

SCHERTZ

ECONOMIC DEVELOPMENT CORPORATION

MINUTES

THURSDAY, JANUARY 25, 2018

The City of Schertz Economic Development Corporation (SEDC) Board of Directors met for a Regular Monthly Meeting on Thursday, January 25, 2018 at 6:00 p.m. in the City Council Chambers, conference room, 1400 Schertz Parkway, Schertz, Texas.

CALL TO ORDER

1. Roll call and recognition of visitors.

Vice President Howell called the meeting to order at 6:00 p.m. and welcomed everyone in attendance.

Board of Directors:

Gary Howell – Vice President
Paul Macaluso – Treasurer/ Secretary
Roy Richard
Mark Tew
Katie Chain

Directors absent:

Tim Brown – President
Victoria Readnour

Staff:

Kyle Kinateder – SEDC Executive Director
Patty Horan – ED Executive Assistant
Jennifer Kolbe – Business Retention Manager
Drew Vincent – ED Analyst
Brian James – Acting City Manager
Kathy Woodlee – City Engineer
James Walters – Director of Finance

2. Public comment.
No one spoke during public comment.

PRESENTATIONS

3. Discussion regarding a Roadway Impact Fee. (B. James/K.Kinateder)

City Engineer, Kathy Woodlee, started her presentation by providing background information on the Roadway Impact Fee initiative. She stated that in November 2017, the City adopted a set of Land Use Assumptions and roadway Capital Improvement Plan as basis for calculation of impact fees. The roadway impact fee program will help the City generate revenue to fund certain roadway construction projects. Ms. Woodlee and Mr. James expanded information on the following focus points:

- Roadway service areas confined to city limits
- Impact fee calculation considerations and examples on how it will be calculated
- Maximum allowable cost per service unit that may be charged
- Land use equivalency
- Maximum allowable cost per service unit (calculated value, not subject to policy debate)
- Schertz Impact Fee Study (residential, office, shopping center, and warehouse)

Mr. Kinatader and Vincent presented a fee comparison model. The model showed data collected from the following peer communities: Round Rock, Pflugerville, San Marcos, New Braunfels, San Antonio and Cibolo. Staff focused on collecting fees data based on the Schertz' fee schedule. The model provided four examples users and assumptions. Mr. Kinatader explained that the model was subject to minor variances, nonetheless, those variances would not significantly alter the results. Compared to those other cities, Schertz scored at the top with the highest values on the charts (assigning Schertz to charge the highest allowable amount). The Board's consensus was largely undesirable due to the results showing Schertz with the highest values for our area. They also expressed concern that the fee increase could negatively affect business development in the City. Mr. James said that perhaps a phase out approach could remedy those concerns. This approach would allow staff to revisit the program on a regular basis to review its effects on business growth. Staff informed the Board that policy considerations will be determined by City Council and a tentative schedule for meetings related to the subject was provided. In the meantime, City staff will continue reaching out and gathering input from other City Boards and Committees.

Vice President Howell moved to agenda item 11 and recessed the regular meeting at 6:49 p.m. into executive session.

4. SEDC Monthly Financial Statements: October, November and December 2017. (J. Walters)

Mr. Walters provided an overview of the revenues and expense reports. December ended with a fund balance of just under \$15 million. In October and December year-over-year sales tax revenues increased 12.2% and 6% respectively with a 9.6% decrease in November. Mr. Walters responded to questions/comments from the Board. No action.

5. 4th Quarter 2017 Economic and Project Update. (D. Vincent)

Mr. Kinatader introduced Mr. Vincent who presented a Quarterly Economic & Project Update 2017 for the 4th quarter. The report provided updates on the previous quarter of the SEDC functions focusing on several key areas. His presentation included a real estate overview for the Schertz and San Antonio markets, a development update highlighting relevant development/construction activity such as Evestra held their grand opening and the staff was invited for a tour of their new facility. Texas Plumbing Supply got all their permits issued and are moving forward with construction. Ace Mart got all their permits issued and are currently completing their finish out. Ace Mart is expected to open in April 2018. Other information included in the report related to workforce information including wage/employment data, and a website analytics summary.

