



## PASADENA ECONOMIC DEVELOPMENT CORPORATION

### Pre-Board Meeting

December 6, 2023, 2:00 p.m.

### Minutes

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**Members present:**

Rick Lord, President  
Marilyn Wilkins, Vice President  
Ernesto Paredes, Secretary  
Efren Arjona  
Angela West  
Elaine Domec

**Members Absent:**

**Others Present:**

Jeff Moore, Brown & Hofmeister, LLP (via Zoom)  
Rick Guerrero, Executive Director  
Julianne Echavarría, PEDC Marketing Manager  
Karina Tomlinson, PEDC Manager  
Yolanda Vegas de Eaves, Sr. Office Assistant

**Call to order:**

The Pre-Board meeting for the December 06, 2023, Pasadena Economic Development Corporation was called to order at 2:05 p.m. by Board President, Rick Lord.

He read through the items on the agenda stopping at the below for a presentation with slides from Karina Tomlinson regarding some of the items on the agenda.

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

a. Amendment to the Annual Budget FY 2024 - K. Tomlinson started her presentation, explaining that the amendment is to allocate the \$50M funds from the Sales Tax Revenue Bonds, into the appropriate account and has been assigned CIP# M029, specific to the Pasadena Convention Center Expansion & Renovation Project. She went onto explain that during the FY 2024 budget cycle the payments for the Debt Principal and Debt Interest weren't included, and since the EDC has now obtained the payment schedule the funds will be allocated into the Operating Fund under the correct accounts to repay both debts.

b. Contract with Way-Tech – She continued with the Convention Center Grounds, explaining how for Phase III on November 2022 a contract was approved with Construction Masters, but the contract ended and closed out before the electrical work could be scheduled; public works has sent a request to have Way-Tech to send a proposal to the EDC to complete site improvements that include grading, paving, testing, and relocating of equipment, and after Way-Tech prepares the site CenterPoint will be able to bring in the electrical service.

c. Agreement with CenterPoint – Karina continued with the slides, this time referring to the work by CenterPoint and briefly explained that it consists in installing 10 to 11 transformer poles with service

outlets, after Way-Tech completes the site improvements. R. Guerrero explained that most of this work is located at the back side of the Convention Center property, where parking spaces, electrical, water and sewer connections are being added.

f. 2024 Board Meeting Schedule – She concluded her presentation with the Board Meeting Schedule for 2024, that includes ten regular meetings, with a tentative meeting in July and no regular meeting in December.

At this time R. Lord Board President continued reading through the items on the agenda and gave the word to Chad Burke, President and CEO of the Economic Alliance Houston Port Region.

d. Economic Alliance Agreement - Chad Burke, started his presentation introducing a report to the Board with a summary specific to Pasadena. Also present, were Chad Carson, Vice President of Economic Development, Karen Gregory, Contract Manager, and longtime Executive Board Member. She is a former employee of CenterPoint and now a staff member for the Economic Alliance. C. Burke started his presentation with a slide describing their mission as the market and growth of the regional economy, collaborating with companies that want to locate here to add capital investment to create jobs. To be competitive they work with policy at state and federal level representing the region; described the workforce development as a need to have people with skills to attract businesses; quality of life as working with cities putting the money that was raised, back into specific projects; and with insights through leadership, they gather all the information from their members and introduce it back with events throughout the year. He described the footprint as twelve cities to the North and Southside of the Ship Channel from Pearland to Mont Belview, in the Southeast side of Harris County Organization, and Pasadena in the heart of it holds the largest industrial district. Next, he gave a brief description of their fourteen-year historical report and the projects they got to work with. He showed the Board five projects with a total of about \$1B in new capital investment, with five companies that are new to Texas in 2023 and four of the five are in Pasadena: KAO, Albemarle, Ethox and Covestro. He gave a brief description of Covestro and their capital investment of \$10M, and how Economic Alliance along with R. Guerrero helped them with the permit process, and now they house all their maintenance parts in Pasadena. He then moved to the next slide that shows a list of projects over a fourteen-year period that Economic Alliance worked on in Pasadena, raising over \$5M dollars in capital investment, which translates to over \$31M per year in tax revenue for the city, adding how proud they are bringing this capital into the region. He briefly described the Project Pipeline with six projects specific to Pasadena, and commended R. Guerrero for being a good partner for the Economic Alliance working closely with Chad Carson. He also spoke about public policy and their representation of the region in Washington DC and Austin citing their priorities which are infrastructure, workforce development, and policies to describe some of them. He moved on to describe a project with TxDOT that has been concluded this past month, the SH 225 – 610 PEL Study, they got the results in November with four key items. First and foremost, all eight direct connectors at Beltway 8 and HW225 had been funded, designed, and will begin being built in the summer of 2024. In two years, they are going to resurface HW225 with asphalt to smooth it out, and the biggest project will be the redesign and expansion of HW225. He showed a slide that shows four lanes elevated with double stacks to add capacity for HW225 to alleviate some of the congestion. Concluded with the Ship Channel Bridge redevelopment of \$2B that is going to start in the fall of 2024, adding that they have been working on these projects for seven years along with the Transportation Task Force. He continued his presentation describing workforce development and how this year Patty Bell, Workforce Development Manager, had coordinated events for students doing a magnificent job opening the minds of our youth. He described their quality-of-life grants program of \$5,000 each, offering Pasadena to participate since they are matching grants, and while they might not cover a whole project this is their way to incentivize cities and communities. He described how over the past years they hosted their Gulf Coast Industry Forum at the Pasadena Convention Center, with over ten thousand attendees that included state

