



FORNEY ECONOMIC DEVELOPMENT CORPORATION

**MINUTES
REGULAR MEETING
101 EAST MAIN STREET
FORNEY, TEXAS 75126
JANUARY 12, 2017
6:30 P.M.**

Notice is hereby given that the Forney Economic Development Corporation (FEDC) of the City of Forney met on January 12, 2017 at 6:30 p.m. in the City Council Chambers. President Joe Dan McBeth, Vice President & Treasurer Scott Burrus, Secretary Kym Tayamen, Directors Fred Alexander, Jessica Browning, DeCarlo Coleman and Jon Bennett were all in attendance. FEDC Director Warren Ketteman and FEDC Coordinator Stewart McGregor were also in attendance.

1. **Call to Order** at 6:31 p.m.

2. **Invocation** by Mr. McBeth

3. **Consent Items**

a. Approval of the FEDC Minutes – December 8, 2016 Regular Board Meeting

Mr. Burrus made a motion to approve the December 8, 2016 regular board meeting minutes and Mr. Tayamen seconded. The vote carried unanimously.

b. Financial Report

Mr. Burrus gave the financial report. We are at 25% of the fiscal year with revenues at 25.03% and expenditures at 15.75%.

c. Executive Director's Report

Mr. Ketteman gave the Executive Director's Report. A complete copy of this report is available in the FEDC Office. A few noteworthy items he mentioned include: the orientation of two new TIF Board members, continued progress on renovations at 106 E. Main St., an economic development update for downtown business owners and continued work on planning for sewer lines to serve businesses along West Broad Street.

Mr. Alexander inquired about the easement on Mr. Keith Bell's property for sewer. Mr. Ketteman said we are waiting that easement and continuing to work with the businesses and property owner in order to move forward with plans.

Mr. McBeth then recognized Mr. Bennett as it was his last meeting as a board member since he is moving to Heath.

At this time, Mr. Ketteman moved to item 4.c.

4. **Discussion/Action Items**

a. **Discussion and possible action concerning the lease agreement at 212 S. Bois D'Arc St.**

Mr. Ketteman stated this item would be discussed in Executive Session.

After Executive Session, Mr. Ketteman stated to the board the motion would be to offer the tenant (Crumbzz) to continue his lease or purchase the property by January 23, 2017. If the tenant decided to purchase the building, he would have three months to obtain financing and have a schedule closing date. During the three month period, he would be eligible to continue his lease at a month-to-month rate of \$2,000/month. If after the three month period, financing and/or a closing date had not been

performed, the tenant would continue to pay the month-to-month lease rate of \$2,000 per month. If he chose to sign a new lease agreement, it would be \$1,700/month.

Mr. Burrus made the motion and Mr. Coleman seconded. The vote carried unanimously.

Mr. McBeth then continued to item 4.b.

b. Discussion and possible action concerning the sale of EDC-owned property.

Mr. Kettelman said this item concerns the FEDC-owned property at 215 S. Bois D'Arc St. The motion would be to authorize FEDC Staff to continue negotiations with the restaurant prospect.

Mr. Tayamen made the motion and Mr. Alexander seconded. The vote carried unanimously.

Mr. McBeth continued to item 4.c.

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

Mr. Kettelman explained that earlier in the week, Mr. Mike Lopez approached him regarding the Guest & Gray Law Firm along with Mr. Lopez's construction company. They are planning to rent 2/3 of an office building at Plantation Plaza (109 E. US Hwy. 80, Forney) for their respective businesses.

Mr. McBeth recognized Mr. Scott Gray and Robert Guest of Guest & Gray Law Firm, along with Mike Lopez. Mr. Gray first spoke detailing the history of his law firm and location in Downtown Forney. He said with his firm's anticipated growth, they will need to add two new attorneys and a couple of additional administrative staff. He mentioned as a Forney native, they attempt to hire local Forney residents and provide them with adequate compensation. They are about to outgrow their current office and will need to renovate the facility at Plantation Plaza. Due to the building's former use as a flooring store showroom and transition into two separate office spaces, there are some anticipated expenses to be incurred for renovations. Mr. Lopez then spoke regarding the work to be performed in the building by his company and that his construction company would relocate its' headquarters from Dallas to the Plantation Plaza office building, adding a few employees to the daytime population. He said in order for the deal to work, they are appealing to the EDC for financial assistance to offset renovation costs for Mr. Gray.

Mr. McBeth asked about the terms of the lease for the space. Mr. Gray responded it is a five year lease with two; three year options and they are still negotiating with the landlord. Mrs. Browning asked if the landlord was including any funds to assist with renovation costs. Mr. Lopez responded the landlord is not including any funds for renovation, but will give them a few months of initial free rent in order to offset the process of obtaining permits and renovating the property. He anticipates 45-60 days for the entire process of permitting and building renovations. Mr. Kettelman added that with Guest & Gray relocating outside of Downtown Forney, this will open up space for potential retail opportunity within Downtown. With the Downtown master plan calling for more specialty retail options in Downtown, this would present a good opportunity for the current Guest & Gray offices to be occupied by a specialty retail merchant.

Mr. Kettelman said this issue would be further discussed in Executive Session.

After Executive Session and taking action on items 4.a. and 4.b., Mr. Kettelman said the motion for this item would be to authorize a \$20,000 grant to Mr. Gray and Mr. Lopez for the renovation of the Plantation Plaza building on the condition they show proof of \$40,000 of encumbered expenses through receipts.

Mr. Alexander made the motion and Mr. Burrus seconded. The vote carried unanimously.

Mr. Kettelman then specified to the board a motion regarding The Sophia Design Group, a business located in Forney currently undergoing expansion. The motion would be to offer either a \$45,000 0% interest

loan, forgivable upon hiring the equivalent of 45 full-time employees within one year of obtaining their Certificate of Occupancy, or a \$20,000 grant for the renovation and offsetting of sprinkler improvements in their new building on the condition they show proof of \$40,000 of encumbered expenses through receipts.

Mr. Coleman made the motion and Mr. Tayamen seconded. The vote carried unanimously.

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.a., 4.b. and 4.c.)

Mr. Alexander made a motion to enter into Executive Session at 6:50 p.m. Mrs. Browning seconded and the vote carried unanimously.

- 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 to come out of Executive Session and reenter into Open Session at 8:31 p.m. Mrs. Browning seconded and the vote carried unanimously.

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

Future Agenda Items

No future agenda items noted.

Mr. McGregor made an announcement about ICSC RECON taking place in May and for the board to let him know if they were interested in attending.

Mr. Kettelman made an announcement about Kaufman County Day in Austin in March and to let him know if they were interested in attending.

7. Adjournment by unanimous vote at 8:42 p.m. on a motion by Mr. Burrus, seconded by Mr. Tayamen.

APPROVED: KYM TAYAMEN, SECRETARY



APPROVED: JOE DAN McBETH, PRESIDENT
DATE: FEBRUARY 9, 2017


