



## FORNEY ECONOMIC DEVELOPMENT CORPORATION

**MINUTES  
REGULAR MEETING  
101 EAST MAIN STREET  
FORNEY, TEXAS 75126  
APRIL 14, 2016  
6:30 P.M.**

Notice is hereby given that the Forney Economic Development Corporation (FEDC) of the City of Forney met on April 14, 2016 at 6:30 p.m. in the Council Chambers of City Hall. President Joe Dan McBeth, Vice President & Treasurer Scott Burrus, Secretary Kym Tayamen, members DeCarlo Coleman, Jessica Browning and Jon Bennett were in attendance. Executive Director Warren Ketteman and Economic Development Coordinator were also in attendance. Member Fred Alexander was absent.

1. **Call to Order** at 6:30 p.m.
2. **Invocation** – Mr. McBeth gave the invocation.
3. **Consent Items**
  - a. Approval of the FEDC Minutes – March 10, 2016 Regular Meeting

Mr. Burrus noticed an error in the March 10, 2016 minutes, recognizing in several locations the name "Mr. Scott." Mr. Burrus made a motion to approve the minutes with the caveat of amending the minutes to correct the error. Mrs. Browning seconded the motion and all board members present voted in favor.

- b. **Financial Report**

Mr. Burrus reported the financial status of the Corporation to the board for the month of March. We are at 50% of the fiscal year with 47.7% in revenue and expenditures at 58.41%. He also specified that not included in the financial report is the EDC payment for the Downtown Revitalization revenue bonds, which is remitted twice a year. Going forward, this item will be included in the financial report.

Mr. McBeth noted that the Corporation recently paid off the Mustang Crossing Development.

Mr. Ketteman explained that the Mustang Crossing development jumpstarted quite a bit of economic activity for the City of Forney. With the incentive now being paid off, the EDC will regain approximately \$450,000-\$500,000 per year within the operating budget.

- 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.

4. **Discussion/Action Items**

- a. Discussion and possible action concerning extending the termination date of a contractual agreement with LCG Highway 80, LLC (Leon Capital Group)

Mr. Ketteman explained that due to a contractual agreement of a one year time frame with developers (Leon Capital Group) of the City's previously owned TxDOT surplus property, the developer requested an eight month extension for them to procure permits, infrastructure, etc. The developers have two restaurants they are working with to build on the property, but the timeframe has taken a little longer than anticipated. The original contract stated that after the one year timeframe passed without building permits, the property could be repurchased by the EDC and the City. Mr. Ketteman

stated the developers are moving in the right direction, but simply needed more time to complete. He wants to see them develop the property and it not have to be returned to the City, as stated in the contractual agreement. The letter requesting a time extension specified the extension timeframe being July 12, 2016 through March 12, 2017. Mr. Kettelman noted the contracted date is actually July 9, 2016, with the eight month extension terminating at March 9, 2017. Mr. Kettelman stated he believed Leon Capital would complete the development on time with the extension. Mr. McBeth inquired about future additional traffic lanes from both US Highway 80 and Frontage Roads. Mr. Kettelman mentioned that TxDOT already thought of the issue and retained approximately one acre of the property in the instance that FM 548 or US Highway 80 are widened.

Mr. Bennett made a motion to approve the contract extension request with Leon Capital Group with the eight month extension beginning July 9, 2016 and terminating March 9, 2017. Mr. Coleman seconded the motion and all other members present voted in favor.

- b. Discussion and possible action concerning the FEDC Hotel/Occupancy Tax (HOT) Funds grant application to include language addressing reapplication of previously approved grants

Mr. Kettelman stated this issue arose due to the Forney Downtown Business Association (FDBA) returning previously allocated HOT funds for a mural and then reapplying during the next fiscal year due to their contracted services availability to paint a mural on one of the buildings in Downtown Forney. At the last City Council meeting, Mayor Wilson asked Mr. Kettelman if there was any language in the HOT Funds application regarding unique circumstances like this. Mr. Kettelman said there was not any language specifying what to do. Therefore, it is the EDC Board's responsibility to authorize language in the HOT Funds application addressing this sort of unique issue.

The Forney Downtown Business Association received \$7,000 in HOT Funds for the mural during the 2014-2015 Fiscal Year. They spent \$700 in upfront costs, but then returned \$6,300 to the HOT Funds account because they thought their contracted artist would not complete the mural within the fiscal year. However, the artist recently contacted them back and stated she could complete it this month. Therefore, the FDBA had to reapply for the funds previously returned, which were approved by the City Council.

