren was impressed with the number of people employed at Splash Kingdom.

Blevins: One thing we pride ourselves on, I was a high school teacher twenty years ago and my wife is a kindergarten teacher. We have a passion for students. We want to make sure they are understanding and learning what it takes to be successful when they grow up. So as we are training and teaching them in our environment our goal is that they are going to be better for whatever they do next. We work with the area schools and take them to the next level. Our expectations are extremely high and they clearly meet the expectations. They would hire two to three full time and thirty to forty seasonal.

Management and lead staff go to EMT and security training. They can handle anything from a first aid standpoint that doesn't require an ambulance. In nine years and three parks there hasn't been a water incident. Its health related; heat or seizures. The parks are audited by an outside firm.

Their largest park uses a third of what Wal-Mart uses. Once they are filled up, they recycle and filter the water.

This park would be a four to five acre plan with about a hundred fifty parking spaces. There would be a four to one ratio; about four hundred people in the park at any one time. The cost would be at or below four million dollars.

Construction would be a six month project. They could start in late October or November to be finished by March or April. It would take three or four months to get the paperwork done.

Rankin: It would take a good year to get the funding together.

Canton's Splash Kingdom brings in about 100-125 thousand people. Their mission statement is: We work by God while providing a safe and fun recreational experience for families. Parks are family oriented, safe and fun; not for the high thrill teenage college crowd. The Gun Barrel Park would be used for Splash Kingdom cross promotion. Water park tourism is about bringing folks into your city; you bring them in, they eat and shop.

Boren: I would say October of next year if we are really running. That would be a good time to say we are starting.

Rankin: We have to take a look at all of our funding.

Damiano: If this is something that sounds good and something we want to move forward on and I think it's probably the view of everybody at the table. At this time would it make sense to declare it as a project and move from that point on?

Rankin: No I don't think we are there yet.

Damiano: Why not?

Rankin: I want it and I would like to think we go forward with it. What we need to think about is more dialogue, with more sites, any other contractors. This is the first one that's been here to give us their presentation. So if we wanted to put one near the cinema, we wanted to put one somewhere else, what I will say is this piece of property is nice and flat. It's an excellent location.

Osborne: The drawing card for this guy, everything he said when we met and before; it's like a fresh breath of air. Here is a game plan, it's his road map, and he's responsible for running it. We don't get some kid with a hat sideways; everything is perfect. This is a heck of a deal for the city.

Rankin: You guys as a board can make a decision to whatever you like. If you want to make it a project you can. If you just want to continue dialogue for now we can do that.

Damiano: What is the down side on making it a project?

Rankin: That pretty much declares that we've got to X amount of dollars. We've got to begin to look at what goes into the project. We have to begin working on it. Right now I feel like we are still in a dialogue state.

Damiano: If he is saying that construction wouldn't start until October next year. For me that indicates there might be some expenses for us in this next fiscal year.

Rankin: Oh there would be.

Damiano: There would be. If we declared a project we could set some money aside to pay for some of those expenses. If it doesn't happen-

Osborne: It's a good deal, but you want to make it a project. I agree with you.

Rankin: In our meetings with him he says they do make money at their site and they lease it back from us and they make sure that it makes money. He did not have any negative-

Osborne: This is big money here. His marketing, his promotion every town he's gone in to; this guy is looking into other parks to buy, because they aren't priced right.

Rankin: Curtis he is going to do all of the upkeep. His maintenance is A Plus, Plus. He was talking about taking good care of their facilities so they don't run into high maintenance.

Webster: He takes a management fee?

Damiano: He takes a management fee. I don't know if it's a percentage at the gate.

Osborne: I guarantee it would make us money.

Webster: Well you guarantee that?

Damiano made a motion to declare a new project called Splash Park-

Rankin: What about Aquatic Center? That's what they are called.

