



## PASADENA ECONOMIC DEVELOPMENT CORPORATION

### Pre-Board Meeting

Conducted via Zoom Meeting

October 22, 2020, 3:00 p.m.

### Minutes

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**Members present:**

Steve Cote, President  
Rick Lord, Vice President  
Emilio Carmona, Secretary  
Marilyn Wilkins, Treasurer  
Ernesto Paredes  
Salvador Serrano, Jr.

**Members Absent:**

Steve Phelps

**Others Present:**

Jeff Moore, Brown & Hofmeister, LLP  
Carlos Guzman, Pasadena EDC Executive Director  
Rick Guerrero, Pasadena EDC Manager  
Suzette McDowell, Pasadena EDC Marketing Manager  
Sheena Salvino, Pasadena EDC Redevelopment Manager  
Karina Tomlinson, Assistant Secretary to PEDC Board

**Call to Order:**

The Pre-Board meeting for the October 22, 2020 Pasadena Economic Development Corporation was called to order at 3:03 p.m. by President, Steve Cote.

**Agenda Item Four: Board Actions – Resolutions**

(b) – Carlos added that this was something required to mark where the poles are going to be so they can start moving the gas lines. Because it's going to be billed through CIP it has to be approved by the Board.

(c) – Carlos provided some quick information stating this is to begin the analysis for the trail and will take approximately 6 months. Emilio asked how the Houston Parks Board got involved so Lisa Graiff came on to quickly provide some background of the Parks Board and some information on how they will be involved in the project. Steve Cote suggested a drone fly over the trail before, during and after construction to show the improvements.

**Agenda Item Five: Fiscal Analysis Presentation by Kevin Shepherd of Verdunity**

Carlos went through a brief overview of past actions leading to Kevin providing this presentation. He reminded the Board that late last year the EDC began assisting the Planning Department with a City Strategic Plan and one of the major components that we wanted was a Fiscal Impact Analysis because that would dictate a lot of the program of work and why we were focusing on certain projects. We have limited funds and want to make sure we maximize those resources. Kevin will be sharing some Pasadena data with the Board and other City departments in viewing attendance to take this information into consideration as we move forward with budgets. Kevin began his presentation with a brief overview regarding fiscal sustainability. He stated that in the US, but especially in Texas there is a

