

**PAMPA ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS
MINUTES
August 13, 2020**

PRESENT: Glennette Goode, Jason Bagwell, Sue Fatheree, Ted Hutto, Tanya Larkin

ABSENT: Troy Newton and Emily Arrington

ALSO PRESENT: Clay Rice, Treasa Heuston, Carol McCord, Vanessa Buzzard, David Dickerson, Mike Davis, Ron Nelson, Stephanie Nelson, Brad Gibson, James Scroggins, Miranda Ellis, Dustin Felderhoff

The Pampa EDC meeting was held Thursday, July 13, 2020, 5:00 p.m. at Pampa ISD Administration Building, 1233 N. Hobart in the Board Room.

1. President Glennette Goode called the meeting to order at 5:01 p.m.
2. Board Member Glennette Goode opened with prayer.
3. **Minutes**

A motion was made by Board Member Tanya Larkin to approve the July 23, 2020 minutes, Board Member Sue Fatheree seconded, with each Board Member voting AYE, the motion carried.

4. **Citizens Forum**
There were no public comments during the meeting.

5. **Keystone Tower Systems**

A motion was made by Board Member Jason Bagwell to rescind the Keystone Tower Systems terms of agreement that had been passed on July 23, 2020, Board Member Ted Hutto seconded, with each Board member voting AYE, the motion carried.

Board Member Ted Hutto read the new agreement terms for Keystone Tower Systems and the Board had discussion about the new terms.

A motion was made by Ted Hutto to make a forgivable loan/grant to Keystone Tower Systems, Inc. in the amount of \$2,000,000.00, upon the following terms:

- 1) The loan is contingent upon Keystone Tower Systems, Inc. entering into a premises lease with National Oilwell Varco to lease the manufacturing facilities at 11659 US 60, Pampa, Texas.
- 2) The loan is contingent upon the approval of the Economic Development Agreement between Pampa EDC and Keystone Tower Systems, Inc. by the Pampa City Commission and the County Commission of Gray County, Texas.
- 3) If all of the contingent conditions have been met, the Pampa EDC and Keystone Tower Systems, Inc., shall enter into an Economic Development Agreement and promissory note with forgiveness provisions wherein the Pampa EDC shall loan Keystone Tower Systems, Inc. the sum of \$2,000,000.00, payable as follows:
 - (a) Upon the later of entering into a premises lease with National Oilwell Varco or upon 60 days after the date of publication of the project in the Pampa News and approval of the project by the City Commission of Pampa, Texas and the

County Commission of Gray County, Texas, an initial distribution of \$1,500,000.00 shall be payable in increments of a minimum of \$250,000.00 based upon invoices provided for monies spent directly at the Pampa facility.

- (b) An additional sum of \$500,000.00 shall be payable to Keystone Tower Systems, Inc. at the addition of the 100th active full-time employee by the company at the Pampa, Texas manufacturing facility.
 - (c) Said note shall be secured by a spiral mill for the manufacturing of wind generation towers.
 - (d) The promissory note shall bear interest at the rate the lesser of Libor + 1% or Prime + 1%, to be determined on the date the Economic Development Agreement is executed. Interest shall begin accruing on January 1, 2024. The loan shall be repaid in the following installments:
 - (i) 1/3 of the remaining principal, plus accrued interest, shall be due and payable on January 15, 2025
 - (ii) ½ of the remaining principal, plus accrued interest, shall be due and payable on January 15, 2026
 - (iii) The balance of the remaining principal, plus accrued interest, shall be due and payable on January 15, 2027.
 - (e) On December 31, 2021, Keystone Tower Systems, Inc. shall be entitled to a grant in the form of a credit on the loan in the amount of \$3,500.00 for each full-time employee.
 - (f) On December 31, 2022, December 31, 2023, December 31, 2024, December 31, 2025 and December 31, 2026, Keystone Tower Systems, Inc. shall be entitled to a grant in the form of a credit on the loan based upon the number of full time equivalent employees (2080 hours) employed at the Pampa facility on those dates x \$3,500.00. Keystone Tower Systems, Inc. shall be entitled to a grant in the amount of \$3,500.00 for each full time salaried employee that has been employed at the Pampa facility for a full year or 40 hours weekly if less than a full year at the Pampa facility.
- 4) The loan is contingent upon funding of \$1,500,000.00 on or before December 31, 2021. The loan is further contingent upon funding of the remaining \$500,000.00 on or before December 31, 2022.
- 5) The Pampa Economic Development Corporation will furnish Keystone Tower Systems, Inc., a letter of credit from AIM Bank, Pampa, Texas.

