

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
BORGER ECONOMIC DEVELOPMENT CORPORATION
A TEXAS INDUSTRIAL DEVELOPMENT CORPORATION**

Time and Place

The following are the minutes of the Board of Directors of the BORGER ECONOMIC DEVELOPMENT CORPORATION, a Texas industrial development corporation organized under Section 4A of the Development Corporation Act of 1979, 300 West 6th St., Borger, Texas on March 9, 2010 at said meeting having been held on the call of the incorporators.

1. Present at the meeting were, HARVEY HATHAWAY, ROBERTA MONDEN, LEON ROBERTS, NORM SARGENT and HARVEY HILBERT; as the persons named as Directors of the Corporation.

Also present were:

Dan Redd, CEO Borger EDC
Emily Sargent, Borger EDC
Jeff Brain, Mayor of Borger
Wanda Klause, Borger City Manager
Eddie Edwards, City of Borger
Charles Gillingham, City of Borger
Rusty Berry, Borger News Herald
Paul Holden, Wilhoit Properties
Mark Mitchell, Crutch Ranch
Patty Kasch, Frank Phillips College
Shawna Lamb, Frank Phillips College

Harvey Hathaway called the meeting to order at 12:02 P. M.

Minutes of Last Meeting

2. The minutes of the meeting of the Board of Directors held on January 20, 2009 were submitted to those present. The motion was made by Roberta Monden to approve the minutes. The motion was seconded by Norm Sargent and carried unanimously.

Financial Statements for January and February / Dan Redd

3. Dan Redd told the Board of Directors as of today, March 9th, there is \$105,234.96 in the Operating Account, Petty Cash has \$356.66, Money Market has \$7,748.04 and it earned \$.59 interest, TexPool has \$456,918.07 and earned \$53.02 interest. The Wells Fargo CD total is \$200,000.00; there are two at First National Bank the first one has \$76,508.10 in it and the second one has \$102,216.94.

The sales tax for the month of March was \$83,646.36 with a 15.04 percent decrease from last year. Harvey Hathaway told board members that this was the third highest check since 2007.

Dan Redd told the Board that Dennis O'Brien with Hutchinson County Airport had been in and that he told him the bids are in for the airport remodel and they should not need any more money from the Borger EDC. Leon Roberts asked about two checks; one written to HCAD and the other to Hutchinson County Tax Assessor. Dan told him these checks were to pay the back taxes on the Morgan Metal building; the county had filed suit to collect these but since they were already paid the suit has been dismissed.

Norm Sargent asked why the Morley Theatre still showed on the financials and Dan Redd told him he had talked to Gary Murrow about these three items. Gary assured Dan that when he finishes the audit he will remove these items from the financials. The motion was made by Norm Sargent to approve the minutes with the exception of the three questions on the Morley. The motion was seconded by Leon Roberts and carried unanimously.

Mark Mitchell / Events Center

4. Mark Mitchell told the Board members that Borger is now able to accommodate an events center with new hotels and dining facilities. Our community actually sends events to other communities as we do not have a place to hold these events. An event center would enable Borger to host equine events, indoor soccer, concerts, stock shows, car shows and moto cross.

He told the Board members that an event center would add to the local economy with hotels/motels, restaurants, local retail and fuel revenue. 50% of the constructions could be done by local subcontractors.

Mark told those present that Amarillo Nation Center charges \$2500/day and is a climate controlled facility. The Wilbarger Multi-Purpose Center is not climate controlled, rents for \$250/day and they were rented all but six weekends the first year of operation. The Tri-State High School Rodeo finals were held at the Wilbarger facility in May 2009. The average miles traveled was 350, there were an average of four people that stayed two nights at \$80.00 per night in motels. 40% of the people stayed in their trailers with hookups and six to eight meals per person/per stay. Everyone also bought fuel at least once.

Mark gave the board an example of a two day show, the norm would be 70 horses and three people per horse or 210 people. He said to take a two day show plus 1 move in/out at \$150.00 would equal \$450.00. Multiply this by 210 people and that totals \$94,500 per day or \$189,000 for two day and this would be the economic impact on Hutchinson County. This would be a one weekend event and just think is we could do 20 of these a year what the total dollar amount would be going into our area.

This event center could be built east of the former Girls Town facility at the old Hutchinson County Gun Club building. There are already twelve RV hookups there plus a 40 x 80 building, this facility would take four acres for the building and approximately 30 acres for parking. There is not a lot of dirt work that would have to be done and this will help keep the cost down.

Norm Sargent asked for a dollar amount and Mark said they are looking at a climate controlled building that would make it 80-85° in the summer and could possibly be built for \$3.5 million. Mark told the board that they are asking for seed money not only from the Borger EDC but from Frank Phillips College and the City of Borger.

Paul Holden / Wilhoit Properties

5. Paul Holden told Borger EDC board members that he is working with Ed Turner of Ed Turner Realty to build a 48-unit apartment complex on three acres of land. These units have been designed to be affordable housing for the people of Borger. There will be eight units with one bedroom and one bath, renting for \$225 - 450 per month and 712 square feet of floor space. Twenty four of the units will have two bedrooms and two baths, renting for \$263 - 545 per month and 964 square feet of floor space. There will be sixteen units with three bedrooms and two baths, renting for \$303 - 635 per month and 1,131 square feet of floor space.

