

**MINUTES OF THE
KAUFMAN ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTOR'S MEETING
TUESDAY, NOVEMBER 8, 2016 at 6:00 p.m.
KAUFMAN FIRE STATION
301 S. Madison
Kaufman, TX 75142**

PRESIDENT	ROY FERRELL
VICE-PRESIDENT	BARRY RATCLIFFE
SECRETARY/TREASURER	CARL STAPP
MEMBER	CURTIS SNOW
MEMBER	LISA PARKER

CALL TO ORDER: President Roy Ferrell called the meeting to order at 6:01 p.m. on Tuesday, November 8, 2016. Board members present were Roy Ferrell, Barry Ratcliffe, Carl Stapp and Curtis Snow. President Ferrell declared a quorum present. Board member Parker was absent. Also present were Executive Director Lee Ayres, City Manager Mike Slye and Secretary Jo Ann Talbot.

1. CONSIDER APPROVAL OF THE SEPTEMBER 13, 2016 MEETING MINUTES.

Board member Stapp moved to approve the September 13, 2016 meeting minutes. Board member Ratcliffe made the second. All voted AYE and the motion carried. Board member Parker was absent.

2. ACCEPTANCE OF AUGUST AND SEPTEMBER 2016, FINANCIAL STATEMENTS.

Executive Director Lee Ayres reported there was nothing unusual in either set of financials. Board member Ratcliffe moved to accept the August and September 2016 financial statements. Board member Snow made the Second. All voted AYE and the motion carried. Board member Parker was absent.

3. CONSIDER FORMALLY ASKING THE CITY COUNCIL TO AMEND THE PRAIRIE CREEK CROSSING BUSINESS PARK'S PLANNED DEVELOPMENT TO INCLUDE FARM AND RANCH STORES WITH OUTSIDE STORAGE AS A RETAIL USE ON LOTS 17, 18, 4, 5, 6, 7, 8, 9, 10, AND 11.

President Ferrell called on Executive Director Ayres to present his recommendations.

Executive Director Ayres stated on the hottest day of July 1999 Kaufman cut the ribbon on a business and industrial park that sat vacant for several years. Eleven years later the park had a total of two buildings. In 2010 KEDC re-platted the park to allow for the new Genesis Street and asked the City Council to allow limited retail uses on some of the lots, which they did. By 2016 we added a third

building and the fourth is under construction. Executive Director Ayres continued saying the new Highway 34 By-pass and allowing some retail uses has generated some interest, but no offers on property (the by-pass was not a factor for KLLM logistics center). He said it was his opinion that the following could likely happen at the park over next two years if certain conditions were available to prospects. Then the Board reviewed the following table:

<u>Project</u>	<u>SF</u>	<u>Annual*</u> <u>Value</u>	<u>Annual</u> <u>Prop. Taxes</u>	<u>Annual</u> <u>Sales</u>	<u>Annual</u> <u>Sale's Taxes</u>
Strip Center	12K	\$3.0 M	\$28.5K	\$3 M	\$ 60,000
Ranch Supply	70K	\$10.5 M	\$99.72K	\$8M	\$160,000
70 Rm Hotel	50K	\$6.0M	\$57.0K	\$2.1M	\$ 32,000**
Pharmacy	15K	\$3.0M	\$28.5K	\$8.0M	\$160,000

Total Annual Prop. Tax of \$213,720 + Annual Sales Taxes of \$412,000 = \$625,720 per year

10 Year Benefit of \$6.25 Million to city of Kaufman.

*Includes real property and fixtures and inventory

**Does not include \$114,500 per year in local hotel taxes based on 80% occupancy for 365 days per year at \$80 per night.

Executive Director Ayres went on to say there are planned mixed used developments (retail, single family, office, hotel) like the Woodlands north of Houston that have only monument signs. They started out that way. There are even entire cities like Hilton Head Island, SC that have only monument signs.

He explained that Kaufman is still considered a marginal market for retailers. We don't have the demographics or population density in place most retailers need to pull the trigger here. We are basically out of single family lots and none are planned.

Without the proposed changes to the PD in the business park we will get none of the above now or ever. And three of four will not go across the highway to the Kings Fort Market Center either. Executive Director Ayres said he has invited Jim Meara to explain why.

Mr. Meara explained that Mr. Schuler, the Kings Fort Developer, has an agreement with Walmart that excludes a Walgreens or CVS because they did not wish to have that competition nearby.

Mr. Meara explained that they would probably not recruit a large farm and ranch store because they would likely want to go on the Home Depot or Lowes spot, but do not want to pay the price we are asking. In other markets they frequently

do well with not being right on the main highway. They would be a great candidate for Kaufman's business park with land pricing that can help them be profitable sooner.

Finally, he said we really don't want to sell land for a strip center because the new center developer will be competing with us for tenants.

After some discussion Board member Snow moved to table this agenda item until we can pull together a meeting and ask the city planning director to make a presentation on the pro's and cons of outside storage and pylon signs. Board member Stapp made the second. All voted AYE and the item was tabled. Board member Parker was absent.

4. CONSIDER FORMALLY ASKING THE CITY COUNCIL TO AMEND THE PRAIRIE CREEK CROSSING BUSINESS PARK'S PLANNED DEVELOPMENT TO ALLOW FOR INCLUSION OF PYLON SIGNS WITH SAME SPECIFICATIONS THE CITY REQUIRES ON OTHER US 175 LOTS WITHIN THE CITY FOR LOTS 12R-A THROUGH D, 13R-A AND B, 14R-A, 15-A AND 15-B AND LOTS 17, 18, 4, 5, 6, 7, 8, 9, 10 AND 11.

After some discussion Board member Stapp moved to table this agenda item until we can pull together a meeting and ask the city planning director to make a presentation on the pro's and cons of outside storage and pylon signs. Board member Snow made the second. All voted AYE and the item was tabled. Board member Parker was absent.

5. ADJOURNMENT.

President Ferrell adjourned the meeting at 6:44 p.m.

Roy Ferrell, President Date

Carl Stapp, Secretary Date