City of Hutto

Minutes

Economic Development Corp. Type A and Type B

Board of Directors Meeting

Monday, March 6, 2023 at 6:30 PM

City Council Chambers

1. **CALL SESSION TO ORDER**

   Meeting called to order at 6:30pm by Treasurer Lucas

2. **ROLL CALL**

   Present: Secretary Erin Clancy, Treasurer Shawn Lucas, Board Member Marcus Coleman, Board Member Randal Clark, Board Member Mike Snyder
   Absent: Chairman Mike Arismendez, Vice Chairman Don Carlson

3. **PLEDGE OF ALLEGIANCE**

4. **PUBLIC COMMENT**

   Any citizen wishing to speak during public comment may do so after completing the required registration form. The purpose of this item is to allow the residents of Hutto and other interested persons an opportunity to address the Hutto Economic Development Corporation Type A and the Hutto Economic Development Corporation Type B on agenda issues and on agenda issues (i.e., Corporation policy or legislative issues). Non-agenda issues regarding daily operational or administrative matters should be first dealt with at the administrative level by calling City Hall at (512) 759-4913 during business hours. Each person providing public comment will be limited to 3 minutes. (Note: The Texas Open Meetings Act, Texas Government Code, Chapter 551, prohibits governing bodies from a full discussion, debating, or considering subjects for which public notice has not been given on the agenda. Issues that cannot be referred to the Corporation Staff for action may be placed on the agenda of a future meeting.)

5. **ECONOMIC DIRECTOR'S REPORT**

   Director & Assistant Director provided general updates on the upcoming ICSC Conference, a new Business Retention and Expansion program, Megasite Infrastructure, an upcoming Presentation to the Willamson County Commissioners Court and upcoming event with the Williamson County EDP for a group of Site Selectors.

6. **CONSENT AGENDA**

   6.1. Consider and approve Corporate Minutes from its Meeting on 2/13/23.
   Motion to approve as presented by Secretary Lucas, second by Board Member Clark. Passed 5-0

7. **PRESENTATIONS**

   None

8. **AGENDA ITEMS**

8.1. Discuss and consider action approving a budget amendment for the budget year beginning October 1, 2022 and ending September 30, 2023 to allocate and expend funds for the payment of monthly interest for the $15,000,000 loan from Alliance Bank taken out by the Corporation in order to purchase the approximate 250 acres of land owned by the Cottonwood Development Corporation.

Discussion: Staff proposed a budget increase for the current fiscal year from $2.5M to $3M based on the recommendation from Finance; additionally, staff recommended the reallocation of the balance of funds needed for the loan interest payments for the current fiscal year to be moved from the Marketing Services budget line.
Motion to approve by Board Member Clark, second by Secretary Clancy. Passed 5-0

8.2. Discuss and consider action approving the opening of a new bank account for the Corporation and transfer of the balance of funds in the current account to the new account due to the closure of the Corporation's current bank, Cadence Bank in Hutto.

Board directed staff to bring back a few bank options to their next regular meeting in April, with additional direction from Treasurer Lucas to prioritize the online banking features and from Board Member Snyder to focus on smaller local, regional bank options.
No action taken

8.3. Discuss and consider action approving a Refunding Agreement with Williamson County for the costs associated with the design and construction of a turn lane from FM3349 onto the Megasite Spine Road not to exceed $600,000.

Board directed staff to continue to try to negotiate and define the costs associated with this project and confirm the details of the schematic design to ensure that the intersection aligns with the planned Spine Road and bring back additional details and updates at the next meeting.
Motion to postpone by Board Member Clark, second by Board Member Coleman. Passed 5-0.

8.4. Discuss and consider action approving the release of Earnest Money in the amount of $200,000 held in ESCROW per the terms of the option agreement for Project Acropolis.

Motion to approve as presented by Treasurer Lucas, second by Board Member Coleman. Passed 5-0

8.5. Discuss and consider action to approve the conditional immediate repayment of $700,000 to the City of Hutto per the Funding & Refunding Agreement related to Resolutions R-2023-063 and R-2023-064 for funds secured to pay fees associated with the HEDC purchase of the approximate 250 acres of land owned by the Cottonwood Development Corporation, pending the authorization from the Williamson County Commissioner's Court to waive the approximate $771,000 fee.

Motion to approve as presented by Board Member Clark, second by Secretary Clancy. Passed 5-0.

9. EXECUTIVE SESSION

The Board will now recess the open meeting and reconvene in executive session pursuant to Texas Government Code Section 551.071 (Attorney Consultation), 551.087 (Economic Development), and 551.072 (Real Property) to deliberate and seek legal advice regarding: City TIRZ projects/impact and potential Board's role, retail and restaurant incentives, pending legal action against BCL of Texas, Project Primero, Project Strat3, Project V, Project NQ2, Project Graceland, Project ESLO, Project Titan, Project Skybox, Project Poly, Project Chicago, Project E, Project CP2, Project Acropolis, the

Megasite project; acquisition of Cottonwood Development Corporation properties, and any new prospects for potential incentive evaluation and consideration.

Recessed to Executive Session at 7:12pm
Convened in Executive Session at 7:14pm
Exited Executive Session at 9:13pm
Reconvened in Public Session at 9:17pm
No action taken in Executive Session

10. ACTION RELATIVE TO EXECUTIVE SESSION

10.1. Discuss and consider action on approving a Resolution authorizing the Corporation to enter into a revised Economic Development Performance Agreement with the developer for Project NQ2, enter into a Sales Tax Funding Agreement with the City of Hutto, Texas and authorizing the Chair to execute the agreements in a form approved by Corporate Counsel.
No action taken.

10.2. Discuss and consider action approving a Purchase and Sale Agreement for Project Strat3 under the terms discussed in executive session and authorizing the Chair to execute all necessary closing documentation if approved as to form by Corporate Counsel to complete the sale.
Motion to approve per the terms discussed in Executive Session by Secretary Clancy, second by Board Member Coleman. Passed 5-0.

10.3. Discuss and consider action directing staff to work with counsel and the developer of Project Poly to progress the Project forward to a Purchase and Sale Agreement based on the Site Interest Letter presented in Executive Session and to bring the Purchase and Sale Agreement to the Board for consideration at its next regular meeting.
Board directed staff to move forward with the process.
No action taken.

10.4. Discuss and consider action to authorize the modification of certain terms in the existing repayment agreement for small business loan program loans and any action necessary regarding Rule 202 proceeding against BCL of Texas.
Motion to approve the renegotiation of repayment terms of the Small Business Loan program as directed in Executive Session, motion by Board Member Clark, second by Secretary Clancy. Passed 5-0.
Motion to approve Counsel to draft and send a demand letter to BCL as discussed in Executive Session, motion by Board Member Snyder, second by Board Member Coleman. Passed 5-0.

11. ADJOURNMENT

Meeting adjourned at 9:22pm

12. CERTIFICATION

12.1. I certify that this notice of the March 2, 2023 Hutto Economic Development Corporation Type A and the Hutto Economic Development Corporation Type B meeting was posted on the City of Hutto website and the City Hall bulletin board of the City of Hutto on or before Friday March 3, 2023 at 6:30 P.M.

Mike Arismendez, Chairman

Erin Clancy, Secretary