

**BASTROP ECONOMIC DEVELOPMENT CORPORATION (BEDC)  
BOARD OF DIRECTORS / BASTROP CITY COUNCIL  
Minutes of Joint Workshop Meeting, October 20, 2015  
Bastrop City Hall, 1311 Chestnut Street, Bastrop, Texas**

The Bastrop Economic Development Corporation (BEDC) met on Tuesday, October 20, 2015, at 6:00 p.m. at Bastrop City Hall, 1311 Chestnut Street, for a Joint Workshop Meeting with the Bastrop City Council. BEDC Board members present were: Steve Mills, Kristi Koch, Carlos Liriano, Cam Chavez, and Mike Talbot (ex-officio). City Councilmembers present were Kelly Gilleland, Kay Garcia McAnally, and Dock Jackson. BEDC Board members who are also City Councilmembers present were Gary Schiff, Willie DeLaRosa, and Mayor Ken Kesselus. Staff members present: Shawn Kirkpatrick, Angela Ryan, Jean Riemenschneider, and JC Brown, City of Bastrop/BEDC Attorney.

1. **CALL TO ORDER – Bastrop City Council** – Mayor Kesselus called the City Council meeting to order at 6:02 p.m.
2. **CALL TO ORDER – Bastrop Economic Development Corporation** – Mr. Mills called the BEDC Board meeting to order at 6:03 p.m.
3. **JOINT WORKSHOP SESSION:** The Bastrop City Council and the Bastrop Economic Development Corporation convened into a joint workshop session to discuss the following:

**3.1. PRESENTATIONS AND DISCUSSION:**

- 3.1.1. Presentation and discussion on the BEDC Strategic Plan and Scope of Work by Shawn Kirkpatrick. Mr. Kirkpatrick gave an overview of Mike Barnes' presentation at the September BEDC Board meeting. The consensus of the Board was to move forward with Mr. Barnes' recommendations. Mr. Barnes had stressed that communities are as unique as the people who live there, and that it was important to take a look at our assets and determine what fits best. Mr. Kirkpatrick went over the target industries from the Strategic Plan that Mr. Barnes had reviewed and how to measure success, explaining that economic development is a lengthy process. He said the BEDC's Program of Work areas include: Primary Job Creation and Expansion, Business and Industrial Park, Business Retention and Expansion, Education and Workforce Development, Retail Development, Infrastructure, Affordable Housing, Main Street Program, Entrepreneurial and Small Business Development, Downtown Redevelopment, Community Development, and Marketing. Mr. Kirkpatrick said these are the areas that the BEDC office works on daily or weekly, and the team does a really good job of balancing the work to ensure a continued pipeline of projects, in order to create jobs and allow Bastrop to be a "live/work community."

When asked about the type of incentives BEDC offers, Mr. Kirkpatrick replied that it was really on a case-by-case basis and depended on the type of industry, the value of the jobs and capital investment to the community. Incentives might include land grants, job incentives, infrastructure incentives, 380 agreements, and skills development training, as well as possible state programs. He said every project is different, and their needs are different. Land may not be what the company needs. (For Mr. Kirkpatrick's full presentation, go to this [link](#).)

- 3.1.2. Presentation and discussion on City and BEDC Projects by Mike Talbot. Mr. Talbot gave an update on the City's water supply projects, saying that it was the number one project the City staff was working on. The City's Comprehensive Plan is moving forward, with the completion of community input and planning context and vision. During the last steering committee meeting, they discussed the vision statement, growth patterns, population

projections, and areas of annexation. The Comprehensive Plan should be complete by June 2016 and will contain nine chapters, including some that are not in the current plan.

Mr. Talbot also gave an update on the water distribution system, wastewater collection systems and treatment plant, the Main Street Improvement and Alley D Projects, the Gills Branch Fuel Reduction Project, and the TxDOT overpass projects. He said the Main Street Project would include new sidewalks from Spring Street to Pine Street. He currently has obtained about 55% of the easements, and plans to have a report on the project for the November BEDC Board meeting. Mr. Talbot said they would like to begin the project sometime after the beginning of 2016, and expects it to take about nine months to complete. Mr. Talbot said he wants to improve the parking in Alley D prior to beginning the work on Main Street. On the TxDOT overpasses, work is currently underway at Hwy 71 and Tahitian Village. The one at Hwy 71 and 95 will be let in December and started in February 2016. The last phase will be on the service roads, and it is currently still in the design phase and not funded. (For Mr. Talbot's full presentation, go to this [link](#).)

