



**CITY OF FARMERSVILLE
FARMERSVILLE ECONOMIC DEVELOPMENT CORPORATION MINUTES
OCTOBER 18TH, 2018, 6:00 P.M.
COUNCIL CHAMBERS, CITY HALL
205 S. Main Street**

CALL TO ORDER

The Farmersville EDC met in regular session on October 18th, 2018 at 6:36 p.m. in the City Hall Council Chambers with the following board members present: Jason Lane, Robbie Tedford, Diane Piwko, and Randy Smith, absent Bob Collins. Staff members present were City Accountant Daphne Hamlin, City Manager Ben White. Special guest recognized Councilman Hurst, and Mr. Tommy Ellison

RECOGNITION OF CITIZENS AND VISITORS

Special guest recognized Councilman Hurst, and Mr. Tommy Ellison

PUBLIC COMMENT

No Comments

REVIEW, CONSIDER, AND DISCUSS 2018 KEY INITIATIVE AREA GOALS (KIA'S)

Mr. Smith stated met with Mrs. Piwko and worked up a list. Move this item to January 2019 meeting.

Mr. White stated he has established a link for the small business info

CONSIDER, DISCUSS AND ACT UPON ITEMS FOR PAYMENT

On a motion from Mr. Tedford to approve items listed for payment, (City of Farmersville \$61.21, TEX-21 \$2,500.00) second by Mrs. Piwko, all in favor, motion passed unanimously. Mr. Smith asked about sales tax decrease. Mr. White stated this was reviewed and sales tax predictions in the future will be adjusted.

CONSIDER, DISCUSS AND ACT UPON FINANCIAL STATEMENTS FOR SEPTEMBER 2018

On a motion from Mr. Tedford to accept financial statements as presented, second by Mr. Smith, motion passed unanimously.

RECOMMENDATIONS IN REGARDS TO ZONING ORDINANCE TO BE MORE IN ALIGN WITH BUSINESS

Mr. White asked the EDC 4A Board for direction going forward, concerned that currently the City of Farmersville has heavy requirements Industrial, looks more like commercial, instead of industrial, screening, fencing. etc. I feel there are a few requirements that over burdensome for industrial environment. What I'm asking is at the next meeting is to bring forward some suggestions to review. Mrs. Piwko asked if the P&Z will establish the hi impact area. Mr. White it is on the next agenda for P&Z. Mr. Lane said he is open for discussion to see what needs to happen. Mr. Tedford felt it is needed. Mr. White stated what he is asking for is to take care of the parameter part of the facilities. Mrs. Piwko asked are we making this complicated. Should we let P&Z review, and talk with businesses that have gone thru renovations, construction. Mr. White stated just trying to get the hi-impact area first. Mr. Lane asked for a review of the existing zoning ordinance. Mr. White said he will forward a copy of the zoning ordinance to board members for review.

RECEIVE UPDATE ON KCS STRATEGIC PARTNERS ANNUAL MEETING

Mr. White presented information written by Mr. Ellison regarding meeting debrief. (see attached). Met with Chris Carucci, ties in this area. Talked about the national electronics in Mexico. One of the major carriers into Mexico. The lines original built from KCS into our line that goes to the Dallas area and on south where it meets up in Shreveport. Spoke also of their industrial development. (add slides) Mr. Ellison stated got to meet with all of the decision makers. We were able to tell about Farmersville, a positive step for us. Important to make these conferences. Mr. Smith asked if there were any discussion regarding siding tract. Mr. White said not really, there is a company looking for this. Currently talking with KCS and AFI if to see if they are interested.

