

**CITY OF FREEPORT**  
**ECONOMIC DEVELOPMENT CORPORATION**  
200 West 2<sup>nd</sup> 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, April 13, 2021 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.

**FEDC BOARD MEMBERS**   Quorum Present

Jeff Pena                    President  
Open:                        Vice President  
Mingo Marquez            Finance  
Nicole Mireles            Secretary  
Ed Garcia  
Trey Sullivan  
Ruben Renabato

Courtland Holman: Executive Director  
Tim Kelty: City Manager  
Christopher Duncan: Attorney  
Cathy Ezell: City Finance Director  
Jerry Cain: Council Liaison

Visitors in Attendance:  
Melanie Oldham  
David McGinty  
Vicki Sikes

**I. Call to Order**

President Jeff Pena opened the meeting at 6:00P.M. A quorum was present: Jeff Pena, Nicole Mireles, Marinell Music, Ed Garcia, Trey Sullivan, Mingo Marquez, and Ruben Renabato.

**II. Invocation and Pledge**

Jeff led the Pledge of Allegiance.

**III. Citizen Comments**

Citizens allotted 3 minutes for comments

No Comments

Board Comments

- a. President Jeff Pena: announcements and comments. (None)
- b. Finance Mingo Marquez: announcements and comments. (NA)
- c. Ed Garcia: announcements and comments. (None)

d. Trey Sullivan: Trey asked to move Item D under Discussion and Action up to the first action to discuss in order to respect the time of the representative from Brazosport Medical Center.

- e. Nicole Mireles: announcements and comments. (None)
- f. Ruben Renabato announcements and comments. (None)

**IV. Consent Agenda**

- a) Approve Meeting Minutes for March 9 Regular Board Meeting, March 24 Special Board Meeting, and April 1 Special Board Meeting.

Ed Garcia commented that Marinell's attorney said there is no enforceable lease and he never heard the attorney say this nor knows who is the attorney. Chris Duncan was asked by Jeff if this language should be removed or kept. Chris responded that as it was by someone else as said by Marinell Music. It should be restated that "Marinell Music said" as it is best that statement from third parties not be of the record. Chris said that Ed Garcia can make a motion to change the sentence. Jeff asked if the sentence stays does it expose the FEDC liability wise. Chris stated No but that it is written incorrectly and should be changed.

Mingo Marquez made a motion to amend the sentence to include that "Marinell Music said that" the contract is not enforceable and not the lawyer. Jeff Pena second the motion. Motion **Passed Unanimously.**

Jeff, stated that there is a grammatical error on the last page second paragraph of the same meeting minutes from "yer" to "You".

A motion was by Nicole Mireles to approve the meeting minutes. Ed Garcia second the Motion. Motion **Passed** Unanimously.

b) Approve February Financial Statement.

Jeff pulled the finances from the consent agenda for discussion and asked Finance Director Cathy Ezell to give an update on the Finances. Cathy state that the finances spiked in December due to the Industrial District paid all at once as shown in the graph. As shown in January the sales tax is more like normal. We are tracking more revenue that last year. Jeff asked what is the cash in the bank and Cathy responded it is \$1.2 Million.

Ed Garcia made a motion to accept the Financial Statement. Ruben Renabato second the Motion. Motion **Passed** Unanimously.

V. **Discussion and Action**

"d" was moved up in the agenda to be discussed first

a. Discuss and Take possible Action regarding Board Remote attendance.

Jeff Pena presented that the Governor has lifted some of the requirements including masking. Jeff asked Attorney Chris Duncan to discuss this item. Chris stated that TML guidance to all cities attorneys is that remote attendance to meetings are allowed not required. Therefore, each city council or board can make their own decision whether to allow remote meetings or not allow remote meetings. The open meeting statue pre Covid would not have allowed remote meetings. Due to Covid the Governor has suspended this requirement for in person attendance. It is up to the board to make the rule to continue with remote meeting or not. Chris said that the current By-Law requirements is to attend in person. If the board wants to make changes to the By-Laws regarding remote attendance it will need to take action. Jeff said that we already have rules in place to attend in person and do not need to change it going forward and affords the public better service for the board members to attend in person. Jeff does not believe any formal motion is needed but asked how to express what is desired going forward.

Nicole Mireles asked if we can just go back to following the By-laws and attend in person?

Chris Duncan said that he does not believe any formal motion is needed. The board never made a motion to amend our rules regarding remote attendance when Covid started. But no one called into question previously so it would not be appropriate to go back and take retroactive action.

