KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

ECONOMIC DEVELOPMENT CORPORATION MINUTES

BOARD OF DIRECTORS REGULAR MEETING
SEPTEMBER 24, 2019 AT 7:00 PM
CITY COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

I. CALL TO ORDER

President Mark Yeary called the meeting to order at 7:00 p.m.

II. ROLL CALL

Present: President Mark Yeary, Place 6; Johnny Trevino, Place 1; Cesar Guerra, Place 2; Andrew Schaeffer, Place 3; Darold Tippey, Place 4; Mayor Pro Tem Lee, Place 5; **Absent:** April Coltharp, Place 7; ***Staff:*** *City Manager and EDC Executive Director George Campbell, Director of Planning and Economic Development Melissa Dailey, Director of Finance and Information Technology Lakeita Sutton, and City Secretary and Communications Coordinator Leslie E. Galloway*

III. WORK SESSION

A. Discussion of properties owned by the EDC

Director of Planning and Economic Development Melissa Dailey gave a brief overview of each property owned by the EDC, including lot size, zoning, existing improvements, and recommendations for development or sale. Properties discussed included: 1109 W Kennedale Parkway; 6701/6713 Oak Crest Drive W and 6704/6708 Lindale; 6820 Oak Crest Drive W; 5411 W Kennedale Parkway; 201 E Kennedale Parkway; and 7215, 7224, and 7227 Bloxom Park Road. Dailey noted that the recommendations were based on generating tax revenue and encouraging additional high-quality development.

Following brief discussion of each property, the consensus of the board was to direct staff to issue a Request for Qualifications (RFQ) for the potential development of 1109 W Kennedale Parkway, 6701/6713 Oak Crest Drive W, and 6704/6708 Lindale; to offer 6820 Oak Crest Drive W for sale for use as a single-family home; to obtain an appraisal for 7215, 7224, and 7227 Bloxom Park Road in preparation to offer it for sale; and to create a conceptual plan for TownCenter and surrounding areas for redevelopment focused on enhancing connectivity, walkability, and sense of place.

In response to a request from President Yeary, Dailey stated that Code Compliance staff would aim to prohibit vehicles from parking on the unimproved lot at 1109 W Kennedale Parkway.

IV. REGULAR ITEMS

A. Consider approval of the minutes from the July 23, 2019 regular meeting

Motion To Approve. **Action** Approve the minutes from the July 23, 2019 regular meeting. **Moved By** Tippey. **Seconded By** Trevino. **Motion passes unanimously**.

B. Consider approval of the minutes from the August 19, 2019 regular meeting

Motion To Approve. **Action** Approve the minutes from the August 19, 2019 regular meeting. **Moved By** Trevino. **Seconded By** Tippey. **Motion passes unanimously**.

C. Review and accept the KEDC Financial Report for July 2019

In response to a question from Mayor Pro Tem Lee, Finance Director Lakeita Sutton stated that the EDC has three funds –Operating, Capital Bond, and Reserve – and that, earlier this year, the monies (~$28,000 to $30,000) from the Capital Bond Fund had been used to establish a separate bank account for the EDC, but that the monies from the other two funds had never been transferred. Sutton added that all EDC transactions were still being paid and received by the City's pooled cash, rather than through this separate EDC account; but that fees were being charged by the bank, due to the balance being below the minimum requirement. There was some discussion regarding the EDC's combined cash position.

In response to a question from President Yeary, Sutton stated that for staff to begin conducting transactions through this separate bank account significant coordination with the audit firm would be necessary; and that it was her understanding that the auditors would prefer the use of the pooled cash method. President Yeary noted that the establishment of a separate bank account was done at the direction of the City Council. Sutton recommended closing the newly-established EDC account and reversing that transaction in the accounting books. President Yeary stated that the Board could request that the Council reverse the decision to maintain a separate bank account for the EDC; and Mayor Pro Tem Lee stated that she would discuss with the Mayor placement of such an item on an upcoming agenda for Council's consideration.

In response to a question from Johnny Trevino regarding the large increase in investment income, Sutton stated that it was simply an under-budgeted projection.

