

Minutes of the Brookshire Economic Development Corporation Meeting

June 2, 2020

In Accordance with order of the Office of the Governor issued March 16, 2020, the Board of directors of the Brookshire Economic Development conducted its meeting Tuesday, June 2, 2020 at 12:00 p.m. by telephone conference in order to advance the public health goal of limiting face-to-face meetings to slow the spread of the Coronavirus/COVID-19.

The meeting was called to order at 12:05 p.m. by President, Marilyn Vaughn.

Agenda Item #1 Prayer

Director, Lyndon Stamps

Agenda Item #3 Roll Call.

Present in telephone conference:

President, Marilyn Vaughn
Vice-President, Sandra Olison
Treasurer, Lyndon Stamps
Secretary, Nathaniel Richardson
Director, Mistie Flores

Also, Present in the telephone conference:

Coordinator, Mike Barnes
Attorney, Justin Pruitt
Administrative Assistant, Vickie Casto
Pamelia West (*Brookshire Drying Co.*)

Absent:

Director, Warren Connor
Director, Lee Jones
Recording Secretary, Claudia Harrison
Alex Chachere / Junction Landscape

Agenda Item #3 Public Comments.

N/A

Agenda Item #4 Discussion and possible approval of incentives to an expansion of a commercial project (Brookshire Drying Co.) located with in the City of Brookshire.

Mike Barnes addressed the board and stated that in the past few weeks he had the pleasure speaking with Ms. Pamela West with the Brookshire Drying Co. He then asked if she was on the call and Ms. West let everyone know she was on the line. Mr. Barnes continued and said he was very pleased to let them know that they had a company that's been in Brookshire since 1948, that's been providing tax revenue, providing employment for citizens and they are about to embark on what he thinks is a significant expansion that relates to their company. He believes they are purposing to do somewhere in the neighborhood of \$6.26 million worth towards an expansion project. One of the things that impresses him about the project, there will be a lot of new technology applications that will be housed here in Brookshire. Which, is consistent with a lot of things that they have underway not only with Grundfos, the Stream activity and the other new expanding projects that they have so, this is a very good sign. In addition to the 6.26 million of investment they'll be in the first year there will be net 4 new employees associated with this project. He ran those numbers and the average salary of those employees is 38,750 plus a benefit package which is very nice and comprehensive. He thinks what he would recommend they do is recommend to the Brookshire City Council that they offer a tax abatement. He stated that he would rely on Justin (attorney), he's thought this through and to him its just which is beneficial to the city and to the client. Weather it be a 380 or a traditional tax abatement. He would recommend that the follow And this is only on the new investment. As he indicated that this company has been here and paying taxes since 1948. On the net \$6.26 million investment he would offer the following either through a rebate or tax abatement. On the first year, 100%, don't penalize the company for making that kind of investment and the city enjoying the existing property taxes and sales taxes from the company. Year two (2), they would drop it down to a 50% abatement. Year three (3), a 25% abatement and in year four (4) they would receive all the net new property taxes associated with that project. He then stated he would be happy to answer any of their questions, address their comments. He once again stated what a pleasure it had been to work with Ms. West and added that he was very excited about the project. They need to be sure they provide climate for their existing businesses to expand while they are out 380 a climate for their new companies and new projects such as the Empire West project.

Ms. Vaughn asked Ms. West if she had anything to add.

Ms. West stated she would just simply submit to the council their appreciation and working together to do things for their city. Hopefully they can hire talents within the city which is the first thing she would like to try to achieve. The net new employees for the first year would be four (4) and

hopefully they can see that doubled very very early. They are really excited about this project and bringing full service to the local ag community here to their farmers that's been farming in the area for many many years. Hoping to bring a full-service package to them offering food traceability's to the retail market which is really a neat thing for the retail market for the clement that their in with their food safety. She thinks this is going to be a really great benefit to the city for recognition and for what they have in their great city of Brookshire. Going forward she expects it to be even bigger than it will be the first year. They have a lot of hope that this will grow and be extraordinarily successful for the community.

Ms. Vaughn thanked her and stated as the board president they were excited specially to assist an existing business that's been here for as long as they have.

Mr. Barnes stated assuming that the body wants to move forward, that he would ask Justin to help them in terms of structing the motion. This will involve a 1/5 of a lease hold situation which is something that they've not been involved with before. He just wanted to make that point it will be a lease to purchase on some of the equipment, it's going to be taxed regardless weather its leased or purchased. That may have an impact on how they want to proceed, and again he'll defer to alert council as to weather they want to do a 380 or a traditional tax abatement. He then asked Justin if he preferred one over the other. He thinks it's safe to say as long as they get the benefits it won't matter if they go up or down the latter ...