RECEIVE UPDATE ON ROAD IMPACT FEE

Mr. Elliott addressed the EDC 4A board, had done some preliminary research, authorized under chapter 395. Road impact fees has to be on a main highway, looked at some info from McKinney and Wylie. There are number of steps to do before we could implement. Need to have an approved land use assumption report. Requires an engineer, then an approved Capital improvement plan for water and wastewater. Roadways must be within city limits. Road needs to be five mile from development. Water wastewater planning can be city wide. Any fees the City asses must apply with Chapter 395. We have made some of the first steps, one is starting on the land use plan, second is a street map plan. Neither have been approved by City Council. Once document in place then we can discuss next step. If you do not have a lot of development you want have a lot of fees. Not recommending other than the first two steps. Mr. Tedord asked if we have done any of these fees. Mr. White said yes currently the City charges water and sewer impact fees. Also, revision in local code chapter 380 deals with economic development agreements. These agreements set

caps and time limits. Mrs. Piwko stated if we do not have this homework done we could be missing revenue in the future. Mr. White said our steps are there. Pushing hard to get these done. Holding back until Hwy 380 alignment is complete. Mr. Tedford asked about Council input on Impact Fees, before we spend a lot of money need to know if this is the direction City Council wants to go. Mr. White said this will go before City Council once all items are in place, currently have not received direction from City Council. Mrs. Piwko asked when we start talking about certain zones are we going to identify certain areas to apply fees. Mr. White stated you can set up different zones and different fees. Mr. White said you would access the fees for that area's needs. Mr. Ellison stated Example City of McKinney has 13 different road way zones. Development would impact the roads and each having a different set of fees. Mr. Smith asked about the comprehensive plan has it been approved. Mr. White said yes, operating on the old one (original 2012 comprehensive plan), but working on creating new comprehensive plan. Mr. Smith asked do road impact fees require public hearings, Vote? Mr. White said yes will need to have several public hearings a lot of oversight. Mrs. Piwko asked whether general rule or home rule are there different regulations we need to follow.

RECEIVE UPDATE ON CAMDEN PARK

Final Plat filed. Application for 60 permits. Mrs. Piwko asked about the apartments. Mr. White stated no update.

RECEIVE UPDATE ON CONCRETE FACILITIES

Mr. White stated P&Z, companies that come to us, and Council is trying to work with them and trying to work a strategy that works for everyone. Other cities in the past are issuing SUP's in conjunction with their zoning requirements. Problem with this is what was done in the past. Today with the new laws and regulations these businesses could go into the county and basically stay in the county forever. Use to when a City grew into the county you could annex, Cities can no longer can do that. We have been working with council on the SUP. Went into P&Z knowing we could do one of three things, we could not do anything, try placing SUP higher rate, or produce hi impact special district. Next Monday P&Z will vote on this then it will go before council. Currently have 5 facilities wanting to come here, if we don't find a way they will go into the county and will not get any sales tax. Making the parameter area looks nice, improving the roads. Martin Marietta has already signed up with the Chamber of Commerce. Very good corporate neighbor. Mr. Tedford said they will come into City and use our water and sewer. Mr. White stated yes, but if they stay in county they will receive water from Caddo and have septic.

RECEIVE UPDATE ON COLLIN COLLEGE

Collin College update, Mr. White stated he met with the College, had a pre development meeting last Friday architect engineer college representative presented master site plan, to the EDC board (see attached). Mr. Smith asked about entrance off of Highway 380. Mr. White said there will be no entrance. Mr. Lane asked construction still projected to being 2020, Mr. White stated yes. Mr. White updated board on bond package for road and TRIZ agreement. Mrs. Piwko asked about the substation. Mr.

White said not a lot of changes. Current may place new transformer, will meet with City Council next week with update. Mr. Piwko asked about moving substation.

RECEIVE A DEBRIEF ON PROJECT MOTUS

Mr. White said back in late June this came up on Dallas chamber radar. Company looking for 1000 acres mostly engineering people. City of Farmersville put in a proposal for 1000 acres. Heard from them in August and stated they were interested, came and looked at area. Asked to represent the proposal we were one of three. Resent and said we were one of three places in Texas. What we learned during that meeting was the Company is a fortune 100 company, international, Asian based heavy security, 700 employees, 600 engineers starting 130k average salary, bring test item drop off. Very clean, large equipment, no railroad, truck only. Our biggest issue is the land was not locked up. This is constant, land needs to be available. Housing also an issue, no eating establishments. Comment from this Company was Texas incentives are poor. Mr. Lane asked about the delay, we are all supportive of Mr. White, is there something we can do to be faster, Mr. White stated if he had a board member to have immediate input.

