



FORNEY ECONOMIC DEVELOPMENT CORPORATION

**MINUTES
REGULAR MEETING
101 EAST MAIN STREET
FORNEY, TEXAS 75126
June 14, 2018
6:30 P.M.**

Notice is hereby given that the Forney Economic Development Corporation (FEDC) of the City of Forney met on June 14, 2018 in Council Chambers. Vice President & Treasurer Scott Burrus, Secretary Kym Tayamen, Directors DeCarlo Coleman, Amanda Lewis, and Fred Alexander were present. Executive Director Warren Ketteman, and Administrative Assistant Mary Wilson were also present. President Joe Dan McBeth and Specialist Stewart McGregor were absent.

1. **Call to Order** at 6:30 p.m.
2. **Invocation** by Fred Alexander.
3. **Public Communication**

There was no public communication.

4. **Minutes & Reports**

- a. Approval of the FEDC Minutes – May 10, 2018 Regular Meeting

Mr. Burrus pointed out a misspelling of his last name. Mr. Alexander made a motion to approve the May 10, 2018 minutes contingent upon the correction of the spelling error. Mr. Tayamen seconded and the vote carried unanimously.

- b. Financial Report

Mr. Burrus gave the financial report. We are at 66.67% of the fiscal year, with revenues at 64.76% and expenditures at 35.02%.

- c. Executive Director's Report

Mr. Ketteman gave the Executive Director's report. A complete copy of this report is available in the EDC Office. A few noteworthy items he announced:

Mr. Ketteman said that the EDC attended the East Side Allies lunch meeting in Mesquite, where the members shared available information about prospects.

Mr. Ketteman said that he attended the "Economix" site consultant event in Frisco where he met numerous site consultants one on one.

Mr. Ketteman said Council and City Staff interviewed four candidates for City Manager and Stewart McGregor and John Holcomb toured the City with them.

He explained that the "Welcome to Downtown Forney" signage would be on the next Council meeting, not the current. Ms. Lewis inquired who is selected to do the sign and Mr. Ketteman told her Ed Zahra was doing the design.

5. **Discussion/Action Items**

- a. Discussion and possible action regarding a redevelopment grant extension for 325 S. Bois D'Arc St.

Mr. Ketteman explained that in June 2017 the Forney Ship Center was awarded a redevelopment grant for remodeling their property into executive office suites. Due to unforeseen circumstances and the

grant only lasting one year, the property owner is requesting an extension to wrap up the project, which is near completion. He explained that there is water damage and the concrete needs to cure to be sealed. Mr. Alexander inquired as to the time frame. Mr. Kettelman said it was 1 to 2 months per the contractor, and recommends 6 months to get enough coverage. Mr. Tayamen made a motion to extend the time frame by 6 months. Mr. Coleman seconded and the vote carried unanimously.

b. Discussion and possible action regarding FEDC office space.

Mr. Kettelman explained that the owner of Garrett A. Moore Company is developing the "Victorian Village" office/retail complex on the EDC/City-owned land located at Chestnut & Main St. Due to the growth of staff and need for City offices, the EDC has the opportunity to move out of City Hall into Victorian Village, leaving space open for additional City employees and departments.

Mr. Kettelman explained the terms. Mr. Alexander asked if the space is sufficient and Mr. Kettelman confirmed it was. Ms. Lewis asked if the EDC had investigated other spaces. Mr. Kettelman replied that downtown Forney is short-handed on Class A office space. Only City Bank has available office space and they are filling up. City Bank contains separate offices, not a suite. The space in Victorian Village will provide sufficient space for 3 persons, with a shared conference room and kitchenette with another tenant.

Mr. Burrus asked if it would be inconvenient to not be directly across from the City Attorney, etc. Mr. Kettelman explained the phone system is all tied together so all staff is connected.

Mr. Tayamen asked about furniture. Mr. Kettelman said the current office furnishings and copier are owned by EDC. Mr. Burrus asked if the conference room space will be furnished and Mr. Kettelman said he would inquire.

