

WHARTON ECONOMIC DEVELOPMENT CORPORATION

Minutes - Regular Meeting

July 25, 2022 12:00 P.M

President Freddie Pekar called the Meeting to order at 12:00 P.M.

Board Members Participating: Freddie Pekar, Michael Wootton, Andrew Armour, Michael Roberson, Clifford Jackson, Russell Machann and David Schroeder

Advisory Members Participating: County Judge Phillip Spenrath, City Manager Joseph Pace, Mark Castillo, Donald Smith,

Advisory Members Not Participating: City Mayor, Tim Barker, Ron Sanders, Abby King, Betty McCrohan, Billie Jones, Marilyn Sebesta, Dr. Michael O'Guin, Kent Hill, Cindy Hernandez, Joe Freudenberger

WEDC Attorney Not Participating: Kari Lutringer

Visitors Participating: Joe Southern, Joan Andel, Gwyn Teves, Stewart Herbst, Chris Young, Jason Mills, Russell Baird, Danny Phillips, and Jon Cochrum

Staff Member Present: Joshua Owens and Louisa Jimenez

Consultant Present: Karen Heintschel

Public Comments: President Freddie Pekar asked if there were any public comments. There were no public comments.

Minutes of the Regular Meeting held on June 20, 2022. Director Clifford Jackson made the motion to approve all minutes as presented. Director Russell Machann seconded the motion. All voted in favor.

Presentation by Workforce Solutions/Interfaith the Woodlands Request for a MOU Extension for WEDC Office Space. Mr. Phillips is requesting an MOU extension for the WEDC office space. Mr. Phillips addressed the Board and provided a timeline of events for the new property. Mr. Phillips stated from October-December 2021, he was in search for properties in the Wharton area. In late December, a contract was signed for the property off FM 102. In January, a search for procurement for an architect to draw the space for the new office space was conducted. In February, the Workforce team met with the architect and received the preliminary plans for the space. In March, the plans were finalized, submitted to the landlord and City of Wharton for permitting. In April, a search for procurement of construction builders to build out the office space was conducted. From May to present, Mr. Phillips is waiting for Texas Workforce Commission (TWC) to approve the buildout plans. Mr. Phillips stated he contacted TWC in the week of July 18-22 to check the status of the approval but did not receive a status change. Once TWC approval is received, Mr. Phillips anticipates the total time of the buildout to be 10-12 weeks from start to finish. Director Michael Wootton made the motion to extend the MOU to December 31, 2022. Director Andrew Armour seconded the motion. All voted in favor.

Performance Agreement and Raw Land Contract for Cochrum Enterprises, LLC. Executive Director Josh Owens provided the Board an update on the Performance Agreement and Raw Land Contract for Cochrum

Enterprises, LLC. Mr. Owens reported all documents have been received from Attorney Kari Lutringer. Mr. Owens stated he reviewed the documents with Director David Schroeder, Director Michael Wootton, and Jon Cochrum. Mr. Owens stated changes have been made; and the next step will be to submit the documents to Attorney Kari Lutringer for review and recommendations. Director Josh Owens stated the final draft of the Performance Agreement and Raw Land Contract must be read before City Counsel. Director Clifford Jackson made the motion to proceed with the Performance Agreement with the changes and upon approval by Wharton EDC Attorney Kari Lutringer prior to closing. Director Michael Wootton seconded the motion. All voted in favor.

Wayfinding Proposal. Executive Josh Owens provided the Board an update on the status of Wayfinding Proposal. Mr. Owens directed the Boards attention to Exhibit A documentation provided by Fd2s Design Studio. Mr. Owens stated City of Wharton and Wharton EDC are looking to co-brand. Mr. Owens stated each need a brand that is competitive with other cities. Mr. Owens' recommendation is to move forward with Scenario 2: Refining an Existing Concept; cost of \$6,000. Mr. Owens stated Wharton EDC has \$15,000 towards Wayfinding. Mr. Owens reported the next step is to meet with the City of Wharton and determine which logo best suits the need and to present the decision to Fd2s Studio. Director Michael Wootton made the motion to approve Scenario 2: Refining an Existing Concept for \$6,000 and to utilize the Wayfinding funds to develop a new logo. Director Russell Machann seconded the motion. All voted in favor.

Water Infrastructure request for Milam Street Properties. No action taken.

Economic Development Sales Tax Workshop. Executive Director Josh Owens provided the Board with copies of the Economic Sales Tax Workshop. Mr. Owens highly suggested Wharton EDC Board members to plan to attend October 28, 2022 workshop held in Houston. Mr. Owens stated if Board members are unable to attend the October 28 workshop, he suggests Board members join the virtual session held on December 2-16, 2022. Mr. Owens stated the Workshop will include information about changes to the Economic Development Sales Tax law and will also provide a better understanding to the responsibilities of the Board and Executive Director. No action taken.

