

SCHERTZ

ECONOMIC DEVELOPMENT

MINUTES CITY OF SCHERTZ ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS REGULAR MONTHLY MEETING THURSDAY, JANUARY 28TH, 2016

The City of Schertz Economic Development Corporation (SEDC) Board of Directors met for a Regular Monthly Meeting on Thursday, January 28th, 2016 at 6:00 p.m. in the City Council Chambers, Conference Room, 1400 Schertz Parkway, Schertz, Texas.

CALL TO ORDER

1. Roll call and recognition of visitors.

President Brown called the meeting to order at 6:00 p.m. and welcomed everyone in attendance.

Board of Directors:

Tim Brown – President
Angelina Kiser – Vice President
Rosemary Scott – Secretary/Treasurer
Roy Richard
Grady Morris
Paul Macaluso

Staff:

Kyle Kinateder – SEDC Executive Director
Colin Sherman – ED Specialist
Patty Horan – Executive Assistant - ED
James Walters – Finance Assistant Director

Absent Directors: Marvin Thomas

Others present: Jim Fowler-Council Member, Susan DeLano-CORE and Cyndi Pressler-CORE.

2. Public comment.

This time is set aside for any person who wishes to address the Board. Each person should fill out the Citizen's to be Heard registry form prior to the meeting. Presentations should be limited to no more than 3 minutes. The presiding officer, during the Public Comment portion of the agenda, will call on those persons who have signed up to speak in the order they have registered.

None were made.

ITEMS FOR INDIVIDUAL CONSIDERATION

3. Consider/Discuss/Act on approval of the Minutes for the Board of Directors Regular Monthly Meeting held on Thursday, November 19th, 2015. (P. Horan)

A motion to approve the minutes for the Board of Directors Regular Monthly Meeting held on Thursday, November 19th, 2015 was made by Mr. Roy Richard. Seconded by Mr. Grady Morris. Motion **passed unanimously**.

4. Review of the SEDC Monthly Financial Reports for the months of November and December 2015 and update on certificate of deposit maturity reinvestment. (K. Kinateder/J. Walters)

Mr. Walters provided a briefing of the SEDC Monthly Financial Reports for the months of November and December 2015. Mr. Walters presented a ladder program for SEDC reserves which would stagger two \$1 million Certificate of Deposit (CD) 6 months apart. The program would allow the SEDC to receive more interest while still ensuring that the SEDC has access to at least \$1 million. He explained that in January, the first 365 day CD was created for the SEDC. To complete the program the second SEDC 365 day CD will be created in July. Mr. Kinateder assured the Board that any investment opportunities presented to the SEDC will keep in mind the dynamic nature of its operations.

No action was taken.

5. Consider/Discuss/Act on recommendation for approval by City Council to authorize the City of Schertz Economic Development Corporation to enter into a Construction Agreement with the recommended bidder for constructing the David Lack Boulevard Extension Project. (K. Kinateder)

Mr. Kinateder explained that over the past year, the David Lack Boulevard Extension project (Project) has had several changes as Bury and the City's Engineer expressed concern with the proposed scope and design of the Project. Concerns ranged from a low water crossing, amount of storm water flows conveyed over the proposed roadway, and alignment of the master thoroughfare plan. Staff worked with GE Oil & Gas, Bury, and City of Schertz to adjust the scope of work to expedite the construction timeline while meeting the intent of the Development Agreement.

In December staff issued a Request for Proposal (RFP) for the Project. The SEDC received four bids. . The bids were reviewed and ranked by the selection committee according to the selection criteria as outlined in the RFP. The Yantis Company (Yantis) was the highest ranking bidder for the project. Yantis' bid was \$146,504.80 for the project. Staff recommended that the SEDC Board enter into a Construction Agreement for the Project in the amount of \$146,504.80.

On February 4, 2014, the SEDC approved a budget of up to \$200,000 for the Project. After accounting for the Professional Services Agreement for engineering services and the Construction Agreement with Yantis, the Project account balance will be \$17,745.20.

A three part motion to recommend approval by City Council to authorize the City of Schertz Economic Development Corporation was made as follows:

1. Authorize to enter into a construction agreement with the Yantis Company
2. authorize expenditures up to \$200,000

3. authorize change of orders up to the project budget amount

the motion, **was made by Mr. R. Richard. Seconded by Mr. G. Morris.** Motion **passed** unanimously.

A motion to approve the City of Schertz Economic Development Corporation Construction Agreement with the Yantis Company as presented, and to recommend that the City Council authorize the expenditures as outlined in the Construction Agreement, and to recommend that the City Council authorize the any additional expenditures for the project up to \$200,000 as allocated for the project. **A motion was made by Mr. R. Richard. Seconded by Mr. G. Morris.** Motion **passed** unanimously