Jeff said that because of the common-sense approach of remote attendance due to covid though not explicitly stated was acceptable and should not be counted against attendance. But now that the Governor has lifted the requirements the common-sense approach would be to go back to physical attendance. Jeff asked Chris what that motion should be.

Chris said that the motion should be, considering the recent order by the Governor to open up the State, the FEDC going forward will enforce the attendance rule going forward.

Nicole Mireles made the Motion that per the recent order by the Governor to open up the State the FEDC, going forward, will enforce the in-person attendance rule. Ruben Renabato Second the Motion. Motion **Passed** 4 Ayes and 2 Nays.

- b. Discuss and take possible action to remove and or replace board member as a signing authority.

Courtland Holman stated that as Marinell Music is no longer on the board and was a signing authority she will need to be removed. Jeff Pena asked if that needs to be a formal motion. Chris Duncan said yes as the bank will need to see that motion to remove Marinell Music as a signing authority and draft a Resolution as a formal vote in order to give to the bank.

Ed Garcia made the Motion to remove Marinell Music as a signing authority and draft a Resolution. Motion was Seconded by Mingo Marquez. Motion **Passed** Unanimously.

- c. Discuss and take possible action regarding 380 Agreement between the FEDC and the City and Project.

Jeff gave a history of an outstanding loan that the FEDC had that the city helped in paying off the balance.

Chris Duncan said there was a large bank loan taken out many years ago for the Freeport Marina Project and the FEDC took a big loan to finance the Project. Every year the FEDC had to pay on the loan. The Loan had a balloon payment coming due so the board decided to payoff the balloon payment rather than try to renew the loan as the city was trying to obtain bonds and City Finance had concerns that this would affect the city's ability to get bonds. By having the FEDC outstanding loan, that the City had guaranteed, it would go against the city debt total. It was in the best interest of the City and FEDC to pay off the debt but the FEDC did not have enough funds in its account so the City chipped in \$300,000 and entered into a 380 Agreement between the City and FEDC that the FEDC would fund infrastructure projects or projects is the city wanted to be accomplished. The payback is \$150,000 per year for two years.

Jeff Pena asked if we have paid back any to the City. Chris Duncan said we have not paid any money back to the City.

Ed Garcia asked if we are voting to approve the November 12<sup>th</sup> agreement. Chris Duncan stated no that has already been approved. Chris said what is being asked for now is that some projects have been asked for by the City and suggested that the FEDC pay for the projects using the \$150,000 debit for this year.

Jeff Pena said that the city has come forward with a couple of different projects that they were looking to finance and at the last city council meeting it was brought up that the FEDC could fund the projects from the amount we owned the City. Part of the goal of the loan is that the FEDC would pay back the City for meaningful projects that would help benefit the City and fall in line with the FEDC mission.

Mr. Holman said that there are three projects that the city is request the FEDC fund. Mr. Holman read the memo attached in the Board Packet. Mr. Holman said that the City is requesting, through Public Works Director Lance Petty, the funding of three projects. The first one is the River Place Fishing pier replacement amounting to \$48,956.00. The second SFA Softball Field and Riverside Baseball Fields amounting to \$50,301.00. The third one being the Freeport Municipal Park Pavilion amounting to \$49,739.00. Total expenditures total 148,996.00. Mr. Holman recommend to give the full amount of \$150,000.

Jeff asked if there is a time table on when to pay back the amount or is it just random if we have the funds. Mr. Holman stated that the FEDC was to budget \$150,000 each fiscal year. We have budgeted the \$150,000 for this fiscal year. We will need to do so next fiscal year. The allocated funds shall be spent this fiscal year. Mr. Holman commented that if it goes unspent can the funds rollover may be a question for Chris Duncan but we knew that the City and FEDC had enough project in the pipeline that the funds would be spent such as street improvements and other dilapidated items. Mr. Holman stated that it is up to the board to decide what projects they wanted to fund using the budgeted \$150,000.

Jeff said this is the key on what projects and that the board be sensitive to the idea that these projects are in the spirit or the mission fall in line with the FEDC purpose. Jeff would also like to announce that these are FEDC funded projects.

Tim Kelty responded that these would be considered FEDC project and FEDC would get the credit and would want to have the FEDC to a press release through social media and other media. Tim said that Mr. Petty is moving very fast on completing projects and expected that the fishing pier would take a couple of weeks. The lighting for the baseball field shortly thereafter.

