



**AGENDA**  
**KAUFMAN ECONOMIC DEVELOPMENT**  
**CORPORATION MEETING**  
**TUESDAY, APRIL 18, 2023 - 6:00 PM**  
**KAUFMAN CITY HALL**  
**209 S WASHINGTON ST**  
**KAUFMAN, TEXAS 75142**

**PLEDGE OF ALLEGIANCE**

**CALL MEETING TO ORDER** Chairman calls the Meeting to order, states the date and time, states members present, and declares a quorum present.\*\*

**CITIZENS COMMENTS / REQUEST TO SPEAK ON AGENDA ITEMS (5 MINUTES)** Comments about any of the agenda items may be taken into consideration at this time or during the agenda item. Comments are limited to five (5) minutes per individual unless additional time is otherwise required by law for translation. Speaking time is not transferable. Citizens may address the KEDC on any subject but must first complete a Request to Speak Form so that the Chairman may call your name to speak at the appropriate time on the Agenda. Comments must be directed to the KEDC as a whole. **When addressing the KEDC, please step forward to the speaker's podium, state your name and address, and direct your comments to the Chairman and KEDC.**

**FINANCIAL REPORT**

1. Receive the monthly Financial Report from the Treasurer of the Corporation.

**EXECUTIVE DIRECTOR'S REPORT** Receive an update and discussion regarding the following: a.) Meetings/Events of Interest; b.) Prospect Activity; c.) Staff Announcements

2. KEDC Executive Director's Report

**DISCUSSION/ACTION ITEMS**

3. Consider and take appropriate action on the minutes from the March 14, 2023 Kaufman Economic Development Corporation meeting.
4. Consider and take appropriate action on a site enhancement matching grant for Eleanor's Coffee Shop, to be located at 303 W. Mulberry St., Kaufman, TX.
5. Consider and take appropriate action on an economic development performance agreement between the Kaufman Economic Development Corporation and Galleher Acquisition Corporation (dba Galleher Industries) for an expansion project in a total amount not to exceed \$50,000.00, setting performance benchmarks and authorizing the board president to execute a contract, in a form approved by counsel, regarding same.
6. Consider and take appropriate action on a confidentiality and non-disclosure agreement for the Board of Directors of the Kaufman Economic Development Corporation.

**EXECUTIVE SESSION** In accordance with Texas Government Code, Section 551.001, et seq., the KEDC will recess into Executive Session (closed meeting) to discuss the following:

7. A. Sec. 551.087. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS; CLOSED 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 described by Subdivision (1): Projects Lock Box, Bluebonnet, Lego, Elsie, Forest, Razorback, Cowbell, Sunshine, Snooze, Blue, Orange, Home Run, Big Event; Downtown Square Properties; KEDC-Owned Properties; Parcel IDs #426, 188001, 3871, 16826, 190536, 16821, 79084, 16829, 16832, 3876, 5404, 202751, 202752, 202753, 219551
- B. Sec. 551.072. DELIBERATION REGARDING REAL PROPERTY; CLOSED MEETING. To deliberate the purchase, exchange, lease, or value of real property regarding: KEDC-Owned Properties; Projects Range, Prairie; Parcel IDs #49240, 5313, 5388, 5487, 50066, 50080, 50072

**RECONVENE INTO OPEN SESSION**

8. Consider and take appropriate action, if any, on matters discussed in Executive Session.

**BOARD INQUIRY** If a member of the Corporation makes a spontaneous inquiry about a subject not on this agenda, then the KEDC or an appropriate staff member may make a statement of factual information or policy in response to such an inquiry. However, in accordance with Open Meetings Act Section 551.042, the KEDC cannot discuss issues raised or make any decisions on that subject at that time. Issues raised may be referred to Staff for research and possible future action.

**ADJOURNMENT**

I, STEWART MCGREGOR, EXECUTIVE DIRECTOR, DO HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE WINDOW AT KAUFMAN MUNICIPAL COMPLEX, 209 S. WASHINGTON, KAUFMAN, TEXAS, A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AT ALL TIMES AND SAID NOTICE WAS POSTED AT THE KAUFMAN MUNICIPAL COMPLEX, 209 S. WASHINGTON, KAUFMAN, TEXAS AT 6:00 P.M. ON FRIDAY, APRIL 14, 2023 AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 72 HOURS PRECEDING THE SCHEDULE TIME OF SAID MEETING.

---

STEWART MCGREGOR  
EXECUTIVE DIRECTOR

**THE KAUFMAN ECONOMIC DEVELOPMENT CORPORATION RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME DURING THE COURSE OF THIS MEETING TO DISCUSS ANY OF THE MATTERS LISTED ABOVE, AS AUTHORIZED BY THE TEXAS GOVERNMENT CODE. SECTION 551.071 (CONSULTATION WITH ATTORNEY).**

**THE BUILDING IN WHICH THE ABOVE MEETING WILL BE CONDUCTED IS WHEELCHAIR ACCESSIBLE AND PARKING SPACES FOR THE MOBILITY IMPAIRED ARE AVAILABLE. PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED AUXILIARY AIDS OR SERVICES SUCH AS INTERPRETERS FOR PERSONS WHO ARE DEAF OR HEARING IMPAIRED, READERS, OR LARGE PRINT ARE REQUESTED TO CONTACT THE CITY SECRETARY'S OFFICE AT 972-932-2216 AT LEAST TWO (2) WORKING DAYS PRIOR TO THE TIME OF THE MEETING SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.**

Revenue & Expense Report

Fund: 32 ECONOMIC DEVELOPMENT CORP.

Department: Non departmental

Program:

Period Ending: 4/2023

Account	Description	Current	Current	Encumbrances	Current	Budget	Budget
Prior Year	2 Years Prior	Year	Month		YTD Actual	Balance	Balance
Actual	Actual	Budget	Actual		& Encumbr		Percent
Total							
32-4105-000-0	General Sales & Use	565,830.00-			292,769.15-	273,060.85-	48.258
551,377.00-	486,373.99-						
Subtotal:		565,830.00-			292,769.15-	273,060.85-	48.258
551,377.00-	486,373.99-						
32-4400-000-0	Land Proceeds/Mil Pa						
91,738.63-							
Subtotal:							
91,738.63-							
32-4604-000-0	Interest Income	250.00-			51.53-	198.47-	79.388
104.44-	439.75-						
32-4606-000-0	Miscellaneous Revenu				200.00-	200.00	
32-4608-000-0	Loan Revenue	10,000.00-				10,000.00-	100.000
10,000.00-							
32-4612-000-0	Intergovernmental Re						
75,000.00-	56,704.00-						
Subtotal:		10,250.00-			251.53-	9,998.47-	97.546
85,104.44-	57,143.75-						
Program number:		576,080.00-			293,020.68-	283,059.32-	49.135
636,481.44-	635,256.37-						
Department number: Non departmental		576,080.00-			293,020.68-	283,059.32-	49.135
636,481.44-	635,256.37-						
Revenue		Subtotal -----			293,020.68-	283,059.32-	49.135
636,481.44-	635,256.37-						

City of Kaufman  
 Revenue & Expense Report

Department: Non departmental  
 Period Ending: 4/2023  
 Program:

Account	Description	Current	Current	Encumbrances	Current	Budget	Budget
Prior Year	2 Years Prior	Year	Month		YTD Actual	Balance	Balance
Actual	Actual	Budget	Actual		& Encumbr		Percent
Total							
32-5101-000-0	Salaries & Wages	137,574.00			64,689.71	72,884.29	52.978
120,388.10							
32-5177-000-0	Retention Pay	5,000.00				5,000.00	100.000
Subtotal:		142,574.00			64,689.71	77,884.29	54.627
120,388.10							
32-5203-000-0	Operating Supplies	4,500.00			40.08	4,459.92	99.109
6,059.85							
32-5213-000-0	Meetings	9,000.00			4,135.95	4,864.05	54.045
7,585.79	390.43						
32-5214-000-0	Promotional Material	5,400.00			2,854.80	2,545.20	47.133
3,456.21	3,465.00						
32-5220-000-0	Minor Tools & Equipm	7,675.00			5,950.00	1,725.00	22.476
4,978.44	1,000.00						
Subtotal:		26,575.00			12,980.83	13,594.17	51.154
22,080.29	4,855.43						

32-5302-000-0	Postage & Delivery	500.00	203.81	296.19	59.238
34.87	18.13				
32-5303-000-0	Advertising	15,425.00	3,300.00	12,125.00	78.606
10,208.08	5,164.33				
32-5305-000-0	Licenses, Dues & Sub	3,380.00	3,034.45	345.55	10.223
2,290.05	1,175.00				
32-5306-000-W	Utilities-Electric/W	550.00	280.10	269.90	49.073
423.17	461.90				
32-5309-000-0	Insurance & Bonds	1,100.00	1,100.00		
1,100.00					
32-5322-000-0	Tuition & Education	6,275.00	1,600.00	4,675.00	74.502
3,433.68	300.00				
32-5330-000-0	Travel	9,600.00	5,444.92	4,155.08	43.282
3,658.87					
32-5352-000-0	Maintenance-Grounds	62,000.00	2,000.00	60,000.00	96.774
8,000.00	8,000.00				
32-5362-000-0	Professional Svcs-Ad	95,101.00	11,764.23	83,336.77	87.630
99,272.24	57,495.00				
32-5362-000-I	Professional Svcs-Ad				
67,665.50					
32-5363-000-0	Professional Svcs-Te	8,000.00	4,100.00	3,900.00	48.750
10,750.00	23,255.45				
Subtotal:		201,931.00	32,827.51	169,103.49	83.743
139,170.96	163,535.31				
32-5500-000-0	Matching Grants	105,000.00	16,489.48	88,510.52	84.296
17,365.39	38,272.99				
32-5501-000-0	Incentives / Intergo				
454,204.00					
32-5506-000-0	Chapter 380 Funding				
80,000.00					
32-5507-000-0	HWY 34 Bypass Fundin	100,000.00		100,000.00	100.000
100,000.00	100,000.00				
Subtotal:		205,000.00	16,489.48	188,510.52	91.956
117,365.39	672,476.99				
Program number:		576,080.00	126,987.53	449,092.47	77.957
399,004.74	840,867.73				
Department number: Non departmental		576,080.00	126,987.53	449,092.47	77.957
399,004.74	840,867.73				
Expenditure	Subtotal -----	576,080.00	126,987.53	449,092.47	77.957
399,004.74	840,867.73				
Fund number: 32 ECONOMIC DEVELOPMENT CORP.			166,033.15-	166,033.15	
237,476.70-	205,611.36				

