

**MINUTES
KAUFMAN ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTOR'S MEETING
TUESDAY, APRIL 18, 2017 AT 6:30 P.M.
KAUFMAN ISD ADMINISTRATIVE BUILDING
1000 S. HOUSTON ST.
KAUFMAN, TEXAS 75142**

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

President Ferrell called the meeting to order at 6:30 p.m. on Tuesday, April 18, 2017. Board members present was Roy Ferrell, Barry Ratcliff, Carl Stapp and Lisa Parker. President Ferrell declared a quorum. Board member Snow was absent. Also present were Executive Director Lee Ayres and Secretary Jo Ann Talbot.

1. CONSIDER APPROVAL OF THE FEBRUARY 21, 2017 KEDC MEETING MINUTES.

Board member Ratcliffe moved to approve the February 21, 2017 KEDC meeting minutes. Board member Parker offered the second. All voted AYE, and the motion carried. Board member Snow was absent.

2. CONSIDER APPROVAL OF THE FEBRUARY 21, 2017 KEDC WORKSHOP MINUTES.

Board member Ratcliffe moved to approve the February 21, 2017 KEDC Workshop meeting minutes. Board member Parker made the second. All voted AYE, and the motion carried. Board member Snow was absent.

3. CONSIDER ACCEPTANCE OF JANUARY, FEBRUARY AND MARCH 2017, FINANCIAL STATEMENTS.

Executive Director Ayres stated the only unusual activity was on the March P & L Statements. He pointed out that the annual \$280,000.00 payment was made for the Kings Fort Market Center infrastructure. Board member Ratcliff moved to approve the January, February, and March 2017 financial statements. Board member Stapp made the second. All voted AYE, and the motion carried. Board member Snow was absent.

4. CONSIDER ACCEPTANCE OF THE FISCAL YEAR FINANCIAL AUDIT 2016.

Executive Director Ayres stated that for about the 14th year in a row, we received a clean bill of health from our auditors for FY 2016. He noted they suggested one change for 2017 that we will deal with in the next agenda item. After some discussion Board member Stapp moved to accept the FY 2016 KEDC Financial Audit. Board member Parker made the second. All voted AYE, and the motion carried. Board member Snow was absent.

5. CONSIDER FORMALLY ADOPTING A CAPITAL ASSET THRESHOLD FOR THE KAUFMAN EDC, BEGINNING THIS CURRENT FISCAL YEAR, 2017, WHICH INCLUDES THE FOLLOWING:

Executive Director Ayres explained that about three years ago he and the city finance director agreed for the future to no longer capitalize real property valued under \$5,000.00. He said the auditors noted that it was not formalized and in writing. Tonight we are asking the board to formally adopt a capital asset threshold for KEDC accounting.

- a. REAL PROPERTY, FURNITURE, FIXTURES, MACHINERY AND EQUIPMENT (LAPTOPS AND TABLETS) VALUED UNDER \$5,000.00 SHALL NOT BE CAPITALIZED.
- b. REAL PROPERTY, FURNITURE, FIXTURES, MACHINERY AND EQUIPMENT VALUED AT MORE THAN \$5,000.00 SHALL BE CAPITALIZED.

After some discussion, Board member Ratcliffe moved to approve agenda item 5-a, and 5-b as written. Board member Parker made the second. All voted AYE, and the motion carried. Board member Snow was absent

6. PRESENTATION BY TOM MITCHELL, A PROSPECT FOR LOT 14R-A.

Executive Director Ayres said that after the agenda was posted he and the prospect were able to work out a real estate agreement that would include only one minor change from the agreement the KEDC Board approved in February. Executive Director Ayres reported the presentation nor was the executive session necessary. President Ferrell moved to Action Item number 7.

No Executive Session was held.

EXECUTIVE SESSION

THE KAUFMAN EDC WILL HOLD A CLOSED EXECUTIVE SESSION PURSUANT TO CHAPTER 551, GOVERNMENT CODE V.T.C.A. (OPEN MEETINGS LAW), IN

ACCORDANCE WITH THE AUTHORITY CONTAINED IN TEX. GOV't CODE SECTION 551.072 REAL ESTATE.

REAL ESTATE - Under TEX. GOV'T. CODE Sec. 551.072

1. DISCUSSION TO SELL LOT 14R-A IN THE KAUFMAN BUSINESS PARK, KAUFMAN, TEXAS.

ANY FINAL ACTION, DECISION, OR VOTE ON A MATTER DELIBERATED IN EXECUTIVE SESSION MEETING OR ON INFORMATION RECEIVED IN A CONFERENCE WITH EMPLOYEES WILL ONLY BE TAKEN IN AN OPEN MEETING THAT IS HELD IN COMPLIANCE WITH TEX. GOV'T CODE CH. 551. THE CITY COUNCIL RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AS AUTHORIZED BY TEX. GOV'T CODE SEC. 551.001, ET SEQ. (TEXAS OPEN MEETINGS ACT) ON ANY ITEM ON ITS OPEN MEETING AGENDA OR TO RECONVENE IN A CONTINUATION OF EXECUTIVE SESSION ON THE EXECUTIVE SESSION MEETING ITEMS NOTED ABOVE, IN ACCORDANCE WITH THE TEXAS OPEN MEETINGS ACT, INCLUDING, WITHOUT LIMITATION, SECTIONS 551.071-551.086 OF THE OPEN MEETINGS ACT.

END OF EXECUTIVE SESSION

7. CONSIDER ANY OFFICIAL ACTION ON THE EXECUTIVE SESSION CLOSED MEETING ITEMS:

REAL ESTATE - Under TEX. GOV'T. CODE Sec. 551.072

- a. CONSIDER AND AUTHORIZE KEDC EXECUTIVE DIRECTOR TO ENTER INTO A SALES CONTRACT ON BEHALF OF KEDC WITH STM/MNM Land Venture I, LLC FOR THE PURCHASE OF LOT 14R-A IN THE KAUFMAN BUSINESS PARK, KAUFMAN, TEXAS.

Executive Director Ayres handed out Version 4 of the Real Estate Contract Between MNM/STM Land Venture I, LLC and the Kaufman Economic Development Corporation. He noted that the contract that was included in the advance materials was Version 3, which Executive Director Ayres reported he had some problems with the contract. Executive Director Ayres explained that he and Mr. Mitchell spoke late Thursday evening and went over the Version 2 of the contract that the KEDC Board had already approved. He said the buyer finally accepted all of the KEDC revisions in Version 2 except one. He was hung up on a portion of the "Reverter Clause", the definition of substantial completion. Executive Director Ayres suggested changing it from being "defined by standards of the construction industry" to "define as the building being dried in". Executive Director Ayres reported he told him he would support that and felt like the KEDC Board would be fine with that.

After some discussion, Board member Stapp moved to authorize KEDC Executive Director to enter into the 4th Version of the Sales Contract on behalf of KEDC with STM/MNM Land Venture I LLC for the purchase of Lot 14R-A in the Kaufman Business Park, Kaufman, TX. Board member Parker made the second. All voted AYE, and the motion carried. Board member Snow was absent

8, ANNOUNCEMENTS FROM EXECUTIVE DIRECTOR.

1. May 8 – Kaufman Chamber Golf Tournament.

There being no further discussion, the meeting was adjourned at 6:53 p.m.

Roy Ferrell, President

Date

Carl Stapp, Secretary

Date