

**BASTROP ECONOMIC DEVELOPMENT CORPORATION**  
**BOARD OF DIRECTORS**  
**Minutes of Special Meeting, August 5, 2015**  
**Bastrop EDC Office, 301 Hwy 71 W., Suite 214, Bastrop, Texas**

The Bastrop Economic Development Corporation (BEDC) met on Wednesday, August 5, 2015, at 6:00 p.m. in the BEDC Office at 301 Hwy 71 W, Suite 214, for a Special Meeting.

Board members present were: Steve Mills, Gary Schiff, Cam Chavez, Kristi Koch, Carlos Liriano, and Mayor Ken Kesselus. Board Member Willie DeLaRosa 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 Special Meeting to order at 6:02 p.m.

**2. TRAINING SESSION**

2.1 Lorie Vincent, Executive Director of Team Texas, made a presentation to the Board about economic development in Texas. Ms. Vincent said Texas is the number one state for job creation because of its assets. Texas is one of seven states without a personal income tax, and the fact that it is a right-to-work state is attractive to employers. Ms. Vincent said other states are becoming increasingly more competitive, and to assist in maintaining Texas' competitiveness, Team Texas is working with the State legislature and the new administration. Ms. Vincent said they want to educate pertinent stakeholders about the economic development process in Texas, one of the few states to do economic development from the local level up, because the State gives communities the ability to drive their own economic development efforts. Ms. Vincent said the qualities of a growing and thriving community include a healthy percentage of primary jobs versus retail and service jobs, the number of property owners versus renters, a stable education system, a strong infrastructure base, and a good strategic plan. She said normally if you have a strong base of primary jobs, retail will follow; Bastrop has been an exception to that rule, probably because of its location.

Ms. Vincent explained the process of bringing new dollars and payroll into the community is the basis of a good foundation for economic development. Ms. Vincent defined primary employers as those companies whose products and services are ultimately used outside of a community, thereby bringing in new dollars instead of recirculating the same local dollars. She said some examples would be technology, manufacturing, professional services, and distribution/warehousing. Non-primary employers include grocery stores, restaurants, and service stations. Primary jobs not only bring retail, but they also increase tax revenue for the city government and provide additional tax base to the county and school district. Ms. Vincent showed an infographic which demonstrated that the impact of 1,000 primary jobs paying \$45,000 a year would: amount to more than \$86 million in community payrolls, support 2,100 households, generate \$8.5 million in local government taxes, create more than \$130 million in taxable retail sales, and cause more than \$550 million in economic transactions. It also creates another 1,700 indirect jobs, including retail, healthcare, and transportation. She encouraged the Board to look at retention and expansion of current primary jobs or the attraction of primary jobs that would be a good fit for the community. She said to determine how many jobs the community can absorb without it becoming a cost to the community, to make sure you can accommodate them in regard to workforce, housing, schools, city services, etc.

Ms. Vincent explained that the role of an economic development organization is to influence, direct, strategize, and plan. They are given an immense responsibility on how to direct community resources for pursuit of community growth, jobs, prosperity, quality of life, etc. The best economic development organizations have an action plan, one that is inclusive and measureable. She said it is important to understand the industries that are a good fit for the community and not pursue those that are not. Business Retention and Expansion is the most important part of an economic development program; you need to take care of your existing businesses because they are your best ambassadors and your best chance for growth. She said you have a much better chance of local businesses expanding and hiring additional employees than bringing in a new company who will hire the same number of new employees. It also does

no good to attract new jobs if you're losing existing ones, and it makes the attraction of new businesses easier. Ms. Vincent said having an active entrepreneur group is also very important.

Ms. Vincent said that the best economic development organizations: orient their new board members and educate them about their role in the organization; focus on matters of policy and strategy and not day-to-day activities by giving the staff needed direction; let the executive director and staff do their jobs but hold them accountable for performance; establish and utilize committees strategically; build bridges and develop collaboration; educate elected officials and other stakeholders about what economic development is and what it is not; and develop beneficial public/private partnerships that benefit the community's long-term objectives.

Ms. Vincent said in Texas, there is a measure of independence from the City Council, yet they work together collaboratively. Board members typically represent the business community, sometimes with members from the local university or workforce department. The Board serves as facilitators of cooperation between the business community, the EDC and the Council. The Board is apolitical, but when political situations occur, they help to solve those situations. Ms. Vincent gave a brief history of the economic development sales tax, which started in 1989 with 4A (now called Type A) and is mostly industrial driven. In 1991, the 4B (now Type B) was created that broadened the scope so that rural communities in particular could use funds on community development. Over the years, the law has been amended more than 70 times. The economic development sales tax program has been very successful, contributing nearly 21% of the state's job growth since 1990, and on average every \$1 in sales tax for economic development returns a cumulative \$10.84 in annual economic activity.

Type A Economic Development Corporations have boards consisting of at least five members, who can serve terms not to exceed six years, and are subject to the Open Meetings and Public Information Acts. The Board is required to obtain City Council approval for projects and file annual reports to the State Comptroller's office. Type A corporations can fund land, buildings, equipment, facilities, improvements and related expenditures. Type A cannot provide facilities for the following purposes: bus stations, general water and sewer services, air and water pollution control, residential areas, or other projects that a city is obligated to do by their charter. Some of these can be done if directly related to a project, but not in the general course of what the city should be doing. Type B corporations can do anything a Type A corporation can do, and may also fund water supply facilities with a special election, plus quality of life improvements, including parks, professional sports facilities, and affordable housing. She said that most economic development groups are glad to fund the occasional community development project if it is good for the quality of life, but she cautioned against those projects being the main focus. Type B corporations cannot legally fund projects such as libraries, municipal buildings, educational facilities, and cannot provide direct incentives to retail if the city is over 20,000 in population.

