

**STATE OF TEXAS  
COUNTY OF DENTON  
CITY OF CORINTH**

On this 3<sup>rd</sup> day of October, 2016 the Corinth Economic Development Corporation (CEDC) of the City of Corinth, Texas, met in Regular Session at 6:00 P.M. at Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members, to wit:

**CEDC Board Members:**

Lowell Johnson – President  
Tina Henderson – Secretary  
David Burnett – Director  
Wade May – Director  
Jerry Blazewicz – Director  
Don Glockel – Director

**CEDC Board Members Absent:**

Mike Amason – Vice President

**Others Present:**

Jason Alexander, Executive Director  
Catherine Stallcup, Administrative Assistant  
Monica Utter, Bill Utter Ford  
Craig Bowen, Bill Utter Ford  
Oscar Mohkamkar, ASM Architects

**CALL TO ORDER:**

President Lowell Johnson called the meeting to order at 6:00 P.M.

**BUSINESS AGENDA:**

**1. Consider and act on minutes from the September 12, 2016 meeting.**

**MOTION** was made by Don Glockel to accept the minutes from the September 12, 2016 meeting as written.

Seconded by David Burnett.

Ayes:	Johnson, Blazewicz, Burnett, May, Glockel, Henderson
Noes:	None
Abstain:	None
Absent:	Amason

**MOTION CARRIES**

**2. Consider and act on the CEDC Finance Report for the period ending August 2016.**

Jason Alexander directed the Board to the 2<sup>nd</sup> page of the report and spoke on the cash receipts budgeted and received for August 2016.

A brief discussion was held regarding the construction on FM 2181 and its economic impact over the last few months.

**MOTION** was made by Burnett to accept the CEDC Finance Report for the period ending August 2016.

Seconded by Tina Henderson.

Ayes:	Johnson, Henderson, Glockel, Blazewicz, Burnett, May
Noes:	None
Abstain:	None
Absent:	Amason

### **MOTION CARRIES**

#### **3. Receive a presentation from Monica Utter, of Bill Utter Ford, on store expansion plans.**

Alexander introduced Monica Utter and Craig Bowen with Bill Utter Ford to discuss their expansion plans for the dealership, and that there might be an opportunity where the City could assist Bill Utter Ford with those efforts.

Craig Bowen explained several topics regarding benefits to the City which included the following: new jobs; drainage improvements; utility improvements; beautification for the corner of Lakeview/Post Oak and Interstate Highway 35E; and an increase in tax revenue for the City with the increase in the Service Shop.

Bowen said they plan to provide additional offices for sales people, and more service bays for their service facilities. Along with the additional staffing, Bowen anticipates an increase in their taxable parts sales and additional service revenues.

Bowen also spoke on illustrations of the proposed property improvements, including site plans, landscape plans and other aesthetic features.

Towards the end of the presentation, Utter asked that the Corinth Economic Development Corporation consider incentives (possibly a Chapter 380 Agreement) for the dealership expansion.

Alexander said the Corinth Economic Development Corporation would consider incentives for the project.

Utter said the architect was supposed to be here but has not yet arrived and if there were any questions, she and Bowen would be happy to answer anything you may have.

The Board asked general questions regarding the cost of the project and the layout of the property.

Utter then introduced Oscar Mohkamkar, of ASM Architects, INC., the lead architect for the Bill Utter Ford expansion.

Mohkamkar spoke on the underground detention, improvements to the ditches, and the beautification of the landscaping (see presentation attached). Later, Mohkamkar reviewed the building elevations and the types of materials proposed for existing and new buildings. Regarding the timeline on the project, Bill Utter Ford has been approved for funding from the lender and as soon as they get all the contracts signed, building permits, et cetera; and the dealership is set to begin the 11-month project.

Johnson said that the Chapter 380 Economic Development Agreement Policy was close to presentation to the City Council, and as soon as the policy is ready, Alexander would contact Utter.

**4. Consider and act on the proposed City of Corinth Chapter 380 Economic Development Agreement Policies and Procedures.**

Alexander prefaced his presentation with an emphasis on the guidance and feedback the Board provided at the September 12<sup>th</sup> meeting. Alexander first compared Corinth to other comparable cities as it concerns an application fee. Based on his research, he recommended that the Board allow businesses, developers and others to request incentives pursuant to the provisions of Chapter 380 without assessing a fee so as to affirm the position of both the City and the Corinth Economic Development Corporation as business-friendly. Afterwards, he went over the revisions and additional changes to be made:

On page 8, line #132, MIXED-USE, it was determined that the word “lodging” be changed to the word “hotel”, hotel is actually defined in the Unified Development Code, that way we make sure we’re getting development consistent with the City’s values and vision. As it stands right now, the term “lodging” could be assumed to be extended stay motels or similar lodging users that the City may not want to incentivize.

Glockel inquired about an area of the policy discussing the requirement for new jobs, but it doesn’t say anything about maintaining the same number of jobs at a minimum.

Alexander explained that would be provided within the agreement, and would be one of the performance standards that a particular company would have to meet over the life of the agreement. For example, if the approved agreement is for 10 years, the business must have 25 jobs over that 10 year period – either created or retained.

Glockel asked if the Chapter 380 Policy would state that a business must maintain the minimum number of required jobs for the life of the agreement.

Alexander confirmed that would be the case; and if not, the business would be in default of the agreement and that’s where the provision for recapture would apply.

