



## PASADENA ECONOMIC DEVELOPMENT CORPORATION

### Pre-Board Meeting

August 24, 2023, 3:00 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:**

Ken Unfried, Treasurer

**Others Present:**

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

**Call to order:**

The Pre-Board meeting for the August 24, 2023, Pasadena Economic Development Corporation was called to order at 3:02 p.m. by Board President, Rick Lord.

He read through the items on the agenda and proceeded to start the meeting, Mr. Guerrero asked if BAHEP should give their presentation at this time, and Mr. Lord responded that it will be done during the meeting.

Pre- board meeting adjourned at 3:03.

# PASADENA ECONOMIC DEVELOPMENT CORPORATION

## Board Meeting

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

The Board meeting on August 24, 2023 for Pasadena Economic Development Corporation was called to order at 3:03 pm by Board President, Rick Lord.

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

Invocation given by: Marilyn Wilkins, Vice President.

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

Pledges led by: Ernesto Paredes, Board Secretary.

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

Julie St. Jean, the City Controller introduced herself before starting her comments regarding Resolution 23-027, which was approved in the meeting on July 27<sup>th</sup>. The Resolution was: consideration and possible approval of a preliminary plan of financing related to issues up to \$50M in principal amount of sales tax revenue Bonds to certain improvements, projects related to the City of Pasadena's Convention Center. Hilltop Securities, the City's Municipal Advisor presented a proposed calendar at the meeting, a schedule of sources and fund uses from the schedule and a preliminary debt schedule on projects for that sales tax revenue series 2023 (at the last meeting). That calendar stated that on October 2<sup>nd</sup>, 2023, the Bonds will be priced, and the underwriter offers the Bonds. The next day, October 3<sup>rd</sup>, 2023, at a regular meeting City Council meets and the Council will be asked to consent to PEDC's debt issuance. Per the Amended Corporate Bylaws of PEDC, article 7.10. Bonds: "Any Bonds issued by the Corporation shall be in accordance with the Act and shall not be issued until approved by the City Council". She asked if the Bonds were to be priced and the underwriter will be offering the Bonds on October 2<sup>nd</sup>, how is it that the meeting meets the bylaws if the City Council is asked to consent to PEDC's debt issuance the next day. When the City issues debt, the Council is first asked for consent before Bonds go out for sale, this gives Council that vote beforehand. She believes that if Council doesn't approve consent on October 3<sup>rd</sup>, and the sale has already been priced and offered this will discredit the City in the financial market. Per the preliminary debt schedule and interest rates if PEDC doesn't pay the debt off early, they will have to pay \$43.8M in interest, borrowing on \$50M. That will be like borrowing \$1 and having to pay back \$1.88. As mentioned, if we pay off after 9 years, PEDC will have to come up with \$38.7M to pay off the rest of the principal of the debt (to extinguish that debt). By the end of the ninth year PEDC will have paid \$17.1M in interest, the over revenue included in the Convention Center, Motel and any other anticipated revenues would have to increase by \$1.9M just to break even during that time. Currently the revenue for the Convention Center for FY 2022, which is the latest the city has, is \$484,000.00. She asked PEDC Executive Director for a copy of the study done to show the Economic Development benefit of expanding the Convention Center, she received the Strategic Plan five years update, and that report doesn't obtain any dollars for a return on investment the city may receive if the Convention Center is done, and she believes that one should be completed before the project goes forward.

She stated that currently EDC has an available fund balance of \$19.7M, readily available to meet the Corporate's purpose promotion assistance enhancement of development activities in the City. The EDC has 37 open projects with a total budget appropriation of \$80M, and out of those \$80M there is \$53.6M yet to be spent. Of the \$56.3M there is \$19.5M for old projects, some were budgeted in 2016 and she's not aware of the project's status, but some could be reappropriated to the Convention Center project if

needed. There is also \$25.2M of profits already appropriated for the Convention Center and \$10.4M already spent by EDC for a total of \$14.7M already committed but not spent yet, EDC could have as much as \$53.9M for the Convention Center project without going for any debt. She stated that she will be glad if the Board will get more information and gladly will discuss it with them and appreciates them for having the time to listen to her. *The Board then said thank you and continued with the meeting.*

#### **Agenda Item Five: Approval of Minutes from July 27, 2023**

Rick Lord, called for a motion to approve the minutes from the meeting held on July 27, 2023.

