

**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 Type A economic development corporation under the Development Corporation Act of 1979, 1111 Penn St., Borger, Texas on April 09, 2019 at 11:30 a.m.

Present at the meeting were MICHELLE GRIFFIN, LISA A. JONES, SCOTT MILLS and NORMAN SARGENT as Directors of the Corporation.

Director JESSE SHUFFIELD was absent.

Also present were:

Katie Lingor, Executive Director, Borger EDC
Sue Headlee, Office Manager, Borger EDC
Eddie Edwards, City of Borger
Jeff Whittington, OneWitt, LLC.
Chad O'Neal, OneWitt, LLC
Andy Green, DISCO

President Michelle Griffin called the meeting to order at 11:51 a.m.

1. Michelle Griffin confirmed the presence of a quorum.
2. **Consider and take appropriate action on the approval of the Minutes of the March 12, 2019 regular meeting.**

Norman Sargent made the motion to approve the Minutes of the March 12, 2019 regular meeting with the following addition on Item #8: "Jesse Shuffield seconded the motion." Scott Mills seconded the motion. Motion carried.

3. **Consider and take appropriate action to approve amended Minutes of the Minutes of the January 17, 2019 regular meeting.**

Lisa Jones made the motion to approve the amended Minutes of the January 17, 2019 regular meeting with the following correction on Item #13: "Lisa Jones seconded the motion". Scott Mills seconded the motion. Motion carried.

4. Consider and take appropriate action on March 2019 Financials and Expenditures.

Executive Director Katie Lingor presented the March 2019 Financials and Expenditures. Following review and discussion of the Financials, Lisa Jones made the motion to approve the March 2019 Financials and Expenditures. Norman Sargent seconded the motion. Motion carried.

5. Presentation of application for incentives for Project #P2019-10 (Industrial Service Business Retention & Expansion) by Andy Green of DISCO.

Andy Green reported to the Board that DISCO has five locations, with Borger being the headquarters. He said DISCO is now in a growth spurt and needs to upgrade equipment. DISCO repairs and maintains several types of equipment, including Natural Gas Compressors. This request is for equipment that will be used in the Borger facility to service customers by repairing compressor cylinders. DISCO needs state-of-the-art equipment to be more efficient, with better margins. This equipment will also be cleaner and better for the environment. Mr. Green stated this investment is crucial to grow this area of the business and hire future employees in Borger. It will also help with work quality and conditions by improving efficiency, safety and reliability. DISCO is requesting a grant in the amount of \$150,000 for capital investment. The grant incentives will be retaining four (4) new employees hired over the past 12 months and hiring (3) new employees by the end of 2023.

6. Presentation of Commercial Building Improvement Program (CBIP) application submitted by OneWitt, LLC (Property located at 205 N. Cedar St., Borger, Texas).

Chad O'Neal presented a request to the Board for Commercial Building Improvement Program (CBIP) for assistance for storefront improvements, electrical, interior improvements, structural upgrades, and "soft" costs on property located at 205 N. Cedar St., Borger, Texas. The cost of these upgrades would be \$174,000. Executive Director Katie Lingor stated that the costs for previous removal of the canopy, some of the demo work, and the "soft" costs would not be eligible for consideration. These costs would be approximately \$16,000. Costs to be considered for the CBIP will be \$158,000. The funds for the CBIP projects are for vacant existing buildings. Number of jobs created and maintained is also a consideration. Each request for CBIP will be considered on a project-by-project basis, with amount reimbursed limited to 50% or a determined dollar amount cap. Any request for \$50,000 or more will be considered by the City Council for approval. OneWitt, LLC plans to do the following to the property:

- a. Repair or replace the concrete parking lot and bring it into ADA compliance, and restripe the parking lot.
- b. Do an EIFS covering of the building with new paint, replace the current store front glass and doors with new energy efficient glass.
- c. Upgrade/replace the HVAC and electrical systems.
- d. Replace the damaged roof.
- e. Do all new interior buildout.

OneWitt, LLC estimates the total project costs to be \$174,138. Some work has been done at a cost of \$16,000, leaving a total request of \$158,000. OneWitt, LLC has a tenant, but at this time there is not an executed agreement with them.

