



PASADENA ECONOMIC DEVELOPMENT CORPORATION
Pre-Board Meeting
Conducted in the Pre-Council Conference Room at City Hall
August 22, 2019, 3:00 p.m.
Minutes

Members present:

Steve Cote, President
Rick Lord, Vice President
Emilio Carmona, Secretary
Marilyn Wilkins, Treasurer
Ernesto Paredes
Salvador Serrano, Jr.
Steve Phelps

Members Absent:

Others Present:

Jeff Moore, Brown & Hofmeister, LLP (via conference call)
Rick Guerrero, Pasadena EDC Manager
Suzette McDowell, Pasadena EDC Marketing Manager
Robin Green, Public Works Director
Karina Tomlinson, PEDC Assistant Secretary
John Karras, TIP Strategies

Call to Order

The Pre-Board meeting for the August 22, 2019 Pasadena Economic Development Corporation was called to order at 3:00 p.m. by President, Steve Cote.

- 7a) Consideration to authorize Staff to negotiated and execute a contract with Clark Condon for Richey Street Phase II (Southmore Ave. to S. Houston Rd.) in an amount of \$26,600.00.
- Steve Cote asked Robin Green if he thought this was a fair price to which Robin answered that he wasn't involved in this project, but in his opinion it was a reasonable number. Steve then asked Deanna Schmidt (Planning Director) if this seemed like a fair price and if she was involved in the process. Deanna responded that she thinks it's a good project as a continuation to the Richey St. projects already underway. This will give us a chance to look at how to extend some of that and do some traffic improvements. Steve pointed out that this is South of Southmore where all the shops are. The emphasis is to understand mobility, help with pedestrian walkways, a little bit more landscaping, trees to continue to service and support the retail that is in the area. Marilyn Wilkins

pointed out that there is no curbing there so cars shoot out and it's a little scary to navigate sometimes.

- Chris Gentile added comments about the project when he arrived at the meeting. He stated they will be working on making this corridor unique and making a community asset out of that stretch. Their approach will be similar to the one for Pasadena Blvd. project and that the community around there will form what happens.
- b) Consideration to authorize Staff to negotiate and execute a Professional Services Agreement with HR Green, Inc. for Design of the Bay Area Industrial Park Wastewater Lift Station and Forcemain Improvements as part of Utility Development Project (CIP M018) in the amount of \$224,350.00.
- Robin Green stated this is about half the price of the total cost and reiterated that Nestle waters wants to double their capacity. This is the first step which is design and feasibility report.
- 8) Presentation by John Karras, TIP Strategies
- Steve stated it's been a year since the Strategic Plan was implemented and that John will be providing us with a "scorecard."
- 10) Executive Session
- Steve stated there would be no Executive Session at this meeting.

Pre-Board meeting Adjourned at 3:06 pm.

PASADENA ECONOMIC DEVELOPMENT CORPORATION
Board Meeting
Conducted in the Pre-Council Conference Room at City Hall
August 22, 2019, 3:06 p.m.
Minutes

Agenda Item One: Call to order, roll call.

The Board meeting on August 22, 2019 for Pasadena Economic Development Corporation was called to order at 3:06 pm by President, Steve Cote.

Agenda Item Two: Invocation.

Invocation given by Olivia Rivers, The Bridge Over Troubled Waters.

Agenda Item Three: Pledge of Allegiance.

Pledges led by IMPACT Pasadena Participants.

Agenda Item Four: Approval of Minutes

Board President, Steve Cote called for a motion to approve the minutes from the meeting held on July 25, 2019. Ernesto Paredes moved to approve the minutes seconded by Emilio Carmona, MOTION CARRIED UNANIMOUS.

Agenda Item Five: Public Comments

No comments made by those in attendance.

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

Nothing has really changed since last month other than the paving is complete on Richey from Southmore to Jackson. Marilyn Wilkins thanked Robin and added that she drove on it yesterday and it was beautiful. For Pasadena Blvd., they are waiting for Harris County. They are waiting for pre-construction on Shaw St. and that's about it.

Agenda Item Seven: Board Action – Resolutions.

