

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

The Gun Barrel City Economic Development Corporation met in a regular Board meeting at the office located at 1720 West Main Street, Gun Barrel City, Texas, 75156 on Tuesday, September 17, 2013 at 5:00 p.m. Rankin called the meeting to order at 5:00 p.m. with the following directors present: Spiegel, Janow, Damiano, and Cassady. A quorum was established. Cavanaugh was absent.

Citizens in attendance: City Councilman Dennis Baade & Marty Goss, Jack Thompson/Orasi Development and Connie Holubar/Outreach PR.

Citizen's Comment: None

Item #1. Discuss and take action to approve the regular minutes of August 20th, 2013 and the special minutes of September 5, 2013.

Spiegel made a motion to accept the minutes of August 20th. Janow seconded. All directors voted 'aye'. Motion carried. Spiegel made a motion to accept the minutes of September 5th. Janow seconded. All directors voted 'aye'. Motion carried.

Item #2. Discuss and take action to approve the August financials.

Spiegel made a motion to approve the August financials. Cassady seconded. All directors voted 'aye'. Motion carried.

Item #3. Discuss and take action to approve the EDC Fiscal Year 2013/2014 Budget.

For clarification, Damiano asked if the budget was approved and that was not approving the projects listed in the budget. Rankin said it did not mean the projects were approved, just the amounts. Damiano said "if someone was in default, we do not include the income in the budget. It is set at zero. If someone was in default a letter had been sent to them. Heritage Cove-I'm assuming that's lighting and sidewalks." Rankin said "yes. Movie Star Cinema is at 100K, we will discuss that later on. The business park, 74K I'm not sure what that is for. They wanted to have enough money to cover the survey as well anything else as if we get past that point. Then we can go further if we need engineer studies or any other studies. This is laying the ground work for that whole area." Damiano asked "For additional projects there is 432K, have those been identified?" Rankin said "no". Damiano asked "that's just surplus money?." Rankin said "In the strategic planning all of those items will come under the surplus money. There are two numbers for Project Montana; 200K in projects and 40K in project development." Rankin said, "On the project development we were expecting to have to do some preliminary studies so we went ahead and put the cost in there in case we had to do any development. The 200K project would be if we moved forward and had to do any infrastructure, sewer, water, electrical." Damiano asked, "If \$2,000 was put aside. I was under the impression we were going to start going to some of the trade shows and marketing GBC ourselves. I'm not sure this is enough." Rankin said, "We would have to take a look at that in the upcoming workshop, but the marketing budget was 10% and then we have the travel budget. If we need to modify that we can." Damiano questioned the office equipment for \$500.00. Something was earmarked for equipment. What about the tracking software? Rankin said, "It was going to cost about \$500 so the office equipment may need to be raised." Rankin said, "Evan's equipment needed upgraded and \$500 for the tracking software. It needed to be changed to \$1,000.00." Spiegel asked if software was carried as a onetime expense and if hardware was depreciated. Baade said hardware was depreciated. Rankin said she got a longer cable for the TV hookup to a laptop so anyone could use it.

Spiegel made a motion to approve the budget with the modification stated. Damiano seconded. All directors voted 'aye'. Motion carried.

Item #4. Discuss and take action on Parks Construction Project.

No one was present to speak on the Parks Project. It will be on the October agenda. No action taken.

Item #5. Discuss and take action on Family Resource Center Project.

No one was present to speak on the Family Resource Center Project. Richard with the Family Resource Center asked to be on the October agenda. No action taken.

Loncar asked to be on the October agenda. No action taken.

Item #7. Discuss and take action on Cinema Project.

Rankin gave an update on project.

