

MINUTES
CUERO DEVELOPMENT CORPORATION
REGULAR MEETING
Monday, July 18, 2016 5:30 P.M.

The Cuero Development Corporation Board of Directors met Monday, July 18, 2016, at 212 E. Main Street, Cuero, Texas.

PRESENT: Board Members: Charles Papacek, Richard Weber, Dennis Jemelka, Will Carbonara, Randy Jochim, Mayor Sara Post Meyer, Executive Director, Patrick J. Kennedy, CDC Administrative Assistant, Samantha Solis

ABSENT: David Scott

GUESTS: Tim Kardosz, General Contractor – Dlugosch III, LLC. DBA The Texan, Britney Pressler, and Kerry Rhotenberry

I. CALL TO ORDER

President Charles Papacek called the meeting to order at 5:30 p.m.

II. OPEN PUBLIC HEARING AND HEAR PUBLIC COMMENT ON PROPOSED EXPENDITURES OF FUNDS FOR DLUGOSCH III, LLC. DBA THE TEXAN

President Charles Papacek opened the public hearing at 5:31 p.m.

Tim Kardosz, General Contractor for Dlugosch III, LLC. DBA The Texan gave a brief explanation of the proposed project. There is a total of \$170,000 allocated to the Enterprise Program in the CDC budget. Mr. & Mrs. Brian Dlugosch are requesting \$100,000 to be used towards the purchase and installation of gas pumps at The Texan, 101 W. Heaton Street, Cuero, TX. Mr. Kardosz introduced himself and gave the Board a thorough description of the proposed completed project. Mr. Kardosz explained that the proposed convenience store would be a 4.5 million dollar investment on 4.6 acres of property with the store being 8,800 square feet. The fuel station for trucks would be located in the rear of the store with its own entrance/exit to keep from interfering with regular paying customers. The rear pump station will include 3 diesel stations and the front fuel station will include 6 regular unleaded/diesel pumps. The projected opening date for The Texan is within 14-16 weeks. Brief discussion followed.

PUBLIC COMMENT

None

III. CLOSE PUBLIC HEARING

The Cuero Development Corporation closed the public hearing at 5:36 P.M.

President Charles Papacek opened the regular meeting at 5:37 P.M.

Based on the public hearing, Mr. Jemelka made a motion to continue with the next phase of the Enterprise Program application process. The Cuero Development Corporation will work with The Texan on compiling the Performance Agreement and Exhibit B.

MOTION MADE BY DENNIS JEMELKA, SECONDED BY RICHARD WEBER, TO MOVE FORWARD WITH THE ENTERPRISE PROGRAM GRANT FOR DLUGOSCH III, LLC. DBA THE TEXAN. AYES: 6 NAYES: 0 MOTION CARRIED

IV. MEETING ADDENDUM – CONSIDER AND ACT UPON A BUSINESS RETENTION AND EXPANSION PROGRAM GRANT FOR KERRY MOSIER RHOTENBERRY FOR RENOVATIONS AND REPAIRS FOR 210 N. ESPLANADE, CUERO, TX 77954

Mrs. Kerry Rhotenberry briefed the Board on this proposed project. She reported that the existing roof at 210 N. Esplanade had not been replaced and is currently leaking. The bids she received were for a full repair and interior work, that included plumbing repair, electric upgrades, and new ceiling tiles throughout the building. Mrs. Rhotenberry informed the Board that the upstairs portion of the building will be used as an apartment and the bottom will be occupied by an Ice Cream Shop, Nony & Lo's. Brief discussion followed.

MOTION MADE BY RICHARD WEBER, SECONDED BY RANDY JOCHIM, TO ACCEPT THE BUSINESS RETENTION AND EXPANSION GRANT FOR KERRY MOSIER RHOTENBERRY IN THE AMOUNT OF \$10,000. AYES: 6 NAYES: 0 MOTION CARRIED.

V. CITIZENS INPUT (2 MINUTES EACH)

NONE

VI. MONTHLY FINANCIAL REPORTS

APPROVAL OF JUNE FINANCIAL REPORT

Mr. Will Carbonara went over the Financial Report for the period ending June 30, 2016. Mr. Carbonara explained that on the first page of the report the June sales tax monies weren't deposited into the CDC account, so there should be an increase in revenues. On the second page of the financials, Mr. Carbonara pointed out that though the Parks Department has completed their project along with the Intersection Realignment Project, those two line items are currently being processed and have not been taken out of the budget for payment.

