

**BASTROP ECONOMIC DEVELOPMENT CORPORATION (BEDC)**  
**BOARD OF DIRECTORS**  
**Minutes of Monthly Meeting, June 20, 2016**  
**Bastrop City Hall, 1311 Chestnut Street, Bastrop, Texas**

The Bastrop Economic Development Corporation (BEDC) met on Monday, June 20, 2016, at 6:00 p.m. at Bastrop City Hall, 1311 Chestnut Street, for the Regular Monthly Meeting.

Board members present were: Steve Mills, Kristi Koch, Gary Schiff, Mayor Ken Kesselus, Cam Chavez, and Drusilla Rogers. Board member Joe Beal and Mike Talbot (*ex officio*) were absent. Staff members present: Shawn Kirkpatrick, Angela Ryan, Jean Riemenschneider, and JC Brown, BEDC Attorney.

1. **CALL TO ORDER** – BEDC Board Chair Steve Mills called the Board Meeting to order at 6:00 p.m.
2. **PUBLIC COMMENT(S)** – Kay McAnally asked if the Board had microphones they could use so the public could hear them better. Anne Beck also said the Board needs microphones. (BEDC and IT staff addressed the issue.)

**3. REGULAR BUSINESS & PRESENTATIONS**

- 3.1. Recognition of outgoing BEDC Board member Willie DeLaRosa with a service award.
- 3.2. Welcome of Board members Camilo Chavez and Drusilla Rogers. Mr. Chavez has been reappointed for a two year term and Ms. Rogers is new to the Board.
- 3.3. Consideration, discussion and possible action on election of 2016/2017 BEDC Officers: Chair, Vice-Chair, Secretary and Treasurer, and Assistant Secretary and Assistant Treasurer. Mr. Schiff made the motion to re-elect the same officers as the previous year (Steve Mills as Chair, Kristi Koch as Vice-Chair, and Gary Schiff as Secretary/Treasurer, with Angela Ryan serving as Assistant Secretary and Shawn Kirkpatrick as Assistant Treasurer). Mayor Kesselus seconded, and the motion passed.
- 3.4. Consideration, discussion and possible action on Board meeting schedule for 2016/2017. Mr. Kirkpatrick pointed out that a special Board meeting and budget workshop was scheduled for July 11. Mayor Kesselus made the motion to approve the schedule as presented, Mr. Schiff seconded, and the motion passed.
- 3.5. Presentations by BEDC Staff:
  - a) 2015 Texas Economic Development Corporation (TEDC) Economic Excellence Award
  - b) 2016 TEDC Workforce Excellence Award
  - c) 2016 Bastrop Youth Career Day Video

Mr. Kirkpatrick showed the two TEDC awards to the Board, and played the video from the Second Annual Youth Career Day, which was produced by Chris White, a media student from Bastrop High School who has been volunteering with the City's IT Department. Mr. Mills thanked the BEDC Staff for all of their hard work.

- 3.6. Approval of meeting minutes of the Regular Board Meeting of May 16, 2016. Mr. Schiff made the motion to approve the minutes as submitted, Ms. Koch seconded, and the motion passed.
- 3.7. Consideration, discussion and possible action on acceptance of the BEDC's financial summary report for period ending May 31, 2016. Mr. Kirkpatrick reviewed the report included in the packets. Mr. Schiff made the motion to accept the financial report as submitted, Ms. Koch seconded, and the motion passed.

#### 4. ACTION ITEMS

- 4.1. Consideration, discussion and possible action on appointing a BEDC representative to the Main Street Advisory Board. Ms. Koch made the motion to appoint Shawn Kirkpatrick as BEDC's representative to the Main Street Board, Mr. Chavez seconded, and the motion passed.
- 4.2. Consideration, discussion and possible action on the vacant lot at 921 Main Street, owned by the City of Bastrop, related to the Bastrop EDC's proposal to develop a masterplan, including but not limited to, mitigation, shell building, and finish-out, and potential proposal of commercial redevelopment of the site. (Mr. Kirkpatrick's complete presentation is available at this [link](#).) Mr. Kirkpatrick showed a proposal to mitigate the damage and develop a masterplan for the site. He started by giving the history of the site, which has been vacant since a fire destroyed the building in 2003. The City of Bastrop purchased it in 2009 to obtain use of the parking lot behind it. Mr. Kirkpatrick's suggestion was to issue an RFQ for engineering and architecture for the site, to first mitigate the damage. During that same time, there was the potential for the Texas Historical Commission to conduct a Town Square Feasibility Study on the site. After that the work could be performed to make the lot developable, and a decision would be needed as to whether to build a building on the site or a pocket park. Mr. Kirkpatrick explained that if a decision was made at that point to build a building, there was the possibility that a private developer could buy it. In the event that no developers were interested, the BEDC could have a shell building constructed, and then either seek a private developer through a Public Private Partnership to finish it out or finish it out themselves. Mr. Kirkpatrick said in the event that no other developers were interested in the site, the BEDC could move their offices to the building and lease out the rest of it. The cost to do the entire project would range from \$2.7 million to \$3.2 million, including \$200,000 to \$250,000 for the mitigation. He explained that in order to perform the work needed on the site, the BEDC would need control of it.