mindset that growth is good. That when we add new residential or commercial development that's growing the tax base we can keep tax rates down. But what about maintenance after growth? He saw around the last recession that the cities he talked to were struggling to find the money to maintain their infrastructure, mainly their streets. He began to think what is Texas doing to avoid having this problem? The answer back then was that there wasn't anything different being done. When developers come in and put up subdivisions or commercial developments it's up to the City to maintain the streets, water, sewage, drainage and the parks in perpetuity. What we see is that Cities are not saving enough to pay for basic street maintenance. All across the state we have situations where the citizens are tapped out, we don't really want to pay more or for our tax rates to go up, but at the same time within City Halls every dollar is being stretched out as far as it can go. What it basically comes down to is 3 options: (1) keep the development pattern the way it is, but raise taxes and add fees; (2) keep the tax rate the same, but cut services and defer maintenance – which is what most cities are doing right now; (3) adjust development pattern and infrastructure to increase revenues and reduce costs. They have used this concept of land use fiscal analysis to be a common language to talk about these common problems and ultimately work towards common solutions. The key metric that they work with is called revenue per acre. What they do is take a specific property or parcel and will find the actual property tax revenue that the parcel generates (revenue that the city is getting), and divide it by the size of the parcel so you end up with a property tax revenue per acre number. What revenue per acre allows them to do is give them a more apples to apples comparison of how the land is being used and how different development patterns compare to each other on an acre of land. He provided an example in Victoria, TX comparing a mixed-use development on Main Street with a suburban strip center that is double the size, but brings much less return to the City in terms of property tax revenue. Steve Cote provided some comments regarding the amount of lanes in the visual of the mixed-use development on Main Street in Victoria. He said there are 2 lanes with some street parking and added that it is similar to what we have seen for ideas for Pasadena Blvd. and sidewalks. Kevin stated there is a direct relationship between the way you design your roads and use your public right of way and the development you get next to it. Kevin stated that one part of this equation is revenue, what are we bringing into our city in terms of property tax. He only focused on property tax, but because the EDC deals in Sales Tax he stated sales tax follows the same trend. When you put more people into an area you will get better property tax revenue as well as higher commercial demand and sales tax revenue. With revenue comes the costs associated with street replacements. He showed a slide providing information of what the cost would be if Pasadena had to replace all of the streets in Pasadena right now would take \$30M/year over the next 40 years just to replace what is here currently. We are currently spending \$3-10M/year so there is a deficit of \$20-27M/year that is not funded right now. Steve Cote added that North Pasadena is so close to Houston that he feels it will be an ideal location for re-development. Kevin continued with a profit and loss map showing net revenue per acre budgeted expenses and unfunded expenses for the 2019-2020 tax year. He also briefly went through a chart summary by existing place types in the community. It looks at the type of development and which are green or red and look at how different sizes of lots are doing. The way that you close the gap is by building more of the patterns that are revenue positive. He provided a few more examples comparing development patterns within the North Pasadena area. Some areas that they found that Pasadena needs to address are: (1) A significant amount of older neighborhoods and infrastructure in need of investment; (2) a lack of diversity of options and price points for residential and commercial; (3) estimated street funding deficit. Kevin stated it's not realistic to expect the gap to be closed with tax increases and fees, so it's critical to get more fiscal productivity out of redevelopment to close the gap.; (4) absence of high revenue producing development areas such as a historic downtown and mixed-use centers. Opportunities are: (1) incentivize high ROI development to close the gap and diversify housing and commercial options and price points; (2) leverage FEMA funds to address aging infrastructure; (3) convert Pasadena Blvd. corridor to support pedestrian-focused mixed use; (4) redevelop the mall site as a mixed-use community use. He then continued with more details of redevelopment at Park & Spooner that went from -\$4281/acre in revenue to \$29k/acre. He talked a little about the Pasadena Blvd. corridor emphasizing that it's a great opportunity for Pasadena to create

a brand and an identity. He stated the street design has to be right. If it is built as a 4-5 lane corridor that is designed to move traffic we will continue to get parking lots and it will not be safe for people. If it's not a safe space for people we won't get the activity and investment we are wanting to get from there. Kevin continued with a slide regarding Pasadena not have zoning control like other communities, what we do have control over is the public right of way. He presented a slide introducing rebuilding incrementally and provided some examples of what it looks like. One example was an old tire shop turned into a restaurant & bar that went from nothing on the tax base to create a place where a lot of people in the neighborhood wanted to be. Another example was a mixed use with 2 retail spaces and 2 small apartments in 2700 sf of space. He added that Pasadena is really missing a community hub where people can go to have events and thinks the redevelopment of the mall property is a huge opportunity. He thinks Pasadena has an opportunity to re-think Pasadena Blvd. and have an anchor with the mall property as a community center. As an EDC and as a community there is a large fiscal gap to close, but unlike other places there are a lot of things to work with. The area in the North with the FEMA money; Pasadena Blvd. which is critical and the mall area which is a bigger opportunity that will take a lot of partnerships to make happen, but in a community that has limited greenfield areas he thinks this is a site to consider looking at. Steve added that seeing the numbers comparing the types of land-use and sustainability make him think about our responsibility to make sure other people are aware of this way of doing things and to not get stuck on the same old routine and rebuild. Marilyn added that she sees there are 2 issues. The first being to create a Pasadena Blvd. with a new personality and second, to create a more thoroughfare road on the East side so that people focused on getting North to South have a way to do that efficiently if they are not going to get on the Beltway. Steve that when he looks at Pasadena he looks at Preston and 225 pretty much all the way down to the Beltway. He's spoken to Public Works about the dynamics of Main and Shaver with the one direction traffic and splitting that up to have two way traffic. He mentioned there are other roads that will move traffic and are already built out, but feels we can figure those things out. He feels if there is a spot and a time to make a change it is now and whatever we decide to build it's going to be there for the next 30 years. Kevin agreed and added that they need to pick a place and make it about people and place making; people spending money. He emphasized that you don't get that when you make moving the cars through a priority. He recommends using the money granted through FEMA to work in the community to reverse and close the gap that is currently there instead of continuing the problem by doing the same thing. Emilio added that he's one of the guys against density. He sees Pasadena Blvd. as a road that will bring people off of 225 to the mall area. He feels the EDC shouldn't spend too much money on the street and focus on redevelopment around the mall area. Making it 3 lanes or less wouldn't get too many people down to the mall. Steve added that Pasadena Blvd. has been 4 lanes since the mall was first redeveloped and it still hasn't attracted people to it. He feels that they should look at the mall area as a community hub and focus on getting more commerce with the people that already live there. If there is a structure that the people in the community frequent it will be the initial driver. Kevin added that traffic studies show there is not a significant difference between the amount of traffic you can move with a 3 lane road and a 4 lane road. There is still a way to design it that you can still move a significant amount of cars through the corridor, but at a slower speed. Salvador added that we are missing a huge opportunity with the younger generation. Millennials want convenience and he feels that the convenience of having everything in one hub would make it easier to go grab a coffee or a bite to eat while staying close to home. He also feels we need a different type of housing in Pasadena for people who don't need a lot of space. A different type of housing is really going to help Pasadena because the younger generation wants to go live in the Heights, the Montrose area or the Energy corridor because of the different types of developments, shops, and convenience in general. He doesn't want them to skip out on Pasadena after they graduate from high school. We want to bring that talent back to Pasadena. There were no more comments by the Board which brought Kevin's presentation to an end.

