

**Athens Economic Development Corporation
Board of Directors Meeting
Minutes for June 20, 2017**

The Board of Directors of the Athens Economic Development Corporation (hereafter referred to as AEDC) held a Regular Board Meeting at 10 a.m. on Tuesday, June 20, 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, John Trent and Maurice Cox

Staff present: Lisa Denton, Dede Sims and Sherri Skeeters

Ex-officio: Monte Montgomery, Mayor and Philip Rodriguez, City Manager

Guests: Neal Conway, Conway Company CPA's, P.C.

Call to Order

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

Welcome new Mayor and Staff

The new Mayor of Athens was welcomed by Board President, Jess Laird. Mayor Montgomery addressed the board and wanted to let everyone know he would be available when needed.

Lisa Denton, Executive Director, introduced Sherri Skeeters as the new Business Development and Marketing Director.

Declaration of conflict of interest

Jess Laird stated a conflict with agenda item 6.C.

Citizen Comments

None

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

A. May 16, 2017

Jeaneane Lilly made a motion to approve the minutes from May 16, 2017, subject to a change noted on page one to correct the vote to 5-0 from the April 18, 2017 minutes. John Trent seconded the motion. Motion passed 6-0.

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

A. FYE 9/30/2016 Audit Report, as presented by Neal Conway with Conway Company CPA's, P.C.

Mr. Conway reported that there were no significant findings, and stated that AEDC is properly addressing their accounting activities.

Carmen Hunt made a motion to approve the Audit Report. Cliff Barrett seconded the motion. Motion passed 6-0.

B. May Financials

The Board was updated regarding the revenues, expenditures and commitments of AEDC, for the month of May.

Cliff Barrett made a motion to approve the May financials. Maurice Cox seconded the motion. Motion passed 6-0.

C. FDIC and Collateral Risk

Information presented at TML's Public Funds Investment Act Training stated that EDC's are not considered public entities, and therefore cannot secure deposits with pledges. Cliff Barrett and staff have researched and presented information obtained from the FDIC to Blake Armstrong for a legal opinion, but did not have at meeting time. No action was taken on this item, and it will be brought back to the board in July.

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

A. Athens Industrial Park:

1. FutureMatrix Interventional/Texas Capital Fund Project

Ms. Denton reported that FMI will not be moving forward with their expansion project, at this time. She has requested notification, in writing, to allow the board to take action to cancel the EDPA currently in place.

Board directed staff to draft a request letter to the city, to cancel the Texas Capital Fund Grant agreement with the state, and release AEDC from any obligation, outside from the engineering and design fees.

2. Approval of Invoice 1119, from City of Athens, in the amount of \$24,400 for reimbursement of costs associated with roadway engineering/design.

Jeaneane Lilly made a motion to approve the payment of \$24,400 to the City of Athens for reimbursement costs associated with roadway engineering/design at Industrial Park. John Trent seconded the motion. Motion carried 6-0.

3. Roadway Engineering/Design Contract

With the loss of the TCF grant, the Board discussed whether or not to continue with the engineering and design of the roadway. The total estimated cost for the plans is \$104,000. Currently, the project is roughly 46% complete.

Jeaneane Lilly made a motion to complete the roadway engineering/design portion of the project. Cliff Barrett seconded the motion. Motion passed 5-1, with Jess Laird opposed.

B. 1702/1704 Enterprise St.

1. West Pharmaceutical lease

The current lease term for West ends 10-31-2018. They expect to be out of the facility by the end of June. They have asked if there is a possibility of some type of concession on the amount due, if they were to make a lump sum payment. If paid out, the lease payments would total \$112,000.

John Trent made a motion to offer a 20% discount rate of \$90,000 with furniture and racks left in place, and allowing staff to negotiate from that amount, if necessary. Carmen Hunt seconded the motion. Motion passed 6-0.

Compliance Review of Community Development Grant Program with Keep Athens Beautiful.

The project was approved for \$1,500 in March. Project is complete, and a request for payment has been received from KAB. Staff is recommending payment of the \$1,500 grant.

Carmen Hunt made a motion to pay the grant amount of \$1,500 to Keep Athens Beautiful. Maurice Cox seconded the motion. Motion passed 6-0.

Consider discussion and possible action on the following items associated with AEDC Business Assistance Grant:

A. Approval of grant payment to MWCSTFP, LLC

The project was approved on 4/18/2017, in the amount of \$9,208. The project is complete and staff recommends payment of \$9,208 to MWCSTFP, LLC.

Jeaneane Lilly made a motion to pay the grant amount of \$9,208 to MWCSTFP, LLC. John Trent seconded the motion. Motion passed 6-0.

Consider discussion and possible approval to fund the following items associated with Fieser Development:

A. Loan Agreement for FDI-Fairview, LTD, in the amount of \$84,010

B. Loan Agreement for FDI-Fairview South, LTD, in the amount of \$187,102

Jess Laird and Lisa Denton toured the properties and verified that Fairview is 88% complete and Fairview South is 83% complete. Ms. Denton noted that the amount invested to date is higher than the total commitment given in the loan agreements. The loan agreements were approved in August 2016, with a term of 5 years and 3% interest.

A motion was made by John Trent to fund both the A & B loan agreements totaling \$271,112. Cliff Barrett seconded the motion. Motion carried 6-0.

Director's Update:

A. AEDC Award

For the second year in a row, AEDC has received the award for Economic Excellence by Texas Economic Development Council. Jeaneane Lilly and Sherri Skeeters were present to receive the award at TEDC's Mid-Year Conference in Plano.

B. Staff/board member training

Sherri Skeeters and Jeaneane Lilly attended the TEDC Basic Economic Development Course June 6-9 in Plano. Ms. Lilly made a recommendation that any board member should attend, as she found it to be highly beneficial training.

C. Board Meeting Dates

The July board meeting was rescheduled for 10 a.m. on July 25.

Will Traxson joined the board meeting at 11:24 a.m.

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

At 11:30 a.m., 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 551.072 – Deliberation regarding Real Property
Possible purchase of real property
- B. Section 551.087 - Deliberation regarding Economic Development Negotiations with the following prospects:
 - Prospect #1522 Prospect #1559
 - Prospect #1542 Prospect #1563
 - Prospect #1550 Prospect #1565
 - Prospect #1554 Prospect #1566

The board reconvened into Open Session at 12:27 p.m.

Consider discussion and possible action on items discussed under Agenda Item 12:

With no further action to be taken, the meeting was adjourned at 12:27 p.m.

Carmen Hunt, Secretary

Jess Laird, President