Ms. West replied absolutely and added that she thought whatever it's a unique situation especially for them. So, whatever or however it needs to be worded to obtain the main goal. Let their attorney determine the legalities, the paperwork, the structure as long as the bottom line is the same as what they're talking about. She believes no matter how you get there it will work out just fine.

Mr. Pruitt, stated that he thought the easiest thing to do, since they are talking about EDC just recommending to the council to offer some kind of abatement to the company, they can keep it that broad and let the council determine if it's going to be a 380 or a tax abatement.

Mr. Pruitt confirmed with Mr. Barnes that it was a three (3) deal total ... if that's the case, then it might be good just to do, when they get to the council stage, they will have a 380 agreement. Because it's so broad and they can do a lot of stuff under that, a lot of freedom. They won't have as much administrative stuff to take like they have to do in traditional tax abatement. Like right now with the Empire West ... you won't have to take as long for this project; but it will still be like a two (2) month long project to get that tax abatement traditional standard so, regardless of that if the EDC really wants to support this project, to recommend to council (unclear) If they want to be specific they can say under structure that satisfies what Mike has recommended, something like that.

Ms. Vaughn asked if there were any other questions if not, she would entertain a motion.

Motion was made to approve incentives to an expansion of a project Brookshire Drying Company located within the City limits of Brookshire.

Treasurer, Lyndon Stamps / Director, Mistie Flores

Ms. Vaughn then made a verbal count:
Vice-President, Sandra Olison / Yes
Secretary, Nathaniel Richardson / Yes
Treasurer, Lyndon Stamps / Yes
Director, Lee Jones / (absent
Director, Mistie Flores / Yes
Director, Warren Conner / (absent

All For
Motion Carried

Mr. Barnes thanked everyone and stated he thought it was going to be a great project for the community going forward.

Ms. West thanked everyone.

Ms. Vaughn stated they were looking forward to the project.

Ms. West stated that she looked forward to having each of them being involved. When they do have a ground breaking ceremony, she does not know exactly when that will occur, maybe July / August. Although, that's quite a busy time for them so, it maybe actually September when they're finished harvest; but she will be sure to inform them so they can be present for that as they are very important to them here in the city.

Agenda Item #5 Discuss and approve nominating B.E.D.C. board members. (Nathaniel Richardson, Lee Jones, Mistie Flores, Lyndon Stamps)

Ms. Vaughn stated she just needed to hear from each one of them that were there on the conference if they still wanted to be on the board, starting with Nathaniel Richardson.

Mr. Richardson stated he wished to stay on the board.

Ms. Flores stated she wished to stay on the board.

Mr. Stamps stated he wished to stay on the board.

Ms. Vaughn stated that Mr. Lee Jones was not there; but she is pretty sure he will probably wish to stay on the board.

Motion was made to approve all board members nominated for the Brookshire Economic Development Cooperation.

Treasurer, Lyndon Stamps / Vice-President, Sandra Olson

Ms. Vaughn then made a verbal count:
Vice-President, Sandra Olson / Yes
Secretary, Nathaniel Richardson / Yes
Director, Mistie Flores / Yes
Treasurer, Lyndon Stamps / Yes

All For
Motion Carried

Ms. Vaughn then stated that being said the nominees would be presented to the city council for approval.

Agenda Item #6 Update landscape: Alex Chachere / Junction Landscape

Ms. Vaughn stated that she didn't know if Alex had gotten the opportunity to be on the phone conference. She then asked if he was on the conference, with no reply. She stated if not, she asked Ms. Casto for an update on the water feature / fountain and the welcome rock.

A. Water Feature / Fountain

Ms. Casto stated that due to the pandemic they are still having difficulties getting that shipped out. He's (Alex Chachere) learned that they have stated laying off some of the employees. He is still trying to get them at this time through e-mails.

B. Welcome Rock S. FM 359.

Ms. Casto stated that Mr. Chachere said they were still looking at a few months on down the road getting that done.

Agenda Item #7 Discussion and possible action regarding Hovas Park baseball fields.

Ms. Vaughn directed everyone to their packet to see the amount to renovate the baseball field. She stated that she needed to know how exactly did they want to do it. She then asked Mr. Richardson if he had anything, he wanted to ...

Mr. Richardson stated with the cost and everything that's going on in the community and the world he doesn't think they can spend that kind of money at this particular time. That doesn't mean that there is someone else out there can do it at a lessor price. So, he might consider making a recommendation that they send it out to bid again.

Ms. Vaughn asked if that was going to be his motion, then asked if anyone else want to speak.

Mr. Stamps stated that he agreed also, that they go out for more bids.

Motion was made to go out for bids on Hovas Park baseball fields.

