

**MINUTES
CITY OF CONVERSE
ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEETING
February 12, 2008
7:00 PM**

Be it known that the City of Converse Economic Development Corporation Board of Directors met in a regular meeting at the City of Converse City Hall Conference Room located at 405 South Seguin on Tuesday, February 12, 2008, at 7:00 PM. The following Board Members were present:

Dr. Reginal Harris, Chairman
Dr. Jerry Riley, Director
Ms. Trish Seguin, Director
Ms. Gloria Weers, Director
Mr. Howie Marbach, Director

Mr. John Mendoza, Vice-Chair
Mr. Mark Luft, Executive Director
Mr. Gerald Wilson, Treasurer
Ms. Jackie Gaines, Secretary
Mr. Ray Ortiz, EDC Attorney

1. Call Meeting to Order.

Dr. Harris called the meeting to order at approximately 7:03 PM.

2. Roll Call and Recognition of Visitors.

Dr. Harris asked the record to reflect that all Board Members were present with the exception of Councilman Jauregui, Dr. Riley, and Mr. Mendoza. Mr. Mendoza and Mr. Jauregui gave due notice with respect to their absence tonight.

Dr. Harris asked to vote on Dr. Riley's absence since just received his e-mail.

Mr. Luft replied that Dr. Riley is on his way.

Dr. Harris said he would waive the vote.

3. Consent Agenda. All of the following items may be acted upon by one motion. No separate discussion or action on any of the items is necessary unless desired by a Board Member.

A.) Action to Approve the Minutes from the City of Converse Economic

Development Corporation Board of Directors Meeting on December 11, 2007.

Dr. Harris noted discussed page one replacement page for the minutes.

Mr. Marbach asked to remove the duplication of Mr. Uballe's name in the listing of the Board Members.

Ms. Seguin abstained for Item 3 due to not being a Board Member at the time of the meeting.

Mr. Marbach made a motion to approve the minutes of December 11, 2007.

Ms. Weers asked for a correction on the minutes to reflect that she was present for the meeting.

Ms. Weers made a motion to approve item 3.

Mr. Marbach seconded the motion.

The motion passed with three for (Weers, Marbach, and Harris) and one abstention from Ms. Seguin for not being present for the meetings.

- B.) Action to Approve the Minutes from the City of Converse Economic Development Corporation Board of Directors Special Call Meeting on January 28, 2008.**
- C.) Action to Approve Financial Report for November, 2007.**
- D.) Action to Approve Financial Report for December 2007.**
- E.) Action to Approve Investment Report for November, 2007.**
- F.) Action to Approve Investment Report for December 2007.**

Dr. Harris asked to go back to Item 2 to address our visitors.

Dr. Harris welcomed Councilman Drake and recognized former Councilwoman Ms. Cindee Dupaquier to the meeting and welcomed Ms. Pittman and Ms. Thomas.

4. Opening Remarks by the Chairperson, Economic Development Corporation.

Dr. Harris waived the rules to move items on the agenda. At the request of the Mayor, I would like to table Item 7 until the March meeting due to budgetary concerns.

Mr. Luft asked to table 7 indefinitely and request a motion.

Dr. Harris asked for a motion to approve tabling Item 7 and rearranging the agenda.

Ms. Seguin made a motion to approve.

Ms. Weers seconded the motion.

The motion passed unanimously to approve the adjustment of the agenda and the removal of Item 7.

10. Discussion and Appropriate Action with Regards to the Procedure Relating to the Current EDC Predevelopment Grant Program. (EDC Executive Director)

Ms. Dupaquier introduced herself stating she was one of the original EDC Board Members and Chaired EDC as well. Ms. Dupaquier came to talk to the Board by the request of Mr. Luft and Dr. Riley due to questions on the Pre-development Grant.