- a. **PEDC RESOLUTION 19-027** – Consideration to authorize Staff to negotiate and execute a contract with Clark Condon for Richey Street Phase II (Southmore Ave. to S. Houston Rd.) in an amount of \$26,600.00.

Emilio Carmona made a motion to authorize Staff to negotiate and execute a contract with Clark Condon, subject to legal review and comment, seconded by Marilyn Wilkins that PEDC Resolution 19-027 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- b. **PEDC RESOLUTION 19-028** – Consideration to authorize Staff to negotiate and execute a Professional Services Agreement with HR Green, Inc. for Design of the Bay

Area Industrial Park Wastewater Lift Station and Forcemain Improvements as part of Utility Development Project (CIP M018) in the amount of \$224,350.00.

Steve Phelps made a motion to authorize Staff to negotiate and execute a Professional Services Agreement with HR Green, Inc., subject to legal review and comment, seconded by Rick Lord that PEDC Resolution 19-028 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- Robin Green stated he wanted to clarify that he is not related to anyone at HR Green.

Agenda Item Eight: Presentation – John Karras, TIP Strategies

Pasadena Economic Development Strategic Plan Annual Scorecard: Stated it's only been a year since the plan was adopted with many things happening in year one. This was set out to be a 5-year plan with a longer-term strategy. Wanted to remind everybody how we got to the Strategic Plan, what was involved in the analysis we put together, but also the thinking behind it. The process began in 2017 when Pasadena Second Century decided we needed to have a plan to guide us in to the next phase of Pasadena's economic future. We kicked off the process at the end of 2017/beginning of 2018. Spent the better part of 2018 doing analysis and looking at how Pasadena stacks up against other cities in the Houston region. We looked at your industries, workforce, had many interviews with employers, real estate developers, local small businesses. We even had several meetings with Hispanic owned businesses in Spanish, which was a great way to tap into some of the needs and challenges facing different segments of the community. Ultimately, the plan was adopted by the Economic Development Corporation, but we also got really strong buy in by the City and other partners. We met with every Council Member to hear their concerns and their hopes for economic development in Pasadena. When we completed the project, we said we would come back after a year to measure the progress. What we did is reviewed some of the trends affecting Pasadena and took a hard look at the strategies that we recommended in each of the goals. We'll go through each goal areas and talk about what has happened and what are the next steps that need to take place. So there were 6 categories, improving the imaging and marketing had a lot to do with that; business development which is the core economic development, recruitment, retention, expansion of existing companies. The team has been spending a lot of time with that and has had success with it. Workforce does not always rise to the top of an economic development plan, but that is a tremendous issue facing just about every company and you've got one of the best solutions to the workforce challenges in the region right here in your backyard with San Jacinto College as well as Pasadena ISD. And then really focusing on what are the big Catalyst Projects, the two big ones being what happens at the Macropiazza Mall and what happens at the Convention Center, but also a lot of the corridor work. It's exciting to hear the work that Clark Condon is going to be helping with advancing some of your key corridors. Goal 5 is tourism and retail and while it's a tremendous opportunity the retail growth you've had in the last couple of years we want to encourage you to look at it as a one-time shot and we'll talk more about the retail trends and e-commerce going on around the country. Don't count on more and more retail sales growth from here on out. Take advantage of the retail growth you've seen in the last couple of years and use that to make investments into diversifying and growing your future economy in Pasadena. Those are the 5 core goals that the EDC is the lead organization on. Goal 6 was support structures, things that the City, the Chamber or other partners would be

