

**MINUTES OF THE  
KAUFMAN ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTOR'S MEETING  
TUESDAY, NOVEMBER 10, 2015 at 6:00 p.m.  
Kaufman City Hall  
209 S. Washington  
Kaufman, TX 75142**

<b>PRESIDENT</b>	<b>ROY FERRELL</b>
<b>VICE-PRESIDENT</b>	<b>BARRY RATCLIFFE</b>
<b>SECRETARY/TREASURER</b>	<b>CARL STAPP</b>
<b>MEMBER</b>	<b>LISA PARKER</b>
<b>MEMBER</b>	<b>CURTIS SNOW</b>

CALL TO ORDER: President Roy Ferrell called the meeting to order on Tuesday, November 10, 2015 at 6:02 p.m. Board members present were Carl Stapp, Roy Ferrell, Barry Ratcliffe and Curtis Snow. President Ferrell declared a quorum present. Board member Parker was absent. Also present were Executive Director Lee Ayres and Secretary Jo Ann Talbot.

1. CONSIDER APPROVAL OF THE AUGUST 11, 2015 MEETING MINUTES.

Board member Stapp moved to approve the August 11, 2015 meeting minutes. Board member Snow made the second. All voted AYE and the minutes were approved. Board member Parker was absent.

2. REVIEW OF FINANCIAL STATEMENT(S) FOR JULY, AUGUST AND SEPTEMBER 2015.

The Board of Directors reviewed the financial statements for July, August and September 2015. Executive Director Ayres noted that the KEDC will go to a cash basis versus an accrual basis for Sales Tax Revenues in fiscal year 2016; the September Financials will actually be the yearend financial statements. He noted, because of the change, FY 2015 will have only 10 months of revenue and FY 2014 will have 14 months of revenue. Executive Director Ayres reported it will show a loss of \$54,186 for the year instead of a net of a similar amount because of the loss of the two months of revenue. The Directors reviewed and accepted financial statements.

3. CONSIDER APPROVING 2016 BUSINESS PLAN.

Executive Director Ayres pointed out that Board member Stapp had shared with him that we might consider dropping our funding for the Official Retirement Community application. Executive Director Ayres also pointed out that Board Member Snow had some questions about the KEDC Board giving such a high priority to incentives for retail and retail recruitment. After some discussion, Board member Snow also suggested we should run this business plan by the Chamber Board to get a feel of how their business members felt about the City

and KEDC spending so much time and resources on adding new retail to Kaufman. Also discussed, was to consider adding to the Business Plan to hire a Consultant to develop a Strategic Plan for Economic Development for Kaufman. After additional discussion, Board member Snow moved to table this item until the next meeting. Board member Stapp made the second. All voted AYE and the item was tabled. Board member Parker was absent.

4. REVIEW OF BANK RECONCILIATIONS FOR OPERATING ACCOUNT FROM OCTOBER 2014 THROUGH SEPTEMBER 2015.

After reviewing the bank reconciliations for the KEDC operating account, Board member Snow made the motion to accept the bank reconciliation for operating account from October 2015 through September 2015. Board member Stapp made the second. All voted AYE and the motion carried. Board member Parker was absent.

5. CONSIDER APPROVAL OF AN ENGAGEMENT LETTER FROM YELDELL, WILSON AND COMPANY FOR THE FISCAL YEAR 2015 AUDIT.

Executive Director Ayres recommended the KEDC board approving using YELDELL, WILSON and COMPANY for the FY 2015 Audit. Board member Snow endorsed the recommendation. Board member Ratcliffe moved to approve the engagement letter. Board member Stapp made the second. All voted AYE and the motion carried. Board member Parker was absent.

6. CONSIDER APPROVAL OF INCENTIVE AGREEMENT BETWEEN KEDC AND TABLES MANUFACTURING.

After reviewing the document Board member Stapp moved to approve the incentive agreement between Tables Manufacturing and Kaufman Economic Development Corporation. Board member Ratcliffe made the second. All Voted AYE and the motion carried. Board member Parker was absent.

