

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

The Gun Barrel City Economic Development Corporation met in a Regular Board meeting in the Gun Barrel City Council Chamber located at 1716 West Main Street, Gun Barrel City, Texas, 75156 on Tuesday, July 14, 2015 at 5:00 p.m. Skains called the meeting at 5:00 p.m. with the following directors present: Osborne, Lyons, Damiano, and Butler. A quorum was established. Sean Overeynder, E.D. was also in attendance.

Citizen Presentations: (Limited to 3 Minutes)

This item provides the opportunity for citizens to address the EDC Board of Directors on any matter whether or not it's posted on the agenda. However, in accordance with the Texas Open Meetings Act, Section 551.041, the EDC Board of Directors cannot discuss, deliberate, or take action on matters not listed on the agenda. At this time the Board will receive citizen comments, and if necessary, may refer the matter to EDC staff for research, resolution or referral to the EDC Board on a future agenda.

Item #1. Discuss and/or take action to approve the EDC minutes of June 9th, 2015 and special meeting of June 29, 2015.

Damiano made a motion to approve the EDC minutes of June 9th and June 29th. Butler seconded. All directors voted 'aye'. Motion carried.

Item #2. Discuss and/or take action to approve the June Financials.

Butler had reviewed the June Financials. He reported the July sales tax was received today from the City. He asked if we received interest on the sales tax and the answer was no.

Lyons made a motion to approve the June Financials. Damiano seconded. All directors voted 'aye'. Motion carried.

Item #3. Open Public Hearings for Project Apollo/Domino's Restaurant and Project Florence/Cedar Creek Gun Range.

One councilman was asked to leave the room since there was a quorum present.

Linda Rankin: Cedar Creek Gun Range: Not familiar on how the project would be financed. Were there any stop gaps in the contract so they have to perform before they are provided with funds?

Sean Overeynder: The EDC is assisting them with a portion of the funds they are seeking. It's about a million dollars they are seeking. We are looking at using the Rural Business Grant through the USDA and we are also looking at \$100,000.00 EDC funds, \$92,000 RBEG. There is nothing aside from that. It's a 10 year term. There is nothing aside from that other than they have to create a minimum of six brand new positions and provide a service and product to the community.

Rankin: Using the RBEG, I understand how that is presented; you still have a contract/agreement. Haven spoken to a few people, they mentioned to me that at the beginning of this project will require some critical engineering, probably as much as \$60,000.00. What happens a lot of the time on these facilities, after doing the engineering studies, they are trying to get their funding, and sometimes they are not able to complete what they are doing. So what I'd like is if the money is going to be made available after they proceed and at point do you provide them with the money?

Overeynder: The money is not going to be available until after they give us the engineer plans. They are working now with KSA Engineers, they'll have the mapping and they will lay out the

budget to me. KSA is saying sometime late next week, so we will have that. That has to go to the State preservation officer as well. In order to get the full funding he will have to turn in the full engineering plan turned into the city.

Rankin: Let's say he does go forward and he's got a ten year loan and that wipes out our RBEG grant. How will that be reinstated?

Overeynder: I'll have to apply for another RBEG and the USDA has informed me that the RBEG and RBOG have been combined into one simplified application that covers both of those. It's the RBDG grant. We will actually have to reply. If the time frames haven't changed the EDC can apply as early as January.

Rankin: I would just request that when you are writing your agreement that you have performances that they have to meet on a yearly basis so if there is going to be a default you can catch it sooner than later.

Overeynder: We will take a look at that. Thank you.

Rob Rea's written statement:

What a great project. I want to personally thank our EDC for bringing a project like this to our city. Not only do I believe that this business will thrive in our town, but it has so many more positive aspects to it. It will create jobs, sales tax revenues, publicity for Gun Barrel and be the first commercial construction in town, other than a fast food venue, since Lowe's was built. This gun range, with the full-fledged pro shop, will bring large item purchasers to our city from far and wide. We, as a city, need to be as accommodating as possible to our EDC and the operators of this gun range. This business was originally slated to be opened in Seven Points. With the attention and expertise of our EDC, the operator decided to give Gun Barrel its business. This is a testament to all involved and a testament to the value our city has to offer. Our city government and city staff need to do anything in their powers to see that this construction and subsequent business activity go as smoothly and effortlessly as possible.

Rankin: On the Domino's Restaurant, am I correct that this is a Boots 2 Business?