Damiano: Aquatic Center, ok. I make a motion to declare a new project called Aquatic Center and for the lack of any other figures. Janow seconded. All directors voted 'aye'. Motion carried.

Boren: Can we identify this in the Vision Committee as a project and bring it back with a budget.

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

Thompson: Two meetings ago, the May meeting, we discussed various sites for the potential industrial park and after discussing those and looking at the various sites we decided to look at the crater site exclusively at this time and do a more in depth analysis on the actual estimated cost for running infrastructure to the site. So for the last two months that's what we've been doing is looking at what it would take to a) get infrastructure to the site or b) we talked about putting a septic system on there temporarily that would cost less to get us up and going. So that's what Carlos and his team have been working on.

I'm Carlos Andreani an associate principle with Pacheco Koch. We are civil engineers, land surveyors and landscape architect is what we do in trade. I'm a civil engineer personally and the root of what we are doing here is civil engineering in trying to plan for the crater site and take a look at what's needed. Two months ago what we presented is there is very little water infrastructure at the site and there is no waste water at the site. So the question is how do we make that happen? We looked at two options. 1) Running the municipal system out from Gun Barrel City out to the crater site 2) how do we create a self containing site that doesn't

necessarily have to be connected via infrastructure? There are advantages and disadvantages with both. The bottom line to what it comes down to is running infrastructure out there, cost a lot more money, but what it does is it allows you to plan on the highway for future development and future development will have access to the infrastructure as well. The down side is obviously a lot of money. If you save that money there are still ways to do development out there through ways of utilizing the limited water source that's out there. You could use a ground storage tank. You can do an onsite sanitary system, but the down side to that is you can only go up to a certain threshold before you have to designate it as a municipal water system. That's five thousand gallons per day of waste water. The feasibility study had been revised to include the cost of utilities. To run water infrastructure out there would be in the range of one and one half million dollars. The on-site well and ground storage tank would be in the range of four hundred thousand dollars. Running the infrastructure for waste water would be in the range of two million dollars. On-site sewage facility would be under a hundred thousand. The next step is to figure out the jurisdiction or regulatory items out there that they would need to be conscious of to be able to make this a developable site or what are the limitations on how much of the site could actually be develop. In order to figure this out there is another type of consultant, an environmental consultant, certified to make those determinations. We recommend that we get someone like that on board to make that determination. Then what we can do is run forward and create a conceptual site plan, price what it would be, get a better idea of what the water and waste water demand will be and then have a solid number and figure out how to get the money.

Thompson: What we would like to do now is talk to ETCOG and talk to them about the EDA grant and the possibility of funding there. We have three primary types of funding that we can look at. The Texas Leverage Fund which is a loan the EDC can take out. It's through the State of Texas. They can finance these kinds of projects and what we put up for collateral is sales tax. You can look at an EDA grant and see how much they will pay for. You can look at the Texas Capital Fund. There is an appeal to running water and sewer down there because that opens up that whole section of town to development. It makes it more attractive to development. We'd like to do is go out and talk to the EDA and see what kind of feedback we get from them; what kind of participation we can get from them. It looks pretty positive that they could pay for a bulk of that. Or we could use the three financing mechanism mentioned. Maybe it's worth going ahead and take the next step to have an environmental come out and look at the actual crater to see how much we can claim.

Andreani: It would be thirty three hundred dollars to have them to come to the sight, make their evaluation on what's jurisdictional, wet lands, etc. From our standpoint to take it to the next point with a site plan and actually taking this report to them were not going to ask for anything else. We are going to take this report to the next level, but in order to do that we need environmental information.

Thompson: That's our recommendation.

Damiano: What happens if you don't get the environmental information? Does that kill the site?

Andreani: We can make some assumptions, but those assumptions-

Rankin: Aren't going to be valid.

Andreani: We can either go deal with the existing conditions out there and really limit the amount of the site, because you could only develop around the crater. It may or may not be valid when you move forward to figure out if it's jurisdictional or not.