Ms. Vincent said Team Texas started in 1986 and their mission is to provide opportunities for their members to make contacts in the pursuit of economic development growth. They currently have 100 members and they are an active committee under TEDC. Some of the things on their schedule this year include industry events, VIP recruitment events, and road shows focused on site selection and industry. Ms. Vincent completed her presentation with a short video about Texas

2.2 Discussion about upcoming training opportunities for BEDC Board members. Mr. Kirkpatrick went over the training memo he handed out to the Board.

**3. WORKSHOP SESSION** – At 7:47 p.m., the Bastrop Economic Development Corporation convened into a Workshop Session to discuss:

3.1 2015/2016 Budget – A review and discussion regarding Fiscal Year 2015/2016 Budget for the Bastrop Economic Development Corporation, the Bastrop Economic Development Corporation's Strategic Plan, and FY2015/2016 program/scope of work.

Mr. Kirkpatrick explained he had moved all of the local sponsorships from Local/Miscellaneous Advertising to the Contingency line item, with the exception of \$10,000 needed for costs such as legal notices. He suggested that the Board allow him to make the decision as to whether or not to fund organizations requesting less than \$10,000, which is currently within his signature authority, and any requests over \$10,000 would go before the Board. Mr. Kirkpatrick explained he had asked the organizations that BEDC had traditionally funded to provide their requests in advance so they could be incorporated into the budget. He said Staff's recommendation at this time was to eliminate them from the budget, giving him the discretion to fund anything that fits the mission to be paid for with a transfer from contingency, as long as it is under \$10,000. The Board members discussed it and it was their consensus that the Board be involved in those kinds of expenditures, even if they are within Mr. Kirkpatrick's signature authority. It was decided a policy change was necessary so that any unbudgeted expenditure would need to have Board approval prior to the transfer of funds from Contingency.

Mr. Kirkpatrick reported that BEDC, DBA, the Chamber, and Main Street are meeting on a monthly basis to discuss marketing, to ensure that they are sending the same message, to eliminate duplication, and to take advantage of cooperative opportunities. Mr. Mills asked that the Board be kept informed on marketing initiatives. Mr. Kirkpatrick responded that some of the marketing he is currently working on includes new collateral to respond to RFPs and new photographs of Bastrop.

Mr. Kirkpatrick went over each budget line item and explained them, going into greater detail on those line items that the Board members had questions about, including Memberships & Dues, Travel & Training, Business Development, Marketing Trips, and Billboards. The Board discussed the contractual services portion of the budget, which includes Parks/Recreation Support for the YMCA and the Main Street Program, and ways to make it more transparent.

Mr. Kirkpatrick said that Jean Riemenschneider is going to be doing Business Retention and Expansion for businesses outside the Main Street District, as well as Workforce Development and Training and maintaining the CRM database, and Mr. Kirkpatrick is asking that the Board hire her full-time. The Board discussed different options for obtaining part-time administrative support.

3.2 At 9:52 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. The following actions were taken:

3.2.1 Mr. Liriano made the motion to hire a part-time administrative employee as soon as possible. Mr. Chavez seconded, and the motion passed.

3.2.2 Mr. Chavez made the motion to hire Jean Riemenschneider full-time effective October 1, based on next year's budget. Ms. Koch seconded, and the motion passed.

3.2.3 Mr. Schiff made the motion that the funds for the part-time administrative employee be taken from the contingency line item for the current fiscal year. Mr. Chavez seconded, and the motion passed.

3.3 At 9:55 p.m., the Bastrop Economic Development Corporation convened back into Workshop Session to further discuss the FY2015/2016. It was decided that Mr. Kirkpatrick, Mayor Kesselus and Mr. Mills would speak with Mr. Talbot about a budget line item for services that the City of Bastrop provides in order to clearly account for those services. A new line item will be created with \$119,080, the amount of the contributions to the YMCA (\$39,500) and Parks Maintenance (\$79,580), to serve as a placeholder until Mr. Talbot has an opportunity to develop a billing structure and estimate the cost of City services to the BEDC. The \$50,000 a year for administrative support includes the Finance Department, IT, Public Works, etc., and will remain as is. The BEDC's support of the Main Street Program will continue because they provide

Business Retention and Expansion and Entrepreneurial Services throughout Bastrop, which the BEDC would have to do without the partnership with the Main Street Program. The Façade/Mega Grant Program will be suspended until the first part of the year and a new program will be created that will include the entire City of Bastrop. The \$75,000 originally budgeted for the Façade/Mega Grant Program will be placed in the new redevelopment grant line item.

3.4 At 10:22 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. There was no additional action taken.

#### **4. BOARD INPUT ON FUTURE AGENDAS**

4.1 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. There were no suggestions.

**5. ADJOURNMENT** – Gary Schiff made the motion to adjourn and Mayor Kesselus seconded. The BEDC Board of Directors adjourned the meeting at 10:24 p.m.