



PASADENA ECONOMIC DEVELOPMENT CORPORATION
Pre-Board Meeting
Conducted in the Pre-Council Conference Room at City Hall
October 25, 2018, 3:02 p.m.
Minutes

Members present:

Steve Cote, President
Emilio Carmona, Secretary
Marilyn Wilkins
Ernesto Paredes

Members Absent:

Randy Drake, Treasurer
Rick Lord, Vice President
Steve Phelps

Others Present:

Jeff Moore, Brown & Hofmeister, LLP
Carlos Guzman, Pasadena EDC Executive Director
Rick Guerrero, Pasadena EDC Manager
Robin Green, Public Works Director
Tammy Lehew, Accountant IV, City Controller's Office
Karina Tomlinson, PEDC Executive Assistant

Call to Order

The Pre-Board meeting for the September 27, 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.

(11) Board Action – Resolutions

- a. Approving an Amendment to the Annual Budget for PSCC for the Fiscal Year 2019.
 - Funding \$2,500,000 to be used for all related costs of the abatement and demolition of former Bank Building located at 1001 Southmore Avenue from 9950; and
 - Funding \$2,500,000 to be used for all related costs of the Shaw Street Reconstruction Phase I Project from Carl Street to McMasters Avenue from 9950.
 - No Comments/Questions.
- b. Approving the Financial Report of Investment Activities for the Fiscal Quarter Ended September 30, 2018.
 - No Comments/Questions

- c. Award contract of Traffic Mobility Project (CIP # T014) to Siemens Mobility, Inc., lowest responsible bidder, in the amount of \$713,390.00 with a contingency of \$87,000.00 for a total appropriation of \$800,390.00.
 - Emilio Carmona asked for explanation of the mobility project again. Robin pointed out the maps that he included in his section of the board book and the 4 locations for the signals that are going to be rebuilt.
- d. Consideration and possible action to approve amendment to the Corporation's Bylaws.
 - No Comments/Questions
- e. Consideration and possible action to approve an Administrative Service Agreement with the City of Pasadena.
 - No Comments/Questions

Pre-Board Meeting Adjourned at 3:06 PM

PASADENA ECONOMIC DEVELOPMENT CORPORATION
Board Meeting
Conducted in the Pre-Council Conference Room at City Hall
October 25, 2018, 3:06 p.m.
Minutes

Agenda Item One: Call to order, roll call.

The Board meeting for the October 25, 2018 Pasadena Second Century Corporation d/b/a Pasadena Economic Development Corporation was called to order at 3:06 PM by Chairman Steve Cote.

Agenda Item Two: Invocation.

Invocation given by Board Member Ernesto Paredes.

Agenda Item Three: Pledge of Allegiance.

Pledges led by Emilio Carmona.

Agenda Item Four: Approval of Minutes.

Chairman Cote called for a motion to approve the minutes from the meeting held on September 27, 2018. Ernesto Paredes moved to approve the minutes, seconded by Marilyn Wilkins, MOTION CARRIED UNANIMOUS.

Agenda Item Five: Public Comments.

No Comments.

Agenda Item Six: Public Hearing

Chairman Steve Cote opened the Public Hearing and called for comments 3 times. Upon no comments, the Public Hearing was closed.

Agenda Item Seven: Presentation by Jeff Moore, Legal Counsel, Brown & Hofmeister, LLP

Jeff Moore had a brief presentation on some best practices for EDC's. He began with the statute for Conflicts of Interest and stated that a Type B Corporation does apply although the TX Attorney General Opinion states that you are not. It only really applies to business entities and real property. A person has to have a substantial interest in a business entity or real property. If this is the case, there are 3 things to do: file an affidavit stating the conflict; abstain from discussing the matter; and abstain from voting on the matter. Next, he discussed the Open Meetings Act briefly reviewing the basic posting requirements. He pointed out several exceptions to this that include social gatherings, attendance of public officials at conferences or training, ceremonial events, or press conferences as long as there is no discussion of public business. Basically if there is a quorum and business is being discussed then the Open Meetings Act applies, an agenda should have been posted 72 hours prior. Minutes should be maintained permanently and a tape of a meeting for preparing minutes must be maintained for 90 days following the approval of the

minutes. In regards to Executive Sessions /closed meetings, Jeff stated that they are limited, but there are 26 exceptions for executive sessions. He pointed out the most common Executive Sessions include consultation with attorney (551.071), deliberations regarding real property (551.072), personnel matters (551.074), and deliberations regarding economic development negotiations (551.087). He then proceeded to present examples of some procurement issues citing Chapter 252 and 272 of the TX Local Govt. Code. He noted that the PEDC Bylaws Section 7.6 provide that the corporation will follow and be bound by the same purchasing and contracting provisions of State law, including the provisions on competitive bidding, that are applicable to the City. Lastly, he covered the Public Information Act and the issue that typically arises is when a requestor asks for all the e-mails sent to your home computer or phone messages. You might have personal messages and public information does not apply to that, only to EDC business. Information can be in any kind of form, but must pertain to EDC business. Time is limited when these requests are made which is 10 days to respond and at most 15 days to brief and send to the Attorney General's Office. There are some exceptions to disclosure and Jeff provided some examples of those that were typically confidential records.

