



FORNEY ECONOMIC DEVELOPMENT CORPORATION

**MINUTES
REGULAR MEETING
101 EAST MAIN STREET
FORNEY, TEXAS 75126
SEPTEMBER 14, 2017
6:30 P.M.**

The Forney Economic Development Corporation (FEDC) of the City of Forney met on September 14, 2017 at 6:30 p.m. in the City Council Chambers. Board President Joe Dan McBeth, Secretary Kym Tayamen and Directors Fred Alexander, Jessica Browning and Amanda Lewis were in attendance. EDC Director Warren Kettelman and EDC Coordinator Stewart McGregor were also present. Board Vice President and Treasurer Scott Burrus and Director DeCarlo Coleman were absent.

1. **Call to Order** at 6:33 p.m.
2. **Invocation** by Mr . Alexander.
3. **Public Communication**

There was no public communication.

4. Minutes & Reports

- a. Approval of the FEDC Minutes – August 10, 2017 Regular Meeting

Mr. Alexander made a motion to approve the August 10, 2017 Regular Meeting minutes. Mr. Tayamen seconded and the vote carried unanimously.

- b. Financial Report

Mr. Kettelman gave the financial report. We are at 91.67% of the Fiscal Year, with revenues at 93.08% and expenditures at 94.57%.

- c. Executive Director's Report

Mr. Kettelman gave the Executive Director's Report. A complete copy of this is available in the EDC Office. A few noteworthy items he mentioned included:

- The creation of the "Downtown Development Review Committee (DRC)" with the CIP Manager and other members of City staff. Plans for this committee are to plan for the future of the downtown area.
- A recent meeting held with property owners/tenants regarding planning for the back lot behind the Eno's Building at 215 S. Bois D'Arc St. and Eric Davis Engineering.
- FEDC Staff exhibiting at the NTCAR (North Texas Commercial Assn. of Realtors) Expo in Dallas.
- The approval of Eno's sign and paint color by the Architectural Review Board (ARB). Eno's currently is underway with their contractor performing plumbing and interior construction.
- The Digital Marketing Seminars taking place through the month of September. About 30 small business owners have attended the past two weeks. Topics so far have included social media and search engine optimization. Future topics include website/e-commerce and email marketing.

5. Discussion/Action Items

- a. Discussion and possible action concerning the 2017-18 healthcare incentive policies and procedures

Mr. Kettelman presented this item. Due to the growing population, EDC Staff believe there is opportunity to attract increased medical services. Staff put together a draft healthcare incentive policy for the beginning of the next Fiscal Year, beginning October 1, 2017. The incentive is based on job creation and is tied to new and expanding medical services. \$50,000 was budgeted for this program in the new budget. The maximum incentive a healthcare provider could receive is \$25,000. Compliance for this program includes a report by the employer for 2 consecutive years showing proof of job creation.

Mrs. Lewis asked if this program could be awarded to existing employers. Mr. Tayamen said he believe so, as long as they are complying with the incentive policies and increasing Forney's daytime population, he believed they could qualify. EDC Staff concurred with Mr. Tayamen.

Mr. Kettelman said EDC Staff did a survey with the Senior Center regarding where they receive their medical care. He said many go outside Forney to seek treatment.

Mr. Tayamen made a motion to approve the healthcare incentive program as drafted by EDC Staff. Mr. Alexander seconded and the vote carried unanimously.

b. Discussion and possible action concerning a Capital Fund Committee for "Project Big Deal"

Mr. Kettelman said the Texas Department of Agriculture (TDA) administers this program. The Texas Capital Fund can be used either for real estate development or infrastructure projects. He specified the application for a Capital Fund grant would be for infrastructure. The program is based on job creation. Through recent conversations with TDA, Mr. Kettelman said they changed the application process to include rules regarding the creation of a local selection review committee in order to apply. He said the City is the applicant and the business for which the project will serve is the backstop. The applications are to be submitted on the 20th of each month. The goal is to apply for the largest grant at \$1.5 million.

Mr. Kettelman recommended the creation of a 5 person committee. He said the City Council will have final say in the membership of the committee, however, he wanted the EDC Board to recommend several members of this committee to the Council for their consideration. Mr. Kettelman recommended the EDC Board appoint 2 members of the EDC Board to serve. He also expressed interest in serving on the committee, as well.

