

PAMPA ECONOMIC DEVELOPMENT CORPORATION
Board of Directors Meeting – Public Hearing
Minutes from
August 1, 2018

PRESENT: Glennette Goode, Bob Williams, Bill Roy, Bill Bridges, Cay Warner, Gary Sutherland and Ken May

ABSENT:

ALSO PRESENT: Clay Rice, Vanessa Buzzard, Debbie Winegeart and Treasa Heuston
also see attached list

CALL TO ORDER: President Sutherland called the meeting to order at 5:02 p.m.

Board Member Williams opened the meeting with prayer.

A Public Hearing for a Loan to Country II Inc.

President Sutherland read the following, then opened the floor for Public Comments.

A public hearing was held to discuss a loan to Country II Inc. the sum of \$1,200,000.00, subject to the Company meeting the following contingent terms.

- 1) The loan is contingent upon Country II, Inc. purchasing the real property and improvements located at 805 N. Hobart, Pampa, Texas.
- 2) The loan is contingent upon Country II, Inc. acquiring the General Motors/Toyota franchises for Pampa, Texas.
- 3) The loan is contingent upon the approval of the Economic Development Agreement between Pampa EDC and Country II, Inc. by the Pampa City Commission.
- 4) If all the contingent conditions have been met, the Pampa EDC and Country II, Inc., shall enter into an Economic Development Agreement and promissory note with forgiveness provisions wherein the Pampa EDC shall loan Country II, Inc. the sum of \$1,200,000.00, bearing interest at the rate of 6% per annum for a term of ten years. All remaining principal and interest shall be due and payable ten years from the date of the loan. Country II, Inc. said note shall be personally guaranteed by John Johnson, Jimmy Don Gowdy, Michael Hughes and Merritt Vaughn.

Country II, Inc. shall be entitled to a credit on the loan based upon the number of retained full time employees, the base number being 26 plus additional full-time employees of Country II, Inc. In the event that Country II, Inc. employed fewer than 26 employees during years 1 or 2,

Country II, Inc. shall not be entitled to a credit for retained employees. During years 2-10, County II, Inc. must employ more than 26 full time employees to be eligible for credit on the loan. The credit on the loan shall be calculated as follows:

Credit for retained employees (at least 26 initial retained employees)

End of year 1: $26 \times \$3,000.00 = \$78,000.00$

End of year 2: $26 \times \$3,000.00 = \$78,000.00$

Credit for full-time employees (greater than 26 employees):

End of year 2,3 & 4: number of additional full-time employees x \$5,000.00

End of year 5,6 & 7: number of additional full-time employees x \$4,000.00

End of year 8,9 & 10: number of additional full-time employees x \$3,000.00

Citizens Forum

Mr. John Johnson spoke about the project for a loan of \$1,200,000.00 to Country II Inc. He stated Country II Inc. was excited to be in Pampa and the facility at 805 N. Hobart was a great facility. He spoke about hiring more employees. Jimmy Gowdy responded to a question from a citizen about the Project moving forward without the Pampa EDC loan, he stated, "no, it is not viable to do the deal without the Pampa EDC loan.

The following Citizens spoke:

1. Shonda Meadows ask if Country II Inc., would still purchase the dealership without the Pampa EDC loan? She also wanted to know if the EDC could legally do this type of project? She spoke against the EDC loaning money to "bail-out" a business. She stated she does not believe it's tax payers' responsibility to fund this project.
2328 Fir St., Pampa, Texas
2. Joe Martinez commented that maybe Culberson's were not wanting to sustain the business.

Executive Session

The Board of Directors did not go into Executive Session.

Date and Time of Next Meeting

The next scheduled meeting for the Pampa EDC will be August 16, 2018 at 4:00 p.m. at 107 E. Foster, Pampa, Texas.

Adjournment

With no further business on the agenda Board Member Goode made a motion to adjourn at 5:13p.m. Board Member May seconded, with each Board Member voting AYE the motion carried.

Gary Sutherland, President

Debbie Winegeart, Admin. Assistant