CONSIDER, DISCUSS AND ACT UPON MEETING MINUTES FOR AUGUST 16TH, AND SEPTEMBER 27TH, 2018

Change on 3rd page, 09-27-2018, with changes a motion by Mrs. Piwko, second by Mr. Tedford, motioned passed unanimously

REQUESTS TO BE PLACED ON FUTURE AGENDAS

- (a) Move to January
EDC Roundtable
OpenGov
Motus

ADJOURNMENT

Meeting was adjourned at 8:30 p.m.

ATTEST:



Diane C. Piwko, Secretary

APPROVE:



Jason Lane, Chairman

Report on Kansas City Southern
Strategic Partners Conference
September 15, 2018

The City Manager, Ben White, and the Chairman of the Farmersville TIRZ, Tommy Ellison, attended the subject conference representing the City of Farmersville and its 403B.

The conference covered a number of topics including: an overview of KCS operations, a discussion of potential outcomes of the current NAFTA negotiations, a presentation on results of the June 2018 national election in Mexico and expected political policy changes, a panel discussion of KCS industrial development indices, and a forecast of economic trends related to the transportation industry.

Attendance at the conference provided the opportunities to establish a number of important personal contacts and briefly describe the City of Farmersville, its economic development capacities, and the two identified industrial areas served by the KCS railroad. KCS personnel we were able to contact included, Pat Ottensmeyer, KCS President and CEO; Scott Walburn, Director of Industrial Development and Innovation; and Chris Carucci, Industrial Development Manager, whose area of responsibility includes Farmersville.

Also, we were able to share information about Farmersville with other KCS strategic partners in attendance as well as discussing nearby economic development activities and renew relationships with Jason Greiner, Assistant Director Wylie Economic Development Corporation and John Dickson, Director of Business Development/Retention Greenville Economic Development.

We appreciate the opportunity to represent the City and believe we were able to raise the level of awareness of and interest in Farmersville industrial areas. We plan to follow up with Chris Carucci and other KCS representatives to develop potential investor and/or developer interest in our industrial zoned areas.



**Kansas City Southern
Partnering for Success**

The KCS Corporate Vision & Strategy



KCS LEGACY AND PURPOSE

We will honor and carry forward the unique legacy of KCS – its vision, entrepreneurial and ambitious spirit, resilience in the face of adversity, independence and willingness to challenge “conventional wisdom” as we carry out our purpose of making a meaningful contribution to the economic growth and prosperity of the nations and communities we serve.

VISION

KCS strives to consistently be the fastest-growing, best-performing, most customer-focused transportation provider in North America.

VALUES AND CULTURE

The KCS Culture is a set of values, beliefs and behaviors that define our Company, and create a foundation for our growth and success. Our strong culture and core values will allow KCS to fulfill its Vision and continue to endure in times of stress.