FM 1301 Professional Engineering Services. Executive Director Josh Owens provided the Board with an update on the FM 1301 project. Mr. Owens made the recommendation to have Quiddity Engineering Services attend a regular meeting to provide more information on the Water and Gravity Sanitary Sewer Extensions and to table the topic. Director Russell Machann made the motion to extend an invitation to Quiddity Engineering Services to attend a regular meeting and provide more information on the Water and Gravity Sanitary Sewer Extensions and table FM 1301 Professional Engineering Services. Director Michael Wootton seconded the motion. All voted in favor.

Sales of Texas Sales Tax/HDL Report. Executive Director Josh Owens made the recommendation to table the topic until Wharton EDC has received the Sales of Texas Sales Tax report. Director Russell Machann made the motion to table the topic until Wharton EDC receives the Sales of Texas Sales Tax report. Director Michael Wootton seconded the motion. All voted in favor.

Report from Executive Director and discussion of:

A. Monthly Sales Tax Report. Mr. Owens reported that monthly sales tax has slightly dropped and encouraged everyone to shop locally.

B. Required PFIA 2256.023 Report. Mr. Owens provided the Board with copies of the required PFIA showing the distribution of assets.

C. Balance Sheet/Commitments. Mr. Owens provided the Board with copies of the current Balance Sheet stating WEDC's total assets were \$3,027,893 and the total liabilities were \$386,441, net equity being \$2,641,453. WEDC's 2021-2022 commitments were \$386,441. Mr. Owens pointed out that Wharton Feed & Supply has been added to the list of commitments.

D. Statement of Revenues and Expenditures. Mr. Owens provided the Board with copies of the statement of Revenues and Expenses as of June 30, 2021 and said that the report is on target with nothing outstanding.

E. Strategic Goals. Mr. Owens reported the following:

- 1) **Website-** Mr. Owens stated the current website has 215 new users. The new website will offer better enhancement of available properties.
- 2) **Business Retention and Expansion-** will be discussed during Executive Session.
- 3) **Downtown Revitalization-** is making progress. Mr. Owens received a 2nd proposal for the downtown WiFi. Mr. Owens met with City Manager Joseph Pace, Mr. Larry Sitka and Mr. Barrett Davis.
- 4) **135 W. Burleson-** Mr. Owens received an inquiry about the Burleson property and is scheduled to meet with the interested party this week. Has not received a response from contractors for the 135 W. Burleson exterior window repair.
- 5) **Former Ace Hardware building-** Mr. Larry Sitka replaced the window.
- 6) **Collaboration with WCJC and WISD on the Education Taskforce-** Seminar is set for August 11, 2022 to close the gap between school to jobs pipeline.
- 7) **CoStarters-** Will attempt a 3rd try at launching a class in Fall 2022. Six applicants are needed.
- 8) **OakBend-** Demolition has been completed, and OakBend may have an interested party for the open space.
- 9) **300 N. Richmond Road-**working with City of Wharton for drainage system.

Director David Schroeder made the motion to approve the Executive Director's report as presented. Director Michael Wootton seconded the motion. All voted in favor.

Executive Session: According to Texas Government Code (Chapter 551, Open Meetings), the Board may conduct a closed executive session for the following reasons: Consultation with attorney §551.071, deliberation regarding real property §551.072, deliberation regarding prospective gift §551.073, personnel matters §551.074, deliberation regarding security devices §551.076, deliberation regarding economic development negotiations §551.087. Final action, decision, or vote, if any with regard to any matter considered in Executive Session shall be made in Open Meeting.

The Board went into Executive Session at 12:38 P.M.

- A. **§551.087 - Deliberation regarding Economic Development negotiations.**
 1. **Negotiations on Sites.** No action taken.
 2. **Memorandum of Understanding.** No action taken.

B. §551.072 - Deliberation regarding Real Property

1. **238 West Milam Street.** No action taken.
2. **246 West Milam Street.** No action taken.
3. **307 West Milam Street.** No action taken.
4. **309 West Milam Street.** No action taken.
5. **311 West Milam Street.** No action taken.
6. **313 West Milam Street.** No action taken.
7. **7397 US 59.** No action taken.
8. **10141 US Hwy 59 Road.** No action taken.
9. **129 South Fulton Street.** No action taken.
10. **133 South Fulton Street.** No action taken.

C. §551.071 Consultation with Attorney

1. **Legal Representation.** No action taken.

The Board returned to Open Session at 12:57 P.M.

A. §551.087 - Deliberation regarding Economic Development negotiations.

1. **Negotiation on Sites.** No action taken.
2. **Memorandum of Understanding.** No action taken.

B. §551.072 - Deliberation regarding Real Property.

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With no further business to discuss, President Freddie Pekar thanked everyone for coming and adjourned the meeting at 12:59 P.M.

WHARTON ECONOMIC DEVELOPMENT BOARD

By: 
Freddie Pekar, President

Attest: 
Andrew Armour, Secretary