

**NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS OF  
BASTROP ECONOMIC DEVELOPMENT CORPORATION (BEDC)  
Minutes of Monthly Meeting, September 21, 2015  
Bastrop City Hall, 1311 Chestnut Street, Bastrop, Texas**

The Bastrop Economic Development Corporation (BEDC) met on Monday, September 21, 2015, at 6:00 p.m. at Bastrop City Hall, 1311 Chestnut Street, for the Regular Monthly Meeting.

Board members present were: Steve Mills, Gary Schiff, Kristi Koch, Carlos Liriano, Mayor Ken Kesselus, and Mike Talbot (ex-officio). Board members Cam Chavez and Willie DeLaRosa 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 6:01 p.m.
2. **PUBLIC COMMENT(S)** – None.
3. **REGULAR BUSINESS**
  - 3.1. Approval of meeting minutes of the Regular Board Meetings of June 15, 2015, and Special Board Meetings of June 24, 2015, and July 8, 2015. Mr. Schiff made the motion to approve the three sets of minutes as submitted, Mr. Liriano seconded, and the motion passed.
  - 3.2. Consideration, discussion and possible action on acceptance of the BEDC's financial summary report for period ending August 31, 2015. Mr. Schiff made the motion to accept the financial report as submitted, Mayor Kesselus seconded, and the motion passed.
4. **WORKSHOP SESSION** – At 6:08 p.m., the Bastrop Economic Development Corporation convened into a Workshop Session to discuss:
  - 4.1. Strategic Plan – A review and discussion regarding the BEDC's Strategic Plan and Scope of Work (Mike Barnes, Facilitator). Mr. Kirkpatrick said he had asked Mr. Barnes to review the existing Strategic Plan and make recommendations based on his 30-plus years in economic development. Mr. Barnes explained he had gone through the target industries identified in the Strategic Plan and provided NAICS codes for each. Those target industries were Hospitality, Life Sciences, IT, and Manufacturing. He had also provided some best practices and recommendations on how to attract these industries.

Hotels, Motels & Resorts – Mr. Barnes reported that research from July 2015 showed there are about 40,000 companies within the industry, operating about 53,000 properties, and the 50 largest generate about 45% of the revenue, and those would be the ones to target.

Life Sciences – Mr. Barnes said he believes Bastrop is ideally poised to get into the instrumentation business to supplement the life sciences, which would include plastics. He identified a list of NAICS codes that were also growth industries. Mr. Barnes said the cost of doing business in Bastrop is less than other locations and would be a good fit. He also suggested scientific consulting, such as Lockheed Martin, who has a strong presence in Texas. Mr. Barnes pointed out that Texas is second only to the Washington DC Beltway area as far as location for these types of services. He said medical equipment and supplies manufacturing would also be a good fit for the area.

Information Technology – IT includes medical inbound call centers, which are typically a function of the business process, such as the healthcare industry outsourcing their medical claims processing. These are not telemarketers, but well-educated employees who can answer complex and technical support questions. The category also includes custom computer programming services, and with the number of graduates coming out of the many colleges and universities in the area, the labor force for this industry would be plentiful.

Manufacturing – Mr. Barnes said this category includes a lot of construction and metal manufacturing, which are high growth industries, and that Bastrop should be viewed as a cost-effective manufacturing center. Mr. Barnes stated he felt materials management would also be a good fit, pointing out that today’s warehousing and distribution, such as Amazon, is high tech, clean, and has minimal impact on infrastructure. He said with Bastrop’s close proximity to the Austin airport, logistics distribution makes a lot of sense in this area.

Mr. Barnes explained his method for measuring the success of an economic development organization’s strategy: 1) Are inquiries increasing? 2) Are site visits increasing? 3) Are we submitting more proposals? 4) Are we becoming a finalist in the site selection process? 5) Are we locating more firms? Mr. Barnes said it is a circular process operating together, not in a vacuum.

Mr. Barnes commended BEDC’s participation in IAMC and Team Texas, and encouraged the Board to continue that presence with those organizations. He also recommended joining CoreNet if the budget allowed. Mr. Barnes said that belonging to them and participating in their events comes with a high price, but he compared it to the cost of a full page, four color ad, pointing out that being able to meet with decision makers and having a personal dialogue has a much greater impact than a running a one-time ad in a magazine. In addition, Bastrop could host a familiarization (FAM) tour, hosting site selectors and taking them around Bastrop, and then possibly to F1 or some other area event, the way Louisville does for the Kentucky Derby. Mr. Barnes explained this builds relationships, which are extremely important. The other option is to go visit the site selectors, again building relationships and getting your name known to the right people.

