

**Athens Economic Development Corporation  
Board of Directors Meeting  
Minutes for February 21, 2017**

The Board of Directors of the Athens Economic Development Corporation (hereafter referred to as AEDC) held a Regular Board Meeting at 10:00 a.m. on Tuesday, February 21, 2017, in the Derek Daniels Board Room of the Athens Partnership Center, 201 W. Corsicana, Athens, Texas.

Directors present: Jess Laird, President, Jeaneane Lilly, Carmen Hunt, Cliff Barrett, Maurice Cox, John Trent and Will Traxson

Directors absent: None

Staff present: Lisa Denton, Dede Sims

*Ex-officio*: Mayor Jerry Vaught, Philip Rodriguez, City Manager

Guests: Rich Flowers, Athens Review, Kevin Habibelahian, Holdredge, Shaddox & Habibelahian, LLP

**Call to Order**

The meeting was called to order at 10:00 a.m. by President Jess Laird for all agenda items. A quorum was present.

**Declaration of conflict of interest**

None

**Citizen Comments**

None

**Consider discussion and possible approval of minutes from the following AEDC Board Meetings:**

**A. January 17, 2017**

Will Traxson made a motion to approve the minutes from January 17, 2017, as presented. Jeaneane Lilly seconded the motion. Motion passed 7-0.

**Consider discussion and possible action on the following items associated with AEDC Financials:**

**A. Quarterly Financial update by Kevin Habibelahian**

Will Traxson made a motion to approve the 1<sup>st</sup> Quarter financials. John Trent seconded the motion. Motion passed 7-0.

## **B. January Financials**

- 1. Revenue** – Total revenue for the month of January was \$106,796.63; sales tax accounting for \$104,831.24 of that amount. Sales tax collections were down .7% from this time last year. Sales tax collections are up 1.76% for the year. (2/2017)
- 2. Expenses** – Expenses for the month totaled \$14,295.54.
- 3. Balance Sheet** - The Balance sheet shows the corporation has \$2,301,590.71 in liquid assets, as of January 31, 2017
- 4. Commitments/LTD** – AEDC has ED project commitments totaling \$1,440,901 and Long Term Debt Obligations of \$2,003,001.57.

Cliff Barrett made a motion to approve the January financials. Jeaneane Lilly seconded the motion. Motion passed 7-0.

## **Update on Retail Recruitment program, as presented by Lisa Denton**

Ms. Denton presented an update to the board on retail recruitment efforts, as provided by Chuck Branch with R360. AEDC and the city are to work with R360 regarding future population counts, as the current report shows a decline in 2020, which is not believed to be accurate.

## **Consider discussion and possible action on the following items associated with AEDC owned property:**

### **A. Athens Industrial Park:**

- 1. Texas Capital Fund Update**  
Ms. Denton reported that the city is working with Stantec on the engineering services contract. Mr. Rodriguez reported that he anticipated a Notice to Proceed would be approved in the interim. Gary Traylor is to send out a timeline for the project later today.
- 2. FMI Project Update**  
AEDC Counsel is working on deed transfers. Company is moving forward with final design plans for their new facility.

### **B. 1704 Enterprise St.**

- 1. Electrical Repairs**  
Ms. Denton updated the board regarding some minor electrical repairs that have been made recently in the manufacturing facility. Additionally, a compressor went out on the recently replaced 20-Ton A/C unit. Total cost to replace is estimated to be \$7,761.15. Ms. Denton will continue to work with Cole's A/C to determine if the unit could be replaced under warranty, as the unit was purchased late 2015.

## **Consider discussion and possible action on the following items associated with the Business Assistance Grant Program:**

### **A. City of Athens Façade Improvement Program**

Ms. Denton reported to the board that the city has recently approved a downtown façade improvement program, and recommended that AEDC look at amending the Business Assistance Grant program accordingly.

**B. Expansion of qualified area to include SH 19N**

Ms. Denton reported that, to date, no applications have been received for the business assistance grant program for FY 2016-17. However, she has received calls regarding property located on Hwy 19N, and recommended the area be extended to include this area, as it does include several distressed properties that could be addressed to improve another important gateway into the community.

Based on discussions from both items above, the board directed staff to meet with the city regarding their program and work to amend the map to include the downtown area addressed by the city program, as well as expanding to Hwy 19N. Staff is to bring these recommendations back for consideration at the March meeting.

**Consider discussion and possible approval to engage the services of Moak, Casey & Associates to explore Freeport Tax Exemption opportunities with local taxing entities.**

Ms. Denton reported to the board that AEDC has been approached by a tax consultant working with several of Athens' existing industries. He has inquired, on the companies' behalf, regarding the possibility of a Freeport Tax exemption from the local taxing jurisdictions. Ms. Denton recommended AEDC engage the services of a separate tax consultant to research the impact of such an exemption and report the findings to the taxing entities. Moak, Casey & Associates is one of the leading tax consulting firms for ISDs across the state of Texas.

Will Traxson made a motion to approve the engagement of Moak, Casey & Associates to explore the opportunities of Freeport Tax exemption with the local taxing entities. Jeaneane Lilly seconded the motion. Motion passed 7-0.

**Consider entering into Executive Session according to TEXAS GOVERNMENT CODE Chapter 551 to discuss following:**

At 11:23 AM, Jess Laird, President, announced that the Board would retire into Executive Session pursuant to the provisions of the TEXAS GOVERNMENT CODE Chapter 551, in accordance with the authority contained in the following sections:

- A. Section 551.074-Deliberation on Personnel Matters  
AEDC Executive Director Annual Review
- B. Section 551.087 - Deliberation regarding Economic Development Negotiations with the following prospects:
  - Prospect #1542
  - Prospect #1553
  - Prospect #1554
  - Prospect #1556
  - Prospect #1557
- C. 551.072 – Deliberation Regarding Real Property  
Possible lease of real property located at:
  - 1. 1704 Enterprise St.

The board reconvened into Open Session at 12:24 p.m. Mr. Traxson had a prior commitment and left during executive session.

**Consider discussion and possible action on items discussed under Agenda Item 10:**

Prospect #1556, Athens Screen Printing, has purchased a building located at 114 N. Palestine St., and proposes to make up to \$150,000 in capital improvements to the facility, locate \$215,000 in personal property and add 8 full time positions, over its current base of 6, over a 5 year period. The expansion of the facility will enable Company to produce inventory that will be shipped and sold outside the region, thereby creating primary jobs. In return for the above mentioned investment and jobs, AEDC will pay Company up to \$25,000. Incentives will be paid upon certificate of occupancy and installation of the first year's personal property investment. Since the incentive is being paid up front, Company will need to carry the contingent liability on their books until the contract is complete.

John Trent made a motion to approve the \$25,000 incentive for Athens Screen Printing, based on the investment and jobs listed above. Maurice Cox seconded the motion. Motion passed 6-0.

Jess Laird made a motion to extend the employment contract with AEDC Executive Director Lisa Denton for a period of two years, which would carry through January 5, 2019; increase the salary to \$100,000/year, and make the necessary budget amendment to cover the salary change. Salary is to be retroactive to January 5, 2017. Jeaneane Lilly seconded the motion. Motion carried 6-0.

**With no further action to be taken, the meeting was adjourned at 12:25p.m.**

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Carmen Hunt, Secretary

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Jess Laird, President