Mr. McBeth agreed that Mr. Kettelman should serve on the committee due to his expertise. He inquired as to the commitment for this committee. Mr. Kettelman responded, saying it would most likely be 2-3 meetings. "Project Big Deal" plans to make a decision in October and the application needs to be in by January, due to TDA receiving a block grant for the Texas Capital Fund from the U.S. Department of Housing and Urban Development. He said the committee would begin meeting in early October after the City Council approves membership of the committee.

Mrs. Lewis and Mr. Alexander both volunteered to be representatives from the EDC Board on the committee.

Mr. Tayamen made a motion to recommend Mrs. Lewis, Mr. Alexander and Mr. Kettelman to serve on the Capital Fund Committee and for the City Council to appoint two of their members to the committee, as well. Mr. Alexander seconded and the vote carried unanimously.

c. Discussion concerning the EDC Board Retreat Agenda for October 7, 2017

Mr. McGregor explained this item. He said the EDC Board had not had a retreat in several years. Due to state law governing Economic Development Corporations, retreats are required to be within the City limits of the community the corporation serves.

The retreat agenda includes an overview of accomplishments and an overview of 4B Sales Tax Law and Open Records both presented by Forney EDC Staff. Guest speakers for the retreat include Alex Phillips of the Burleson, TX Economic Development Corporation, discussing the management of economic

development in high-growth communities, as well as Janie Havel from the Office of the Governor to give an update of state and regional economic development. The retreat also includes a discussion on target industries and 2018 goals, as well as a tour of the Smurfit Kappa mill.

Mr. McGregor said any adjustments to this agenda can be recommended to him.

No action was taken on this item.

d. Discussion and possible action concerning the sale of EDC-owned property

Mr. Kettelman said that several months ago, the EDC Board agreed to sell the property at 212 S. Bois D'Arc St. to the tenant, Mr. J. Stephen Sadler, owner of Crumbzz Bistro. This was done to honor the right of first refusal Mr. Sadler had as the current tenant of the building. He said the realtor posted the property for 30 days online to see if any offers came in higher than appraised value. No offers were received. Recently, EDC Staff were informed by the title company that Mr. Sadler was unable to purchase the building.

Several months ago, Board President McBeth had shown interest in purchasing the property. He previously agreed to honor the current lease with the tenant.

Mr. Kettelman said he met with City Attorney Jon Thatcher regarding the potential purchase by Mr. McBeth. Mr. Kettelman said the board would consider this item in Executive Session with Mr. McBeth absent from the room. Any action taken would follow Executive Session, with Mr. McBeth out of the room and Mr. Tayamen chairing that portion of the meeting.

Following Executive Session, Mr. McBeth vacated Council Chambers and Mr. Tayamen assumed the chair. Mr. Tayamen requested Mr. Kettelman review the terms regarding the sale of the property. Mr. Kettelman said the board would need to make a motion to cancel the sale of the property at 212 S. Bois D'Arc from Mr. Sadler and allow Mr. McBeth to purchase. The terms of the sale would be the same as Mr. Sadler, selling at the appraised value of \$235,000 and to direct the Executive Director to execute the paperwork.

Mrs. Browning made the motion and Mr. Alexander seconded. The vote carried unanimously.

Mr. McBeth returned to Council Chambers and reassumed the chair. Mr. McBeth then moved to item 5.f.

e. Discussion and possible action concerning a change in the 2017-18 budget

Mr. Kettelman explained that due to the EDC being unable to sell the building at 212 S. Bois D'Arc this Fiscal Year, the board would need to make an adjustment taking the planned \$235,000 profit out of this year's end of year balance. Other adjustments that would need to be made include the addition of rent paid to the EDC by the tenant at 212 S. Bois D'Arc.

The 2018 Fiscal Year budget adjustment would include \$20,000 for roof repairs on one half of the 215 S. Bois D'Arc building due to it originally being two buildings that were merged into one. A TPO roof was placed on one half of the building. Due to the lease agreement, the landlord is responsible for the roof and walls. Mr. Kettelman said he received bids from 3 different companies. Mrs. Browning asked if we had spent \$7,000 for roof repair last year. Mr. Kettelman responded saying the roof repair last year was done on the bakery building at 106 E. Main St.

Mr. Kettelman said that with revisions, the ending fund balance from Fiscal Year 2017 alone would be approximately \$500,000.

Mr. Alexander made a motion to make the budget revisions as discussed. Mrs. Lewis seconded and the vote carried unanimously.

f. Discussion and possible action concerning economic development negotiations with current prospects

At this time, Mr. McBeth recognized Mr. Nate Simon to discuss his business, Forever Faded Hair Lounge.