Secretary, Nathaniel Richardson / Treasurer, Lyndon Stamps

Ms. Vaughn then made a verbal count:

Vice President, Sandra / Yes

Secretary, Nathaniel Richardson / Yes

Director, Mistie Flores / Yes

Treasurer, Lyndon Stamps / Yes

All For
Motion Carried

Agenda Item #8 Update regarding replacing the Convention center

Sign. *Director, Lee Jones*

Mr. Vaughn stated that since Director, Lee Jones was not there they would just put it on the next agenda.

**Agenda Item #9 Brookshire Economic Development Corporation
Financial Reports / Update.**

Ms. Vaughn directed the board to their packets then asked if they had any questions. She stated she was happy they finally had gotten the financials' so that way they would know exactly what they have. The questions that she had she's already asked Ms. Harrison. She then asked if there were any questions or comments.

**Agenda Item #10 Discuss and approve minute4s of the BEDC May 7,
2020 regular meeting.**

Motion was made to approve the Brookshire EDC May 7, 2020 regular meeting.

Treasurer, Lyndon Stamps / Vice-President, Sandra Olson

Ms. Vaughn then made a verbal count:

Vice-President, Sandra Olson / Yes

Secretary, Nathaniel Richardson / Yes

Director, Mistie Flores / Yes

Treasurer, Lyndon Stamps / Yes

All For
Motion Carried

Agenda Item #11 EDC Coordinator's report.

Mr. Barnes directed the board to their packets to view his most recent newsletter as well as his report for the time period from the last meeting through today. He wanted to thank Ms. Vickie, he stated that he didn't know what they paid Municode but they need to pay her what ever you pay them and then some. He added that she has done some ... particular during this COVID period, he doesn't know how much they have seen she's done with regard to social media, and that website. He's gotten comments there in his shop from folks that have raved about how they see Brookshire featured both on the website as well as through the social media post. He also wanted to thank her for being able identify and updating and he's kind of overseeing their whole site catalog. She's identified a number of sites that they put into this site catalog. He wanted to tip his hat and make them aware of the work that she's done during this COVID-19 period. Secondly, he wanted to acknowledge the work of the Greater Houston Partnership. Some weeks ago, he'd asked them for some help on labor data with regards to particularly trying to market their Empire West / Stream Reality project. They've done a phenomenal job getting back to them and getting that information, Stream was most appreciative of that as he. He's the first to fuss when things aren't going well; but he's also the first to acknowledge when people sort of out perform what he expects out of them, and he wanted to make them aware of that. He added as they can see from the reports Brookshire is running and gunning and he's very fortunate to be a part of that. The Stream Reality project is just an indicator they're moving forward in a regulatory ... they have submitted that property on numerous projects as reflected in the reports. Those guys are great to work with and he thinks that's going to be one of those projects that Brookshire will get to benefit from years to come. He also wanted to indicate that obviously that project that they just approved to recommend to the city council, that's really going to help tie in that corridor of Brookshire. They have a lot of prospects out there. They are working with those prospects and communicating as best they can, Carlton Schwab reached out to him yesterday and went on again about all the things that are going on in Brookshire. He then stated he would be happy to answer any questions that they might have or address any comment that they might have. But he wanted again to compliment them on their leadership ... without the kind of leadership and board that they have and the administrative staff that they have they couldn't do what they are doing right now, and he is happy to be a part of that team.

Ms. Vaughn then thanked Mr. Barnes and added that they appreciated all that he has done and she knows firsthand all the things that Vickie has been doing; because she talks to her pretty much on a regular basis. She knows she's been pulling up a lot properties and she's aware and keep up with the business hours and she's putting the businesses first and making sure all that

is done. She added her hat is off to he and Vickie and to the whole board and team, everyone that's involved with this board. She thanked him very very much for everything that he does.

Agenda Item #12 Adjournment.

Motion was made to adjourn.

Treasurer, Lyndon Stamps / Director, Mistie Flores

Ms. Vaughn then made a verbal count:

Vice-President, Sandra Olison / Yes

Secretary, Nathaniel Richardson / Yes

Director, Mistie Flores / Yes

Treasurer, Lyndon Stamps / Yes

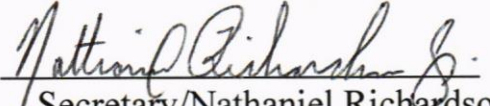
All For
Motion Carried

(12:29 p.m.)

It is possible that a quorum of the Brookshire City Council may be present at the meeting and participate in the discussion of the items on the agenda. No official action of the Brookshire City Council will be taken at this meeting.



President / Marilyn Vaughn



Secretary/Nathaniel Richardson

Prepared by Vickie Casto