Rankin said she had talked with the broker yesterday on the cinema. He has been in contact with the company out of Ennis that has the drive in movie theatre who is interested in purchasing the theatre. The Broker had also talked to the people on the east coast who were interested in purchasing the theater. For some reason after Kevin Mitchell was shown the theatre and had done a site inspection last weekend, he had not contacted Rankin. Rankin had gotten the cost to redo the roof. Rankin stated: "Whenever they put the roof on they used incorrect specs. Even though it was inspected they didn't catch it and the whole decking on the entire roof was not done correctly. The entire roof has to come off and it's going to cost \$300K. The bank is having someone come out and draw up the specs for it. If Sun Co Roofs wants to look at doing the work or if he wants to bring his company down from Houston, we can look at that. Today the Broker was supposed to have a meeting with the bank to see what direction they would go; sell as is or go ahead and fix the roof. At this time the interior is not compromised. If we have high winds it would probably tear the whole roof off. It's that insecure." Spiegel asked about the flooding problem. Rankin said they were going to repair that. The broker was to call Linda before the board meeting, but she had not heard from him. He sounded like if one of the buyers could not work out a deal right away they were going ahead and repair the roof and open it back up. Damiano asked how long the bank would wait. Rankin said not long. Rankin said everyone had each other's information and encouraged them to call one another. Baade asked if they were looking for incentives from the EDC. Rankin said, "after yesterday's conversation I told him to get back with me and let me know what buyers are going to need to purchase the theatre. The EDC needs to wait and see what deals they work out. They might lower the price and get a good buyer in there and the EDC doesn't have to help. I'm not going to ask for anything tonight. I think the EDC needs to see how the negotiations go." Baade said "If they put the new roof on and they have to go digital that's another big expense." Rankin said, "If the bank sells for 1.5 million instead of their asking price of 2 million, then somebody could still get a good deal and spend six hundred thousand." Goss asked how Rankin was planning on helping. Rankin said, "I was going to try and get the lighting, sidewalks and signage in Heritage Cove. The company buying it will have the ability to provide the marquee and digital equipment. I don't need to get involved in that." Goss asked Rankin if she was planning on assisting the bank in the beginning or are was she waiting for a buyer to come along and wait to see what they asked for. Rankin said, "I am waiting on a buyer unless the bank finds they don't have a buyer. If the bank is holding it for another six or seven months or a year, well at that point I want to help them in some way. Hopefully the assistance would be in the form of lighting and signage. That's what we are holding out for." Rankin said she was not one to throw 300k out to the cinema. Goss said after six or seven months, he would give money to a bank. Rankin said she was not at this time, but it depends on the deal. No action was taken.

Item #8. Discuss and take action on Chili's Grill and Bar.

Rankin reported to the board that J J Jamadar had declined the EDC's offer. His email stated that they had run the numbers and could not justify the cost versus the expected increase in sales and generated tax rebate. No action was taken.

Convened into Executive Session at 5:20 p.m.

EXECUTIVE SESSION

Item #9.

Convene in to Executive Session under Section 551.087 and Section 551.072

Closed executive session pursuant to Section 551.087 of the TEXAS GOVERNMENT CODE to deliberate commercial or financial information the Board has received from a business prospect, and to deliberate the offer of a financial or other incentive to a business prospect.

To be discussed: 1) Project Texas, 2) Project T.C.

Section 551.072: To deliberate the purchase, exchange, lease, or value of real property.

To be discussed: 1) Project Montana, 2) Possible acquisition of approximately 9 acres.

Convened into open session at 6:23 p.m.

Item #10. Reconvene into open session to consider taking action on the following:

Section 551.087: Deliberation Regarding Economic Development.

EDC Minutes 09-17-2013

Page 3

Section 551.072. Deliberations about Real Property

No action was taken on executive session items.

Item #11. Discuss and take action to solidify the makeup of the RBDG Grant committee./Damiano
In a previous meeting a committee made up of Pat Cassidy, Jim Cavanaugh, Gary Damiano, Dennis Baade and banker Ralph Fortner was not discussed but not formerly appointed. Damiano made a motion to appoint the above names to the committee. Spiegel seconded. All directors voted 'aye'. Motion carried.