Goss: Have y'all started on the second site that's been requested?

Thompson: As far as the board goes we haven't had a meeting since June-May is the last time we discussed this so we haven't been given direction on the second site.

Rankin: Nor has the EDC been given any direction.

Goss: The City Council gave the second location. According to the feasibility study the tract we are looking at, sixty four (64) acres on 334 is the other location.

Thompson: Well we haven't been given any direction by the board at this time. That's something between the board and council. We report directly to y'all as a board. The last time we discussed this was the May meeting. Our direction and our marching orders were to study the site on 175 and 334.

Goss: I know the council has given directive to the board to do the second site and find out if additional funds will be needed. Has this not been done yet, Linda?

Rankin: We have not been given any information from the City Council relating what this piece of land was, where it was and who owned it. So until this board receives the information from the city council we cannot move forward.

Goss: Okay, I'll give you something in writing.

Webster: Let me ask you a question, Linda. Isn't the crater a retention basin for however many CFS comes off the highway?

Andreani: We don't know. It's not mapped on any kind of flood plan or flood maps. Usually if it was in a direct path where storm water runs through there it would be mapped as such. The hundred year flood plan would show up there. When I was talking to my environmental guy, he pulled up an aerial and saw a contributory coming in close to where the crater is before it goes under 175. What he couldn't tell based on that aerial is whether the storm water from that contributory flows through the crater lake before it goes into the culvert at 175. If it doesn't it could be considered a man made structure and not be jurisdiction in any fashion.

Webster: That water has to come from somewhere.

Thompson: We talked to the broker when we were talking about the property. They made it. We thought it was originally a retention pond when TX DOT rerouted everything, but according to the broker he said 'no', they just made it.

Damiano: They intentionally made it?

Thompson: They intentionally made it. It was clearly intentionally made. They intentionally made a water feature.

Webster: It must be spring fed.

Thompson: Part of it has to be spring fed because it never loses water.

Andreani: It's a different kind of blue than anything else around. It could be that rain water gets in there and it settles. There are a number of options but what these guys do is look into the history and documentation of that property.

Is this place becoming less appealing?

Andreani: It's a challenging site from the development side of it. If the crater can go away-.

Damiano: Everything hinges on the crater.

Thompson: Even if we just minimize it. It can be a nice water feature that we could use. A lot of the business parks we are seeing have water feature. It's not that we are looking to get rid of the water feature in its entirety; we just like to claim some of it. From a development standpoint with the 175 Corridor committee coming together and being on 175 this really opens up a main corridor from a marketing standpoint-.

Rankin: Gerry Boren do you have some concerns?

Boren: There was a conversation going on at the last council meeting. There was a directive at the meeting saying 'hey we are asking you to look at this site'. How come the information wasn't delivered to do the second site? I know the motion was made to complete this study or do the study to the second site. I think that's where the confusion is at. We are talking about the crater site not the alternative site.

Mayor Braswell: Does the board know, does anyone know where the site is?

Rankin: No.

Goss: Yes. I think it was in a meeting when I explained it and I pointed it out on a map.

Rankin: Do we have contact information? No. Do we know exactly where it is? No. You got up here and pointed to a piece of land. We do not have any kind of contact or any direct information for that property. So as soon as you get it to us we will be glad to take care of it.

Mayor Braswell: When the discussion was started, if you remember Osborne had to leave and that killed the quorum.

Goss: It went on to the second meeting. That's fine, but I'm still recommending as according to the council meeting this one be stopped at this point and the other one be added and then it will be represented I'll have it to Linda tomorrow with the description of the land and what came out of the council meeting.

Cassady: Is it currently under a real estate contract?

Goss: Yes it's listed.

Cassady: Who is it listed with?

Goss: Me.

Boren: There is a conflict of interest.

Goss: There is already a conflict of interest form signed.

Cassady: Bingo.