7. Executive Session-Pursuant – The Board entered into closed Executive Session at 12:20 p.m. to discuss the following:

- A. Deliberation regarding economic development negotiations in accordance with the Texas Open Meetings Act, Section 551.087:
 - i. Deliberate on the application incentives submitted by DISCO for Project #P2019-10 (Industrial Service Business Retention & Expansion).
 - ii. Deliberate on the application incentives submitted by OneWitt, LLC, for the Commercial Building Improvement Program.
- B. Consultation with attorney in accordance with the Texas Open Meetings Act, Section 551.071, regarding:
 - i. Litigation with K D Precision Pump & Industrial Maintenance, LLC.

No action was taken during Executive Session.

8. Board returned to Open Session at 1:05 p.m.

9. Consider and take appropriate action on the application for incentives for Project #P2019-10 (Industrial Service Business Retention & Expansion).

Norman Sargent made the motion to approve a Loan in the amount of \$150,000 at 2% for five years. A minimum of 29 employees must be maintained for five years. The debt in the amount of \$75,000 will be forgiven at a rate of \$15,000 per year based on the following number employees hired and maintained by DISCO at the Borger facility:

- Year #1 \$15,000 forgiven for 32 employees.
- Year #2 \$15,000 forgiven for 33 employees.

Year #3 \$15,000 forgiven for 34 employees
Year #4 \$15,000 forgiven for 35 employees
Year #5 \$15,000 forgiven for 35 employees

Following a second by Lisa Jones, motion carried

10. Consider and take appropriate action on the CBIP application submitted by OneWitt, LLC.

Norman Sargent made the motion to approve a grant in the amount of up to 50% of actual construction costs with a cap of \$76,000. Cost of the canopy removal, demo work and "soft" costs are exempt from the reimbursement grant. Scott Mills seconded the motion. Motion carried.

11. Consider and take appropriate action on litigation and/or settlement offer with K D Pump & Industrial Maintenance, LLC.

This item was tabled and no action was taken.

12. Consider and take appropriate action on Resolution R-001-19 to Change the Registered Agent and Registered Address of the Borger Economic Development Corporation.

Lisa Jones made the motion to change the Registered Agent to Katie Lingor and the Registered Address at City Hall, 600 N. Main, Borger, Texas. Motion was seconded by Norman Sargent. Motion carried.

13. Consider and take appropriate action to update the criteria and program guidelines of the Small Business Incentive Program.

The Board discussed requests from some businesses for variances to the Small Business Incentive Program guidelines. Some businesses have stated their interest in participating in the program but are concerned by the requirement to submit Tax Return, Financial Statements, and personal credit check authorizations. Most of the businesses who have stated their concern have been in business for over 20 years and are considering smaller projects, and their opinion is that the limited nature and cost of the project and their business history together make it unnecessary to supply such a volume of information for a reimbursement grant.

Following discussion, Lisa Jones made the motion to consider these requests and set the variances on a case-by-case basis for businesses that have been in Borger for more than ten years and are requesting \$10,000 or less in reimbursement. On a case-by-case basis, these businesses may be exempt from

submitting authorization for consumer reports, providing copies of business and/or personal financial statements and providing copies of tax returns. The Board will also consider a variance for businesses open fewer than 30 hours per week, so long as the business is open consistent with its posted hours. Norman Sargent seconded the motion. Motion carried.

14. Consider and take appropriate action for training & education expenses.

Executive Director Katie Lingor stated that in her most recent job performance evaluation, the Board encouraged her to explore options to further develop her technical economic development knowledge and skills. Katie then presented a request to the Board for their approval for two classes through the University of Oklahoma's Economic Development Institute. These are correspondences courses that will be taken online. Katie stated it is her goal to continue take classes and complete the program over a 2-3 year period. Once she completes the program, she will be eligible to sit for the exam to become a Certified Economic Developer. Norman Sargent made the motion to approve the "Business Retention and Expansion" and the "Entrepreneurship" Economic Development courses. Lisa Jones seconded the motion. Motion carried.

15. Consider and take appropriate action to approve job descriptions for staff.

Lisa Jones made the motion to approve the job descriptions for both the Executive Director and the Office Manager. Norman Sargent seconded the motion. Motion carried.

16. Comments from Directors or City Staff.

There were no comments from Directors or City Staff.

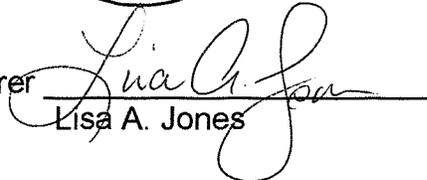
15. Adjourn

Motion to adjourn was made at 1:37 p.m. by Scott Mills. Second was made by Lisa Jones. Motion carried.

President


Michelle Griffin

Secretary-Treasurer


Lisa A. Jones