KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

ECONOMIC DEVELOPMENT CORPORATION MINUTES

BOARD OF DIRECTORS - REGULAR MEETING
CITY COUNCIL CHAMBERS
August 26, 2021

I. CALL TO ORDER

President Mark Yeary called the meeting to order at 6:01 p.m.

II. ROLL CALL

Present: President Mark Yeary, Place 6, Councilmember Julie Jacobson, Place 1; Marcel Terry, Place 2 Darold Tippey, Place 4, Josh Altom, Place 5 ***Staff**: Interim City Manager & EDC Executive Director, Leslie Galloway Director of Finance Director Lakeita Sutton, Board Secretary Rosie Ericson*

III. VISITOR AND CITIZEN FORUM

No one requested to speak

IV. EXECUTIVE SESSION

The EDC recessed to Executive Session at 6:07 p.m.

A. **PURSUANT TO §551.071** — Consultation with the City Attorney pertaining to any matter in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct may conflict with the Open Meetings Act, including discussion of any item posted on the agenda, legal issues regarding the Open Meetings Act, and the following:

1. 1170 E. Kennedale Parkway Lease Agreement

2. Kennedale TownCenter Economic Development Agreement and Ground Lease

3. Chapter 380 Agreement with Karmali Holdings, Inc.

B. **PURSUANT TO §551.072** — Deliberation regarding the purchase, exchange, lease, or value of real property:

1. 1170 E. Kennedale Parkway Lease Agreement

2. Kennedale TownCenter Economic Development Agreement and Ground Lease

3. Chapter 380 Agreement with Karmali Holdings, Inc.

C. **PURSUANT TO §551.087** — (1) Deliberation regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1):

1. Kennedale TownCenter Economic Development Agreement and Ground Lease

2. Chapter 380 Agreement with Karmali Holdings, Inc.

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

President Yeary reconvened into open session at 7:55 p.m.

VI. REPORTS AND ANNOUNCEMENTS

Went off the agenda and out of order after Roll Call went to Reports and Announcements

A. Chamber of Commerce Report

None at this time

B. Board member reports and announcements

None at this time

C. Staff reports and announcements

None at this time

VII. REGULAR ITEMS

A. Consider approval of the minutes for a regular meeting held May 25, 2021

Motion To Approve. **Action** Approve the minutes from the May 25, 2021 regular meeting **Moved By**: Altom **Seconded By** Tippey. **Motion approved unanimously**

B. Review and accept the KEDC Financial Report for May 2021

Lakeita Sutton, Director of Finance gave an overview of all three months of Financials. She stated we are on tract on what we have budgeted and there was noting extraordinary in these past three months. Sales tax was up for May and June; May the tax revenue was $69,300 and June was $49,500. In July our sales tax was down a little at $39,930. Cash for the EDC is in really good shape and has grown its fund balance significantly over the past couple of years currently the balance is at $971,000 in available cash. Ms. Sutton was available for questions but there were none at this time.

Motion To Approve. **Action** To approve the May financials as presented. **Moved By** Altom **Seconded By** Jacobson. **Motion passed unanimously.**

C. Review and accept the KEDC Financial Report for June 2021

Motion To Approve. **Action** To approve the June financials as presented**. Moved By** Altom. **Seconded By** Jacobson. **Motion passed unanimously.**

D. Review and accept the KEDC Financial Report for July 2021

Motion To Approve. **Action** Approve the July financials as presented. **Motion By** Altom **Seconded By** Jacobson. **Motion passed unanimously**.

E. Discuss and consider a Fifth Amendment to the Lease Purchase Agreement for 1170 E Kennedale Parkway (Red's Roadhouse)

Julie Jacobson made a motion to amend the 5th amendment as proposed; so, the new agreement will reflect the agreement between Mr. Pennington and the City Council on June 15, 2021 on which date Mr. Pennington and City Council agreed that Mr. Pennington would pay in advance the next two months of the rent and close on the property the next 60 days and further agreed if he didn't fulfil that promise that he would relinquish his rights to purchase the property and the EDC would then recover the building along with the property.

Motion To Amend. **Action** Amend. Motion by Julie Jacobson to amend the 5th amendment as proposed; so, the new agreement will reflect the agreement between Mr. Pennington and the City Council on June 15, 2021 on which date Mr. Pennington and City Council agreed that Mr. Pennington would pay in advance the next two months of the rent and close on the property in the next 60 days and further agreed if he didn't fulfil that promise that he would relinquish his rights to purchase the property and the EDC would then recover the building along with the property. **Seconded By**: Terry. **Motion passes unanimously.**

Move To Accept. **Action** Accept Amended 5th amendment**. Motion To** Accept By Jacobson to accept to the 5th amendment with the amendments were just made. Seconded By Tippey to accept the motion with the amendments that were just made.

F. Discuss and consider consent to assignment and amendments to the Kennedale TownCenter Economic Development Agreement and Ground Lease

This item was tabled at this time no action was taken.

G. Discuss and consider action regarding option to repurchase property pursuant to 380 Agreement with Karmali Holdings, Inc. and authorize Executive Director to execute all documents to repurchase

Motion To Repurchase **Action**: Repurchase **Moved By** Tippey that the Economic Development Corporation repurchase the property pursuant to the 380 Agreement with Karmali Holdings Inc. and authorize the EDC Executive Director to execute all documents related to the repurchase. **Seconded By** Jacobson. **Motion passes unanimously.**

VIII. ADJOURNMENT

Motion To Adjourn. **Action** Adjourn. **Motion To** Adjourn **Moved By** Jacobson **Seconded By** Tippey.

President Yeary adjourned the meeting at 8:00 p.m.

APPROVED:

EDC PRESIDENT, MARK YEARY

ATTEST:

ROSIE ERICSON, BOARD SECRETARY