Ms. Dupaquier said the Pre-development Grant was written from scratch and we were trying to make the Pre-development grants a simple process to make business development very attractive and pre-development very attractive. The decision was made not to micro-manage everything the staff did but instead give Mr. Luft guidelines and left the selections to which businesses would receive a grant with Mr. Luft and his staff. At that time we thought that was the best non-political way to make the decisions. An overview would be brought back to the Board. We did not write everything down because we were still in the process of developing policies and procedures.

Discussion among Board Members followed and Mr. Luft summarized the procedure as:

Mr. Luft and Mr. Wilson perform a cost benefit analysis and we look at the longevity of the company, how many jobs they are going to create, and what tax revenue they are going to do. Mr. Wilson and Mr. Luft collectively do an assessment on the business to see if they are going to bring in enough sales tax revenue back to the City in eighteen months to replenish the funds. If they don't bring enough money back then we will either reduce the amount of money of \$3,000 below that or we will deny the grant. So far we have given out 10 grants with the total of \$31,000 and we have another \$15,000 of grants on hold. Mr. Wilson and I sign off on the grant and if one of us does not agree then the grant is denied. Just because you have a grant business that does not mean that every business is entitled to it. If the grant is over \$3,000, then we will go to the Board for approval. Mr. Luft suggested having a grant committee to review the process.

Dr. Harris replied he may have the Administrative Committee look into the process.

* Dr. Harris asked to take a one minute recess at approximately 7:30 PM.

* Dr. Harris reconvened the meeting at approximately 7:33 PM.

Dr. Harris would like to refer Item 10 to the Administrative Committee for a discussion and action at the next meeting.

5. Briefing and Discussion of The Audit Report For The City of Converse Economic Development Corporation's Financial Activity for Fiscal Year 2006-2007 as Required by State Mandate and in Accordance with GASB 34 (General Accounting Standard Board) and SAS 99 (Standard of Accounting Services).

Ms. Pitman and Ms. Thomas gave a summary of the 2006-2007 Audit Report stating there were no audit adjustments and all the financials are in good standings.

* Mr. Mendoza arrived at approximately 7:36 PM.

Mr. Luft asked Ms. Pitman to discuss the fee increase for next year's audit so the Board can put it in the budget.

* Dr. Riley arrived at approximately 7:43 PM.

Ms. Pitman said the Statements Auditing Standards, (SAS) which are our rules are issued by the AICPA. We have to change the way we have been preparing the audit. They have issued Risks Assessment Standards. You will see more 'up-front' time from us. We will need to come in and planning earlier to identify where the true risks are located. We may change our audit procedures once we identify those risks. This can take 10% - 30% more time.

6. **Action to Approve The Audit Report For The City of Converse Economic Development Corporation's Financial Activity for Fiscal Year 2006-2007 as Required by State Mandate and in Accordance with GASB 34 (General Accounting Standard Board) and SAS 99 (Standard of Accounting Services).**

Mr. Mendoza made a motion to approve the 2006-2007 Audit Report. Ms. Weers seconded the motion. The motion passed unanimously.

7. **Discuss and Action to Approve the Proposal Design, Purchase and Construction of a Digital Electronic Marquee to be Located in Front of the City Hall Complex, to Promote Economic Expansion and Community Development Activity for the Business and General Public Pertaining to the Joint Partnership of Economic Development Corporation with the City of Converse. (Dr. Jerry Riley and EDC Executive Director)**

Dr. Harris reiterated the discussion of tabling Item 7 to the Board Members that arrived late to the meeting.

11. **Discussion and Appropriate Action on a Request to Support and Approve a Proposed Smart Code for the City of Converse by Mark Luft, EDC Director, to Place Restrictions for the Revitalization of the City of Converse.**

Mr. Luft reported that he is asking for your support when this goes to City Council next week. I have been working on this item with the Assistant City Manager for three months. The core of the Smart Code is to create and restore aesthetics, create and restore civic pride, quality of life and establish a driving factor for the future appearance of the City, both on an economical standpoint as well as a social redeeming value.

