

Notice of Special Board Meeting  
of the  
Gun Barrel City Economic Development Corporation

The Gun Barrel City Economic Development Corporation met in a Special Board meeting in the Gun Barrel City Council Chamber located at 1716 West Main Street, Gun Barrel City, Texas, 75156, Thursday, February 12, 2015 at 5:00 p.m. Skains called the meeting to order at 5:00 p.m. with the following directors present: Osborne, Butler, Rea, Damiano, and Black. A quorum was established. Cheyenne Lyons was absent.

Citizens Comments: No citizen comments.

Item #1. Presentation from Brian Cruz/dba/Gun Barrel Produce Management.

Brian Cruz: It's a pleasure to try and do business with you guys. My background is hotel/restaurant management. I worked in various hotels and studied various hotels and restaurants. I feel like I could be a help in this community, improve the economy in this small town. Especially with the lake around I feel like this could be a very great product to start up with.

Skains: Brian the only question I might have is we are looking at making fifteen kiosk or booths, how long do you think it would take to fill those up?

Cruz: To build the booths or to fill them up?

Skains: To rent them out.

Cruz: Within the first week, word will get out. I plan to go to Canton, I've contacted other farmers and many people are interested. It just depends on applications; what produce they want. We don't want three different stands selling the same products because no one would make money from that. So it depends on the variety of everything. As of right now I feel like within the first week we could fill up fifteen and if it continues we may build more booths if the EDC allows.

Black: I was wanting to ask-the stands at night after the market is closed what do you propose to do with them?

Cruz: Right now we were thinking that we might enclose it; put up fences around it to keep it safe.

Black: Enclose?

Cruz: Within gates or a fence.

Skains: That would be something the EDC would have to approve, of course.

Rea: The plan right now is to leave the booth standing throughout the season. They're open, there is not going to be any product in them. Throughout the week, through the season they would just stay where they are.

Skains: My understanding is the booths are like a 'u' shape booth with a roof on them. The intent is for the vendor to be able to back up to the booth at the 'u' shape opening and set his produce out in the 'u' shape on the stands or tables that he makes.

Rea: They are required to empty the booth after the market weekend.

Black: I got that, I just wondered what was going to happen to them as far as damage to them; having them walk off at night. During the week when there is no activity I was wondering where they were going to be stored, but if they are going to be left setting where they are all week, that's right?

Cruz: We are going to leave them there standing as every week we will be using them. The only rough time we will have is the winter time, which we will depend on the vendors. That will be how often they want to sell their produce.

Rea: Patsy, I think what you are getting at is the security of the booths themselves.

Black: That's part of it 'yes'.

Rea: These are heavy enough that you would have to have some equipment to move them.

Black: I'm just throwing this out because if they are moveable and immoveable, has it been thought of having awnings that could be closed up and taken down rather than-. I'm just thinking about fifteen booths setting out there from Monday through Friday with no one on site.

Cruz: We didn't plan on doing that but if the EDC has a worry with it we will find a solution to keep it safe.

Black: I may be the only one with the worry on it. I just wanted to voice my worry with it.

Osborne: Let me just interject that the drawings I saw that Rob had were a very utilitarian facility that (a) I don't know who would want to steal something like that or who would do damage to it because it really wouldn't be for home use. This is a commercial type venture and I for one am not worried about leaving them up there. They are all going to be contiguous in design and style. It's not like they were just thrown up there with burlap and boards together.

Rea: I will add that in the performance agreement and lease the management company is responsible for the security and/or upkeep of these booths. In other words when his lease is up, he hands them back to us in the same shape that they were in, where he's responsible for them.

Black: OK.

Mrs. Damiano who was in the audience signaled to Skains that Mr. Janow had his hand up to speak.

Skains: Apologize to Mr. Janow for not being able to let him speak.

Damiano: It's not allowed.

Skains: You have to be on the agenda to speak.

Janow: I called the publisher of Roberts Rules of Order and he said as long as you have open meetings and follow Roberts Rules you have the right to speak.

Janow: I'll give you the number and you can speak to the gentleman that I spoke with.

Damiano: I'm not familiar with that so I can't comment on that.

Skains: Thank you Mr. Cruz, we appreciate it very much.

Item #2. Discuss and/or take action to approve the Performance Agreement and Lease Agreement with Brian Cruz/dba Gun Barrel Produce Management for the Farmers Market Project 2015-001.

