

**CITY OF GONZALES, TEXAS
ECONOMIC DEVELOPMENT CORPORATION MEETING
GONZALES MUNICIPAL BUILDING
820 ST. JOSEPH STREET
APRIL 23, 2018 - 6:00 PM**

MINUTES

CALL TO ORDER, INVOCATION, AND PLEDGE OF ALLEGIANCES

Dewey Smith, Board President called the meeting to order at 6:02 p.m. Mr. Smith led the Pledges and J. Ryan offered the invocation. Mr. Smith certified a quorum with Dewey Smith, James Hamilton, James Ryan, Gerri Lawing, and Dan Blakemore in attendance. Tommy Cox was absent.

PUBLIC COMMENTS

The public comments section of the meeting is for citizens to address the Gonzales Economic Development Directors (as a whole). No interaction will be held between the speaker and the GEDC.

There being no one signed up to speak during Public Comments, D. Smith moved to item #1, Approval of Minutes.

APPROVAL OF MINUTES

1. March 29, 2018 Meeting Minutes

J. Hamilton moved to approve the Minutes as presented. J. Ryan seconded the motion. The motion passed.

ACTION ITEMS

2. Discuss and Consider removing all previous signatories from all GEDC financial accounts and adding the following or others approved by the Board using their legal names, Dewey Smith, President, James Ryan, Treasurer, and Laura Zella, City Finance Director as signatories to all GEDC Financial Accounts

Ms. Young explained that the policy at RBFCU and Sage Capital Bank requires the use of legal names for signatories. G. Lawing moved remove all previous signatories from all GEDC Financial accounts and to add Dewey Jacob Bauer Smith, Board President, James Lynn Ryan, Treasurer and Laura Zella, City Finance Director as signatories to all GEDC Financial Accounts. James Hamilton seconded the motion. The motion passed.

3. Discuss and Consider increasing the insurance coverage on 513 St. George Street property and purchasing insurance for the 131'9" flagpole located at 300 St. Louis Street, Texas Hero Square

D. Smith referenced the information provided in the packet. He stated that to his understanding that the GEDC Board only had Liability Insurance on the St. George Street property. Ms. Young confirmed. She spoke with Susan Alford several times prior to the Board meeting and confirmed with Ms. Alford that when the property was purchased Ms. Alford provided several options for the previous Board to consider and they opted to purchase Liability insurance for the building. Ms. Young also spoke with Susan Alford about insuring the flag pole. The City Manager instructed Ms. Young to ask the GEDC Board if they are interested in insuring the flag pole. Ms. Young stated that the flag pole is located on City property and it is her understanding that the flag pole is the property of the City and she assumed that the flag pole would be insured under the City's policy. Ms. Lawing asked if flag poles are normally insured. Tim Patek, Interim City Manager stated that once it was brought to his attention that the flag pole was not insured, he approached Ms. Young and wanted to know if the GEDC would consider paying for the insurance. He didn't know if anyone ever discussed insurance before or not. Ms. Young stated that she was not aware of any discussions about insuring the flagpole. She asked J. Ryan if he knew and she suggested that a motion is necessary if the Board wants to discuss and consider the item. J. Ryan moved to acquire full coverage insurance on the 513 St. George Street property building and the flagpole. J. Hamilton

seconded the motion. Mr. Hamilton asked if the motion is a one-time expenditure. J. Ryan stated that it is an annual premium. D. Blakemore inquired about the purpose of purchasing full coverage for the 513 St. George Street Building. Mr. Smith confirmed that there is an active BID on the 513 St. George Street Building but that there is no date set for closing. G. Lawing stated that it seemed odd after all these years to put full coverage insurance on a building in such bad shape. J. Ryan stated that the biggest risk is in liability. S. Sucher asked what it would cost to demolish the building. Did anyone know the cost to demolish? Mr. Sucher's point was to insure the building for the cost of demolishing it. J. Ryan recommended that the City secure coverage under their policy for the flagpole and the GEDC reimburse the cost. D. Smith informed the Board that they needed to take action on the motion on the table. All Board members present voted Nay to the motion on the table. J. Ryan moved to reimburse the City for any costs of any premiums for insuring the flagpole under the City's policy. S. Sucher seconded the motion. All members present voted Aye and the motion passed.

D. Smith asked if there is a motion for the 513 St. George Street property. S. Sucher moved to table the item until there is a closing date. J. Ryan seconded the motion. The motion passed.

COMMITTEE/FINANCIAL REPORTS

4. Financial Report – James Ryan

The increase in balance is up \$88,000.00. The Alcalde is 3 months behind. G. Young contacted Mr. Green, but he has not replied. J. Hamilton asked if there had been an ownership change. Ms. Young state that not to her knowledge. Mr. Ryan stated that the RBFCU Money Market Account is earning at a rate of 4 % and savings is only earning .25%, and interest rates are going up. He suggested that the Board consider moving some of the MM to a CD to capture the increased interest rates. The Board could only discuss as this is a report and not an action item.

