

Minutes
Regular Meeting
Bellville Economic Development Corporation

Date of Meeting: November 3, 2016
Time of Meeting: 5:00 P.M.
Location: Council Meeting Room, Bellville City Hall
30 South Holland St., Bellville, TX 77418

1. Call to Order, Invocation and Pledge
2. Roll Call and Certification of Quorum **Present: Pat Burns, John Moore, Paul Jones, Clark McKinley, Bruce Harrison. Absent: Bob Buckner, Danny Jacob. Quorum certified.**
3. Consideration and Action to Approve the Agenda as Posted **Mr. Jones motion to approve, Mr. McKinley second. Motion approved unanimously.**
4. Public Comment (3-Minute Remarks of Speakers who have completed Sign-in Sheet) AND Receipt of Grant Applications **Nancy Dornon from the Chamber of Commerce spoke. She had attended a Houston Galveston Area Council of Governments round table on Bringing Back Main Street as well as the annual conference of the Association of Rural Communities in Texas. She urged the City and the EDC to work more closely with these organizations, saying they had a lot to offer both in terms of grants and knowledge.**
5. Questions and Comments from Board Members (discussion is limited to statements of policy or statements of factual matters, or the request that a matter be placed on the next meeting's agenda). **Mr. Moore said he attended the groundbreaking of the \$10 million San Felipe de Austin Museum. Said it should be an impressive facility and will provide a major boost to tourism in Austin County.**
6. Consideration and Action to Approve Minutes of Previous Meeting held. **Mr. McKinley motion to approve. Mr. Harrison second. Motion approved unanimously.**
7. Consideration and Action to Approve Treasurer's Report, Payment of Outstanding Bills, and Investments. **Mr. Harrison presented the report. Sales tax revenue was \$20,650.69, which is slightly above the new budgeted amount. Total current assets are \$686,100.21. Bills presented for payment: \$190.23 & \$46.87 to City of Bellville for utilities, \$50.40 to Bellville Times for notices, \$543.10 to KGA DeForest for Bell Street project, \$48,707.46 and \$8,555.04 to D.L. Meacham for Bell Street project, \$282.85 and \$580 to Glasco & Co. for sprinkler repair and monthly maintenance, and \$250 to LeAnn Luedeker for monthly contract. Mr. Burns motion to approve report and pay bills as presented, Mr. Jones second. Motion approved unanimously.**

8. **Consideration and Action as needed on Bell Street redevelopment. Mr. Moore said the project was essentially complete, and that only the final punch list was waiting. The fire hydrant that was blocking a parking spot had been successfully moved at no cost to the EDC. He talked with Glasco and Co about extending their maintenance contract to cover the new project area. They quoted him a proposal that would add \$170 a month to their contract. Mr. Moore proposed splitting that fee with the private property owner, with the EDC paying for the public portion, and the Hord family paying for their part. Mr. Burns made a motion to approve an additional \$85 or less be added to the Glasco maintenance bill. Mr. McKinley second. Motion approved unanimously.**
9. **Discussion and Action as needed on Hotel Incentive package timeline. Mr. Moore laid out the timeline for the contract negotiations with the Hunter Goodwin group. Mr. Moore said the he and Mr. Jones representing the EDC, and Alderman Lottridge representing the City, worked with the lawyers for the City and the EDC to craft a contract using the guidelines set up by the Generalized term sheet. The proposed contract has been presented to the Hunter Goodwin group. The next step would be negotiations, if those are successful there would be a joint executive session with the Council and EDC to go over the proposed terms. Then a public hearing and vote would be undertaken by the EDC. If approved there, it would go on to City Council.**

Mr. Harrison continued his earlier objections to the project. He wanted to know why the EDC didn't have a vote on the updated contract proposal. Mr. Moore explained that a vote wasn't necessary because it followed the guidelines of the Generalized Term Sheet which had been approved by Council and the EDC. Mr. Harrison felt his concerns and proposals were not being considered. Mr. Harrison then read the following statement, which is reprinted here.

" Fact: when the Bellville Chamber of Commerce went in search of a hotel developer, they could only find one company (Oldham-Goodwin LLC) that was interested. The others declined because of perceived risk.

Fact: the developer does not believe there is currently enough "demand" to support a profitable hotel in Bellville. See Hunter Goodwin's answer to a question from Alderman Kistler on 19 July about "incentive to compete" when Goodwin replied - "if there were such demand already, you wouldn't have any issue getting the supply (i.e. A hotel) into Bellville"(See Bellville Times, dated July 28, 2016.

Fact: the hotel developer and his market analysts do not believe they can achieve their performance markers without capturing the "leakage that Bellville sees in the tourism market to both Sealy and Brenham" (see Bellville Times, July 28, 2016). Unfortunately, we now know from the recent Round Top Antique Fair and the Washington County Fair that these cited events did not fill the so called "competitive market hotels" and therefore would provide little if any "leakage" into a Bellville hotel (see Travelocity room availability for nights corresponding to these events; September 2016).

So, what's the solution? An incentive based contract - as has been previously recommended by BEDC Directors McKinley and Harrison. “

Mr. McKinley said he saw no reason not to include an incentive contract and that those type of clauses were a regular feature in contracts when he worked at the airport.

Mr. Burns asked Mr. Harrison what he was trying to achieve with his proposals, Was he just looking for a clawback, or was he trying to prevent a hotel from coming to Bellville at all? Mr. Harrison said he just wanted a successful, profitable hotel. Mr. Moore said at this point there was nothing to vote on, and he would continue with the timeline.

10. Update and Action as needed on Square parking signs. **Mr. Jones said the signs and poles had been delivered, and that work should begin by the City shortly, and that the signs should be up in time for the Holiday shopping season.**
11. Executive Session under Govt. Code Sec. 551.071, 551.072 and 551.087 to discuss legal matters with attorney, real property negotiations, and/or economic development negotiations. **None**
12. Action on matters considered in Executive Session. **None**
13. Adjournment. 5:47