Skains: The question I have is on page 11 of the Lease agreement. Page 11 item 25: Relocation. I think it's an error at any rate. Relocation that the EDC would pay for relocation if we sold the property and I would like to bring that up for discussion if it's something we want to do or not want to do.

Rea: Actually I was the one that wrote this and had Stan Fernald prepare this lease. Actually this is just what I would call this a 'boiler plate lease' with the exception of the 'Special Provisions' that we put at the end of it. This Relocation paragraph that is in the lease was not supposed to be in it from the get go. My proposal would be that whatever lease the EDC signs with Gun Barrel City Produce management, this paragraph with be stricken and initialed.

Skains: So we can strike out 25 A (page 11).

Rea: It would be totally gone.

Skains: Does anyone have a different opinion than that?

Black: No not as long as that is struck out.

Skains: That was opened ended. I think it was an oversight by Mr. Fernald. Page 14 was another area I had a concern. Item 35; this has gone around a little in conversation. The Special Provisions, 2<sup>nd</sup> paragraph-tenant responsibilities: cleaning of property daily, trash collection and disposal, keep operation hours at Friday afternoon to Sunday afternoon, limit product sales to produce, botanicals and new products. The 'new products' are opened ended. I was wondering if we wanted to have a discussion on how to close that loop. I think 'lake products' are a good thing, but I look at 'new products' and I wonder about-realizing that the EDC has final approval on everything that gets sold, correct? That one particular item has opposition to it.

Damiano: There is kind of an open ended to it too. That lends almost anything to be brought into it.

Rea: I think when I originally spoke to Stan Fernald about this lease and we had the 'new products' in there, there were two reasons that 'new products' were listed. One was we were trying to be more specific than the actual Ordinance the City already had for a Farmers Market. It just said Vendors. We felt we didn't need Vendors with used items so we put 'new items' in there. The original intention of the 'new products' was to let the City have a booth, possibly sell their merchandise, their t-shirts, coffee cups, caps and things of that nature that had Gun Barrel on them. Just as a PR move to promote the City; evidently the powers that be in City Hall showed no interest in that whatsoever. After further discussion it's not felt that the 'new product' would not make or break the Farmers Market. So if this were to create any consternation whatsoever, I personally think we can just strike it out.

Skains: Ok, anyone have another opinion?

Osborne: I don't see a problem of leaving it in because then the specificity of 'new products' whether there t-shirts or birdhouses they're not used items. I think that's the reason you wanted the word 'new' in there, right?

Rea: That is true, but evidently there is some consternation on the part of City Hall about having other types of products other than produce and botanicals. At this time with a packet that's 2 ½ inches thick and we're still getting problems with it, I think if it alleviates a problem, it's certainly not going to break the Farmers Market and we can revisit it at a later date if we have something that comes up. If it's going to be a matter of whether this project goes forth or not then in my opinion

striking out 'new products' and let the Farmers Market stand on produce and botanicals would be fine.

Skains: I agree.

Black: Another thing with only the two listed rather than the three it's leaving out the Cottage Industry that's been spoken of before as far as honeys, jellies, things like that. It's leaving that out.

Skains: That's probably something we could add.

Rea: That actually falls under the auspices of produce. Then the States definition of Farmers Market, the Cottage Industry such as jams and jellies; things of that nature if they are made from produce, it falls under the Cottage Industry.

Black: They have different criteria they have to follow.

Rea: They are different level. The level from the get gone, we wanted to eliminate prepared food. Then you bring in a lot of inspections and regulations and different types of licenses we didn't feel we really needed in a Farmers Market. But as far as prepared jellies and jams in a jar, they fall under the state auspices of produce. So if we strike new products out of this then I think we are eliminating an argument we don't even need to have.

Black: They have their own set of guidelines they have to follow.

Rea: There is specific state documentation as far as what Cottage Industry is and what it's allowed to do. That way we alleviate the city from coming over there and do any inspections are anything.

Skains: Any further discussion?

Black: Yes, One of the things I had questioned is on Page 4 where it talks about return checks. It got me to thinking. Are we going to have to setup a special bank account for this rent that's paid into us? This money coming in to us, is it going to have to go into a special account other than what we have setup already? That's question one. When we rent this, we will possibly lose our tax exemption. And from what I've been told, the people I've called, If we lose our tax exemption then the assessor can go back five years if they want to and also we would be liable for road tax, school tax and all the other things that are listed. Has this been addressed?