\*\*\*\*\* End of Report \*\*\*\*\*

## **Executive Director's Report**

### **April 18, 2023**

#### Calendar

**3/15:** Met w/ Texas Manufacturing Assistance Center

**3/16:** Kaufman Chamber Board Meeting

**3/22:** Met w/ Stillwater Capital

**3/23:** Met w/ TVCC Small Business Development Center; Met w/ Atmos Energy; Met w/ small retail prospect

**3/24:** Met w/ County Judge Allen, Mike Holder and TNP Engineering on County 34 Connector Road Project; Call w/ Kaufman ISD & Kaufman Chamber on CTE programs

**3/27:** Call w/ Project Elsie; Monthly Council Meeting

**3/28:** Meeting w/ Project Snooze

**3/29-31:** Site Selector's Guild Annual Conference (San Antonio)

**4/4:** Business Retention Visit w/ Detour Burgers & Ice Cream

**4/5:** Testimony to Senate Natural Resources & Economic Development Committee on SB 1419 (380 Agreement Reforms)

**4/10:** Testimony to House Ways & Means Committee on HB 5 (Texas Jobs & Security Act)

**4/10-11:** City Council Retreat

**4/13:** Call w/ Project Razorback; Chamber/EDC Monthly Meeting

**4/14:** Business Park Fiber Optics Meeting

Prospect Lead Responses: N/A

Upcoming Events: Kaufman Chamber Golf Tournament (May 1<sup>st</sup>)

Next Regular KEDC Board Meeting: Tuesday, May 9<sup>th</sup>

Economic Development Prospects: Board to receive update on active prospects in Executive Session





<b>Meeting Date: 4-18-2023</b>	<b>Date: 4-14-2023</b>	<b>Item #: 3</b>	<b>Dept.: KEDC</b>
(Check one) <input type="checkbox"/> <b>Consent</b> <input checked="" type="checkbox"/> <b>Action</b> <input type="checkbox"/> <b>Discussion</b>			
<b>SUBJECT:</b> Consider and take appropriate action on the minutes from the March 14, 2023 Kaufman Economic Development Corporation meeting.			
<b>BACKGROUND:</b> Minutes from the March regular meeting of the Kaufman EDC Board.			
<b>Author:</b> Stewart McGregor, KEDC Executive Director		<b>Reviewed:</b> Stewart McGregor, KEDC Executive Director	
<b>Cost:</b> N/A	<b>Funds Available:</b> N/A	<b>Source:</b> N/A	
<b>Recommendation:</b> N/A			

<b>Safe &amp; Secure</b>	<b>Business Friendly/Economic Development</b>	<b>Partnership &amp; Community Involvement</b>	<b>Healthy &amp; Environmentally Cons. Comm.</b>	<b>Financial &amp; OPS Stewardship</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>



**MINUTES OF THE  
KAUFMAN ECONOMIC DEVELOPMENT  
CORPORATION MEETING  
TUESDAY, MARCH 14, 2023 - 6:00 PM  
CITY HALL COUNCIL CHAMBERS  
209 S. WASHINGTON STREET  
KAUFMAN, TEXAS 75142**

**PLEDGE OF ALLEGIANCE**

**CALL MEETING TO ORDER** Chairman calls the Meeting to order, states the date and time, states members present, and declares a quorum present.\*\*

President Gillenwater called the KEDC meeting to order at 6:04 PM. Directors present were Charles Gillenwater, Gail Godwin-Mason, and Jane Lucas. Directors Barry Ratcliffe and Ben Brashear were absent. President Gillenwater declared a quorum present. Also present were City Manager Mike Holder, City Secretary Jessie Hanks, and Economic Development Director Stewart McGregor.

**CITIZENS COMMENTS / REQUEST TO SPEAK ON AGENDA ITEMS (5 MINUTES)** Comments about any of the agenda items may be taken into consideration at this time or during the agenda item. Comments are limited to five (5) minutes per individual unless additional time is otherwise required by law for translation. Speaking time is not transferable. Citizens may address the KEDC on any subject but must first complete a Request to Speak Form so that the Chairman may call your name to speak at the appropriate time on the Agenda. Comments must be directed to the KEDC as a whole. **When addressing the KEDC, please step forward to the speaker's podium, state your name and address, and direct your comments to the Chairman and KEDC.**

No comments were given.

**FINANCIAL REPORT**

1. Receive the monthly Financial Report from the Treasurer of the Corporation.

Director Godwin-Mason gave the monthly Finance Report to the corporation.

**EXECUTIVE DIRECTOR'S REPORT** Receive an update and discussion regarding the following: a.) Meetings/Events of Interest; b.) Prospect Activity; c.) Staff Announcements

2. KEDC Executive Director's Report

Mr. McGregor presented the KEDC Executive Director's Report about his activities for this month.

**RECOGNITION**

3. Presentation of Certificate of Achievement for Economic Excellence from the Texas Economic Development Council

Mr. McGregor presented the Certificate of Achievement for Economic Excellence from the Texas Economic Development Council to the Kaufman Economic Development Corporation.

**DISCUSSION/ACTION ITEMS**

4. Consider and take appropriate action on the minutes from the February 15, 2023 Kaufman Economic Development Corporation meeting.

Director Lucas made a motion to approve the minutes from the February 15, 2023 Kaufman

Economic Development Corporation meeting. as presented. The motion was seconded by Director Godwin-Mason and passed 3/0.

5. Consider and take appropriate action on a meeting date for the April Regular KEDC Meeting.

Mr. McGregor informed the corporation about the need to reschedule the April Regular KEDC Meeting. The corporation directed Mr. McGregor to move the meeting from April 10th to April 18th.

6. Consider and take appropriate action on a site enhancement matching grant application for The Dance Factory, located at 209 W. Mulberry St., Kaufman, TX.

Mr. McGregor stated this item would need to be discussed in Executive Session.

**EXECUTIVE SESSION** In accordance with Texas Government Code, Section 551.001, et seq., the KEDC will recess into Executive Session (closed meeting) to discuss the following:

President Gillenwater recessed into Executive Session at 6:16 PM.

7. A. Sec. 551.087. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS; CLOSED 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 described by Subdivision (1): Projects Lock Box, Bluebonnet, Lego, Ryegrass, Forest, Kettle, Razorback, Cowbell, Sunshine, Snooze, Blue, Orange, Big Event; Downtown Square Properties, 209 W. Mulberry; KEDC-Owned Properties; Parcel IDs #426, 188001, 3871, 16826, 190536, 16821, 79084, 16829, 16832, 3876, 5404, 202751, 202752, 202753, 219551

B. Sec. 551.072. DELIBERATION REGARDING REAL PROPERTY; CLOSED MEETING. To deliberate the purchase, exchange, lease, or value of real property regarding: KEDC-Owned Properties; Projects Range, Prairie; Parcel IDs #49240, 5313, 5388, 5487, 50066, 50080, 50072

### **RECONVENE INTO OPEN SESSION**

President Gillenwater reconvened into open session at 7:04 PM.

8. Consider and take appropriate action, if any, on matters discussed in Executive Session.

Director Godwin-Mason made a motion to approve a non-binding letter of intent with Project Prairie and direct staff to negotiate based on board direction in the Executive Session. The motion was seconded by Director Lucas and passed 3/0.

Director Lucas made a motion to approve an economic development performance agreement with Galleher Acquisition Corporation for the expansion of their facility at 65 Oak Creek Drive for \$50,000, reimbursed with \$25,000 for the hiring of at least 10 new FTE's and \$25,000 upon receipt of a Certificate of Occupancy for a new 24,000 square foot building. The motion was seconded by Director Godwin-Mason and passed 3/0.

**BOARD INQUIRY** If a member of the Corporation makes a spontaneous inquiry about a subject not on this agenda, then the KEDC or an appropriate staff member may make a statement of factual information or policy in response to such an inquiry. However, in accordance with Open Meetings Act

Section 551.042, the KEDC cannot discuss issues raised or make any decisions on that subject at that time. Issues raised may be referred to Staff for research and possible future action.

No comments were given.

**ADJOURNMENT**

There being no further business, President Gillenwater adjourned the meeting at 7:06 PM.

