

CITY OF FREEPORT
ECONOMIC DEVELOPMENT CORPORATION
200 West 2nd Street, Freeport, Texas 77541

MINUTES

STATE OF TEXAS)
)
COUNTY OF BRAZORIA)
)
CITY OF FREEPORT)

BE IT REMEMBERED that the Economic Development Corporation of the City of Freeport met on Tuesday, June 09, 2020 at 6:00 p.m. in the Freeport Police Department Municipal Court Room, located at 430 North Brazosport Boulevard, Freeport, TX, for the purpose of considering the agenda items.

MEMBERS OF THE BOARD PRESENT:

Quorum Present

Trey Sullivan- President
Lesa Girouard
Kenny Hayes
Mingo Marquez
Marinell Music
Jeff Pena
Ed Garcia

Tim Kelty: City Manager
Chris Duncan: Attorney
Stephanie Russell: Finance Director

Visitors in Attendance:

Melanie Oldham
David Towers
Bob Koole

I. CALL TO ORDER:

Mr. Sullivan opened the meeting at 6:00P.M. A quorum was present. Trey Sullivan, Lesa Girouard, Mingo Marquez, Jeff Pena, Marinell Music, Kenny Hayes and Ed Garcia.

II. INVOCATION AND PLEDGE

None

III. CITIZEN COMMENTS:

Mr. Sullivan announced the opportunity for any visitors present to address the board.

Mr. Towers said the property EDC owns has not been mowed in over a month.

Ms. Oldham said the city officials have a thing for secrecy to the point it is counterproductive. Ms. Oldham said the first example is the downtown zoning district this could and should have been a simple thing by excluding everyone outside of this room and the lack of a comprehensive plan it is still awaiting approval very counterproductive. Ms. Oldham said if the planning commission would had been allowed to participate in the process this would have been a done deal by now. Ms. Oldham said some secrets might be necessary at work to do your all's job and that is fine but to bring a fraud plan to the public city council meeting where no one knows what is going on and attempts to force feed it to the public is a very poor practice. Ms. Oldham said the second example is the Waterstone deal was brought directly to the City Council and what appeared to the public as an end run around Freeport EDC to get in approval via City Council vote upon further review it seemed half of the Freeport EDC board did not even know of the details and agreements of this project it was like the board members do not trust each other on the board. Ms. Oldham said she believes the EDC board is trying to steer this City in the right direction but has issues and procedures that are hindering this process.

IV. CONSENT AGENDA

A) APPROVE MEETING MINUTES FOR MAY 12 REGULAR BOARD MEETING AND JUNE 2, 2020 SPECIAL BOARD MEETING.

MOTION made by Mr. Hayes to approve the meeting minutes for May 12 regular board meeting and June 2, 2020 Special Board Meeting, **seconded** by Mr. Garcia. Motion **PASSED** unanimously.

B) APPROVE APRIL FINANCIAL STATEMENT.

MOTION made by Ms. Girouard to approve April financial statement, **seconded** by Ms. Music. Motion **PASSED** unanimously.

V. DISCUSSION AND ACTION

A) CONSIDER RECOMMENDATION TO CITY COUNCIL ON APPROVING PROPERTY TAX ABATEMENT.

Mr. Holman said the subcommittee met once earlier in the year and once a few weeks back regarding the property tax abatement. Mr. Holman said it is a compilation of many cities versions and would like the subcommittee board members to speak on behalf of what was the final outcome of the resolution. Mr. Holman stated the members that attended were Ms. Girouard, Mr. Marquez and Mr. Garcia.

Ms. Girouard said the subcommittee met and had very few little revisions Mr. Kelty and Ms. Russell helped the committee make the revisions and have them understand the tax abatement. Ms. Girouard said she recommends the board to approve the tax abatement resolution.

Mr. Marquez said the meeting was a lengthy one but went over details and a lot of good things that were noticed. Mr. Marquez stated the committee members that attended agreed this was best for the City of Freeport. Mr. Marquez said he agreed with the committee and believes this is what is best for Freeport.

Mr. Kelty said the minimum threshold was changed from \$50,000 up to \$1,000,000 for consideration tax abatement. Mr. Kelty said a sizable investment in the community before tax abatement can be considered. Mr. Kelty stated this is up to City Council to adopt.

Mr. Sullivan said this is going to be recommended to the City Council for review and potential approval.

