



**Athens Economic Development Corporation**

**Board of Directors**

**Monthly Board Meeting**

**January 18, 2022**

The Board of Directors of the Athens Economic Development Corporation (hereinafter referred to as AEDC) held a monthly board meeting on Tuesday, January 18, 2022, at 10 am in the Derek D. Daniels Room of the Athens Partnership Center located at 201 W Corsicana Street, Athens, Texas.

Directors' present: John Trent, Randy Jones, Donna Meredith, Joe Mike Murphy, Cliff Bomer, Danny Tidmore and Mark Ferrell

Staff Present Joanie Ahlers, Executive Director and Valerie Franklin, Office Manager

Ex-Officio: City Manager Elizabeth Borstad, Mayor Toni Clay, Councilmen Aaron Smith and Mark Carroll

Guest: Kristen Willingham and Debra Deas

**Call to Order**

The meeting was called to order at 10:01 a. m. by President John Trent for all agenda items. A quorum was present.

**Declaration of Conflict of Interest**

None.

**Public Communication**

None.

**Consider discussion and action regarding the approval of Minutes from AEDC Monthly Meeting on November 16, 2021.**

Donna Meredith made a motion to accept the November 16, 2021, monthly minutes and it was seconded by Joe Mike Murphy. The motion carried unanimously.

**Consider discussion and action regarding CD renewal**

Executive Director Ahlers explained this is the CD that is collateral for the TI loan for Biomerics. Donna

Meredith made a motion to approve the CD renewal and it was seconded by Danny Tidmore. The motion passed unanimously.

### **Consider discussion and action regarding the approval of November 2021 Financials**

Executive Director Ahlers explained Ms. Mandie Quigg is out, and we will have the December and January financials at the next meeting. We had an 18.36 % sales tax increase.

A motion was made by Mark Ferrell and seconded by Donna Meredith to approve the November 2021 financials. The motion passed unanimously.

### **Discussion regarding Sales Tax Allocation**

President John Trent stated the AEDC board was being given an opportunity to ask any questions and have an open discussion with city council.

City Manager Elizabeth Borstad explained that City Council had a work session to discuss how to fully utilize the sales tax collected by the city. Mark Carroll provided some information in chart form to make it easier to understand. The top portion shows how the 2% sales tax is currently spent and the bottom portion is a proposal of how it could be spent, and it must go before the voters. The proposed would be to decrease economic development to .25% and increase property tax relief from .50% to .625% and add street maintenance by .125%. This is just a preliminary proposal. Currently the street maintenance comes from the general funds side, but those funds could be used to funds other economic development projects that cannot be currently funded through AEDC 4B.

Councilman Mark Carroll stated there are only certain things we can put these funds in, and street maintenance is one of them. This would be good for four years before it has a revote. It gives us a chance for some consistency. We are all pro-growth.

City Manager Elizabeth Borstad stated in four years the voters could reallocate the funds.

Athens Chamber of Commerce Director Kristin Willingham asked how the existing grants would be handled. Would they still be administered through the AEDC or through city council? The small business community has concerns that they help generate sales tax in the area but that a change in funding may result in grant opportunities for them changing or might be eliminated.

Executive Director Ahlers explained that all AEDC grants currently go through city council and it would be up to them how they would be furthered administered. She would hope city council sees the value of these programs because they are appreciated and well used by our small business community.

Mayor Toni Clay stated there has been no discussion to change the way the grants will be administered. While it is always true councils can always change with elections, it is difficult for a mayor to say that would never happen. This council has not had any discussion on changing the process.

Executive Director Ahlers explained that the biggest impact would be if we had a large company coming into town requiring a large incentive. If a 380 agreement is in place, the structure would have to change.

The mayor stated there are currently no 380 funds and if they are designated, that would still go through the AEDC. That is what this body does and is responsible for doing.

John Trent stated he would like to speak for the board and state the number presented is all based on cutting the AEDC budget by a quarter of a % and he really wishes that council would consider cutting us to 1/8 and therefore AEDC would be funded at 3/8. We must be prepared for growth and Athens needs industrial land with utilities or a big project that could come along.

There was discussion about what type of projects that could be funded under a 380 that cannot be funded under 4B.

