



PASADENA ECONOMIC DEVELOPMENT CORPORATION
Pre-Board Meeting
Conducted in the Pre-Council Conference Room at City Hall
July 26, 2018, 3:00 p.m.
Minutes

Members present:

Steve Cote, President
Rick Lord, Vice President
Randy Drake, Treasurer
Emilio Carmona, Secretary
Marilyn Wilkins
Steve Phelps
Ernesto Paredes

Members Absent:

Others Present:

Jeff Moore, Brown & Hofmeister, LLP (via conference call)
Carlos Guzman, Economic Development Executive Director
Rick Guerrero, Economic Development Manager
Jomie Blumreich, City Controller
Ana Espinoza, Management Analyst

Call to Order

The Pre-Board meeting for the June 28, 2018 Pasadena Second Century Corporation d/b/a Pasadena Economic Development Corporation was called to order at 3:02 p.m. by Chairman Steve Cote.

(4) Approval of Minutes – Steve Phelps pointed out that the location of meeting indicated on the minutes should be pre-council conference room. It was also pointed out that Carlos Guzman was not present.

(10) Board Action – Resolutions

- a. Approving a Facilities Extension Agreement with CenterPoint Energy Houston Electric, LLC for \$389,991.00 for the Pasadena Blvd Reconstruction Project (CIP # S077).
NO comments or questions.

Pre-Board Meeting Adjourned at 3:04 PM

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July 26, 2018, 3:04 p.m.
Minutes

Agenda Item One: Call to order, roll call.

The Board meeting for the July 26, 2018 Pasadena Second Century Corporation d/b/a Pasadena Economic Development Corporation was called to order at 3:04 PM by Chairman Steve Cote.

Agenda Item Two: Invocation.

Invocation given by Dr. Jon Redmond, Associate Pastor, First Baptist Church Pasadena.

Agenda Item Three: Pledge of Allegiance.

Pledges led by Steve Cote, President.

Agenda Item Four: Approval of Minutes.

Chairman Cote called for a motion to approve the minutes from the meeting held on June 28, 2018. Rick Lord moved to approve the minutes with revisions, seconded by Steve Phelps, MOTION CARRIED UNANIMOUS.

Agenda Item Five: Public Comments.

No Comments.

Agenda Item Six: Financial Status Report by Jomie Blumreich, City Controller.

Snapshot as of June 30, 2018. First 2 boxes are fund 9949 and 9950 which track sales tax activities. So far .5 M more has been collected than last year at this time which is a 7.6% increase. Marilyn asked if it is anticipated that the balance for the year will remain on that track. Jomie responded that it will probably be more than has been budgeted. The first box (fund 9949) tracks Operating Expenses and currently shows budgeted approximately \$6.2 M with \$1M in expenses and a current balance of approximately \$5.2M. The second box (fund 9950) tracks Capital Project activities. Right now we have approximately \$49.6 M in Cash Investments. Of that amount we have reserved \$35.8 M in CIP projects. If you turn to Exhibit A you can see the breakdown of current projects and completed projects. On the list of current projects the total budget is about \$49M and expenditures are \$13M, so the remaining budget is about \$36M. If you go back to the snapshots out of the \$49.6M we have reserved 35.89M for capital projects and then 5.2M for the remaining operating budget leaving \$8.55M available for further appropriation of capital projects or additional operating expenses. Another source of funds is issuance of a sales tax revenue bonds or notes which are what the next 4 boxes are. Fund 9955 tracks the \$5M ISSUED in 1999. We have completed 3 projects at a cost of \$4.6M. Fund 9960 tracks the \$5M revenue bond issued in 2004 for the Vista project. From Beltway 8 to Space Center there was a Vista extension completed in 2007 at a cost of \$3.26M. The current project is a drainage improvement which is

a cost of \$2.2M that is near completion. Fund 9965 tracks the \$4.96M revenue bond issued in 2011 that was originally for the Riverwalk Project and later re-purposed to the Richey St. project. Right now there is \$4M for the Richey St. project. The entire project will cost \$15M; \$6M will be funded by Harris County and \$4M will be funded by here and another \$5M will be funded by Pasadena Second Century sales tax revenue. Out of this amount we have about \$1.58M appropriated for engineering and design and \$13M for construction. Right now the construction contracts will go before the Council on August 7th for final approval. The next box is fund 9966 which is the \$1M revenue notes that were issued for the Fairmont Pkwy Water Main Phase 1 project that is near completion. Jomie asked if there were any questions and the board had none.

Agenda Item Seven: Project Status Update from Ana Espinoza, Public Works.

Update on Richey St: 2nd reading on August 7th; anticipating work to begin in September for construction.

Agenda Item Eight: Report by Carlos Guzman, Executive Director.