Skains: Yes part of it.

Rankin: Part of it.

Rankin: Part of it, not all of it. My second question is this a loan that they do pay back?

Skains: Yes it is.

Rankin: Very good.

Skains: The loan portion, not the Boots 2 Business part of it.

Rankin: Can you explain to us about how you came about with how much an incentive money you would want to provide for them.

Skains: As far as the number of jobs they were going to create, the amount of revenue they were going to create. Also the value of having a national brand coming to town. We added in that factor as well as having a national brand on this side of town where we desperately need to get more exposure and businesses down here. And on top of that to have a national brand moving into Heritage Cove to help finish out Heritage Cove or maybe help get it kick started so we can get it finished out. It was a number of different factors lined up of that nature that we looked at.

Rankin: Last but not least regarding both of them. I'm pretty sure you've done this, but I just wanted to be sure that there was a very very thorough background check on both of them.

Skains: Yes ma'am. Both background and financial background on both of them.

Item #4. Close Public Hearings for Project Apollo/Domino's Restaurant and Project Florence/Cedar Creek Gun Range.

With no more comments the public hearing was closed.

Item #5. Discuss and/or take action on the FY 2015/2016 Budget.

Skains: There were some items in the budget that needed to be revisited, but we wanted to get the budget to everyone. I will point out a couple of things that's been identified that we might want to make a change to.

Skains: Page 3-Sales Tax Workshop-raise to \$525.00 for three members.

Professional Development-raise to \$15,000-We will be bringing in some people from TEDC and Texas A & M to visit in this year's budget, but this is the time of things we will be doing in conjunction with the City.

Page 4- Legal Fees-raise to \$15,000.00-considering the number of projects we are doing. Hopefully all of that will be spent in doing performance agreements and things of that nature. We will be revisiting this until the next meeting.

Osborne made a motion to table the item until the next EDC meeting. Butler seconded. All directors voted 'aye. Motion carried.

Item #6. Discuss and/or take action on the FY 2015/2016 Strategic Plan & Program of Work.

Overeynder: When we wrote this Strategic Plan & Program we looked at where we wanted to go and where we've been in the past. It's what the program of work was actually adopted out of. Without it you are left scratching your head asking what have you really accomplished and what are we really trying to do? So instead of grasping at any little thing to come our way or come to mind, we actually started with the strategic plan to have a path way and a guide. We've started with our vision, our goals and our plan. Out of the plan came the program of work for the whole year. There are areas that we can add to it or take away if we find that we are not going in the direction that the strategic plan has laid out for us.

Skains: Any questions or concerns? Can I have a motion?

Butler made a motion to adopt the FY 2015/2016 Strategic Plan & Program of Work. Osborne seconded. All directors voted 'aye'. Motion carried.

Item #7. Discuss and/or take action to approve plan review fee for CP Homes of \$5,693.19.

Skains: This was some leftover work from a while back from 2012. Country Place has been back and forth on whether they were going to come to Gun Barrel. They have now decided they are. This had been approved some years ago. Later on there is going to be coming a building permit fee of \$8,758.70 for a total of \$14,451.94. We are approving tonight the plan review fee of \$5,693.19. If there are any more questions I'll refer them to Sean because he has done the background work on it.

Damiano: Sean, originally did we buy into the total \$14,000?

Overeynder: According to the EDC minutes on Oct 6, 2012, Item #4: An MOU-Memorandum of Understanding was also in place. In the MOU items were laid out that we were going to be responsible. For as the exact amount being \$14,000, I cannot answer that. I can tell you that we did agree to what the items were.

Skains: We did agree to the building permit fees and plan review?

Overeynder: Yes. That's in Item # 4 and Item # 5.

Damiano: Who signed the Memorandum of Understanding?

Evans: Steve signed it.

Skains: I will say it will be nice to have Country Place to move in there. They will be moving next door to a piece of property that the EDC owns. It might help the EDC sell the land at a later date.

Damiano: The remaining balance, it is coming out of this year's budget or next year's budget?

Overeynder: That's actually an unknown until they file for the permits.

Skains: This is in conjunction with the \$5,000 we spent for the fire lanes a couple of months ago between their property and our property.

Damiano made a motion to accept the \$5,693.19 for Country Place.

Skains: That we pay it?

Damiano: Yes that we pay it.

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

Item #8. Discuss and/or take action on moving the EDC office.