taking the lead on. The outcomes are trying to enhance the income levels, bring in new investment jobs, as well as educational attainment, trying to upskill and uptraining the existing workforce in Pasadena. It was really important to hear what the community told us. And the community being city leadership, employers and residents themselves and then looking at the data. Also what our experiences guided us to and what has worked in other places around the Houston area, Texas, and other parts of the country. So we'll talk about some of those things you have been doing and some other things we think you need to be taking the next steps on. The next section I wanted to quickly talk through some of the trends affecting the region and the country that impact what you can do in Pasadena. Just a reminder that you sit in the fastest growing county from a population standpoint in the country. And you're ranked third in job growth in the country, Harris County. Looking at the cities that are in the Houston area you are still the largest other than Houston, but the slowest growing of those so more and more as you move into the future you're going to be talking about redevelopment. Redevelopment is the future of Pasadena if you want to attract more people and companies. Next let's talk about retail. The last couple of years have been scary in the retail sector with mall closings and big box stores really struggling. As it turns out there has been more retail store closings announced nationwide this year so far through July than there were all of last year. That's a trend that we want to keep in mind. Pasadena has been playing catch up with the growth on the Beltway corridor with some of the new retail and restaurants which has been great for the EDC and the community with more jobs and investment, but that's not the kind of future trend to count on. It's time to make investments just like the Houston region did after the 80's oil bust. You have an opportunity and a lot of resources to take advantage of and make investments. Another trend we're paying close attention to is Pasadena is the epicenter of the Petrochemical industry. Chris Tomlinson of the Houston Chronicle wrote an article about looking 5 years down the road at the petrochemical industry and that there are real headwinds and some of that has to do with environmental pushback and regulations around plastics. This is an industry that you count on dearly for jobs and your tax base. There's still going to be growth over the next couple of years, but it's something you can no longer count on long term as providing more growth for the community. Again back to the need for diversifying, but also making sure that this industry has the workforce and the support it needs to stay as strong as possible here locally. The next trend is something that came out of the legislature which is affecting every city and county around the state of Texas which is the municipal revenue caps. These are going to limit the ability to increase your property tax base from year to year. Some analysis from Moody's says this is really going to hurt local government in their ability to deliver which makes it all the more important that the EDC helps lead Pasadena in where the investments the community needs to be more of a thriving economy down the road. Enough of the doom and gloom. The next trend we've been paying attention to is that more and more people are working in a flexible working arrangement. This is especially in tech companies and professional jobs. It's a more flexible workforce and there are more companies providing more flexible work schedules to attract and retain talent. More people are working remotely some of the time rather than all of the time. It's impacting how real estate development happens so there's more co-working spaces popping up. Looking at the numbers this speaks to an opportunity for Pasadena. It also speaks to the fact that if people have the choice to live and work anywhere they are flocking to places like Austin and choosing to move away from or not locate to places like Jackson, MS where there are far fewer people working remotely. So, this is something that really speaks to the quality of a place and community development investments

that you'll need to be making as a city to attract and retain the workers not just the companies. Looking at the Strategic Plan Goal 1 is Marketing & Image. This was about raising the profile of Pasadena locally and in the Houston area. Everything from marketing campaigns to marketing materials as well as the civic leadership component of that. Some of the things that have happened over the last year include the new EDC website, the new communitywide marketing campaign, increased social media awareness, more engagement with regional partners, increased participation in regional real estate events as well as the launch of the Chamber's IMPACT Pasadena leadership program. That has been a tremendous way to engage the leaders in the community. Next recommended steps are to meet with commercial brokers doing business in Pasadena at Houston area broker events, construction for improvements on Richey St. and Pasadena Blvd. in 2020 as well as gateway enhancements planned along with signage enhancements. Some of these you are already working on, but there's still room for enhancing the physical image of the community along key areas. The next goal was Business Development, to elevate Pasadena's business retention, expansion, and recruitment activities. There are a lot of great things that you've done that include launching of a business visitation program, facilitating business recruitment and expansion projects that created more than \$2 Billion of capital investment and 1,600 new jobs. You've invested in memberships to cultivate developer/broker relationships. The H+M Industrial story is a good one because they could have gone to the Woodlands, but are staying here instead. There is also a new emphasis on international recruitment. Next steps include the creation of a Pasadena Medical District with public infrastructure enhancements with the creation of a TIRZ that would provide new resources. The City is creating an online permitting system, which will go a long way to make the business expansion process more development friendly. Another big opportunity is travel to meet with foreign-owned company Headquarter leadership. Enhancing the research capacity is also important to help support business development. Goal 3 is workforce and it has to do with leveraging the school district and San Jacinto College, but also stronger engagement with the University of Houston-Clear Lake. You've made progress working with educational institutions trying to address the needs of the employer's you have in the community as well as working with some of the non-profits too. This is one where the EDC will not be leading the way, but supporting what is already happening with your workforce and education partners. Once the world class petrochemical training center opens you definitely want to market it a lot because it will be a national model. Next is Goal 4 – Catalyst Projects which focused on new growth areas and redevelopment sites to create new centers of economic activity. What happens with the mall and what happens with the City owned convention center? This is one where you've made some tremendous progress. As I turned left to go down Southmore I thought where am I since the bank building is gone, and although it was an emotional decision it sets the stage for building something new in this core part of Pasadena. The planning effort for the convention center district is another accomplishment as well as the corridor work on Pasadena Blvd. The preliminary project plan and reinvestment zone financing plan for two TIRZ districts were a big achievement even if you have not gone all the way. The number 1 next step as a community is to set up those districts. The hiring of a redevelopment manager to lead redevelopment efforts is another achievement. Next steps are to create a TIRZ district of which #1 is the more urgent priority. A livable centers study for Historic Pasadena. Being able to position the properties around City Hall for future development is another ongoing process. And continue to invest in those key corridors. So looking at what other areas around you have increment reinvestment zones (TIRZ) , a lot of the communities around you have at least 1. This