Damiano: Yes it has. I talked to the Henderson County Tax Assessor today about this. I had Ms. Murphy pull up documentation on our property and I explained what we were considering doing.

We're not leasing out the building. It's for economic development. We can lease the land with no effect on our tax situation.

Black: With no effect on our tax situation.

Damiano: Correct.

Skains: Part of that response was because we weren't leasing the building, the other part of it was because it was for economic development.

Black: Ok, because that was a really big worry to lose that. Also, hold on, I went through this lease because I wanted to-this has been pushed through so quick-I just wanted to be sure that-hold on, let me go on down. I had marked the same thing that you had marked on that page. I'm glad I'm not the only one. I had that one marked on that page as well. My only concerns are the taxes and if that is good then I'm good. The bank account, I don't know if anyone has considered it or not. Since we are not loaning money to a person. We just created a line item to draw from it.

Damiano: Patsy, I don't believe it's-I haven't looked into it, but I don't believe it's going into a revolving loan fund.

Black: I wouldn't think so.

Damiano: I wouldn't think so either. If we have to open up a separate account to handle this, then we can do that.

Black: Just open up another account.

Rea: What I was told, it may be proven to be wrong, as far as the banking goes, in researching the EDC's ability to actually lease this land in the first place. I was pointed by the Texas Municipal League to the language that stated that the EDC has not only a right to lease, but they also have a responsibility to treat any property that they own in a judicial manner. That being said this is nothing more than us leasing a piece of property. My first reaction would be that it would just go into our general fund as income.

Damiano: Like I said, we haven't looked into that Rob. I can look into that and figure that out.

Rea: If we need a separate account that's fine. I think we may be putting more of a burden on ourselves when we really don't need to do that.

Damiano: I think that is something we can figure out on the back end.

Black: Ok so now also the vendors coming in-it says the EDC would-page 14-would the liaison be the one that's contacted about the vendors coming in and also approve all vendors?

Rea: I think we could do it in a number of different ways. The reason the liaison was brought up was the fact that this business was going to be operating on weekends and weekends only. It comes kind of difficult to get a committee of three people together if there is a complaint or something that the management company needs relatively quickly. The fact that we assign a liaison would just make the process a little bit easier. We could certainly have a liaison and two committee members and if it was a bigger item that needs more thought or input on it then the committee members could be brought together with the liaison.

Black: I understand all of that. On page 14 it says 'supply EDC with application packet for each vendor. Keep those records assessable and provide the EDC with the power to approve all. So I'm thinking that's the liaison 'keep those records assessable and this is going into open records act. So is it assessable here, the office where these records are going to be kept or is it the liaison's place wherever, anyway it has to meet the open records. We are infringing a lot of on a lot of things here and I certainly don't won't the open records be another one.

Skains; I would think that Mr. Cruz would keep the application package assessable to us is what I would think.

Damiano: Yeah that's what I would think so.

Skains: That's the way I interpreted anyway or my thoughts were.

Black: Where it says 'supply EDC', I guess that's where I got that they would supply it someone.

Skains: Oh supply EDC with application package. I think that is for us to review to approve. So what does that do as far as open records go if we are looking at a packet and we approve it and

hand it back to him or we don't approve it and hand it back to him. Is that something we shouldn't have to keep a record of?

Rea: I wouldn't see any problem with-Brian Cruz is going to have to have his applications on site with him in case anyone from the State comes in and says 'we need to see your applications'. I don't see any reason why he couldn't supply the EDC with a secondary set of copies that we keep in our office and then if there is an open request for documentation then we have the ability ourselves as the EDC to provide it to whatever that request is.

Black: I just want to make sure that we are legal in all areas and not just 'we'll take care of it'.

Skains: I think we have spent a good amount of money in legal fees to try to insure that very thing.

Black: I saw that. I don't know how much of this is just paperwork that can be changed. I just have a problem in accepting something when it's written and then we just say 'oh we will just change that later'. This page up here that's Information Sheet and Financial Assistance Application; it says estimated total project cost is twelve thousand for first six months season.

Skains: Let's see what page you are looking at.

Black: It's right after the financial request package.