Agenda Item Eight: Financial Status Report by Tammy Lehew from the City Controller's Office

Tammy started with Fund 9949, which is the operating expenses that had a budget of \$4.7M, there were expenses of \$1.3M leaving a balance of \$3.3M that has not been spent. Fund 9950 is the sales tax that comes in. Current cash is \$51.8M, \$39.3M is for CIP budget that has been earmarked for specific projects that have not been spent. You subtract out the operating budget that has not been spent which leaves a fund balance of about \$9.1M as of 9/30/18. Fund 9955 was the revenue bonds from 1999 they are spent so that fund is closed. Fund 9960 are revenue bonds from 2004, those are items for Vista Rd. improvements that are done. There was \$29k in cash less the CIP budget not spent, which leaves about \$11k in there. Robin stated that the bonds were to be used specifically by Vista Rd. improvements. Fund 9965 was originally for the Riverwalk Development in 2011 that has been abandoned and redirected to the Richey Street Project. We have \$4.1M, the \$4M have been earmarked and there's \$90k left once that job is completed. Fund 9966 was the revenue note done in 2017. Currently there is cash of \$88k, we have \$43k still earmarked for the project. Tammy made a note that there is a correction to the report because it is about \$500 off so the \$88,023.49 cash should be \$88,523.12 and the ending balance that states it's \$45,022.90 should actually be \$45,522.53.

Agenda Item Nine: Project Status Update from Robin Green, Director of Public Works.

Robin referred to the maps and exhibit he prepared for the Board (in their packets) starting with the Utility Development (M018) there will be a \$250k worth of overlay on Preston, North of 225 and about \$500k worth of section repair and concrete pavement on Preston from 225 to Red Bluff. About 6 months' worth of work, this is a commercial corridor. The next item is the Rodeo Arena, which has one piece that is not finished – they are putting up a curtain between the arena and the stock pens about \$45k and they anticipate completing this in the next couple of days. Third is the Gateway Sign, which is on hold until after the Holidays; Joe V's also part of M018 is ongoing and should be completed by the end of the year. Pasadena Blvd will be advertised next year; probably acquired 6 of the 20 properties Harris County has on the Right of Way. Richey St. has awarded the contract; there is a groundbreaking on the 30th of October at 10AM. Next meeting we will bring a contract for about \$300k to hire an inspector because the City does not

have the staff to do this now. PSI is a project surveillance group that we've used for 10 years, we know very well and they perform very well. For Traffic Mobility T014 there is a contract we have for signature. Fairmont Pkwy Phase I is done except for cleanup; Phase 2 is in the same stage, just cleanup; Phase 3 will probably be done by the first of the year. The Beltway will have some closures along that corridor, but we are trying to limit those closures as much as possible during the Holidays. An additional item is on Shaw St. – a contract for Amendment that will be brought to the Board at a future meeting.

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

We've been working closely with other City departments as the EDC finally acquired the Bank Building. We took bids for remediation and demolition and received them on Tuesday. We are evaluating them and for our Special Meeting on the 31st we will bring those up for consideration to move forward with remediation and demolition. Please note the Groundbreaking for the Richey St. project is on Tuesday the 30th. As a reminder, our November meeting is scheduled for the 29th. There is an activity report in your packets detailing other Staff activities throughout the month including attendance of the TEDC annual conference that some Board Members attended as well as Staff in Fort Worth. We're still working on the Master Plan and they are getting closer to Phase 3. Once that is completed, we can hit the ground running. Obviously first would be Council approvals, but once we get those we can do some work at the Convention Center which is one of their priorities as well as the Mall. For the next Board Meeting in November we will have our Bond Counsel and our Financial Advisor in attendance to talk about some options of issuing some debt to jump start the development at the Convention Center and some roads on the North side. We also hope to begin Staff reviews as a best practice so that the Board will be able to review the entire staff and see how we're doing.

Agenda Item Eleven: Board Action – Resolutions.

- a. **PSCC RESOLUTION 18-029** – Approving an Amendment to the Annual Budget for PSCC for the Fiscal Year 2019.
 - i. Funding \$2,500,000 to be used for all related costs of the abatement and demolition of former Bank Building located at 1001 Southmore Avenue from 9950;
 - Steve commented that we are allocating for remediation and demolition and pointed out the bank building has some historic significance to Pasadena being the tallest structure in East Harris County. Given the fact that it's been in such poor condition it cannot be rehabilitated and so we are left with the only option which is to tear it down. Robin added that for a while it was maintained and the elevators still operated. What's happening is that the roof leaks so badly that water has gone through the whole building. The asbestos is in the ceiling tiles and it's all over the floor and walls. We took 8 bids, #1 was too small, the 2nd bidder didn't fill out the bid form correctly, bidder #3 is a larger firm and has done buildings this size so this will be the contract we bring for consideration. There will be a contract with Loflin who is a testing firm who will do the remediation evaluation. We have used this firm consistently. Going to #3 is unusual, but this is the only time we will see a job like this in Pasadena.

