

December 2014 Meeting Minutes
Greater Nocona Area Economic Development Corporation (Type A) &
Nocona Municipal Economic Development Corporation (Type B)
at the Tales and Trails Museum December 2nd, 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 12:09 pm. Also present were Don MacLaughlin, Chance Dingler, Tracy O’Neal and Cassie Mitten.

Brandi Shipman called the Type B Board to order at 12:09 pm. Also present were Robert Herndon, Sandra Reynolds and Dan Fenoglio.

1. Approval of Type B October and Type A November meeting minutes

Type B approved October and November minutes. Type A approved November minutes.

2. Acceptance of October Type A & Type B financials

Both Type A and Type B approved October financials.

II. KATE & RUTH DAVIS INDUSTRIAL PARK RE-PLAT

The director referred to the briefs in November, noting that Texas New Mexico Power expressed interest in the industrial park for a new yard. Staff had a survey done and found the metal building the Fenoglio Boot Company used is on the plat. It was suggested that the plat be divided in two (there were two tracts now) at the back of the metal building to the FM road. That would allow tract 1 for possible boot company growth and tract 2 for TXNMP, if it met its needs. However, since the Type B Board didn’t have a quorum, staff wanted to get a formal approval for the change. The Nocona City Council had agreed to the change and staff was having it re-surveyed with the changes.

Staff requested formal approval of the re-plating from both the Type A and Type B Boards.

Both Type A and Type B Boards approved the request of the re-plating.

III. ART GALLERY ASSISTANCE PROJECT

The director reminded that the Type B Board did not have a quorum to move the project forward in November. In the meantime, discussions had taken place by various Board members with staff about beginning a grant program and requested staff offer some background and ideas.

Besides city property improvements, i.e. golf course and rodeo grounds, the only grant in recent history was \$2,500 to Touch of Magic antiques to assist with a move from the location on Clay Street following eviction by the City for future improvements.

Grants were a viable incentive and had been used in a number of programs across the state and nation. Nocona EDCs had traditionally relied more on loans, i.e. the downtown revolving loan program for building improvements and loans for equipment. The project amounts had also been larger than being requested by the art gallery, normally at least \$25,000.

Regardless of the Boards’ desires to use loans or grants, staff had created a possible checklist for evaluating smaller requests for assistance. (Attachment was included). They were based on the focus areas the Boards had previously agreed upon. It also would allow staff to establish a basis for reviewing proposals before they came to the Boards.

Also, regardless of the Boards’ desires to use loans or grants, staff suggested requiring at least a 50/50 match for funds. These funds did not have to be specifically for the proposal, but an investment by the requesting entity. For example, the rent, utilities and personal time investment by the owners of the art gallery could be counted towards the match. Staff also thought monies should either be paid after the work is done or paid to suppliers. Specific time frames for completion should also be used. Another alternative would be to establish some type of collateral against the project’s completion and establish claw backs. However, this would become more legally challenging, requiring attorney involvement in

writing the contract at least initially, i.e. for the Revolving Loan Program the same basic contract first used is now essentially copied, usually just changing names and dates.

Staff's perspective was that grants infer money just being given away, a perception too often assumed on Nocona EDCs' actions. Forgivable loans were another alternative that could be used. Of course, if the entity folds or doesn't complete the project, how to recover the monies would also become challenging. Loans would also require initial attorney involvement, but even for grants there should be some legal documentation between the EDCs and the recipient.

If a grant program was preferred, staff suggests limiting grants to a maximum \$5,000 per proposal.

The Type B Board needed to determine how they wanted to approach the project and, if approved, request staff place it on the City Council agenda for the authority to expend the funds.

Boards may enter into executive session to discuss the project.

After initial discussion amongst the Boards, the Type B Board said they would only want to do forgivable loans. However after further discussion on options and funds available to both the Type A and Type B Boards, both Boards agreed to give a grant to the art gallery in the total amount of \$2,500.00 (\$1,250.00 each Board). The Type B Board also agreed to give a 3 year loan at a 0% interest rate for the remaining balance.

IV. OLD HOTEL FAÇADE IMPROVEMENT PROPOSAL

The director said a proposal had been received to help improve the old Clay Street hotel's board up windows by drawing scenes on them at a cost of either \$13,000 or \$13,500. (Attachment was included). There was a similar project in San Angelo that met with great approval and success. The individual doing the work was the same person who drew the cowboy mural along US HWY 82 in Saint Jo. Staff suggested that efforts to include ideas for pictures from Nocona and Prairie Valley ISDs' students might be advantageous. Although the proposal was for 56 windows, there was some question as to how some of the transoms might be done, which could reduce the number to 51. Staff suggested authorizing up to the 56 and adjust as the project proceeded. Staff also suggested funding in stages, for example buy the materials for a certain set of windows and once completed, start on another set. This would be the second request in the form of a grant or forgivable loan.

Although this was primarily a Type B-style proposal the Type A Board could also participate. The Type B Board would need to place it on the 60-day clock. If the Type A Board desired to participate, they would need to request City Council approval.

The Type A Board asked what the intention of the building would be long term. As of right now there were no definite plans. The A Board thought the idea was great but wondered if it is worth the investment now if in 2-3 years there's a chance that the building would be refurbished. It was then suggested that we get a quote for replacing the windows instead of painting. Dan Fenoglio would research about replacing the windows and report back to the Boards.

