

MINUTES
BENBROOK ECONOMIC DEVELOPMENT CORPORATION
Board of Directors
Regular Meeting
Benbrook City Hall
Monday, December 19, 2005

I. CALL TO ORDER

The Regular meeting of the Board of Directors of the Benbrook Economic Development Corporation was called to order at 7:00 p.m., Monday, December 19, 2005, in the Council Chamber, City Hall at 911 Winscott Road. The presiding officer was President Charlie Anderson. A quorum was present, including the following:

Charlie Anderson, President
Dan Tully, Vice President
Steve White, Treasurer
James Amick, Secretary
Rickie Allison
John Vander Pan
James Schull

Also Present:

Ron Rainey, Director
Patty C. Bissey, Director of Marketing & Research
Keith Bailey, City Council Member
Tammi Cauthen, Senior Vice President, First Bank
Brad Bowen, Richpenn Resources
Tom Eudaly, Richpenn Resources
Rick Jenkins, Southwest Securities Bank
Brian Evans, The Woodmont Company
Kyle Gill, The Woodmont Company

II. CONSENT AGENDA (Items listed under the Consent Agenda are considered routine and are enacted in one motion. The exception to this rule is that a Board Member, Citizen, or Executive Director may request one or more items to be removed from the Consent Agenda for separate discussion and action.)

- a. Minutes of BEDC Regular Meeting of November 21, 2005
- b. Financial Report For Period Ending November 30, 2005

Mr. John Vander Pan made a motion to accept the Consent Agenda. Mr. James Amick seconded the motion. President Charlie Anderson called the vote. All voted aye and the motion carried.

III. UNFINISHED BUSINESS

IV. NEW BUSINESS

- a. Public Hearing To Consider Refinancing and Increasing Debt for Benbrook Towne Crossing Project.** Benbrook Economic Development Corp. Board President Charlie Anderson opened the public hearing at 7:06 p.m. BEDC proposed refinancing a \$3,340,000 loan with Bank of Texas and considered increasing the loan to include a portion of the acquisition of property currently owned by Gary R. Ryan, Lucreta Ryan and Ryan's Branding Iron, Inc. located at 8700 Benbrook Blvd. The BEDC issued a Request for Proposals from various lending institutions and considered the RFPs as part of the Public Hearing. This hearing was held in compliance with the Open Meeting Law in that notice was posted in The Benbrook News on December 1, 2005. Mr. Anderson asked for public comments or questions and there were none. President Charlie Anderson closed the Public Hearing at 7:07pm.
- b. Consider Bank Proposals to Refinance Benbrook Towne Crossing Loan –** Director Rainey informed the EDC Board of Directors that the Request for Proposals to refinance the Benbrook Economic Development Corporation's current \$3,340,000.00 loan for the acquisition of approximately 80 acres known as Benbrook Towne Crossing was advertised in the Legal Notices of The Benbrook News on December 1, 2005. Request for Proposals were sent directly via e-mail and through hand delivery to eight banks. Those asked to consider submitting a loan proposal included: Citizens National Bank, First Bank of Texas, Frost Bank, Southwest Securities Bank, State National Bank, Summit Bank, TexasBank, and Wells Fargo Bank. Mr. Rainey prepared a Bank Note Refinancing Worksheet for the Boards review which showed the various items to be considered by the banks that chose to submit proposals. Mrs. Tammi Cauthen, Senior Vice President of First Bank and Mr. Rick Jenkins, Senior Vice President of Southwest Securities Bank answered a few questions from the EDC Board of Directors concerning their proposals. Mr. Kevin Downing, Regional President of TexasBank also submitted a proposal but was not present. Mr. Brad Bowen of Richpenn Resources also spoke concerning the business relationship between Richpenn and Southwest Securities Bank. After some discussion:

Mr. James Schull made a motion to accept the proposal from First Bank to refinance the Benbrook Towne Crossing Loan which would replace the current loan with Bank of Texas. Mr. Dan Tully seconded the motion. President Anderson called the vote. All voted aye and the motion carried.
- c. Consider Goal Setting Board Retreat Date and Participants –** Mr. Rainey reported that members of the Benbrook Economic Development Corporation's Board of Directors have not conducted a planning workshop, commonly known as a Board Retreat, in sometime and should consider planning and holding such an event. The purpose would be to plan one, three and five year goals for the organization. Director Rainey added that the Board should also consider reviewing the Articles of Incorporation as well as the Bylaws for possible revision and updating. Staff recommended an outside individual or firm be engaged to facilitate the session and

would be glad to explore the availability of such a firm should the Board determine the session is warranted and a date can be determined. Mr. Rainey added that the Board should also consider any other boards or commissions that should be invited to participate and that a second “work session” may be desired following the setting of goals and review of enacting materials. The work session could focus more on projects that would be developed during the retreat. The EDC Board directed Staff to plan and present suggestions for location, date and list of materials to be discussed for the upcoming Board Retreat for January or February 2006.