Kay McAnally said the water mitigation needs to be addressed first because the adjoining property owners need immediate action. She said there needs to be a masterplan done for all of downtown. She said the THC's Town Square Initiative would perform a best use assessment of the property and some of the design work free of charge, and in a week or so they would know if they had made the approval list. Ms. McAnally asked if Mr. Kirkpatrick knew the economic benefit of using the lot as a public space, and Mr. Kirkpatrick replied he had only looked at it from the perspective of the BEDC's role in the project if they take it on, a commercial mixed-use type of structure which would put the property back on the tax rolls for ad valorem and sales tax generation, although there will be an opportunity for the site to be either a building or a public gathering space once the water mitigation is complete. When asked if the BEDC could spend funds on a public space, Ms. Brown responded that they could if the Board determined that the use drove economic benefits to the community. Ms. McAnally asked that the BEDC partner with the City of Bastrop in getting a structural analysis done for the good of the whole downtown. She said she hopes that we can get the professionals to tell us the best use of the property and then work together for the good of the entire downtown.

Debbie Moore asked Mr. Kirkpatrick where he obtained the cost estimates for the mitigation, and he replied they had come from reported information as well as by visiting with architects, engineers, and designers about the project. Ms. Moore asked if the lot would be subdivided if it was offered to a private developer, and Mr. Kirkpatrick responded yes, it would, because the City would retain the Alley D parking lot in the back. Ms. Moore said there are national studies that show a public gathering space is a benefit to a downtown such as Bastrop's. She said the property has been used for many events over the years and she hopes the public has an opportunity to be heard before a decision is made as to what the use will be of the property.

Bonnie Coffey said that the Smarziks (the owners of the adjacent property) have been exceedingly patient, and something needs to be done with the lot as soon as possible. She asked Mr. Schiff if he had someone in mind when he made his proposal to City Council regarding the property. His response was that several months ago he had spoken with someone who had been interested in having an apartment downtown, but they no longer wished to do that. Mr. Schiff said there may be others who would be interested in building a residence and having retail under it. Ms. Coffey stated she needed that clarified because of her concern about having City Councilmembers who also serve on the BEDC Board.

After lengthy discussion, Mayor Kesselus made a motion that the BEDC Board would agree to start the water mitigation process of 921 Main Street on behalf of the City. The motion died due to the lack of a second.

Connor McAnally said that he objected in the strongest possible terms to Mr. Schiff using the forum to push his Council agenda on the issue. He said it was another example of why there should not be so many Councilmembers on the BEDC Board, and why they should absolutely not be allowed to vote.

Mayor Kesselus made the motion that the BEDC offer to pay \$4 to the City of Bastrop to purchase the slab at 921 Main Street, including a reasonable distance behind it but not the parking lot. Ms. Koch seconded, and the motion passed, with none opposed.

4.3. Consideration, discussion and possible action on the possible expansion of the Loop 150 south trail from Eskew Street to Hwy 71. Mr. Kirkpatrick asked if the Board would consider funding a trail from Eskew Street to Hwy 71 as part of the FY 2016/2017 budget. The consensus of the Board was that they were interested in funding the project and to include it in the budget.