6. **Update on 2015 SEDC Annual Report. (K. Kinatader/C. Sherman)**

Mr. Kinatader made a presentation of the SEDC accomplishments in 2015. Highlights of the presentation included briefings of ongoing efforts being made in areas of industrial development, commercial retail development, recruitment inquiries and events, active development incentive agreements, strengthening the workforce, and business outreach initiatives. The past year positioned the City of Schertz for growth in both the industrial sector and the retail market, he said. Working with industrial developers and local community stakeholders, the SEDC has blazed new pathways for the City's continued endeavors towards economic prosperity and its vision. The SEDC strived to continue its success by actively pursuing prospects and working to promote the community. In 2015, the SEDC had 163 inquiries which exceeded the department's goal of 60 inquiries which consisted of companies actively looking to relocate or expand operations in the City of Schertz. The SEDC also participated in 16 business seminars or promotional opportunities, which was just shy of the 20 previously forecasted. According to the latest figures, Schertz has an estimated added construction valuation for the fiscal year of 2014 and 2015 of approximately \$50,000,000 and over 1,000,000 added square feet of new commercial construction. Workforce continues to rank among the top factors in site selection decisions. In an effort to promote and support workforce development services, the SEDC partnered with state and local workforce agencies, businesses, community colleges, local independent school districts and other economic development organizations to address the City's workforce issues. The SEDC recognizes that helping existing businesses is vital to the economic success of our community. The SEDC utilizes business outreach site visits to help learn about the company, their industry, and issues facing their business. In exchange our goal is to act as a resource to the company for workforce development and training, real estate expansions, and to interface between the City and local utilities. Lastly, the SEDC is prepared to utilize its resources to ensure that our local businesses stay and expand in Schertz.

No action was taken.

7. **Director's Report. (K. Kinatader)**

Mr. Kinatader provided updates on the following items:

David Lack Blvd. (DBL) Parking Issues

In early November, the city was notified that DLB, adjacent to GE Oil & Gas and Sysco, was being blocked not allowing through traffic. Both companies are working together to help reduce the problem. The traffic measures were presented to the Transportation Safety Advisory Commission (TSAC) for approval on Jan. 7, 2016. The City Council approved the measure under Ordinance No. 16-D-01.

1300 Schertz Parkway

At the October SEDC Board Meeting, the Board considered a proposal for engineering services which was later reduced at the November SEDC Board Meeting to provide demolition plans for the existing structure and to re-vegetate the site. Ford Engineering was selected for the project.

Business Outreach Activities

SEDC Staff met with targeted existing Schertz businesses to learn about their company, enhance the relationship with the City of Schertz, offer assistance, and encourage expansion within the City of Schertz. Businesses attended: Shook Mobile Technology, Caterpillar, Texas Utility Engineering, The River Whey Creamery, XPO Logistics, and Closner Equipment Co.

Events Attended

San Antonio Manufacturing Association (SAMA) Monthly Luncheon

Northeast Partnership for Economic Development

Schertz Festival of Angels

Guadalupe Valley Electric Cooperative (GVEC) Roundtable

Texas Economic Development Council (TEDC) Basic Training - C. Sherman, ED Analyst

Advance Manufacturing Technician Initiative - ED Bexar County

The Chamber CORE Leadership Program - P. Horan, ED Executive Assistant

REQUESTS AND ANNOUNCEMENTS

8. Requests by Board Members that items be placed on a future SEDC Board Meeting Agenda.

Director Macaluso requested a briefing on any plans for improvements for FM 78.

Director Grady requested an update on Main Street area available incentives.

President Brown recessed the regular session at 6:37 p.m.

EXECUTIVE SESSION

9. Called in accordance with Section 551.087 of the Texas Government Code, Deliberation Regarding Economic Development Negotiations; Closed Meeting. The governmental

body is not required to conduct an open meeting (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect.

- Project E-015
- Project E-018

Time Start: 6:42 p.m.

Time End: 7:03 p.m.

RECONVENE TO REGULAR SESSION

President Brown reconvened to regular session at 7:04 p.m.

10. Discussion and possible action to authorize the SEDC Executive Director to take the necessary and appropriate actions to proceed with negotiations based on discussions held in Executive Session under Agenda Item number 9:

- Project E-015
- Project E-018 -Discussion and possible action relating to an expenditure of up to \$100,000 in SEDC Funds to assist a manufacturing project.

Mr. Kinatader provided details about Project E-018 (Major Wire Texas, Inc.) as follows:

Major Wire Texas, Inc. (Major Wire) is a fabricated wire product manufacturer. They produce wire screens used to sort and separate aggregates such as stone, sand, coal and gravel.

Major Wire agreed to lease 53,011 square feet at the Robinson-Weeks Building 1 located in the Enterprise Industrial Park. Major Wire will be required to create \$4.9 million of personal property and 58 jobs with a minimum annual payroll of \$1,892,000 over the term of the incentive agreement. In consideration the SEDC will provide a \$100,000 grant upon receipt of the Certificate of Occupancy and commencement of operations in Schertz.


A motion to approve the Economic Development Incentive Agreement with Major Wire Texas, Inc. as presented **and recommend** that the City Council authorizes the expenditures as outlined in the Economic Development Incentive Agreement **was made by Ms. Rosemary Scott. Seconded by Ms. A. Kiser. Motion passed** unanimously.

No action was taken on Project E-015.

ADJOURN

President Brown adjourned the meeting at 7:05 p.m.

PASSED AND APPROVED THIS 25th DAY OF FEBRUARY 2016.



Tim Brown – President

Rosemary Scott – Secretary/Treasurer