Rankin: So you cannot be discussing this in this meeting. The Charter says if you have a conflict of interest you cannot discuss it.

Cavanaugh: Some information is necessary.

Boren: I had a couple of questions pertaining to the crater site. You mentioned a self containing plan. Were you considering a package plant in this operation or the LUD to low to maybe do an ADMGD plant out there? The other thought I had in an EDA grant in these types of operations we do have a-it's not municipal water-it's a MUD district. We could use them if they wanted to expand their operation, use them as their contribution. Right now the EDA grant is running 50%. I've done the research, I've looked at it. Most of the cities receiving awards are a 50% match. So what I'm thinking is as we proceed forward we look at the water district to see if they are willing to play if it's in their area. They might match the 50% of the 1.4 million and some funding. In a package plan operations I've already mentioned to Bill Goheen, we were talking about some things. They would be willing to operate the package plant. My other concern is if you were looking at the package plant to not do a windmill farm type concept where we develop it and say here it is 'operate it'. The package concept might work instead of doing multiply lift stations in the area.

Rankin: I need to make sure we are clear on one thing. We have already moved forward with this feasibility study on the 175 and we have spent a good amount of money and to just can it without any council vote I don't see how that can be done.

Goss: Will actually it was and proceed with the second, but not to expand it to the two hundred acres. They finished with the sixty four, take the study they've done and do the second site. That was what the motion was. Gerry can have it to you in the morning.

Multiple conversations.

Rankin: We've had our report for this evening. Obviously you will have to wait for direction. I will contact you as soon as I have more information.

Damiano: Jack are you working on the 175 project?

Thompson: Yes.

Damiano: And you are presenting information to the 175 project?

Thompson: Presenting information?

Damiano: Demographics for the Alliance.

Thompson: We did. Actually we ran quite a bit of demographics; an in-depth study.

Rankin: That's not tonight's agenda.

Damiano: His report is on the agenda. We are paying for that or the Alliance paying for that.

Thompson: Neither one. We presented to the board a two hundred dollar participation fee for demographics.

Damiano: That was the only question I had.

Damiano made a motion to approve the Orasi monthly report. Cassady seconded. All directors voted 'aye'. Motion carried.

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

Rankin: Connie is out tonight. Have you read it?

Cassady: One of the things that we had been approached on, by the Senior Resource guy, we were approached as part of the Go Texan Certified Retirement Community, we had the opportunity to place an ad in the north Houston Senior Resource Guide. So we took them up on it. It was free. So Connie put it together.

Damiano made a motion to approve Connie's report. Osborne seconded. All directors voted 'aye'. Motion carried.

19. Discuss and/or take action regarding the duties and job description of the EDC Administrative Assistant and other Personnel Policies."

Rankin: I would like to have a motion from the board to setup a committee that will review our job description and our Personnel Policy.

Cassady: The job description is from 2000 and the most current as well as the Personnel Policy from 2008. All of those need to be updated and refreshed. I think a committee is the way to approach this.

Damiano: I don't mind working with you on this.

Cassady: I would say that Gary and I are both from an H R prospective. We have the most experience with job descriptions so what we can do is take a first stab as well as the Personnel Policy and bring it to the board.

Rankin: Curtis would you like to be on there?

Boren: Do you want to put Mickie Raney on it? She is working on our Personnel Policy.

Damiano: We've already asked Curtis.

Curtis Webster: That would be fine. What about Rita? Can she help with the job description?

Rankin: No.

Damiano: She will have input. That's the only way this can be done quite frankly.

Cassady: Right. So Gary, myself, and Curtis; I think the three can knock this out. We can coordinate with Mickie and what changes-.

Boren: Make sure the policies are close.

Damiano made a motion to put together an ad hoc committee and take a look at the job description for the Admin Policy and procedures consisting of myself, Pat Cassady and Curtis Webster. Janow seconded. All directors voted 'aye'. Motion carried.

