

**WHITE OAK ECONOMIC DEVELOPMENT
CORPORATION REGULAR BOARD MINUTES
WHITE OAK CITY HALL
JANUARY 25, 2017
6:00 P.M.**

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

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 November 15, 2016 meeting.
- b. Accept EDC Monthly Financial Reports for November and December 2016.
- c. Consider and/or approve Quarterly Investment Reports ending December 31, 2016.

Motion to approve made by Treasurer Gilbert, seconded by Vice-President Curtis Smith. Carried unanimously.

PRESENTATIONS

- a. Ladonna Castiglione – Don Giovanni's
Corrado Castiglione spoke on behalf of his wife Ladonna and informed the Board about ownership changes with Don Giovanni's. He informed the Board that the items they had previously requested help for have already been done, e.g. pizza bar, game room, equipment. There are many other things that could be done if a grant was received.

President Cash asked Mr. Castiglione what kind of help he was seeking. Mr. Castiglione answered he was seeking a \$60,000 grant and hopefully this would allow them to add two to three new employees.

Vice-President Gilbert stated to Mr. Castiglione that on the application, he states that two to four employees will be added; however, the when is left blank. He then asked him if these employees have already been added. Mr. Castiglione answered that when he starts advertising he will add extra employees.

- b. John Rainey - L & J Pet Products
Mr. John Rainey owner, LLC and DBA as Nature Select of the Ark-la-Tex. This is a natural holistic dog food distribution company that began in 2010 in Mt. Pleasant, Texas. They decided to move their company to White Oak because it is more central-based for deliveries. This is a home delivery service. Most of the business has been relocated to Lake Harris Circle. A grant for \$10,000 will help with the incurred expenses of the move and the shipping costs related to the actual dog food from Mt. Pleasant versus his previous ability of picking up the dog food himself. His plan is that after a year in White Oak, he will be able to absorb the shipping costs as new customers are gained. Mr. Rainey also informed the Board that they are setting up the facility for a retail presence.

City Coordinator Charlie Smith informed the Board that he was surprised at the amount of customers Mr. Rainey has here in White Oak. Mr. Rainey explained they have two sides to their business: retail and wholesale. The retail is the majority of their income and revenue was around \$220,000 last year of which only about \$2,000 came from White Oak; therefore, these tax dollars will be new tax dollars for the city. He added that their business also has around \$40,000 of inventory for personal property taxes.

- c. Mike Clements - Energy Weldfab, Inc. – No one was in attendance to speak on their behalf.
- d. Paul Saccoccio – Three Savages, LLC.
City Coordinator Smith explained that items D and E will go together. Mr. Saccoccio and Mr. Gasper are attempting to do this as a joint effort.
- e. John Gasper – The Moontower Grille
Mr. Gasper informed the Board that he is from East Texas and is a local guy. They would like to open a farm to fork style restaurant that would be called the Moontower Grille. It is basically home-style cooking with a gourmet twist. He stated he has been working on the business plan for about six months. He went to the Small Business Administration and received a validation from them on a business plan. He is presenting a realistic and conservative budget. The two are seeking a \$50,000 grant for kitchen equipment and a \$50,000 interest-free loan for startup costs. He plans to start with 15 full-time and 15 part-time positions. They are looking at opening multiple restaurants while keeping the corporate offices in White Oak.

President Cash asked Mr. Gasper if he already had a place picked out for the restaurant. Mr. Saccoccio stated it will be in the Three Savages Village next door to Haute Goat Creamery with outdoor dining, draft beer, and craft wines with a TABC private club license.

Secretary Ray stated she did not understand the differences between the Three Savages and The Moontower Grille. Board member Shaver explained that Three Savages would represent the landlord in this scenario. Board member Shaver asked what the hours of service be, to which Mr. Gasper answered 11:00 a.m. to 9 or 10:00 p.m. Sunday through Thursday and 11:00 a.m. until midnight on Friday and Saturday.

Discussion was held regarding equipment need, lease by Saccoccio, and the private club license. Board member Hulett asked how many parking spaces were available. Mr. Saccoccio answered 27 and with employee parking in the back. Current tenants do not work at night and there is overflow on the north end if needed.

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. Ladonna Castiglione – Don Giovanni’s
- b. John Rainey - L & J Pet Products
- c. Mike Clements - Energy Weldfab, Inc.
- d. Paul Saccoccio – Three Savages, LLC.
- e. John Gasper – The Moontower Grille

The Board went into executive session at 6:21 p.m.

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

The Board reconvened into open session at 6:44 p.m.

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

- a. Ladonna Castiglione – Don Giovanni's
Item died for a lack of a motion.
- b. John Rainey - L & J Pet Products
Vice-President Smith made a motion of a grant for \$10,000 for relocation expenses. Carried 5-0-1 with Board member Hulett abstaining due to a conflict of interest.

*Due to the potential of a conflict of interest, Board member Shaver exited the meeting at 6:37 p.m.

- c. Mike Clements - Energy Weldfab, Inc.
Motion to approve a grant for \$100,000 made by Board member Hulett, seconded by Treasurer Gilbert. Carried unanimously.
- d. Paul Saccoccio – Three Savages, LLC.
Item died for lack of a motion.
- e. John Gasper – The Moontower Grille
Item died for lack of a motion.

DISCUSSION AND/OR ACTION regarding audits of current performance agreements and incentive contracts.

Discussion was held regarding the current performance agreements. City Coordinator Smith informed the Board that he and Assistant City Manager Sherry Roberts had a conversation with the financial auditors that day regarding future performance agreements. It was suggested that basic information be gathered and approved by the Board, a performance agreement be written, then the agreement presented back to the Board for approval.

Regarding companies that fall short of required employees, the auditor reiterated that whatever the term of your agreement is with a company, use the average number of employees over the term of the contract to decide if the company met its employee requirements. It was determined that quarterly TWC reports from companies is sufficient for the contract compliance process. Board member Hulett stated that what has been learned is that the Board and staff need to tighten up its contract process. If it is found that certain companies are not remitting their quarterly TWC reports, then City Coordinator Smith needs to go visit the company versus mailing out a letter.

Assistant City Manager Sherry Roberts stated that the Board needs to decide which contracts to edit to help our businesses remain in compliance. Board member Hulett explained that if these companies are hurting due to the economic downturn, it is his opinion that the Board work with these companies. City Coordinator Smith stated that while everyone is current with their payments, they may not necessarily be in compliance with the employee retention requirement. Assistant City Manager Sherry Roberts stated that O & D Manufacturing is a prime example because they will be completed at the end of January and staff needs to go back and average their employee retention for the entire term.

STAFF REPORTS & UPDATES

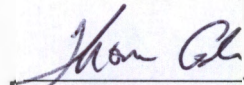
- a) New City website
New city website is up and will allow our businesses to do a lot themselves. Businesses can request access to upload their specific information.

b) Texas Wide Open for Business Site Selection Database

Assistant City Manager Sherry Roberts explained that she plans to create an economic development webpage and will link the state site selection database to that webpage to obtain a wider audience.

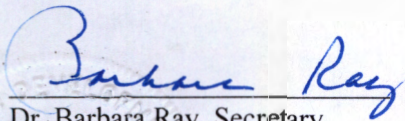
ADJOURNMENT

Motion to adjourn at 7:00 p.m. made by Treasurer Gilbert, seconded by Board member Crump. Carried unanimously.



Thomas Cash, President

ATTEST:



Dr. Barbara Ray, Secretary