representatives and some political figures. He praised the event and explained this is the only spot where it can be hosted and cannot wait to see what the redeveloped Convention Center is going to look like. *M. Wilkins stated that in the scheme of things the EDC is sponsoring and funding and art project that's underneath HW225 in the Pasadena Highschool area and assumed and it may be taken down while they shake things up and will put it back.* C. Burke responded that right now they are working on funding, preliminary and final designs; and since this is an eight-mile bridge it will take a better part of the next decade to be finished. He also reminded the Board that if their project needs additional funding it will be a great Quality of Life project.

At this time R. Lord Board President continued reading though the remaining items on the agenda and Karina Tomlinson asked if the presentation for Business Enhancement Program could be introduced at this time, R. Lord responded that this Item will be introduced during the Board Meeting.

Pre-board meeting adjourned at 2:30pm.

# PASADENA ECONOMIC DEVELOPMENT CORPORATION

## Board Meeting

December 6, 2023, 2:30 p.m.

### Minutes

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#### **Agenda Item One: Call to order**

The Board meeting on December 6, 2023 for Pasadena Economic Development Corporation was called to order at 2:30 pm by Board President, Rick Lord.

#### **Agenda Item Two: Invocation**

Invocation given by: Ernesto Paredes, Board Secretary.

#### **Agenda Item Three: Pledges**

Pledges led by: Marilyn Wilkins, Vice President.

#### **Agenda Item Four: Public Comments**

No comments made by attendees.

