

**Bellville Economic Development Corporation
17 April 2007 Regular Meeting Minutes**

David Ottmer called the Regular Meeting of the Bellville Economic Development Corporation to order at 4:01p.m., Tuesday, April 17, 2007, in the Council meeting room at City Hall, Bellville, Texas.

Warren Scott offered the invocation and led the Pledge of Allegiance and Pledge to the Texas Flag.

Present were: Wayne Browning, Warren Scott, David Ottmer, Jim Freeman, Allene Schmitt, Angela Franks, and Denise Haugen. A quorum was certified. Executive Director Carolyn Gibson was present.

Motion was made by Warren Scott to accept the agenda. Motion was seconded by Wayne Browning. Motion carried unanimously.

Agenda Item #5

**Public Hearing on Grant Request for Matching Funds for “Job Transportation Grant for Austin County” by Colorado Valley Transit District and Public Hearing on Grant Request for the “Northwest Community Revitalization Project”, by B&W Construction, owned by Gerry Williams of Bellville,
in the Amount of \$68,719.00**

Public Hearing convened at 4:05pm. Vastene Olier was present representing Colorado Valley Transit District. She presented an “Exhibit A” or approved bus route for Bellville to the Board, saying that she had taken a site tour with Chief Matthews, and that all Austin County sites had also been approved. Mrs. Olier reported that all funds had been received except \$10,000.00 and that H-GAC had officially approved the \$25,000.00 matching grant that same day. She explained that the Austin County Job Transportation project was a pilot program for H-GAC, and that our experience would help other members of H-GAC and the other Council’s of Government across Texas. They were impressed that we were able to tie all the entities together on a project to coordinate transportation and to leverage those partnerships. She reported an estimated start date of mid-June, and she was available to answer any questions that might arise. The federal grant application due date is May 5th. David Ottmer expressed support for the aspect of tying into the Katy Metro Park & Ride for connections into the Houston area. Mrs. Olier asked the BEDC Board for a letter of commitment from BEDC for continued support in the future.

Mr. Gerry Williams, owner of B&W Construction was present. He expressed a need for improvement in the northwest area of Bellville, reiterated that the project was devised for job training, and he reported that he had registered with TRCC and was ready to do business. He stated that development in the northwest area had been on hold, and job training is needed for youth not attending college. He doesn’t plan to build low income housing, under \$100,000.00, but affordable housing in the \$150,000 to \$170,000.00 range. Angie Franks asked how long B&W Construction had been operating. Mr. Williams responded that it was a startup company, that it was B&W Construction Company, and he had left the “Company” off the startup; but he had done HUD senior housing in Brazoria, Matagorda, and Wharton Counties with USDA Rural Development. Angie Franks asked about the estimated start date of April 10th. Mr. Williams responded that construction had not started, that he was waiting on funding, but the property was purchased. Angie Franks asked where the property was located, Mr. Williams answered at 229 Hilliard, and that he owned the property. She also questioned his \$105,000.00 valuation of the property in the grant request, stating that a sale in January of a like property in the neighborhood was \$3,700. Mr. Williams responded that that was different property on Austin & Myers Streets than the property that he currently owned. Angie Franks addressed concerns about who would sell & market the property, that HUD had special requirements for both, that the house should sell for \$40.00 per square foot and how would he make any money. Mr. Williams answered that subcontractors drive up the cost of housing, almost doubling the cost. He’ll use one crew from beginning to end, using subcontractors for electrical and plumbing. He stated that the standard building codes conformed to, or above, HUD requirements. Angie Franks asked whether Mr. Williams had checked on income limitations and how he knew his housing would qualify. Mr. Williams answered that he hadn’t yet, but pointed out the demographics in his