Wade May inquired about preparing a specific list of industries to complement the definition proposed for “target industry”. May’s inquiry led to a discussion concerning the development of a list of recommended targeted industries. It was later determined that City Council should prepare a list in work session.

**MOTION** was made by David Burnett to approve the City of Corinth Chapter 380 Economic Development Agreement Policies and Procedures subject to revisions that have been proposed.

Seconded by Lowell Johnson.

Ayes:	Johnson, Blazewicz, Burnett, May, Glockel, Henderson
Noes:	None
Abstain:	None
Absent:	Amason

**MOTION CARRIES**

**5. Hold a discussion and give staff direction on the proposed City of Corinth Policy Statement for Tax Abatement.**

Alexander prefaced the proposed revisions to the Tax Abatement Policy by informing the Board that the City has a policy in place for abating taxes, but it is expired. The existing incentives policy was written so that elements of Chapter 380, which gives the City increased flexibility in incentivizing development, with state law concerning tax abatements pursuant to Chapter 312 of the *Texas Tax Code*.

This proposed policy is considerably longer in terms of length because it has to closely follow state law. State law is very specific per Chapter 312 on how cities must craft and implement tax abatement policies. Such policies may only last for two years, and after that time, must be reviewed again by City Council in accordance with state law. Alexander emphasized that a tax abatement offered pursuant to Chapter 312 cannot last for more than ten years; however, projects offered tax abatements under Chapter 380 are not subject to time constraints.

There was a general discussion on the various sections and provisions of the proposed Tax Abatement Policy, with much of the conversation focused on:

- A. Tax abatement. As proposed, the policy contains a sliding scale of tax abatement based on the capital investment and the type of project (a new facility or expansion or modernization of an existing facility). The greater the capital investment, then the greater the percentage of tax abatement. Those projects providing 25 or more full-time jobs would be eligible to receive a bonus tax abatement of ten percent; resulting in a maximum tax abatement of 60 percent. The Board decided to reduce the bonus qualifier from 25 full-time jobs to five.
- B. Non-refundable filing fees. The policy proposes a non-refundable filing fee of \$1,000.00 for all new businesses requesting consideration for tax abatement, but exempts existing businesses from the non-refundable filing fee as affirmation of the City's support for existing businesses. Considering the legal requirements of Chapter 312, as well as the amount of time dedicated by legal and staff to review tax abatement requests, the Board decided that the policy should include a \$250.00 non-refundable filing fee for existing businesses seeking tax abatement.
- C. Recapture. There were some concerns about the provision for recapture, and the proposed time that abated taxes must be repaid to the City if the project defaulted, and the default could not be cured.

At the conclusion of the discussion, Johnson asked Alexander when the Board could expect to receive a revised Tax Abatement Policy. Alexander anticipated providing the Board with a revised policy at the next regular session on November 7, 2016.

**6. Consider and act on the creation of sub-committees to advance the efforts of the Corinth Economic Development Corporation in: (i) developing a Strategic Plan for Economic Development; (ii) executing a Comprehensive Branding Strategy; and (iii) implementing a Business Recruitment and Retention Program.**

Johnson explained that he has three, possibly four individuals interested in volunteering on the Business Recruitment and Retention Sub-committee. He asked the Board to provide any names for the other sub-committees to Alexander.

May said he might have some volunteers interested in the Comprehensive Branding Sub-committee.

Johnson asked the same for Henderson – if there were any volunteers interested in serving on her sub-committee.

Johnson asked the Board to let Alexander know so that he can get the letters out to the volunteers.

Johnson reminded the Board that these volunteers do not have to be residents of the City of Corinth, but they need to be business owners or people that have an economic tie somehow. He would like to get the sub-committees operational before the end of the year.

## **7. Reports and Updates.**

### **1. Board Members**

None at this time.

### **2. Executive Director**

Alexander reported that the International Council of Shopping Centers (ICSC) is sponsoring the Texas Conference and Deal Making, Wednesday through Friday, and he confirmed appointments with:

- A. Jimmy John's;
- B. Slim Chickens;
- C. Two other restaurants; and
- D. Ron Stewart, who manages Marriott Hotels.

Johnson encouraged those going to ICSC, to not feel limited to attending specific meetings, but to meet with other retailers too; and to steer away from franchise operations that pitch an idea but do not have a franchiser in place.

Alexander is going to send an e-mail to those going to ICSC – advising where to meet, a list of attendees and other related information.

Johnson also reminded those attending to keep their mileage and parking receipts; and to provide both to Alexander for reimbursement.

### **EXECUTIVE SESSION:**

If, during the course of the meeting, any discussion of any item on the agenda should need to be held in executive or closed session for the Board to seek advice from the City Attorney as to the posted subject matter of this Board Meeting, the Board will convene in such executive or closed session, in accordance with the provisions of the Government Code, Title 5, Subchapter D, Chapter 551, to consider one or more matters pursuant to the following:

**Section 551.071.** Private consultations with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

**Section 551.072.** To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

**Section 551.074.** To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

**Section 551.087.** To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.


After discussion of any matters in executive session, any final action or vote taken will be in public by the Board. The Board shall have the right at any time to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

**RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE SESSION ITEMS.**

**ADJOURN:**

There being no further business, the October 3, 2016 Special Session of the Corinth Economic Development Corporation stood adjourned at 8:00 pm.

  
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Catherine J. Stallcup, Administrative Assistant  
City of Corinth

  
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Lowell Johnson – President  
Corinth Economic Development Corporation