Mrs. Browning and Mr. Kettelman exchanged dialog on how a potential timeline and reapplication period would work. Mr. McBeth specified there is a percentage requirement for groups that receive HOT Funds grants. A certain percentage can only go to arts groups, a certain percentage can only go recreation, etc. Mr. McBeth was not sure whether or not allowing groups to wait until September 30 to reapply would jeopardize the percentage requirement for allocation in the next fiscal year. Mr. Kettelman said reapplying by September 30 may not be the best timing, but that any reapplication would be considered on a case-by-case basis.

Mr. Burrus asked about the possibility of grantees being able to simply apply for an extension. Mr. Kettelman stated there would need to be a strong cut-off date for applying for an extension and said it would only need to be a one-time extension for the grantee. Mr. McBeth asked if the end date for reapplying be made the same time as the application cut-off date for the next fiscal year, which is in June. Mr. Kettelman said a specific date, such as June 15, might be good to set. He also said any changes made to the application would go through the attorney, the FEDC was merely recommending certain requirements regarding this issue that would be relayed to the attorney.

Mr. Bennett said the reapplication process would need to go through necessary channels of staff, board approval and council approval. Mr. Burrus said groups reapplying would need to have documentation, as well, including receipts and other information specifying why they are reapplying for funds.

Mr. Burrus made a motion to instruct FEDC staff to work with the City Attorney in finalizing language for the HOT Funds application from the discussion and recorded minutes during this discussion/action item in the April 14, 2016 FEDC Board Meeting, including a required cutoff date for reapplication to be

June 15 of each year. Mr. Tayamen seconded the motion and all other board members present voted in favor.

- c. Discussion and possible action concerning commercial lease agreements to rent EDC-owned properties, amending language regarding the maintenance of leased premises

Mr. Kettelman mentioned this item was brought to our attention by a recent prospect that inquired about tenant-landlord responsibility in the lease language. He said when the lease agreement was written, studies had been done on lease agreements for similar properties, taking into account the landlord-tenant responsibilities. In Section 6.2, there were more items reflecting the landlord's responsibility than in the checklist section of Section 6.4. Mr. Kettelman recommended the board approve changing the language in Section 6.2 to reflect Section 6.4. He also mentioned a special consideration for the 106 E. Main property. Due to the old HVAC unit at the location, Mr. Kettelman said the FEDC office would replace the 106 E. Main HVAC unit within the first two years of a tenant occupying the property.

Mr. Tayamen inquired about parking lot maintenance, as mentioned in the agreement. Mr. Kettelman said that none of the FEDC-owned properties had a parking lot. There could be a possible change with 215 S. Bois D'Arc having a parking lot in the back which would be amended later, but as of now, there is no need for the FEDC to address parking lots since none of our properties have a parking lot.

Mr. Tayamen made a motion to approve the change of language in Section 6.2 to reflect Section 6.4. Mr. Coleman seconded the motion and all other board members present voted in favor.

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

Before adjourning into executive session, Mr. Kettelman stated that Forney is still under "first-round" consideration for Project Sailfish, a major food manufacturer, which will create approximately 150 jobs.

No action taken after coming out of executive session.

## **5. Public Communication**

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.d.)

Mr. Tayamen made a motion to go into Executive Session at 7:28 p.m. and Mrs. Browning seconded. 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. Bennett made a motion to return to open session at 8:17 p.m. Mr. Burrus seconded the motion and all other board members present voted in favor.

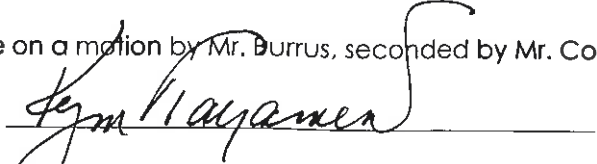
At this time, Mr. McBeth returned to item 4.d.

**7. Future Agenda Items**

Mr. Kettelman said in there would be a joint meeting between the City Council, EDC Board and the TIF Board, with a date to be set soon.

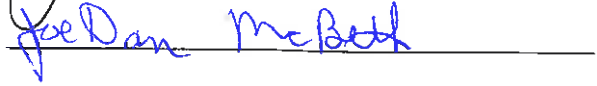
**8. Adjournment** at 8:20 p.m. by a unanimous "yes" vote on a motion by Mr. Burrus, seconded by Mr. Coleman.

APPROVED: KYM TAYAMEN, SECRETARY



A handwritten signature in black ink, reading "Kym Tayamen", written over a horizontal line.

APPROVED: JOE DAN MCBETH, PRESIDENT  
DATE: MAY 12, 2016



A handwritten signature in blue ink, reading "Joe Dan McBeth", written over a horizontal line.