6. Director's Update: SEDC Mission Statement. (K. Kinatader)

Mr. Kinatader stated that the staff had identified the following mission statement which aligns with the Texas Government Code, the SEDC Bylaws, the Schertz Incentive Policy, and the SEDC Business Retention and Expansion Plan: The mission of the City of Schertz Economic Development Corporation is to grow the Schertz economy through Projects. Specifically, we pursue Projects that focus on the creation/retention of primary jobs and infrastructure improvements. The new mission statement will be used as a general guide to direct all staff activities, work plans, and recommendations. The Board concurred with staff. No action.

ITEMS FOR INDIVIDUAL CONSIDERATION

7. Consider/Discuss/Act on approval of the minutes for the Board of Directors Regular Monthly Meeting held on Thursday, November 16, 2017 and review of the Minutes Joint Meeting with City Council held on December 12, 2017. (P. Horan)

A motion to approve the minutes for the Board of Directors Regular Monthly Meeting held on Thursday, November 16, 2017 and review of the Minutes Joint Meeting with City Council held on December 12, 2017 was made by Ms. K. Chain. Seconded by Mr. P. Macaluso. **Motion passed** unanimously.

8. Consider/Discuss/Act on a the Main Street Project in relation to the creation and retention primary jobs and certain infrastructure improvements. (K. Kinatader) (Item requested by Board Member G. Howell)

Vice President Howell proposed to postpone the presentation of this discussion item until the next regular monthly meeting. The Board concurred.

9. REQUESTS AND ANNOUNCEMENTS

Requests by Board Members to place items on a future SEDC Board Meeting agenda.

Ms. K. Chain requested an update on workforce development.
Mr. P. Macaluso requested an update on Project E-038.

10. Information available in SEDC Board Packets – **NO DISCUSSION TO OCCUR**

- Committee of Committees Advisory Board (CCAB) Report – 1/17/2018
- Calendar of upcoming events

This item was discussed after the presentation of agenda item 3:

11. EXECUTIVE SESSION

Called in accordance with Section 551.087 of the Texas Government Code, Deliberation Regarding Economic Development Negotiations; Closed Meeting. The governmental body is not required to conduct an open meeting (1) to discuss or deliberate 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.

- Project E-037
- Project E-038

Start time: 6:49 p.m.

End time: 7:45 p.m.

RECONVENE TO REGULAR SESSION

Vice President Howell reconvened into regular meeting at 7:45 p.m.

Mr. R. Richard left the meeting at 7:45 p.m.

12. Discussion and possible action to authorize the SEDC Executive Director to take the necessary and appropriate actions to proceed with negotiations based on discussions held in Executive Session under Agenda Item No. 11:

- Project E-037
- Project E-038

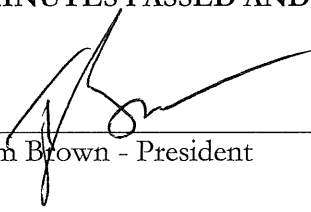
A motion to authorize the SEDC Executive Director to publish letters for both Projects E-037/E-038, and to proceed with negotiations as discussed during executive session was made by Mr. Macaluso. Seconded by Mr. Tew. **Motion passed** unanimously.

Vice President Howell moved to agenda item 4 at 7:46 p.m.

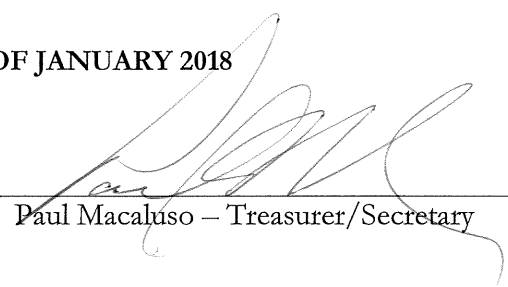
ADJOURNMENT

Vice President Howell adjourned the meeting at 8:02 p.m.

MINUTES PASSED AND APPROVED THIS 25 DAY OF JANUARY 2018



Tim Brown - President



Paul Macaluso – Treasurer/Secretary