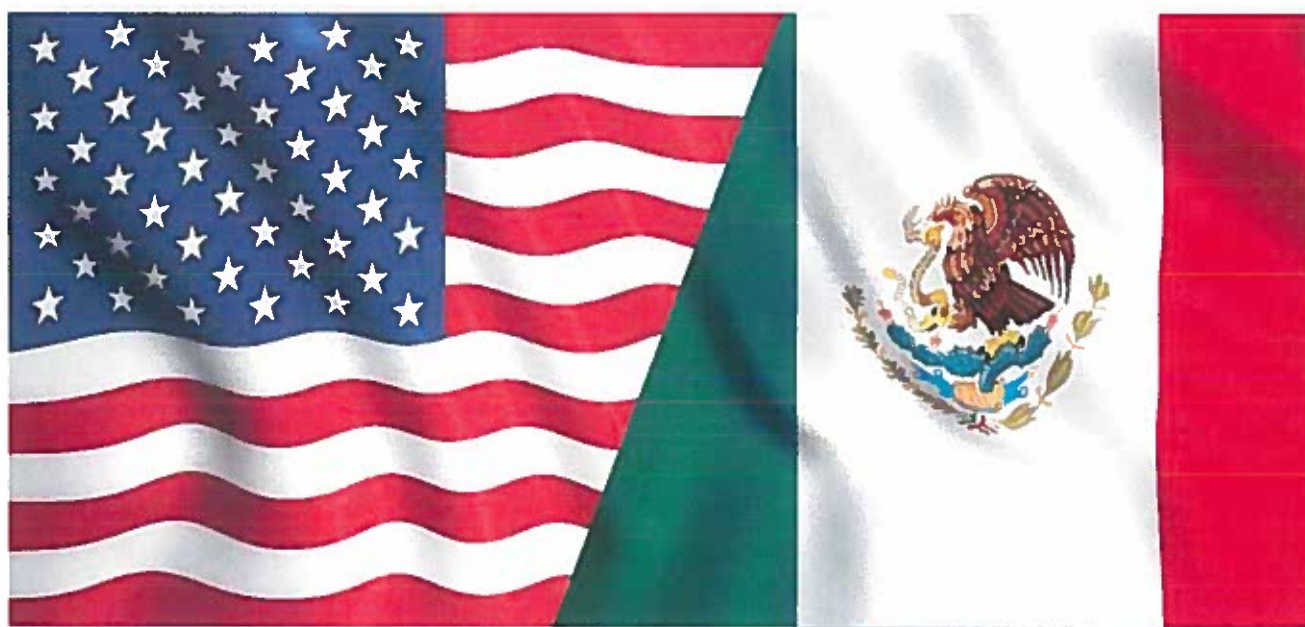
- **SAFETY**
- **CUSTOMER FOCUS**
- **COMMUNICATION**
- **TEAMWORK**
- **INITIATIVE & INNOVATION**
- **DIVERSITY & CIVILITY**

Employee Appreciation Day, Sept. 12





August 27, 2018, US and Mexico agree in principle to bilateral trade relationship.



NAFTA – What has KCS done?



76
**Conferences
& Speeches**



65
**Legislative &
Regulatory
Meetings**

BARRON'S

C-SPAN

**SQUAWK
BOX**



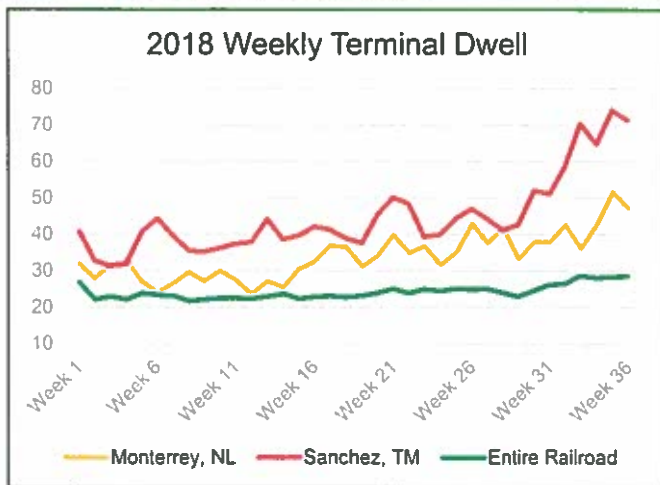
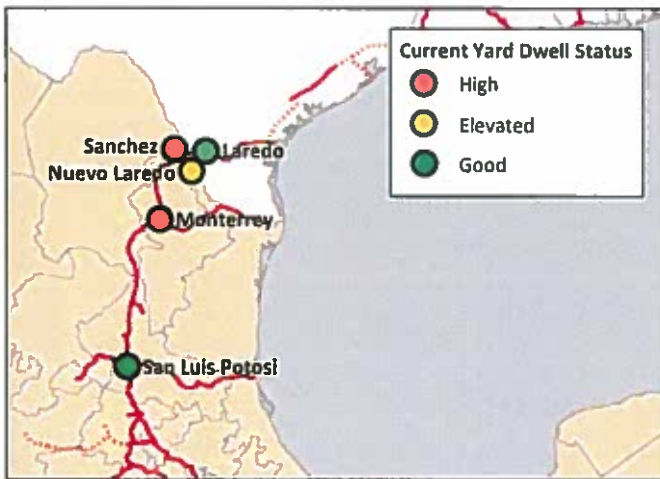
THE WALL STREET JOURNAL.