Mr. Charles Papacek questioned about the "Old BCL Account" that is not currently combined with the General Fund for the CDC. Mr. Kennedy noted that because Bahnhof Café is currently still paying the CDC for their loan, they have not yet combined the two accounts together, but will do so once their loan term is complete.

MOTION MADE BY DENNIS JEMELKA, SECONDED BY RICHARD WEBER, TO ACCEPT THE JUNE FINANCIAL REPORT AS PRESENTED. AYES: 6 NAYES: 0 MOTION CARRIED.

VII. BUSINESS

HEAR REPORT FROM THE BUDGET COMMITTEE FOR THE FY 2016-2017 BUDGET AND RECOMMEND APPROVAL OF BUDGET AND WORK PROGRAM FOR SUBMISSION TO THE CITY COUNCIL

Mr. Kennedy presented this item to the Board. The Budget Committee consisted of Mayor Sara Post Meyer, Randy Jochim, and David Scott. Mr. Kennedy noted that the one change made to the CDC Budget was to decrease the contingency line item by \$6,000 to be moved to the City for the CDC rent and financial services. The CDC budget is a balanced budget for the FY 2016-2017.

The CDC must submit a Work Program to follow the new FY 2016-2017 budget to the City Council. The Work Program includes 5 programs, the removal of the Bat Program, adding Team Texas to Recruitment, and indicates that the CDC should make at least two prospect visits for the year.

MOTION MADE BY RANDY JOCHIM, SECONDED BY DENNIS JEMELKA, TO APPROVE THE FY 2016-2017 BUDGET AND WORK PROGRAM AND SEND FOR APPROVAL TO THE CITY COUNCIL. AYES: 6 NAYES: 0 MOTION CARRIED

PRESENTATION OF 2ND QUARTER, 2016 (APRIL-JUNE) QUARTERLY REVIEW (PAGE 78)

Mr. Kennedy presented this item to the Board. Mr. Kennedy noted that on offering space to a business, that this item has been complete. The UHV-SBDC is now located in the back office of the CDC. Mr. Kennedy suggested adding an overview of projects/completed projects that are expected during that quarter in his weekly status reports, so that the Board could all be on the same page with completed actions.

REVIEW AND APPROVE GRANT APPLICATIONS FOR 2016-2017

Mr. Kennedy presented this item to the Board. Mr. Will Carbonara suggested that the CDC add a clawback to the grant applications that indicate the business must stay in house for a number of years after signing the Performance Agreement and Exhibit B. Mr. Kennedy noted that there could possibly be an insert that indicated the property couldn't be sold for a certain period of time, he would further research this and get back to the Board.

Mr. Kennedy noted that two changes would be added to the Business Retention and Expansion Program grant.

- 1) A line stating "This grant is for businesses that collect Sales Tax or will collect Sales Tax as a result of these improvements".
- 2) The Super Funds will be taken out of the application

Added to all grant applications

- 3) Before reimbursement
 - All work shall be complete
 - Statement from Contractors that work is complete
 - Copies of cancelled checks/credit card receipts
 - Completed W-9 Form
 - Completed Conflict of Interest Form

MOTION MADE BY MAYOR SARA POST MEYER, SECONDED BY RICHARD WEBER, TO TABLE THE GRANT APPLICATIONS APPROVAL FOR 2016-2017 UNTIL THE NEXT BOARD OF DIRECTOR'S MEETING.

VIII. CONSENT AGENDA

Included in the director's agenda packets for review were: Regular Meeting Minutes, Monday, June 20, 2016 the December Events Financial Report, and the December Events Committee's Regular Meeting Minutes, Wednesday, June 15, 2016. Brief discussion followed.

MOTION MADE BY RICHARD WEBER, SECONDED BY RANDY JOCHIM, TO ACCEPT THE CONSENT AGENDA AS PRESENTED. AYES: 6 NAYES: 0 MOTION CARRIED.

