



FORNEY ECONOMIC DEVELOPMENT CORPORATION

**MINUTES
REGULAR MEETING
101 EAST MAIN STREET
FORNEY, TEXAS 75126
APRIL 11, 2019
6:30 P.M.**

Notice is hereby given that the Forney Economic Development Corporation (FEDC) of the City of Forney met on April 11, 2019 at 6:30 p.m. in the City Council Chambers. Board President Joe Dan McBeth, Vice President & Treasurer Scott Burrus, Secretary Kym Tayamen and Director Amanda Lewis were present. Executive Director Warren Kettelman, Specialist Stewart McGregor and Administrative Assistant Mary Wilson were also present. Directors Jessica Browning, Fred Alexander and DeCarlo Coleman were absent.

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

There was no public communication.

4. **Minutes & Reports**

- a. Approval of the FEDC Minutes – March 14, 2019 Regular Meeting

Mr. McBeth made a motion to approve the March 14, 2019 minutes. Mr. Burrus seconded and Mr. Tayamen, and Ms. Lewis joined in favor.

- c. Executive Director's Report

Mr. Kettelman gave the Executive Director's Report. A complete copy is available from the Forney EDC Office. A few noteworthy items include:

- EDC Staff hosted the Goodyear Groundbreaking and attended the Raising Cane's Ribbon Cutting, both of which were heavily attended
- EDC Staff attended Kaufman County Day at the Capitol
- EDC Staff did a walk-through of the completed Zmolik office, which was a success. The space is fantastic and Mr. Zmolik is looking for more projects
- Lydia Spaun with Congressman Gooden's office was our guest at the Chamber Lunch
- The City of Forney has two new businesses: Sass and Sunshine on Bois d'Arc, and Precision Sports Physical Therapy in Forney Medical. EDC staff welcomed them both
- A photo slideshow of before and after shots of the detention pond was presented to the Board

- b. Financial Report

Mr. Burrus gave the financial report. We are at 50% of the fiscal year with revenues at 53.87% and expenditures at 20.03%.

Following the Executive Director's Report Mr. McBeth turned to item 6.a.

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 Sections 5.a.) Also Section -§ 551.071, consultation with attorney.

Mr. Tayamen made a motion to enter into Executive Session and Mr. Burrus seconded. The vote carried unanimously. The time was 6:44 p.m.

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 back into Open Session and Ms. Lewis seconded. The vote carried unanimously. The time was 7:40 p.m.

Mr. Kettelman requested the Board turn to item 5.c. At this time Mr. McBeth turned to item 5.c.

5. Discussion/Action Items

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

Mr. Kettelman introduced Ms. Carr as the owner of the building on West Broad Street. Mr. McBeth stated that the Board has decided at this time not to fund the parking lot and said they would take questions she might have. Ms. Carr said the Adult Daycare did not get good response as the highway was being constructed and people thought they were closed down, and it came to her attention that child care is badly needed. Ms. Carr said she wants Mr. Banks to get a C.O. to operate a child care. The road has been there for 30 years, supporting fire trucks and all kinds of traffic. It has been used like a city street. She stated she has paid between \$250,000 and \$300,000 in taxes. She knows the big new companies are coming in and are flashy, but she stated it's our small businesses that serve the people.

Mr. McBeth said the Board has looked at the financing experience of the incoming tenant and the Board has concerns. Ms. Carr asked why you are requiring this road. Mr. Kettelman said the EDC Board has no jurisdiction on the road or the parking area. That is City Code and ordinance and the Board is bound by that like everybody else. The EDC Board is here to promote new and existing expanding businesses, but all must comply with existing codes. He said that per Community Development and current city codes that the parking area has to be concrete.

There was further discussion and explanation of what is a legal and non-conforming use where the property can continue to operate if it did not sit for a length of time. If it sits idle, the term used is abandoned. The property is then subject to the current codes and rules. Discussion ensued over whether the property was or was not abandoned. Mr. Kettelman explained to Ms. Carr that the EDC Board does not make that decision and she needs to discuss this with Peter Morgan in Community Development.

Mr. McBeth stated that as far as the funding goes, the Board hesitates providing funds to start-up businesses. Mr. Kettelman reminded that it was also a code requirement on the parking lot. Mr. Burrus suggested Ms. Carr discuss a variance due to the construction with Mr. Morgan.