**APPROVED:**

**ATTEST:**

\_\_\_\_\_  
Charles Gillenwater, President

\_\_\_\_\_  
Ben Brashear, Secretary/Treasurer



<b>Meeting Date: 4-18-2023</b>	<b>Date: 4-14-2023</b>	<b>Item #: 4</b>	<b>Dept.: KEDC</b>
(Check one)			
<input type="checkbox"/> <b>Consent</b>	<input checked="" type="checkbox"/> <b>Action</b>	<input type="checkbox"/> <b>Discussion</b>	
<b>SUBJECT:</b> Consider and take appropriate action on a site enhancement matching grant application for Eleanor’s Coffee Shop, to be located at 303 W. Mulberry St., Kaufman, TX.			
<b>BACKGROUND:</b> Ms. Averie Cantrell is leasing the building at 303 W. Mulberry St. (former gas station) to turn it into a drive-thru coffee shop. The property would include a patio and bistro tables for on-site consumption along with use of the covered awning area for drive thru uses. She has received all approvals and variances from the Planning & Zoning Commission and City Council regarding her site plan. Attached is her business plan. Due to the magnitude of the project, a summary of requested grants per the program matching schedule has been provided. The applications will be available for board review.			
<b>Author:</b> Stewart McGregor, KEDC Executive Director		<b>Reviewed:</b> Stewart McGregor, KEDC Executive Director	
<b>Cost:</b> \$23,543.67	<b>Funds Available:</b> KEDC Matching Grants	<b>Source:</b> KEDC Budget	
<b>Recommendation:</b> Discussion and board action.			

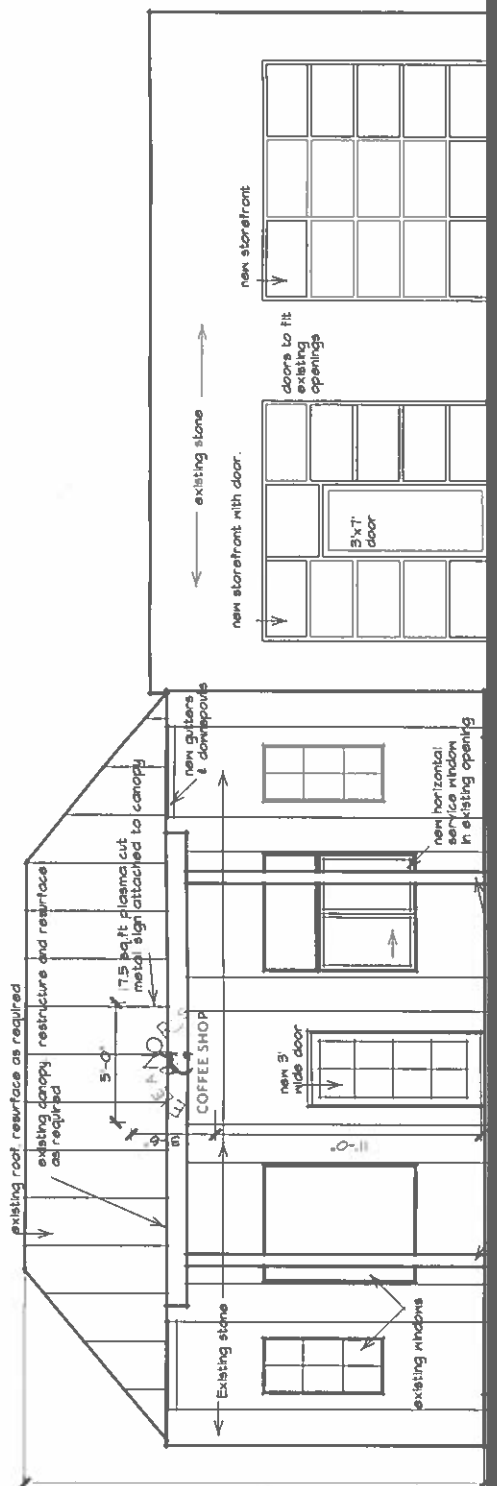
<b>Safe &amp; Secure</b> <input type="checkbox"/>	<b>Business Friendly/Economic Development</b> <input checked="" type="checkbox"/>	<b>Partnership &amp; Community Involvement</b> <input type="checkbox"/>	<b>Healthy &amp; Environmentally Cons. Comm.</b> <input type="checkbox"/>	<b>Financial &amp; OPS Stewardship</b> <input type="checkbox"/>
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## Eleanor's Coffee Shop

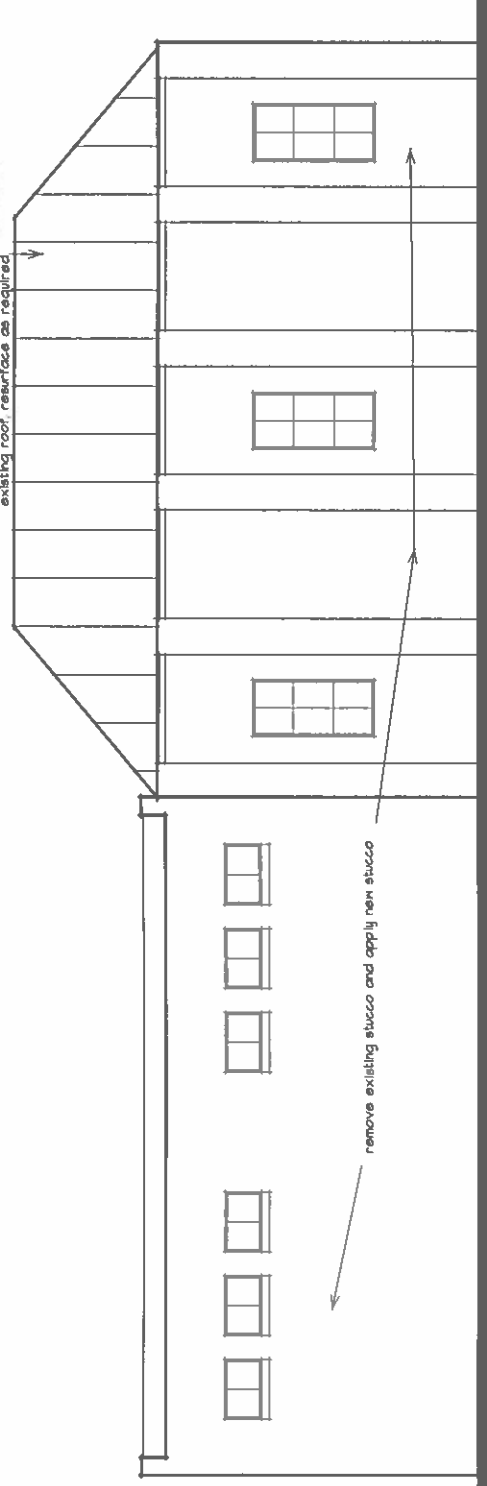
### Site Enhancement Matching Grant Items 303 W. Mulberry St., Kaufman, TX

Item	Project Total	Requested Grant	Bid(s)
Brick/Stone (replacement)	\$11,094.00	\$5,000.00 Rec. Amt. - \$5,000.00	1) \$11,094.00 2) \$10,152.31
Exterior Doors	\$2,556.97	\$1,278.48 Rec. Amt. - \$1,278.48	1) \$2,556.97 2) \$2,802.68
Paving/Surfacing	\$15,000.00	\$4,000.00 Rec. Amt. - \$4,000.00	1) \$18,861.00 2) \$15,000.00
Roof Replacement	\$48,610.80	\$5,000.00 Rec. Amt. - \$5,000.00	1) \$42,300.00 2) \$48,610.80
Exterior Lighting	\$649.22	\$324.61 Rec. Amt. - \$124.95	1) \$249.90 2) \$257.00
Paint	\$1,500.00	\$750.00 Rec. Amt. - \$750.00	1) \$7,000.00 2) \$1,500.00
Windows	\$25,313.50	\$3,000.00 Rec. Amt. - \$3,000.00	1) \$25,313.50 2) \$19,144.01
Awnings	\$4,146.84	\$2,000.00 Rec. Amt. - \$2,000.00	1) \$4,146.84 2) \$6,000.00
Signage	\$780.48	\$390.24 Rec. Amt. - \$390.24	1) \$780.84 2) \$1,428.50
Fixed Patio	\$4,000.00	\$2,000.00 Rec. Amt. - \$2,000.00	1) \$4,000.00 2) \$4,500.00
<b>TOTAL PROJECT INVESTMENT: \$85,000.84</b>		<b>RECOMMENDED GRANT: \$23,543.67</b>	