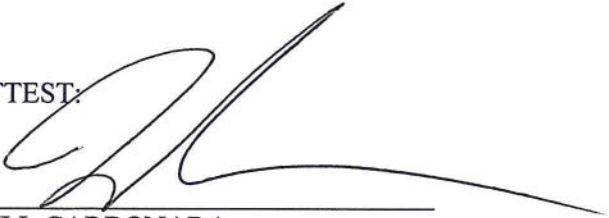
IX. EXECUTIVE DIRECTOR'S REPORT

- 1) Sales Tax Comparisons – A copy of the sales tax revenue report was included in the Board package. Mr. Kennedy reported that the City is 43% down. At the time, there is an expected shortfall of \$50,000. The CDC will have an amendment at the August meeting. There has been no activity in the Entrepreneur Program and some delays with the Enterprise Program, so Mr. Kennedy suggested the Entrepreneur Program be reduced and to also reduce the line item for the Enterprise Program from \$170,000 to \$100,000 in the revised budget. \$125,000 will be paid to the City for the parks improvements and \$69,000 will be paid for the intersection realignment. Once the changes are made, the CDC will still be in good standing.
- 2) Discuss upcoming Community Leader's Meeting – The August 5th guest speaker will be Rick Rhodes, Administrator – Office of Rural Affairs, Texas Department of Agriculture at the Chisholm Trail Heritage Museum – Hamilton Room and the September 2nd guest speaker will be Paul Reitz, P.E., District Engineer – TxDot, Yoakum District at the City of Cuero Council Chambers.
- 3) December Events Committee – Mr. Kennedy reported that the CDC is working with ShaNon Henson of Exibix on the purchase of a Christmas Tree that will be displayed in the CDC office in honor of the December Events Committee volunteers. There are currently 45 names that will be placed on 2 inch ornaments.
- 4) Current Projects – There are currently six projects that have been complete. Dennis Jemelka presented a check to Wagner's Hardware & Gifts in the amount of \$7,014.33. CDM Resource Management has not complete their project, R&R Marketplace has started work along with Cuero Subway. Tri-City Empowerment Council has their event on August 6th and The Texan has started the groundwork at their site.
- 5) Discuss upcoming conferences/meetings – Mr. Kennedy will be attending the Texas Economic Development Council's Annual Conference in October and the CDC is in the process of applying for a CEDA Award.

X. ADJOURN

MOTION MADE BY RICHARD WEBER, SECONDED BY WILL CARBONARA, TO ADJOURN THE MEETING AT 7:02 P.M. AYES: 6 NAYES: 0 MOTION CARRIED.

ATTEST:



WILL CARBONARA
TREASURER



CHARLES PAPACEK
PRESIDENT

**AMENDED NOTICE AND AGENDA
REGULAR MEETING
CUERO DEVELOPMENT CORPORATION
MONDAY, JULY 18, 2016**

The Cuero Development Corporation (CDC) will hold their regular monthly meeting at 5:30 p.m. on Monday, July 18, 2016 at 212 E. Main, Cuero, Texas. This notice is posted pursuant to the Texas Open Meetings Act.

I. NEW BUSINESS

- Consider and act upon a Business Retention and Expansion Program grant for Kerry Mosier Rhotenberry for renovations and repairs for 210 N. Esplanade, Cuero, TX 77954



This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the Cuero Development Corporation office at (361) 275-8178 or FAX (361) 275-6274 for further information.

The Cuero Development Corporation reserves the right to retire into executive session concerning any of the items listed on this agenda, whenever it is considered necessary and legally justified under the Open Meetings Act.

CERTIFIED AS POSTED AT:

City Hall, 212 E. Main Street; Cuero Development Corporation, 214 E. Main Street; and on the CDC website, Friday, July 15, 2016.

**NOTICE AND AGENDA
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III. CLOSE PUBLIC HEARING

III. CITIZENS INPUT (2 minutes each)

- Citizens who have not filed an agenda application

IV. MONTHLY FINANCIAL REPORTS

- Approval of June Financial Report

V. BUSINESS

- Hear report from the Budget Committee for the FY 2016-2017 Budget and recommend approval of Budget and Work Program for submission to the City Council
- Presentation of 2nd Quarter, 2016 (April – June) Quarterly Review (Page 78)
- Review and approve grant applications for 2016-2017

VI. CONSENT AGENDA

- Regular Meeting Minutes, Monday, June 20, 2016
- December Events Committee Regular Meeting Minutes, Wednesday, June 15, 2016
- December Events Committee Financial Report

VII. EXECUTIVE DIRECTOR'S REPORT

- Sales Tax Comparisons
- Discuss upcoming Community Leader's Meeting
- December Events Committee
- Current Projects
- Discuss upcoming conferences/meetings

VIII. ADJOURN



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