



MINUTES
REGULAR MEETING
ECONOMIC DEVELOPMENT SALES TAX CORPORATION (Type A)
MONDAY, MARCH 21ST, 2016, AT 6:30 PM
City Council Chambers, 450 Cypress Creek Road, Building # 4, Cedar Park, TX

BOARD MEMBERS

Kevin Lancaster, President (Place 5)
Bob Ingraham, Vice President (Place 7)

Cobby Caputo, Place 1	Christie Goodman, Place 2
Mark Ayotte, Place 3	Karen Wind, Place 4
Kerry Watson, Place 6	

1) Call to Order

The meeting was called to order at 6:32 PM.

2) Roll Call

In attendance: Bob Ingraham, Kerry Watson, Coby Caputo, Christie Goodman, Karen Wind, Mark Ayotte

Absent: Kevin Lancaster

3) Citizens Communication

None

4) Board Opening Comments

Cobby Caputo stated that we had big meeting with a couple of exciting action items to consider tonight.

5) Consent Agenda

a. Approval of Minutes from February 22nd, 2016, Regular Board Meeting.

A motion to approve the minutes as presented was made by Karen Wind, seconded by Christie Goodman and passed unanimously.

6) Reports

a. Finance Report Type A Development Corporation – Quarterly Revenues, Expenditures and Fund Balance – Kent Meredith, Finance Director

Kent Meredith, Finance Director, introduced himself to the Board and said he had made a few tweaks to the Quarterly Report. Instead on presenting the financials through end of the last quarter (December) tonight's figures are current as of today. He reported that total revenues to date are \$1,943,778 with total expenditures of \$1,336,969. Revenues collected to date are 9.5% higher than budgeted. Next he reviewed the historic growth in sales tax followed by breakdown of sales tax by category. The expenses to date are broken down by debt transfer \$804,592 (Kent pointed out

that this figure is a little behind), economic development administration costs at \$130,908, administration costs at \$9,810 and economic development incentives at \$391,658. The fund balance at the start of the fiscal year was \$6,671,664 with the budgeted year end fund balance is \$5,859,563. Currently the year end projected fund balance is \$6,671,664 which is where we started the year at.

Kerry Watson asked what the outstanding debt balance was on the Cedar Park Center. Brewer said he didn't know the exact figure but would follow-up and get back to the Board with an answer.

Cobby Caputo had a question regarding why the debt transfer was lagging behind. Meredith said it is a timing issue and that he is working to resolve it.

7) Discussion and Possible Action

a. Consider Approving a Performance Based Economic Development Agreement

With Comprehensive Healthcare Management In An Amount Not To Exceed \$85,000.

Brewer stated this is a retention and expansion project for the headquarter and medical billing operations for Comprehensive Healthcare Management a newly formed partnership between Apex Billing & Medical Practice Management and Landmark Cancer Centers, which currently operates 12 cancer centers in Texas, Oklahoma and Arkansas. The project will create 50 full time jobs with an annual payroll of \$2.4 Million. The company will enter into a five year lease of 6,000 sf office space on Cottonwood Creek.

Brewer said the Performance Measures for the project are as follows:

- #1 5 year lease of 6,000 sf of office space no later than June 30, 2016
- #2 Not less than 25 employees with an annual payroll of \$1.2 Million no later than October 1, 2016
- #3 Not less than 50 employees with an annual payroll of \$2.4 Million no later than October 30, 2017

He stated the total incentive for the project is \$85,000 which equates to a per job incentive of \$1,149 and the payment schedule is as follows:

- #1 \$15,000 to be released no earlier than June 30, 2016
- #2 \$35,000 to be released no earlier than November 1, 2016
- #3 \$35,000 to be released no earlier than November 1, 2017

This project has a rate of return of 11.3% and payback period of 8.7 years. Mark Ayotte asked what is considered in coming up with the rate of return and payback period. Brewer said there are a number of factors that are considered that include the number of jobs and annual payroll, the capital investment in real and personal property, sales tax generated off company's sales/services, local taxable purchases from Cedar Park businesses, and fees and permits paid to the City.

Several Board members commented how they liked the project and the type of jobs it would be creating in the City.

A motion to approve the project was made by Kerry Watson, seconded by Cobby Caputo and passed unanimously.

b. Consider Funding the Replacement and Installation of Backlit City Logos On The Colonnades at the Cedar Park Center In An Amount Not To Exceed \$35,000.

Brewer provided the Board some history of the Cedar Park Center (CPC) that opened in September 2009. The CPC is a \$55 million facility owned by the City. As the City were negotiating the new lease agreement with Northland Development about one and a half years ago the City agreed to share in the cost of the Marquee, which is now operational and has increased ticket and concession sales at the Center. City logos were installed on each of the colonnades with the intent to illuminate them from the ground. The logos are too high on the colonnades to effectively light them from the ground as was planned.

The purpose of this request is to provide the funding to replace the existing City logos on the two colonnades in front of the Cedar Park Center with backlit (internally illuminated) City logos. The current City logos are not illuminated and at night are difficult to see and do not stand out. Replacing the current City logos with logos that are backlit will make the City logos stand out on each of the colonnades and make them more visible from the tollway.

Christie Goodman asked about the life expectancy of the backlit logo and Brewer said he thought it was approximately 10 years.

Karen Wind stated that while she supported the funding for the Marquee that she was not going to vote in favor of this because she doesn't feel the signs will generate additional attendance and would rather see the dollars used for jobs. Ingraham stated this was a capital improvement to a City owned asset and it should be branded accordingly.

Watson asked how members on the City Council felt and what their feedback had been. Brewer said this was initially brought up and discussed at the City Council's summer retreat. Brewer went on to say that discussions are taking place for a naming rights agreement and that the City wants to ensure our logo and brand is not overshadowed by the signage that could be installed.

Wind asked if this was something that could be part of those negotiations. Brewer said the City is not involved in those negotiations which are between the operator and the company. The City does have final approval for the naming right not be unreasonably withheld as long as it falls within certain categories.

There being no further discussion a motion was made by Christie Goodman, seconded by Cobby Caputo and passed 4-2 with Board members Watson and Wind opposing the project.

8) Board Closing Comments

There were no closing comments

9) Adjournment

The meeting adjourned at 7:02 PM

PASSED AND APPROVED THIS 16th Day of May 2016

ATTEST:

Kevin Lancaster
President

Phil Brewer
Economic Development Director