

STATE OF TEXAS \*  
COUNTY OF HENDERSON \*  
CITY OF GUN BARREL CITY \*

The City Council of the City of Gun Barrel City met in a special meeting in City Hall, located at 1716 West Main Street, Gun Barrel City, Texas, on Monday, February 2, 2015 at 10:00 a.m.

Mayor Braswell called the meeting to order at 10:00 a.m. Councilman Baade gave the invocation. The Pledge of Allegiance followed. Roll was called and a quorum established.

Council Member - Rodney Bevill: Absent

Council Member - Ronald Wyrick: Present

Council Member - Dennis Baade: Present

Council Member - Marty Goss: Present

Mayor - Jim Braswell: Present

Council Member - Carol Calkins: Present

### **Citizen Presentations: None**

**ITEM # 1:** Discuss and/or take action to approve a Façade Grant Program performance agreement for Hector's Restaurant (Juan Hector Perez).

00:01:54

Calkins said there were differences in the performance agreements between Hector's and Reliant Gasket. In the performance agreement for Hector's versus the performance agreement for Reliant Gasket, it provides in the preamble and in the statute in Section 501.158 that whenever an EDC enters into an agreement with a developer that they provide a schedule of jobs to be created or retained, a schedule of capital investments to be made and a provision specifying terms and conditions. The Hector's performance agreement didn't have a section in it that deals with jobs to be created or retained nor in the section where it defines FTEs. She wondered if Mr. Skains had any comments.

00:03:23

David Skains, EDC President, said he managed to get the attorney on the phone and pulled up emails pertaining to this. There was an Attorney General's opinion about Section 501.158 that said the EDC could spend money on roads in undeveloped areas that doesn't address job creation or retention, that doesn't address some of those issues. My point being that there's an Attorney General's opinion out there that 501.158 does not always have to apply.

We did ask Jeff about the performance agreement early on December 16, 2014; actually it started about December 2. Skains told him at that time, there was no promise of jobs or tax revenue for the façade improvement program. We were trying to beautify the streets of the City. Mr. Moore's response back to Mr. Skains was that there needed to be some and Skains was quoting Jeff Moore, the EDC attorney, 'There needs to be some quit pro quo instead of a gift of public funds otherwise we might run into a constitutional issue of gifting public monies for a private purpose. In your example, there would nothing preventing someone from doing \$10,000 of improvements, being reimburse \$5,000 by the EDC and then turning around and selling their property presumably for a \$5,000 increase.' He went on to say, 'Besides updating and renovating the property, the property owner at a minimum needs to agree to remain open for

a certain period of time. I'm fine with a one year term. Shall I revise accordingly?' EDC had the agreement revised adding the one year term. Moore's final comment was, 'Attached is the performance agreement. I've removed the comments and added a one year term for this agreement. If you provide me with additional information, I'll be glad to add it.'

Skains said instead of requiring Hector's to retain or create jobs, which is difficult in the restaurant business, since those jobs as waiters and waitresses I don't think they follow under the category of what the State requires to be full-time jobs which is a minimum wage salary and a certain number of hours per year with benefits. Instead of that we got a requirement that they would stay open for one year. Skains asked the Council to consider that and move forward.

Calkins asked how they differentiated between Hector's and the other contract which did provide for the jobs. Skains said the other was a gasket company that did have full time jobs and he felt that was the differentiating factor. In the future, she would like to see any AG's opinion that might have any bearing on these grants. Other than that, Skains had answered her questions.

Council Member - Carol Calkins: Motion to approve a Façade Grant Program performance agreement for Hector's Restaurant (Juan Hector Perez).

Council Member - Ronald Wyrick: 2nd

Council Member - Rodney Bevill: Absent

Council Member - Ronald Wyrick: Approve

Council Member - Dennis Baade: Approve

Council Member - Marty Goss: Approve

Mayor - Jim Braswell: N\A

Council Member - Carol Calkins: Approve

**ITEM # 2:** Discuss and/or take action to approve a Façade Grant Program performance agreement for Johnny Johnson owner of Reliant Gasket.

00:07:55

Council Member - Dennis Baade: Motion to approve a Façade Grant Program performance agreement for Johnny Johnson owner of Reliant Gasket.

Council Member - Marty Goss: 2nd

Council Member - Rodney Bevill: Absent

Council Member - Ronald Wyrick: Approve

Council Member - Dennis Baade: Approve

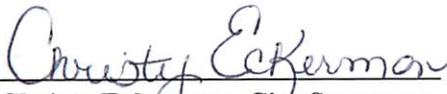
Council Member - Marty Goss: Approve

Mayor - Jim Braswell: N\A

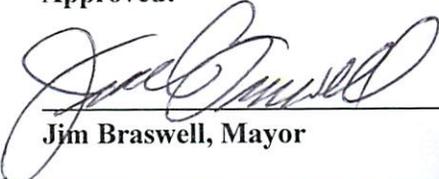
Council Member - Carol Calkins: Approve

The meeting adjourned at 10:10 a.m.

**Attest:**

  
Christy Eckerman, City Secretary

**Approved:**

  
Jim Braswell, Mayor