Motion To Approve. **Action** Approve the KEDC Financial Report for July 2019. **Moved By** Tippey. **Seconded By** Trevino. **Motion passes unanimously**.

D. Review and accept the KEDC Financial Report for August 2019

Sutton stated that debt service payments typically take place in February and August and that, during those months, the Board could expect to see expenses that exceeded revenues. She also noted that the sales tax revenue for August exceeded the five-year average.

Motion To Approve. **Action** Approve the KEDC Financial Report for August 2019. **Moved By** Guerra. **Seconded By** Trevino. **Motion passes unanimously**.

E. Consider the nomination and election of a Vice President

Motion To Approve. **Action** Approve the nomination of Johnny Trevino as Vice President. **Moved By** Tippey. **Seconded By** Mayor Pro Tem Lee. **Motion passes unanimously**.

F. Discuss and consider approval of Lease Modification Agreement #5 between the Kennedale Economic Development Corporation and Dolgencorp of Texas, Inc. for the lease of space in Building 1 of Kennedale TownCenter

EDC Executive Director George Campbell stated that this amendment resulted from Dolgencorp proactively seeking to extend the contract. He then pointed out all changes that had been made to the agreement since it was distributed to the Board, noting that the most significant proposed change (that staff was unsure would be accepted) would strip the EDC of any financial responsibility related to maintaining the HVAC units, which – assuming approval of item G on this agenda – would all be relatively new. There was a brief discussion of the "Exclusive Use Covenant".

Motion To Approve. **Action** Approve EDC Executive Director George Campbell to accept Lease Modification Agreement #5 between the Kennedale Economic Development Corporation and Dolgencorp of Texas, Inc. for the lease of space in Building 1 of Kennedale TownCenter either as written or once negotiated to the best position possible (not to be less favorable to the EDC than the current agreement, in regards to HVAC maintenance). **Moved By** Schaeffer. **Seconded By** Tippey. **Motion passes unanimously**.

G. Consider approval of the replacement of two of the air conditioning units at Dollar General in TownCenter

President Mark Yeary pointed out that, on the 24 HOUR, LTD. bid, the amount to consider would be the subtotal (as the EDC is exempt from sales tax). There was some discussion of the capacity and type of the units, the appropriateness of the bid pricing, the reputation of the company, and the need to complete this emergency repair as quickly as possible.

Motion To Approve. **Action** Approve EDC Executive Director George Campbell to contract with 24 HOUR, LTD. for the replacement of two of the air conditioning units at Dollar General in TownCenter for a cost of $20,939.00. **Moved By** Tippey. **Seconded By** Mayor Pro Tem Lee. **Motion passes unanimously**.

V. REPORTS AND ANNOUNCEMENTS

A. Chamber of Commerce report

EDC Executive Director George Campbell stated that Director of Planning and Economic Development Melissa Dailey had given a presentation at the most recent Chamber luncheon about development projects currently underway. He announced the date of the next Chamber Board meeting and luncheon.

B. Board member reports and announcements

There were no announcements at this time.

C. Staff reports and announcements

There were no announcements at this time.

VI. EXECUTIVE SESSION

THE BOARD DID NOT RECESS TO EXECUTIVE SESSION DURING THIS MEETING.

A. Discussion with City Attorney regarding legal issues associated with Economic Development and Performance Agreement, Tax Abatement, and Chapter 380 Agreement with Compressed Air Systems for project located at Harris Corporation Addition, Block 1 Lot 1A2 (Linda Road)

B. Economic Development and Performance Agreement, Tax Abatement, and Chapter 380 Agreement with Compressed Air Systems for project located at Harris Corporation Addition, Block 1 Lot 1A2 (Linda Road)

VII. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

THE BOARD DID NOT RECESS TO EXECUTIVE SESSION DURING THIS MEETING.

VIII. ADJOURNMENT

Motion To Adjourn. **Action** Adjourn. **Moved By** Mayor Pro Tem Lee. **Seconded By** Trevino. **Motion passes unanimously**.

President Yeary recessed the meeting at 8:24 p.m.

APPROVED:

EDC PRESIDENT MARK YEARY

ATTEST:

ROSIE ERICSON, BOARD SECRETARY