Item #12. Discuss and take action on the marketing and sale of the old City Hall property./Damiano
Damiano said, "With a conversation with Evans and email he had seen there was no evidence that the old City Hall property was posted anywhere." Rankin said she had a call that day. Damiano asked, "Did the call come from the sign or posting?" Rankin said the call came from CoStar. Thompson said, "Co Star saw the posting on Loop Net and called Thompson. Co Star came down and started taking a look around." Rankin said Co Star (or will make) made pictures of all the EDC property. Thompson said they got a three month subscription on Loop Net. There were 140 people that had an interest in property similar to what we have listed, so Thompson sent out packets on the property. It doesn't tell you who the 140 people are, just that they expressed interest on the property listed. Rankin asked how they got the packets. Thompson said it goes through Loop Net. Damiano asked what the EDC had at Loop Net. Rankin and Evans said they couldn't find the listing on Loop Net. Rankin said the pictures Co Star took will be placed on Loop Net. The new pictures will be showing with the new prices. Damiano asked, "Is there a better way to sell the property? Was it possible to put it out to local realtors? Put a banner on the sign with Brokers Welcome at 3%? Could it be listed on an MLS listing? Thompson said you had to be a member of MLS. Holubar said you didn't. Thompson said they sent out nine hundred emails to commercial investors every month, and it was on Co Star and Loop Net. Rankin suggested doing targeted mail outs. Would the EDC pay a broker fee? Baade said the EDC did not pay a fee when they sold the land to Country Place. Holubar said she had a Commercial Broker in Dallas and she would put the property on it. Rankin asked Damiano to get additional information on ways to market the property and it would be addressed at the next meeting.

No action taken.

Item #13. Discuss and take action on EDC marketing report/Thompson

The directors received the results of the marketing survey. There were 323 responses from the citizen survey, 20 responses from the business survey and 16 pages of comments. Baade suggested sending the city council a copy of the survey results.

No action taken.

Item #14. Discuss and take action to make recommendations to the City Council regarding reappointing current directors and new appointments to the EDC Board.

Sandy made a motion to nominate Jim Osborne to the EDC board, Spiegel seconded. All directors voted 'aye'. Motion carried.

Cassady made a motion to nominate Jim Braswell to the EDC board, Spiegel seconded. Spiegel, Janow, Cassidy and Rankin voted 'aye'. Damiano voted 'no'. Motion carried.

Rankin would inform the applicants of the EDC decision.

Item #15. Discuss and take action to elect EDC Officers for 2013/2014.

Rankin said it's been two months to the day that we lost Steve.

Treasurer: Janow nominated Cavanaugh for Treasurer-Cassady seconded. Janow, Cassidy, and Damiano voted 'aye'. Spiegel abstained and Rankin voted 'no'. Motion carried.

Secretary: Spiegel made a motion to nominate Cassidy for Secretary, Janow seconded. All directors voted 'aye'. Motion carried.

Vice President: Rankin made a motion to nominate Damiano for Vice President. Cassidy & Janow seconded. All directors voted 'aye'. Motion carried.

President: Spiegel made a motion to nominate Damiano. Rankin said it's too late, he's Vice President. Spiegel said he can be both. Evans said he can hold both positions, the same person can't hold

President and Secretary position. There was no second on the motion. Cassidy made a motion to nominate Rankin for President, Janow seconded. All directors voted 'aye'. Motion carried.

Item #16. Discuss and take action to authorize the President to sign the closing documents on the sale of land located at Church Street and Municipal Dr.

Spiegel made a motion to authorize the President to sign the closing documents. Cassidy seconded. All directors voted 'aye'. Motion carried.

Rankin said this should happen this week.

Adjourn: 6:55 p.m.

Approved by: Linda Rankin
Linda Rankin, President

Attest by: Pat Cassidy
Pat Cassidy, Secretary