Pointed Board to tab 6 for update of activity throughout the month. Apologized for not being present at the previous meeting and wanted to provide a quick update. The strategic plan was presented last month and the focus will be on the remainder of the fiscal year. For the next 2 meetings the agenda will contain a heavier load of items. We will be working on marketing efforts looking at renewing contract with BAHEP and joining new organizations such as Greater Houston Partnership who are doing a good job in the region and Texas Economic Development Corporation which is a state organization which is the marketing arm for the state. We will be at a very low level, but we will be working on getting our name out across the region and the state and that helps with business development. Another item that will be coming up either next month or the month after is something being worked on with Cristina (Chamber of Commerce President), 1.2 of the strategic plan about engaging young professionals and emerging leaders. One of the things Pasadena is lacking is a leadership program; a pipeline identifying future leaders of Pasadena and will be brought to the board for consideration in 30-60 days. Also will be working on designing a business retention program that is key and basic for economic development organizations which Pasadena has never done. You just go talk to your major employers and find out if they are having any issues with the city, permitting, or if they are expanding how we can help. Steve added that this is a key thing; 60% of economic development comes from current partners in the industry. Last item on slide is to update the CIP. Now that we have recommendations we will be sitting down with Public Works, Board members and figure out how do we align what's in our CIP with the items in the Strategic Plan. They identify some major corridors and other things that we need to focus on and make sure there is a fit. If you notice after each recommendation you will notice there's a number: 1.2, 1.3, 2.1 and you will be seeing that in the future. Since I've been here I have heard from those in the community that we are notorious for conducting studies and nothing gets done. We're not doing that; every time I bring something to the Board I want to make sure I can tie it back to the Strategic Plan. If I can't tie it back, we shouldn't be doing it. Steve added that regarding the leadership subject that's what they are doing on the Education Foundation making sure they establish a leadership perpetuation or rotation of who's going on the Executive Committee because that's one of the challenges. Carlos continued by reviewing the Catalyst Projects: the Mall and the Convention Center.

Regarding the Convention Center, we are doing work with community stakeholders to make sure this is something the community wants and the numbers support whatever gets proposed; and the mall also with some changes that are going on there. Another thing you will see in late September or early October are job posting for the position of Marketing Manager and Redevelopment Manager which are key to implement a lot of the recommendations we have. An Excel sheet was pulled up with action items for Staff that will track changes for the next year and that will change regularly. Steve added that this goes back to the progress report or timeline that the Board had requested in last month's meeting. Something that happened in the last 30 days is the launch of our Website with new logo and things that we have been working on. Carlos proceeded to briefly show the Board some of the features on the website; specifically the Site Selector page which Rick Guerrero went over in further detail for the Board. Carlos also then showed the Board the LeadForensics message sent every week letting us know who's been on the website.

Agenda Item Nine: Board Action – Resolutions.

- a. **PSCC RESOLUTION 18-019** – Approving a Facilities Extension Agreement with CenterPoint Energy Houston Electric, LLC for \$389,991.00 for the Pasadena Blvd Reconstruction Project (CIP # S077).

Randy Drake made a motion to approve extension agreement subject to legal review and comment, seconded by Rick Lord that PSCC Resolution 18-019 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

Agenda Item Ten: Comments by Board Members.

Rick Lord – “Looks like everything is going in a good direction.”

Randy Drake – “I’ll pass, thanks.”

Marilyn Wilkins – “I’m a happy camper, glad to be here.”

Emilio Carmona – “That website is terrific, very impressive.”

Ernesto Paredes – “Good job guys!”

Steve Phelps – “Pass.”

Steve Cote – “It is exciting for the Strategic Plan and some of the things getting put together. A lot of exciting things, we’ll talk in Executive Session on some opportunities we see – the Mall and Conference Center and those kind of things. I’m excited and looking forward to it.”

Agenda Item Eleven: Executive Session.

****NOTE**3:32 PM** – At this time, Chairman Cote announced that the Board would be “going behind closed doors” for an Executive Session.

- 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, Texas Government Code to deliberate the purchase, exchange, lease or value of real property- Project #1804 – Bank Building.

At 3:58 p.m. Randy Drake stepped out of the Executive Session and left the room and did not participate in the discussion of item c. below.

- c. Convene in executive session pursuant to Sections 551.071, 551.072, and 551.087 of the Texas Government Code to receive legal advice from the PEDC attorney; deliberate the purchase, exchange, lease or value of real property; and discuss or deliberate regarding commercial or financial information the PEDC has received from a business prospect or deliberate the offer of a financial incentive to a business prospect – concerning real property bid proposal number 18-001-RP, an approximately 21,786 square feet or 0.50 acres of land and being all of Lots 22, 23 and 24 and the North ½ of Lot 21, Block 60 of the Townsite of Pasadena, an addition to the City of Pasadena, Harris County, Texas, and generally located at 102 Munger Street, Pasadena, Harris County, Texas.

****NOTE**4:24 PM** – At this time, Chairman Cote announced that the Board “has completed its Executive Session.”

Agenda Item Twelve: Reconvene into Regular Session

****NOTE**4:24 PM** – At this time, Chairman Cote reconvened the Board Meeting and Randy Drake returned to the room.

The Board will reconvene into Regular Session, pursuant to the provision 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 action on this item.
- b. Deliberation regarding real property – Project #1804 – Bank Building. No action on this item at this time.
- c. Deliberation regarding commercial or financial information the PEDC has received from a business prospect or deliberation of the offer of a financial incentive to a business prospect – concerning real property bid proposal number 18-001-RP.

PSCC RESOLUTION 18-020 - Rick Lord made a motion to accept the high bid for 102 Munger St. and authorize Staff to execute a real estate sales contract with J. Morales, Inc. including a resolution for any and all documents necessary to convey the property, seconded by Steve Phelps.

MOTION CARRIED AS FOLLOWS:

“Ayes” – Board members Rick Lord, Steve Phelps, Emilio Carmona, Ernesto Paredes and Board President Steve Cote.

“Nay” – Marilyn Wilkins.

“Abstain” – Board member Randy Drake.

Agenda Item Thirteen: Adjournment.

Chairman Cote called for a motion to adjourn the July 26, 2018 meeting at 4:25 PM. Ernesto Paredes moved, seconded by Steve Phelps. MOTION CARRIED UNANIMOUS.