

**WHITE OAK ECONOMIC DEVELOPMENT
CORPORATION REGULAR BOARD MINUTES
WHITE OAK CITY HALL
JUNE 16, 2016
6:00 P.M.**

MEMBERS PRESENT : President Thomas Cash, Mike Gilbert, Greg Hulett Barbara Ray, Gary Shaver,
Curtis Smith

MEMBERS ABSENT : Barbara Ray, James Crump

STAFF PRESENT : Charlie Smith, Sherry Roberts, Maureen Carrigan

CALL TO ORDER

President Cash called the meeting to order at 6:00 p.m.

CONSENT AGENDA: All matters listed under the Consent Agenda are considered routine and will be enacted in one motion. Should the President, a Board member, or a citizen desire discussion of any item that item will be removed from the Consent Agenda and will be considered separately.

- a. Approve Minutes from the April 5, 2016 meeting.
- b. Accept EDC Monthly Financial Reports for April & May 2016.

Motion to approve with one change made by Councilmember Shaver, seconded by Board member Hulett. Carried unanimously.

PRESENTATIONS

a. K & N Machine

Kevin Ponder addressed the Board about his Application for Assistance. He split off from Longview Production and he is asking for approximately \$34,000 to purchase equipment to start his own business in a building owned by Scooter Goll in the Cherokee Trace Industrial Park. Board member Hulett asked what would be the total value of assets he would move into White Oak. Mr. Ponder answered \$120,000. Board member Shaver asked the names of the two new employees. Mr. Ponder answered his wife and son. Board member Shaver asked if he planned to add more employees, to which Mr. Ponder answered it would be pushing it to say by the end of the year. He explained he would like to have a total of seven employees.

Board member Shaver asked if his customer base mainly oil field. Mr. Ponder explained that part of it is, but he does work for other fields, and he already has customers. He added that they are waiting on power to the building.

b. Ware Electrical Services

Craig Ware expressed his appreciation for the opportunity to present his application to the Board. He informed the Board that he has been in business for about 14 years, with a slow and steady growth. Since April, he has added two new employees, for a total of six. Because of the increased workload, he is requesting \$45,000 for equipment and tools. Board member Shaver asked Mr. Ware to explain service equipment. Mr. Ware answered transportation needs. Board member Shaver asked if that meant a truck, to which Mr. Ware answered that it could be, but it could also be specialty power tools, etc.

EXECUTIVE SESSION – The White Oak Economic Development Corporation Board will meet in Executive Session as authorized by Title 5, Chapter 551, Texas Government Code, The Texas Open Meetings Act, for the following purpose:

Section 551.087 – Deliberation regarding Economic Development Negotiations: Discussion regarding negotiations with the following:

- a. K & N Machine
- b. Ware Electrical Services

The Board adjourned to closed session at 6:09 p.m.

RECONVENE TO OPEN SESSION – Consideration, discussion, and possible action on:

- a. K & N Machine
- b. Ware Electrical Services

The Board reconvened into open session at 6:28 p.m.

Board member Hulett explained that economic development corporations have state statutes that have to be followed that includes job creation and it is his opinion that a committee needs to be formed to establish some guidelines about what incentives can be allowed and what cannot. He continued in saying that those guidelines should be based on job creation numbers and the overall property tax value that will be placed on the tax roll.

President Cash explained to Mr. Ponder that the White Oak EDC has been very hesitant in helping startup companies because the couple that have been helped, have not worked out. He explained that while WOEDC cannot help him right now, he would like him to reapply for assistance in a year.

President Cash explained to Mr. Ware that the White Oak EDC cannot do a truck and utility bed. However, the EDC would like to offer his company a \$10,000 grant for a ladder and tools, providing he keeps the six employees for a year.

Board member Shaver made a motion to deny the Application for Assistance for K & N Machine and offer a \$10,000 grant for tools and equipment to Ware Electrical Services, seconded by Board Treasurer Gilbert. Carried unanimously.

Mr. Ware stated when he first approached the Board he had five employees, then the sixth one just happened to have come along. He cannot guarantee that he can keep six employees for a year. He can guarantee that he can keep five employees.

Board Treasurer Gilbert made the motion to amend his motion to five employees, Board member Shaver seconded. Carried unanimously.

STAFF REPORTS & UPDATES

City Coordinator Smith informed the Board that Sat Lite is closing on their building tomorrow and will soon break ground. He sent the Haute Goat Creamery agreement back to the WOEDC attorney Gary Shaver with some requested changes. Board member/attorney Shaver informed the Board that it was asked if they could have until 2018-2019 to provide receipts for the purchases from the grant. Board member Shaver told them no. City Coordinator Smith explained the reasoning behind this was the owners are doing business

with Southwest Solutions here in White Oak and they are trying to find the vat to cool the milk. He added that the Vanderbilts are very fiscally responsible. City Coordinator Smith stated that he understands they are receiving a \$50,000 grant to move to White Oak, but would this be something that under these circumstances if they brought a receipt for equipment, can we reimburse them as they go. Board member/attorney Shaver answered that in his opinion, it would have to be with the Board's understanding that the agreement is changing; however, he was not opposed to reimbursing for expenses as they are purchased. City Coordinator Smith stated they are supposed to move in by July 1 but there is still a lot of work to be done.

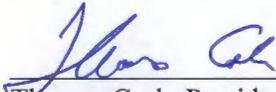
Board member Shaver asked if the Board would like to set a meeting to discuss new incentive guidelines. It was decided to meet on July 19, 2016 at 6:00 p.m.

Board member Hulett informed the Board that Cleancut Roofing has a contract on the old Roughneck Lease Services property. The granite business is going into where Cleancut Roofing is now, doubling his location. A Shred Ahead is moving into South Lake Harris Circle. Mural's Custom Frames moved out, freeing up that space, which can be two 2,000 sq. ft. areas or a 4,000 sq. ft. area.

City Coordinator Smith updated the Board that the deal with Tony's Flooring fell through on the old Family Dollar building.

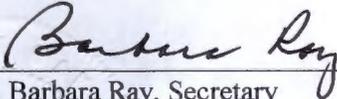
ADJOURNMENT

Motion to adjourn by Board Treasurer Gilbert at 6:42 p.m., seconded by Board member Shaver. Carried unanimously.



Thomas Cash, President

ATTEST:



Dr. Barbara Ray, Secretary