

STATE OF TEXAS
 COUNTY OF BRAZORIA
 CITY OF WEST COLUMBIA

CITY COUNCIL MINUTES
 OF A JOINT SPECIAL MEETING
 WEDNESDAY, FEBRUARY 27, 2019

The City Council of the City of West Columbia, Texas, convenes this the 27th day of February, 2019, at 5:30 p.m. in a joint special meeting with the West Columbia Economic Development Corporation in the Council Chambers, 512 E. Brazos, West Columbia, Texas.

1. CALL TO ORDER: The meeting was called to order at 5:30 p.m. by Mayor Pro Tem Walker. Present were Walker, Thomas, Tindol, and Biedenfeld, City Manager Sutherland, City Secretary Kuban, and City Attorney Purnell. Absent was Kincannon and Maynor.
2. CONSIDER AND APPROVE OPTIONS TO ASSIST LA CASONA IN MOVING FORWARD WITH THE PROJECT IN ACCORDANCE WITH THE EXECUTED DEVELOPMENT AGREEMENT, INCLUDING ALL OF THE FOLLOWING:
 - i. ADOPT AN AMENDMENT TO THE DEVELOPMENT AGREEMENT.
 - ii. APPROVE THE EXECUTION AND FILING OF A RELEASE OF LIEN.
 - iii. APPROVE THE EXECUTION AND FILING OF A CAPPED LIEN OR SIMILAR DOCUMENT IN ACCORDANCE WITH THE DEVELOPMENT AGREEMENT OR AN APPROVED AMENDMENT TO THE DEVELOPMENT AGREEMENT.
 - iv. APPROVE THE POSTING OF A PREFORMANCE BOND IN ACCORDANCE WITH AN APPROVED AMENDMENT TO THE DEVELOPMENT AGREEMENT.
 - v. ANY OTHER ACTION SIMILAR TO THOSE DESCRIBED ABOVE AUTHORIZED BY THE DEVELOPMENT AGREEMENT AND AGREEABLE TO THE FINANCING INSTITUTION FOR LA CASONA.

Randy Hester, President of Prosperity Bank (the City's official depository) and a former EDC Director, was invited to address the boards on his knowledge of the options being presented. He stated that a second lien position still had value in that it is paid back in sales tax, property tax, etc. Their bank could foreclose, but it is highly unlikely. He felt that this type of established company doesn't fail, but if the location didn't thrive, they would make up debt from the proceeds of their other locations. The transaction would be justified if they were open a minimum of three years. When Walker asked his specific opinion, he stated that he would agree to a 2nd lien position if it was his personal property.

3. EXECUTIVE SESSION – THE WEST COLUMBIA CITY COUNCIL AND THE WEST COLUMBIA ECONOMIC DEVELOPMENT CORPORATION MAY CONVENE IN A CLOSED SESSION PURSUANT TO CHAPTER 551.071 OF THE TEXAS GOVERNMENT CODE TO CONSULT WITH ITS LEGAL COUNSEL: Mayor Pro Tem Walker closed the open meeting and entered into a closed session at 5:45 P.M. and reconvened at 6:04 P.M.
(EDC Action)
4. ACTION AS A RESULT OF A CLOSED SESSION: Jenn stated he had been a vocal critic of taking the 2nd lien position, but had to think about it from the prospective that city property is different than his personal business property and he had changed his opinion after visiting with Hester. He said the EDC could continue to sit on the land over and over or "roll the dice" and felt that La Casona would be successful. Jenn then made a motion to approve Amendment B of the La Casona Development Agreement moving the EDC to 2nd lien holder position. Hagan seconded the motion. Jenn, Hagan, Thomas, and Shoemaker voted Aye. Stubbs voted Nay. Motion carried. Shoemaker dismissed the EDC board at 6:10 P.M.

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(Council Action)

- 5. CONSIDER APPROVAL OF EDC RECOMMENDATION FOR AMENDMENT TO LA CASONA DEVELOPMENT AGREEMENT AND/OR CHANGES TO LIEN DOCUMENTS RELATED TO LA CASONA PROJECT: Motion was made by Tindol to approve the EDC recommendation of Amendment B of the La Casona Development Agreement moving the EDC to 2nd lien holder position. All voted Aye.
- 6. ADJOURN: Mayor Pro Tem Walker adjourned the meeting at 6:12 P.M.


 LAURIE B. KINCANNON, Mayor

ATTEST:

Kelli R. Kuban
 KELLI R. KUBAN, City Secretary