There was further discussion regarding repair after the sewer goes in and assurances that it would not destroy the parking area, also discussion of drainage issues due to the highway. Mr. Kettelman stated this was a totally separate issue and he would get with Candy McQuiston to discuss it.

Mr. Banks asked if there could be any funding from EDC on the back end, for employees. Mr. McBeth told him the Board always encourages filling out the application and bringing it to the Board for discussion.

Ms. Carr stated that if she can't have cooperation from the City, then she questions allowing use of her property for the sewer and may withdraw her approval until something is resolved. Mr. Kettelman reiterated that the roadwork was done by TXDOT and if she is having drainage issues it will have to be addressed by TXDOT and their contractor that performed that work. He said he would check on this and see what transpired. He further stated that the EDC Board was told by Community Development there was a cease in operations and that the property would require concrete and advised her to talk with Community Development and they would make the determination. The EDC Board would then have to determine whether to fund it or not. These are all separate issues.

Mr. Banks asked again if there is any way to know if they will be able to receive any considerations on the back end or any way to know in advance or is it something that can't even be decided until it's done. Mr. McBeth said the Board can take a look at it at any time and to get a little further along in this process and then come back to the Board. Mr. Banks said they would just like to have an idea that they could get something back after they hired so many people or whatever the Board needs. Mr. McBeth again suggested that they get a little further along in the process and see what their needs are and come back and the Board will take a look at it and maybe do something further in the process depending on the circumstances. Mr. Kettelman said Ms. Carr getting further clarification from Mr. Morgan will help. No action was taken on this item.

b. Discussion and possible action regarding updates to the incentive applications

This item concerns revisions and updates to the Downtown Redevelopment Grant Program policies, the Downtown Renovation Guidelines, and the Incentives Policy and Application.

Mr. McGregor explained that the changes were all in redline. He said the Downtown Renovation Incentive Guidelines had been revised to include verbiage to include some interior improvements along with the façade and renamed the Downtown Façade/Interior Incentive Guidelines. He stated that this included new incentive amounts for the interior improvements from 20% up to \$10,000 to increase it to 50% not to exceed \$10,000 and asked for the Board's approval or if they wanted a different amount. There was a discussion on the history of the percentages/dollar amounts. Mr. Burrus said he was good with up to \$10,000 for the interior improvements and increasing the percentage to 25% not to exceed \$10,000. Additional changes included clarification of the "Historic Overlay Zone" of the City of Forney, and removal of the promissory note portion.

The Redevelopment Grant Application added Fire Suppression/Safety. The Grant Agreement extended the return date to two weeks prior to the monthly FEDC board meeting. The Application for Incentives added a Tax ID Number line, a breakdown to the investment category and supporting documentation. Under Finances additional requests include a bank commitment letter and/or other financing sources, and information regarding purchase of property or an executed lease agreement. It was also reiterated that the Forney EDC does not provide incentives in the form of venture capital.

Mr. McBeth stated that if someone is getting family money that's not a loan, we need a letter or documentation to that effect. Mr. Kettelman said he will check on this with the City Attorney.

Mr. Burrus made a motion to approve the revisions in the forms and applications as presented with the addition of requiring some form of documentation if it is family money, as to whether it is a loan or investment, and increasing the façade percentage to 25% of the total not to exceed \$10,000. Ms. Lewis seconded. The vote carried unanimously.

a. Discussion and possible action regarding approval of the draft budget for fiscal year 2019-2020

This item concerns the budget for fiscal year 2019 – 2020.

Mr. McGregor told the Board he provided them an FY 2018-2019 EDC budget. This was the budget the Board approved last summer for this fiscal year to use as a benchmark to compare against the proposed budget. The proposed budget shows adjustments from the year's previous budget. There was a review of the expected revenues and the proposed adjustments and the reasons for the adjustments. The proposed budget will be prepared and submitted to Council.

7. **Future Agenda Items**

Mr. McGregor said he will prepare RFPs for the website update.

Mr. Kettelman wants to work to educate the public on the importance of the census.

He also reminded the Board that next month is HOT Funds applicant training.

8. **Adjournment** by unanimous consent at 9:21 p.m., on motion by Mr. Tayamen, seconded by Mr. Burrus.

APPROVED: JOE DAN MCBETH, PRESIDENT



APPROVED: KYM TAYAMEN, SECRETARY
DATE: MAY 9, 2019