**Media
Coverage**

NAFTA – WWCD?



Q3 2018 Service Update



- Elevated dwell in Northern Mexico driven by growth in cross-border volumes
- Transportation reorganization unifies management of cross-border corridor
- Expect service & operating metrics to return to more normalized levels by end of September

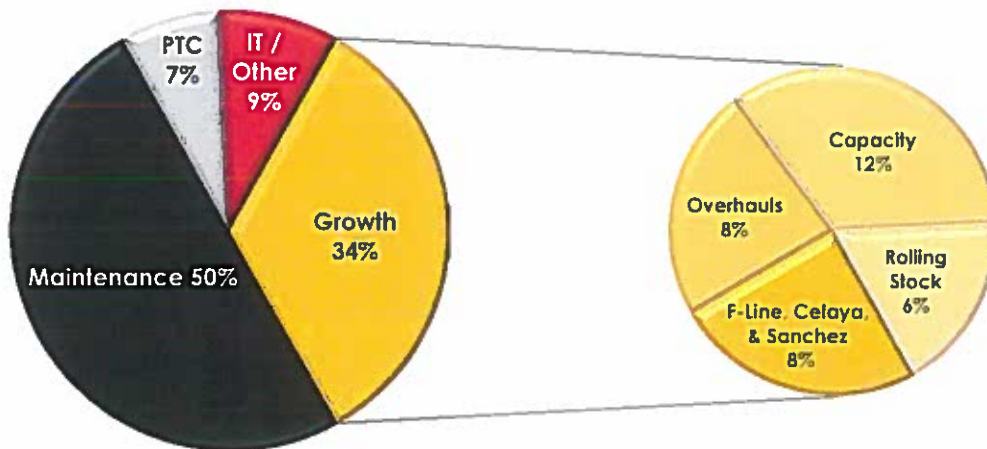
Capital Spending in 2018



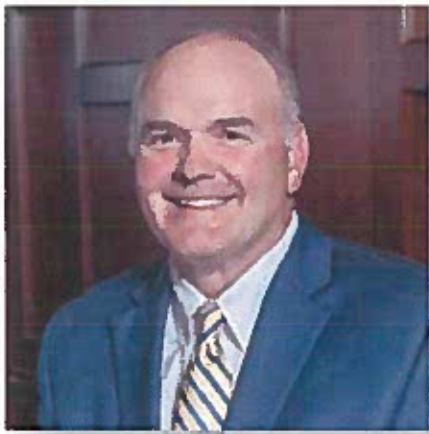
Investing in Growth – Capacity and Equipment

- Total Capex \$530-\$550 Million Range
- Sasol rail terminal completed in 2017 – total investment of \$141M (\$58M in 2017)
 - Partial re-investment in capacity enhancements (Celaya Bypass, F-Line Rehab, Sanchez Yard Mechanical Facilities)
- Continued investment in PTC, decreased spend vs. prior years
- Focus on equipment – locomotive overhauls & freight car purchases in preparation for future growth (auto racks)
- Locomotive purchases not included for 2018