grant application. Angie Franks asked if he had considered building apartments versus single family homes, which based on income guidelines, would mean more profit. Mr. Williams stated that a crew of 4 was needed to pour a slab, and that he would do that himself with one finisher. Angie Franks asked who would do the testing of the slab. Mr. Williams responded that the concrete provider could deliver on the money at 3,000 PSI. Angie Franks asked about HUD training requirements, and Mr. Williams responded that HUD restrictions are very lax, that no, he would not be doing training. He stated that he didn't really want to do "HUD Affordable Housing". David Ottmer pointed out that if it's not for HUD Affordable Housing then it was not an allowable project for BEDC, that there were many stipulations- median income requirements, family qualifying, subject to resale conditions, energy efficient, etc.; that the project has to meet HUD guidelines to qualify. According to correspondence with the BEDC attorney, salaries are not allowable expenditures, only land, buildings, and equipment. Angie Franks asked if BEDC could have a HUD workshop so the Board could learn more about affordable housing. David Ottmer answered yes. Jim Freeman pointed out that someone would have to monitor the construction project and Angie Franks responded that was the builder's responsibility, that BEDC wasn't qualified to do so. Mr. Williams stated that the paper work had been obtained and viewed and that his construction was covered. Allene Schmitt asked the approximate sale price of the 1st home, and Mr. Williams answered around \$79,900.00 was the actual ballpark selling price. He stated that HUD was financing mobile homes, and their homes will be above the standard required for mobile homes that sell for \$115,000.00 to \$130,000.00. Allene Schmitt repeated that the main goal of the project is training at-risk youth; that page 8 of the application says 1 young person per year will be trained. Mr. Williams answered a master carpenter leads a crew of helpers. After each year, business growth is expected, allowing 1 additional helper every 6-12 months. Allene Schmitt asked where attachment listed in the application was that described the property, was it inadvertently omitted. Mr. Williams answered yes but that he had a Bill of Sale, or sales agreement, that the actual sale was not completed yet. Angie Franks asked if he knew what property he would be developing and could BEDC get a plat. Mr. Williams answered yes to both. Allene Schmitt reiterated that BEDC could not fund salaries, and asked if Mr. Williams's \$10,000.00 contribution to the project would cover those expenses. Mr. Williams answered yes. Allene Schmitt asked if Mr. Williams had looked into SBA loans, and he replied that yes he had, but there was a lot of paperwork and jumping through hoops required. Denise Haugen asked why insurance, permits, etc. was not in project budget, and what would ballpark figure of insurance cost be. Mr. Williams replied that he had 30 years experience as a small business and was very familiar with all facets of business and insurance, and he would have the necessary insurance before the job started; that the insurance would be around \$8,000.00 to start out. Allene Schmitt asked about inspections and fees. David Ottmer stated that the city was responsible for collecting those and that building permits covered all fees. Mr. Williams stated that periodic inspections by the city would occur during construction. Denise Haugen asked if profit from 1st home would allow him to begin construction on the 2nd, and what would he do if the 1st home did not sell. Mr. Williams replied yes, and that location, location, location was the key to selling the property. Denise Haugen asked how long the property was on the market, and Mr. Williams answered that it wasn't listed, and sold within days. Warren Scott asked about surveys, deeds, engineering certificates, plats; everything required of a subdivision. David Ottmer stated that lots are platted already in the city, and Warren Scott stated that there would still need to be engineering studies on the property. Mrs. Williams stated that all would be addressed when the house was built, that the area was platted in 1910. Wayne Browning asked what was needed from Mr. Williams, and David Ottmer answered that would be determined under agenda item 10. Jerome Peters was present to speak on the B&W Construction project, asking if start up of \$70,000 would build 7 houses. David Ottmer answered yes. Jerome Peters stated that affordable housing was need all over Bellville, not just a specific area, and that there were a lot of opportunities throughout the city. He suggested putting the grant application aside and instead of start-up funding, offer a "per job" incentive. He expressed concern that the \$70,000.00 start-up funding requested would not allow for the mandatory claw back. David Ottmer thanked all in attendance for their participation and closed the Public Hearing at 4:49pm.

Agenda Item # 6
Consideration and Action to Approve Minutes of the Previous Regular Meeting

Motion was made by Angie Franks to accept the minutes of the previous regular meeting, March 20, 2007. Motion was seconded by Allene Schmitt. Motion carried unanimously.