is a tool that a lot of cities have used to bring the right kind of investment to specific areas of a community. Goal 5 is tourism and retail and you have seen a lot of growth in retail, restaurants, and hotels along the Beltway 8 corridor. There are negotiations are underway with the convention center property and you have offered incentives for public infrastructure for a new grocery store in an under-served neighborhood. This is one where we talked about the potential to create a Convention Visitors Bureau regardless of what happens with the convention center. Another thing that came up was the ability to sell alcohol. That helps to create a quality of place that helps companies attract talent. Create a corridor improvement plan for public infrastructure along Red Bluff Rd. to open up new commercial development areas. Goal 6 is support structures for economic development and the City is responsible for. Achievements for you are the Business Enhancement Program launching to provide matching grants and collaboration between EDC, City, Chamber and regional partners on key issues. Some of the next steps we've discussed are the TIRZ, livable centers study, corridor plan and another item we've discussed is the Citywide Strategic Plan to guide important city development code changes and improve the development process. Our recommendations are to move forward with TIRZ #1 this year, look for opportunities to leverage FEMA disaster recover funds to support economic development, aggressively market and promote SJC's new Petrochemical, Energy, and Technology center, and finally prioritize the EDC and City's efforts to make Pasadena a redevelopment-friendly city and a more appealing place to live. Emilio Carmona asked what "wraparound" services was in reference to and John clarified that this is part of the workforce development that refers to some type of other assistance such as child care or transportation. Marilyn Wilkins pointed out that she was not aware of the FEMA funds that the City is receiving to which Robin provided details about the lowering of the streets and the areas that are going to be receiving the funds for this work to be conducted. Steve Cote added that from a branding standpoint the message has been consistent. The leadership development with the chamber has been a big deal. Business development we've done a lot with online tools. They can go online and answer 80% of the questions with the tools we have available. The TIRZ is something on the catalyst projects for this area. We have a mall owner who needs help, a hospital district with big plans. If you map a TIRZ around the hospital pockets of land, the mall area and trail all the way to Shaw along with the Livable Centers Study I think we're prime for a fantastic redevelopment of North Pasadena. If you tie in the Citywide Strategic Plan I think it's a very good opportunity. My biggest concern is that retail. There are still a lot of opportunities for us to do and I commend everyone involved with the Strategic Plan, it's keeping us on track and keeping us in our lane. We hope to continue to have success with it.

Agenda Item Nine: Comments by Board Members.

No comments made by Board Members.

Agenda Item Ten: Executive Session – CANCELLED

Convene in executive session pursuant to Section 551.087, Texas Government Code to deliberate regarding economic development negotiations for Business Attraction/Retention Projects.

Agenda Item Eleven: Reconvene into Regular Session

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 negotiations for Business Attraction/Retention Projects.

Agenda Item Twelve: Adjournment.

President, Steve Cote called for a motion to adjourn the August 22, 2019 meeting at 3:57 pm. Ernesto Paredes moved, seconded by Marilyn Wilkins. MOTION CARRIED UNANIMOUS.