

**MINUTES
CUERO DEVELOPMENT CORPORATION
REGULAR MEETING
Monday, June 17, 2019 5:30 P.M.**

The Cuero Development Corporation Board of Directors met Monday, June 17, 2019, at 212 E. Main Street, Cuero, Texas.

PRESENT: Board Members: Richard Weber, Greg Freeman, Tyler McClellan, Chris Crain, Mayor Sara Post Meyer, David Scott, CDC Executive Director Patrick J. Kennedy, and CDC Administrative Assistant Samantha Solis

ABSENT: Randy Jochim

GUESTS: Greg Gossett – Friar Ag Center, Annette Rath – Cuero Pecan House, Robert Oliver – Chisholm Trail Heritage Museum, Sandra & Ted Simon – Friends, and Raymie Zella – City of Cuero

I. CALL TO ORDER

President Richard Weber called the meeting to order at 5:30 P.M.

II. CITIZENS INPUT

None

III. MONTHLY FINANCIAL REPORTS

APPROVAL OF MAY FINANCIAL REPORT

Mr. David Scott gave the financial report for the period ending May 31, 2019. Mr. Scott stated that he reviewed the financial report and all accounts are in good standing. There was a slight concern with the revenue that is shown for Real Property in the amount of \$171,066.99. Mr. Kennedy mentioned that the CDC has been coordinating with the City to correct the error that was previously based on the full 11.89 acre tract from an Eagle Ford Shale evaluation.

MOTION MADE BY DAVID SCOTT, SECONDED BY GREG FREEMAN, TO ACCEPT THE APRIL FINANCIAL REPORTS AS PRESENTED. AYES: 6 NAYES: 0 MOTION CARRIED UNANIMOUSLY

IV. BUSINESS

CONSIDER AND ACT UPON AN APPLICATION FOR BUSINESS RETENTION AND EXPANSION PROGRAM GRANT FOR FRIENDS (SANDRA SIMON)

Mr. Kennedy stated that Mrs. Simon, owner of Friends, is seeking assistance for the installation of a new air conditioning unit at her Main Street business, Friends. The proposed project will consist of the removal of the air conditioning unit that is currently located on top of the roof and the installation of a new unit that will require a crane.

MOTION MADE BY TYLER MCCLELLAN, SECONDED BY DAVID SCOTT, TO APPROVE THE BUSINESS RETENTION AND EXPANSION PROGRAM FOR FRIENDS (SANDRA SIMON) IN THE AMOUNT OF UP TO \$4,925.00 TO BE UTILIZED TOWARDS THE INSTALLATION OF A NEW AIR CONDITIONING UNIT. AYES: 6 NAYES: 0 MOTION CARRIED UNANIMOUSLY

CONSIDER AND ACT UPON AN APPLICATION FOR BUSINESS RETENTION AND EXPANSION PROGRAM GRANT FOR CUERO PECAN HOUSE (ANNETTE RATH)

Mr. Kennedy noted that Mrs. Rath, owner of Cuero Pecan House is seeking assistance for purchasing a van for the delivery of catering services and supplies.

Mr. Kennedy mentioned that he personally witnessed the need of a van when Cuero Pecan House catered the showing of *Bagatelle* and Mrs. Rath had to make multiple trips to finish the job.

Mayor Meyer questioned if Mrs. Rath would have the van outfitted to suit the needs of Cuero Pecan House. Mrs. Rath replied that the van would be outfitted.

MOTION MADE BY DAVID SCOTT, SECONDED BY GREG FREEMAN, TO APPROVE THE BUSINESS RETENTION AND EXPANSION PROGRAM FOR CUERO PECAN HOUSE (ANNETTE RATH) IN THE AMOUNT OF UP TO \$10,000.00 TO BE UTILIZED TOWARDS PURCHASING A VAN FOR DELIVERY OF THE CATERING AND SUPPLIES. AYES: 6 NAYES: 0 MOTION CARRIED UNANIMOUSLY

RECEIVE REQUESTS FOR CONSIDERATION OF MAJOR FUNDING FOR FY 2019-2020

Mr. Kennedy mentioned that this is the first venture of having prospective applicants visit with the CDC Board about their interest in receiving funds in excess of \$10,000. Mr. Kennedy noted that as part of the notification from the Texas Municipal League attorney, the CDC will be required to earmark money in their budget that would potentially be given to applicants to show full transparency. Mr. Kennedy reiterated that listening to the reports from the prospective applicants is not a guarantee of money, but the projects will have their own line items in the upcoming budget. Upon approval by the CDC Board the projects will still require a Public Hearing and two City Council readings.