- 3.1.3. Presentation and discussion on BEDC programs by Shawn Kirkpatrick. Mr. Kirkpatrick went over the structure of the BEDC and the industry definition of economic development. He explained that primary jobs are important because it brings money in from outside the area. Mr. Kirkpatrick went over the differences between Type A and Type B corporations, and what they can and cannot do per state law. The BEDC is a Type B, and they can do anything a Type A is authorized to do as well as certain quality of life projects and water supply facilities, with a special election, which Bastrop voters approved. Mr. Kirkpatrick explained that primary jobs provide the disposable income needed to create secondary jobs, such as retail and restaurants. He said the multiplier effect shows that each technology job creates approximately seven new jobs and each wealthy retiree creates three new jobs, whereas a restaurant job creates 0.10 of a new job.

Mr. Kirkpatrick explained that the core economic development practices are Marketing & Recruiting, Business Retention & Expansion, and Education & Workforce Development, which is the number one site selection criteria companies are looking at. Mr. Kirkpatrick explained if the BEDC succeeds in primary job creation, capital investment, and workforce development, then the results will be commercial development, affordable housing, and community development.

Mr. Kirkpatrick gave an update on the Business and Industrial Park, and explained the importance of bringing high speed fiber for certain industries. Mr. Kirkpatrick reported that Bowman Consulting had conducted a land use study on the eastern 80 acres of the Park, and determined that the highest and best use of that property would probably be some type of residential or multi-family development, and that study had been accepted by the Board. He explained that as an asset of the Corporation, they have an obligation to protect that asset and put it to beneficial use.

Mr. Kirkpatrick briefly reviewed the results of the housing study, saying that there was market segmentation needed between \$150,000 and \$350,000 and that there may be an opportunity to attract an active adult community into our market. The multi-family analysis showed the Bastrop market could handle 175 – 225 market rate units annually for the next five years. Mr. Kirkpatrick said a current trend is walkable, mixed-use developments, with retail on the first floor and either office or multi-family on the second floor, which is attractive to the younger workforce.

Mr. Kirkpatrick showed that sales tax revenues have more than doubled over the last ten years. He said that BEDC does do retail recruiting, and some of the most recent openings included Academy, Hobby Lobby, and Five Below. He explained the challenges Bastrop

faces with attracting certain retailers, such as its population and lower household income that some retailers require, and that the planned development at the Hwy 71 and 130 area may decrease Bastrop's retail trade area. He said more residents in the core Bastrop area would help create the critical mass that retailers and restaurants need in order to build here. (For Mr. Kirkpatrick's full presentation, go to this [link](#).)

- 3.1.4. Presentation and discussion on community marketing: BEDC, HOT, and Main Street Program by Shawn Kirkpatrick and JC Brown. Ms. Brown explained that Hotel Occupancy Tax (HOT) revenue is a revenue source that comes to the cities, and the cities adopt an ordinance that implements this tax, with the City Council being the sole body in deciding how that money can be expended. The tax is a fee that is placed on every hotel stay on every room within the city and the ETJ, with a population under 35,000. The statute says that the funds can be used by answering two questions: 1) Is the primary purpose to get more people to come spend the night in hotels, motels, resorts, B&Bs, etc.? and 2) Does it fit within one of the statutorily approved types of expenditures [convention and visitor centers; administrative costs of conventions; tourism related advertising and promotion of the City and its hotels; enhancement of the arts; historical preservation and restoration; sporting events for out of town participants that result in hotel stays; upgrading and enhancing existing sport facilities; signage that attracts and assists tourists staying in local hotels; and tourist transportation (to convention center and between hotels)]? Ms. Brown said some cities don't distribute HOT funds; they keep it for convention centers, internal tourism related marketing, etc. Different communities view the expenditure of HOT funds in different ways.