Pre-Board meeting Adjourned at 4:00 pm.

PASADENA ECONOMIC DEVELOPMENT CORPORATION  
Board Meeting  
Conducted via Zoom Meeting  
October 22, 2020, 4:00 p.m.  
Minutes

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**Agenda Item One: Call to order, roll call**

The Board meeting on October 22, 2020 for Pasadena Economic Development Corporation was called to order at 4:00 pm by President, Steve Cote.

**Agenda Item Two: Public Comments**

No public comments made by attendees.

**Agenda Item Three: Approval of Minutes**

Board President, Steve Cote called for a motion to approve the minutes from the meeting held on September 24, 2020. Rick Lord moved to approve the minutes seconded by Marilyn Wilkins, MOTION CARRIED UNANIMOUS.

**Agenda Item Four: Board Actions - Resolutions**

- a. **PEDC RESOLUTION 20-027** – Consideration to approve the Financial Report of Investment Activities for the Fiscal Quarter ended September 30, 2020.

Salvador Serrano made a motion to approve, seconded by Rick Lord that PEDC Resolution 20-027 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- b. **PEDC RESOLUTION 20-028** – Consideration to authorize Staff to negotiate and execute an agreement with David C. Newell, RPLS, LS, CFM LLC for right of way markings on Pasadena Blvd. in the amount of \$3,705.00 (CIP# S077).

Emilio Carmona made a motion to approve, seconded by Rick Lord that PEDC Resolution 20-028 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- c. **PEDC RESOLUTION 20-029** – Consideration to authorize Staff to negotiate and execute a contract with the Houston Parks Board in the amount of \$48,400.00.

Rick Lord made a motion to approve, seconded by Emilio Carmona that PEDC Resolution 20-029 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

**Agenda Item Five: Presentation – Fiscal Analysis by Kevin Shepherd, Founder & CEO of Verdunity**

- This presentation was done during Pre-Board. Please see Pre-Board portion of minutes.

