

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, May 11, 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
Ed Garcia Vice President
Mingo Marquez Finance
Nicole Mireles Secretary
David McGinty
Margaret McMahan
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
Elliott Cundieff
Casey Cundieff

I. Call to Order

President Jeff Pena opened the meeting at 6:01 P.M. A quorum was present: Jeff Pena, Nicole Mireles, Ed Garcia, Mingo Marquez, David McGinty, Margaret McMahan, and Ruben Renabato.

II. Invocation and Pledge

Jeff led the Pledge of Allegiance. Jeff welcomed the new board members.

III. Citizen Comments

Citizens allotted 3 minutes for comments

Mr. Elliott Cundieff expressed with Casey Cundieff that they are supportive of the positive development of industrial and retail development coming back to Freeport that the FEDC is working on attracting to the City.

Board Comments

- a. President Jeff Pena: announcements and comments.

Jeff welcomed the new board members. Jeff talked about activity with the FEDC and the difference in what can be public knowledge between open and closed session. The FEDC need latitude from the public in items that we can't discuss in open session and not vilify the board as we may be working on limit information. FEDC board members are required to maintain executive privilege and not share with the public. If you are on the board, you will have a full disclosure of information to make a decision, even though it may not be unanimous but at least by majority. We have a lot that is in the works that the board has been working on that has been planned but may not be tangible product that you will see. We will be actively putting out press releases on developments that we can present.

- b. VP Ed Garcia: announcements and comments.

Ed asked that the Executive Director Mr. Holman present our bills to the board as some are being paid and some are not. Ed asked thanked Mr. Elliott's comments regarding the growth of Freeport.

- c. Finance Mingo Marquez: announcements and comments.

No Comment

- d. Secretary Nicole Mireles: announcements and comments.

Nicole asked whose terms are up. Nicole asked the Executive Director if we are getting our grass cut on our properties like we are supposed to have completed. Mr. Holman stated yes that they are and if we do get a call if they are too high from the city or public, I contact the contracted company. I have asked the company to place our properties on a two-week rotation as it is getting summertime where the grass grows faster. Regarding the A and B

schedule for the board rotation Mr. Holman has given that to Betty Wells the City Secretary and he can email it as well. Nicole asked if the company is doing what I have asked them to cut the grass every two weeks without reminders. Mr. Holman said yes, they are and when asked previously it was already on the rotation two day after on the subject property. We now have four properties.

- e. David McGinty: announcements and comments.

David wants the grass on Brazos Street to be cut better as it gets too high and allows vermin to hide mounds of grass that looks like it was cut in a hay field. Since it is not cleaned up the vermin ate some of the ductwork in his property that cost \$3000 to fix. David has been cutting it himself.

- f. Margaret McMahan: announcements and comments.

Margaret said thank you regarding being able to serve on the board for the community.

- g. Ruben Renobato announcements and comments.

No Comments

IV. Consent Agenda

- a) Approve Meeting Minutes for April 13, 2021 Regular Board Meeting.

- b) Approve March Financial Statement.

Jeff Pena pulled the financial statement and asked for a summary from Cathy Ezell the Finance Director. Cathy stated that the financial statement form conforms with that presented at City Council. Sales tax is still more than last years at \$532,761. In February we received \$81,674.55. Cathy showed the board what is the actual for fy2020 beginning fund balance and reserve is \$714,000. Moving up the revenue, expenditures, and reserve the ending fund balance is \$884,000. So right now, our what we have in reserve is \$1.2 Million because our revenue vs expenditures exceed \$300,000 that is coming in.

Nicole Mireles asked if we paid the \$150,000 back from the loan. The response was not yet. Nicole asked why as the work (lights) needs to be done. Cathy responded that the lights and equipment have been ordered and waiting for them to come in so the electrician and contractor can install them. Currently there is a long lead time in getting the items that were ordered. Jeff Pena responded that there is a long lead time as a whole and that the city is moving forward on these projects even though the funds have not been transferred formally. Cathy said yes, the city is moving forward, partial orders have already been completed. Funds have not been transferred as the projects may come in less or a little more than expected, especially on the dock project as it is unknown what they will find.

Mr. Holman asked Ed Garcia to clarify, regarding the checks that have not been paid, what does he want to see so Mr. Holman and Cathy Ezell can provide the correct information requested. Usually when Mr. Holman gets an invoice/check he processes it when received. Mr. Holman presents checks to Jeff Pena for signature or not at his discretion as it takes two signatures on the checks. Currently, Mr. Holman has received two checks that he received today for Jeff's signature and one he is holding off on at Jeff's request until we have a conference call with the Facts.

