

BASTROP ECONOMIC DEVELOPMENT CORPORATION (BEDC)
BOARD OF DIRECTORS
Minutes of Monthly Meeting, November 21, 2016
Bastrop City Hall, 1311 Chestnut Street, Bastrop, Texas

The Bastrop Economic Development Corporation (BEDC) met on Monday, November 21, 2016, at 6:00 p.m. at Bastrop City Hall, 1311 Chestnut Street, for the Regular Monthly Meeting.

Board members present were: Kristi Koch, Mayor Ken Kesselus, Kevin Plunkett, Cam Chavez, Joe Beal and Drusilla Rogers. Board member Steve Mills was absent. Staff members present: Shawn Kirkpatrick, Angela Ryan, Jean Riemenschneider and Kathy Merrifield. Charlie Zech, BEDC Attorney, and Marvin Townsend, Interim City Manager, were also present.

1. **CALL TO ORDER** – Board Vice-Chair Kristi Koch called the Board Meeting to order at 6:00 p.m.
2. **PUBLIC COMMENT(S)** – There were no public comments.

3. REGULAR BUSINESS & PRESENTATIONS

- 3.1. Consideration, discussion and possible action regarding the adoption of interim EDC Board meeting policies and procedures. Since there were no public comments, Mr. Kirkpatrick recommended postponing this item for further discussion during item 3.7.
- 3.2. Approval of meeting minutes of the Regular Board Meeting of September 19, 2016. Mr. Beal made the motion to approve the minutes as submitted, Mr. Plunkett seconded and the motion passed.
- 3.3. Acceptance of the Bastrop EDC's financial summary reports for periods ending September 30, 2016, and October 31, 2016. Mr. Kirkpatrick briefly reviewed each set of financials and also informed the Board that the Finance Department is working to make future reports easier to read. Mr. Beal made the motion to accept both sets of financial reports as submitted, Ms. Rogers seconded and the motion passed.
- 3.4. Consideration, discussion and possible action regarding the Bastrop EDC's legal services, including but not limited to the RFQ for legal services and the recommendation from the review committee to engage Denton, Navarro, Rocha, Bernal, Hyde & Zech. Mr. Mills, Ms. Koch, Mr. Chavez and Mr. Kirkpatrick were on the review committee who scored the five RFQ submissions. Mr. Kirkpatrick explained that Denton, Navarro, Rocha, Bernal, Hyde & Zech was the overall top scoring firm and all of their references were very positive. The committee's recommendation was to approve engaging the law firm for a period of three years. Mayor Kesselus made the motion to authorize the Executive Director to negotiate and execute a written engagement agreement for a term of three years with Denton, Navarro, Rocha, Bernal, Hyde & Zech as primary legal counsel for the Bastrop EDC. Mr. Beal seconded and the motion passed.
- 3.5. Consideration, discussion and possible action on the expenditure of 2013 Bond funds to pay for planning, engineering and improvements in the Bastrop Business and Industrial Park. Mr. Kirkpatrick explained that in 2013 the EDC had issued Certificates of Obligation (COs) to add infrastructure to the Business and Industrial Park (BIP), and approximately \$660,000 is still available to use for planning, engineering, and other work associated with BIP development. He explained that during the pre-development meeting with AEI Technologies, we were made aware that during the previous road project, 18 to 24 inches of fill had been moved onto lots B4 and B5, across the street from JAMCo. The addition of this fill made the 1996 geotechnical report unreliable, so Mr. Kirkpatrick had an updated geotech study done on the affected lots, which showed the need for soil remediation. Mr. Kirkpatrick suggested engaging an engineering firm to address this immediate issue on the AEI project, as well as look at pre-

planning and developing a scope of work to determine the best course of action moving forward to utilize the remaining acreage in the BIP. Mr. Kirkpatrick explained it would include a geotech investigation on other sites in the BIP, fill remediation, planning related to drainage and regional storm water, street planning, a water and wastewater study, and surveying and land planning. He also suggested updating the signage at the entrance of the BIP. Mr. Kirkpatrick said the cost estimate for all of this work was \$200,000 to \$250,000, and he would like to use the CO bond funds for that purpose. Mr. Beal made the motion to approve the expenditure of 2013 CO bond funds for planning, engineering, and sign improvements in the Bastrop Business and Industrial Park, not to exceed \$250,000 without further Board approval, and that the Board review the work and determine whether or not they want to spend all \$250,000. In addition, the Board Chair and/or Treasurer will approve all expenditures in excess of the Executive Director's approval limit. Mr. Chavez seconded and the motion passed.