No action. Staff checking on other lease rates and conference room costs.

c. Discussion and possible action regarding the 2018-2019 FEDC Budget.

Mr. Kettelman said the FY 2018-19 budget goes to Council in August. He pointed out an error in line item 5213, Dues and Subscriptions, and the amount of \$18,250 should have read \$8,250. Ms. Lewis inquired about line item 5230 for legal fees. Mr. Kettelman explained that law requires us to pay to use the City Attorney's legal expertise. Mr. Alexander asked about line item 5388 EDC Project Expense and why it fluctuates. Mr. Kettelman explained that EDC owned property requires expense but when sold results in additional money in the fund balance. Mr. Burrus asked about line item 5374 Building Maintenance. Mr. Kettelman said the funds are to maintain the properties EDC owns and that as the EDC sells the properties and buildings the cost of maintenance goes down. Mr. Burrus asked about line item 5244 Utilities which is \$0. Mr. Kettelman explained that utilities are now the responsibility of the tenants we lease to so EDC has no utility bills. Ms. Lewis inquired about the budget for moving. Mr. Kettelman said we would need to increase the budget for utilities for the move.

No action. Staff to provide updated proposed budget at the next EDC Board meeting.

d. Discussion and possible action regarding an amendment to the FY 2017-18 budget transferring \$151,750.07 from the FEDC fund balance to "Business Park Expense" for the purpose of gas line relocation in the Forney Business Park.

Mr. Kettelman said this was discussed in Executive Session in the past. EDC-owned land has a main feed gas line. He said we can't have a gas line in the middle of a park/baseball field. The funds are available and this has to go to Council next week. Atmos will have a crew in mid-July to perform the work. The current easement will not be abandoned until it is connected. The EDC is moving the line to the south end to free up acreage. Mr. Alexander asked if the dollar amount could increase. Mr. Burrus said additional money could be moved. Ms. Lewis made a motion to approve the amendment. Mr. Coleman seconded and the vote carried unanimously.

- e. Discussion and possible action regarding a recommendation to City Council utilizing a portion of new HOT revenue for conference/event center incentives.

Current meeting space in hotels in Forney is limited to the space available in the Best Western. EDC Staff was approached by Councilman Myers and asked to research use of HOT funds to possibly incentivize additional hotel meeting space. EDC staff presented a spreadsheet showing conference space square footage and the corresponding suggested HOT funds incentive. Mr. Alexander asked about space in the new Holiday Inn. Ms. Lewis asked if an existing hotel would be eligible if they added on space. Mr. Alexander stated that this would be a good use of HOT funds. Mr. Burrus asked if funds could be utilized this year. Mr. Kettelman answered "No" as funds are currently allocated. Mr. Burrus asked that a cap be placed on the incentive where HOT funds incentive would not exceed 50% of the hotel's city property tax. Mr. Kettelman stated that he would include that language in the recommendation to Council.

Ms. Alexander made a motion to approve the recommendation. Mr. Tayamen seconded and the vote carried unanimously.

- f. Discussion and possible action regarding a recommendation to the Planning & Zoning Commission regarding industrial building codes.

Mr. Kettelman explained that Forney requires industrial buildings to be 80% masonry and commercial buildings 90% masonry. He said 80% is a lot for industrial. Using Burleson as a model, taking acreage in an area that is not in the public right-of-way and allowing metal on the sides and back, painted to match, and keeping masonry on the front or in the public right-of-way. Mr. Kettelman said the City of Buda built an industrial building in this manner, with metal sides and back and won awards for the design. Ms. Lewis said she liked the 80% masonry on front, with no requirements on back or sides. Mr. Burrus said to ease up on areas not visible. Mr. Tayamen said to restrict it to certain areas.

Mr. Tayamen made a motion to recommend 80% masonry on front (visible) and making sides flexible to the P&Z Meeting. Mr. Coleman seconded and the vote carried unanimously.

- g. Discussion and possible action regarding a Resolution declaring "certain projects" under Chapter 505 of the Texas Local Government Code for economic development.