Rea: I think that twelve thousand is for the first six months, because the lease is for a six month period. Six months' worth of rent and Brian feel free to correct me if you need to. The twelve thousand was seventy two hundred dollars in rent plus the other expenses that he would incur in getting the thing started. He's going to have to buy trash receptacles and rope and cones and-

Black: But the estimated total project cost says 'twelve thousand for the first six months'.

Rea: That's what I am saying; it would cost him to run it for six months.

Damiano: That's not a request for money is it?

Skains: its Mr. Cruz's out go of cash.

Black: So it's going to cost him two thousand a month to run it.

Rea: Right.

Skains: That's what he has calculated for him to run it, port a potties, the lease and all of that.

Black: But the lease is twelve hundred a month. Okay everything else looked um-.

Skains: Any further conversation:

Damiano: Are you looking for a motion?

Skains: I would love to have a motion.

Damiano: Ok, I would like to make a motion that we approve the lease with the following corrections. In the appropriate area we remove the 'new products as permissible items' and in the appropriate area in the lease we also remove any commitments to relocation.

Skains: That's what I got.

Osborne: I seconded.

Skains: I'm sorry can you repeat your motion again. Was that the performance agreement and the lease?

Damiano: No just the lease.

Skains: Ok, I have a motion and a second. Vote from my right.

Black: I'm sorry, what was that.

Damiano: That was just to approve the lease.

Skains: To approve the lease with the following-

Damiano: With the following corrections.

Skains: With page 11, item 25 struck and page 14, item 35-which is the new items struck. The relocation struck and the new items struck.

Black: But the agenda items states take action to approve the performance agreement and lease agreement.

Rea: In that case, you are right. Patsy I think what we need to do is see if anyone on the board has any problems with the performance agreement and then make a motion.

Black: That's exactly right. You have a motion on the table. It needs to be removed.

Damiano: Ok, I'll withdraw my motion.

Skains: Motion withdrawn. Does anyone have questions or concerns about the performance agreement? I will say that when I looked at the performance agreement and compared it to the lease with these items taken out I didn't see a problem. That's up for each individual member to verify. Is there any discussion on the performance agreement?

There was no discussion on the performance agreement.

Skains: Can I get a motion?

Rea: Let me take a shot at it. I make a motion to take action to approve the performance agreement and lease agreement with Brian Cruz/dba/Gun Barrel Produce Management for the Farmers Market Project 2015-001 with the exception of two changes to be made to both the performance agreement and the lease. One of which is striking from the lease anything having to do with us incurring cost for relocation, secondly to remove the word 'new products' from description of items to be sold.

Skains: I have a motion.

Damiano: Very nice.

Osborne: Seconded.

Black: You've got a motion and a second, can I ask a question? I know I can, but I am saying may I. Under the fourth 'Where As' on the Resolution-it says it prohibits a provision of a direct incentive unless A, B or C is met. Is that applicable?

Skains: I'm not aware of any incentives that we are providing. There is a job that will be created.

Black: Direct incentive to me was the booths, but if that's not a direct incentive then I don't have a problem.

Skains: Patsy, we are not losing ownership of the booths. The EDC will retain ownership of the booths.

Black: OK, I just wanted to point it out.

Skains: I have a motion and a second. Vote from my right please.

Black: NO

Butler, Skains, Damiano, Rea and Osborne voted 'aye'. Motion carried.

Item #3. Discuss and/or take action to approve cost of up to \$20,000 to build the booths and signs for the Farmers Market Project 2015-001.

Skains: Discussion or motion.

Rea: I think everyone has seen the drawings and what's proposed. The \$20,000 dollars has a little extra in it incase this market goes above and beyond our expectations and we are in need of additional booths. Therefore I make a motion to approve cost of up to 20,000 thousand to build to booths and sign for the Farmers Market Project 2015-001. Osborne seconded. Vote from my right.

Black: NO

Butler, Damiano, Skains, Rea and Osborne voted 'aye'. Motion carried.

Item #4. Discuss and/or take action to revise the EDC Fiscal Year Budget 2014/2015.

Skains: This is to revise the FY Budget to include the monies for Krappie King and also for the Farmers Market. Any discussion?

Osborne: It's just for these two items, right.

Skains: Correct

Damiano: Generally what we are doing is we are pulling the money out of the general account (Undesignated Reserve) and moving it over to special accounts for each one of these projects.