We want to use new technology, new training, new urban planning, and new architectural features. The Assistant City Manager, City Manager, and myself, thinks the best thing

for the City is to have this code apply only to major corridors in the City that has the least impact on existing businesses.

There has been questions asked about this costing the City; having Mr. Hughes add another employee. The answer is no. We already have a staff in place. Every one of us is qualified to assist the Building Director to implement this program. There is Zoning, Planning, two City Managers, myself, Mr. Wilson, and Ms. Gaines. The Zoning Commission passed action to support and endorse this Code. The staff is respectfully asking for your support.

Board Members discussed the Smart Code with Mr. Luft.

Ms. Weers made a motion to approve the proposed Smart Code. Mr. Marbach seconded the motion. The motion passed unanimously to approve a proposed Smart Code.

12. Recess

Dr. Harris called for a recess to reconvene in Executive Session at approximately 8:16 PM.

13. Executive Session In Accordance With Section 551.072, Texas Open Meetings Act DELIBERATION REGARDING REAL PROPERTY; Closed Meeting. A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of he governmental body in negotiations with a third person. (302 Hilltop - Toepperwein Road Realignment Project.)

14. Reconvene

Dr. Harris reconvened into regular session at approximately 8:26 PM.

Dr. Harris asked to go back to item 9.

9. Discussion and Appropriate Action to Establish a Listing Disposition Price for the Recently Rehabilitated Home Located at 518 Fifth Street. (EDC Executive Director and Treasurer)

Mr. Luft stated he has an appraised value established on the property. Mr. Jauregui and I had a discussion and based on the market analysis and the property was appraised at \$114,000. I do not think we can get the appraised value for this location.

Mr. Wilson said this house was part of the purchase on Patsy. We moved the house to Fifth Street. When we developed Gardens of Converse, we saved some lots that were specifically to relocate houses we were picking up for the Toepperwein Redevelopment that we thought were worthy of rehabilitation and resale. We hired a contractor to refurbish the house. EDC does not need to make a profit on a sale of this home. What they have to do is recover their expenses. When we purchased the land, we purchased

right-of-way. The house was in the way of the right-of-way. I would like to see a listing in the \$80,000 to \$90,000 range.

Mr. Luft recommended putting the listing price somewhere in the \$90,000 range because there will be some title expense and asking the Attorney to look over the contract.

Ms. Weers made a motion to allow the Executive Director for the EDC to set appropriate listing price for the rehabilitated home located 518 Fifth Street and to follow up with the appropriate procedures for action.

Dr. Riley seconded the motion.

The motion passed unanimously.

15. Action to Approve a Resolution Number 32 Authorizing the Executive Director of the City of Converse Economic Development Corporation to Purchase Land with Improvements Located at 302 Hilltop (CB 5951, Block 9, Lots 1 & 16), as Part of the Toepperwein Road Realignment Project at the Price Established by the Board of Directors of the Economic Development Corporation.

Vice-Chairman Mendoza made a motion to approve item 15.

Ms. Seguin seconded the motion.

The motion passed unanimously to approve a Resolution Number 32 authorizing the Executive Director of the City of Converse Economic Development Corporation to purchase land with improvements located at 302 Hilltop (CB 5951, Block 9, Lots 1 & 16), as part of the Toepperwein Road Realignment Project at the price established by the Board of Directors of the Economic Development Corporation.

16. Committee Reports:

A.) Administration Committee (Mr. Mendoza and Ms. Gloria Weers)

8. Discussion and Appropriate Action to Commence with the Strategic Planning Phase I of the Process. (John Mendoza, Vice Chairman)

Vice-Chairman Mendoza proposed Saturday, March 8th, 2008 for a Strategic Planning Workshop and briefed the Board on the amended schedule. After we gather all the information on this day, the Mayor would like the Strategic Plan in about 60 days so the Steering Committee will have time to formulate the questionnaire. We then will have to have time to distribute the questionnaire to the City; all the citizens and the stakeholders, then bring it back to turn it over to the consultants who put the Strategic Plan together.