Mr. Simon, a barber, said he currently owns his business and rents out space at the Forney Salon Suites at the Mustang Crossing Shopping Center. He plans to rent space in the strip center at Ridgecrest and Ranch Road and hire up to 8 barbers to work with him. He said he has a list of several barbers already wanting to join him. He said the majority of his request of \$100,000 was to help in the finish-out of his leased space.

Mr. Tayamen asked him to further discuss his business. Mr. Simon said he's been in the barber business for about 12 years and moved his business to Forney from Mesquite in 2012. He said he has many clients from outside of Forney and averages approximately 100 clients per week by appointment only. Mr. McBeth asked him if any of his employees he planned to hire live outside of Forney. He said there would be some who live outside the City.

Mrs. Browning said due to him not having control over his property as a tenant, the Board could only look at some kind of incentive for job creation. The incentives for Downtown redevelopment predominately go to the property owner and is mostly tied to the renovation of underutilized property. Mr. McBeth inquired as to how he would pay his employees. Mr. Simon responded that it would be a 70/30 split. Mr. Tayamen asked what percent of his business was product sales. Mr. Simon said it was 30% of his business. Mr. Tayamen also asked when he planned to open. Mr. Simon said he wanted to open by November 1, 2017. Mr. Tayamen also inquired on financing. Mr. Simon said he has a portion of it funded, however, he said he is trying to fund as much of it as he can himself. He said he had not pursued other financing sources.

Mr. Simon said he is mainly requesting assistance on construction costs, including plumbing, flooring, ceiling and air ducts. Mr. Tayamen said as a former salon owner in Addison, he had difficulty keeping all of the chairs full. Therefore, it might be difficult to tie an incentive to job creation.

Mr. Tayamen then asked Mr. Simon if he had a business plan. Mr. Simon responded saying the paperwork he submitted to Mr. Ketteman was his business plan. Mrs. Lewis asked if he had looked at other properties. Mr. Simon said he wanted to be at the strip center he is currently pursuing due to the other businesses around it.

After continued discussion by the EDC board, staff and Mr. Simon, the board said if Mr. Simon could pursue financing options and look at other location options, particularly in the downtown corridor, Mr. Simon could work with EDC Staff for proposing something at next month's EDC Board Meeting.

6. Executive Session

- a. The Forney EDC will hold a closed Executive Session meeting pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in: -§ 551.072 deliberations for the purchase, exchange, lease, or value of real property and/or -§ 551.087 deliberations regarding commercial or financial information that the EDC has received from a business prospect and/or deliberations regarding the offer of a financial or other incentive to a business prospect. (Related to Section 5.d. and 5.f.)

Mrs. Browning made a motion to enter into Executive Session at 7:17 p.m. Mr. Tayamen seconded and the vote carried unanimously.

- b. The Forney EDC will reconvene into Regular Session, pursuant to the provisions of Chapter 551 of the Texas Government Code, to take any action regarding the above items.

Mr. Tayamen made a motion to enter back into Regular Session at 8:32 p.m. Mrs. Lewis seconded and the vote carried unanimously. At this time, Mr. McBeth returned to item 5.d.

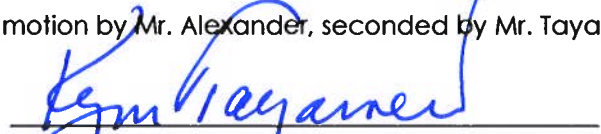
7. Future Agenda Items

Mr. McBeth requested EDC Staff look into the lights on downtown buildings since some are currently not working. Mr. Ketteman said he would look into the issue.

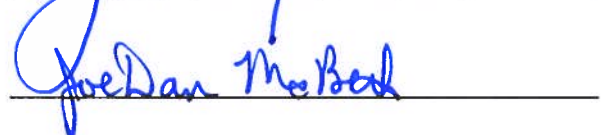
Mr. McGregor said EDC Staff would work on scheduling a joint meeting with the Forney City Council, as recommended by the EDC Board, for sometime in October.

8. Adjournment by unanimous consent at 9:12 p.m. on motion by Mr. Alexander, seconded by Mr. Tayamen.

APPROVED: KYM TAYAMEN, SECRETARY



APPROVED: JOE DAN McBETH, PRESIDENT



DATE: OCTOBER 12, 2017