Osborne: So the total dollars of the budget hasn't change.

Damiano: Just creates a line item.

Rea: If I'm not mistaken when we originally did the project this is exactly what the city manager and city council told us to do. Therefore I make a motion to revise the EDC FY Budget 2014/2015 to reflect line item 12527-Farmers Market and line item 12621-Krappie King TV. Osborne seconded.

Skains: Motion and seconded. Vote from my left.

Osborne, Rea, Damiano, Skains, Butler and Black voted 'aye'. Motion carried.

Item#5. Discuss and/or take action on moving the regular EDC Meetings from the third Tuesday of the month to a date that would accommodate the City Council's meeting.

Skains: The reason behind this is city council has made a change to when their packet is due and if we continue having our meeting on the third Tuesday of the month any work we get done in that particular month won't be able to be heard by the council that month. I will also say there has been an ongoing conflict that allows the EDC from attending the Chamber of Commerce after hours function because they have it on the same night we have our meeting. The issue for the EDC is not small. We will not get our financials approved for the current month because we don't have the information back from the bank in time to do that. We'll be approving our financials a month late, which will put the council approving them another month late. I think we looked at it and Rita you can correct me if I wrong, but it looks like it's going to be 60 days before the financials would be approved by council. I did bring this up to Councilman Dennis Baade and Councilwoman Calkins and they just kind of said if that's what it has to be then that's what it has to be. So it didn't seem to be an issue with the council members, but that's subject to change when something goes on and they don't know about it for sixty or ninety days, whatever it will be. I do want to bring that up and the other thing I would do if we decide to make this change, I would like to not make the change until April. Quite frankly it might conflict with Spring Break and conflict with some peoples plans including my on.

Osborne: What are you suggesting that we do?

Skains: In order for us to put a packet together and get it to the council I would suggest the second Tuesday of the month beginning in April; that's what I would suggest if we are going to make this change. If we don't make the change, what happens is the work that we do this month would not make the council meeting to the following month.

Osborne: I agree with what you are saying. I think the delay is too long and then there would be an emergency and it wouldn't be on our part. So I suggest we not make it an emergency and move it to the second Tuesday.

Black: On the other hand the EDC is about financials. I mean it's the bottom line just about. The economics is the financials and if those financials are not even approved for a month doesn't that throw some kind of a hardship in there?

Skains: That is the down side; there is no doubt about it. I'm not sure of the level of hardship that it would cause us. It didn't seem to bother the most knowledgeable of the council members about the financials that we have. I would also be a little more alarmed about us postponing or getting something pushed through by another forty-five days or so. That's kind of the dilemma that I'm in.

Rea: This is a question strictly out of ignorance. Does a city council person have the authority to walk into the EDC office and asked to see the financials at any time?

Skains: Rita do you want to answer that? She said yes.

Rea: I would be willing to delay the financials even though it would take a month longer. In the short time that I've been on this board timelessness seems to be lacking and I think if we have to wait forty-five days for a project to come about. I am willing to forgo them seeing our financials for a month if they have the ability to come in and look at them anytime they want.

Damian: That's a good point, but by the same token I've only been a treasurer for a short period of time but the financials don't change a whole lot from month to month.

Rea: Nothing can be added to our budget.

Damiano: Nothing can be added to our budget. We look for the income from the city in a timely fashion, we look at the payables that are due us in the revolving loan fund and we look at our accounts to make sure they balance. And we can continue to do that without having a meeting so if something comes up we will be alerted of something if it goes wrong. Does that make sense? We will know ahead of time.

Osborne: It does to me.

Rea: It comes off as being a small item but in my mind it's not. The EDC is here for economic development and for us not to attend the largest monthly meeting of business owners in this town I think it's really a bad message.

Black: Is this what you are talking about, Tuesday night?

Rea: It's on the same Tuesday as our meetings now.

Black: So their meetings and our meeting have always been on the same night?

Skains: That's correct.

Rea: It's the Greater Cedar Creek Lake Chamber of Commerce Business after Hours which has a very high turnout. I think it's very irresponsible of us not to attend. I'm not saying all of us, but one or two of the EDC at least make an attempt to be there. Should a business owner have a problem, because one of our responsibilities is to help existing businesses thrive as well as bringing in new businesses? I think I'm fine with the financials being a month later if we can get our projects done in a timely manner. I think moving it to the second Tuesday of the month is a great idea.