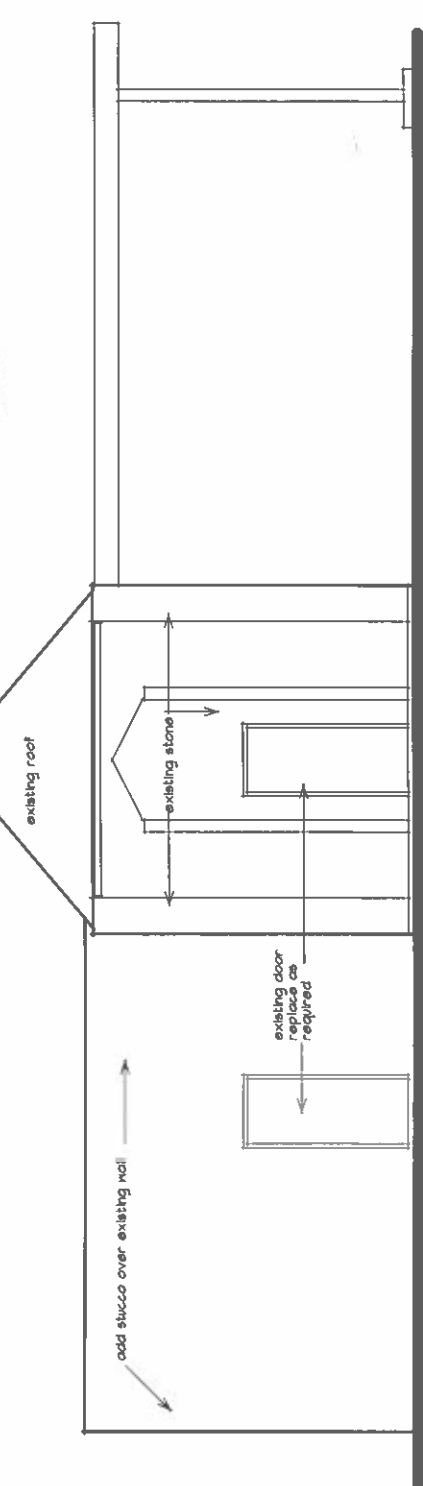




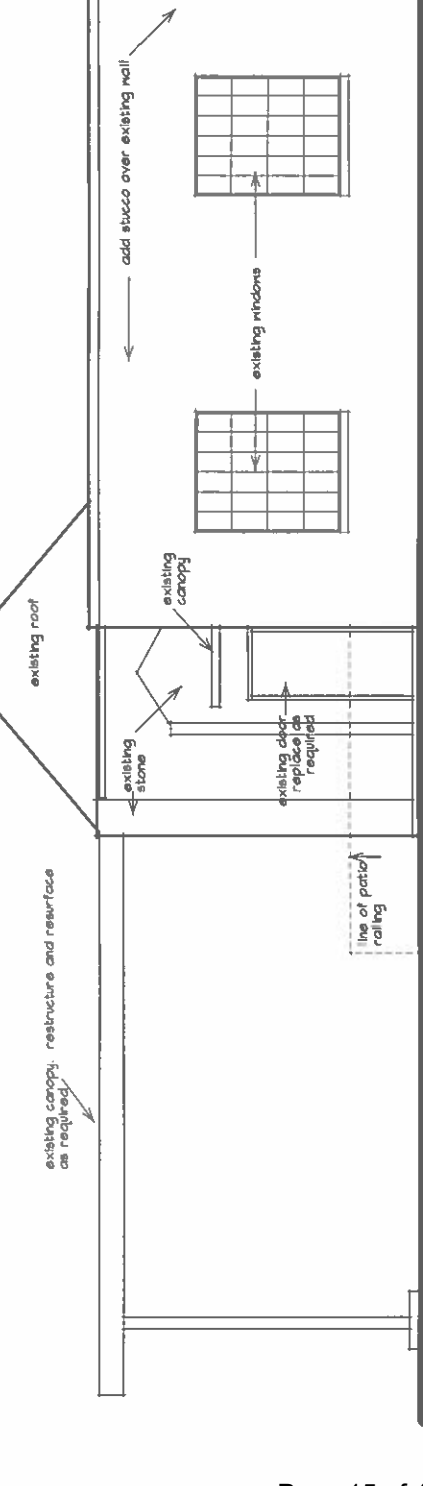
Front Elev. (North) 1/8" = 1'-0"  
 printed on 11" x 17" paper - 1/8" = 1'-0"



Rear Elev. (South) 1/8" = 1'-0"  
 printed on 11" x 17" paper - 1/8" = 1'-0"



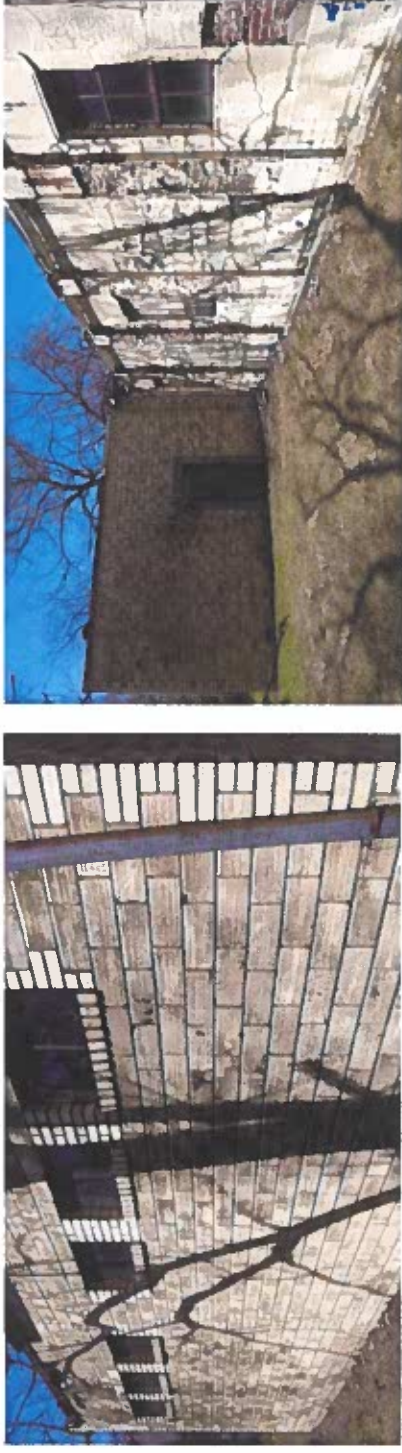
Left Elev. (East) 1/8" = 1'-0"  
 printed on 11" x 17" paper - 1/8" = 1'-0"



Right Elev. (West) 1/8" = 1'-0"



Exist. Front Elev.



Exist. Rear Elev.



Exist. Left Elev.



Exist. Right Elev.

revisions:

Remodel  
 303 W Mulberry  
 Kaufman, Texas



scott h. roberts, architect  
**creative architects**

1026 creekwood drive  
 garland, texas 75044  
 972-530-4872  
 www.creative-architect.com  
 scott@ca-or.com

Exhibit "C"  
 2022812  
 february 25, 2023  
 copyright 2023  
 creative architect



ASSOCIATE Aimee Conroy Brent Collier 4807 V. County Rd 2720 Carroll, Texas 75114 972-375-5222	ARCHITECT Scott Roberts Creative Architects 1026 Creekwood Garland, TX 75044 972-530-4872	OWNER Jeremy Higham 2110 Old McCombs Rd McKinney, Texas 75072 jeremy@eleanorshop.com 972-672-9118
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ELEANOR'S  
  
COFFEE SHOP  
**BUSINESS PLAN**

Prepared by:

Averie Cantrell  
4/19/2022

303 W Mulberry St  
Kaufman, Texas 75142  
903-275-5222  
averiecantrell@gmail.com



## **I. EXECUTIVE SUMMARY**

Eleanor's Coffee Shop (referred to from here on in as the "Company") is established as a C-corporation at 303 W Mulberry St, Kaufman, Texas 75142 with the expectation of rapid expansion in the coffee shop industry.

### **Business Description**

The Company is formed as a C-corporation under Texas state laws and headed by Averie Cantrell.

Averie Cantrell previously worked as a barista at The Pony Espresso, while in high school. This gives her an advantage since she already knows the ins and outs of the business such as customer service, product, and machine knowledge and much more. While Working at the Pony Espresso she interned at her Parents roofing company, having done that she knows how to also run a successful business from a financial standpoint.

### **Business Mission**

The goal at Eleanor's is to provide the community with personalized service and coffee expertise all while serving the best coffee at reasonable prices. Eleanor's will be a place for the community to come together, relax, visit and meet with friends. All while getting involved with the community, creating local jobs and making a name for themselves. Eleanor's values the community, ethical work, and good coffee. Whether you like coffee or not, the large variety of drinks and relaxing atmosphere is sure to please everyone.

## **II. BUSINESS CONCEPT**

### **Industry Overview**

In the United States, the coffee shop industry presently makes 100+ Billion dollars in sales a year.

The population of Kaufman county is projected to grow by ten percent in the next five years, which means that the target market for Eleanor's

Coffee Shop is growing since this is already an underserved market in Kaufman.

Research shows that consumers in the industry primarily focus on the following factors: Location, Price, and efficiency. These are what will influence a customer to purchase from a locally owned and operated company rather than a chain business like Starbucks. Eleanor's will offer personalized drinks made to order, with great coffee roasted weekly, and awesome customer service. They are a local business with reasonable prices, unlike our franchise competitors. With a convenient location on the square. The customers will experience little to no wait time due to the high efficiency coffee bar!

Eleanor's has the most convenient location for locals being it is located on the downtown square. The close proximity to Kaufman schools is sure to bring in more traffic.

### **Business Goals and Objectives**

Eleanor's Coffee Shop's goal is to make Kaufman its home and to productively serve the Kaufman Community with a large following and customer base! Eleanor's success is defined by a happy return customer, not only on the income that the business can make.

### **Legal Issues**

The Company affirms that its promoters have acquired all legally required Insurance, licensing, trademarks, and patents.

## **III. MARKETING SUMMARY**

### **Target Markets**

The Company's major target markets are as follows:

- A. The residents of Kaufman and the 10,114 commuters who will pass by Eleanor's each day.
- B. Anyone who likes great coffee, and good company.

The wide variety of drinks and friendly service is sure to make you love Eleanor's!

### **Market Analysis**

The estimated number of potential customers within the Company's geographic scope is 100,000 people since the population of Kaufman County is 125 thousand people which is only on the rise. While on Mulberry Street where Eleanor's will reside the average traffic in a given day is 1,700 cars. With well over 11,000 cars passing through the City of Kaufman each day.

The average median household income in Kaufman is 64 thousand dollars a year, which is one hundred and seventy four dollars more than the median Texan household income. The population in Kaufman is 7,225 with 2,541 households. With the median age being 34. The population of Kaufman County is expected to grow exponentially with a population increase of ten percent in just the next five years. Right now there are 1,700 that pass by Eleanor's on Washington St with over 11,000 cars passing through the city of Kaufman each day, with that number only growing. Leaving Eleanor's with a growing number of customers.

