

**Athens Economic Development Corporation
Board of Directors Meeting
Minutes for August 16, 2016**

The Board of Directors of the Athens Economic Development Corporation (hereafter referred to as AEDC) held a Regular Board Meeting at 9:00 a.m. on Tuesday, August 16, 2016, in the Derek Daniels Board Room of the Athens Partnership Center, 201 W. Corsicana, Athens, Texas.

Directors present: Jess Laird, President, Maurice Cox, Carmen Hunt, Jeaneane Lilly, Cliff Barrett, John Trent, Will Traxson

Staff present: Lisa Denton, Susan Jacobs

Guests: Mayor Jerry Vaught, City of Athens
Philip Rodriguez, City Manager
Kevin Habibelahian, Holdredge, Shaddox & Habibelahian

Call to Order

The meeting was called to order at 9:03 a.m. by President Jess Laird for all agenda items. A quorum was present.

Declaration of conflict of interest

None stated

Citizen Comments

None

Consider discussion and possible approval of minutes from the following AEDC Board Meetings:

A. July 14, 2016

John Trent made a motion to approve the minutes from July 14, 2016, as presented. Maurice Cox seconded the motion. Motion passed 7-0

Consider discussion and possible action on the following items associated with AEDC Financials:

A. July Financials

- A. **Revenue**- Total revenue for the month was \$114,571.39; sales tax accounting for \$98,115.73 of that amount. Sales tax collections were down 3.17% over this time last year. Sales tax collections are up 3.12% for the year.
- B. **Expenses**-Expenses for the month totaled \$101,480.94.
- C. **Balance Sheet**-The Balance Sheet shows the corporation has \$2,042,172.45 in

liquid assets, as of July 31, 2016.

- D. **Commitments/LTD**-AEDC has ED project commitments totaling \$1,493,739 of which \$86,963 is expected to fund by 9/30/2016, and Long Term Debt Obligations of \$2,097,055.27.

Carmen Hunt made a motion to approve the July financials. Jeaneane Lilly seconded the motion. Motion passed 7-0

B. Third Quarter Financials, presented by Holdredge, Shaddox & Habibelahian

Kevin Habibelahian presented third quarter financials to the AEDC Board.

Cliff Barrett made a motion to approve the Third Quarter Financials. Will Traxson seconded the motion. Motion passed 7-0

Consider discussion and possible action on the following marketing strategies:

A. Videos

Ms. Denton presented the board with 3 one minute videos produced by Neon Cloud Productions. Each video focused on certain aspects of Athens- Location, Workforce and Quality of Life.

Consider discussion and possible approval of the following items associated with the Athens Industrial Park:

A. Clearing of public drainage easements

City staff received three estimates from outside contractors for the clearing of the drainage easement located across from Schneider Electric and Steritec. Philip Rodriguez reported that there were no funds in the city budget to address this issue. He reported that, if AEDC would fund the clearing, he would make sure these areas were on the routine maintenance schedule going forward. The bids received follow:

- A. Miller Dozer Service \$3,000
- B. Logan Services \$4,800
- C. Morrow Construction \$6,800

City staff recommended Logan Services, as he felt it matched the scope of work requested.

Motion was made by Will Traxson to approve up to \$4,800 for clearing of city owned easements. Carmen Hunt seconded the motion. Motion passed 7-0

B. Texas Capital Fund Grant update

Ms. Denton provided a brief update to the Board on the grant process.

Consider discussion and possible action on the following items associated with Fieser Development:

- A. Loan agreement for FDI-Fairview, LTD
- B. Loan agreement for FDI-Fairview South, LTD

Loan agreements for Fieser Development were previously approved, but required changes to meet State requirements before closing. In lieu of 1st lien, AEDC will hold security in the form of an escrow account for 90% of funds drawn, and will also have a personal guaranty from owner.

Motion was made by Will Traxson to approve the loan documents and seconded by Carmen Hunt. Motion passed 7-0

Consider discussion and possible approval of the following items associated with AEDC property located at 1704 Enterprise Street:

- A. Lease Agreement with Trinity Valley Community College

A lease agreement, prepared by Counsel, was presented to the Board. This lease has been approved and executed by TVCC.

Motion was made by John Trent to approve the lease and seconded by Cliff Barrett. Motion passed 7-0

Consider discussion and possible approval of Promissory Note and Deed of Trust for HVAC Manufacturing

Ms. Denton presented the board with a Promissory Note and Deed of Trust for HVAC Manufacturing, as prepared by Counsel. Board recommended the addition of a maturity date, note term and insertion of Certificate of Occupancy date.

Jeaneane Lilly made the motion to approve the Promissory Note and Deed of Trust for HVAC Manufacturing with changes discussed and Will Traxson seconded the motion. Motion passed 7-0

Consider discussion and possible action regarding request for reappointment of the following AEDC Board Members:

- A. Carmen Hunt – reappoint for 2nd term
- B. Jeaneane Lilly – reappoint for 2nd term
- C. John Trent – reappoint for 1st full term

Maurice Cox made the motion to request the reappointment Carmen Hunt, Jeaneane Lilly and John Trent to the AEDC Board. Will Traxson seconded the motion. Motion passed 4-0, with Carmen Hunt, Jeaneane Lilly and John Trent abstaining.

Consider discussion and possible action regarding proposed AEDC FY 2016-17 Budget:

Ms. Denton presented the board with a draft budget for FY 2016-17 for discussion. Board shared recommended changes to revenue and expenditures. Staff will update numbers and send out to the Board for further review and input. No action was taken on this item.

Consider entering into Executive Session according to TEXAS GOVERNMENT CODE Chapter 551 to discuss following:

At 10:59 a.m., Jess Laird, President, announced that the Board would retire into Executive Session pursuant to the provisions of the TEXAS GOVERNMENT CODE Chapter 551, in accordance with the authority contained in the following sections:

- A. Section 551.072 - Deliberation Regarding Real Property
Lease of real property located at:
201 W. Corsicana Street
- B. Section 551.074 – Deliberation on Personnel Matters
AEDC staff compensation and benefits FY 2016-17
- C. Section 551.087 - Deliberation regarding Economic Development Negotiations with the following prospects:
Prospect #1404 Prospect #1540
Prospect #1525 Prospect #1543

Consider discussion and possible action on items discussed under Agenda Item 13:

The board reconvened into Open Session at 12:14 p.m.

Prospect 1525, Pirtle Jewelry, is constructing a new retail establishment on Crestway. Phase I will be a jewelry store, with Phase II incorporating a coffee shop. Prospect is requesting infrastructure assistance for water and sewer line extensions, with a cost of \$15,000. AEDC Board is willing to participate, as long as the lines are not already constructed and in place. Staff will verify with the city planning and permitting department before proceeding.

Carmen Hunt made a motion to approve 50% of actual expenditures, up to \$7,500, for the extension of water and sewer lines to new retail facility. Will Traxson seconded the motion and motion carried.

With no further action to be taken, the meeting was adjourned at 12:22 p.m.

Jess Laird, President

Carmen Hunt, Secretary