



FORNEY ECONOMIC DEVELOPMENT CORPORATION

**MINUTES
REGULAR MEETING
101 EAST MAIN STREET
FORNEY, TEXAS 75126
JUNE 9, 2016
6:30 P.M.**

The Forney Economic Development Corporation (FEDC) of the City of Forney met on June 9, 2016 at 6:30 p.m. in the City Council Chambers. President Joe Dan McBeth, Vice President & Treasurer Scott Burrus, Secretary Kym Tayamen and members Jessica Browning, Jon Bennett and Fred Alexander were present. Executive Director Warren Ketteman and City Attorney Barbara Quirk were also present. Board Member DeCarlo Coleman and Economic Development Coordinator Stewart McGregor were absent.

1. **Call to Order** at 6:32 p.m.
2. **Invocation** by Mr. Alexander
3. **Consent Items**
 - a. Approval of the FEDC Minutes – May 12, 2016 Regular Board Meeting

Mr. Burrus made a motion to approve the May 12, 2016 FEDC Board Meeting Minutes and Mrs. Browning seconded. All members present voted in favor, except for Mr. Alexander, who abstained due to being absent at last month's meeting.

- b. **Financial Report**

Mr. Burrus gave the financial report. We are at 66.67% of the fiscal year, with revenues at 64.8% and expenditures at 76.98%.

- c. **Executive Director's Report**

Mr. Ketteman presented the Director's Report, which includes a list of office activities and current EDC projects. A complete copy of the Director's Report is available in the FEDC offices.

Mr. Ketteman specifically noted the FEDC will end the year with \$1.6 million in the bank account cash reserves. He also stated earlier in the day, the EDC Office received an award from the Texas Economic Development Council (TEDC) for a Certificate of Achievement in Economic Development Excellence.

4. **Discussion/Action Items**

- a. Discussion and possible action concerning structural building maintenance at 106 E. Main St.

Last month, Mr. Ketteman presented the EDC Board with an estimate from Covenant Roofing for fixing the roof at 106 E. Main St. The board requested Mr. Ketteman solicit more bids to have a better idea of cost comparison. Mr. Ketteman presented the Covenant Roofing bid, in the amount of \$21,685 along with a patch bid from Covenant Roofing for \$3,550. He also presented two other bids – one from Longhorn Roofing, who said the roof would need a patch and bid approximately \$5,000 with a 3 year warranty and Tucker Roofing, who bid approximately \$18,000 for a roof replacement with a 20 year warranty.

Mr. McBeth asked how old the current roof at the building was. Mr. Ketteman said he was not sure. After much conversation regarding the bids, Mr. Bennett stated he was comfortable with the Covenant Roofing bid due to the detail they provided of the work they would perform on their roof. Mr. McBeth stated he wanted to approve one of the bids that night due to the prospective tenant. Mr. Bennett said the depth of detail on Covenant Roofing's bid to replace the roof, while a little more expensive, was more comprehensive, especially as it related to any asbestos protection the roofers might encounter.

Mr. Burrus made a motion to approve the bid by Covenant Roofing for \$21,685 to replace the roof at 106 E. Main St. The funds for this project would need to be approved by the City Council, for transfer to the EDC Budget from the EDC cash reserves. Mr. Tayamen seconded the motion and all other board members present voted in favor.

b. Discussion and possible action concerning a tenant at 106 E. Main St.

At the request of the board, Mrs. Latham spoke further about her business plans. Her current bakery package business has 3 employees, including herself. She explained she would have 6-8 employees upon her relocation, along with hours from 7:00 a.m. to 5:00 or 6:00 p.m., depending on the need for customers to pick up their baked goods in the evening. Menu items would be baked from scratch and they would offer specialty coffee items to complement their menu. She said she currently has some kitchen and cooking supplies due to her current operation and would be purchasing more upon relocation, along with spending approximately \$30-40,000 of her money in business supplies, building-related costs and other related items.

