City of Hutto

Minutes

Economic Development Corp. Type A and Type B

Board of Directors Meeting

Monday, June 26, 2023 at 6:30 PM

City Council Chambers

1. **CALL SESSION TO ORDER**

   Meeting called to order at 6:31pm

2. **ROLL CALL**

   Absent: Secretary Erin Clancy, Board Member Mike Snyder; all others present

   2.1. Don Carlson, Chairman
   Shawn Lucas, Vice Chairman
   Erin Clancy, Secretary
   Marcus Coleman, Treasurer
   Mike Snyder, Board Member
   Randal Clark, Board Member
   Matthew Minton, Board Member

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.)

   None

5. **CONSENT AGENDA**

   None

6. **ECONOMIC DIRECTOR'S REPORT**

   Director Bob Farley provided updates on the Budget process thus far and highlighted some key areas and items in the Budget that will be reviewed tonight; additional update regarding the next regularly scheduled HEDC Board meeting on July 10th will be a joint workshop with Hutto City Council to discuss vision and planning, with a focus on incentives, likely no other general business that night.

7. **PRESENTATIONS**

None

8. AGENDA ITEMS

Per Legal recommendation, item 8.2 was moved up to be discussed prior to item 8.1.
Motion to move up item 8.2 by Board Member Clark, seconded by Vice Chair Lucas.
Passed 5-0

8.1. **Discuss and consider action regarding the current and proposed services agreements between the Corporation and the City of Hutto.**

Item taken up after 8.2, see action above.
Motion by Vice Chair Lucas to approve as presented with an updated amount of $12.
Seconded by Board Member Clark. Passed 4-1 (Coleman opposed)

8.2. **Discuss and consider action approving the FY24 budget of the Corporation and recommending the approved budget to City Council for consideration and approval.**

Item taken up prior to 8.1. See action above.
Presentation of the proposed HEDC(fund 35) Budget and Economic Development General Fund(fund 10) Budget by Assistant Director, Cheney Gamboa. Discussion on various line items, allocations, and notations, as well as whether or not to include land sales and associated costs in the budget; Finance provided a recommendation to the Board to include the land sales in the budget to match the Cash Flows model; Finance also shared that the City has generated enough HOT tax to pay for KOKEfest.
Motion by Board Member Clark to approve the HEDC Budget as presented with the following changes: zero-out KOKEfest, change the amount in the Professional Services Agreement with the City to $12, and include the land sales for the two properties currently under contract per the Cash Flows. Seconded by Board Member Minton. Friendly amendment by Vice Chair Lucas to also include reallocation of funds from Zoom Prospector and Costar to the Marketing Services line; friendly amendment accepted by Board Member Clark and Board Member Minton. Passed 4-1 (Coleman opposed)

8.3. **Discuss and consider action to approve Resolution R-2023-135 approving the First Amendment to the funding and refunding agreement in the amount of** $12,000,000 by and between the City of Hutto and the Corporation to construct the Megasite East-West Spine Road Project **to promote new or expanded business development within the City, authorizing the Chairperson to execute the agreement; and providing an effective date.**

Motion by Board Member Minton to table until after Executive Session. No second, motion died.
Motion by Board Member Clark to approve as presented with the modification to the cost as recommended by Legal Counsel to a currently anticipated amount of $18M.
Seconded by Vice Chair Lucas. Passed 4-1 (Minton opposed)

8.4. **Discuss and consider action to direct Staff and Board Secretary regarding the filing and retention of items obtained from the Corporation's safe deposit box at Cadence Bank**

Legal Counsel presented their findings from the inventory and recommended that the items be evaluated for destruction or filing as per the legal requirements.
Motion by Vice Chair Lucas to have the City Secretary's Office evaluate the contents for destruction, filing and retention according to the City's policy. Seconded by Treasurer Coleman. 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: retail and restaurant incentives, pending legal action against BCL of Texas, A first lien on , Project Graceland, Project Titan, Project Skybox, Project DC2, Project Sequel, Project HWB, the Megasite project; the Cottonwood Properties incluidng a pending first lien on a part of the properties, the evaluation of available corporate funds for incentives and deliberate with legal counsel regarding: corporate bylaws and an agreement with the City related to the use of city employees to support corporate business,

Recessed to Executive Session at 8:50pm
Convened in Executive Session at 8:53pm
Exited Executive Session at 10:00pm
Reconvened Public Session at 10:00pm
No action taken in Executive Session

10. ACTION RELATIVE TO EXECUTIVE SESSION

10.1. Discuss and consider action directing staff regarding an Economic Development Performance Agreement for the hotel development as discussed in executive session
No action

10.2. Discuss and consider action to on a Resolution approving the First Amendment to the Assignment agreements with Titan regarding its Megasite properties.
No action

10.3. Discuss and consider action to direct staff and Legal Counsel to draft an Economic Development Performance Agreement (EDPA) for Project HWB per the terms discussed in Executive Session.
No action

10.4. Discuss and consider action to approve a Resolution to enter into a Purchase and Sale Agreement (PSA) for Project Graceland as discussed in Executive Session and authorize the Chair to execute the agreement and all associated documents to enter the agreement
No action

10.5. Discuss and consider action to approve a Resolution to enter into a Purchase and Sale Agreement (PSA) for Project DC2 as discussed in executive session and authorize the Chair to execute the agreement and all associated documents.to enter into the agreement
No action

10.6. Discuss and consider action to direct Staff and Legal Counsel to draft a Purchase and Sale Agreement for Project Sequel per the terms discussed in Executive Session.
No action

10.7. Discuss and consider action to direct Staff and Legal Counsel regarding a notice of default issued to Cottonwood Development Corporation threatening florclosure on corporate owned property.
No action

10.8. Discuss and consider direction on legal claim against BCL of Texas for Breach of Contract and other legal claims.
No action

10.9. Discuss and consider action on any subject matter noticed to be discussed in executive session.

No action

11. **ADJOURNMENT**

Meeting adjourned at 10:01pm

12. **CERTIFICATION**

Don Carlson, Chairman

Erin Clancy, Secretary

**Legal Counsel brought to staff's attention that despite staff's good faith efforts, and while the notice and agenda for the meeting were timely posted on the internet in accordance with state law, the meeting post was not displayed as the notice or agenda for this body's meeting due to a technical glitch with the software, which was beyond staff's control. The glitch was investigated and corrected. The meeting was conducted pursuant to Texas Government Code Section 551.056(d) after conferring with legal counsel.