Damiano: I agree, because if we don't move it the ones that will take the greater impact is anyone coming in to the EDC for assistance because their request could be delayed for another forty-five days on top of the 60 day posting among other things.

Skains: I would say the city council put us in a bad predicament, but I do agree with what Rob was saying about business retention and expansion in the city is an important part of economic development. One of the tools for that is networking with the business owners. I'm not hung up on what day we do have it, but I do agree that we probably need to move it off the day that it's on. It will also require a change in our By-Laws. The motion would need to include that if that is what we decide to do.

Osborne: I think the second Tuesday is good. It gives us the opportunity to mingle with the chamber and like Rob said we are the only ones not there from the lake area. The key word is retention. We are looking at the people from Mabank that may go into those chamber meetings and include those in our scope.

Black: It just seems to me, the EDC has been meeting on the third Tuesday since inception. I don't think the members that have been on here previously have missed that many parties either. So I don't think it's been a hindrance to keep the members from a party after the Chamber of Commerce was formed and decided to have the after hour things. So I really don't think that figures into it one way or another. They put us in a bad position, like you said it keeps our projects from going on to them. I hate the fact that we have to change because council decided they wanted something new and now we've got to change. I don't know that we can say By-Laws in the motion because it's not on the agenda item. We can't say what has to be done, that has to be another step there. It's not fair, I'll just say that.

Osborne: When I got on the EDC and I don't remember how many months that was, there was no opportunity for anyone on this board to go to one of those functions, because the meetings would run from two and a half to three hours. Now different style management we are not running them that long and it's a possibility we could get to their meetings before they ended. But they were generally over by six thirty. I support Rob and his reasoning that one or two or three of us ought to be at the chamber meetings; if it means moving the EDC meetings which used to be very lengthy.

Black: I think it's in the Standing Rules not to go over two hours.

Osborne: Obviously the previous person never read the Standing Rules. You could have stepped in to help us with that.

Black: Obviously her panel didn't read it either.

Osborne: Never a meeting less than two hours.

Rea: The other part Patsy and I think you are absolutely right in you saying that you don't believe it's fair. Much more than the chamber meetings, which I wouldn't classify as a party, I've been to them. They are not that much of a party. That's a minor part of it. My biggest thing would be holding up projects for forty-five days. And unfortunately and I've been reminded at least sixty times in the three months that I've been on this board, 'the city council is our boss'. When they decided they were going to do it we don't have any other option than to react. I do have a problem with our projects going an extra forty five days. If we can just move our meetings up one week.

Skains: I agree, I think the bigger issue is our projects being held up longer. We are typically working with people that we are doing our best to appease to move to this community or to improve their business structure within our community. And to have an unnecessary delay at the sake of making sure we get our routine financial downs I think would send a wrong message in the long run. Any further discussion? Can I have a motion?

Damiano: I don't think we can if Patsy is correct.

Black: You can make a motion on moving the regular EDC meeting.

Skains: But then you are going to have to change the By Laws.

Black: The By Laws have to be changed. Doesn't that have to be voted on to change the By Laws?

Damiano: Yes.

Black: At a different day we have to vote on changing the By Laws so we can't change it to your preferred day any way.

Rea: I make a motion that if we need the By Laws mentioned in the actual agenda item then it's kind of futile for us to take a vote on this. So my motion on this would be to table this until the next meeting and include the By Laws language in our agenda item the next time we address this.

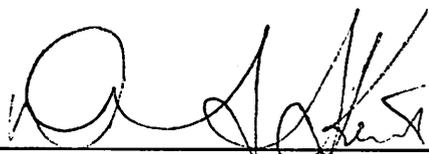
Black seconded.

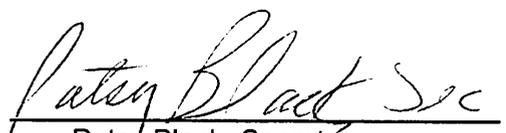
Skains: Motion and second, vote from my right.

Black, Butler, Skains, Damiano, Rea and Osborne all voted 'aye'. Motion carried.

*(A motion to change the meeting day could have been made on this agenda item without the By Laws being changed at this time.)*

Adjournment: 5:45 p.m.

Approved by:   
David Skains, President

Attest by:   
Patsy Black, Secretary