**Agenda Item Six: Report by Carlos Guzman, Executive Director**

Carlos began by showing the Gold level award received by IEDC for the category of magazine and newsletter. Suzette then jumped in to provide a few details about the criteria for the award. She then informed the board about some exposure received in the news as Pasadena was named one of the top 5 under the radar suburbs. She then provided the Board with an update on the Pasadena Loves Local campaign that just ended. There was 110 applications received for which there was 100 qualifying businesses. Because of this there was not a lottery needed for Phase 1. She invited the Board to the

distribution even on November 10<sup>th</sup>. Steve asked if we could double the amount awarded to \$2k? Suzette added that Phase 2 already opened up so it would make it difficult to do that. She then moved on to what's next in the campaign. The goal is to begin shifting the mindset of individuals and businesses to shop local for everything. It's a great opportunity to capitalize on the momentum to highlight Pasadena's treasures. The plan is to meet with the Chamber to continue working on the components of the campaign. Marilyn asked if we have the opportunity to use the Pasadena Channel to at least scroll through the list of recipients or to publicize the businesses? Suzette added that the Pasadena Channel would definitely be used as well as some additional photo opportunities and testimonials. The recipients are being encouraged to wear branded gear for the event to help promote their businesses. Carlos then continued with some project updates. He started with Shaw Ave stating that there is some progress being seen there. He also provided some updates on the project Sheena presented on last month regarding Mural Art. She's reached out to some businesses and there are 6 that are donating wall space for murals. The next slide was for upcoming items for Approval/Discussion. Economic Alliance contract renewal, Convention Center improvements, 5 year CIP , year end EDC review and a staff review.

#### **Agenda Item Seven: Comments by Board Members**

Ernesto Paredes – Thanked everyone for a great job!

Emilio Carmona – He's glad that Staff won the IEDC award and is glad the trails project is coming along. He thinks it's going to be really nice for Pasadena.

Salvador Serrano Jr. – He stated that Staff is doing an awesome job in the EDC and that Suzette has worked really hard on the Pasadena Loves Local campaign. He then invited everyone to the Taste of the Town event to support local restaurants as well as the Chamber. He also asked for support of The Bridge through their poinsettia sales.

Rick Lord – Congratulated everyone for the award and stated he liked Steve's idea regarding the grants and if there are funds left if recipients can get a little extra. He likes how Staff is being good stewards of the money and applauded the effort.

Marilyn Wilkins – Thinks we should get crowns, tiaras, gold medals or EDC flags because if you've got it, flaunt it! She thinks it's wonderful and a great job!

Steve Cote – Congratulated Suzette and Staff for their great efforts that are really showing.

#### **Agenda Item Eight: Executive Session**

**\*\*NOTE\*\* 4:20 PM** – At this time, President Steve Cote announced that the Board will be going into a separate Zoom meeting for an Executive Session and will return to the meeting upon conclusion to adjourn.

- a. Convene in executive session pursuant to Section 551.087, Texas Government Code to deliberate regarding economic development negotiations for Business Attraction/Retention Projects.
- b. Convene in executive session pursuant to Section 551.072 and 551.087, Texas Government Code to deliberate the purchase, exchange, lease or value of real property and to deliberate regarding economic development incentives – Project #2002.
- c. Convene in executive session pursuant to Section 551.087, Texas Government Code to deliberate regarding economic development negotiations for Business Attraction/Retention Projects – Project #2003.

#### **Agenda Item Nine: Reconvene into Regular Session**

**\*\*NOTE\*\* 4:50 PM** – At this time, President Steve Cote reconvened the Regular Board Meeting.

The Board will reconvene into Regular Session, pursuant to the provisions of Chapter 551 of the Texas Government Code, to take any action necessary regarding:

- a. Deliberation regarding economic development negotiations for Business Attraction/Retention Projects.
  - No deliberation
- b. Deliberation regarding real property – Project #2002.

**PEDC RESOLUTION 20-030** – Ernesto Paredes made a motion to authorize the PEDC Executive Director to execute a Memorandum of Understanding (“MOU”), on the terms as discussed in Executive Session. Marilyn Wilkins seconded the motion, that PEDC Resolution 20-030 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.
- c. Deliberation regarding economic development negotiations for Business Attraction/Retention Projects – Project #2003.
  - No deliberation

**Agenda Item Ten: Adjournment**

President, Steve Cote called for a motion to adjourn the October 22, 2020 meeting at 4:51 pm. Rick Lord moved, seconded by Marilyn Wilkins. MOTION CARRIED UNANIMOUS.