2018 Capital Expenditures



Executive Organizational Change



Brian Hancock

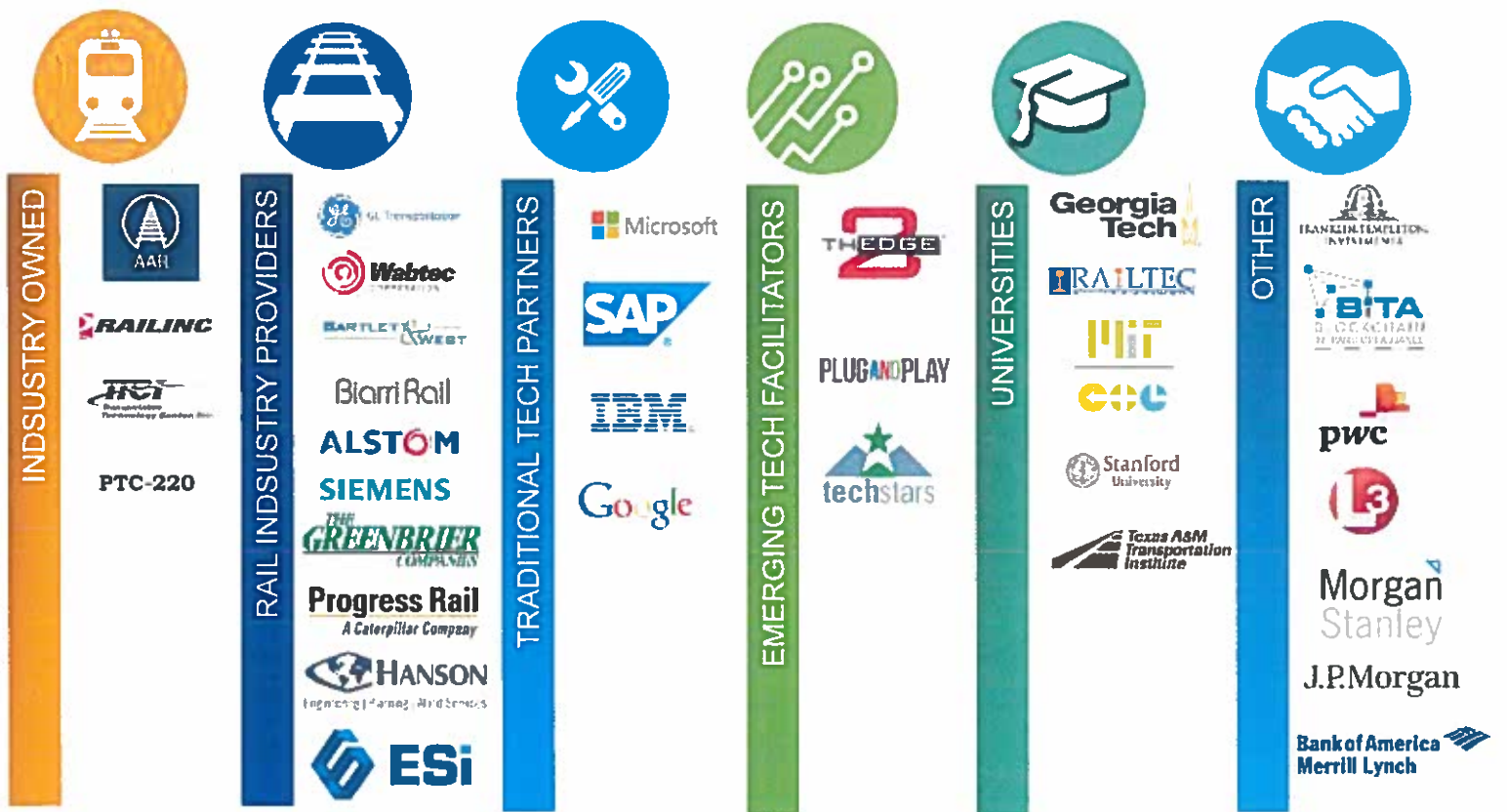
Executive Vice President and
Chief Innovation Officer



Mike Naatz

Executive Vice President and
Chief Marketing Officer

KCS Technology "Haystacks"



KCS Growth Strategy...



...Built on a Foundation of Partnership

"One of the key ingredients in the KCS long-term growth strategy is to further develop those interline rail relationships, and key arrangements with other business partners such as short-line railroads, ports, transload operators, and others. This strategy, **built on a foundation of partnership and cooperation** with our key business partners, is a critical ingredient of achieving long-term superior performance for our customers, shareholders, employees, and all other important stakeholders of Kansas City Southern."

Patrick J Ottensmeyer, Barron's, September 14, 2018