Mark Ferrell pointed out that it is unlikely that the tax break could ever be gotten back to put to something else. The revenue we already have and the AEDC now, over time it will decrease.

Randy Jones echoed Mark Farrell trying to make sense out of all of this. He likes the idea of the city extending their tool kit. He believes the total monies need to expand. You need more resources. He thinks you need to have a smaller reduction to the AEDC.

John Trent stated the question is the AEDC going to be sufficiently funded to big projects here.

#### **Consider discussion and action for renewal of Hay Lease Agreement between AEDC and I-5 Farm**

Executive Director Ahlers stated we lease the land at the industrial park to I-5 farms so that they could hay. This is just a renewal and they agreed to move in that area.

Donna Meredith made a motion to renew the lease and it was seconded by Joe Mike Murphy. The motion passed unanimously.

#### **Consider discussion and action regarding grant committee selection**

The committee will be John Trent, Randy Jones, Donna Meredith, Councilman Smith, Elizabeth Borstad, and Joanie Ahlers.

A motion was made by Joe Mike Murphy and seconded by Cliff Bomer. The motion passed unanimously.

#### **Presentation by Express Employment regarding Mastering Management**

This presentation was by Kevin Johnson working with Express Employment. Kevin's company has grown out of the results of an employment survey. He started a consulting company about a year ago. The number one reason why people leave their jobs is because they don't like their boss. There is a need for leadership development. This a year long program with six topics. How to stay focus and managing their teams better.

#### **Biomerics' Performance Agreement**

This was already voted on by the board and city council. This is the final performance agreement for the board to look over before the president signs it. It is \$72,000 for a \$2.4 million dollar expenditure.

#### **Consider discussion and action regarding performance agreement extension for Business Assistance Grant to Parker and Richardson**

Parker and Richardson CPA directly across from city hall received a business assistance grant. They have had issues getting paint and being able to paint due to weather. They are asking for an extension until April

1, 2022, to complete their project.

A motion was made by Mark Ferrell and seconded by Cliff Bomer. The motion passed unanimously.

**Consider discussion and action regarding performance agreement extension for Business Assistance Grant to Henderson County Fairgrounds**

Henderson County Fairgrounds applied for a community development grant for new signage and their chip for the signage has not been received. They are asking for an extension for their performance agreement until April 30, 2022.

A motion was made by Donna Meredith and seconded by Joe Mike Murphy. The motion passed unanimously.

**AEDC Spec building location conversation**

Executive Director Ahlers stated the spec building location that was selected on is lot two on our survey and there is no sewer. The price to add that is coming in around \$250 to \$300 thousand. With the potential of budget impact, we should rethink the location. There are three lots ready to go. Lot 4 and 5 was shovel ready but there are issues with drainage. The Morton deal is not going forward because it was too far in progress. Lot six is still available. The drainage should be fixed in the industrial park by fall.

John Trent stated he likes lot thirteen because it does not affect the traffic in the industrial park. Director Ahlers was asked to get a feasibility study of lot thirteen and come back with some specific numbers. The board moved into executive session at 11:38am.

**Executive Session:**

**Pursuant to the Texas Government Code: Section 551.072 – Deliberation regarding real property – to deliberate the purchase, exchange, lease or value of real property – Deer Park Apartments (GVD Rentals)**

**Pursuant to the Texas Government Code: Section 551.072 – Deliberation regarding real property – to deliberate the purchase, exchange, lease or value of real property – to deliberate the purchase, exchange, lease or value of real property Future Industrial Park**

The board reconvened in open session at 12:09pm.

**Director's Update**

Executive Director Ahlers updated the board on the incentive part of the agreement with Athens Iron and Medal in the next couple of days. They hired a total of nine new employees so their total incentive will be \$29,800. This is the final incentive.

The chamber gala is February 4<sup>th</sup>, and we need to know who will be attending to represent the AEDC.

The AEDC now has name badges. You may keep them with you in your car or you can leave them here.

Winter's Oil has broken ground on Hwy 175.

**Director's request for future agenda items**

Mark Ferrell would like to add the Management Training to the future agenda.

**Adjourn**

The meeting was adjourned at 12:15pm.

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Donna Meredith, Secretary

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John Trent, President