

**MINUTES  
CITY OF CONVERSE  
ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS MEETING  
November 12, 2008  
6:30 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 No. 1 located at 405 South Seguin on Wednesday, November 12, 2008, at 6:30 PM to discuss the following:

**1. Call to Order.**

Chairman Degenhardt called the meeting to order at 6:30 p.m. and then reported for the record that there was a quorum of City Council members present for this meeting.

**2. Roll Call and Recognition of Visitors.**

Those present were:

Mr. Carlton Degenhardt, Chairman	Dr. Jerry Riley, Vice-Chair
Mr. Howie Marbach, Director	Ms. Trish Seguin, Director
Mr. Craig Martin, Director	Mr. Mark Luft, Executive Director
Mr. Ray Ortiz, City Attorney	Mr. Gerald Wilson, Treasurer
Ms. Leigh Ann Rogers, Secretary	

Director, Mr. Joshua Cone, notified Chairman Degenhardt via e-mail earlier in the day that a personal emergency would prevent him from attending this meeting.

Recognized visitors were:

Mr. Reginal Harris, Ms. Becky Johnson, Mr. Steve Brown, Dr. Mary Riley (Councilwoman), Mr. Rene Rodriguez, Jr. (Councilman), Mr. Billy Schindler (Councilman), Mr. Chris Drake (Councilman), Ms. Renee Paschall, Mr. Michael Berlanga, and Ms. Marsha Hendler.

**3. Citizens to be Heard (limit remarks to 3 minutes).**

**Mr. Reginal Harris** – read aloud the following letter:

*“Good Evening,*

*Chairman Degenhardt, Board of Directors, City Staff, and fellow Converse citizens,*

*I’m grateful for the opportunity to share brief remarks regarding agenda item 15 dealing with “alleged complaints” by our business constituents against Mr. Mark Luft, Executive Director of the Economic Development Corporation (EDC). I ask that a signed copy of my statement be made a part of the official record.*

*In 2000, the City Council voted to approve Ordinance # 212 for the establishment of an EDC, pursuant to the peoples vote. This ordinance required the EDC to be “organized for the purpose of benefiting and accomplishing the public purposes.” Further, the bylaws clearly inform that the Executive Director is an appointee who serves at the Board’s pleasure, not an employee.*

*While many of the allegations against Mr. Luft are surprising, I’m even more troubled by the financial implications they may have on future business growth. Early in my tenure as Chairman of the Board, Mr. Luft and I had several differences of opinion on his poor tactics and questionable dealings with the business community. We quickly came to an understanding that the Board would only allow him to function under the auspices of a watchful eye, good judgment, and adherence to the Bylaws and Articles of Incorporation.*

*Chairman Degenhardt, the public has a right to know the nature of the allegations being brought against Mr. Luft. There is only one truth! Although I don’t agree, it is your prerogative to shield these allegations behind closed doors. Be reminded there are lawful means for citizens to access those records should further investigation become necessary. So, I sincerely hope this Board examines each complaint with judicious insight and unbiased deliberation.*

*It’s not only important to draw businesses to Converse; they are desperately needed to sustain and boost our economy. If not for them, where would the revenue come to do the necessary work this Board has to do? Every business, large and small, should be treated with the utmost respect. No business should ever be bullied, intimidated, or otherwise handled in any manner less than professional, especially by the Executive Director, Mark Luft, who is expected to lead the charge in doing so.*