V. NOCONA EDC CHANGES AND PLANNING

The director stated that the Boards' efforts to help Joni with a full-time salary, by having her perform two part-time positions, had not been working well. Joni had found trying to divide her time between Nocona EDCs and the Chamber overwhelming. She described it as feeling as if she doesn't have time to get everything done, which too often means not getting most things done right. In having to choose, she preferred continuing in the Chamber position.

She would continue working with the Nocona EDCs until the new Chamber contract takes effect Jan. 1.

This was the second effort to attempt to groom someone as the future executive director. The director said he was more inclined towards holding off on another hire, until his actual retirement. He did not have a certain time frame in mind at that time. However, if anything were to happen to his wife's parents, they would definitely be looking at a change. But even that would be over the course of months, not days.

In the meantime, the director suggested beginning new strategic planning sessions to help the Boards further refine their vision. This would also help serve in determining a new director when the time came. Some initial inquiries into a facilitator had been made. It would probably be 2015 before sessions could start. Although costs for such programs could be as high as \$25,000, the director was making every effort to spend no more than \$5,000 from the capacity building budget line item..

The director also suggested including the Saint Jo EDCs, since it would not require additional expenditures, but would help in a more expansive approach to development in North Montague County.

Also with the changes, the director planned to begin a series of articles in January 2015 about the Nocona EDCs' projects, plans, and procedures. Hopefully it would help to educate citizens and correct some misperceptions about how the Boards allocate their monies.

The Boards needed to approve the proposal for strategic planning sessions and allocating up to \$5,000 from the capacity building budget line item.

The Boards agreed to approve the proposal and up to \$5,000. They will tentatively plan on meeting January 13th for lunch then continue from 1pm to 4 pm.

VI. Staff Updates and Travel

The director updated the Boards on the following items:

1. Creative Technologies Booster Club Concept Update

Nocona ISD staff had not determined a date to host a community meeting yet. The director was still pursuing getting something programmed before the start of 2015.

2. Branding/Marketing Committee Update

There were no new update since the last meeting. As a reminder, there had been 2 meetings with the committee. They had gathered great feedback and data to start the branding process. Next steps were to evaluate gathered feedback, then have a meeting with other community members to get their feedback. Joni would have more time to re-focus on this effort after the first of the year, once her schedule is freed up with the job changes.

3. Business Recruitment Update

Staff had been responding to a couple of items.

The Office of the Governor, Economic Development & Tourism (EDT), had been contacted by a major manufacturer of firearms and ammunition. The company was seeking to expand to a location or locations in Texas that would include two primary functions/facilities:

1. Manufacturing/testing of firearms and ammunition
2. Shooter training (Academy) and pro shop.

The two facilities may be co-located or separately located.

The company seeks to minimize capital expenditure on real estate by leasing land and buildings. Significant capital expenditures would be made on equipment, R&D, IT and other infrastructure.

The Nocona Boot Company Building on US HWY 82 fits the requirements and property owned by the Fenoglio family behind the building would be available for such a project. Staff submitted a proposal and would stay in touch on the prospect.

Geo-Systems USA in Grand Prairie had looked at the same building for a project. Staff had sent a welcoming email after being informed of the interest. The principal, Les Ward, met with Matt Hackley later and looked at the building. Staff later became aware that rumors indicated Nocona EDCs were not engaged in helping with securing the business. Working through Matt Hackley, staff learned that the building had not met the requirements for the operation, which necessitated a 32-foot ceiling height for the equipment being manufactured. Matt Hackley told staff he had sent a proposal for modifications for the old Nocona Boot Company building that would meet the height requirements. Staff had asked for a copy of the proposal, to see what type of assistance the Nocona EDCs might provide, but had not received anything as of this writing. Discussions with Matt Hackley included his desire to know just how much Nocona EDCs would contribute to securing the

business. Staff did not feel comfortable suggesting a specific amount, without knowing what all was involved. Staff will continue efforts to secure information about the project.

The director informed the Boards of upcoming meeting opportunities that would require travel:

- 4. Leadership Montague County Government Class, Dec. 12, Montague**
- 5. Texas Society of Association Executives, Dec. 3, Austin, executive director**
- 6. TexasOne Quarterly Meeting, Dec. 4, Austin, executive director**
- 7. Texas Travel Industry Association Legislative Conference, Dec. 9, Austin**
- 8. LAST CALL: LMC Austin Trip, Feb. 17 – 18, 2015, executive director, Brandi Shipman**
All Board members were welcome to attend.

VII. Items of community interest

- December 6th:** Montague County Toy Drive
Cowboy Christmas Campfire @ Tales N' Trails 10am-1pm
Christmas in Nocona, starting at 3 pm (parade at 5 pm)
Followed by **Fireman's Fish Fry**
- December 8th:** Winter Wonderland Annual Christmas Dinner 6 pm
At Senior Center
- December 15th:** Nocona Nights, Cowboy Christmas Ball at The V
- December 25th:** MERRY CHRISTMAS!!!

VIII. Adjourn

The boards adjourned at 1:04 pm