J. Hamilton asked if the GEDC owns the Lynn Theater. S. Sucher asked what other buildings the GEDC owns. Ms. Young confirmed that the GEDC owns the St. George Street and the Lynn Theater and no other properties. J. Hamilton, in the spirit of full disclosure, shared that he serves on the Board of the Crystal Theater and that there are issues with water draining from the roof of the Lynn Theater onto the Crystal Theater. Ms. Young stated that she is aware of the concern and that she is waiting to hear back from David Kardosz about whether the water is from the HVAC units on the roof of the Lynn Theater. J. Hamilton inquired about the structure behind the Lynn Theater and who owns it. Ms. Young said that she has no idea who owns the structure. G. Lawing stated that it is part of the Lynn Theater and Mr. Hamilton said that Barbara Crozier informed him that it is part of the Lynn Theater. Ms. Young will find out. D. Blakemore also asked if the roof should be checked out after the recent hail storm. Ms. Young will have the roof checked. Mr. Blakemore asked if GEDC has the amortization schedules on the projects that are behind. Ms. Young confirmed that the accounts all have amortization schedules. G. Lawing inquired about a contract with the City for the provision of financial services. She also asked for clarification of two accounts. Ms. Young stated that some journal entries had not been made. Ms. Lawng prefers James Ryan's financials to the City's financials. Mr. Ryan stated that he would continue to provide his financial statements after he rolls off the Board. Ms. Young stepped out of the meeting and returned with information to explain that there are three loans with Come & Take It Properties. The loan marked "non-forgive" is actually the second loan which was to have been forgiven if the property opened by a particular date. The property did not open by the performance deadline and the loan became "non-forgive."

Hwy 183 Beautification Committee – Tommy Cox

There was no Hwy 183 Beautification Committee Report. D. Smith moved to Item #6, Staff Update

5. Staff Update – TJHRA Economic Impact Analysis, Hebronville property taxes, BYK Phase I Grant, Social Media, Texas A & M Impact Studies, upcoming events (Forty Fellows Foodfest Foundation Fundraiser, Come & Taste It Festival, Shorty Gorham Bullfighting, Main Street Concert Series and 4th of July Celebration) - Genora Young

Ms. Young informed the Board that she is working with Joe Humphrey, UHV Small Business Development Center regarding an Economic Impact analysis for JB Wells Park, Expo Center and events held at the complex.

Mr. Humphrey contacted Texas A & M and then provided the contact information to Ms. Young. She has been in contact with a representative at Texas A & M and the unofficial quote for a three-year contract is \$15,000.00 based upon an impact study performed for the Brazos County Expo. J. Hamilton asked if the Board could receive more detailed information and make this item an action item on a future agenda.

Ms. Young provided information about Hebbroville property taxes. Hebbroville was a business located in the Gonzales Industrial Park. GEDC received a tax notice for unpaid taxes from 2013. Ms. Young worked with John Liford at the Appraisal District. GEDC did not owe the taxes. The property was previously owned by GADC, then GEDC and ultimately Hebbroville.

BYK USA, Inc. consultant, Michael Camden, CPA, notified Ms. Young that he would be sending a request for the release of the Phase I grant of \$50,000.00. Once all supporting documents are received and verified, Ms. Young would submit them to the Finance Department for the release of the grant funds.

Ms. Young and S. Sucher provided information about Dr. David Vequist, a professor at Incarnate Word in San Antonio who has a program for working with non-profits to manage social media platforms. Ms. Young will schedule a meeting to discuss the program. G. Lawing commented that it is difficult for a third party to manage Social Media programs because a third party may not know the answers when questions are asked.

Ms. Young provided information about Forty Fellows Foodfest Foundation Fundraiser, Come & Taste It Festival, Shorty Gorham Bullfighting, Main Street Concert Series and 4th of July Celebration, and a new tourism related business, Lou's Canoes. Ms. Young and Clint Hille have been working together to secure a contract with the City for the lease of a small parcel of City owned property along the river to open a canoe rental business. The project will go before Council at the next City Council meeting. The GEDC Workshop dates are July 12th and 13th. Community Economic Development partners will be invited to attend the Thursday, (12th) Training and only the GEDC Board will meet on the 13th for a ½ planning session.

6. Board President's Report – St. George Street Property – Dewey Smith

Mr. Smith reported that he received a text from Chris Brunken after the last Board meeting stating that he should withdraw his bid because of concerns he had regarding the direction the situation was heading. Mr. Smith asked Mr. Brunken to provide an email rather than a text. Mr. Smith received an email from Chris Brunken stating that he would like his bid of \$34,000.00 to stand. He did not want to withdraw. Mr. Smith spoke with Jeff Moore, GEDC Attorney and Mr. Moore informed him that the email would serve as written notification and that there is an active bid before the Board. He advised Mr. Smith that the Bid should be presented to City Council for their consideration. Mr. Smith informed the Board that he had been in contact with Tim Patek, Interim City Manager. Mr. Smith also informed the Board that two individuals expressed their interest in the property after the Bid process was completed. Both individuals were provided information regarding the property and the bid process.

J. Ryan provided an update about the dam at Lakekwood. The cost to repair the dam increased from \$3 million to \$12 million. Immediate concerns include livestock and other issues. The Friends of Lakewood need support and political capital. They will be approaching the legislature for assistance. Federal assistance may be needed.

ADJOURN

J. Hamilton moved to adjourn. G. Lawing seconded the motion. The motion carried and the meeting adjourned at 7:05 p.m.

Dewey Smith, Board President

Gerri Lawing, Secretary