

City Council and Cleveland Economic Development Corporation met for a Special Called Joint Meeting and Public Hearing on January 22, 2018 in the Council Chambers at City Hall, 907 E. Houston, with EDC Board President Brad Browder presiding.

COUNCIL MEMBERS PRESENT: Mayor Otis Cohn, Councilmember Mike Penry, Councilmember Marilyn Clay, Councilmember Carolyn McWaters, Councilmember Danny Lee, Councilmember Jennifer Bergman

EDC BOARD MEMBERS PRESENT: Alfred Anderson, Robert Reynolds, Eddie Lowery, Brad Browder, J. Rice, Consultant, Carolyn McWaters, Fred Terrell, Kelly Jenkel-Axton

VISITORS PRESENT: Rose Pearl, Jeff Upton, Arkady Sobulevski, Aaron Farmer, Caroline Hearnberger, Delores Terry, Rebekkah Sandt, James Franklin, Victoria Good, Josh Good, Lacy Beasley

EMPLOYEES: Rod Hailey, Kelly McDonald, Angela Smith, Sean Anderson, Glen Barnhill, Frieda Joyce, Bobby Pennington, Darrel Broussard

EDC Board President Browder called the meeting to order at 5:30 pm and stated there was an EDC quorum. Mayor Cohn opened the council meeting at 5:30 pm and stated they had a quorum. J. Rice gave the invocation and EDC Board President Browder led the pledge to the Texas flag and the US flag.

Public Hearing on Voluntary Annexation by City of Cleveland

1. The City Council of the City of Cleveland, Texas will conduct two (2) public hearings on January 22, 2018 and January 23, 2018 at 5:30 pm in the Council Chambers at City Hall, 907 E Houston, Cleveland, Texas 77327 for the purpose of discussion on proposed VOLUNTARY annexation area which is listed below.
 - VOLUNTARY ANNEXATION TRACT 1-2018: Being 291.421 Acres of Land (save and except approximately 58 acres) for total of 233.421 Acres to be voluntary annexed. Situated in the T.J. Williams Survey, A-593 and the Lawrence Martin Survey, A-310 fully in Montgomery County, Texas.

Mayor Cohn opened the public hearing at 5:35 pm. He read the information on the annexation and asked for any questions or comments. There were none received. The public hearing was closed at 5:37 pm.

Discussion and Action by EDC and/or City Council

2. Presentation to EDC & City Council by Retail Strategies and Retail Coach and possible action by EDC and/or City Council on selection and approval of contract for services for same.

City Manager McDonald explained the purpose of the next two presentations and introduced the speakers.

Aaron Farmer and Caroline Hearnberger with Retail Coach gave their presentation of their services. There were no questions by council or EDC after their presentation.

Lacey Beasley with Retail Strategies gave her presentation on her company services.

Councilmember Bergman had questions on the contracts that were provided. Retail Coach's contract was missing pages and was re-sent to staff during the meeting for later review.

Finance Director Pennington stated that the funding of a multiple year contract can be found in marketing and legal expenses line items and can be done without amendment to the budget. He also stated that this will be just an EDC project at this time with no City monetary expense involvement.

J. Rice asked about the fees and length of contract times from both vendors. Retail Coach stated that the contract reflected a reduced client rate since EDC has used them in the past. The contract length can be modified as needed.

Neither vendor can guarantee success but past experience has been that companies are using the data on our website to decide if they wish to come to Cleveland. Two examples are Hibbett and Burke Outlets.

Retail Coach is strictly fee based and not commission based. Retail Strategies has looked at doing fee based but it never works out well for cities or EDCs. A complete client list was asked for from both companies. It was stated that there was no performance issues in the contract and benchmarks need to be set.

Comments made were that we like the presentations but we want more information on both companies before making the decision. If we don't have the data available for clients to review they will go elsewhere for their companies. The new McKinley commercial development is open to working with either company to fill their commercial space.

Councilmember Penry made a motion to table selection of vendor for further review of contracts and to obtain more information with a second from Councilmember Bergman. All council members present voted "AYE". Motion carried.

Please filter all information or questions through City Manager McDonald.

Boardmember Terrell made a motion to table the selection of vendor for more information with a second from Boardmember Lowery. All EDC members present voted "AYE". Motion carried.

Council Meeting Adjourn

Councilmember Bergman made a motion to adjourn the City Council meeting with a second from Councilmember Penry. All Council members present voted "AYE". Motion carried. Council meeting adjourned at 6:58 pm.

The break ended and the EDC Board Meeting started again at 7:03 pm.

EDC Monthly Meeting Agenda

Items 8, 9 & 10 were moved up on the agenda.