Ernesto Paredes moved to approve the minutes, seconded by Elaine Domec. MOTION CARRIED UNANIMOUS.

#### **Agenda Item Six: Board Actions- Resolutions**

- a. **PEDC RESOLUTION 23-029** - Consideration to authorize Staff to negotiate and execute an Economic Development Service Agreement with Bay Area Houston Economic Partnership (BAHEP) in the amount of \$35,000.00.

At this time the Board asked for a discussion on this Item.

Brian Freedman, President of BAHEP was invited to speak to the Board. He introduced himself and thanked the Board for inviting him again, explained that he has been President of BAHEP for a year now and shared an update on what they have been working on. He talked about the history of the organization and its infrastructure, describing that they are the convening organization to tackle large regional issues and projects, they make sure that they continue to land principal and primary high profile economic development projects. They also work the ground for business development work force issues. He made a reference about the business report for the current month he shared with R. Guerrero regarding the EDC projects in Pasadena, and gave a brief description of BAHEP's regional projects, explaining that BAHEP's focus is how to bring industry, academia, non-profit, and government to the table. He described the big industry clusters as: Maritime, Logistics and all its associated work, Aviation and Aerospace, Tourism and Recreation, Healthcare, Specialty Petrochemical and all the professional services to support these industries. He stated that BAHEP as being focused on primary jobs that bring other tertiary support jobs. He continued describing some regional issues and he shared one having the most impact on the City of Pasadena; regarding an update from Eliza Paul the head of TxDOT and their work on 225 and the proposed options for its development. He made reference to Houston First and an upcoming meeting with R. Guerrero and BAHEP and at this time gave the word to Dan Seal, Executive Director- Special Initiatives for BAHEP. He described Houston First as the new name for the Greater Houston Convention and Visitors Bureau. Described their importance as they recruit conventions to the greater Houston Region and made a reference to the World Cup 2026 coming up and the importance of Pasadena's Convention Center in relation to the event. He described Houston First as an important connection because they need to look at ways to fill those Convention Centers in years and decades following the World Cup in 2026. He made a reference about his connection with Michael Heckman, CEO for Houston First and their upcoming meeting with him and R. Guerrero to present a full layout of the Pasadena Convention Center plans so Houston First will know what Pasadena is planning for the future. He proceeded giving a few details

about the upcoming World Cup in 2026, with soccer matches at NRG, and a Fan Fest coming to Houston as one of the host cities. There is an estimate that it will be the equivalent of hosting five Super Bowls in a 3-week period. He asked everyone to remember how it was to host the Super Bowl twice, and expressed how important it is to have the Convention Center to match this event in 2026 and making connections with Houston First and the Houston Sports Authority for the future. He concluded by congratulating the plans for the Convention Center and thanked R. Guerrero for sharing them with BAHEP. Mr. Freedman continued describing some projects in the area where BAHEP is participating, gave a sample about meeting with different Mayors from the region, including Mayor Wagner, and some leaders from Union Pacific, Port of Houston among others to talk about the future of railroad. He also gave an insight into BAHEP and its work as an organization hosting different meetings in different regional areas to look for opportunities, including hosting international delegations. He stated he is proud and spoke of shared successes between BAHEP and the City of Pasadena and looks forward to continuing working with PEDC and thank again for the partnership. *Mr. Lord asked for data information regarding the investment EDC is doing in BAHEP and its work, and that EDC has been shown by other groups before, made a comment about the flyover on 225 and the Beltway, and that there is no reason for that flyover not to be there and something needs to happen. He explained that the Board would like to see something that shows the benefits for Pasadena, and for right now he only sees other people in the area being benefitted, and asked to be pointed in the right direction and show him what BAHEP has done for this group (The Board).* Mr. Freedman responded that they could put together a report about projects and capitalization and commented on the monthly report sent to R. Guerrero that talks about specific projects for this region, which bring tax dollars and jobs. He went onto explain that they acquire projects that are regional and might not be in this area, just like the Convention Center is going to benefit other communities and gave a sample of some major projects: Collins, Axiom and Intuitive Machines which collectively bring more than 3,000 jobs. While it's not in Pasadena city limits it is Pasadena School District, and probably their work force lives and shops in Pasadena. BAHEP wants to make sure EDC feels that it's getting the value for its dollars and want to be a force multiplier for the work EDC is doing, and they will be with us every step of the way, and will help with the Convention Center, and other projects that EDC is working and will give support with Economic Development incentives from the state, and all the other governments levels and whatever data EDC needs, it will be provided. *M. Wilkins requested that the monthly reports that BAHEP sends to R. Guerrero be included in the Agenda and R. Guerrero responded that they were already in their binders.* Mr. Freeman concluded by commending Cristina Womack from the Pasadena Chamber of Commerce, and their excellent work and offered the Board special cooperation with anything they would have particular interest in.