Board Member Jason Bagwell seconded, with each board Member voting AYE the motion carried.

6. Open Meetings and Open Records Procedural Review

Legal Counsel Vanessa Buzzard discussed the laws and procedures of Open Meetings and Open Records along with a handout that cited Texas Government Codes. Vanessa recommended that the Pampa EDC establish a specific policy regarding the use and retention of social media, email and messaging for staff and board members.

**7. Report from Clay Rice, Executive Director
Calendar/Report**

- Director Clay Rice reminded the Board Members of the TEDC virtual workshop for the Economic Sales Tax training on 8/14/20 and 8/28/20.
- The Pampa EDC office will be closed 9/7/20 in observance of the Labor Day holiday.

8. Phenyx Marketing Proposal

Board Members discussed the updated proposal from Phenyx and thought the new terms would be better for the EDC. Board Member Tanya Larkin discussed if our foot traffic on this new web site was high we could advertise and earn revenue. The Board members agreed discussion and updates about the web page should be on the monthly Agenda.

A motion was made by Board Member Sue Fatheree to approve the new proposal from Phenyx Marketing, Board Member Tanya Larkin seconded, with each Board member voting AYE, the motion carried.

9. PEC Budget Approval

A motion was made by Board Member Ted Hutto to approve Pampa Energy Center Cash Budget for 2020-2021, Board Member Sue Fatheree seconded, with each Board member voting AYE, the motion carried.

10. PEC Report or Discussion

Next meeting September 08, 2020, 5:00 at the Pampa EDC office.

11. LPS Report or Discussion

Next meeting September 08, 2020, 5:00 at the Pampa EDC office.

12. Treasurer Sue Fatheree Financial Reports

City of Pampa Sales Tax for July 2020, City collected 331,508.27 with the allocation to Pampa EDC of \$110,502.76 or 6.78%.

Pampa EDC reported a bank balance of \$2,984,974.81 for July 31, 2020.

13. 2020 – 2021 Proposed Budget

Review was held in Executive Session.

14. Texas Economic Development Council (TEDC) – Sales Tax Workshop

All Board Members were reminded about the 2020 TEDC Sales Tax Workshop being virtual training this year and how-to setup their Profile with TEDC as well as registering for the Sales Tax workshop. The workshop is mandatory training for Board Members and they are required to update their certificates every two years.

Dates: August 14, 2020 Virtual 8 am – 4 pm

August 28, 2020 Virtual O&A

September 4, 2020 Virtual

September 18, 2020

October 9, 2020 Virtual

October 23, 2020

We have 2 taking the August training, 3 taking the September training and 5 people still need to register.

15. **Executive Session**

The Board of Directors met in closed session at 5:44 p.m., in accordance with Texas Government Code, Subchapter D, Section 551.074, and Section 551.087.

Open Session

President Glennette Goode reconvened the Board in Open session at 7:39 p.m.

A motion was made by board Jason Bagwell to approve the Pampa EDC Cash Budget for 2020-2021, Board Member Ted Hutto seconded, with each Board member voting AYE, the motion carried.

16. **Adjournment**

With no further business on the agenda Board Member Tanya Larkin made a motion to adjourn at 7:40 p.m., Board Member Sue Fatheree seconded, with each Board Member Voting AYE the motion carried.

Glennette Goode

President

Treasa Heuston

Office Administrator