7. CONSIDER AMENDING THE FISCAL YEAR 2016 BUDGET TO PAY FOR TABLES INCENTIVES FROM RESERVES.

Board member Snow moved to amend the FY 2016 Budget to finance the \$400,000.00 incentives within the Tables Manufacturing-KEDC incentive agreement from KEDC reserves. Board member Stapp made the second. All voted AYE and the motion carried. Board member Parker was absent.

8. CONSIDER REVISING INCENTIVE AGREEMENT WITH FALCON STEEL TO REDUCE KEDC OBLIGATION TO THEM BY \$9,647.85 AND TO PAY THE INCENTIVE OUT OF RESERVES.

Executive Director Ayres pointed out that this was the third time to revise this agreement. He explained that Plant Manager, Larry Minor, told him that TXDOT ended up improving a portion of their front driveways and some parking. Mr. Minor said because Falcon Steel incurred no cost on these improvements, he

said KEDC no longer needs to pay for a portion outlined in the last agreement. After some discussion, Board member Ratcliffe moved to approve the revised incentive agreement with Falcon Steel to reduce KEDC obligations to them by \$9,647.85 and to pay for the incentives out of reserves. Board member Stapp made the second. All voted AYE and the motion carried. Board member Parker was absent.

9. CONSIDER SUPPORTING OR OPPOSING THE CONCEPT OF KAUFMAN COUNTY AND CITY OF KAUFMAN NO LONGER INCLUDING ROAD AND BRIDGE TAXES, I&S TAXES AND OTHER BOND TAXES IN THEIR RESPECTIVE TAX ABATEMENT POLICIES.

After some discussion, Board member Stapp moved to support the concept of the City of Kaufman and Kaufman County should include only maintenance and operations taxes in their respective tax abatement policies for new and expanding businesses. Board member Ratcliffe made the second. All voted AYE and the motion carried. Board member Parker was absent.

10. CONSIDER APPROVING A MATCHING GRANT FOR AN APPLICANT OUTSIDE THE DESIGNATED AREA, BUT WITH HIGH VISIBILITY ON US 175.

No action was taken on this item. It was suggested to amend the Matching Grant Designated Area along Highway 175 East from South Washington Street to Fair Road (North and South sides).

#### ANNOUNCEMENTS FROM KEDC EXECUTIVE DIRECTOR.

Executive Director Ayres reported that the International Council of Shopping Centers, Texas Deal Making Conference was held in Dallas November 4, 5 and 6:

Called or e-mailed approximately 115 people representing about 90 retailers and a handful of developers. Had either face to face meetings or phone conversations (about 30 were face to face) with about 45 representatives with about a half of them positive. Ayres said it was a very good show.

#### Highlights:

Home Depot and Lowes are still talking with us. They still are not building very many stores though.

Dollar Tree bought out Family Dollar Stores. They will close Family Dollar in Washington Square and open up a Dollar Tree (a bit nicer type of dollar store)

Brixmor has finally agreed to either split up the old Eckerd's space or lease it all to Hibbett Sports at a good price. I met with Brixmor then Hibbett Sports. Then Brixmor and Hibbett Sports folks met later in the day.

A double tenant building for Chipotle and Starbucks is still promising.

A shoe store finally showed some interest.

Schlotzky's is still interested.

Carl's Jr. and Captain D's are showing some interest.

Had two Commercial Real Estate reps come by with interest in single family housing for their clients.

Two more came by with interest in multi-family housing.

Tom Heraty with NAI Lynn Realty had his own booth promoting a proposed 12,000 to 15,000 sf strip center behind Denny's in Kaufman. Nice having another guy like Jim Meara promoting Kaufman to the world.

City Manager Mike Slye informed the Board about a Municipal Development District (MDD) could be considered to add additional sales tax from the Exterritorial Jurisdiction (ETJ).

**ADJOURNMENT.**

Board member Snow moved and seconded by Board member Ratcliffe to adjourn the meeting at 7:21 p.m. All voting AYE, the meeting was adjourned. Board member Parker was absent.

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Roy Ferrell, President

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Date

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Carl Stapp, Secretary

\_\_\_\_\_  
Date