Mr. Barnes complimented the BEDC’s website and emphasized the importance of keeping it current and user-friendly. He explained the standard process now involves a site selector doing online research first and foremost, and if a community doesn’t seem to offer what they’re looking for based on that research, they will eliminate that community from their list, and the community will have no idea they were ever being considered. Mr. Barnes said that the internal marketing component is also very critical, to get the word out locally as to what the EDC is doing. He suggested public service spots, newsletters, newspaper columns, and anything else that allows the EDC to tout their success stories. Mr. Barnes said that business expansion and retention (BRE) is also a very important component to success, and suggested a goal of at least 50 onsite visits to local businesses each year, which also enhances your internal marketing. This will also allow for the possibility of discussing expansions that the EDC can help facilitate.

Mr. Barnes finished by saying that the BEDC has a solid foundation with a good track record, with good leadership and staff. He suggested continued emphasis on workforce development skills, further engagement with organizations such as IAMC and Team Texas, enhancing the marketing program and BRE initiative, and continued focus on infrastructure and affordable housing. He gave an example of a timeframe for the strategy, to set up the programs in the first year, increase site selector visits in the second year, and then evaluating the efforts in the third year by asking questions such as “Are we getting jobs and capital investment?” He cautioned the Board that it is a very competitive landscape; there are approximately 10,000 other agencies in the United States doing the same thing as BEDC, and very few large companies locate each year. Mr. Barnes said he has seen many organizations not allow enough time for the strategy to succeed, suggesting it can take up to three years for the programs to really begin to demonstrate success.

During the Q&A portion, Mr. Barnes elaborated on some key areas. He said in the current climate, site selectors are most concerned with available sites and infrastructure, workforce, operating costs, incentives, and whether or not it is a “can-do” community, with a skilled and cost-effective labor force probably being the most critical currently, as it has become a an issue nationwide. (For additional details about Mr. Barnes’ presentation, please follow this [link](#) to the BEDC website.)

- 4.2. Presentation regarding open meetings, conflicts of interest, and City of Bastrop Ethics Policy (JC Brown). This item was postponed until a future Board meeting. This item was postponed until a future Board meeting.
- 4.3. Discussion regarding BEDC meetings and related matters, including:
- a) Agenda and Board packet format and preparation – Mrs. Ryan went over the proposed changes to the format of the agenda, which included eliminating any unused headings, combining “Old Business” with “New Business” to allow greater flexibility in the placement of agenda items, and moving the “Updates” to the end of the agenda before executive session, since most will now be included in writing in the Board packets.
  - b) Presentation regarding the use of digital board books – Mrs. Ryan explained that in preparation for the move to electronic Board packets, she had placed page numbers by each agenda item, which are linked to that portion of the packet. This system will work well if the BEDC moves forward with purchasing iPads for the Board members, similar to what the City Council has already done. Mr. Kirkpatrick explained that the packets and other information would be uploaded into a shared account such as Dropbox, accessible to all Board members. He explained that moving to a digital Board packet would not only save staff time but also the cost of printing all of the packets.
  - c) Time, date and location of BEDC Board meetings – Mr. Kirkpatrick suggested moving the meetings to Wednesdays to give the Board members additional time to review the packets. After discussion, it was decided that the deadline for agenda items would be moved up instead; items would be due to the BEDC office by the Monday prior to the Board meeting, allowing the Staff time to send the draft agenda to Mr. Mills, Mr. Talbot, and Ms. Brown, and then make the necessary changes. This would facilitate getting the Board packets assembled and sent out by Thursday prior to the meeting. The Board meetings would continue to be held at 6:00 p.m. at City Hall. Mr. Talbot said he was working on microphones for the Council Chambers, and it was also requested that he try to remediate the issues with the acoustics because some attendees having difficulty hearing.
  - d) Length of meetings – Mr. Kirkpatrick explained that the Staff is trying to streamline the meetings and keep them as short as possible, such as by proposing the changes to the agenda format. It was the consensus of the Board to move forward with those changes and a digital packet.
- 4.4. Discussion related to “What does BEDC success look like?” Mr. Kirkpatrick explained he needed direction from the Board members as to what their expectations are of him and the BEDC, saying that he has his own set of metrics he uses to evaluate success, but he wanted to make sure they didn’t have different goals or objectives. Mr. Kirkpatrick said his metrics include creating and retaining primary jobs and capital investment, and that BEDC’s focus should be the three core economic development practices: education and workforce development; business retention and expansion; and marketing and recruiting. The Board’s input included: providing a summarized list to the Board about inquiries, site visits and other contacts (which will be provided using the new CRM software); developing a specific process for connecting with site selectors; identifying the top ten items that other successful economic development organizations focus on and prioritizing them; and developing a more concise and detailed list of recommendations based upon the information Mr. Barnes had presented. Board consensus was they agreed with Mr. Kirkpatrick’s assessment on objectives. (For additional details, please follow this [link](#).)
- 4.5. The BEDC Board of Directors adjourned the Workshop Session and reconvened into the regular session at 8:27 p.m. to take any necessary action(s) pertaining to the workshop items. There was no action taken.