*Signed:*

*Reginal Harris*

*Converse Resident”*

**Ms. Becky Johnson -**

Ms. Johnson thanked the board members for their contributions to the City of Converse and stated, *“I am here tonight to speak on behalf of Mark Luft who I have worked with going on five years and who I have to say I have the utmost respect for. I have never seen any act of impropriety. I’ve never personally had any grievance against Mark Luft. I feel like if people have a grievance, those grievances should be heard, but their mouths should be the one’s speaking those grievances. They should be writing that grievance. There should be ways of dealing with this stuff without bringing it into public and dividing our City even further than it already is. I’ve expressed these views today. I was disappointed in myself because I got caught up in the heat of things last night as did, I think, just about everybody in the room that was there did. I was sitting in a position of quite interesting contrast. I was sitting between groups that had been divided. I was sitting with people who had opposing ideas. There’s nothing wrong with speaking your opposing ideas in public but you should speak your own mind. We should not have witch hunts. We should not be personally attacking each other regardless of what our opinions are of those people. Due process was mentioned many times last night. I didn’t feel Mr. Luft got due process because I didn’t feel it was right that his name was dragged through the mud when he wasn’t there to defend himself and he wasn’t on the agenda. I didn’t feel that Trish Seguin was represented fairly and I’ve been in Trish Seguin’s shoes. I would have felt very much that my due process had been denied and that accusations were being made against me in public, whether direct or indirect. We all have the right to defend ourselves. And that’s pretty much all that I have to say other than thank you for putting in your time and working with us.”*

**Mr. Howie Marbach –**

Mr. Marbach stated, *“I believe that I have a good pulse for this community, as good a pulse as anybody around here. I need to make a public statement. Not only because I’ve lived in this community for 77 years but because I’ve tried to make our community a better place in which to live and to raise our families. I’ve been actively involved in helping establish the Converse Volunteer Fire Department. I was in it until it was closed last year. I helped establish the Converse Sewer Corporation. I helped establish the City of Converse. I helped establish the Converse early Public Library. I’m a past member of the American Legion and I would like to be a member there but I cannot be active. I’ve actively worked with the youth of Judson High School since its formation. I’ve been an active member of the Converse Lions Club which has for 60 years of this community been working hard to make this community a better place in which to live. I regularly attend church in this community every Sunday and sometimes during the week. Also, in 2007 I was appointed along with two other members of the EDC Board to determine whether our current Executive Director had performed well enough to be eligible for a performance raise. We interviewed, talked to, about 300 people. We asked them, “Have you heard of the Executive Director? Do you have any good, bad, or anything else to say about him?” And not one person at that time had anything bad to say about the man. Not only that, we listed a large, and this is on record for the EDC, forgive me, I don’t have it with me as I just returned back into town from a trip, a litany of things that Mr. Luft had done for our community. We had no negative response from any one of the*

*developers of the new business people that had come into our community. So, of course, we highly recommended him for the great performance that he had done in commensurate with that performance. He also, I believe, has the highest level of integrity of the majority of the people that I've ever met. And I've talked to thousands of people in this community. I think I've talked to more people of this community than anybody else. And as of late, I can truthfully say that less than 1/10 of a percent of those people have a gripe towards Mr. Luft. I believe that those people who have a gripe against him involve only about six to eight people. And I think that gripe is predominately a matter of personality and attitude. That's personality and an attitude conflict. I believe with all my heart and all my being that Mr. Luft has done a fantastic job for this community. And I believe that his heart has always been in the right place. Thank you. God bless each and every one of you."*

- 4. 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 October 14, 2008.**
  - B.) Action to Approve the Minutes from the City of Converse Economic Development Corporation Board of Directors Meeting on October 19, 2008.**
  - C.) Action to Approve Financial Report for September, 2008.**
  - D.) Action to Approve Investment Report for September 2008.**

Motion to **approve** items 4A – 4D was made by Mr. Martin. Seconded by Ms. Seguin. Motion **passed** unanimously. Mr. Marbach abstained from item 4B due to absence of the October 19<sup>th</sup> meeting.

**5. Opening Remarks by the Chairman, Economic Development Corporation.**

Chairman Degenhardt referred back to this EDC Board's first meeting together and a list of ground rules that were discussed at that meeting. Chairman Degenhardt pointed out that those ground rules were placed in this meeting's agenda packet and then read them aloud as follows:

- “1. Our mission is the Economic Development of Converse. That means to provide an attractive place for businesses to locate, expand and prosper. Our job is to provide that place with a well planned and executed strategy (economic development). This will involve infrastructure, incentives and recruiting for businesses. If it doesn't meet that end, we don't need to do it.
2. Communication between members. The right hand must know what the left is doing. We are subject to the open meetings act but we can't let that impede progress.
3. The committees are there for a purpose: to make everyone's job a little easier and allow everyone to concentrate on the important things. If yours isn't adding value,

let's figure out why.