Ernesto Paredes made a motion, seconded by Elaine Domec that PEDC Resolution 23-029 be passed, approved and adopted. MOTION CARRIED ANONIMOUS.

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

A short video from GHP with Patrick Jankowski was shown, R. Guerrero gave an explanation about the announcement in the video as why for years it was Houston-Sugar Land-The Woodlands Metropolitan Area. An announcement was made the day before that the name was changed to Houston-Pasadena-The Woodlands Metropolitan Area (there was a big applause in the room). R. Guerrero explained that this is due to what is going on in Pasadena, that people travel out of Sugar Land for jobs, and it has become more of a dormitory city, people come to Pasadena for jobs, and it is a big accomplishment. He then gave an update on some of the projects that EDC is currently funding, and he passed out large printouts with photos to the Board Members. HWY 225 Underpass Safety Lighting Project: We are getting closer to this project coming to life. Little Vince Bayou Greenway: This project is still in the design stage, and it is getting closer to happening. Memorial Plaza: Another project that EDC will be part of and has designated some funds

for design and work, where the idea is that Davis St. in front of the Police station would be a public gathering space with benches, trees, and landscaping. Pasadena Boulevard: This project continues to be designed and since it carries the name of the city, EDC wants to make sure that it looks attractive. Richey Street Phase II: This project is currently being worked on and hopefully during or after Christmas should be finished. Vince Bayou Greenway: This is another project that is under design and EDC continues acquiring properties where the trails will go through. Two of the projects that aren't in the printout that EDC is also funding are the Private LTE Network: this is something similar to what the manufacturing plants use, it's a secure WI-Fi Network, it's almost in completion at the Convention Center and from there the work will move to the Municipal Golf Course and hopefully by the end of the year will be at 100% completed. He continued with the Way Finding project, EDC is close to receiving the final recommendations and an email went out to the Steering Committee with three options to select and option number 3 was the chosen one, the final draft is being completed and any new signage that goes up in Pasadena will match what the Steering Committee and the people have selected, as how to direct people to the Court House, City Hall, Libraries, Parks, it should be completed by next month.

He then told the Board that he spoke with EDC counsel, J. Moore about what he could say regarding the Convention Center and explained to the Board that he can go through it very generally and since the meeting in July EDC continues to explore talking with the community, the chamber, SJC, PISD, the Mayor's office, and got feedback from stakeholders and although one of the reasons for the facility was to hold graduations obviously it is not big enough, and being realistic the city could not afford such large facility. Nevertheless, it would be able to hold other events and EDC continues to have conversations with promotional management companies to make sure the arena is the optimal size for the type of events we want to use it for. EDC listens to stakeholders and people in the community and after it is done, it is going to be a very attractive facility. *At this time M. Wilkins asked to address a question to Counsel (Jeff Moore) and explained that she understands the enthusiasm for the Convention Center project and she shares it serendipitously, in line with the invocation, and explains that the Board is here present with the financial responsibility hat on, and at the last meeting when the project was presented she asked if whether or not there would be road blocks if the project could be stopped. And in light of the questions raised by the City Controller with respect to timeline, if he could clarify the response she got, which is that the project could be stopped and given what she's hearing that the Bonds get released the day before they are approved. J. Moore responded asking if the question is for him, M. Wilkins clarified her question asking if she understood correctly that the Board's vote last meeting authorizes the Bonds to be sold prior to their approval by the City Council the next day, and she asked again if she is missing something and if this timeline is different than that and stated that she is not knowledgeable in Bonds. J. Moore responded that he hasn't seen the timeline that she's referring to but ultimately the Bonds have to be approved by City Council, M. Wilkins responded that then they can't be sold before the City Council's vote, to this R. Lord responded that they're not being sold, what they do is a pricing of the Bonds and that is what's being taken to Council. So, there is a snapshot of it as recent as possible and that is why EDC has a Public Hearing the next morning, then it goes to Council. What they will do is an evaluation of the Bonds not the sale, nothing can be done until they are approved. M. Wilkins responded that she thought she heard that the Bonds will be offered on the 2<sup>nd</sup> of October, and she indicates that the Controller is nodding "yes", that the Bonds will be offered for sale. J. Moore stated that the conversation was going off topic, and they were just doing a monthly update during the Director's report and the discussion was not in the agenda, to what M. Wilkins responded if this matter could be added to the agenda for September and J. Moore responded, "yes absolutely" and reiterated that the discussion was not in the agenda and this was the monthly update for the Director's report. M. Wilkins then officially requested to include this matter in the agenda for next month's meeting due to the questions some of the members want to ask and they don't have the format of how to. R. Guerrero asked to comment, he explained that J. Moore doesn't handle the legal Counsel for the Bonds, that was Nikki Hill who was present at the previous meeting, M. Wilkins responded that J. Moore is the Board's legal Counsel, R. Guerrero responded that he understands that but Nikki Hill will be the one answering the questions and she's also EDC's attorney regarding the Bonds, and John and Michael Martin from Hilltop are the ones*