Mr. Gossett spoke on behalf of the Friar Ag Center, he presented the Board with a draft drawing of the upcoming project. Mr. Gossett noted that the expansion is projected to be around 15,000 square feet and will cost around 2.7 million dollars to complete. The Cuero Livestock Show and Rodeo Association is requesting that the CDC earmark \$250,000 for their project, as they have received two major donations from the community. It is hoped that when the project is unveiled to the public, that there will be additional donations. The project is expected to begin upon completion of the Cuero Livestock Show. Mr. Raymie Zella, City Manager – City of Cuero also noted that the City of Cuero has committed \$350,000 to this expansion.

Mr. Oliver spoke on behalf of the Chisholm Trail Heritage Museum's (CTHM) project at the English-German School House. Mr. Oliver noted that the intent of the project was always to save a part of Cuero's history and repurpose it. He mentioned that restrooms are in working condition, the air conditioning unit is running, the doors received their final seals and thresholds, the ceilings are insulated and the kitchen is installed. The school house is lacking four to five raised flower beds that will be utilized to teach cropping and additional facilities. This project thus far has cost \$500,000 and the CTHM is requesting \$50,000 for the completion of the project. A final estimate will be presented to the CDC Board at the proper time.

Mr. Zella spoke on behalf of the City of Cuero's Downtown Revitalization Project. Mr. Zella noted that in an effort to beautify the backside of East and West Main Street, the City of Cuero has chosen a landscaping project that would consist of new historical lighting, a separation island, landscaping, and irrigation. In the initial planning phases of this project, these costs were not included with the parking lot and curb appeal bids because the City expected to do these tasks in house. This project cost will be around \$528,000, of which the City has committed \$103,000 and is seeking \$100,000 from the CDC. It was mentioned by Mr. Kennedy that the CDC has already committed \$325,000 to this project.

Mr. Scott questioned how much of the \$325,000 commitment has been taken off the CDC books. Mr. Kennedy stated that \$75,000 has been paid to the City and the remainder will be transferred from the TexPool account before the end of the fiscal year.

Mayor Meyer stated that the City has utilized the initial \$75,000 for a new water and gas line for the Downtown Revitalization project. She also mentioned that the Backdoor Beautification project began in 2012 with the Strategic Plan discussion that the City paid for by Kendig Keast. Residents of the City voiced their concerns about entering Cuero on the South side of town and not having an appealing view for visitors.

Mr. Scott also questioned if the City is required to complete their project, prior to being funded. Mr. Kennedy noted that because the Downtown Revitalization project is included in the budget, it does not need to be complete before being funded.

RECEIVE DRAFT REPORT OF THE ECONOMIC DEVELOPMENT STRATEGIC PLAN FROM OPPORTUNITY STRATEGIES

A copy of the draft of the Strategic Economic Development Plan was presented to the Board. Mr. Kennedy noted that in planning with the Consultant the CDC planned to include the recommendations given to them in the Plan to the 2019-2020 FY budget. The goal of the draft plan was to have the Board members review and revise the plan to submit to the Consultant so that they may be included in the final presentation of the plan on Tuesday, June 25th. Multiple sections were not included into the plan and will require revision before moving forward.

Mr. Scott questioned how much of the total payment the CDC is responsible for paying for the draft plan that was incomplete. Mr. Kennedy stated that according to the contract, the remainder of the contract in the amount of \$12,170.00 is due following the submission of the draft plan.

It was suggested that the Board review the draft plan and coordinate with CDC staff on their recommendations to be included and for CDC staff initiate contact with the Consultant to have the substantial changes incorporated.

DRAFT OF 2019-2020 BUDGET

Mr. Kennedy mentioned that the budget worksheet included in the agenda packet was only a starting place for the upcoming year. It was reported that the sales tax revenue is anticipated to be flat for the upcoming year.

Adjustments to the budget worksheet will include funding for the major grant projects that were presented earlier in the meeting, additional monies in the salaries line item, staff development and recruitment, and monies to purchase the 4.30 acre tract of land.