4. Meetings: The shorter the better. Be prepared. Say your piece. Respect others. If you have an issue that affects everyone, get it out in the open. If it is between you and another person, take it off line and figure it out.
5. Once the Board makes a decision, everyone will support the decision.
6. If you have a bright idea, share it. If you have concerns with someone else's idea, express it. No personal attacks. Everyone contributes.
7. Listen to understand, not to respond.
8. If you have a better way to do things, let's talk about it.
9. Don't wear your feelings on your sleeve, develop a thick skin. Nobody is attacking you personally or demeaning you. If I see that sort of thing, expect it to be stopped.
10. Reality counts. Don't try for Disneyworld, General Motors or NASA, it ain't gonna happen.
11. Plan the work then work the plan. You can't get to where you are going if you don't know where that is.
12. Always remember # 1."

**6. Briefing and Discussion Relating to the Converse Economic Development Corporation's Request for Proposal for Professional Services to Provide by Marketing Plus for Economic Development Strategies and Economic Development Design of Marketing and Advertising Materials as Submitted on September 26, 2008.**

Ms. Marsha Hendler, Marketing Plus, had not yet arrived for the meeting as of 6:45 p.m., therefore, Chairman Degenhardt skipped ahead to agenda item # 8.

At 7:35 p.m., Mr. Luft reported on a meeting between Ms. Hendler, Mr. Cone, and himself to discuss the contract with Marketing Plus. Mr. Luft then reported the only changes to the contract were the inserted dollar amounts and a schedule of values.

Ms. Hendler introduced herself and proceeded to conduct a questions and answers session with the board members and the audience which included plans for focus group discussions with the developers and bringing in guest speakers to educate existing businesses on how to take their businesses to the next level at the quarterly business breakfasts.

Chairman Degenhardt then requested the assistance of Mr. Marbach and Ms. Seguin to follow up on focus groups and report back to the board members on their findings.

**7. Action to Approve and Accept the Contract with Marketing Plus as Determined by the Board of Directors to Provide Professional Services for Economic Development Strategies and Economic Development Design of Marketing and Advertising Materials.**

Following verification of approval of the contract from the City attorney, a **motion to approve and accept** the contract with Marketing Plus as determined by the Board of Directors to provide professional services for Economic Development strategies and Economic Development design of marketing and advertising materials was made by Mr. Marbach. Seconded by Ms. Seguin. Motion **passed** unanimously.

**8. Discussion and Appropriate Action to Approve a Predevelopment Grant Application for the Following Applicant:**

**A) Yantis Automotive**

Mr. Luft reported that he provided the entire contents of Yantis Automotive's application in the agenda packets for prior review. Mr. Luft further commented that Yantis Automotive is a long-standing corporation that has been in the City limits of Converse since 1966.

Following a request for questions or comments from the Chairman, a **motion to approve** a predevelopment grant in the amount of \$3,000 to Yantis Automotive was made by Mr. Martin. Seconded by Mr. Marbach. Motion **passed** unanimously.

**9. Public Hearing Regarding Expansion of the Acquisition of Land Associated with Parcels 5, 6, 7 and 8 of the Toepperwein Road Realignment Project to Include the Remainder of County Block 5951, Blocks 6 & 7.**

Mr. Luft pointed out the specific location on a diagram for the audience and reported that no action will be taken on this matter tonight as there will be a 60-day waiting period for public feedback.

Public Hearing opened at 6:49 p.m.

Mr. Reginal Harris inquired about the asking price of the acquisition of the two parcels of land and whether or not the parcels of land were vacant properties.

In responding to Mr. Harris' questions, it was verified that the parcels of land are vacant and are still in the appraisal process, therefore, no asking price has been determined as of yet.

Public Hearing closed at 6:51 p.m.