## 5. ACTION ITEMS

- 5.1. Consideration, discussion and possible action on a request to transfer \$15,000 from BEDC’s “Contingency” line item to the City of Bastrop to repay the advance on the Housing Study. Mr. Kirkpatrick explained when the Housing Study was contracted, the City of Bastrop had expended the funds for the \$15,000 deposit, and the funds needed to be repaid to the City via a transfer from

the FY15 contingency line item in order to repay the expenditure. Mr. Liriano made the motion to approve the transfer from contingency, Ms. Koch seconded, and the motion passed.

5.2. Consideration, discussion and possible action on acceptance of the Comprehensive Housing Supply and Demand Analysis prepared by Robert Charles Lesser & Co Real Estate Advisors (RCLCO). Mr. Kirkpatrick said that developers and builders he had shown the study have viewed it very favorably. He said the study shows Bastrop currently needs greater market segmentation between the price points of \$150,000 and \$350,000, and that the lower end will shift upward in the five to ten year timeframe. Mr. Kirkpatrick recommended updating the study on an as-needed basis. Mr. Schiff made the motion to accept the Housing Study as submitted, Ms. Koch seconded, and the motion passed. Mr. Kirkpatrick said a press release would be issued about the study.

5.3. Consideration, discussion and possible action on FY2015 Main Street Façade/Mega-Grant Program close-out. Mr. Kirkpatrick explained the Board and Kayli Head needed to go into Executive Session to consult with the attorney. At 8:44 p.m., Mr. Mills convened the BEDC Board of Directors into a closed/executive session, and reconvened into open session at 9:02 p.m. There was no action taken.

6. **UPDATE(S), REPORT(S), AND/OR ANNOUNCEMENT(S)** – The BEDC, City of Bastrop, and Main Street Program will provide written reports and be available to answer questions from the Board. (includes items for update, discussion, and possible action)

6.1. BEDC Projects and/or Business – Mr. Kirkpatrick’s report was included in the Board packet.

6.2. Main Street Program Monthly Report – Ms. Head’s report was included in the packet.

6.3. City Manager’s Report – Mr. Talbot said Phase 2 of the TxDOT overpass project was still on schedule to begin in February. Phase 3 connecting the service roads across the river is under design. The earliest that project is expected to begin would be three to four years.

6.4. City of Bastrop Construction Projects – The construction updates was included in the packet.

## 7. EXECUTIVE SESSION

7.1. At 9:08 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 litigation, and (2) matters upon which the Attorney has a duty and/or responsibility to 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 real property: ‘Project Bronze Star’.

(3) **Section 551.087** – Deliberation regarding economic development negotiations: ‘Project Footloose/Quench’, ‘Project Bronze Star’, ‘Project MT Star Wars’, and/or ‘Project Building Blocks’.

7.2. At 9:31, 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, or regular agenda items, noted above, and/or related items. There was no action taken.

## 8. BOARD INPUT ON FUTURE AGENDAS

8.1. Inviting input from the Board of Directors related to issues for possible inclusion on future agendas, related to (but not limited to) issues such as BEDC projects, property, economic development prospects, community events, and BEDC business.

9. **ADJOURNMENT** – Gary Schiff made the motion to adjourn and Cam Chavez seconded. The BEDC Board of Directors adjourned the meeting at 9:33 p.m.