Ed Garcia responded that he wants to make sure the bills are getting paid. Ed Garcia said that normally the boards that he served the director presents the bills to get approved and are paid. Mr. Holman responded that for the last two years we have not been doing that process as our finances do not go through the board but through Finance Department. When an invoice is received, I code the invoices and take them down to Finance for processing which was authorized prior to Mr. Holman starting with the FEDC to do the check handling and audits. When once the check is signed by two people such as Jeff and myself then I take the signed check back to finance for mailing or have the check picked up. At one point I understand that the bills and checks were in your board packets but that has been removed due to this how this financial process is being conducted. Ed Garcia said he has not seen any check being presented. Mr. Holman responded that process went away prior to his start of employment. Ed Garcia asked if we are getting bills. Mr. Holman responded that we are getting bills. Ed Garcia would like to see the bills to be presented to the board which Mr. Holman said it will be presented if that's what the board wants to see. Mr. Holman asked for a motion as that is not the normal procedure. Ed Garcia asked that this be placed on the next agenda as it is not part of this agenda.

Jeff asked if there were any questions on the minutes and if not asked for a motion.

Ed Garcia made a motion to approve the Minutes for April 13, 2021. Mingo Marquez seconded the motion. Motion **Passed** Unanimously. Jeff asked about the Financials and Ed Garcia clarified that it was an all-Consent motion, there were no objections.

V. Discussion and Action

- a. Discuss and take possible action for FEDC Offices, i.e., Vice President.
Jeff Pena opened for discussion for vacancy of the Vice President position. Nicole Mireles made a motion - nomination for Ed Garcia. Ruben Renabato second the motion. Jeff asked for any additional nominations, none given. Motion **Passed** Unanimously.
- b. Discuss and take possible action for authorizing signing authority to
 - i. Cathy Ezell – City Finance Director replacing Stephanie Russell
 - ii. Vice President

Jeff opened for discussion regarding the authorization of signing authority and ask Mr. Holman to present. Mr. Holman presented that the City Finance Director be signing authority in order to make the process smooth and for the City to do our

financials and audits which affects the city financing and bonding capacity. Mr. Holman describe that even though we are a separate organization in this respect we affect the city's financing. Mr. Holman said that Cathy Ezell should be a signatory of the check with one of the board officers and that Mr. Holman should be the last person to sign any checks to keep everything honest. Mr. Holman stated that the Vice President should be a signatory as well as he is an officer of the board.

Mingo Marquez made a motion to authorize the Vice President Ed Garcia and Finance Director Cathy Ezell to be signing authority for the FEDC. Margaret McMahan second the motion. Nicole Mireles asked when Ed Garcia's term expires. Ed responded next year. Motion **Passed** Unanimously.

- c. Discussion and take possible action regarding improvements to EDC owned properties.

Jeff discussed the properties in the downtown properties that we closed upon mid last month. A question was posed that item "d" should go first in order to complete item "c". Item "d" has been moved to start discussion before finishing "c".

Time is 7:19 PM going back to "c".

Jeff discussed the downtown buildings we owned need to be rehab as fast as possible. The company that owns the 214 though 216 two story building that rehabilitated the building is Home Craft a locally owned business. Jeff has invited Bill Leitch to talk about his building and challenges. Jeff gave out handouts for the FEDC buildings.

Bill Leitch talked about the total rehabilitation of the entire building, façade, roof, awning, electrical. Jeff asked him to discuss his business. Bill talked about he hires local and works at many of the local industrial plant sites and federal government sites. He is fully bonded in order to work on those commercial sites.

Ed Garcia asked about the Façade. Bill Leitch said on his buildings due to the age of construction including the steel was not galvanized and rotted out so the façade is falling off. Discussed were fixed awnings in the pictures that go out 10 feet short of the palm trees for a nice covered walkway. Bill is also showing all five buildings. Jeff asked if the awnings are fixed or retractable. Bill responded that they are fixed due to the high winds of the area. Jeff asked about the designs and Bill responded that he researched the historical information a best as possible. Each building is a little bit different to allow for pop out signage. The brick needs to stay in the brick family making it look like an older brick without being an old brick. Jeff asked about warranty. Bill said he is willing to do a 5-year warranty.

David McGinty asked if the design is completed and Bill Leitch said no. David would like the downtown building to be more historical look. What Bill shows is just an example. The design can still be manipulated around.