#### **Agenda Item Five: Financial Report by Julie St. Jean from the Controller's Office**

Julie St. Jean, the City's Controller stood up to speak to the Board. She began her presentation with a slide describing the report as a thought process and that if the Board wants to add or change anything, to let her know. She described how in the past years the Controller's office created reports similar to this one and followed that idea taking into consideration the Board's questions and what they want to see. This report is as of November 30<sup>th</sup>, 2023 and started describing all of EDC's funds and their designation; 9949 operating fund for all regular operating items, fund 9950 for Sales Tax Revenue, all capital projects paid with sales tax dollars, and funds that 9949 funds. Next fund 9960 shows a revenue bond with an amount of \$32,000 still available to spend on something that has not been committed. Fund 9965 which had an issue back in 2011 has \$202,000 available; in 2017 a revenue note had \$63,500 however \$2,500 has already been committed to a project that is being worked on. J. St. Jean went onto describe 9967 as a new fund with the 2023 Notes for the Convention Center with \$50M that has already earned an interest of \$59,000. She guided the Board to the column with the operating budget and showed them the \$6,916,000M yet to be spent, and the \$110M committed to projects; the \$50M has been included because it's restricted to the Convention Center and no matter what way it gets spent, it will be only for the Convention Center, and the remaining \$10.7M will be able to be committed to other projects. *M. Wilkins asked if the Bonds from 2004, 2011, and 2017 are specific like the ones for the Convention Center, and if the EDC will be limited in any way if it decides to fund a project with money from any of those accounts.* J. St. Jean responded that the 2011 bond was specific to a project that was to be done, it was a river by the Convention Center. The project did not pass and since the funds were committed to that project, they couldn't be used, and they had to be paid off. For the 2017 funds, at that time, it was the opinion of the legal counsel that the EDC had to have debt, if we didn't, we could lose our exemption as Economic Development. Consequently, that was not the case, and just a million dollars was taken out of the fund, which has been paid off since then. *M. Wilkins asked if these funds that are being shown as available for appropriation can be allocated to whatever the Board chose to.* J. St. Jean responded "right," since they had been paid off there is no commitment. She continued with the budget increase on the operating fund to pay the debt, which has been included, although the amendment has not been approved yet she wanted to show the Board what the whole picture really was at this time.

J. St. Jean continued with the operating budget, showing the original amount of \$4,035,000 that was increased with an amendment to \$7,039,000 and described the debt principal expense due for 2024 fiscal

year of \$985,000, with two future interest payments totaling \$2,019,000. The Controller reported that only \$122,000 has been spent and showed the Board that there is no interest, no sales tax revenue recorded yet, because the city's policy that requires 60-day accrual and so the payments for October and November stay in the prior because that's when they were earned, we just won't get them for two years. Regardless, there will be 12 payments by the end of the year and concluded with the acknowledgment that this was of some concern for the Board, where the EDC stands regarding the Sales Tax Collections. She then moved on to the budget process. The EDC allocated additional funds to a net of \$9.6M to some other additional projects and showed a snapshot with their names: for the Vince Bayou Greenway Trail there were \$2M additional funds approved, The Gateway Sign is described as closed, Corridor Development had an additional \$1M added, and the Industrial District Infrastructure Improvements project has an additional \$7M. She added that this was to show how the EDC budget affected some of those projects. *M. Wilkins asked if the Gateway Sign is done*, J. St. Jean responded that it has been completed and there happen to be \$359,000 left in that project, which will go back to the fund balance and the EDC can appropriate that money for something else. She then moved to the next page that shows a list with all current projects that are in the 9950 fund and eventually the Convention Center will be added. She showed the Board that overall, there are over \$182M worth or projects, and that \$93M worth of projects have been completed taking off that risk, and showed all that has been budgeted for \$89.6M and \$29.6M have been spent with a balance left to spend \$59.9M. She showed the Board some project's status, and as a sample described the one on Fairmont Parkway, a small one, with a budget of \$450,000, and \$369,850 was spent which leaves a balance of \$80,000. She concluded her presentation with the last two pages that show the projects that have been completed and wanted the Board to see all that has been accomplished and done here in the city, which equals a total of \$93M committed and spent. *M. Wilkins asked if for example, with projects that are in progress and aren't done yet, and she referred to the Fairmont Parkway Drainage Improvements, the EDC appropriated the funds in 2020 and it's almost 2024 and there is a balance of \$80,000, she asked that if the Board has questions about any specific project if whether or not is closed to completion, if they could ask R. Green.* R. Guerrero responded that it would depend on whether Public Works oversees that particular project for the EDC, added that they can send him the questions and he will direct the answers for them. *R. Lord asked if this was like the internet project at the Golf Course*, and R. Guerrero confirmed that, adding that the Convention Center has been completed and next it will be the Golf Course.

#### **Agenda Item Six: Approval of Minutes from October 26, 2023**

Rick Lord, called for a motion to approve the minutes from the meeting held on October 26, 2023. Ernesto Paredes moved to approve the minutes, seconded by Elaine Domec. MOTION CARRIED UNANIMOUS.