Mr. Luft said having a Strategic Plan is a valuable tool. We have some talented people within the region and we should have some kind of workshop to discuss where we are going and to give us more direction. I can assure you that these reports is what got Wendy's, Melet's, and Grady's here. We need to out source a lot. We do not have a

large enough staff to do this. I concur with you; we need a Strategic Plan, it needs to be drafted, on the website, it needs to be in compliance.

Dr. Harris asked to refer to the Administration Committee for further deliberation and discussion for an action item on the March agenda. The valid discussions between Mr. Luft and Mr. Mendoza should be looked into and look into what we already have and how to move forward best by bringing the Commissions and us together first and then reach out to the Stakeholders.

Mr. Mendoza asked to meet with Mr. Luft and set up a time to discuss this item.

Dr. Harris reported Item 8 is referred to the Administrative Committee for future consideration for another Agenda Item for a future meeting.

B.) Current Program Committee (Mr. Marbach and New Board Member)

Dr. Harris appointed Ms. Seguin to the Current Program Committee to work with Mr. Marbach.

Mr. Marbach will defer most of his time to Mr. Luft since he will be reporting on these items. Mr. Marbach reported on the land purchased and what land is left to purchase.

Mr. Luft and Mr. Marbach would like to update a map of the properties that have been purchased and that still needs to be purchased and give to the Commission Members by the next meeting.

C.) Future Planning Committee (Dr. Riley and Mr. Jauregui)

Dr. Riley said he does not have anything to report for this meeting but should have something to report at the next meeting.

17. Briefing on Current Projects: (1) Project Description, (2) Brief Background, (3) Where we are Specifically, (4) Project Challenges (budget shortfalls, issues with contractors), (5) Upcoming Actions.

A.) Toepperwein Project

- Currently working with two families.
- Will write a letter to one family asking them to come to us for negotiations.
- The other family submitted a counter offer and I will have to write certified letter to complete the process.

B.) Up Date On New Construction

- Melet Plastic is moving forward.

C.) Lake Project

- The Lake Project is on going. Commissioner Adkisson is working with the MPO to get funds to work on the railroad tracks and get Crestway finished.

- I have put in calls to the Director of Parks and Recreation for the City of San Antonio to allow us to have ingress off of FM 78.

D.) Town Square Apartments

- The Town Square Apartments are about 50% complete.
- The leasing consultants are temporarily set up in the City Hall Conference Room #2 and have a waiting list for prospective residents.
- The Club House is slated for completion for the end of this month or the first of next month.
- The first building will be done in April.
- A proposed date for a Ribbon Cutting is in November.
- CDBG grant applications were submitted last week and will know tentatively the end of March/early April on how we scored.
- Buses Chicken opened last week.
- Airport City development is working
- Link New Technically is a patent research company will have a Ribbon Cutting Ceremony in March.

18. Future Items

- Final Draft Agenda for the Strategic Planning Steering Meeting.
- Additional Full Time Employee to be Mr. Luft's Executive Engineer.
- Employee Graduate level student for the summer.
- Library Update (Marbach).

19. Set a Date and Time for Next Meeting – Tentatively Monday, March 10, 2008, at 7:00 PM at 601 South Seguin, Conference Room Number 2.

Next meeting Monday, March 10, 2008 due to the Randolph Chamber of Commerce Market Place held Tuesday, March 11, 2008.

Dr. Harris asked for all Board Members to arrive at 6:45 PM for pictures and wear the long sleeve blue shirts and dark pants.

20. Adjournment

Dr. Harris adjourned the meeting at approximately 9:27 PM.

PASSED AND APPROVED this 10th Day of March, 2008.

Dr. Reginal Harris
Chairman

ATTEST:

Jackie Gaines
Secretary