### **Pricing Strategy**

The Company has completed a thorough analysis of its competitors' pricing. Keeping in mind the competitors pricing and the cost of customer acquisition, we have decided on the following pricing strategy:

To serve the best coffee at a very reasonable price. Providing a return customer incentive by giving each customer a punch card. After ten drinks purchased on the punch card the eleventh drink will be free, in order to insure return customers while letting them know that we appreciate their business.

### **Distribution Strategy**

Eleanor's will have a drive through, in store ordering, and curbside delivery. We will take call ahead orders as well as offering a delivery service.

## **Promotional Strategy**

The Company will promote sales using the following methods:

Eleanor's Coffee Shop plans to market by getting involved with the local school districts by delivering free drinks once a month to one of the campuses. The company will also serve the local businesses with free drinks to promote Eleanor's while getting involved with the locals. They will have large signage, as well as a large social media following to keep everyone up to date with Eleanor's. A way that they plan to include everyone local or not is that we will offer the punch card promotion that makes your eleventh drink free. Eleanor's will have pop up shops from local businesses that don't have store fronts yet such as exclusively online stores to promote shopping local and shopping small. While their customers come to shop they will be able to check out what Eleanor's is all about. While we want to be sure to interact with our entire target market we will also purchase newspaper ads to promote Eleanor's.

## **Competition**

The level of competition in the coffee shop industry in the city of Kaufman is slim to none.

The only competitor for Eleanor's in Kaufman, is one Starbucks. Starbucks being our only competitor leaves a huge opportunity for Eleanor's to thrive. The population is sitting at 136,000 in Kaufman County and a projected ten percent growth in the population in the next five years, while also being the second fastest growing county in Texas, and the third fastest growing county in the Nation, that gives Eleanor's revenue the potential to multiply with little to no competition in the area

They believe that the Company has the following competitive advantages: Eleanor's coffee shop is set apart from Starbucks by the quality and freshness of the beans used. All of our coffee beans are roasted in Van Zandt County three days prior to Eleanor's using the beans. Therefore, we will have the freshest and highest quality coffee that is locally roasted in Kaufman County. All while creating a relationship and being personable with their customers offering quick service with little to no wait time

compared to our competitor. The company being locally owned and operated means Eleanor's is invested in the community, not just in town to make a profit. More than the quality, freshness, and customer service set Eleanor's apart. Eleanor's is located in town which is easier, quicker and more convenient for locals to access than our competitor.

## **PRODUCTS AND SERVICES**

First-class service is intended to be the focus of the Company and a cornerstone of the brand's success. All clients will receive conscientious, one-on-one, timely service in all capacities, whether that be transactions, conflicts or complaints. This is expected to create a loyal brand following and return business.

### **Products**

Eleanor's specializes in specialty coffee such as a flavored latte. Some examples can be a Caramel and Vanilla Latte which is served hot, iced, or blended. While also offering black coffee, pastry items, smoothies, tea, chai, matcha, cream soda, and lemonade. A very small example of the menu and pricing can be found in the appendix.

## **IV. FINANCIAL PLAN**

### **12-Month Profit and Loss Projection**

Monthly expense for salaries and overhead (projected):	10,000.00
Revenue and sales for forecasted year of business (projected):	270,000.00
Gross profit for first year of business (projected):	150,000.00

## APPENDIX

### MENU

#### Speciality Lattes - Hot, Iced or +\$1.00 for Blended

12oz-\$4.00      16oz-\$4.50      20oz-\$5.00      24oz-\$5.50

**Caramel + Vanilla**

**Chocolate + Caramel**

**White Chocolate + Vanilla**

**Cinnamon + Vanilla**

**Chocolate + Hazelnut**

**Maple + Caramel**

**White Chocolate + Raspberry**

**Chocolate + Coconut + Almond**

**Chocolate + Hazelnut + Caramel**

#### Cream Sodas

12oz-\$3.50   16oz-\$4.00   20oz-\$4.50   24oz-\$5.00

**Dr. Pepper + Vanilla + Cream**

**Coke + Cherry + Cream**

**Sprite + Orange + Vanilla + Cream**

**Root Beer + Bourbon Caramel + Cream**

**Red Bull + Strawberry + Cream**

#### Lemonade & Teas

12oz-\$3.50   16oz-\$4.00   20oz-\$4.50   24oz-\$5.00

**Blackberry + Lemonade**

**Lavender + Lemonade**

**Tea + Strawberry + Lemonade**

**Tea + Raspberry + Lemonade**

#### Extras

**Black Coffee** 12oz-\$2.00      16oz-\$2.25      20oz-\$2.50

24oz-\$2.75

**Chai**      12oz-\$3.25      16oz-\$3.75      20oz-\$4.25      24oz-\$4.75

**Matcha**      12oz-\$3.50      16oz-\$4.00      20oz-\$4.50      24oz-\$5.00

**Smoothies**      12oz-\$3.75      16oz-\$4.25      20oz-\$4.75      24oz-\$5.25

**Tea**      12oz-\$3.00      16oz-\$3.50      20oz-\$4.00      24oz-\$4.50

**Muffins** \$3.00

**Bagels** \$2.00





<b>Meeting Date: 4-18-2023</b>	<b>Date: 4-14-2023</b>	<b>Item #: 5</b>	<b>Dept.: KEDC</b>
(Check one) <input type="checkbox"/> <b>Consent</b> <input checked="" type="checkbox"/> <b>Action</b> <input type="checkbox"/> <b>Discussion</b>			
<b>SUBJECT:</b> Consider and take appropriate action on an economic development performance agreement between the Kaufman Economic Development Corporation and Galleher Acquisition Corporation (dba Galleher Industries) for an expansion project in a total amount not to exceed \$50,000.00, setting performance benchmarks and authorizing the board president to execute a contract, in a form approved by counsel, regarding same.			
<b>BACKGROUND:</b> Last month, the KEDC Board took action to approve an expansion incentive for Galleher Industries, located at 65 Oak Creek Dr. in Kaufman. The incentive will be provided with \$25,000 upon Certificate of Occupancy for a new 24,000 sf building and \$25,000 following the hiring and retention of 10 new FTEs. Galleher also plans to designate this property as their corporate headquarters (relocating the designation from California). City Council will need to ratify this expenditure since it will come from fund balance.			
<b>Author:</b> Stewart McGregor, KEDC Executive Director		<b>Reviewed:</b> Stewart McGregor, KEDC Executive Director	
<b>Cost:</b> \$50,000	<b>Funds Available:</b> KEDC Fund Balance	<b>Source:</b> KEDC Budget	
<b>Recommendation:</b> Approval			

<b>Safe &amp; Secure</b>	<b>Business Friendly/Economic Development</b>	<b>Partnership &amp; Community Involvement</b>	<b>Healthy &amp; Environmentally Cons. Comm.</b>	<b>Financial &amp; OPS Stewardship</b>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**ECONOMIC DEVELOPMENT & PERFORMANCE AGREEMENT**

**BETWEEN**

**THE KAUFMAN ECONOMIC DEVELOPMENT CORPORATION**

**AND**

**GALLEHER ACQUISITION CORPORATION,  
a Texas Corporation, and Brad Bowden**

**STATE OF TEXAS**

§

**COUNTY OF KAUFMAN**

§

§

This Economic Development and Performance Agreement (“Agreement”) is made and entered into by and between the City of Kaufman Economic Development Corporation, a Type A corporation created pursuant to the authority of the Development Corporation Act of 1979 (“KEDC”), and Galleher Acquisition Corporation, a Texas corporation, Brad Bowden, an individual (hereinafter collectively referred to as “Galleher” or “Company”, whether one or more) and is made and entered into effective as of the last date signed by the parties hereto (the “**Effective Date**”) (“Effective Date”). The KEDC and Company may hereinafter be referred to collectively as the “Parties” and sometimes individually referred to as a “Party.”

**RECITALS**

**WHEREAS**, Texas Local Government Code Section 501.158 of the Development Corporation Act authorizes the KEDC to execute performance agreements with certain business enterprises to provide funding or make expenditures of sales tax on behalf of a business enterprise, in furtherance of a permissible economic development project; and

**WHEREAS**, the KEDC is a Type A economic development corporation, and a Texas non-profit corporation operating pursuant to Chapters 501 and 504 of the Texas Local Government Code, as amended (also referred to as the “Act”), and the Texas Non-Profit Corporation Act, as codified in the Texas Business Organizations Code, as amended;

**WHEREAS**, the Company has requested financial assistance from the KEDC to make physical improvements to its business facilities and expand its manufacturing business, including the construction of a new 24,000 square foot building, located at 65 Oak Creek Drive, Kaufman, Texas 75142 (“Project Site”); and

**WHEREAS**, the KEDC wishes to provide the Company with an economic incentive to encourage the Company to complete the Project and to encourage the success of the Project, and the Company wishes to accept such economic incentive on the terms and conditions set forth in this Agreement; and

**WHEREAS**, Tex. Loc. Gov't Code Sec. 501.158 prohibits the direct economic incentive contemplated by this Agreement unless the KEDC enters into a performance agreement with Company providing, at a minimum, a schedule of additional payroll or jobs to be created or retained and capital investment to be made under the agreement;

**WHEREAS**, the Act further prohibits the execution of a performance agreement without provisions for the recovery of the KEDC's economic incentives in the event the Company defaults on its obligations under this Agreement; and

**WHEREAS**, Company acknowledges and agrees that the KEDC, in granting this economic incentive to the Company, is relying upon Company's representations, warranties, and agreements, as set forth and provided for in this Agreement, and the KEDC's tender of the economic incentive contemplated by this Agreement is contingent upon the Company agreeing to repay, in full, the economic incentive the Company receives from the KEDC pursuant to the terms hereunder in the event of the Company's uncured breach of its obligations hereunder; and

**WHEREAS**, the KEDC finds the Project is appropriate pursuant to Texas Local Government Code Chapter 501, Subchapter C, Section 501.101 as project related to the creation or retention of primary jobs and meets the definition of "cost" as that term is defined in Section 501.152 of the Texas Local Government Code, as amended; and

**WHEREAS**, the KEDC finds it is duly authorized by the Constitution and laws of the State of Texas to enter into this Agreement; and

**WHEREAS**, the KEDC finds that the economic development funds contemplated by this Agreement were presented for consideration and approved by the KEDC's board of directors at a properly noticed public meeting on April 18, 2023 and approved by the City of Kaufman City Council on April 24, 2023; and

**WHEREAS**, the City of Kaufman and the Board of Directors of KEDC have determined that the granting of this incentive to Company is in the public interest and will promote or develop opportunities for new and an enhanced quality of businesses for the City of Kaufman, and have approved and authorized the making and performance of this Agreement by KEDC; and

**WHEREAS**, the commitments contained in this Agreement shall become legally binding obligations enforceable against the Parties upon the Parties approving and executing this Agreement.