Discussed were the types of Brick as some have a bit of multi color for the new brick.

Jeff Pena wanted to bring this forward so we don't have to go through a bidding processes as he we have already have a contractor that can do the work.

Nicole Mireles said one of the buildings the roof needed to be replaced. Bill Leitch said the 208 W. Park roof and steel truss structure will need to be replaced as it had rotted. A roof with a pitch to the back would be installed as there is drainage in the back of the building that the roof can be tied.

Some discussion was to install a second story so the roof could be used. Bill said there is an illusion of a raised façade without the expense of raising the roof. By raising the façade across the face of all the buildings makes an illusion of higher roof. Discussion on raising the roof especially for 208 W. Park as the roof needs to be replaced. Bill said that raising the roof was a possibility, but these buildings are un-reinforced masonry buildings and described what this means. To raise the roof the engineer would need to determine how to make this stable, this would be expensive. Bill also explained the issue in creating different roof lines would create an issue with the wind as all the buildings work together in keeping themselves stable.

Again, drainage of the buildings was discussed as they use to drain in the front but now need to drain to the back and tie into the storm drain directly.

Jeff asked about funding and billing. Bill Leitch said he does progression payment.

Jeff Pena asked Mr. Holman regarding the PACE program and if we can use them. Mr. Holman confirmed that the FEDC can use PACE for energy efficiency. We would need to work with the PACE authority. Mr. Holman described how the loan payment with PACE would work that saves money. Mr. Holman described that the PACE loan goes with the building/property.

Jeff Pena asked how to move the project forward. Nicole would like to see an updated estimate. Discussion amounted to have a point of contact from either a board member or the executive director to allow the contractor hired to work.

Mingo Marquez made a Motion to move forward with Home Craft to provide a proposal for the façade of the three properties 208, 210, and 212 W. Park. Margaret McMahan second the Motion. Motion **Passed Unanimously**.

Jeff Pena asked Bill Leitch how soon he can get an updated proposal to Mr. Holman? Bill stated he has a basic cost now and will update it.

Mingo Marquez would like to get 212 W. Park street plumbing and HVAC updated and repaired. Jeff Pena told Mr. Holman that he has the authority to get the AC and Plumber to repair 212 W. Park Street. Nicole Mireles asked that Mr. Holman try to get local builders first.

- d. Discussion and take possible action regarding Realty Policy on EDC owned properties.

Jeff Pena tabled "c" to take on "d". We were missing the Policy document at this point and discussion by Jeff was mentioned on calling a special meeting. Chris Duncan stated that he can describe the Policy.

Chris Duncan described that EDC are to create Projects that improve quality of life or do upgrades such as parks improvements as many small cities do not have the sales tax to do large projects due to a policy change at the State. EDCs in Projects can give them loans, grant, create bond, buy property, create infrastructure and other things. EDCs are allowed to own property but this is not necessarily a Project. A Project would have an Economic Development Agreement attached to it. The EDC owns the 8.8 acres and 212 East Park Street that the City transferred to the EDC for the EDC to manage and take care of the property. If we own real estate what is our policy, the reason for owning them? The EDC should not be in the job of being a landlord but we are allowed by statue the EDC is allowed to own, manage and help develop and convey real estate. Regarding the Policy depends upon where the real estate is located and the type. The Real Estate downtown from 208 through 212 West Park Street is an example. People will say why do I want to go downtown there are no businesses. Businesses say why do I want to open a business in downtown there are no people. Which comes first as both are awaiting the other to happen first. The older building in the downtown has a significant development cost, their up-front costs to make the building habitable increases the risk rather than someplace that is newer. Chris proposes the Policy of the EDC, for the buildings in the Downtown, has for one of the goals to bring businesses into the downtown by investing some of the FEDC funds into upgrading and fixing the building so they are in a condition that is ready to occupy. Find the most qualified, successful, financially prepared business that is a right fit for the downtown, ones that have proven track

record. Create incentives to lease the property to the new business and prove their track record that they can operate and be successful with the goal as some point that the FEDC can sell the building to that businesses as we do not want to be landlords forever as our role is to create economic development. The board has the responsibility to give equal opportunity to everybody, take applications, review and put the best businesses in the downtown that will not fail.

Chris Duncan said the 8.8 Acre property policy is different and larger on the river so the policy should be more mixed use, retail, hotel, or some residential.

Jeff Pena asked board members for thoughts on the policy.

Ruben Renabato said he needs to do some more thinking once the policy comes out to make sure nothing is missing.