Chris Duncan disagreed stating that these projects cannot be considered as FEDC projects under statue and explained why. These projects are the repayment of a debit to the city and considered City projects. As the FEDC is working with the City on funding the projects there is

nothing wrong as far as public relations go that the FEDC is helping fund the City projects but must be careful not to say these are FEDC Projects as there is a legal process for FEDC projects. Chris said it is not written in stone in the 380 Agreement that we can't use the other \$150,000 this year if a project that the FEDC and City want to pursue this year possibly happens; just need to do a budget amendment.

Mingo Marquez made a Motion to approve funding of the three proposed projects working together with the City of Freeport. Nicole Mireles second the Motion. Motion **Passed** Unanimously.

- d. Discussion and take possible action in regards to Brazosport Medical Center request for a Business Improvement Grant.

Executive Director Courtland Holman presented two grant requests from the Brazosport Medical Center that is utilizing the Business Improvement Grant. First one is for Surface Parking in the amount of \$1,932.26 and outdoor lighting for \$2,030.00 totaling \$3,962.26 which is a cost sharing amount. The second grant request is for sign that is also a cost sharing amount with a maximum of \$3,500.00 on the cost sharing at \$3,840.00. Mr. Holman stated that Vicki Sikes from Brazosport Medical center is here if anyone wished to ask questions.

Ed Garcia asked if what is in the packet is what is requested from them. Mr. Holman responded yes but it can be modified as this is the first one.

Mr. Pena asked if there is a table of contents. Mr. Holman said yes there is, not in this packet, and it is broken into five different grant sections. Mr. Holman explained all five different versions.

Mr. Holman presentation continued on work to be performed and design off the sign. A question was asked how much the FEDC would pay for the first grant request of \$3,962.26 which would be ½ of this amount at \$1,981.13. The second grant at \$3,840 which the FEDC would fund \$1,920.00.

Jeff asked if this falls under the grant qualifications which Mr. Holman responded to as Yes it does. Mr. Holman explained that the intent of the grant is to focus on the downtown but it was written with leeway allowing the board to used it in other parts of the city.

Chris Duncan stated that the contractors listed in the grant application were not from Freeport and the board in the future may want the Grant recipient to hire local first.

Mingo Marquez made a **Motion** to approve both Grants. Ed Garcia second the motion.

Nicole Mireles asked if this grant is promoted; if I meet with businesses about this grant; should the board meet with businesses? Mr. Holman responded Yes to all the questions as he has met with businesses and sent this information out but stated he is only one person. Mr. Holman said yes, the board needs to step up and promote this to businesses; some of the board members have already done so as this is how some of these contacts have been created including this one.

Jeff Pena would like this word to get out in the Newspaper and other media.

Ruben Renabato stated that this is a very worthy nonprofit organization that provides vital medical services to Freeport.

Motion **Passed** Unanimously.

Trey Sullivan had to recuse himself as he is on the Brazosport Medical Center board.

Melanie Oldham asked if a nonprofit can receive grant funding. Mr. Duncan stated that City Government and FEDC can devote funds to a nonprofit as long as it serves a public purpose.

**VI. Executive Session – Adjourn into Executive Session**

It is now 6:53 p.m. and I hereby recess the regular session of the Freeport Economic Development Corporation March 5, 2021 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), 551.074 (Personnel Matters).

**In Accordance with the Texas Government Code:**

- A. Section 551.071 (Consultation with Attorney)
  - 1. Lucy Goose
  - 2. Realty World
  
- B. 551.072 (Deliberations about Real Property)
  - 1. Acquisition of Real Properties, Development of Real Properties
  
- C. Section 551.087 (Economic and Community Development Matters)
  - 1. Project Sky High
  - 2. Project Wing Tips

**Reconvene into Open Session**

**Board President's statement:**

It is now 8:21 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**

Discussion and possible action with Lucy Goose  
No Action

Discussion and possible action with Realty World  
No Action

Discussion and possible action with Acquisition of Real Properties, Development of Real Properties.

A Motion was made by Mingo Marquez to authorize Attorney Chris Duncan to make inquiries in regards to Project Enterprise and report back to the FEDC board. Ed Garcia second the motions. Motion **Passed** Unanimously.

Discussion and possible action with Project Sky High  
No Action

Discussion and possible action regarding Project Wing Tips  
No Action

**VII. Directors Notes**  
Read the notes

**VIII. Adjourn**  
Motion to close board meeting made by Mingo Marquez and seconded by Nicole Mireles.  
Motion **Passed** Unanimously

It is now 8:22 p.m. and I hereby close the board meeting.

  
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Nicole Mireles - Secretary