

June 2014 Meeting Minutes

Greater Nocona Area Economic Development Corporation (Type A) & Nocona Municipal Economic Development Corporation (Type B) at the Tales and Trails Museum, June 3, 2014

Agenda items:

I. Roll call and call to order: Type A & Type B – Confirm Quorum for Type A & Type B

Kyle Reynolds called the Type A Board to order at 12:12 pm. Also present were Chance Dingler, Don MacLaughlin and Cassie Mitten.

Suzanne Storey called the Type B Board to order at 12:06 pm. Also present were Robert Herndon, Sandra Reynolds, Brandi Shipman, Phil Staley and Martha Underwood.

Also present was Willis Foley, Texas Department of Agriculture summer intern from Sam Houston State University.

1. **Acceptance of May meeting minutes Type A & Type B**
Both Boards approved the May meeting minutes.
2. **Acceptance of March and April Type A & Type B financials**
Both Boards accepted March and April financials.

II. USDA REVOLVING LOAN FUND FEDERAL PAYBACK

The director explained that he had taken the paperwork for the Tommy Yowell loan to the USDA in Decatur, to ensure its completeness. A couple of years ago EDC learned that USDA in Washington DC was interpreting the program rules differently. For example, Nocona EDC was told initially the federal monies became ours permanently upon payback of the loans. Under the new interpretations, the monies would have to be paid back to USDA at some point. There was also new paperwork and interpretations of applicability. Any real property associated with a loan were required to keep USDA records of employment eligibility and ADA requirements in **perpetuity**, even if the building sold to another owner. The only release would be if the building changed the type of business. But there did not seem to be any consequences expected immediately.

Apparently, USDA has been training local staff for more vigorous enforcement efforts in the near future. Basically violations would require payback of the USDA monies and possible fines. Additionally, new interpretations would not allow any relative of a Type B Board member to be eligible for USDA monies. Previously, a member just needed to recuse themselves from the discussion and vote.

Given those circumstances, staff highly recommended returning the USDA funds ASAP. The amount received from USDA was \$68,600. Staff proposed, with Type A Board agreement, using the \$36,000 from sale of the Pine Street Property and then the remainder either from the Citibank account (currently there was \$37,496 in the account) or from the Type B General Fund and keep the revolving loan fund active, but without USDA oversight. There is currently about \$45,000 in outstanding loan balance between Dollar Selection (\$9,800), Tyler Thomas (\$19,439) and Dan Fenoglio (\$15,888)

The Type B Board needed to decide if it would repay the USDA \$68,000 now.

Then, the Type A Board needed to decide if it would contribute it's half of the \$36,000 from the sale of the 1606 Pine Street property.

Depending on that decision, the Type B Board needed to decide where to draw the \$68,000 from and if it wanted to continue the revolving loan fund program.

Although not technically required (the City Council previously approved the program itself), staff suggested having it placed on the City Council agenda for their information.

Board members inquired about the original paperwork and if it clearly stated its intent, and if so, should they fight against the new ruling. The director said that it did clearly state its intent, however Federal rules trump such legal documents, because of the references to the oversight regulations which allowed for the USDA reinterpretations. He explained there had been attempts by other communities and Rep. Mac Thornberry's staff to fight the ruling but without success.

Type A Board agreed to loan Type B Board a loan of \$18,000 if the Type B Board elects to pay off the USDA loan. It stipulated however, the monies were to be returned to the Type A Board upon dissolution of the revolving loan fund itself.

Type B Board agreed to pay back the USDA loan with the \$18,000 and the remainder from the Revolving Loan account.

III. MONTAGUE COUNTY PROPERTY APPRAISALS

The director advised that the Montague County Appraisal Office had increased values in Nocona 100% to 800%. During training in Austin for possible Texas Department of Agriculture Capital Fund projects, the director met with staff from the Texas Comptroller's Office to learn of any recourse that might be available. The only recourse was by individual property owners and those letters to contest the appraisal needed to be in by May 28.