Jeff Pena said if he understands Ruben that he does not want to take action tonight depending upon the other board members.

Ruben Renabato said we can work on the policy and discuss it after reviewing that it is good for all parties.

Jeff Pena asked Margaret McMahan if she has questions. Margaret said it is an excellent Policy as proposed and concurs with Ruben that she needs to see it in writing to review it.

Chris Duncan stated he found the written policy and forward it to Mr. Holman.

“Interjection”: Mr. Holman put the Policy on a thumb drive and handed it to Tim Kely to get printed during the meeting so it can be reviewed during the meeting.

Mingo Marquez said that the perception with the citizens are that we don't do anything and create plan. We have buildings downtown and it does not take much to get them ready and leased out. We have a new business downtown and does not want to see the spark go out and would not like it go under because of no traffic. We have three buildings we now own in the downtown. One with 212 W Park Street that just need some new plumbing and HVAC and get leased out. Need to jump on this to get advertisement to get people in there. The next two building we need to do whatever to get them ready for being leased out.

Jeff discussed that we will be creating press releases and campaigns to show what the FEDC can announce. For those bigger projects those will have to be wait and see.

Nicole Mireles said that 212 W. Park should be move in ready and that code enforcement will not create roadblocks.

Jeff Pena said in regards to 212 W. Park has known plumbing and HVAC issues. Nicole Mireles said that the issues with this building is minor compared to the others. Jeff Pena asked Chris Duncan if Mr. Holman can get the repairs fast tracked without going to bid. The answer given is we do not need to go out to bid and only if the fund is categorized in the budget or do a budget amendment. Jeff Pena stated that the budget was created in a way to be flexible so that they are available.

Tim Kelty returned and handed out the Policy printouts.

Ed Garcia said we should have a Policy but his concern is that we don't give preference to tenants and be equal in the standard and we are not in compliance we need to get into compliance.

David McGinty agreed with Mingo Marquez that we need to do it right but do it quickly.

Chris Duncan said it would be good to have an overall real estate Policy for all properties but because the downtown property at 212 W. Park that we would like to get leased as soon as possible the board can review and approve the policy for the downtown buildings. As far as legal standpoint there has to be objective measurements. The decision must be fair and sound to all without favoritism. Chris asked the board to review the first paragraph in regards to downtown buildings before they make a decision before, we advertise properties.

Jeff Pena asked Chris Duncan to summarize the written Policy. The Policy is that we would invest money to renovate the downtown buildings, once habitable take applications with objective measures, and offer reduced or free rent depending on strength of business until they can be established over a one- or two-year business so then we could sell the building to that business with the goal to get out of the real estate business.

Chris Duncan discussed business incubator type of development with the goal that a small-scale business can grow out of the incubator. Chris discussed the PopBox as a mobile incubator. Nicole Mireles asked if the Popbox has been approved yet to operate. Jeff Pena said that he would like to stay on the discussion of the policy before discussing the Popbox. Chris stated that he has gotten information from Tim Kelty, not from Mr. Shoemaker, that the Popbox is good to go which Tim Kelty stated it is good to go. Mr. Holman stated that the existing buildings can be used as

a business incubator location and that when he started in Economic Development his office was in the business incubator location owned by the city of 40,000 square feet from a closed grocery store that the city convert over to being an incubator. We grew many businesses that became very successful. This is the tried-and-true method of developing an incubator and we have many vacant buildings in the downtown.

Tim Kelty discussed the PopBox they are good to go as far as building inspection. But one more piece of paper may be needed regarding the uses. Jeff asked if it is the same category for use would a blanket occupancy be granted. Tim and Chris both answer after discussion was yes as long as it did not change as long as the Popbox is in the same zoning specification.

Chris Duncan discussed the Policy for the 8.8 acres that the goal is a mixed used development that included residential. Ed Garcia asked if a Hotel is part of the feasibility which Mingo Marquez asked as well. Mingo wanted to added that a Hotel be included in the language.

Chris Duncan said the last category of the Policy is residential development. The goal is to try to encourage residential development that will encourage retail that will be different from Lake Jackson. There has been discussion to have the FEDC to build infrastructure to help support builders to build new homes. This Policy can be used anywhere for residential use.

Jeff Pena wants to discourage buy and hold. Jeff thanked the Cundieff on their efforts on investing and re-investing in Freeport.