#### **Agenda Item Seven: Public Hearing**

*Public Hearing Opened at 2:44 pm*

- i. Consideration to approve an Amendment to the Annual Budget for the Fiscal Year 2024 to include:
  - a. Funding \$50,000,000.00 for Pasadena Convention Center Expansion and Renovation Project (M029) from the Sales Tax Revenue Bonds, Series 2023. Funds may be used for all costs associated with the construction, expansion, and improvements to the City of Pasadena Convention Center as described by Sections 501.103 and 505.152, Local Government Code.

- b. Funding Operating Fund 9949-8811 – Debt Principal in the amount of \$985,000.00 and 9949- 8813 – Debt Interest in the amount of \$2,019,276.04 for FY 2024 principal and interest payments toward the Sales Tax Revenue Bonds, Series 2023.
- ii. Execute a contract with Way-Tech, Inc. for the Convention Center Grounds Electrical Improvements Project (CIP# M069) in the amount of \$485,000.00, with a 15% contingency in the amount of \$72, 750.00 for a total appropriation of \$557,750.00 from the Convention Center Facility Improvements (M025) project account.
- iii. Approve a Facilities Extension Agreement for Distribution Voltage Facilities with CenterPoint Energy Houston Electric, LLC for the Convention Center Grounds Electrical Improvements Project (CIP# M069) in the amount of \$349,980.00 from the Convention Center Facility Improvements (M025) project account.

*Public Hearing closed at 2:44 pm. No comments made by the attendees.*

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

- a. **PEDC RESOLUTION 23-034** - Consideration to approve an Amendment to the Annual Budget for the Fiscal Year 2024 to include:
  - i. Funding \$50,000,000.00 for Pasadena Convention Center Expansion and Renovation Project (M029) from the Sales Tax Revenue Bonds, Series 2023. Funds may be used for all costs associated with the construction, expansion, and improvements to the City of Pasadena Convention Center as described by Sections 501.103 and 505.152, Local Government Code.

Ernesto Paredes made a motion to approve item i.), seconded by Elaine Domec that PEDC Resolution 23-034, item i.) be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- ii. Funding Operating Fund 9949-8811 – Debt Principal in the amount of \$985,000.00 and 9949- 8813 – Debt Interest in the amount of \$2,019,276.04 for FY 2024 principal and interest payments toward the Sales Tax Revenue Bonds, Series 2023.

Elaine Domec made a motion to approve the item ii.), seconded by Ernesto Paredes that PEDC Resolution 23-034, item ii.) be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- b. **PEDC RESOLUTION 23-035** - Consideration to authorize Staff to negotiate and execute a contract with Way-Tech, Inc. for the Convention Center Grounds Electrical Improvements Project (CIP# M069) in the amount of \$485,000.00 with a 15% contingency in the amount of \$72, 750.00 for a total appropriation of \$557, 750.00 from the Convention Center Facility Improvements (M025) project account.

Angela West made a motion, seconded by Efren Arjona that PEDC Resolution 23-035 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- c. **PEDC RESOLUTION 23-036** - Consideration to authorize Staff to approve a Facilities Extension Agreement for Distribution Voltage Facilities with CenterPoint Energy Houston Electric, LLC. for the Convention Center Grounds Electrical Improvements Project (CIP# M069) in the amount of \$349,980.00 from the Convention Center Facility Improvements (M025) project account.

Efren Arjona made a motion, seconded by Ernesto Paredes that PEDC Resolution 23-036 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- d. **PEDC RESOLUTION 23-037** - Consideration to negotiate and execute an Economic Development Service Agreement with Economic Alliance Houston Port Region in the amount of \$45,000.00.

Ernesto Paredes made a motion, seconded by Angela West that PEDC Resolution 23-037 be passed, approved and adopted. MOTION CARRIED ANONIMOUS.

- e. **PEDC RESOLUTION 23-038** - Consideration to authorize Staff to take all appropriate action on a Business Enhancement Program application filed by James Richards at 1510 Richey St., Suite 110, for exterior improvements including paint, demolition and installation of new sidewalk and ramp, and lighting in the amount of \$19,675.00.

