



PASADENA ECONOMIC DEVELOPMENT CORPORATION

Pre-Board Meeting

June 27, 2024, 3:01 p.m.

Minutes

Members present:

Rick Lord, President
Marilyn Wilkins, Vice President
Salvador Serrano, Jr., Treasurer
Ernesto Paredes, Secretary
Angela West
Efren Arjona
Elaine Domec

Members Absent:

Others Present:

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

Call to order:

The Pre-Board meeting for the June 27, 2024, Pasadena Economic Development Corporation was called to order at 3:01 p.m. by Board President, Rick Lord.

Rick Lord read through the items on the agenda and asked if anyone had any questions.

Agenda Item Seven: Public Hearing

At this time, Marilyn Wilkins asked J. Moore, EDC's attorney, if the report for the Budget on "Item Nine" should be given before the Board adopts it because on the agenda it appears out of order. J. Moore responded that it can be taken out of order.

Agenda Item Eight: Board Actions – Resolutions

Rick Lord read through the items listed stopping at the below for details from Karina Tomlinson.

- b. Letter of engagement with Husch Blackwell, LLP – Karina explained that this item is related to outside legal counsel related to the Convention Center.

- c. Contract with Binkley & Barfield, DCCM - This item is related to an existing contract with Binkley & Barfield, who are designing the Pasadena City Plaza connecting the Pasadena Police Department with the parking lot by the Court House. There have been some electrical needs identified, not included in the original scope of work, which require additional funding.

- d. Contract with Clark Condon - This item refers to a plan review by the Army Corp of Engineers, as it was done for the Vince Bayou Greenway.

At this time Marilyn Wilkins asked R. Guerrero if his presentation for the Budget could be done before the vote, to give the Board a formal opportunity to ask questions during the voting process. R. Guerrero agreed to that.

- e. Funding for Mar-Con, LLC - This item refers to the Shaw Street Reconstruction project that was through the city and awarded to Mar-Con, LLC. and the EDC provided part of the funding. Additional funding is required to close the project.

Agenda item Nine: Report by Executive Director:

Richey Street: We are still waiting for the light fixtures from CenterPoint, as soon as the project is completed, we will take some photos and will present them to the Board to show the completion of the project. Pasadena Blvd.: Still under construction, even with all the work going on we haven't received any complaints, and everyone is happy that this project has started after waiting for so many years. Last couple of weeks the weather has slowed down everything that has to do with construction, but we are moving along as fast as we can. Pasadena Arena: Water and fire lines have been installed, since they needed to be rerouted for the new building. Work has started on the west side inside of the existing facility to relocate water lines. Next step will be piers for the steel; the concrete foundation will be last, to prevent damage on the slab when moving large cranes and equipment inside the facility. Vince Greenway & Little Vince Greenway: We continue to move forward with these projects, we are still acquiring properties and as soon that is completed, we will be able to start the construction of the trails. HWY225 Safety Lighting: Still waiting on TxDOT, to see what is going to happen with the design and construction, and we are also exploring other options. This project is on hold right now. Pasadena City Plaza: This is the construction of a Plaza in front of the Police Department and the Court House, we are nearly 100% design. We hope to start construction on this project within the next 60-90 days, and it will take about six months for completion. Convention Center Fairgrounds: The concrete for the RV spots has been poured, we are in the process of connecting the utilities for electricity, water and sewer. At this time, R. Guerrero offered to do the presentation for the FY2025 proposed Budget, and R. Lord suggested following the order of the Resolutions. R. Guerrero agreed to that.

Pre-board meeting adjourned at 3:13 p.m.

PASADENA ECONOMIC DEVELOPMENT CORPORATION
Board Meeting
June 27, 2024, 3:13 p.m.
Minutes

Agenda Item One: Call to order

The Board meeting on June 27, 2024, for Pasadena Economic Development Corporation was called to order at 3:13 p.m. by Board President, Rick Lord.

Agenda Item Two: Invocation

Invocation given by Elaine Domec, Board Member.

Agenda Item Three: Pledges

Pledges led by Rick Lord, Board President.

Agenda Item Four: Public Comments

No comments made by attendees.