**10. Committee Reports:**

**A.) Administration Committee (Mr. Mendoza and Mr. Cone)**

**B.) Business & Development Committee (Mr. Marbach and Ms. Seguin)**

**C.) Future Planning Committee (Dr. Riley and Mr. Martin)**

- A. No report.
- B. Mr. Marbach reported on an incoming grant application that he and Ms. Seguin are following but still lacks a few pieces of information and will be re-submitted once the application has been completed.
- C. Dr. Riley reported that Future Planning Committee information will be discussed during agenda items # 6 & # 7.

**11. 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**  
Acquisitions are moving forward.
- B.) Lake Project**  
There are obstacles that are being addressed one at a time. This will be a long-term project.
- C.) Town Square Development**  
Phase II is in underwriting for financial approval by the developer.
- D.) Airport City Development**  
Work in progress and is tied to TX Dot Loop 1604 funding.

**12. Recess**

Chairman Degenhardt called for a recess at 7:05 p.m.

**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 the governmental body in negotiations with a third person. (301 Hilltop - Toepperwein Road Realignment Project)**

7:10 to 7:30 p.m.

Chairman Degenhardt reconvened the meeting back into regular session at 7:35 p.m. and went back to agenda items # 6 & # 7.

**14. 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 the**

**governmental body in negotiations with a third person. (308 Hilltop - Toepperwein Road Realignment Project)**

8:20 to 8:25 p.m.

15. **Executive Session In Accordance With Section 551.074, Texas Open Meetings Act. PERSONNEL MATTERS; CLOSED MEETING to Discuss Certain Citizen Concerns Regarding the Executive Director and EDC Board Policies.**

8:26 to 9:50 p.m.

16. **Reconvene**

Chairman Degenhardt reconvened the meeting back into regular session at 9:52 p.m.

17. **Action Authorizing the Executive Director of the City of Converse Economic Development Corporation to Purchase Land with Improvements Located at 301 Hilltop (CB 5951, Block 3, Lot 16), as Part of the Toepperwein Road Realignment Project at the Price Established by the Board of Directors of the Economic Development Corporation.**

**Motion to authorize** the Executive Director of the City of Converse Economic Development Corporation to purchase land with improvements located at 301 Hilltop (CB 5951, Block 3, Lot 16, as part of the Toepperwein Road Realignment Project at the price established by the Board of Directors of the Economic Development Corporation during executive session was made by Mr. Martin. Seconded by Dr. Riley. Motion **passed** unanimously.

18. **Action Authorizing the Executive Director of the City of Converse Economic Development Corporation to Purchase Land with Improvements Located at 308 Hilltop (CB 5951, Block 9, Lots 4 & 13), as Part of the Toepperwein Road Realignment Project at the Price Established by the Board of Directors of the Economic Development Corporation.**

**Motion to authorize** the Executive Director of the City of Converse Economic Development Corporation to purchase land with improvements located at 308 Hilltop (CB 5951, Block 9, Lots 4 & 13), as part of the Toepperwein Road Realignment Project at the price established by the Board of Directors of the Economic Development Corporation during executive session was made by Ms. Seguin. Seconded by Mr. Marbach Motion **passed** unanimously.

19. **Future Items**

- Approve minutes of November 12, 2008 EDC Board of Directors meeting.
- Final approval of roadway construction will be on the agenda due to the 60-day period for public comments, etc. per State of Texas regulations.
- Discuss acquisition of two tracts of land on Toepperwein Road.

- Review any submitted grant applications.
- Review Smart Code revisions.
- Review Bylaws and Articles of Incorporation.

**20. Set a Date, Time and Location for Next Meeting – Tuesday, January 13, 2009, at 6:30 PM, at Converse City Hall Conference Room No. 1, 405 South Seguin.**

**21. Adjournment**

Chairman Degenhardt adjourned the meeting at 10:00 p.m.

PASSED AND APPROVED THIS 13<sup>TH</sup> DAY OF JANUARY, 2009.

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Carlton Degenhardt  
EDC Chairman

ATTEST:

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Leigh Ann Rogers  
Secretary