J. Echavarria introduced a slide to describe a new application regarding the property on 1510 Richey St. The building's owner, James Richards applied for a project with the following summary: exterior improvements including painting, demolition, installation of a new sidewalk, ramp and lighting; with a total cost of \$47, 500 and a grant amount of \$19,675. Since this item was introduced during the previous meeting, she gave the Board a reintroduction explaining that this is an application for the same work completed in 2021, for an application that was approved in 2020. The application was approved but the funds were not released by the EDC due to permitting and lease agreement issues therefore, leaving the applicant without the funding being reimbursed to him; currently the owner is submitting a new application for the same work. She briefly described the guidelines and the score and explained that another consideration was that this applicant received funding for the same building in 2021 and as of right now this is additional work that he is asking funding for. Technically the application is new, but the improvements are already made, and the owner wants to be reimbursed. The staff is bringing the application to the Board with all the facts needed from the application, including pictures that show the before and after from the work done back in 2021. K. Tomlinson added that the staff is presenting the application because it is a new business and new tenant, even if the Board already approved the application back in 2020. *E. Arjona responded that this is a new tenant for the same owner and basically, he is getting two grants; technically if the owner has ten businesses in the city, he can get a grant for every single one. Looking at the slide, it says "one grant should be awarded per business", so he questioned if it is per person or per business and since he is one business owner, he should be given one grant; he asked if it should be changed for the owner, to have as many grants as he wishes to have per building? He will not vote for it. M. Wilkins asked if he did not get the money. E. Arjona responded that he got the money once, from one grant.* J. Echavarria explained that after the owner got the money awarded, another application was turned in for additional work that had not started at that time. *M. Wilkins asked if the work was completed, J. Echavarria responded that it was completed in 2021. M. Wilkins added that she thought there is a stipulation that you could not have started the work, the unanimous response was "correct".* K. Tomlinson added that the reason they are taking it into consideration is because back in 2020 it was approved but for a different type of business, describing that the building has two sections, the Arts and Crafts store, and another section where the tenant is going to open a new business. Reiterated that the previous business never opened because of a range of issues therefore they could not submit the request, since part of the requisite is that they must be an operating business. Now a new tenant is going to open a new business for that part of the building and that will be the variance for the Staff to bring this item to the Board, even if one of the requirements is that work cannot be done until approved.

Efren Arjona made a motion to deny, seconded by Ernesto Paredes that PEDC Resolution 23-038 be denied. MOTION CARRIED UNANIMOUS.

**PEDC RESOLUTION 23-039** - Consideration to approve and adopt a proposed Board Meeting Schedule for Calendar Year 2024.

Marilyn Wilkins made a motion, seconded by Ernesto Paredes the PEDC Resolution 23-039 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

*At this time, M. Wilkins took the word and said that she had a question regarding J. St. Jean's report and asked if it was Ok for her to go back to this item even if it have been discussed, R. Lord responded that this is a question for legal counsel, M. Wilkins responded that she's not asking for action and can wait to the Board comments item.*

#### **Agenda Item Nine: Report by Rick Guerrero, Executive Director**

R. Guerrero started his presentation referring to the report by J. St. Jean as being great and that everybody is aware now of the work done by the EDC. He then moved to talk about some items.

Convention Center: With the budget amendment just being approved by the Board this will allow us to start repaying the bonds which are due on February 15<sup>th</sup> and August 15<sup>th</sup>. The EDC continues to have conversations with operators for the facility like Live Nation, Ambassador Theater Group, Sports Facilities Companies, and Degy Entertainment. He gave a brief description of the amenities that were discussed during these conversations, and explained that we are new getting ideas to make the facility attractive to entertainers; because if two venues are coming to the same location, they will choose the facility that offers the best amenities, and we want ours to be more attractive than others in the area. *M. Wilkins asked if he is going to organize stakeholder meetings with the Chamber of Commerce, the Philharmonic and whoever will use this facility and asked if they will have input.* R. Guerrero responded that what is being designed for entertainers will be for their use, and there will be amenities also for the public. *M. Wilkins asked where this input came from and who was telling him what they wanted.* R. Guerrero explained that it comes from the facility's operators and what is common to offer, that way we have the proper amenities to promote it to entertainers. *M. Wilkins responded that she understands but the citizens are paying for this, and she's asking if there is a structure so the citizens of the city can provide input of what is being built that has nothing to do with paid entertainment, she understands that the people who will manage it are worried about selling tickets and making money. We have organizations in the city that will use this facility and they should have a voice and want to know how that is going to be structured.* R. Guerrero responded that that has not been structured at this point. *M. Wilkins asked if it will,* and R. Guerrero responded "yes" to that, and that right now we are in the infant stage and that at the end of the day, it will be turned to the City of Pasadena and the City Council will make those decisions as well. He also described having a positive meeting with Houston First, along with its CEO Mike Heckman, Mayor Jeff Wagner, Rex Lindberg, Karina Tomlinson, and the team from BAHEP. They spoke about the Convention Center as well as the Rodeo, the Strawberry Festival, and how this venue in Pasadena is going to benefit everyone.

