



## FORNEY ECONOMIC DEVELOPMENT CORPORATION

**MINUTES  
REGULAR MEETING  
101 EAST MAIN STREET  
FORNEY, TEXAS 75126  
OCTOBER 13, 2016  
6:30 P.M.**

The Forney Economic Development Corporation (FEDC) of the City of Forney met on October 13, 2016 at 6:30 p.m. in the City Council Chambers. Board President Joe Dan McBeth, Vice President & Treasurer Scott Burrus, Secretary Kym Tayamen and Directors Jessica Browning, Fred Alexander, DeCarlo Coleman and Jon Bennett were all in attendance. FEDC Executive Director Warren Ketteman and Economic Development Coordinator Stewart McGregor were also in attendance.

1. **Call to Order** at 6:30 p.m.
2. **Invocation** by Mr. Burrus
3. **Consent Items**
  - a. Approval of the FEDC Minutes – September 8, 2016 Regular Board Meeting and September 22, 2016 Special Board Meeting

#### September 8

Mr. Bennett made a motion to approve the September 8, 2016 regular meeting minutes and Mr. Burrus seconded. All board members present voted in favor.

#### September 22

Mr. Alexander made a motion to approve the September 22, 2016 special meeting minutes and Mr. Tayamen seconded. All board members present voted in favor.

#### b. Financial Report

Mr. Burrus gave the financial report. We are at 100% of the Fiscal Year with revenues at 99.86% and expenditures at 92.26%.

#### c. Executive Director's Report

Mr. Ketteman gave the Executive Director's Report. A complete copy of the report is available in the FEDC Office. Specifically, Mr. Ketteman mentioned the FranNet franchising interest meeting that was held on September 13 at City Hall with the SBDC, the open house of Emergicon and participation at the ICSC Texas Retail Show.

#### 4. Discussion/Action Items

- a. Discussion and possible action concerning surplus EDC Funds, current projects and future projects including, but not limited to, infrastructure, incentives, EDC-owned property and related items.

Mr. Ketteman said he would like to discuss this item due to available surplus funds and strategic planning due to the continued growth of Forney. Mr. McBeth led the conversation by reevaluating Forney's target industries for business recruitment. He started by asking about warehousing and larger office space. Mr. Ketteman said that in the last two weeks, four businesses, many of whom are located at the Mustang Creek Business Parks came to him in search of larger space that the business park could not provide. Mr. McBeth asked in regards to how much office space many of these businesses needed. Mr. Ketteman said about 15,000 square feet, but wasn't sure who would be willing to build the space.

- Mr. Alexander inquired about the acreage on the southside of Highway 80 at FM 460. Mr. Kettelman said that the land is about 300-400 acres, but has a flood plain on it and is currently being planned for a mixed use development by the developer. Mr. Kettelman said the 30 acres owned and listed by Stacy Standridge on the northside of 80 at FM 460, however, was a possibility for warehousing/office space.
- Mr. Kettelman then explained the EDC's reserve funds balance. He said that in 2014, the EDC had \$188,000 in reserves, 2015 - \$700,000 in reserves, 2016 – over \$1 million and 2017 projected to be approximately \$1.6 million. Mr. Burrus said part of the high reserve funds was due to paying off the Mustang Crossing Shopping Center incentive agreement last spring.
- Mr. McBeth asked Mr. Kettelman about the Downtown parking project and funds available for it. Mr. Kettelman said the remaining funds for the Downtown bond was \$800,000 and the EDC only received one bid from the same company both times it was bid out. He said the contracting company bid \$1.4 million, which included a scaled down version of the plans for Bois D'Arc St. and Main St. He said the biggest issue facing the project is the drainage along Bois D'Arc, which is expensive to repair. He said he is working the contractor on seeing areas where we can scale down the costs in order to make the price closer to what the EDC has available in the Downtown bonds fund. Mr. McBeth inquired as to if there were any TXDOT maintenance funds available since the City is pursuing taking a portion of Bois D'Arc off the TXDOT system. Mr. Kettelman said he would need to ask, but that the Turnback program TXDOT started several years ago became exhausted of funds.
- Mr. McBeth then asked about manufacturing as a target industry. Mr. Kettelman said it is a bit harder to attract manufacturing operations due to Kaufman County's non-attainment environmental status. He said the best manufacturing attraction is for clean manufacturing that does not have as much of an effect on the county's environment status as other manufacturing operations may have. Mr. Bennett said targeting higher tech manufacturing operations would be preferred due to the higher wages that accompany the business. He said trade shows and local recruitment of regional company expansion and start ups might be an opportunity.
- Mr. Burrus asked regarding what industries the EDC does not want to attract. Mr. Kettelman said anything that may have a negative affect on the community such as chemicals output, odors, etc. He specified as an example glue factories or other related businesses.
- Mr. McBeth then inquired about the retail industry and potential incentives such as sales tax rebates. Mrs. Browning then asked about car dealers (used, new, high end) and any incentives the EDC could offer. Mr. Kettelman said it would be dependent on parts and other local sales tax producing items since cars are not taxed at the local level. Mr. McBeth said it would need to be evaluated a case-by-case basis.
- Mr. McBeth then asked about the medical industry and the Phase 3 land at the Forney Medical Plaza. Mr. Kettelman said Phase 2 was not filled up with tenants yet and that EDC staff had been trying to connect with the real estate representative for the medical plaza, but were having a difficult time trying to get together. Mr. McGregor said that both the Kaufman and Sunnyvale hospitals had closed their birthing units. With the large young family population available, there might be some opportunity for a birthing center in Forney. Mr. Tayamen asked in regards to any hospital development in Forney. Mr. Kettelman said due to the changing industry of health care, hospital developments are less popular and free standing emergency centers have become more popular. Mr. McGregor said the area workforce for the medical industry is very ripe. He noted that over the last 6 months, the EDC office tracked approximately 110 people that live in Forney who work in the medical and human services industry thanks to the monthly Housewarmer's Labor Data reports. Mr. McBeth said it might be a good idea to try and target specific medical services, such as birthing centers.
- Mr. McBeth then inquired about the purchase of land for development or selling of downtown EDC-owned property. Mr. Bennett asked about the feasibility of the EDC building a spec property. Mr. Kettelman said he visited earlier in the week with Trent Brown of American National Bank where the EDC has their accounts. Mr. Kettelman asked Trent Brown what a loan payment plan would look like between \$1 and \$5 million if the EDC were to establish its' own business park. The following is the estimated payment schedule for 25 years at 4% interest:

- \$1 million: \$63,000 annual payment
- \$2 million: \$126,000 annual payment
- \$3 million: \$190,000 annual payment
- \$4 million: \$253,000 annual payment
- \$5 million: \$316,000 annual payment

Mr. McBeth then inquired about potential office space developers. Mr. Ketteyman said many developers are leery of developing Class A office space in Forney since it's a fairly new community, but that a nice brick office park would be of value to the community. Mr. Ketteyman said the EDC needed to evaluate its' long term vision for economic development and work to protect land in the City for commercial development. He said Gateway could be a place for a business park or an area of 200 acres within City Limits next to Forney High School, as well as working with the neighboring community of Talty on helping develop business along the IH-20 frontage corridor. He said Talty is currently on septic systems and they would need to advance in their infrastructure before any commercial development could be realized in that area.

Mr. McBeth wrapped up by instructing EDC staff to check around for available properties and land owners. Mr. McBeth then identified Forney's target industries as Light Industrial, Retail, Specialized Medical, Small scale data centers and office space.

- b. Discussion and possible action concerning economic development negotiations with current prospects.

No action was taken on this item.

#### 5. Public Communication

There was no public communication.

#### 6. Executive Session

- a. The Forney EDC will hold a closed Executive Session meeting pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in: -§ 551.072 deliberations for the purchase, exchange, lease, or value of real property and/or -§ 551.087 deliberations regarding commercial or financial information that the EDC has received from a business prospect and/or deliberations regarding the offer of a financial or other incentive to a business prospect. (Related to Section 4.b.)

Mr. Alexander made a motion to convene into Executive Session at 7:50 p.m. Mrs. Browning seconded and all other board members present voted in favor.

- b. The Forney EDC will reconvene into Regular Session, pursuant to the provisions of Chapter 551 of the Texas Government Code, to take any action regarding the above items.

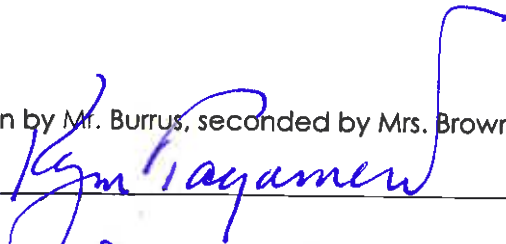
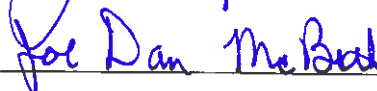
Mr. Tayamen made a motion reconvene into open session at 8:59 p.m. Mr. Coleman seconded and all other board members present voted in favor.

#### 7. Future Agenda Items

None noted.

- 8. **Adjournment** by unanimous vote at 9:00 p.m. on motion by Mr. Burrus, seconded by Mrs. Browning.

APPROVED: KYM TAYAMEN, SECRETARY

  
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APPROVED: JOE DAN McBETH, PRESIDENT  
DATE: NOVEMBER 10, 2016