- 3.6. Consideration, discussion and possible action on the adoption of guidelines for the Business Incentive Grant program. Mr. Kirkpatrick explained that the Board allocated \$50,000 for a Redevelopment Program in this year's budget. The new name of the program is the Business Incentive Grant (BIG) program. He said the guidelines have been laid out and are ready for the Board's consideration. Once adopted, they can begin taking applications, and those businesses that are approved will require a performance agreement with the EDC. Main Street Director Sarah O'Brien explained the BIG program is a combination of the previous façade and mega grant programs, but the parameters have been changed making the grants available to any business property owner in Bastrop. She explained the scoring system allows them to give higher priority to historic properties, vacant and underutilized properties, businesses that attract tourism, etc. Ms. O'Brien said the program has been simplified and streamlined. The maximum amount per business is \$10,000, and she already has several businesses interested in applying. The Design Committee will review the applications and then the EDC Board will have final approval. Mr. Chavez made the motion to approve the Business Incentive Grant guidelines, Ms. Rogers seconded and the motion passed.
- 3.7. Consideration, discussion and possible action concerning Bastrop EDC governing documents, including but not limited to Articles of Incorporation, Bylaws, and Policies & Procedures. Mr. Kirkpatrick gave a brief overview of the process, explaining the attorney had made clear the hierarchy of governing documents is the state statutes in Chapters 501-505 of the Local Government Code, articles of incorporation, and bylaws, in that order. He explained the bylaws cannot contradict either the articles or state law. Mr. Kirkpatrick said the draft policies and procedures document had come about as a result of the input sessions with the public. Bonnie Coffey asked the Board to clarify the public comments procedure which she feels is confusing. She asked the Board not require the Request to Speak Forms be submitted prior to the agenda item being called, and that it be made clear who is to receive the forms. The Board discussed board appointments, term limits, the number of councilmembers on the Board, the number of board members residing outside city limits, and whether or not the Mayor could automatically be placed on the Board. Mr. Zech explained that the state statute governing Type B economic development organizations states the governing body shall make all appointments to the Board, which in Bastrop is the City Council. Therefore, the Mayor must be appointed to and may be removed from the Board at any time, with or without cause, just as any other Board member. Mr. Zech also pointed out that there is no allowance in the state statute for ex officio Board members. It was the Board's consensus that: City Council members on the Board would not exceed two; Board members who reside outside the city limits but within the city's extended extraterritorial jurisdiction (ETJ) would not exceed two; Board members who run for elected office other than City Council would need to resign from the Board; and that meetings would be at City Hall unless it was necessary to move them. Ms. Coffey said the public needs to be able to hear no matter where the meetings are held. Richard Smarzik said he disagreed with having more than one City Councilmember on the EDC Board.

4. UPDATE(S), REPORT(S), ANNOUNCEMENT(S) AND/OR FUTURE AGENDA ITEMS

- 4.1. Bastrop EDC Monthly Report – Mr. Kirkpatrick’s report was included in the Board packet. He announced that Ms. Riemenschneider has been transitioned to a project management role, and her step and grade will be adjusted accordingly.
- 4.2. Main Street Program Monthly Report – Ms. O’Brien’s report was included in the Board packet.
- 4.3. Bastrop City Manager Update – Mr. Townsend gave an update on Pine Forest Unit 6.
- 4.4. Requests from Board of Directors for future agenda items – Mr. Chavez requested an agenda item to discuss creating a scorecard that touches on the EDC’s scope and how well we are doing.

5. EXECUTIVE SESSION

- 5.1. At 7:55 p.m., Ms. Koch 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 551.072** – Deliberation about the purchase, exchange, lease, or value of real property: Projects ‘Lone Star II’, ‘1989’, ‘Majestic’, ‘Heart Break’, and/or ‘Sink Hole’.
 - (2) **Section 551.087** – Deliberation regarding economic development negotiations: Projects ‘Lone Star II’, ‘1989’, ‘Majestic’, ‘Apothecary II’, ‘Woody’, ‘Kentucky’, ‘Quick Sale’, ‘Midnight Rider’, ‘Valley Stays’, and/or ‘Main Stay’.
- 5.2. At 8:24 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. There was no action taken.

6. **ADJOURNMENT** – Cam Chavez made the motion to adjourn and Mayor Kesselus seconded. The BEDC Board of Directors adjourned at 8:25 p.m.