V. DIRECTORS REPORT

- a. **Purchase of Approximately 7.185 Acres On I-20 From Larry Mills** – Mr. Rainey stated that the Closing of the real estate purchase of 7.185 acres of unimproved land from Larry R. Mills occurred Thursday, December 15, in the office of Robert C. Stroup, approved attorney for Alamo Title Company, at 903 Penn Street. A copy of the settlement statement was attached for Board review.
- b. **Acquisition of Chevron Tract Update** – Director Rainey informed the Benbrook Economic Development Corp. Board of Directors that all closing documents for the Chevron property have been forwarded to John Justema, attorney for Richpenn International Resources, Inc., with the only item reportedly required for the closing is for Bank of Texas attorney William Lang to transmit the Deed of Trust. Mr. Rainey added that the BEDC is not currently involved in the preparation of documents required for the closing.
- c. **Report on Approximately 80 Acre Oil & Gas Lease** – Mr. Rainey reported that Adexco Production Company Attorney Don Curry is making changes to the approximately 80-acre oil and gas lease between Adexco and the Benbrook Economic Development Corporation. The lease agreement had been executed when Adexco realized they had no access to the property and potential drilling site. The BEDC and Bank of Texas had protected the surface with a Surface Waiver Agreement. Adexco will prepare a lease that utilizes public rights of way through the Mercedes Street extension. Bank of Texas has agreed to consent to the lease, but is awaiting the preparation and delivery of a consent letter. Don Curry has also agreed to prepare this document.
- d. **Report on Ryan Purchase Option** – Mr. Rainey stated that all documents required for the Benbrook Economic Development Corporation to finalize a Purchase Option from Gary R. Ryan, Lureta B. Ryan and Ryan’s Branding Iron, Inc., were executed in the BEDC office on December 1, 2005, by all parties under the direction of BEDC Attorney Dwight Heard and S.G. Johndroe III, Ryan’s attorney. The documents have been escrowed with the title company. The BEDC paid Ryan \$25,000 for the Purchase Option as well as \$17,000 to Cantey & Hanger, L.L.P., for Mr. Johndroe’s services. The funds paid to Gary Ryan are a part of the \$750,000 Final Settlement Agreement and will reduce the purchase price to \$725,000 when the BEDC decides to execute its property purchase rights. Ryan will continue to collect rents from the

current tenant and will be paid any unearned rents from the time of closing through April 30, 2007.

- e. **Update Comments On Benbrook Towne Crossing Contract** – Director Rainey informed EDC Board of Directors that EDC Attorney Dwight Heard had received a “black lined” contract Monday evening, December 12, from John Justema, attorney for Richpenn Resources International, Inc. The BEDC was expected to make comments and return the document to Justema so he could then submit it to his client for review. BEDC Attorney Dwight Heard contacted Wal-Mart’s legal representative, Brenda O’Neal with Haynes and Boone, L.L.P., and explained the structure of the sale. The BEDC is the Seller of the property and Richpenn Resources is the broker/advisor to the BEDC. Richpenn, through a contractual agreement with the Benbrook TIF, is responsible for the development of the public infrastructure and will be reimbursed by the TIF. Mr. Rainey concluded in saying that the contract is expected to be completed in the near future for review by Wal-Mart’s real estate committee and the BEDC Board of Directors.

VI. OTHER MATTERS OF BUSINESS

VII. INFORMAL CITIZEN COMMENTS

VIII. EXECUTIVE SESSION PURSUANT TO SECTION 551.072, DELIBERATION REGARDING REAL PROPERTY. President Charlie Anderson called the Executive Session at 8:35 pm.

- a. **Consider Sales Contract For Approximately 18.193 Acres On I-20**
- b. **Consider Sale of Approximately 7.185 Acres On I-20**

President Anderson reconvened the Board at 9:57 pm.

X. CONSIDER ANY ACTION FROM EXECUTIVE SESSION

Mr. Dan Tully made a motion to make a counter offer to Mr. Steve Hawkins of the potential purchase of the EDC’s property of the approximately 25.2 acres of land on I-20 to be a purchase option at \$25,000. and go against the purchase price of \$750,000 of his original offer to the EDC. The EDC will handle the re-zoning of the property and will close at a mutual date. Mr. Hawkins will take care of all infrastructure associated with this property. Mr. John Vander Pan seconded the motion. President Anderson called the vote. All voted aye and the motion carried.

XI. ADJOURNMENT

There being no further business, the meeting adjourned at approximately 9:59 p.m.

Secretary

Presiding Officer