10. Discuss and take action on EDC property being used by South Central Sands for a temporary wash station.

J. Rice stated that South Central has two issues – trouble with potholes and to use the area south of them for a wash station. According to City Manager McDonald the pothole issue has been fixed.

Boardmember Anderson made a motion to approve the use of the property requested for a period of 90 days with a second from Boardmember Lowery. All members present voted "AYE". Motion carried.

8. Discuss and take action on proposed permanent easement and right-of-way agreement for Grand Prix Pipeline LLC.

Rose Pearl with Coats Field worked with HR Green on the issues raised at the last meeting. No concerns with Targa Pipeline. EDC can cross their pipeline for roads. It was asked for clarification for "paved" roads across the pipeline and she responded affirmatively. No issue with public driveways; just notify Targa for driveway location. Rebekkah Sandt with HR Green stated that their deepest ditch is 36 inches and HR Green has no other issues with Targa Pipeline. City Attorney Olson is fine with the contract as presented. Ms. Pearl confirmed amount due: 5,115 feet = 310 rods @ \$900 a rod comes to approximately \$279,018 for EDC.

Boardmember Anderson made a motion to approve the proposed agreement with Grand Prix with a second from Boardmember Lowery. All members present voted "AYE". Motion carried.

9. Hear a report from the City Engineer on the drainage and road specifications for the Airport South Industrial Park.

Rebekkah Sandt from HR Green gave a report on this topic.

3. Approve minutes from the December 11, 2017 meeting.

Boardmember Anderson made a motion to approve the minutes as presented with a second from Boardmember Reynolds. All members present voted "AYE". Motion carried.

4. Review and approve financial statements.

Finance Director Pennington made the presentation. The TDA transfer was made this month. Boardmember Lowery made a motion to approve the financial statements with a second from Boardmember McWaters. All members voted "AYE". Motion carried.

5. Review and approve bill payments.

Finance Director presented the payables and added one for Sam Houston Electric. It was asked about Precision Lawn service and he replied that they have stated they will help with the clean-up at the Park.

Boardmember Lowery made a motion to approve all the payables with a second from Boardmember McWaters. All members present voted "AYE". Motion carried.

6. Review and approve quarterly investment report for period ending September 30, 2017.

Finance Director Pennington reviewed the report. Staff is recommending that the money be moved to the Tex Pool Account due to the interest rate increase.

Boardmember McWaters made a motion to approve the quarterly investment report with a second from Boardmember Lowery. All members present voted "AYE". Motion carried.

7. Review and approve budget carryover of \$117,176 from Fiscal Year 17 to Fiscal Year 18 for industrial park capital improvement project.

Finance Director Pennington stated that the actual amount to carryover is \$85,229 as the estimate did not account for the \$31,948 in the W/S capital.

Boardmember Reynolds made a motion to carryover the \$85,229 to the FY18 with a second from Boardmember Anderson. All members present voted "AYE". Motion carried.

11. Hear summary monthly business prospect report.

J. Rice – on the second page four of those companies have made trips to our locations.

12. Public Comments.

None

13. Closed Executive Session.

- a. Consultation with Attorney under Texas Local Government Code 551.071
- b. Discuss real estate in accordance with the Open Meetings Act, TX Govt. Code Section 551.072. Discuss or deliberate regarding commercial or financial information that has been received from a business prospect that the EDC seeks to have locate, stay or expand in or near the City of Cleveland and with which the EDC is negotiating and to deliberate the offer of a financial or other incentive to such business prospect, all as authorized by Sec. 551.087, Texas Government Code.

EDC left for Executive Session at 7:57 pm

14. Return to Open Session.

- a. Take action if necessary from Consultation with Attorney executive session
- b. Consider purchase, sale, appraisal and option on real estate and/or procurement of related legal, surveying or environmental assessment assistance and/or consider incentives for business from Item 13, Executive Session, if necessary.

EDC returned to open session at 8:27 pm with no action taken.

15. Reports and comments from Directors and staff.

City Manager McDonald stated the FEMA inspection has been done at the sports park, also on the council agenda for tomorrow is approving sending out bids for fence repair. CYBA can help with dirt and debris cleanup.

16. Adjourn.

There being no further business to transpire, Boardmember Anderson moved that the meeting be adjourned, with a second from Boardmember Lowery. EDC meeting adjourned at 8:31 p.m. All members present voted "AYE". Motion carried.

PASSED AND APPROVED this 26th day of February 2018.

_____/signed_____
Board President Brad Browder

ATTEST:

_____/signed_____
Angela Smith, City Secretary