

MINUTES

**Universal City Economic Development Corporation
Regular Meeting, June 13, 2019
Council Chambers, City Hall, 2150 Universal City Blvd**

1. **CALL TO ORDER:** President Crow called the meeting to order at 5:00 PM.

2. **QUORUM CHECK:**

Board Members Present

Dick Crow, President
John DiPiero, Vice President
Dick Neville, Treasurer
Lenny Dagg, Secretary
Roland Hinojosa, Director
Bear Goolsby, Director
Bryan Kuhlmann, Director

Board Members Absent

INTRODUCTION OF GUESTS:

4. **OLD BUSINESS:**

A. Approval of Minutes for Regular Meeting:

Mr. DiPiero moved to approve the minutes of 11 April 2019 as presented. Mr. Neville seconded the motion. The minutes were unanimously approved.

B. Financial Report: Mr. Neville gave the financial reports for March and April 2019 and the bills to be paid.

Subject to an audit, Mr. Dagg moved to approve the financial reports and the bills to be paid. Mr. Goolsby seconded the motion; the motion was approved on a 7/0 vote.

5. **NEW BUSINESS:**

A. Public Hearing: The deliberation of funds for capital improvements at 3150 Pat Booker Rd, Suite 160

Mr. Crow opened the public hearing at 5:03 PM.

Mrs. Turner briefed the project location, the construction of the new building, and the other businesses in the shopping center. She introduced Mr. Ron Ault of Accelerated Development as one of the owners of the shopping center.

Mr. Ault offered that the Biolife building would be a 14,000 sq ft standalone and that the permit for construction was already approved by

the City. He noted that Rush Fun Park had spent more on the interior finish out than intended and that its sales were already higher than expected. Because business at Rush Fun Park was doing well without the exterior improvements, he was requesting that the \$325,000 Rush Fun Park incentive be voided and that the funds be diverted over to the construction of the Biolife building. He provided that for the Biolife building, the capital outlay would be \$3,000,000 for the structure and about \$4,000,000 to \$6,000,000 for tenant improvements. Biolife has signed a twelve year lease and would employ approximately 40 to 70 employees from the medical field.

Mr. Kuhlmann asked about the number of employees per shift and a customer count. Mr. Ault indicated that there were about 25 employees per shift and that there are approximately 2,000 visitors per week. Mr. Kuhlmann inquired about parking and how to accommodate the extra cars in an already busy center. Mr. Ault offered that it would be about 60 vehicles per hour and that the new building would be adding its own parking spaces to accommodate the increase in traffic.

Mr. Goolsby inquired about the new building and if it was complying with the City's masonry ordinance. Mr. Ault responded in the affirmative. Mr. Goolsby indicated he was frustrated that Rush Fun Park didn't do what was needed to elevate the aesthetics of the current building. He felt strongly that the funds awarded to Rush Fun Park for the exterior changes would make for a much stronger shopping center.

Mr. DiPiero offered that if the funds were moved from Rush Fun Park to Biolife without any improvement to the existing building that it would not benefit the retail environment of the City.

Mr. Neville inquired as to how the City would know that Rush Fun Park had fulfilled its employment requirement. Mrs. Turned indicated that she would receive copies of their quarterly 941 forms to the IRS which would indicate the number of employees. She further noted that if Rush did not fulfill its commitment to the exterior improvements, then there would be no need to verify the employment level since no incentive reimbursement would be granted.

Mr. Crow closed the public hearing at 5:12 PM.

- B. **Consider:** The outcome of the Public Hearing for the expenditure of funds for capital improvements at 3150 Pat Booker Rd, Suite 160.

Mr. Goolsby indicated he was not in favor of the request to transfer the \$325,000 incentive from Rush Fun Park to Biolife. He offered that the City Council approved the masonry ordinance to improve the aesthetics of the business environment and that the 1604 side of Rush Fun Park was the gateway to the shopping center and was sorely in need of an upgrade.

Mr. Ault indicated that if the funds are not transferred, then Mr. Kanjiani would make the required exterior improvement to Rush Fun Park and the 1604 side of the building.

Mr. DiPiero noted that the incentive goes beyond how well Rush is performing. **The intent was to improve the façade and how well the business is doing is not part of the incentive package.**

Mr. Kuhlmann inquired if Rush was forfeiting the agreement. Mr. DiPiero responded that he was only "offering" to forfeit the agreement if the incentive was transferred to another project in the same center.

Mr. Goolsby stated that every developer now knows that Universal City expects a higher level of finish on their projects. He noted that City expectations should be met and that it would not be good stewardship if **the incentive was not used as part of the exterior façade.**

Mr. Kuhlmann asked if \$325,000 was sufficient for aesthetic improvements. Mr. Goolsby indicated that not all of the funds were for the exterior improvements. The exterior improvements might cost \$30,000 or they might cost \$80,000, but the applicant needed to present **some type of façade improvement plans to be reviewed by staff** regardless of the cost and that the plans needed to comply with the City's requirements.

Mr. Ault offered that extensive façade improvements were done when they purchased the building as well as a lot of interior improvements. Mrs. Turner noted that the EDC Board has expended a good portion of its incentive dollars in the last few years on this shopping center and the one across the street.

Mr. DiPiero stated that the EDC needs a return on its investment. Biolife, he retorted, is not the ROI that Rush Fun Park is. EDC funds are better spent on Rush Fun Park. Mr. Kuhlmann offered that Biolife would also bring in a lot of people from outside the City which would be a secondary return to the other businesses in the area.

Mr. Kuhlman inquired as to which businesses in the area were a part of the Forum Shopping Center. Mr. Ault provided a run down of the existing businesses and the suites and pad sites that are still available.

Mr. Dagg stated that the Board should be able to see photos of the **proposed façade before any work was to be done.** Mr. Kuhlmann inquired if the photos of the proposed work should be for the 1604 side and the face of Rush Fun Park. Mrs. Turner responded in the affirmative.

Mr. Dagg moved to deny the request to transfer the \$325,000 incentive from Rush Fun Park to Biolife. Mr. DiPiero seconded the motion, the motion was approved on a 6/1 vote with Goolsby, DiPiero, Kuhlmann, Hinojosa, Dagg and Crow voting "Aye" and Mr. Neville voting "Nay".

C. **Next Meeting:** Thursday, 11 July 2019 at 5:00 pm, Council Chambers
Mr. Neville indicated he would not be present at the 11 July meeting.

6. **STAFF REPORT:**

- Status of Projects: Mrs. Turner gave an update on the road work in the Northlake Business Park and economic development projects throughout the City.

7. **PUBLIC COMMENT:** No one from the public spoke.

8. **ADJOURNMENT:** The meeting adjourned at 5:45 PM.

Dick Crow, President