Agenda Item Five: Financial Summary Report by Robert Chambers from the Controller's Office

Robert Chambers presented the Financial Status Report as of 06/17/2024. The fund 9949, which is the Operating Fund has a balance of \$2,238,343.76, available to be spent, reserved or to be designated. \$1,253,343.76 will be going towards debt interest expense payment; \$985K will go toward debt principal expense payment. This is the first payment towards the \$50M bond issued for the Convention Center. Fund 9950, a non-bond fund, has \$53,786,640.24, this represents the balance of CIP projects that were funded by non-bond funds, it has a budget of \$87M, with \$33M spent as of June 17th. Fund 9960, which is a bond fund, has \$33,000.00 to be appropriated. Fund 9965 has \$208,000.00 to be appropriated. Fund 9966 has \$63,000.00 available to be spent. Fund 9967, this is the bond issued set aside for the Convention Center with \$50M, and as to date it has earned an interest of \$1,689, 301.49. The grand total of PEDC funds is \$133,820,700.89.

Agenda Item Six: Approval of Minutes from May 23, 2024

Rick Lord called for a motion to approve the minutes from the meeting held on May 23,2024. Ernesto Paredes moved to approve the minutes, seconded by Marilyn Wilkins. MOTION CARRIED UNANIMOUS.

Agenda Item Seven: Public Hearing

Public Hearing Opened at 3:18 pm

- a. Consideration to approve and adopt the Proposed FY 2025 Operating and CIP Budgets.

Public Hearing Closed at 3:19 pm. No comments made by attendees.

Agenda Item Eight: Board Actions - Resolutions

- a. **PEDC RESOLUTION 24- 015** – Consideration to approve and adopt the Proposed FY 2025 Operating and CIP Budgets.

R. Guerrero started his presentation with a brief description of the Budget Overview. He then continued with a quick overview of current projects: Convention Center & Arena Renovation &

Expansion; Strategic Corridors refer to Pasadena Blvd.; Historic Pasadena, refers to the Pasadena Plaza which will be located across from the Police Department. The proposed budget is very similar to the one proposed last year. He continued, giving a brief description of expenses for the bonds which are part of the budget. For the principal, the amount is \$770K and for the interest, the amount is \$2.4M. As far as EDC's projects, we will be replenishing funds on two CIP projects: North Pasadena Redevelopment we are adding \$606,942.78 giving us a total of \$4M; Convention Center Facility Improvements we are adding \$10M for additional amenities within the arena. *M. Wilkins asked if the additional \$10M is coming from the bonds.* R. Guerrero responded that "no, these are additional funds." *M. Wilkins asked from where these additional funds would come from.* R. Guerrero responded that from our sales tax budget. As a recap, within the operating budget there are limited changes to it: CIP projects, the replenishment of accounts he just described. EDC will have the opportunity to renew its focus on Entertainment & Tourism, something we have not tapped into in the past. *M. Wilkins asked what the total amount of annual sales tax revenue is.* A. Espinoza from Budget Dept. responded \$14,450,000.00. *M. Wilkins responded that therefore we are going to spend \$10M more on the Convention Center and we will have \$4M leftover.* A. Espinoza responded that there is fund balance available as well. R. Guerrero added that the financial report given by R. Chambers shows the total fund balance on the account. *M. Wilkins added that this is a big city with all kinds of projects that can be presented to the Board to be considered and potentially funded in the next fiscal year, and we have \$4M left unless we dip into unallocated funds. Her hope was that the \$50M they voted for, would be enough to cover the expenses for the Convention Center and now it's \$60M.* R. Guerrero responded that the \$50M will cover the construction and some of the amenities within the facility. The EDC is trying to make the facility more attractive, not just to the citizens of Pasadena but also to bring tourism to build up sales tax revenue. *M. Wilkins asked if over the next year the Board will be asked for more funds, or if this request will be sufficient.* R. Guerrero responded that he could not answer that at this time. *E. Arjona added that he understands M. Wilkins' concerns. The Board had an idea of what the budget would be and now it's \$60M, so is it going to be \$70M next year? He understands what she is trying to say, that there was an agreement, and now we are adding \$10M. She responded that this is another 20%.* *E. Arjona confirmed his understanding and added that prices can also change.* *E. Paredes added that the Board will have to see what the cost is for everything, so, do we leave it as it is, or do we spend the money that needs to be spent.* *M. Wilkins added that this project is so new, she was not anticipating an additional 20% two months into the project.* *E. Arjona added that he understands her position, there was a vote for \$50M but this is something that we will have to deal with.* *E. Domec asked if \$10M could be the highest.* R. Guerrero responded that possibly less than that, we just want to put enough money for any future increases. *E. Paredes added that we need to keep looking ahead and be prepared.* *E. Arjona asked how long the project will last.* R. Guerrero responded that completion will be in December 2025. *E. Arjona responded that this was an unforeseen event and must be dealt with, because they all voted for it.* *M. Wilkins responded that she did not.* *A. West added that price increases are common in construction with unforeseen things.* *R. Lord added that the same thing happened with the light fixtures that have been ordered, there are a lot of backlogs. We have to wait for a long time for some things, it is not a good time right now.* R. Guerrero added that we would have saved \$5M to \$6M if Pasadena Blvd. was done five years ago, but we didn't start until now.