20. RBEG update./Cassady

Cassady: There are two possibilities out there. It's the Family Resource Center and he hasn't filled out an application yet. They are looking to expand and I will be following up with them. The second one is Kingdom Learning Center. We actually have an application. Gary talked to her first and there is a lot of work to be done. She knows the business in terms of the day care side of it, but will need extra help.

21. B2B Update/Damiano

Damiano: We've had two meetings. The first meeting was to get acquainted; to see what the issues are. The biggest problem that we are getting is the matching funds thing. We can't do anything about that. We are looking at putting a shorter version of the application, not a final. It just opens the door for conversation instead of going through the entire financial thing.

Cassady: That is actually a good idea for the RBEG.

Damiano: We talked about marketing the first meeting. From the standpoint that there is no consistent marketing plan out there meaning quarterly. The Texas Workforce has a website called 'Work in Texas'. I'm going to see if we can post an opportunity there for an entrepreneur who wants to come to Gun Barrel City and open up a business. It's free and we are looking into that. We are also talking about business cards. The business cards are not for us. The business cards are to give to people so they have a name and contact information. The other meeting that we had was a meeting with Marine Landscaping and Tom Terrell. Tom is doing well. We went through his finances. We discussed some of the issues of owning a business. He's planning for his down season meaning after the summer is over. He is trying to go after larger contracts instead of the individual home owners which would make sense or a construction company to do the initial landscaping on a house or development. He is hitting the stretch factor because it's himself and a part-timer and a truck. He's reasonably well spread out across a wide geographical area; that's a problem. Unfortunately there is no backup plan. We talked to him about hiring, the financial-what was lacking in some of the financials. He's got one part-time kid who's a contractor. He probably needs a contract between he and the kid stating he's a contractor not an employee. We reflected on his expense on his spread sheet on the cost which was not good. He has a truck payment of cost that's not on his spread sheet. He needs to put that own there. Workman's comp was the other issue. He's got a kid working for him part-time, but when he bids a project if he doesn't have workman's comp he doesn't get a shot at the project. He is eventually going to need to hire somebody. If he hires somebody, all of a sudden he's got three people riding around in one truck. If he has to hire somebody then he's probably going to have to hire two people or at least get a truck and additional equipment. We are learning that Tom is very good at what he does, but he probably needs some supplemental education when it comes to business. We actually talked to him about the possibility of maybe putting an introduction to business course requirement into the funding.

Baade: We put 10% in there for education. That was the whole idea behind that was that someone could-

Cassady: I don't know if we would be restrictive because it's a grant in terms of education. That would be the only question.

Damiano: Basically it's an insurance policy against the investment policy.

Baade: He doesn't have a rainy day fund. What do you want to be in three months? We've had that discussion. I told him I don't want you to come back to us in three months, because this report sounds just like the last one. Come back to us and say I've got my rainy day fund. I've got this much money in it.

Damiano: We asked the questions and he got a little frustrated. We said we are trying to help you manage your money.

Osborne: I talked to him and told him that some morning, at his convenience, I'll help you sell. Selling is a learned technique. I told him because he doesn't know. I've made the offer. He's going to run into January and be standing around.

Damiano: There is a danger that he may do that.

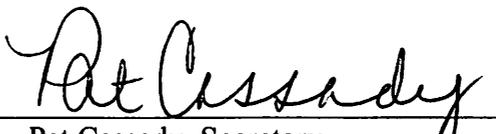
Osborne: There is a way to run a business and finding out how you are going to get there. What you should do to get it. That's what this is all about.

Cavanaugh: I've seen it happen to a lot of contractors that the money that comes in, it's spent and they are not putting away the 15%.

Cassady made a motion to adjourn the meeting. Osborne seconded. All directors voted 'aye'. Motion carried.

Adjournment: 7:25 p.m.

Approved by: 
Linda Rankin, President

Attest by: 
Pat Cassady, Secretary