**NOW, THEREFORE**, for and in consideration of mutual agreements described herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, KEDC and Company hereby represent, stipulate and agree as follows:

**ARTICLE 1.**  
**DEFINITIONS**

1.1. The terms “Agreement,” “City,” “KEDC,” “Galleher,” “Company,” “Program,” “Property,” “Project,” shall have the meanings provided for them in the Recitals above. Except as may be otherwise defined, or if the context clearly requires otherwise, capitalized terms and phrases as used in this Agreement shall have the meanings as follow:

1.2. “Economic Development Funds” means any qualifying payment of public monies Company receives from the KEDC in the form of any grant or payments in conjunction with Company’s development, construction and operation of the Project.

1.3. “Effective Date” means the date this Agreement is last signed by the Parties and the obligations herein shall become legally binding against the Parties.

1.4. “Event of Bankruptcy or Insolvency” means the dissolution, termination or liquidation of Company’s existence as a going business (but not in connection with a merger, acquisition or other entity reorganization), the reorganization of Company as part of a bankruptcy proceeding, insolvency, or the appointment of a receiver for any significant part of Company’s Property.

1.5. “Workforce Retention Incentive” means the performance based economic development payment, not to exceed Twenty-Five Thousand Dollars and No/100ths (\$25,000.00), the KEDC pays to Company to incentivize Company to create and retain at least ten (10) additional FTE jobs related to the Project.

1.6 “Reimbursement Incentive” means the performance based economic development payment, not to exceed Twenty-Five Thousand Dollars and No/100ths (\$25,000.00), the KEDC pays to the Company for the reimbursement of physical improvements and expansion made to the Company’s business facility as outlined in Section 4.

1.7 “Full-Time Equivalent” (“FTE”) job means a job at which an employee works a minimum of thirty (30) hours per week, or one thousand five hundred sixty (1,560) hours per year. Two part-time equivalent (“PTE”) jobs that cumulatively equal or exceed that total number of hours in a year may be counted as one FTE. A single PTE job must equal at least fifteen (15) hours per week, or seven hundred eighty (780) hours per year.

1.8. “Taxable Item” shall have the same meaning assigned by Section 151.010 and 151.0101 of the Texas Tax Code, as may be amended.

1.9. “Project” means the operation and expansion of Company’s business and physical improvements to Company’s facilities, including the construction of a new 24,000 square foot building, located at 65 Oak Creek Drive, Kaufman, Texas 75142.

**ARTICLE 2**  
**RECITALS AND TERM**

2.1. **Recitals.** The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the Parties.

2.2. **Term.** This Agreement shall commence on the Effective Date and, unless sooner terminated pursuant to any other provision of this Agreement, shall terminate on the two year anniversary of the Effective Date which shall be referred to as the “Term” of the Agreement.

2.3. Before the termination of this Agreement, the KEDC shall make sure any payment of Economic Development Funds that has become due or that may become due under this Agreement has been paid or will be paid to Company in accordance with this Agreement. Following the termination of this Agreement or the termination of any payment obligation, the KEDC shall not be responsible for any further payment of Economic Development Funds to Company

**ARTICLE 3.**  
**PERFORMANCE OBLIGATIONS OF THE COMPANY**

The Company covenants and agrees to satisfy the following obligations as a condition precedent to receiving the incentives contemplated by this Agreement:

3.1. **Capital Investment.** Company covenants, warrants and agrees that it shall make a minimum capital investment in the Project of at least **One Million Five Hundred Thousand Dollars and No/100ths (\$1,500,000.00)**. Company shall submit a report from a certified public accountant to verify that capital investment funds were expended in the amount required by this Agreement before any qualified incentive payment is owed.

3.2. **Project Completion.** The Company shall obtain its final certificate of occupancy for the Project within one year of the Effective Date.

3.3. **Local Purchases and Sales and Use Taxes.** To the greatest extent possible, Company and its contractors and subcontractors shall make every reasonable effort to purchase materials associated with the Project that may qualify as a Taxable Item from a supplier or vendor having a sales tax location situated within the City's corporate limits. Company also agrees to report all sales and use taxes for sales and purchases related to its business as originating in the City of Kaufman, to the maximum extent permitted by law, for a five (5) year period beginning on the Effective Date of this Agreement. This provision shall survive the termination of this Agreement.

3.4. **Jobs / FTEs.** Company agrees to add at least ten (10) new full time equivalent (“FTE”) jobs, originating in the City of Kaufman, to its payroll and agrees to retain those 10 FTEs continuously for at least one year from the date of hiring. When the Company has employed at least ten (10) new FTE employees for sixty (60) continuous days, Company shall be eligible to

apply for its Workforce Retention Incentive. The receipt of the Workforce Retention Incentive shall not affect Company's obligation to retain at least 10 FTE jobs continuously for one year from the date of hiring. Employees transferred from out-of-state may not be counted for purposes of determining FTEs under this provision.

3.5 **Workforce Retention Efforts and Reporting of Jobs Information.** As a condition precedent to receiving payment under this Agreement, Company must provide a report or sworn statement with supporting documentation, including employee payroll reports, as proof that it has complied with its job creation and maintenance obligations under this Agreement.

3.6. **Compliance.** To the greatest extent required by law, Company shall comply with all local, state and federal laws and environmental regulations during the Term of this Agreement

3.7. **Undocumented Workers.** During the Term of this Agreement, Company agrees not to knowingly employ any Undocumented Worker as defined by the Tex. Gov't. Code Sec. 2264.001(4)(A-B). If during the Term of this Agreement, Company is convicted of a violation under 8 U.S.C. § 1324a(f), Company shall repay the amount of the public subsidy provided under this Agreement plus interest, at the rate of eight percent (8%), not later than the 120<sup>th</sup> day after the date Recipient is convicted of such violation.

3.8 **Use of Economic Development Funds.** The Company agrees to use the Economic Development Funds, as defined in Article 4.1, to expand the Company's facilities on the Project Site.

3.9. Company shall remain solely responsible for the performance obligations as defined herein which shall be a condition precedent to Company receiving any Economic Development Funds contemplated by this Agreement.

#### **ARTICLE 4.** **ECONOMIC INCENTIVE OBLIGATIONS OF THE KEDC**

4.1. **Reimbursement Incentive.** The KEDC desires to incentivize the Company's successful completion and operation of the Project by reimbursing the Company a portion of its costs for the physical improvements and expansion to Company's manufacturing facility in an amount not to exceed **Twenty-Five Thousand Dollars and No/100ths (\$25,000.00)**, provided Company has complied with all obligations to the KEDC under this Agreement. To qualify for the Reimbursement Incentive, Company shall submit a request for reimbursement and provide proof of its required capital investment and proof of a certificate of occupancy being issued for the Project by the City, including the construction of a new 24,000 square foot building. The KEDC shall issue payment for the Reimbursement Incentive within 30 days of Company submitting its request for reimbursement and required documentation showing compliance with Article 4.1 of this Agreement. In no event shall the KEDC's total Reimbursement Grant payment obligation exceed **Twenty-Five Thousand Dollars and No/100ths (\$25,000.00)**.

4.2 **Workforce Retention Incentive.** The KEDC agrees to pay Company a Workforce Retention Incentive not to exceed **Twenty-Five Thousand Dollars and No/100ths (\$25,000.00)** to incentivize Company to hire at ten (10) new and additional full time equivalent (“FTE”) jobs to its payroll as a result of the expansion of its facility. To qualify for the Workforce Retention Incentive, Company shall make a request in writing to the KEDC consistent with Section 3.4 of this agreement. The KEDC shall pay the Workforce Retention Incentive in an amount not to exceed **Twenty-Five Thousand Dollars and No/100ths (\$25,000.00)** within 30 days of Company submitting a written request and appropriate documentation. Company agrees to retaining ten (10) new FTEs from the date of hiring for at least one year at which the KEDC will once again verify employment.

4.3. The KEDC shall make a budget item every year during the term of this Agreement that addresses its potential financial obligations, if any, under this Agreement.

## **ARTICLE 5.** **LIABILITY**

5.1. By executing this Agreement, Company assumes no obligation, duty or other responsibility with regard to any governmental function or service for which the KEDC shall be responsible in accordance with this Agreement. Similarly, the KEDC assume no obligation, duty or other responsibility with regard to any duty, right, obligation or responsibility arising from or associated with the Project for which Company is solely responsible in accordance with this Agreement. In addition, the KEDC assumes no legal liability for the actions of Company or a branch, division, department, subsidiary, affiliate or franchisee of Company through the execution of this Agreement.