Agenda Item # 7

Consideration and Action to Approve Treasurer's Report, Payment of Outstanding Bills

Warren Scott gave the Treasurer's Report based on Balance Sheet, YTD and March Profit & Loss, and Bank Reconciliations. Balance in FNB Checking Account as of March 31, 2007 was \$10,895.75. March Sales Tax Revenue of \$12,643.05 and Interest Income of \$59.95 resulted in total monthly deposits of \$13,971.86. Checks totaling \$6,866.92 were posted. Balance in Wells Fargo Money Market Account as of March 31, 2007 was \$51,054.16, with an interest payment of \$138.43. Balance Sheet showed the following current Certificates of Deposit: Guaranty Bank- \$90,993.49, Wells Fargo- \$30,484.80, and Industry State Bank-(1) \$100,437.39 & (2) \$100,870.75. Total Current Assets as of March 31, 2007 are \$384,736.34. Interest earned on CD's for March was \$1,383.33. Outstanding bills totaling \$6,468.39 were presented for payment to: Bellville Chamber of Commerce of \$3,500.00 for Contract of Services for May, Bryan-College Station of \$299.00 for advertising, Cravens Office Supply of \$41.98 for printer cartridges, Carolyn Gibson- \$614.72 for travel & expense reimbursement, Current Events- \$266.28 for advertising, Brown & Hofmeister- \$259.00 for legal fees, Pop's on the Square- \$138.66 for hosting Austin County EDC meeting, ARCIT- \$350.00 for annual dues, and Sealy Chamber of Commerce- \$998.75 for ½ of Texas Settlement Region brochure ad. Wayne Browning made a motion to approve the Treasurer's report and payment of bills. Motion was seconded by Denise Haugen and carried unanimously.

Agenda Item # 8 Public Comment

There was none.

Agenda Item # 9 Acceptance of any Grant Requests

There was none.

Agenda Item # 10 Consideration & Any Related Action on Grant Request for the "Northwest Community Revitalization Project", by B&W Construction, owned by Gerry Williams of Bellville, In the Amount of \$68,719.00

After discussion, Angie Franks made a motion to table to acquire additional information on Affordable Housing and to obtain a plat of the intended development. Motion was seconded by Denise Haugen and carried unanimously. David Ottmer will contact HUD and set a meeting date for them to give BEDC a workshop on Affordable Housing.

Agenda Item # 11 Committee Reports and Any Related Action

Jerome Peters reported that the BODFLA Committee had met in November and asked him to check on the availability of the BNSF property. At the April meeting, 4 of the 6 committee members in attendance discussed, and were in favor of the MAI Appraiser's appraisal/business plan that Mr. Peters presented to them. Two other properties are being looked at. It was also suggested by the committee that BNSF's interest in selling should be qualified before BEDC spends the estimated \$6,000.00 for an appraisal. Mr. Peters will submit a written report of the meeting to the board at a later date.

Agenda Item # 12 Executive Director's Comments and Any Related Action

Carolyn Gibson presented information on the Chamber's new Friday night event, Affair on the Square, asking all in attendance to please make an appearance showing support of the businesses around the Square. They will be staying open late for shoppers on those nights. She also gave Board members copies of information on HB 12 that related to the San Felipe Historic Site and upcoming LCRA/TLI seminars. Also provided were copies of advertising, the City Council agenda for April 17th, information on the Texas Residential Construction Commission and a copy of B&W Construction's license by TRCC, resolutions that would be read at City Council for the Colorado Valley Transit District Job Transportation

Project and B&W Construction grant. She encouraged all in attendance to be at Bellville Heritage Gathering on May 5th, that the committee was working very hard and all the planning was going along very well.

Agenda Item # 13

Questions and Comments from Board Members

Wayne Browning expressed his support for the Chamber's "Affair on the Square" stating the need for activities for the youth of Bellville. Warren Scott asked the assembly for a minute of silent prayer for the students and families at Virginia Tech.

Adjournment

There being no further business to come before the Board, Angie Franks made a motion to adjourn which was seconded by Wayne Browning. President Ottmer adjourned the meeting at 5:15p.m.

Carolyn Gibson, Recording Secretary