Skains: Currently we are paying \$1,000 a month in rent for 600 or 700 square feet. I'm thinking personally that it would be a good move for the EDC to separate from City Hall a little bit. Right now, I think there are a lot of people that think we are more a part of the City than we actually are. In doing a couple of hours of research we've found property that we can move into for \$450.00 to \$600.00 a month we can move into with considerably more space. I'm not going to ask us to take action on this tonight, but I did want to bring it up for discussion.

Osborne: Would we give the City the right of refusal to meet the other offers?

Skains: Again Jim my primary goal is too distant ourselves a little bit so in that sense, probably not. That's my goal. It doesn't mean it has to be the boards' goal. It's just something to think about. I suggest that we table this to another time; let's say our August meeting.

Skains made a motion to table Item #8: Discuss and/or take action on moving the EDC office until the August 11, 2015. Butler seconded. All directors voted 'aye'. Motion carried.

Item #9. Discuss and/or take action to approve upcoming EDC training.

Overeynder: The plan is next month, as David mentioned earlier, we are planning on having an EDC training with Texas A & M Extension Service and TEDC. It's going to be training between the city council and EDC in August. In September I will have a training coming up in Dallas for strategic planning. In October it's my annual conference in Dallas with TEDC and also my certified public management training program starts on October 2nd.

Skains: For the training course you get the student fee?

Overeynder: Right now I do. They haven't confirmed that I'm listed as a student. If not it will be the five hundred dollar amount.

Skains: We have this money in the budget allocated for training in this year's budget?

Overeynder: Yes.

Butler: The August training, will it take place here?

Overeynder: Yes.

Butler: Do you know how long it's going to be?

Overeynder: It's going to be from 9:00 a.m. to 1:00 p.m. on August 24th.

Lyons made a motion to approve the upcoming EDC training. Osborne seconded. All directors voted 'aye'. Motion carried.

Item #10. Discuss and/or take action to elect an EDC Secretary to replace Patsy Black.

Skains made a motion to nominated Cheyenne Lyons as EDC Secretary

Butler seconded. All directors voted 'aye'. Motion carried.

Executive Session: 5:26 p.m.

Item #11. Convene into Executive Session pursuant to Texas Government Code § 551.087 Deliberations Regarding Economic Development Negotiations: 01) GBC Medical, 02) 1st Call Restoration, 03) EMSI Data., and Texas Government Code § 551.074 Personnel Matters: Pertaining to Executive Director

6:43 p.m.

Item #12. Convene into Open Session to take action on Texas Government Code § or 551.087 Deliberations Regarding Economic Development Negotiations: 01) GBC Medical, 02) Ist Call Restoration, 03) EMSI Data and Texas Government Code § 551.074 Personnel Matters: Pertaining to Executive Director

01) GBC Medical: Damiano made a motion to declare GBC Medical a project, that we also approve the performance agreement and we put monies against the project in the amount of \$82,400.00 as the bases and an addition amount of \$250.00 as the Executive Director bonus and send it to City Council. Butler & Osborne seconded. All directors voted 'aye'. Motion carried.

02) Ist Call Restoration: Damiano made a motion to declare Ist Call Restoration a project, we also approve the performance agreement as presented, and we allocated \$55,000.00 for the basic funding for that project and an additional \$250.00 as the Executive Director bonus for a total of \$55,250.00. Osborne seconded. All directors voted 'aye'. Motion carried.

03) EMSI Data: Lyons made a motion to approve the EMSI Data economic modeling program for one year. Osborne seconded. All directors voted 'aye'. Motion carried.

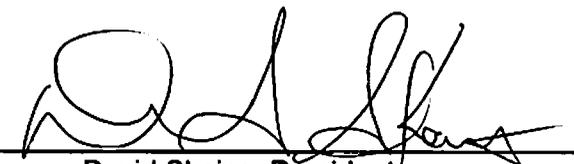
Personnel Matters: Pertaining to Executive Director: Lyons made a motion to amend the existing offer letter for the EDC Director to include an agreement of retention. Osborne seconded. All directors voted 'aye'. Motion carried.

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

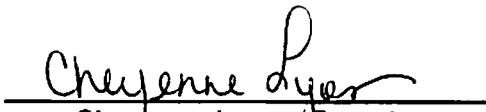
The Gun Barrel City EDC reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 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: 6:46

Approved by:


David Skains, President

Attest by:


Cheyenne Lyons, Secretary.