

**MINUTES OF THE
KAUFMAN ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTOR'S MEETING
TUESDAY, MAY 23, 2017 AT 4:15 P.M.
THR PRESBYTERIAN HOSPITAL- KAUFMAN
850 ED HALL DRIVE
KAUFMAN, TEXAS 75142
BOARD ROOM, WEST END OF BASEMENT**

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

CALL TO ORDER: President Ferrell called the meeting to order at 4:15 p.m. on Tuesday, May 23, 2017. Board members present was Roy Ferrell, Carl Stapp and Curtis Snow. President Ferrell declared a quorum. Board member Ratcliffe and Board member Parker were absent. Also present were Executive Director Lee Ayres, City Manager Mike Slye and Secretary Jo Ann Talbot.

1. CONSIDER APPROVAL OF THE APRIL 18, 2017 KEDC MEETING MINUTES.

Board member Stapp moved to approve the minutes from the April 18, 2017 KEDC Board Meeting. President Ferrell made the second. All voted AYE and the motion carried. Board member Ratcliffe and Board member Parker were absent.

2. CONSIDER AND AUTHORIZE KEDC EXECUTIVE DIRECTOR TO ENTER INTO A SALES CONTRACT ON BEHALF OF KEDC WITH PARKS HOME CONSTRUCTION, LLC FOR THE PURCHASE OF LOTS 9 AND 10 IN THE PRAIRIE CREEK BUSINESS PARK, KAUFMAN, TEXAS.

Executive Director Ayres reported that after meeting materials, including the contract for sale of Lots 9 and 10, were sent out last week, Attorney David Dodd's only concern with the contract is a clause in special provisions on page 6 about purchaser being required to follow Business Park AND City of Kaufman Building and use standards. Attorney Dodd said "the city's only recourse when they don't follow those use standards is to sue." Executive Director Ayres said that the draft he is asking you consider tonight includes a revision that reads:

6.2 *Building Standards.* Purchaser agrees to abide by Business Park construction and use standards (see attached Exhibit B) and City of Kaufman construction and use

standards. If the City of Kaufman Business Services Department and/or City of Kaufman Code Enforcement provide notice to the purchaser of two or more violations of Business Park construction and use standards or City of Kaufman construction and use standards in any calendar year, title to the Property shall revert to Seller.

The agreement of Seller and Purchaser set forth in Section 6.1 and 6.2 shall survive the Closing.

Board member Snow expressed concern that a lender might balk at that. President Ferrell commented we do not know if it will have a mortgage or not and that he wants our land purchasers to abide by our construction and use standards. City Manager Mike Slye said the city can issue tickets for transgressions.

After some more discussion, Board member Snow moved to approve the sale of lots 9 and 10 to Parks Home Construction, LLC with the draft of the contract that includes the reverter clause for the construction and use standards. Board member Stapp offered a second. All voted AYE and the motion carried. Board member Ratcliffe and Board member Parker were absent.

3. CONSIDER INVESTING AN ADDITIONAL AMOUNT UP TO \$400,000.00 IN THE PROPOSED TOWN SQUARE SIDEWALK, STREETS, STREETSCAPE, LANDSCAPING AND LIGHTING PROJECT APPROVED BY KAUFMAN CITY COUNCIL ON MAY 16, 2017 AND FUNDING IT FROM KAUFMAN EDC FUND BALANCE.

Executive Director Lee Ayres offered to board members that he had provided a briefing document in the advance meeting materials that showed the various sources of revenues proposed for the town square infrastructure project, the expenditures that have been made to date and what was needed to make up the difference.

Executive Director Ayres pointed out the amounts for the TXDOT Grant, the City Bond that was approved and the EDC Grant that KEDC Board approved in August of 2016. Executive Director Ayres asked City Manager Mike Slye to explain the Hwy. 34 By-pass reimbursement revenues. And he did. Executive Director Ayres said the total revenue to date was \$1,830,500 in round numbers.

Executive Director Ayres next reviewed the amounts of items that have been expended to date including fees for Architects and Engineers, biology report, historic study, traffic study and TXDOT administrative expense which totaled \$273,100.

Executive Director Ayres explained that the preferred bid came in at \$1,882,691 and that a contingency fee of a minimum of \$75,000 was needed. He noted that combination of what has been spent and what is now needed comes to

\$2,230,791. Comparing that money to sum of the 4 sources of revenue previously identifies, Executive Director Ayres said there is now a shortfall of \$400,291 (in addition to the \$125,000 KEDC has already invested) and the City Council of Kaufman is asking the KEDC Board to make up the difference. Executive Director Ayres said his staff recommendation was to approve the agenda item.

After some discussion, Board member Snow moved to approve investing an additional \$400,291.00 in the infrastructure for the proposed town square project approved by City Council on May 16, 2017 and funding it from Kaufman EDC Fund Balance. Board member Stapp made the second. All voted AYE and the motion carried. Board member Ratcliffe and Board member Parker were absent.

ADJOURNMENT.

There being no other business before the board, President Ferrell declared the meeting adjourned at 4:44 p.m.

Roy Ferrell, President Date

Carl Stapp, Secretary Date