MOTION made by Ms. Music to recommend to City Council on approving property tax abatement, **seconded** by Ms. Girouard. Motion **PASSED** unanimously.

B) DISCUSSION AND POSSIBLE ACTION ON BUSINESS RECOVERY AND EXPANSION GRANT PROGRAM.

Mr. Holman said he has been getting request for help from certain businesses that are struggling due to the Covid-19 pandemic. Mr. Holman said if this is approved a budget would have to be created. Mr. Holman said they are some drawbacks if this is approved.

Mr. Duncan said in order for the EDC board to do a project to spend money on a project they are certain steps that are required which are having a public hearing, city council approval and also wait sixty days before any money is spent.

Mr. Holman said he is trying to help the three businesses that asked him for help and this is the only method he could come up with that may solve a temporary problem. Mr. Holman said there is still a chance the businesses that receive a fund can still go out of business and this will be a risk they will be taking. Mr. Holman said this grant program is a first come for serve for businesses and if qualified it has to be a store front type business it can not be a home occupation. Mr. Holman said the business will have to provide certain type of information and also have to be in the city limits.

Ms. Girouard said she has a lot of problems with this grant program and one of them is she does not see how this will be fair if some businesses know about this grant what about the ones that do not know about it yet. Ms. Girouard stated this will put a bad taste in a lot of small businesses when they find out the EDC gave money to businesses that heard of this program.

Mr. Holman said the word will get out as best as it can through publication, Hispanic Chamber of Commerce or Facebook. Ms. Girouard asked Mr. Holman how does the board know if the business has a good business plan and would not fail even without the Covid-19.

Mr. Holman said there would be a committee that will review the submissions and that committee will evaluate if the business has a chance of being successful. Mr. Holman stated if the committee believes the business will not be successful the committee will not recommend the business to the board.

Mr. Garcia said a business plan is only as good as its implementation and stated the grant program should start right away.

Mr. Duncan said specific guidelines would have to be put out to make sure all the businesses get this information and have a packet in their hand.

Mr. Sullivan said for this item to either be tabled for next month's meeting or create a subcommittee to review this further.

Mr. Garcia voted to form a subcommittee that include himself, Mr. Marquez and Mr. Pena.

MOTION to form a subcommittee was made by Mr. Garcia. **seconded** by Mr. Marquez, with all present voting, "Aye" 6-0. Ms. Girouard voted "Nay".

C) DISCUSSION AND POSSIBLE ACTION ON POP BOX.

Mr. Sullivan stated the subcommittee for item is Ms. Girouard, Ms. Music and Mr. Duncan.

Mr. Duncan presented a presentation and said action should be taken to try to do something that has some visibility for the community so people can see the EDC is actually doing something. Mr. Duncan said he wants the community to see the EDC board wants to make changes in Freeport.

Ms. Girouard said she likes the idea because she feels like people go to Freeport when something different is going on.

Ms. Music said she also likes the idea because they are a number of events coming up and believes they are a lot of people that will be interested in using the pop box.

Mr. Duncan said he would like for vendors to commit to at least a month at a time but after time for it to be changed as often as possible so when they are people going to Freeport they can see variation of business.

Mr. Sullivan said he likes and gets the concept but he said if the board has considered starting smaller maybe with one pop box to figure out how it will function.

MOTION to approve three pop boxes for \$26,000 that will go in front of City Council was made by Mr. Marquez, **seconded** by Mr. Garcia, with all present voting, "Aye 3 . voted "Nay" 4.

MOTION to approve one pop box for \$9,000 was made by Mr. Pena, **seconded** by Mr. Garcia. Motion **PASSED** unanimously.

D) BUDGET ITEM REVIEW OF MARKETING.

Mr. Holman said Mr. Pena wanted this item added to the agenda, he would like to know what type of marketing has been done and how much has been spent. Mr. Holman said there is a budget of \$65,000 and spent \$29,855 that have gone to the Brazoria Guide, FDI Alliance, Expansion Solutions and other local and online advertising.

Mr. Pena asked Mr. Holman which advertising he thought was the best.

Mr. Holman said the two that he really supports is the FDI Alliance it goes to other countries and is being pushed more and more. Mr. Holman said the second advertising he supports is Expansion Solutions. Mr. Holman also stated we need to be in the Texas Wide Open for Business Magazine which is the Governor's magazine for the State when the advertisement cycle is started by that publisher.

