

**MINUTES
KAUFMAN ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTOR'S MEETING
TUESDAY, FEBRUARY 17, 2015 AT 6:00 P.M.
KAUFMAN CITY FIRE STATION
301S. MADISON
KAUFMAN, TX 75142**

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| PRESIDENT | ROY FERRELL |
| VICE-PRESIDENT | BARRY RATCLIFFE |
| SECRETARY/TREASURER | JEFF JORDAN |
| MEMBER | CARL STAPP |
| MEMBER | LISA PARKER |

CALL TO ORDER: President Roy Ferrell called the meeting to order on Tuesday, February 17, 2015 at 6:10 p.m. Board members present were Carl Stapp, Roy Ferrell, Barry Ratcliffe, Lisa Parker and Jeff Jordan. President Ferrell declared a quorum present. Also present were Executive Director Lee Ayres and Secretary Jo Ann Talbot.

1. CONSIDER APPROVAL OF THE JANUARY 13, 2015 MEETING MINUTES.

Board member Jordan moved to approve the January 13, 2015 meeting minutes. Board member Stapp made the second. All voted AYE and the motion carried.

2. ACCEPTANCE OF NOVEMBER AND DECEMBER, FINANCIAL STATEMENTS.

After some discussion, Board member Stapp moved to accept the November and December financial statements. Board member Jordan made the second. All voted AYE and financials were accepted.

3. ACCEPTANCE OF FISCAL YEAR 2014 AUDIT.

Executive Director Ayres pointed out that we had another good audit citing the opinion in the first paragraph of page 2. Executive Director Ayres also commented that he received a "management deficiency" for requesting a final yearend Profit and Loss Statement and Balance Sheet from the auditors in November. Executive Director Ayres went on to say that he originally requested it from the City Finance Director on behalf of KEDC's new CPA who was setting up accounts for FY 2015. He said the finance director told him he could get it from the auditors.

Board member Jordan moved to accept the Fiscal Year 2014 Audit. Board member Ratcliffe made the second. All voted AYE and the motion carried.

4. CONSIDER AMENDING THE CITY OF KAUFMAN-EDC PARTNERSHIP AGREEMENT FOR KINGS FORT MARKET CENTER EXECUTED IN MAY OF 2012 BY CHANGING THE FOLLOWING PARAGRAPHS AND AUTHORIZING PRESIDENT ROY FERRELL TO EXECUTE THE AMENDED AGREEMENT.

Executive Director Ayres explained that the City had developed a Chapter 380 Agreement with developer of Kings Fort. The KEDC had a Partnership Agreement with the City to pay the city two-thirds of the city obligation. Executive Director Ayres explained two things happened: 1) the city later amended their agreement and added \$30,000 to the total obligation bringing it to \$1,695,000. 2) In the original City-EDC partnership agreement the payback was to start a month earlier than the city's payment. This created a need for separate amortization schedules that would actually hurt the city (unintentionally) by reducing the KEDC's obligation to the city. For long term budgeting purposes, Mr. Ayres was under the impression the KEDC was paying back 75%. It was not until he began looking for the first payment due date that he realized the contract stipulated 66.67%. Mr. Ayres, noting the KEDC's strong financial condition suggested to the board that they consider using the 75% figure.

Mr. Ayres noted the following: City's obligation on April 23, 2015 = \$394,238.41
KEDC obligation on April 1, 2015 = \$262,825.58 at the Two-Thirds figure.
KEDC obligation on April 1, 2015 = \$295,678.80 at the Three-Fourths figure.

After some discussion Board member Stapp moved to amend the City-EDC Partnership agreement for Kings Fort Market Center in the following manner:

"Page 1, paragraph 6: **WHEREAS**, the Developer anticipates spending approximately \$1,695,000 for such infrastructure construction related to this *Program*;

Page 2, paragraph 5: KEDC agrees eligible costs shall be defined as construction costs awarded to a contractor through a construction agreement and later billed to the Developer. Under no circumstances shall eligible costs exceed \$1,695,000.00. Actual Eligible Costs may be less. Upon completion and acceptance by the City of all Public Improvements contemplated by this Agreement, Schuler shall certify to the City all Eligible Costs which shall be eligible for reimbursement, as hereinafter provided. Upon the issuance of the first certificate of occupancy by the City for establishment of a single 150,000 square foot retail business on the Property (the "First CO"), the City's obligation to reimburse Schuler for all Eligible Costs shall commence.

Page 2, paragraph 6: KEDC understands on the date of the first anniversary of the opening of the single 150,000 square foot retail business on the property, and continually thereafter, the City will pay to Schuler one-fifth of the "Eligible Costs", plus interest on the balance at the Wall Street Journal prime rate for a total of five payments.

Page 3, paragraph 7: Beginning April 1, 2015 and continuing annually thereafter, the Kaufman EDC will pay to the City of Kaufman 3/4 (three-fourths) of the City's annual obligation each year for a total of five payments.

Page 3, paragraph 7: Delete the Example paragraph.”

Board member Jordan made a second to Board member Stapp's motion. All voted AYE and the motion carried.

5. Adjournment

President Ferrell adjourned the meeting at 6:35 p.m.

Roy Ferrell, President

Date

Jeff Jordan, Secretary

Date