Richey St.: The work had to stop due to changes done to the original plan because of the property owner and his concerns about changes not discussed with him. Sarah Benavides has been communicating with the legal team and everyone has come to an agreement on the final project, he invited everyone to drive by and see the progress.

Pasadena Blvd: design is completed at 99% and looks good, the project will start in 90 days, and he will give more information as it moves on.

Underpass Safety Lighting: This is on hold due to the plans of TxDOT for HW225, we want to make sure that what we install will not get destroyed.

Vince Bayou & Little Vince Bayou: We continue to move forward with the design and continue to acquire some added property needed for the trails.

Memorial Plaza: He met with the consultant for the project and explained that this might not be the final



name, gave some details of the layout, design and materials to be used; Jed Aplaca from Parks and Recreation was also present at that meeting to discuss some of the greenery that don't need much attention, which can be used at this location. He concluded his presentation by reminding the Board that there is a Special Board Meeting on January 11<sup>th</sup>, due to the fact that some items could not be presented since we don't have the documentation, and a regular Board Meeting on January 25<sup>th</sup>. *At this time M. Wilkins had a question regarding the slide shown with a description of the Special Meeting subject, R. Guerrero responded that on January the 11<sup>th</sup> there has to be a contract to continue the work, M. Wilkins asked if they are picking a vendor, R. Guerrero responded that they had, but the contract hasn't been awarded and hopefully it will be done on January the 11<sup>th</sup>. He described that the contracts have stages, and he is being told by Robin Green and Ernie Flohr, that to complete the work in 18 – 24 months it will have to be done in stages and timelines, starting with the foundation and continue to work on everything else. M. Wilkins asked if bids are being made right now, and if by then a decision will be made about who is going to get awarded. R. Guerrero responded that the question would be for R. Green, and there will be more information in the future.*

Rick Lord asked if anyone had any more questions for Rick Guerrero, and no more questions were made by the Board members.

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

Marilyn Wilkins- She thanked J. St. Jean for a complete report. Her comment is that looking at the list, she sees some of the projects are already finished from the perspective of how much money is left to spend, while others have a great balance; and if it's possible in a future agenda, they have a comprehensive project review as to why it isn't finished yet, whether it's an older project, if we expect it to still to be unfinished, or it might not be completed for some reason. She wants to know if the Board needs to clean up the list and believes they need to know where they are in the process. She briefly described a project awarded back in 2016, referring to its used and unused balances and ask why it is not done seven years later. R. Guerrero responded that some of those projects are still being worked on, and they will look into it.

Ernesto Paredes- No comment.

Efren Arjona- No comment.

Angela West- No comment.

Elaine Domec- No comment.

Rick Lord: - No Comment.

#### **Agenda Item Eleven: Executive Session.**

**\*\*NOTE\*\* 3:15 PM** – At this time Board President Rick Lord announced that the Board would be “going behind doors” for an Executive Session.

- a. 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 #2302

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

**\*\*NOTE\*\* 3:25 PM** – At this time, President Rick Lord 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 real property – Project #2302.

- There was no deliberation on this item.

**Agenda Item Thirteen: Adjournment**

Board President Rick Lord called for a motion to adjourn the December 6, 2023, meeting at 3:26pm. Marilyn Wilkins moved seconded by Ernesto Paredes. MOTION CARRIED ANONOMOUS.