E) DISCUSS ANNUAL REVIEW PROCESS AND PROCEDURE FOR EXECUTIVE DIRECTOR.

Mr. Pena asked Mr. Sullivan what his thinking in terms of the time table to make sure a modified review is done before the end of the fiscal year.

Mr. Sullivan replied to Mr. Pena and said the board is trying to coincide with the City's review that are being used to review their department heads.

Mr. Pena stated in the By-Laws the EDC board will be doing the review of the executive director position.

Mr. Holman said one of the things the EDC board is going to have to do is find a matrix that will be used to review him. Mr. Holman stated he gave Mr. Duncan a matrix that he brought from the other city he used to work at.

Mr. Sullivan said he recommends for this to be done the following month in executive session and all board members to be prepared with their design and ideas of the matrix without Mr. Holman present.

F) SUBCOMMITTEE ASSIGNED TO EXPLORE FEDC CREDIT CAPACITY AND BONDING CAPACITY AS OF MAY 31ST, 2020

Mr. Pena said he wanted this item on the agenda as a follow to the Waterstone and Realty World discussions as they relate to the City and EDC potentially financing any kind of upfront infrastructure and the question came up as to the credit capacity for the EDC.

Jeff, discussed the desire to know what our bonding capacity could be used for future project financing. Jeff mentioned that Mr. Holman had he had a preliminary discussion that Stephanie Russell will need to talk to bond council. Stephanie has not started working on city or EDC bonding capacity as she is working on another item at this time but can work on it in the future. Jeff asked if the bonding is different from credit capacity which Stephanie said is different and easier to obtain. Neither has been obtained. Jeff is also concerned about credit capacity of businesses working with the EDC such as Realty World. Mr. Sullivan said to Mr. Pena Realty World will be talked about in Executive Session.

G) SUBCOMMITTEE TO MEET AND REVIEW PREVIOUS DOWNTOWN MAPS PRESENTED AT CITY COUNCIL THAT AIMED TO DEFINE DOWNTOWN DISTRICT, PREVIOUS BEACH MAPS THAT AIMED TO DEVELOP BRYAN BEACH WATER AND TOURIST ATTRACTION SPACE, AND TO INITIATE CONTRACTOR QUALIFYING APPLICATION PROCESS FOR NEW CONSTRUCTION.

Jeff discussed the Maps on the above that Mr. Holman has found and shown to him. Jeff stated to the board is desire to have a Contractor Qualification Application Processes for new construction on the heels of Waterstone processes lead to change how we are inviting different projects and contractors that we have a Qualification Application Processes. Do other cities have a template so we are not re-inventing the wheel and tailor to Freeport was asked by Jeff?

Trey asked Mr. Holman whom is the chair on this. Mr. Holman replied that Jeff is the Chair for the Bryan Beach, Downtown, and Tourist which Jeff agreed. Jeff stated that the Contractor Qualifying subcommittee is separate from him. Trey disagreed and stated that if this qualification process fall under any of the topics listed above it falls under Jeff's subcommittee. Trey did say that Jeff can bring up the Contractor Qualification Process in Executive Session under item 4. Which Jeff said OK but this application process was not supposed to be married into any one project but all project under the EDC.

VI. EXECUTIVE SESSION-ADJOURN INTO EXECUTIVE SESSION

It is now 8: 18 p.m. and I hereby recess the regular session of the Freeport Economic Development Corporation June 9, 2020 meeting and do hereby convene an executive session, said executive session authorized under the following sections of the Texas Government Code: (1) Government Code, Section 551.087 (Economic and Community Development Matters), 551.072 (Deliberations about Real Property).

In Accordance with the Texas Government Code:

A. Section 551.087 (Economic and Community Development Matters)

- 1. Project Realty World**
- 2. Project Sky High**
- 3. Boardwalk**
- 4. City Property for housing development.**

Reconvene into Open Session

Board President's statement:

It is now 9:54 p.m. and I hereby close the executive session of the Freeport Economic Development Corporation and do hereby reconvene the regular open session

Discussion and Action

a. Discussion and possible action regarding Realty World.


No Discussion or Action

VII. EXECUTIVE DIRECTOR'S REPORT

Directors Report given by FEDC Director Courtland Holman.

VIII. ADJOURN

MOTION to adjourn was made by Ms. Girouard, **seconded** by Mr. Pena. Motion **PASSED** unanimously. Meeting adjourned at 10:00 PM.

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Mingo Marquez - Secretary