

SCHERTZ

ECONOMIC DEVELOPMENT CORPORATION

MINUTES
CITY OF SCHERTZ
ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS
REGULAR MONTHLY MEETING
THURSDAY, JULY 28, 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
Roy Richard
Paul Macaluso
Katie Chain
Gary Howell

Staff:

Kyle Kinatader – SEDC Executive Director
Patty Horan – Executive Assistant - ED
James Walters – Finance Assistant Director
Brian James – Executive Dir. Development

Absent Directors: Rosemary Scott

Others present: Councilmember Jim Fowler, Steven Martinez

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.

Mr. Martinez introduced himself and announced his candidacy for a city council seat in the upcoming city elections. He shared a brief summary of his personal and professional profile.

ITEMS FOR INDIVIDUAL CONSIDERATION

3. Consider/Discuss/Act on approval of the Minutes for the Board of Directors Regular Monthly Meeting held on Thursday, June 23rd, 2016. (P. Horan)

A motion to approve the minutes for the Board of Directors Regular Monthly Meeting held on Thursday, June 23rd, 2016 was made by Mr. Roy Richard. Seconded by Ms. Angelina Kiser. **Motion passed** unanimously.

4. Review of the SEDC Monthly Financial Report for the month of June 2016. (J. Walters)

Mr. Walters provided an overview of the SEDC Monthly Financial Statements Report for the months of June 2016.

5. Discussion on business park roadway construction/improvements. (K. Kinateder/B. James)

Mr. Kinateder opened the discussion by providing a recap from previous Board Meetings regarding the need for infrastructure improvements within our business parks along with the ability to strategically utilize SEDC reserves. Next, Mr. James provided an update on the City's efforts to address roadway improvements throughout the City. The City will use a Paving Condition Index (PCI) along with other quantitative and qualitative tools to develop a roadway repair program. The program will account for budgetary constraints but overtime all the roads will be properly maintained. Mr. Kinateder added that SEDC funds could be used, with the appropriate Board findings, to repair roads within business areas.

The Board discussed the City's roadway program and the need to repair our commercial roads especially because of the wear and tear from heavy duty trucks. The Board also discussed the need to make long-lasting repairs rather than temporary fixes. The Board discussed other issues that should be taken into account such as drainage. The Board acknowledge the potential expenses of repairing the roads and also expressed the need to maintain a healthy reserve account for other economic development projects.

No action was taken.

6. Consider/Discuss/Act on the City of Schertz Economic Development Corporation ("SEDC") Construction Agreement with KMAC Construction Services, Inc. for the demolition and revegetation of 1300 Schertz Parkway associated with the completion timeline of the contract. (K. Kinateder)

Mr. Kinateder provided a brief history of the demolition project at 1300 Schertz Parkway and the construction agreement with KMAC Construction Services Inc. He explained that as part of the agreement, KMAC was responsible for completing the project within 60 calendar days from issuance of the Notice to Proceed on May 9, 2016. Due to delays, KMAC was not able to complete the project within the allotted time. Mr. Kinateder recommended to work with KMAC on the completion of the project by extending the timeline of completion to a reasonable amount of time.

A motion to authorize a ninety day time extension for completion of work as described on the City of Schertz Economic Development Corporation ("SEDC") Construction Agreement with KMAC Construction Services, Inc. for the demolition and revegetation of 1300 Schertz Parkway **was made by Mr. R. Richard**. Seconded by Ms. K. Chain. **Motion passed unanimously**.

7. **Consider/Discuss/Act on the Agreement For Provisions of Professional Services Between The City of Schertz and The City of Schertz Economic Development Corporation and recommend approval by the City Council for the expenditures provided for in the Agreement For Provisions of Professional Services Between The City of Schertz and The City of Schertz Economic Development Corporation in the amount of \$430,445.00 for the FY 2016-17 fiscal year. (K. Kinateder)**

Mr. Kinateder explained that each year the SEDC transfers funds to the City of Schertz for expenses that are related to the SEDC. The Service Agreement formalizes the transfer of funds by detailing the specific services that will be provided to the SEDC. The services will include: providing administrative staff (Executive Director, Business Retention Manager, Marketing and Recruitment Manager, and Executive Assistant) and support (Human Resources, IT, Payroll, City Management, City Secretary, etc.), managing financial records, preparing the budget, and providing office space. The Service Agreement will be renewed annually as part of the budget process. The total amount of the Service Agreement is \$430,445.00 which was calculated using the SEDC Board's recommended FY 2016-17 budget.

A motion to approve the Agreement for Provisions of Professional Services between the City of Schertz and the City of Schertz Economic Development Corporation and recommend approval by the City Council for the expenditures provided for in the Agreement in the amount of \$430,445.00 for the FY 2016-17 fiscal year **was made by Mr. P. Macaluso**. Seconded by Ms. A. Kiser. **Motion passed unanimously.**

8. **Director's Report. (K. Kinateder)**

Mr. Kinateder provided project updates on the Director's report included in the Board packet. Some highlights at the meeting included:

- Project Updates
 - Major Wire Texas, Inc.
Received their Certificate of Occupancy on July 8th, 2016 qualifying for economic development incentive grant payment. Staff will monitor Major Wire's annual compliance to the incentive agreement.
- SEDC Board of Director Resignation
The Board was notified of Ms. Rosemary Scott's resignation from the Board. Ms. Scott has relocated from the City. The Board expressed their appreciation for Ms. Scott and her many years of service.
- SEDC Personnel
Provided an update on current job vacancies.
- Vestal Subdivision Drainage
Companies will be writing letters to TxDOT in support of funding the drainage project.
- Marketing Campaign
Provided an update on the online digital ad campaign.
- Businesses Visited

Hollingsworth Logistic Group.

- Events Attended
SCUC ISD- CTE Tour of ITM | June 16th
TexasOne Supporter Luncheon | July 7th | Austin, TX
Northeast Partnership for Economic Development | July 14th

REQUESTS AND ANNOUNCEMENTS

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

No requests were made.

Board recessed the Regular Meeting into Executive Session at 6:56 p.m.

10. EXECUTIVE SESSIONS

- A. **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-021
- Project E-023

Start Time: 6:57 p.m.

End Time: 7:10 p.m.

- B. **Called in accordance with Section 551.072 of the Texas Government Code, DELIBERATION REGARDING REAL PROPERTY; CLOSED MEETING.** A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

- Project E-024

Start Time: 7:10 p.m. – Mr. Roy Richard recused himself from this session.

End Time: 7:35 p.m.

RECONVENE TO REGULAR SESSION

President Brown reconvened to Regular Session at 7:35 p.m.

11. Discussion, public hearing 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 No.10:

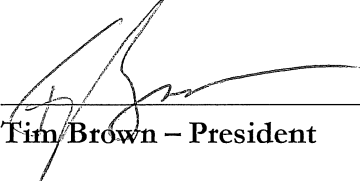
- Project E-021
- Project E-023 – Discussion, public hearing, and possible action relating to an expenditure of up to \$112,500 in SEDC Funds to assist a warehouse and distribution project.
- Project E-024

No Action was taken.

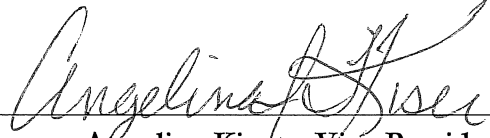
ADJOURN

President Brown adjourned the meeting at 7:36 p.m.

MINUTES PASSED AND APPROVED THIS 25TH DAY OF AUGUST, 2016.



Tim Brown – President



Angelina Kiser – Vice President