City of Hutto

Minutes

Economic Development Corp. Type A and Type B

Board of Directors Meeting

Monday, February 13, 2023 at 6:30 PM

City Council Chambers

1. **CALL SESSION TO ORDER**

   Meeting was called to order at 6:30pm by Vice Chaiman Carlson

2. **ROLL CALL**

   Present: Vice Chairman Carlson, Secretary Clancy, Treasurer Lucas, Board Member Coleman
   Absent: Chairman Arismendez, Board Member Clark, Board Member Snyder

   2.1. Mike Arismendez, Chairman
   Don Carlson, Vice Chairman
   Erin Clancy, Secretary
   Shawn Lucas, Treasurer
   Mike Snyder, Board Member
   Randal Clark, Board Member
   Marcus Coleman, 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 non-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. **ECONOMIC DIRECTOR'S REPORT**

   Postponed; no items discussed

6. **CONSENT AGENDA**

   6.1. Consider and approve Corporate Minutes from its Special Called Meeting on 1/26/23 and Special Called Joint Meeting with Cottonwood Development Corporation on 2/2/23

Motion by Treasurer Lucas to approve as presented, second by Secretary Clancy. Passed 4-0

6.2. Consider and approve the Corporation's monthly Financial Report

Pulled for discussion by Treasurer Lucas-requested that staff bring back a business case for hiring additional staff support in possibly part-time or temporary capacity, given the current workload for staff, hours needed and cost to be included in item for next month's regular meeting. Motion to approve as presented by Treasurer Lucas, second by Secretary Clancy. Passed 4-0

7. AGENDA ITEMS

7.1. Consider and approve the rescheduling of the March regular monthly meeting of the Corporation from Monday March 13, 2023 to Monday March 6, 2023 to allow needed time to prepare documents and information for HEDC items for the Hutto City Council Meeting on Thursday March 16, 2023.

Motion to approve as presented by Treasurer Lucas, second by Secretary Clancy. Passed 4-0.

7.2. Conduct a Public Hearing on Paradigm Metals Expansion

Executive Director of Economic Development, Bob Farley, provided details on the Paradigm Metals expansion. Paradigm Metals is an existing Hutto business located in Innovation Park and is proposing an approximate 60,000 to 70,000 square foot expansion, adding approximately $6M in capital investment and approximately $1-$1.5M investment via Business & Personal Property, this expansion includes the addition of approximately 50 employees which equates to about a 20% increase in their employee count. The current average salary for Paradigm employees is $50,000-$60,000 annually. While the HEDC has not yet agreed to any incentive, this Public Hearing is a necessary step should the HEDC choose to expend funds to pursue an incentive for this project in the future.

Secretary Lucas requested more details regarding Paradigm's current operations including performance and any previous or existing incentives provided. Staff agreed to bring those details to the March meeting.

Public Hearing opened at 6:39pm; Public Hearing closed at 6:40pm

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

Recessed to Executive Session at 6:40pm
Convened in Executive Session at 6:42pm
Exited Executive Session at 7:48pm
Reconvened Public Session at 7:51pm

9. ACTION RELATIVE TO EXECUTIVE SESSION

9.1. Discuss and consider action approving the terms of an Economic Development Performance Agreement with the developer for Project E and directing staff and counsel to prepare the Performance Agreement, Funding Agreement and adoptive resolution necessary for approval at the next regular HEDC meeting.
No action

9.2. Discuss and consider action on approving a Resolution authorizing the Corporation to enter into an Economic Development Performance Agreement with the developer for Project ESLO, 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.
Motion to approve as presented by Treasurer Lucas, second by Secretary Clancy. Passed, 4-0.

9.3. Discuss and consider approving a Resolution authorizing the Corporation to enter into an Economic Development Performance Agreement providing a business retention incentive grant to an area restaurant, as discussed in the executive session and authorizing the Chair to execute the agreement in a form approved by Corporate Counsel.
Motion to approve as presented by Treasurer Lucas, second by Secretary Clancy. Passed 4-0.

9.4. Discuss and consider action approving a Resolution authorizing the Corporation to enter into an Economic Development Incentive Agreement and 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.
No action

9.5. Discuss and consider action directing staff to advise the developer of Project Primero regarding site location, layout and easements for the Megasite Spine Road, sidewalks and location of monuments and signage for the Megasite adjacent to their proposed location in the Purchase and Sale Agreement for Project Primero as discussed in executive session.
No action.

9.6. Discuss and consider action on approving a Resolution authorizing the Corporation to open a bank account at Alliance Bank in accordance with the required ESCROW funding for the HEDC Loan to purchase the approximate 250 acres of land currently owned by the Cottonwood Development Corporation and authorizing a signer for the account.
Motion to approve as presented by Treasurer Lucas, second by Secretary Clancy. Passed 4-0.

9.7. Discuss and consider action to approve temporary access to the Megasite to an interested citizen to provide for inspection and feasibility assessment for the relocation of a home located on HEDC property as discussed in Executive Session and authorize staff to determine the allowable time and access for such assessment.
Motion to approve as presented by Treasurer Lucas, second by Board Member Coleman. Passed 4-0.

9.8. Discuss and consider action on approving a Resolution authorizing the Corporation to enter into an 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.

10. ADJOURNMENT

Meeting adjourned at 7:56pm.

11. CERTIFICATION

Mike Arismendez, Chairman

Erin Clancy, Secretary

11.1. I certify that this notice of the February 13, 2023 Hutto Economic Development Corporation Type A and the Hutto Economic Development Corporation Type B Meeting Agenda was posted on the City of Hutto website and the City Hall bulletin board of the City of Hutto on or before Friday February 10, 2023 at 5:00 P.M.