Melanie Oldham asked what buildings that the FEDC own which was answered 208, 210 and 212 W. Park of which 208 and 210 were purchased last month. Melanie discussed about getting the Main Street project back. She said the mixed-use idea of the 8.8 acres is a good idea. Melanie understood that FEDC was not able to install infrastructure for housing. Chris Duncan said the FEDC can by statue we are able to do so for public uses.

Mingo Marquez made a Motion to adopt the Property Development Policy. Margaret McMahan second the Motion. Mingo asked that Hotels be added to the goals for the 8.8 acres. Jeff stated this Policy is a living document that can be changed. Ruben said the policy development is how we should move and his statement is not to imply that we are going to be all talk and no action. That we are going to be an active board to do the things that need to be done for the city to move forward. Motion **Passed Unanimously**.

- e. Discussion and take possible action regarding the promotion of the Business Improvement Grant and PACE program.

Mr. Holman discussed that the board has already authorized one Business Improvement Grant with Brazosport Medical Clinic. Many of the board members have been promoting it to businesses. We have had three businesses approach Mr. Holman regarding the grant. Regarding PACE Mr. Holman created a one-page flyer to go into the newspaper. Mr. Holman is creating a two-page flyer at Jeff Pena's request that the PACE authority is working on in his email that he has yet to review. These can go into the web site, Facebook and other social media for businesses, retail or 5 plex and above housing complex.

Nicole Mireles asked that the flyers are made in Spanish as well. Mr. Holman responded that he is working with Gina from the Hispanic Chamber of Commerce and PACE authority to create the flyers in Spanish and have them work with Hispanic businesses on these programs.

Jeff Pena discussed that this is what the FEDC is supposed to be doing to promote businesses and programs from the FEDC. Jeff has personally met with businesses such as Sweet T, Maria's, and others not just using social media. Mr. Holman stated that is why these programs need to be in the utility billing so that hopefully the businesses will see the programs.

Ruben Renabato asked if we have a list of businesses. Mr. Holman responded yes and that the Finance Department has this list as well. Ruben called on 10 businesses that did not know of the programs other than one and would like us to target our local businesses.

Nicole Mireles would like better outreach for getting the information out.

- f. Presentation by Brazoria County Hispanic Chamber of Commerce regarding business retention and expansion programs.

Jeff introduced Gina Aguirre Adams the Brazoria County Hispanic Chamber of Commerce Executive Director and that the FEDC is working with the Chamber to promote Freeport and help businesses.

Gina Adams thanked the FEDC board for the attendance and financial participation for the event that was at the Exhibit at Museum highlighting the downtown area. They are a SBA partner via a signed MOU. They have saved businesses and assisted businesses during the COVID pandemic by having meetings with the SBA and knowing what is coming down the pipeline from the SBA.

Jeff asked how many members are associated with the chamber and how many are from Freeport. There are over 350 members county wide with about 7 members within Freeport.

Jeff would like to engage the Brazoria County Hispanic Chamber of Commerce to help Freeport and that is one of the reasons he wanted to reach out to Gina.

Gina said that it is hard to reach out to Hispanic speaking businesses that do not know of the incentives and help as they do not join chambers or seek out help. Her volunteer and staff are working to reach out to local businesses such as Port Café, Sweet T, and other. The current SBA program is helping Women Owned and Hispanic Owned. Many of the Hispanic businesses did not get the PPP funding so the Chamber is helping with a second chance resource. If the business does not have a computer to apply, they can come to her office and the Chamber will help fill out the application.

The Brazoria County Hispanic Chamber of Commerce also helps minority owned businesses go after federal and state contracts by getting Minority Certified.

Gina Adam's primary task is to reach out to smaller businesses so they can work with larger businesses.

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 May 11, 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), 551.071 (Consultation with Attorney)

In Accordance with the Texas Government Code:

- A. Section 551.087 (Economic and Community Development Matters)
 - 1. Project Sky High
 - a. Industrial Revenue Bond
 - 2. Project Enterprise
- B. Section 551.071 (Consultation with Attorney)
 - 1. Realty World

Reconvene into Open Session

Board President's statement:

It is now 9:45 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

No Actions

VII. Director's Notes

Read them.

VIII. Adjourn

Motion to close board meeting made by Mingo Marques and seconded by Ed Garcia. Motion **Passed** Unanimously. 5 – 0. Nicole Mireles and Margaret McMahan left at some point during executive session

It is now 9:47PM and I hereby close the board meeting.

A handwritten signature in cursive script, appearing to read "Nicole Mireles", is written over a horizontal line.

Nicole Mireles - Secretary