5.2. Each Party to this Agreement agrees that it shall have no liability for the actions or omissions of the employees, agents, directors, officers, members, stockholders or trustees of any other Party, and each Party is solely responsible for the actions and omissions of its own employees, agents, directors, officers, members, stockholders or trustees.

## **ARTICLE 6.** **EVENTS OF DEFAULT BY COMPANY AND REMEDIES**

6.1. **Event of Bankruptcy or Insolvency:** The following shall be an Event of Default: dissolution or termination of Company’s existence as a going business, insolvency, appointment of receiver for any part of Company’s property, any assignment of all or substantially all of the assets of Company for the benefit of creditors of Company, any type of creditor workout for Company, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Company, unless, in the case of involuntary proceedings, such proceedings are discharged within ninety (90) days after filing, any of which occur prior to the end of the Term of this Agreement.

6.2. Undocumented Workers: During the term of this Agreement, the Company agrees to not knowingly employ any Undocumented Worker as that term is defined herein according to Texas Government Code Section 2264.001, as may be amended.

6.3. False Statements: The following shall be an Event of Default: Any warranty, representation or statement made or furnished to KEDC by or on behalf of Company through an authorized representative of Company, under this Agreement which it knows or reasonably should have known was false or misleading in any material respect, either now or at the time made or furnished, and Company fails to cure same to the satisfaction of KEDC within thirty (30) days after written notice from KEDC describing the violation, or if such violation cannot be cured within such thirty (30) day period in the exercise of all due diligence, then if Company fails to commence such cure within such thirty (30) day period or fails to continuously thereafter diligently prosecute the cure of such violation, or if Company learns that any such warranty, representation or statement has become false or misleading, and Company fails to provide written notice to KEDC of the false and misleading nature of such warranty, representation or statement within ten (10) days after Company learns of its false or misleading nature.

6.4. Miscellaneous Defaults: The following shall be an Event of Default: Failure of the Company to comply with or perform any other term, condition, affirmative covenant or obligation contained in this Agreement; failure of the Company to comply with or perform any other term, obligation, affirmative covenant or condition contained in any other agreement between KEDC and the Company.

6.5. Recapture. If Company fails to cure or correct an Event of Default as described by this Agreement within forty-five (45) days of the KEDC's written notice to Company to cure the Event of Default, or if Company's Event of Default is incurable, then Company shall be immediately obligated to repay all of the Economic Development Funds paid to or on behalf of the Company pursuant to Article 4 hereof within forty-five (45) days after the date the KEDC sends its written demand for repayment to the Company in accordance with Section 8.1 hereof. However, if Company fails to employ the 10 new FTE positions continuously for one year following completion of hiring as outlined in Article 3.4, then Company agrees to reimburse the KEDC \$2,500 for every FTE job below the required amount.

6.6 In the event the Company does not tender repayment to the KEDC of the Economic Development Funds payments due and owing within the forty-five (45) days required by Section 6.5 above, then the outstanding Economic Development Funds amount shall accrue interest in the amount of eight percent (8%) per annum until such time as the Company repays the balance due.

6.7 Any delay for any amount of time by the KEDC in providing notice of Default to Company shall in no event be deemed or constitute a waiver of such Event of Default by the KEDC of any of its rights and remedies available in law or in equity.

6.8 Any waiver granted by the KEDC to Company of an Event of Default shall not be deemed or constitute a waiver of any other existing or future Event of Default by Company or of a subsequent Event of Default of the same act or event by Company.

**ARTICLE 7.**  
**EVENTS OF DEFAULT BY KEDC**

7.1. It shall be an Event of Default by KEDC under this Agreement if KEDC fails to perform its obligations under Article 4 of this Agreement. If KEDC fails to cure such Event of Default within sixty (60) days of its receipt of written notice from the Company, then the Company shall have all remedies available at law or in equity for the enforcement of this Agreement.

7.2. Should the KEDC fail to timely, fully and completely comply with any one or more of the requirements obligations, duties, terms, conditions or warranties of this Agreement, such failures shall be an Event of Default by the KEDC and the KEDC shall have sixty (60) days to cure and remove the Event of Default upon receipt of written notice to do so from Company.

7.3. **Liability Limitation. COMPANY SPECIFICALLY AGREES THAT THE KEDC SHALL ONLY BE LIABLE TO COMPANY FOR A MAXIMUM AMOUNT OF ECONOMIC DEVELOPMENT FUNDS THEN DUE AT THE TIME OF THE KEDC'S ALLEGED BREACH AND KEDC SHALL NOT BE LIABLE TO COMPANY FOR ANY OTHER ACTUAL OR CONSEQUENTIAL DAMAGES, DIRECT OR INDIRECT, ATTORNEY'S FEES, OR INTEREST FOR ANY ACT OF DEFAULT BY THE KEDC UNDER THE TERM OF THIS AGREEMENT. IN NO EVENT SHALL THE CITY OF KAUFMAN BE FINANCIALLY RESPONSIBLE FOR THE UNCURED BREACH OF THE KEDC.**

**ARTICLE 8.**  
**NOTICES**

8.1. Any notice given under this Agreement must be in writing and may be given (i) by depositing it in the United States mail, certified, with return receipt requested, addressed to the Party to be notified at the address set forth below, or at the last address for notice that the sending Party has for the receiving Party at the time of mailing, and with all charges prepaid; (ii) by depositing it with Federal Express or another service guaranteeing "next day delivery," addressed to the Party to be notified and with all charges prepaid; (iii) by personally delivering it to the Party, or any agent of the Party listed in this Agreement; (iv) by electronic mail (i.e., e-mail); or (v) facsimile with confirming copy sent by one of the other described methods for notice set forth in this sentence. Notice by United States mail as provided in (i) will be deemed delivered when actually received by the intended receiving Party. Notice by electronic mail will be deemed received the following business day from the date sent. Payments to any Party shall be made by check at the address set forth below (without copies), unless timely notice of change of address is given to a Party in writing. For purposes of this Article 8, the addresses of the Parties will, until changed as provided in Sec. 8.2 below, be as follows:

**COMPANY:**

Galleher Acquisition Corp

Attention: \_\_\_\_\_

65 Oak Creek Drive



Kaufman, Texas 75142

**KEDC:**

Kaufman Economic Development Corporation  
Attention: Stewart McGregor, Executive Director  
209 S. Washington Street  
Kaufman, Texas 75142

**with a copy to:**

Josh Brockman-Weber, Counsel  
Messer, Fort, McDonald  
4201 W. Parmer Lane, C-150  
Austin, Texas 78727  
Email: josh@txmunicipallaw.com

8.2. Any Party may designate a different address by giving all other Parties thirty (30) days written notice of the different address.

**ARTICLE 9.**

**VENUE, IMMUNITY & NO CONSENT TO SUIT**

9.1. This Agreement shall be construed and interpreted in accordance with the laws of the State of Texas without considering its choice of law provisions. It is further agreed that any dispute arising out of or related to this Agreement shall be resolved in a court of competent jurisdiction in Kaufman County, Texas. Nothing in this Agreement shall constitute a waiver by the KEDC of its governmental or sovereign immunity, to the extent applicable, unless otherwise waived by Texas law. Nothing in this Agreement shall be construed as express or implied consent by KEDC to being sued, to the extent applicable, unless otherwise provided by Texas law.

**ARTICLE 10.**

**MISCELLANEOUS PROVISIONS**

10. The following miscellaneous provisions are a part of this Agreement:

10.1 Disclaimer: Nothing herein shall confer upon any person, firm, or other entity other than the Parties hereto any benefit or any legal or equitable right, remedy or claim under this Agreement. All obligations hereunder of the Parties hereto shall be binding upon their respective successors and assigns unless otherwise provided by law. The Company shall not assign this Agreement in whole or in part to any third party or an affiliate.

10.2 Entire Agreement and Amendments: This Agreement constitutes the entire understanding and agreement of the Parties as to the matters made the subject of this Agreement. There are no binding agreements or representations by either of the parties except for those set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless made in writing and signed by the party or parties sought to be charged or bound by the

alteration or amendment. Except as expressly provided herein, there are no third-party beneficiaries of this Agreement.

10.3 Approvals or Consents: Approvals or consents required or permitted to be given under this Agreement shall be evidenced by an appropriate ordinance, resolution, or minute order adopted by the governing body or board of the appropriate Party and by the governing body of the City, to the extent required, or by a certificate executed by a person, firm or entity previously authorized to give such approval or consent on behalf of a Party. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

10.4 Modification: This Agreement shall be subject to change or modification only when so authorized by the City of Kaufman and with the mutual written consent of KEDC and the Company.

10.5 Supplementation: In the event any further documentation or information is required for this Agreement to be valid, then the Parties to this Agreement shall provide or cause to be provided such documentation or information. The Parties shall execute and deliver such documentation, including but not limited to any amendments, corrections, deletions or additions as necessary to this Agreement provided, however, that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the Parties. The Parties further agree that they shall do anything necessary to comply with any requirements to honor or otherwise enable the full effect of this Agreement; provided, however, that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the Parties.

10.6 Applicable Law and Venue: This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Kaufman County, Texas. Venue for any action arising under this Agreement shall lie in the state courts of Kaufman County, Texas.

10.7 Binding Obligation: KEDC warrants and represents that the individual executing this Agreement on behalf of KEDC has full authority to execute this Agreement and bind KEDC to the same. Company warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind Company to the same. Each party represents and warrants that it is duly authorized to enter into this Agreement and to perform its obligations contemplated hereunder. This Agreement shall be binding upon, and inure to the benefit of, KEDC and its successors and assigns. This Agreement shall be binding upon, and shall inure to the benefit of Company, its successors and permitted assigns. Notwithstanding anything herein to the contrary, Company may transfer, encumber or assign any of its rights or obligations under this Agreement during its Term with the prior written consent of KEDC, which consent shall not be unreasonably withheld. Any such assignment shall be in writing, shall be signed by Company and the assignee, and shall include a covenant by the assignee to assume and perform all of the obligations of Company under this Agreement to the extent applicable.