Ernesto Paredes made a motion, seconded by Angela West that PEDC Resolution 24-015 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- b. **PEDC RESOLUTION 24- 016** – Consideration and action to approve a letter of engagement with Husch Blackwell LLP.

Efren Arjona made a motion, seconded by Ernesto Paredes that PEDC Resolution 24-016 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- c. **PEDC RESOLUTION 24 -017** – Consideration to amend PEDC Resolution 23-006, contract with Binkley & Barfield DCCM for Design Services for the Pasadena City Plaza Project (CIP #R094) authorizing additional funding not to exceed \$85,000.00 for electrical engineering design and construction phase services from the North Pasadena Redevelopment (M008) project account.

R. Guerrero added that as we come to the final design of the Pasadena Plaza, there is an additional and necessary cost to the project for the electrical engineering design and construction phase. *M. Wilkins asked if we had the money in the account, but we just did not allocate it to a particular thing.* R. Guerrero responded that that was correct.

Ernesto Paredes made a motion, seconded by Elaine Domec that PEDC Resolution 24-017 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- d. **PEDC RESOLUTION 24-018** – Consideration to amend PEDC Resolution 22-016, contract with Clark Condon (PEDC 22-016, 23-026) authorizing additional funding not to exceed \$30,040.00 for plan review and construction overview of Little Vince Bayou Greenway (CIP # R086) from the Vince Bayou Greenway (R066) project account.

Ernesto Paredes made a motion, seconded by Efren Arjona that PEDC Resolution 24-018 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- e. **PEDC RESOLUTION 24-019** – Consideration to approve funding for Mar-Con, LLC Change Order Number 6 for the Shaw Street Reconstruction Project (CIP #S107, City Ordinance 2019-051), in the amount of \$94,133.84 from the North Pasadena Redevelopment (M008) project account.

Efren Arjona made a motion, seconded by Ernesto Paredes that PEDC Resolution 24-019 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

Agenda Item Nine: Report by Executive Director

The report was given during the Pre-Board meeting. FY' 2025 Report was given before vote of Resolution 24-015.

Agenda Item Ten: Comments by Board Members

Efren Arjona – He congratulated Marilyn on doing an excellent job at the June meeting.

Ernesto Paredes - He seconded Efren's comments.

Salvador Serrano, Jr. - He wished "Happy 4th of July" to everyone. He also thanked the city employees, who do so much work for the city, the police and first responders as well.

Marilyn Wilkins – She likes the 4th of July. She has military parents and sometimes she thinks she has red, white, and blue, blood. Always ready to waive the flag and sing Star-Spangle Banner.

Angela West – No comment

Elaine Domec – No comment

Rick Lord - No comment

Agenda Item Eleven: Executive Session

****NOTE** 3:35 PM** – At this time, Board President Rick Lord 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 551.071, Texas Government Code to seek legal advice from the PEDC attorney regarding pending or contemplated litigation or settlement offers related to Richey Street Roadway and Pedestrian Improvements project.

Agenda Item Twelve: Reconvene Into Regular Session

****NOTE** 4:10 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 economic development negotiation for Businesses Attraction/Retention Projects.
 - There was no deliberation on this item.
- b. Deliberation regarding legal advice from PEDC attorney.
 - There was no deliberation on this item.

Agenda Item Thirteen: Adjournment

Board President, Rick Lord called for a motion to adjourn the June 27, 2024, meeting at 4:11 p.m. Ernesto Paredes moved, seconded by Efren Arjona. MOTION CARRIED UNANIMOUS.