Mr. Bennett said the EDC would offer Mrs. Latham a \$28,000 cap in incentives for building improvements to 106 E. Main St., with the understanding that the EDC would fund cutting an opening through the vault and adding a hallway to the restroom, fixing the lighting in the hallway, a 500 gallon grease trap with the understanding the tenant would cover the costs of running the lines from the grease trap to the kitchen, and adding a staircase and landing from the main floor to the mezzanine level. Mr. Bennett also said the lease agreement would be for a 36 month term, with the first year rent being \$1,700 per month, second year rent being \$1,750 per month and the third year rent being \$1,800 per month, along with an option to renew at the end of the 36 months for another 36 month term at \$2,000 per month.

Mr. Ketteman mentioned the estimate the contractor gave did not include a staircase to the mezzanine. He also said that the estimate erred on the high side. Mrs. Browning said raising the incentive cap to \$30,000 would take into account the staircase and a portion of remodeling on the second floor for additional seating, especially since the bid erred on the high side. Mr. Burrus agreed with Mrs. Browning's assessment in order to provide leverage for the tenant. Mr. Burrus asked Mr. Ketteman about how long renovations would take. Mr. Ketteman stated the contractor estimated approximately 2 months to complete the renovations.

Mr. Burrus made a motion to approve \$30,000 in EDC funds to be used for building renovations/restoration as described above, with the understanding the City Council would need to approve these funds to come out of the EDC cash reserves. Mr. Alexander seconded and all board members present voted in favor.

c. Discussion and possible action concerning authorizing Executive Director to solicit bids for Downtown Parking Improvement Project.

Mr. Ketteman explained to the board now that plans by Pacheco Koch engineers were complete for the Downtown Parking Plan, he needs to solicit bids for construction targeted to begin later this summer.

Mr. Alexander made a motion to authorize Mr. Ketteman to begin soliciting bids for the Downtown Parking Project. Mr. Bennett seconded the motion and all other board members present voted in favor.

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

Mr. Burrus made a motion to instruct legal counsel to proceed as directed during executive session in regards to the HP Forney 548 Partners Settlement Offer. Mrs. Browning seconded the motion and all other board members present voted in favor.

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. Burrus made a motion to go into executive session at 6:48 p.m. related to section 4.b. Mr. Tayamen 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. Alexander made a motion to reconvene into regular session at 7:24 p.m. Mr. Tayamen seconded and all other board members present voted in favor. At this time, Mr. McBeth returned to item 4.b.

- 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.d.) Also Section 551.071 consultation with attorney to discuss settlement offer from HP Forney 548 Partners.

Mr. Bennett made a motion to go into executive session at 7:52 p.m. Mr. Burrus 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.

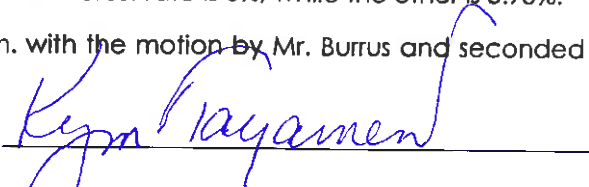
Mr. Alexander made a motion to reconvene into regular session at 9:14 p.m. Mr. Bennett seconded and all other board members present voted in favor. At this time, Mr. McBeth returned to item 4.d.

7. Future Agenda Items

Mr. Kettelman noted next month's meeting would need to include discussion and consideration regarding two notes on EDC-owned downtown properties. Due to the \$1.6 million in cash reserve funds in the EDC bank account, Mr. Kettelman explained it might be worth considering paying off either or both notes in order to save funds on the interest rates. One note's interest rate is 5%, while the other is 3.95%.

- 8. **Adjournment** by a unanimous "yes" vote at 9:18 p.m. with the motion by Mr. Burrus and seconded by Mrs. Browning.

APPROVED: KYM TAYAMEN, SECRETARY



APPROVED: JOE DAN McBETH, PRESIDENT
DATE: JULY 14, 2016