Mr. Kettelman explained the need to declare the downtown area a project. He showed the boundaries set out on the map. He said it is not changing the zoning. It is just creating flexibility for EDC. The Resolution includes the downtown area consisting of the central business district, the central business transition overlay district and the historic overlay zoning district. Also, the area within the Tax Increment Reinvestment Zone No. 1, and approximately 63.84 acres located in the northwest intersection of Marketplace Boulevard and the North Service Road of Highway 80.

Mr. Alexander made a motion to approve the Resolution. Mr. Coleman seconded and the vote carried unanimously.

- h. Discussion and possible action regarding a matrix for FEDC incentives.

Mr. Kettelman explained how a matrix would work. Forney currently looks at each incentive on a case by case basis. Each project is different and stands on its own merits with EDC Board guidance. Mr. Kettelman explained the need for flexibility of negotiating incentives, asking where we can help. Mr. Burrus stated that to attract business to the community we need flexibility. Ms. Lewis agreed saying the Board needs discretion. Mr. Kettelman said that when Triple Freeport was needed by a prospect, we got support and it was accomplished.

Mr. Alexander made a motion to not create a matrix. Mr. Tayamen seconded and the vote carried unanimously.

- i. Discussion and possible action regarding economic development negotiations with current prospects.

Following Executive Session, Nathan Simon presented to the Board for economic assistance with his new business, Forever Faded Hair Lounge located at 133 East US Hwy. 80 in Forney. Ms. Lewis inquired about the capital improvements he planned. Mr. Simon explained they had already been completed. After he spoke with the Board last year he decided to jump on it when he saw the "for rent" sign. Mr. Tayamen asked if there was space to expand. Mr. Simon said there is. Three spots are already taken, with two students in school. He foresees having a full staff in the next year. He anticipates a total of 6 barbers in the future. Mr. Simon said he invested \$25,000 in inventory. Mr. Burrus asked if he had additional capital input. Mr. Simon replied he did not. He said he needs funds to advertise and \$1,200 for a sign. He is trying to put together a hair show and needs a venue. Mr. Burrus offered to provide Mr. Simon with \$3,000 now, \$1,500 per employee up to a maximum of 5 employees, with a maximum dollar amount of \$7,500 over 2 years. Ms. Lewis made a motion to provide Mr. Simon with economic development funds. Mr. Alexander seconded and the vote carried unanimously.

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 deliberation regarding the offer of a financial or other incentive to a business prospect. (Related to Section 5.i.).

Mr. Alexander made a motion to move out of open and into executive session. Mr. Tayamen seconded and the vote carried unanimously. The time was 8:16 p.m.

- 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 move out of executive session and into open session. Ms. Lewis seconded and the vote carried unanimously. The time was 9:08 p.m.

At this time, Mr. Burrus turned to item 5.i.

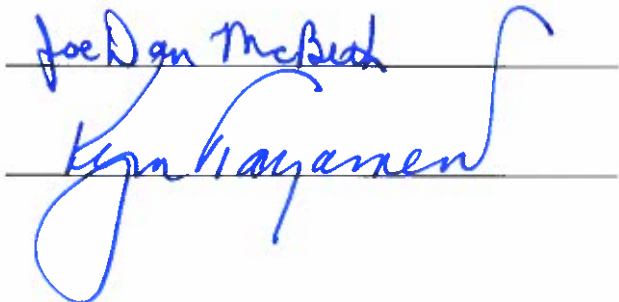
7. Future Agenda Items

- Mowing contract renewal in July
- HOT Funds Applications Approval
- Review projections for unencumbered funds 6 - 12 months
- Gateway Sewer

8. **Adjournment** by unanimous consent at 8:24 p.m., on motion by Mr. Burrus, seconded by Ms. Browning.

APPROVED: JOE DAN MCBETH

APPROVED: KYM TAYAMEN, SECRETARY
DATE: JUNE 14, 2018



Handwritten signatures of Joe Dan McBeth and Kym Tayamen, each written over a horizontal line.