This is a one-time deal and we want to do it right. Marilyn asked if we are comfortable that the \$2.5M will cover both steps to which Robin answered yes. She also asked how long it would take and Robin stated it would be 4-5 months because there is many logistics and it's a large building. Loflin will monitor the work continuously to insure safety of the work and employees.

- ii. Funding \$2,500,000 to be used for all related costs of the Shaw Street Reconstruction Phase I Project from Carl Street to McMasters Avenue from 9950.
 - Steve asked for Robin to provide some detail. Robin stated that the design from 6 years ago will be freshened up. It's 4 lanes of concrete with some landscaping. Steve added that this is a catalyst project identified within the Strategic Plan.

Marilyn Wilkins made a motion to approve the amendments to the Annual Budget, for Fiscal Year 2019, seconded by Ernesto Paredes that PSCC Resolution 18-029 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- b. **PSCC RESOLUTION 18-030** – Approving the Financial Report of Investment Activities for the Fiscal Quarter Ended September 30, 2018.

Ernesto Paredes made a motion to approve the Financial Report of Investment Activities for the Fiscal Quarter ended September 30, 2018, seconded by Emilio Carmona that PSCC Resolution 18-030 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- c. **PSCC RESOLUTION 18-031** – Award contract of Traffic Mobility Project (CIP # T014) to Siemens Mobility, Inc., lowest responsible bidder, in the amount of \$713,390.00 with a contingency of \$87,000.00 for a total appropriation of \$800,390.00.

Ernesto Paredes made a motion to approve contract with Siemens Mobility, Inc., subject to legal review and comment seconded by Emilio Carmona that PSCC Resolution 18-031 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- d. **PSCC RESOLUTION 18-032** – Consideration and possible action to approve amendment to the Corporation Bylaws.

Ernesto Paredes made a motion to approve the amendment to the Corporation Bylaws, subject to legal review and comment, seconded by Marilyn Wilkins that PSCC Resolution 18-032 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- e. **PSCC RESOLUTION 18-033** - Consideration and possible action to approve an Administrative Service Agreement with the City of Pasadena.
 - Carlos noted that this is an amendment to the original Bylaws, legal counsel advised that this was ok as it was on agenda.

Emilio Carmona made a motion to approve an Administrative Service Agreement with the City of Pasadena, subject to legal review and comment, seconded by Marilyn Wilkins that

PSCC Resolution 18-033 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

Agenda Item Twelve: Comments by Board Members.

Marilyn Wilkins – “Happy Camper.”

Emilio Carmona – “No comments.”

Ernesto Paredes – “Enjoyed the conference and it’s amazing to see what they did at the mall in Fort Worth, we have potential. I talked to a couple of local people that said it gets real packed on the weekends and it’s very family oriented. There is a section for the men to sit down while the women shop, with TV’s there.” Steve added some comments about La Gran Plaza Mall and it’s similarity to the mall in Pasadena. “I’m looking forward to working with the people from the mall because it’s a good thing for the people in the area.”

Steve Cote – “I’d like to thank everyone for coming out, definitely see steps going towards what we’ve been working on for the Strategic Plan. The mall owner has been very good in acquiring property next door and having the opportunity to get the Bank Building. Emphasizing some requirements that the mall needs to do for us to consider any participation have been laid out there. The Shaw district has a new property owner doing his work and we will be doing some work to add to that as well on Shaw. The Convention Center Master Plan looks good and the opportunity that is going to come before Council in a few weeks will be an important one to give us the tools that we need along with maybe some long-term bond. I think you’re going to see some big changes and they’re coming step by step, but we’re really excited about what’s going to happen in the City of Pasadena, so very much looking forward to that and thank everyone for their support.”

Agenda Item Thirteen: Executive Session.

****NOTE**3:52 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 Sections 551.071 and 551.074 to receive legal advice and deliberate the employment, evaluation, or duties of PEDC personnel.

****NOTE**4:23 PM** – At this time, Chairman Cote announced that the Board “has completed its Executive Session.”

Agenda Item Fourteen: Reconvene into Regular Session

****NOTE**4:23 PM** – At this time, Chairman Cote reconvened the Board Meeting.

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 the employment, evaluation, or duties of PEDC personnel.

Agenda Item Fifteen: Adjournment.

Chairman Steve Cote called for a motion to adjourn the September 27, 2018 meeting at 4:24 PM. Ernesto Paredes moved, seconded by Emilio Carmona. MOTION CARRIED UNANIMOUS.