working with the Bonds. He continued explaining that he spoke with J. Moore about him not being able to be at the meeting to which J. Moore responded that it was OK since N. Hill is the counsel for the Bonds. R. Guerrero offered to invite N. Hill the following meeting to answer questions directly related to the Bonds. *M. Wilkins responded that the Board has a meeting on October 3<sup>rd</sup> to approve or disapprove a recommendation to City Council and she asked if she's correct and added that it will be in a form of Public Hearing, and that the members present will have to vote. She stated that there needs to be more discussion for that vote and assumes it needs to be in a public form in an EDC meeting, she asked if she's correct. J. Moore responded "correct", and M. Wilkins responded that, that was all she's asking, and wants to make sure the Board has an opportunity to ask whatever questions in a legal way in front of the public, so none of the Board Members will wake up later on and ask themselves "what did we do?" She added that she is concerned about \$100M over 30 years. R. Guerrero offered to schedule N. Hill for the next meeting and M. Wilkins agreed. R. Lord asked J. Moore if there will be an order to address that letter during the Public Comments specifically and stated that he would know the answers if it would be mailed out to their attorney, J. Moore responded that he is not familiar with letter he's referring to, and R. Lord asked J. St. Jean to share her statement and she responded that those were her notes. R. Lord responded that is to be disingenuous to have all these meetings, and come along with comments when they could have been sent ahead so everyone would be on the same page, that EDC is trying to do something for everyone, and to have a personal opinion like that is not a good place for the Board to be in. He then requested the meeting minutes to be transcribed and turned over to the attorney to get answers, and asked to move on. J. St. Jean responded that she wasn't informed of the Bond's sale and was being accused of doing something improperly, and she thought that she had to come to the meeting and talk about it. R. Lord commented that anything that comes along has to be public information, and the Board should have her statement beforehand, and asked if anyone present knew about the statement by the Controller beforehand? M. Wilkins responded that these were public comments given during a public comments section, and she has a valid opinion, to which R. Lord asked to please move along.*

#### **Agenda Item Eight: Comments by Board Members.**

Marilyn Wilkins- No comment.

Elaine Domec- Asked about the beautification program that EDC has for small businesses and how people can have access to the information if they don't use internet. Julianne explained that the campaign started a few years ago, the information is on our Webpage and during BRE meetings with the Chamber information is passed out with promotional packets. R. Guerrero responded that EDC would make sure the right information will get sent out.

Ernesto Paredes: Asked everyone to keep on going with the Bonds and make sure to tie up all the loose ends.

Efren Arjona- Stated that there are questions that need to be answered and the attorney should be present here to give those answers. He stated that he had a different understanding of how the Bonds work, will be evaluated, presented, and the Board would take a vote and it would be official. And he expressed that he would rather have some answers first.

Angela West- No comment.

Rick Lord- No comment.

#### **Agenda Item Eleven: Adjournment**

Board President called for a motion to adjourn the August 24, 2023 meeting at 3:44pm.

Ernesto Paredes moved seconded by Angela West. MOTION CARRIED ANONOMOUS.