

CITY DEVELOPMENT CORPORATION OF EL CAMPO
REGULAR MEETING
August 15, 2011

Board Members Present: Alan Heskamp, Wesley Lange, Randy Collins, David Allgayer, Kinnan Stockton

Board Members Absent: none

Staff Present: Chandra Spenrath, Executive Director; Brittanie O'Connor, Executive Assistant

Others Present: Kyle Smith, University of Houston Coastal Plains Small Business Development Center; Michael Wall, El Campo Little League; Chris Barbee, El Campo Community Services Director; Cecil Davis, El Campo Economic Development Corporation; Ed Erwin, El Campo City Councilman; Michael Austin, Winfield Solutions; Richard Kerzie; Duckett, Bouligny, & Collins Law Firm

1. President Heskamp called the Meeting to order at 3:00 pm.
2. President Heskamp took roll of Directors and noted a QUORUM.
3. Michael Austin requested permission to make modifications to loading docks at Divide Street building. President Heskamp noted that there is cosmetic damage to the building by docks and asked Mr. Austin if they were planning on repairing the bricks. Mr. Austin stated yes. Heskamp suggested that these new docks would be beneficial for both Winfield and the CDC. President Heskamp shared a photograph of a loading dock similar to that which Winfield wishes to install. Mr. Austin reassured the board that Winfield Solutions is aware that this will be a permanent change, which will remain with the building indefinitely.

MOTION to approve request for dock modifications was made by Randy Collins and Seconded by Kinnan Stockton. The MOTION passed unanimously.

4. Update on Project Diamond/EC Little League, discuss and take any necessary action. The Board reviewed Memorandum of Understanding and an update provided by Michael Wall that was included in the Board Packet. Michael Wall stated that the ECLL was working on and with a new MOU with the City of El Campo that would build a New Ball Park in the future in the West Side Community Park. ECLL had taken formal action on the Draft MOU however, Wall indicated there may be some future changes. Spenrath asked the question if the current MOU with the CDC and the voters was now no longer being pursued. Wall indicated the ECLL would continue to focus on the project in its current locations in case the other MOU with the city did not pass by the voters. Heskamp asked who would give future updates on the Partnership with the ECLL and the West Side Committee; Chris Barbee volunteered to attend and update the CDC at least quarterly.
5. Executive Director Spenrath gave an update on Office Space Lease Agreement with City of El Campo, and stated that the portion of the lease regarding insurance will need to be changed, due to the City's coverage of their Boards and the content of the building. As

well delete the section regarding employment relationship as presented in the revised copy. Due to that fact that the lease agreement was referring to office space and not the issue of the CDC becoming City Employees. This issue would be discussed with the FY12 budget.

President Heskamp informed the board that Attorney Collins has reviewed this agreement, and presented update given by Attorney Collins:

- A. Agreement should not contain a finite term. Rather, agreement should be on a month-by- month basis. The agreement can be canceled by either party with a 60-90 day notice
- B. Any signs or changes to city hall must be approved by City Manager Snyder.

MOTION to accept changes advised by Attorney Collins was made by Kinnan Stockton and Seconded by David Allgayer. The MOTION passed unanimously. Randy Collins abstained.

- 6. The minutes from the Regular Meeting of July 26, 2011 were in the Board Book for approval.

MOTION to approve the minutes of the Regular Meeting of July 26, 2011 as presented was made by Wesley Lange and Seconded by Alan Heskamp. The MOTION passed unanimously.

- 7. Hold an Executive Session to:

- A. Consult with Attorney as authorized by Section 551.071 of the Texas Government Code, real estate: Cardell Lease agreement.
- B. Discuss and deliberate economic development, as authorized by Section 551.087 of the Texas Government Code, regarding Project Frameless.
- C. Discuss and deliberate real estate negotiations, as authorized by Section 551.072 of the Texas Local Government Code, regarding Meisel Industrial Park.
- D. Discuss and deliberate real estate negotiations, as authorized by Section 551.072 of the Texas Local Government Code, regarding Blue Creek building.

- 8. Open Session reconvened at 4:47:

- A. Take action, if necessary, regarding Cardell Lease Agreement:

MOTION was made by Alan Heskamp to immediately terminate the lease agreement with Cardell for the Blue Creek property at 1301 N. Blue Creek Road as per the terms of the amended lease agreement between Cardell and the CDC. This motion is in partial consideration of the prior approval by the El Campo Economic Development Corporation and Letter of Intent. The MOTION was seconded by Kinnan Stockton and passed unanimously.

- B. Take action, if necessary, regarding Project Frameless:

None.

- C. Take action, if necessary, regarding Meisel Industrial Park:

MOTION was made by Randy Collins to sell Insite Realty, Inc. lot 5, unit 2 Meisel Industrial Complex, subject to terms of the terms of the Earnest Money Contract. The MOTION was seconded by Kinnan Stockton and passed with a vote of three. President Heskamp opposed and David Allgayer abstained.

MOTION was made by Randy Collins to authorize Alan Heskamp, president of the Board of the City Development Corporation, to sign the Earnest Money Contract. The MOTION was seconded by Kinnan Stockton and passed unanimously. David Allgayer abstained.

D. Take action, if necessary, regarding Blue Creek Negotiations:

MOTION was made by Wesley Lange to authorize CDC board president, subject to Attorney Collins' approval, to transfer the CDC vested interest in the Cardell Building located on Blue Creek Road, El Campo, TX, to the ECEDC. The MOTION was seconded by David Allgayer and passed unanimously.

9. Executive Director Spenrath gave an update on Draft FY 2010-2011 Budget. Staff's recommendation is to elect a committee to review and report to CDC board at next regular meeting. President Heskamp appointed a budget committee consisting of Chandra Spenrath, Kinnan Stockton, and Alan Heskamp, which will review budget and present report to board at next meeting.
10. Bills and financial reports were reviewed by board.
11. Allan Heskamp made the MOTION to adjourn the meeting at 4:54 pm. Wesley Lange Seconded the Motion and it passed unanimously.