It was noted that the three line items located under Community Development are earmarked on the budget line items for the Friar Ag Center, the English-German School House, and the City of Cuero Downtown Revitalization Project. Once the projects are presented to the City of Cuero Fiscal Department, these items will be specified in their own budget line item with the amount that has been requested. This by no means, indicates that the project is being funded, it just allows the CDC to earmark funds in their upcoming budget for these specific projects.

Staff will coordinate with the Budget Committee and the Fiscal Department to incorporate the newly incorporated budget items that will be presented at the July 15th board meeting where a Public Hearing will be held.

V. CONSENT AGENDA

Included in the director's agenda packets for review were: Regular Meeting Minutes, Monday, May 20, 2019 and December Events Committee May Financial Report.

MOTION MADE BY MAYOR SARA POST MEYER, SECONDED BY CHRIS CRAIN, TO ACCEPT THE CONSENT AGENDA AS PRESENTED. AYES: 6 NAYES: 0 MOTION CARRIED UNANIMOUSLY

VI. EXECUTIVE DIRECTOR REPORT

- 1) Sales Tax Comparisons – A copy of the sales tax revenue report was included in the Board package. It was reported that the sales tax remittance has remained flat.
- 2) Community Leaders' Meeting – Mr. Kennedy noted that numerous individuals commented that Mrs. Welch was one of the best speakers they have heard at the Community Leaders Meeting (CLM). The CLM will resume in September, 2019 after a summer vacation.
- 3) Discuss upcoming conferences/meetings – Mr. Kennedy was unable to attend the Texas Rural Challenge due to the timing of the CDC monthly meeting.
- 4) December Events Committee – It was reported that the December Events Committee will hold their monthly meeting on Wednesday, June 19th. Displays for the upcoming season have begun arriving. The TDCJ-Stevenson Unit has had limited availabilities to assist the CDC in final touches of the warehouse, but all lights have been changed.

5) Current Projects –

- TexInn Hotel – Mr. Kennedy noted that pursuant to the direction that was given to staff at the October Board Meeting, it was stated that Mr. Pelletier could not begin the funding process of his application until the TexInn Hotel was ready to hire employees. In conversations with Mr. Pelletier, the TexInn is hiring employees and hopes to have the first phase of the project open upon final inspections by the City. Mr. Kennedy reported that CDC staff was able to do a walkthrough at the TexInn Hotel and all work thus far has exceeded their expectations. Mr. Pelletier has invited the CDC staff and Board to do a walkthrough of the hotel at a later date. CDC staff recommended that upon evaluation by the Board, that the CDC will start the process of holding the Public Hearing. Mr. Kennedy reiterated that the Public Hearing is for listening purposes by the public on whether the project is suitable for public funds. The final stages will include the compilation of the Performance Agreement where jobs for money will be determined, two City Council readings, and a review of Mr. Pelletier's financials. In coordinating with the City, Mr. Kennedy was made aware that the TexInn Hotel is not complete with all of the requirements to receive a Certificate of Occupancy.

Mr. Crain questioned the amount of Mr. Pelletier's application and if the Board has voted to approve the application. Mr. Kennedy stated that the program is listed under the Enterprise Program for \$90,000 as an ongoing program, but the Board halted the project until Mr. Pelletier was ready to open his business.

It was reported that Site Location Partnerships' (SLP) contract has been complete as of June 30, 2019. In the final report that was received it was stated that SLP will still continue to follow up with the contacts from their database through the end of July, 2019.

The CDC staff has made numerous attempts at contacting Bishop Properties with no success. Mr. Kennedy was made aware of a new contact that coordinated with the DeWitt County Clerk's Office moving into the GeoSouthern building owned by Mr. Bishop. Mr. Scott recommended that the CDC President, Mr. Weber initiate communication with the new contact person.

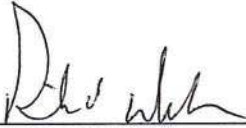
ADJOURN

MOTION MADE BY GREG FREEMAN, SECONDED BY DAVID SCOTT, TO ADJOURN THE MEETING AT 7:07 P.M. AYES: 6 NAYES: 0 MOTION CARRIED UNANIMOUSLY

ATTEST:



DAVID SCOTT
SECRETARY/TREASURER



RICHARD WEBER
PRESIDENT