Staff had previously accomplished legislation to allow tax property freezes for five years. A previous Texas Department of Agriculture intern had created the necessary paperwork in accordance with the legislation. The city needed to create a Nocona Heritage Conservation District (downtown Nocona) and the Downtown Nocona Conservation District (Highway 82). Also, a Texas Department of Agriculture Capital Fund grant, either Downtown Revitalization or Main Street, was necessary and then a ballot election could be held to approve the freeze. The ballot would apply to all taxing entities.

Unfortunately, the DRP grant required a minimum of a \$100,000 project (the grant is for 50% of the project and is a reimbursable format), and of course the Main Street grant required establishing a Nocona Main Street program through the Texas Historical Commission. Staff approached Texas Ag, following approval of the constitutional amendment and the next session's implementation legislation, about lowering the grant threshold, but they considered it financially unworkable.

Nocona received a Texas Hardworking Rural Community recognition award about the same time and staff approached Texas Ag about a similar approach to the Downtown Revitalization grant. A community would submit its revitalization plan, Texas Ag would approve it and would provide a small grant to fulfill the legislative requirements. However, Texas Ag did not have funding and legislation that might had made it feasible did not pass the last legislative session.

Current applications for the DRP would be due July 10.

Staff had also approached legislative staff about the feasibility of adding a revolving loan fund to the legislation, without requiring new constitutional amendments.

The only other assistance that might be feasible would be for the City Council to consider tax abatements for businesses above a reasonable amount, i.e. everything over 10% of the city's tax rate for example.

What also needed to be taken into consideration was that next year Nocona ISD would have its assessed values updated and the ISD had much less opportunity to assist.

A DRP grant would be city-led, but it is expected the Nocona EDCs staff would take the lead. Staff would need the assistance of a community-based committee to determine the project and the costs involved.

IV. Staff Updates and Travel

1. Texas Department of Agriculture Intern Introduction

The director introduced Willis Foley to the Boards. Willis is the new summer intern from Sam Houston State University, and working on GIS during his time in Nocona. Willis explained to the Boards what GIS was.

2. Wayfinding Signage Update

The director reminded the Boards that at a previous board meeting the Type A and Type B Boards both began to discuss broader ideas for Wayfinding. From the banners on Hwy 82, to downtown signage, to billboards and multi-media. The staff suggested they take a holistic approach by designing a Wayfinding system that encompasses all of these areas, and was created to work together to help visitors and citizens find their way.

The staff would like to create a Wayfinding Committee that would consist of no more than 2 people from each EDC Board, 2 people from the Chamber of Commerce, representation from the Tales 'n' Trails Museum and representation from the City Council. The executive assistant met earlier with Grapevine's marketing and events team and received advice as well on how they might approach this project.

The Boards agree with needing to plan out the areas, however for the time being the banners on Hwy 82 needed to at least be done especially with it being summer time to catch people driving through town.

Brandi Shipman would like to be on the Wayfinding Committee, and Don MacLaughlin requested to step back from the project.

3. Montague Boot Contracts Update

The director stated that the property had been closed and Fenoglio Boot Company was setting up operations.

4. Rural Challenge, June 19 – 20, Waco, all staff

The director informed the Boards that staff attended each year. This was the only rural-specific conference in the state and staff attended instead of the summer TEDC conference held about the same time. This year the director had also been asked to participate on the panel for heritage tourism. Sam Houston State University covers the registration for the Texas Ag intern. As usual, they work to find the least expensive hotel opportunities. They will be staying at the Clarion Inn for \$53 a night per person.

5. Director's Vacation June 14 - 18

V. Items of community interest

Nocona Chisholm Trail Rodeo, June 6 & 7

Hwy 82 Garage Sale, June 6 & 7

Iron Jacket Baseball Tournament, June 7 & 8

Grandma Mary Day, June 7

Lion's Club Fundraising Golf Tournament, June 7 – Phil informed that the tournament was being rescheduled.

VI. Adjourn

Boards adjourned at 1:01 pm