These apartments would be built on the corner of Tenth Street and Whittenburg and consist of 12 units for senior citizens. All units will have carpet in the living areas, ceiling fans in the living and bedrooms, vinyl tile in the kitchen window coverings, patios and storage space. The kitchens will be furnished with self cleaning ovens, frost free refrigerators, washer/dryer connections and disposals.

The apartment grounds will be professionally landscaped and maintained on a regular basis to insure a constant pleasing appearance. There will also be a laundry area located in the apartment complex for residents that do not have a washer and dryer.

He told the board members that the apartment complex will have a furnished club house where residents can gather, a furnished children's play area and BBQ pits. Paul furnished the board with pictures of another apartment community they had just finished in Oklahoma. He told the members of the board they were more than welcome to visit any of the Wilhoit Properties apartments unannounced and tour them at anytime.

Wilhoit is asking the Borger EDC for a \$160,000 loan as part of their sources when applying to the Texas Department of Housing and Community Affairs for allocation of Housing Tax Credits. The loan would be for one year and will be fully guaranteed by Zimmerman Investments and the members of the Zimmerman family. This loan would be paid back in full at the end of one year and could possibly be paid in full before the due date.

Wilhoit Properties will use their own contractors but will subcontract all the work out to local businesses and will guarantee that the property will not be sold in less than thirty years.

Dan Redd / Updates

6. **Blue Creek Mercantile** - They are currently producing and selling everything they can produce, as quick as they produce it. Steve Lesly is currently at a large trade show in and is working on a large contract for Gebo's. The company has had trouble obtaining brass for their ammunition but they are trying to find a better supplier with the help of Dan Redd.

Global Frontline and Tejas Land Management - they are both doing well and currently are way ahead of where they had expected to be at this time. Both companies are continuing to bid on job and working on a variety of current contracts.

California trip - Dan Redd made two new contacts that want to come in and look at the Morgan Metal building. One company is Vet Fab and they are interested in starting to do their own anodizing work. Saber Tactical is a rifle manufacturer in Florida that hopes to have approximately 200 rifles on the market in June; they are also wanting to look at the Morgan building. Due to cost issues in Florida they are looking at their options to relocate to a less expensive area.

Dan told the board members that at the moment neither company has expressed a serious consideration about relocating to Borger.

Hutchinson County Airport - they are currently waiting for the State of Texas to meet and start accepting bids for this project.

Jack Gray with Gray Wolf Energy will be coming to Borger to look at the Frank Phillips College building on Industrial Blvd. and Dan told board members that he will keep them posted as this progresses.

Dan Redd / Insurance Request

7. Harvey Hathaway told the Board members that he had not been aware of the Dan Redd and Emily Sargent losing their medical and life insurance in November 2000. TML insurance had decided that they were not actually City of Borger employees and they could no longer insure them.

Dan told board members that with TML he had 2.5 times his salary in life insurance and Emily Sargent had 1.5 times her salary. He was able to get medical insurance through a former employer and Emily's husband was able to get her on his company insurance. They would like for the Borger EDC to pick up the cost of both their medical and life insurance; these are considered part of the benefits with the EDC.

Emily has \$100,000 life insurance with Primerica at a cost of \$152.49 per month and the health insurance is \$332.00 per month.

Harvey Hathaway asked if the board wanted to table this until the next board meeting.

Harvey Hathaway / TexPool

8. Norm Sargent made the motion to move \$300,000 from the TexPool account to a CD at a bank paying the best percentage rate. The motion was seconded by Leon Roberts and carried unanimously.

Dan Redd / World Economic Development Alliance

9. Dan Redd told members that World Economic Development Alliance (WEDA) sends him leads on possible businesses. WEDA does about eight or ten trade shows a year and a couple of them are the same shows the Ground works. The big wind show coming up WEDA would set appointments for Dan to meet with reps from different companies. The \$8,500 cost is for twelve months and renewable at the end of a year. With WEDA Dan would have the ability to display marketing materials at the WEDA booth at each trade show and have access to all WEDA networking events.

Roberta Monden made the motion to do a one year contract with WEDA with the option to renew. The motion was seconded by Harvey Hilbert and carried unanimously.

Executive Session

10. **Executive Session** – Pursuant of Vernon’s Texas Codes Annotated, Government Code, Title Chapter 552, Section 551.071 (legal), Section 551.072 (property), Section 551.074 (personnel), Section 551.086 (negotiations) the Board entered into executive session at 1:35 P.M. to discuss the following:

- A. Multi-use events center
- B. Wilhoit Properties proposal
- C. WEDA contract

Return to Open Session

11. The Borger Economic Development Corporation Board completed the Executive Session at 2:23 P.M. No action was taken on any of these items.

12. Discuss and take appropriate action on the items discussed in Executive Session:

Multi-use events center - Norm Sargent made the motion strongly support this project with endorsement and participation of a committee formed by at least the following entities. Borger EDC, City of Borger, Hutchinson County, Frank Phillips College, Borger Chamber of Commerce and Mark Mitchell and Patty Kasch. After this committee has formed and all have agreed to participate the Borger EDC will fund \$25,000 to create drawings and further the marketing concept. The motion was seconded by Leon Roberts and carried unanimously.

Wilhoit Properties - This item was tabled until the April meeting. Dan Redd will follow up on those that have participated in projects with Wilhoit Properties and report back to the Borger EDC Board.

13. Adjourned at 2:30 P. M.

President: _____
Harvey Hathaway

Secretary: _____
Roberta Monden