10.8 Caption Headings: Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

10.9 Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

10.10 Review and Inspection: The Company agrees to allow KEDC (and its agents and representatives) to inspect the Project in the event of suspected default after at least ten (10) days' written notice to Company, and to review (and copy) any and all of the Company's records, documents, agreements and other instruments as related to this agreement for the following purposes: (i) to ensure, confirm and document the Company's compliance with the covenants set forth herein; (ii) to determine and document the existence of any Event of Default; and (iii) to determine and document compliance with any other term or condition of this Agreement.

10.11 Severability: If a court of competent jurisdiction finds any provision of this agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

10.12 Survival: All warranties, representations, and covenants made by Company in this Agreement or in any certificate or other instrument delivered by Company to KEDC under this Agreement shall be considered to have been relied upon by KEDC.

10.13 Time is of the Essence: Time is of the essence in the performance of this Agreement.

10.14 Merger: The terms contained in this Agreement represent the final agreement among and between the Parties with respect to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. The Parties agree that by entering into this Agreement they have not relied upon any representation other than those contained in this Agreement. The Parties agree that they have read this Agreement, sought the advice of counsel, understand the terms of this Agreement and have executed this Agreement voluntarily.

10.15 Immunity. To the extent applicable, nothing in this Agreement shall constitute a waiver by the KEDC of its governmental or sovereign immunity. Nothing in this Agreement shall be construed as express or implied consent by the KEDC to being sued.

10.16 Confidentiality. The City and the KEDC, and each of its respective officers and employees, and each of its respective agents or contractors who may be retained to perform economic development services for the City and/or the KEDC in furtherance of this Agreement, shall treat as confidential any proprietary information delivered by Company or

its respective representatives to the City and/or KEDC and the City and/or the KEDC shall not release such information to the public, unless required by law or court order. Company acknowledges that the City and KEDC are subject to the Texas Public Information Act. The City and/or KEDC shall immediately notify Company of requests for public information or court orders commanding the release such information; however, it shall be Company's sole responsibility to prepare, assert, file, or otherwise deliver any objection to the release of any public information concerning Company and the Project made the subject of this Agreement to the requestor or proper authorities.

(The remainder of this page is intentionally blank)

**SIGNATURES:**

\_\_\_\_\_

**By:** \_\_\_\_\_

On behalf of Galleher Acquisition Corp.

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**ACKNOWLEDGMENT**

STATE OF TEXAS

COUNTY OF KAUFMAN

BEFORE ME, the undersigned authority, in and for said County, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and averred that he executed the same on behalf of and as the act of said company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE \_\_\_\_ DAY OF \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public, State of Texas  
My commission expires \_\_\_\_\_

**SIGNATURES:**

**By:** \_\_\_\_\_

Brad Bowden, Individually

**Date:** \_\_\_\_\_

**ACKNOWLEDGMENT**

STATE OF TEXAS

COUNTY OF KAUFMAN

BEFORE ME, the undersigned authority, in and for said County, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed that instrument for the purposes and consideration therein expressed in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE \_\_\_\_ DAY OF \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public, State of Texas  
My commission expires \_\_\_\_\_

**KEDC:**

**Kaufman Economic Development Corporation,**  
A Texas non-profit corporation

By: \_\_\_\_\_  
Charles Gillenwater, President

STATE OF TEXAS

COUNTY OF KAUFMAN

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2023, by Charles Gillenwater, Board President for the Kaufman Economic Development Corporation, a Texas non-profit corporation, on behalf of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE \_\_\_\_ DAY OF \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public, State of Texas  
My commission expires \_\_\_\_\_



<b>Meeting Date: 4-18-2023</b>	<b>Date: 4-14-2023</b>	<b>Item #: 6</b>	<b>Dept.: KEDC</b>
(Check one)			
<input type="checkbox"/> <b>Consent</b>	<input checked="" type="checkbox"/> <b>Action</b>	<input type="checkbox"/> <b>Discussion</b>	
<b>SUBJECT:</b> Consider and take appropriate action on a confidentiality and non-disclosure agreement for the Board of Directors of the Kaufman Economic Development Corporation.			
<b>BACKGROUND:</b> The KEDC Attorney, Josh Brockman-Weber, brought it to the attention of KEDC staff of the desire to engage each board member with a general non-disclosure agreement. Due to the confidential nature of business negotiations with the KEDC, the attorney has used this agreement with other client EDCs in an effort to promote ethics and confidentiality among staff and board members.			
<b>Author:</b> Stewart McGregor, KEDC Executive Director		<b>Reviewed:</b> Stewart McGregor, KEDC Executive Director	
<b>Cost:</b> N/A	<b>Funds Available:</b> N/A	<b>Source:</b> N/A	
<b>Recommendation:</b> Approval			

<b>Safe &amp; Secure</b> <input type="checkbox"/>	<b>Business Friendly/Economic Development</b> <input type="checkbox"/>	<b>Partnership &amp; Community Involvement</b> <input type="checkbox"/>	<b>Healthy &amp; Environmentally Cons. Comm.</b> <input type="checkbox"/>	<b>Financial &amp; OPS Stewardship</b> <input checked="" type="checkbox"/>
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**KAUFMAN ECONOMIC DEVELOPMENT CORPORATION  
CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT**

THIS CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT (“Agreement”) is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ “Associate” and the Kaufman Economic Development Corporation or (“the KEDC”).

**WHEREAS**, Associate is an employee, officer, board member, contractor, consultant, or volunteer of the KEDC or the City of Kaufman; and

**WHEREAS**, in that position Associate may learn about or become privy to information about prospective financial incentives that may be offered to a party by either the KEDC or the City of Kaufman for the purpose of economic development; and

**WHEREAS**, Associate may receive or have access to confidential or proprietary information or plans about or belonging to a business or other entity or its affiliate regarding an entity’s business or an economic development project or prospect; and

**WHEREAS**, the unauthorized disclosure of such incentives, information, or plans may jeopardize the success of an economic development project in the City of Kaufman, or may result in the release to the public of information that is proprietary or confidential under law or by agreement; and

**WHEREAS**, the KEDC and Associate desire to prevent any such unauthorized disclosure and to enter into this agreement for the purpose of prohibiting the same;

**NOW THEREFORE**, in consideration of the premises, the continued association of the KEDC and Associate, and the mutual covenants provided herein, the sufficiency of which is hereby acknowledged, the KEDC and Associate, each, intending to be legally bound, agree to the following provisions:

From the acceptance date of this agreement, Associate shall keep confidential the information it receives from the KEDC, from the City of Kaufman, or from any entity involved in discussions, plans or negotiations regarding any economic development project or similar endeavor, including any and all confidential or proprietary information, and shall neither disclose to any third party, use such information to the benefit of Associate or any person known to Associate, nor use such information to the detriment of any other party. The information to which this Agreement applies includes but is not limited to the following:

1. Information received by Associate in conjunction with his or her association with the KEDC about which the KEDC has verbally described or designated in writing as “Confidential” or “Proprietary.”
2. Information discussed in a valid executive session conducted by the KEDC Board or the City Council of the City of Kaufman pursuant to the Texas Open Meeting Act, Ch. 551, Texas Government Code;

The obligation of confidentiality, nondisclosure and nonuse shall apply to any information with the exception of that which:

- (a) is previously known to Associate, evidenced by written records,
- (b) was subsequently otherwise acquired by Associate from a third party having an independent right to disclose the information,
- (c) is in the public domain at the time of disclosure or otherwise becomes part of the public domain through no fault of the Associate after such disclosure,
- (d) is developed by or for the Associate independently of the Associate's contact with or relationship with the KEDC or the City of Kaufman; or
- (e) either party is required to disclose pursuant to law, including but not limited to the Texas Public Information Act (TEX. GOV'T CODE chpt. 552).

3. Notwithstanding any other provision in this Agreement, any party receiving Confidential Information may disclose, on a confidential basis, to employees, officers, directors, independent contractors, attorneys, accountants, financial advisors, or agents of the KEDC or the City of Kaufman having a need to know such Confidential Information.

4. KEDC and Associate understand and agree that all documents filed with the KEDC by third parties may be available for access by the public pursuant to the Texas Public Information Act or the Federal Freedom of Information Act. However, Associate agrees to withhold and not release any such documents to the public during any time that the question of whether the same must be released or may be withheld is being determined by the Texas Attorney General or any court of federal agency having jurisdiction. The presumption may be overcome by the proper showing, consistent with the court's decision. Associate and the KEDC submit to the jurisdiction of the district courts in Kaufman County, Texas and the U.S. District Court Northern District of Texas to resolve disputes which cannot be resolved by the parties.

5. Violation of this Agreement by Associate shall be grounds for any of the following: termination of employment, contract, or other relationship between Associate and the KEDC or the City of Kaufman; removal from office and the board upon the recommendation of the KEDC to the City Council and the City Council's acceptance of that recommendation; and liability for damages, public censure, and any other applicable penalties provided by law.

6. This Agreement constitutes the entire agreement of the parties with respect to the subject matter contained herein, and supersedes all prior or contemporaneous oral or written agreements or understandings between the parties regarding such subject matter. This Agreement may be modified only in writing signed by duly authorized representatives of the parties.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives as of the date first above written.

**SIGNED ON BEHALF OF  
Kaufman Economic Development Corporation**

**SIGNED ON BEHALF OF  
ASSOCIATE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_