Type B sales tax revenue is accrued and controlled solely by the Type B Corporation. Approved expenditures include the creation of primary jobs, as well as certain projects without primary jobs [job training classes and career centers; commuter or light rail or buses; professional sports/athletic facilities (election required); entertainment and tourist convention facilities; public parks related to open space improvements; affordable housing; water supply and conservation; solid waste disposal facilities; and infrastructure to promote or expand new or existing businesses, such as streets, roads, sewer utilities, electric and gas utilities drainage, site improvements, etc.]. Mr. Kirkpatrick explained that by law, BEDC can spend up to 10% of its annual budget on marketing, and can roll unspent marketing funds into the following year. In order to expend funds outside the city limits, the Board and City Council would have to approve the project, as well as the county. There is no check list for allowable economic development expenditures because it is much more complex and everything must be statutorily authorized under Local Government Code Chapters 501 – 505. Ms. Brown said when a project comes to the BEDC, the first thing she does is check the NAICS code to make sure it is allowable, or if it falls within another category.

Regarding the Main Street Program, Ms. Brown explained the reason that they need to receive funds in addition to HOT funding is that they have expenses that cannot be covered by HOT funds, and that is the reason the BEDC has traditionally assisted with the funding of the program. In turn, the Main Street Program assists the BEDC with promotion of existing businesses and programs such as the Façade/Mega Grant Program. Mr. Kirkpatrick also added they assist with the BRE program and Entrepreneurial Readiness Program. (For the full presentation, go to this [link](#).)

- 3.2. **OPEN DISCUSSION:** General discussion between the City Council and BEDC Board of Directors regarding posted items and items for potential consideration and discussion on agendas for upcoming sessions of BEDC and City Council. Mr. Chavez commented that he feels it is very important as we move forward to look at all marketing, such as BEDC, Chamber of Commerce, and Main Street, and make sure that we all have the same message. He said we have to have a

uniform message so that it is not segmented, and he thinks a strategic marketing plan is needed. Ms. McAnally said the whole reason for the DMO is to concentrate on a unified message.

**3.3. ADJOURN WORKSHOP SESSION** – The workshop session was adjourned at 8:32 p.m.

**4. ADJOURN** – Bastrop City Council – Dock Jackson made the motion to adjourn the City Council meeting and Willie DeLaRosa seconded. The City Council meeting was adjourned at 8:33 p.m.

**5. BEDC WILL RECONVENE INTO REGULAR SESSION** – Mr. Mills reconvened the BEDC Board into regular session at 8:34 p.m.

## **6. REGULAR BUSINESS OF THE BASTROP ECONOMIC DEVELOPMENT CORPORATION**

6.1. Approval of meeting minutes of the BEDC Regular Board Meetings of July 20, 2015, and August 17, 2015, and Special BEDC Board Meeting of August 5, 2015. Mr. DeLaRosa made the motion to approve the three sets of minutes as submitted, Mr. Schiff seconded, and the motion passed.

6.2. Consideration, discussion and possible action on acceptance of the BEDC's preliminary financial summary report for period ending September 30, 2015. Mr. Schiff made the motion to accept the preliminary financial report as submitted in the packet, Mr. DeLaRosa seconded, and the motion passed.

## **7. EXECUTIVE SESSION**

7.1. At 8:40 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 551.087** – Deliberation regarding economic development negotiations: 'Project Bronze Star', 'Project MT Star Wars', and/or 'Project TC Williams'.

7.2. At 9:25 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, or regular agenda items, noted above, and/or related items. There was no action taken.

## **8. BEDC 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. Mr. Kirkpatrick asked that each Board member come by the office to sign their oath of office. Items for future agendas included: update on the Main Street Improvement Project, BEDC committee structure, lighting of the historic bridge, development west of the Colorado River, Bastrop retail development, reconsideration about the land use study of 80 acres in the Business Park, and an update on the City's comprehensive plan.

**9. ADJOURNMENT OF BEDC** – Gary Schiff made the motion to adjourn and Willie DeLaRosa seconded. The BEDC Board of Directors adjourned the meeting at 9:44 p.m.