4.4. Consideration, discussion and possible action on making application to the City Council approving and authorizing BEDC's Restated and Amended Articles of Incorporation, including a recommendation from the *ad hoc* Bylaws Committee. Mr. Kirkpatrick explained that as the *ad hoc* committee was going through the Bylaws, it was identified that the BEDC's Articles of Incorporation would also need to be amended. The committee requested that independent third party legal counsel be consulted, who said that the Articles would need to be amended prior to making any changes to the Bylaws. Mr. Kirkpatrick explained that the process of changing the Articles included the BEDC's adoption of a resolution, making application to the City Council for their approval, and then submitting the Articles to the Secretary of State's Office. Once approval is received, the Bylaws can then be amended to coincide with the Restated Articles. Mr. Kirkpatrick explained the proposed changes to the Articles would codify the Local Government Code into the Articles, clean up the language, and simplify them to be in compliance with State law. Ms. Koch made the motion to adopt the resolution of application for amendments to the Articles of Incorporation of the BEDC, and Mr. Chavez seconded. Mayor Kesselus moved to amend the motion to add under Article VII "The membership of the Board of Directors shall include the Mayor, who may appoint on an annual basis, June to May, a City Councilmember to occupy the Mayor's seat, and the Board may include one member other than a City Councilmember who may occupy the Mayor's seat." Ms. Brown explained that changes dealing with things unique to the City should be included in the Bylaws, not the Articles. Mayor Kesselus withdrew his motion. The Board voted in favor of approving the resolution and making application to the Council to amend the Articles of Incorporation, with none opposed.

5. **UPDATE(S), REPORT(S), AND/OR ANNOUNCEMENT(S)** – The BEDC and City of Bastrop provided written reports (included items for update, discussion, and/or possible action by the Board of the BEDC).

- 5.1. BEDC Projects and/or Business Update – Mr. Kirkpatrick’s report was included in the Board packet.
- 5.2. *Ad Hoc* Bylaws Committee Report – Update was covered under agenda item 4.4.
- 5.3. Main Street Program Monthly Report – Ms. O’Brien’s report was included in the packet.
- 5.4. City Manager’s Report – Excerpts from the City Manager’s report to City Council were included.
- 5.5. City of Bastrop Comprehensive Plan Update – None.
- 5.6. City of Bastrop Construction Projects Report – The update was included in the packet.

6. **WORKSHOP SESSION** – At 8:12 p.m., the BEDC Board of Directors convened into a Workshop Session (Mayor Kesselus and Mr. Schiff had to leave for a Special City Council Meeting):

- 6.1. 2016/2017 Budget – A review and discussion regarding Fiscal Year 2016/2017 Budget for the Bastrop Economic Development Corporation, including the FY16/17 BEDC budget, the BEDC’s Strategic Plan and FY2016/2017 program/scope of work, and potential Capital Improvement Plan (CIP) projects. Mr. Kirkpatrick went over the first draft of the proposed FY16/17 budget.
- 6.2. At 8:22 p.m., the Bastrop Economic Development Corporation adjourned the Workshop Session and reconvened into the regular session to take any necessary action(s) pertaining to the workshop items. No action was taken.

7. **EXECUTIVE SESSION**

- 7.1. At 7:55 p.m., Mr. Mills convened the BEDC Board of Directors into a closed/executive session pursuant to the Texas Government Code, Chapter 551, to discuss the following:

- (1) **Section 551.071(1)(A) and Section 551.071(2)** – Consultations with Attorney: (1) threatened and/or contemplated claims, causes, or litigation, and/or (2) matters upon which the Attorney has a duty and/or responsibility to advise or report to the governmental body.
- (2) **Section 551.072** – Deliberation about real property: including, *but not limited to*, potential sales, acquisitions, exchanges, leases, dispositions or values of the following real properties: ‘Project Bronze Star’, ‘Project MT Star Wars’, 903 Main Street, and/or property owned and/or considered for acquisition/use by the BEDC.
- (3) **Section 551.087** – Deliberation regarding economic development negotiations: ‘Project Bronze Star’, ‘Project MT Star Wars’, ‘Project Jet Blue’, and/or ‘Project White Foam’.

- 7.2. At 8:11 p.m., the BEDC Board of Directors reconvened into open session to discuss, consider and/or take any action necessary related to the executive sessions noted herein above, and/or regular agenda items, noted above, and/or matters related to same.

Mr. Chavez made the motion to accept the offer on 903 Main Street made by David and Libby Sartain, and Ms. Koch seconded, noting that there had been no other offers in the six weeks the building had been on the market. The motion passed.

8. **BOARD INPUT ON FUTURE AGENDAS**

- 8.1. Inviting input from the Board of Directors related (but not limited) to issues for possible inclusion on future agendas and/or concerning issues such as BEDC projects, property, economic development prospects, community events, and BEDC business or activities. Mr. Kirkpatrick asked if the Board members had interest in using iPads instead of printed packets.

9. **ADJOURNMENT** – Cam Chavez made the motion to adjourn and Kristi Koch seconded. The BEDC Board of Directors adjourned the meeting at 8:23 p.m.