



PASADENA ECONOMIC DEVELOPMENT CORPORATION
Pre-Board Meeting
Conducted in the Pre-Council Conference Room at City Hall
January 24, 2019, 3:02 p.m.
Minutes

Members present:

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

Members Absent:

Others Present:

Jeff Moore, Brown & Hofmeister, LLP (via conference call)
Carlos Guzman, Pasadena EDC Executive Director
Rick Guerrero, Pasadena EDC Manager
Suzette McDowell, Pasadena EDC Marketing Manager
Robin Green, Public Works Director
Jed Aplaca, Parks Director
Karina Tomlinson, PEDC Executive Assistant

Call to Order

The Pre-Board meeting for the January 24, 2019 Pasadena Second Century Corporation d/b/a Pasadena Economic Development Corporation was called to order at 3:02 p.m. by President, Steve Cote.

(6) Discussion

- a. Discussion regarding spending authority of Executive Director for certain promotional, administrative, and related expenditures.
 - Carlos briefly introduced the new Marketing Manager, Suzette McDowell and proceeded to provide some details regarding best practices and having a written policy in regards to expenditures under a specific amount approved by the Board. Dallas, Ft. Worth, Sugar Land and Conroe are some other cities that have a policy like this for certain administrative and promotional expenses.
 - Steve Phelps asked if there was a sample policy being used by any other EDC that he could look over.

- Jeff stated that he envisions enumerating certain types of expenditures. For example there are certain administrative costs in the budget and when the EDC makes small purchases they don't go to the Board to have them approved (ex: pencils/pens), but when the expense is of a larger amount what is that limit? It would have to be budgeted initially, but the policy envisioned would set a dollar amount limit that the Board would be comfortable with. Some cities have the limit at \$50k which is probably due to the competitive bidding statute. It could be a lesser amount, but the policy would give a laundry list of the items we're talking about and the dollar cap on those items.
 - Steve Cote provided a quick example of an expenditure and stated that this could be discussed, to which Steve Phelps reiterated that he would like to see a sample policy.
- b. Update and discussion regarding community branding exercise and related expenditures.
- Carlos provided a quick introduction referencing the November meeting and the Program of Work that was approved by the Board.
 - Suzette provided a presentation going over the details of what a Community Branding exercise would entail as well as an anticipated timeline. This is something that was listed as Goal #1 of the Strategic Plan that was rolled out in 2018.
 - Steve Cote stated that one of the most important things is to get the input of key decision makers, stakeholders and pillars of the community. People that would help tell the story of Pasadena; and more importantly tell the same story.
- c. Discussion regarding Pasadena Healthy Parks Plan and related expenditures.
- Carlos introduced Jed Aplaca, the Director of Parks and stated that the City of Pasadena is up for consideration to receive a \$300k grant to do a master plan for parks, but they need to have a local match of \$50k. He also added that he checked with Jeff and this is an eligible expense. EDC's can assist with park development and this meets the statute requirements.
 - Jed Aplaca provided a presentation detailing the Healthy Parks Plan and the opportunity with Houston Endowment to receive this grant. He stated that the application has already been submitted, the next Houston Endowment meeting is mid February and that is when it will be known if this plan is going to be funded. Marilyn Wilkins asked if this is a competitive grant to which Jed responded that he is not sure how much is being awarded and if there are other communities. He stated that the Houston Endowment has been assisting them through the application process. Jed stated that there will be a large level of outreach to the community and that an Advisory Board will be created. An important note was that once the Plan is complete this will meet the Texas state standards that will improve chances to qualify for state grant funds and other opportunities. We want to continue and be able to fund some of these great ideas and projects that will come about from this plan.
 - Steve Cote added that Pasadena is the 2nd largest city to Houston and so this is ideal and makes perfect sense.

(10) Board Action – Resolutions

- a. Consideration to approve the Financial Report of Investment Activities for the Fiscal Quarter ended December 31, 2018.
- b. Consideration to authorize Staff to negotiate and approve a Facilities Extension Agreement with CenterPoint Energy Houston Electric, LLC for \$44,814.00 for the Pasadena Blvd. Reconstruction Project (CIP #S077)
- c. Consideration to approve payment of 2018 Ad Valorem Taxes corresponding to the purchase of the Bank Building located at 1001 Southmore Avenue in the amount of \$32,439.45 (CIP# M038)
 - Steve Phelps asked if that was their portion of taxes to which Carlos answered yes.
- d. Consideration to approve the appropriation of incidental expenses in the amount of \$75,000.00 to cover miscellaneous expenses related to the Bank Building located at 1001 E. Southmore. (CIP# M039)
 - Carlos explained that this was a request from the Controller's office to have miscellaneous expenses ear marked with an accompanying resolution.
 - Steve Phelps asked if this is included as part of the \$2.5M previously allocated and this was confirmed.
- e. Consideration to authorize Staff to join the Society of Industrial and Office Realtors (SIOR) as a General Associate in the amount of \$2,000.00.
- f. Consideration to authorize Staff to renew the 2019 Team Texas membership at the general level in the amount of \$3,000.00.

Pre-Board Meeting Adjourned at 3:30 pm.

PASADENA ECONOMIC DEVELOPMENT CORPORATION
Board Meeting
Conducted in the Pre-Council Conference Room at City Hall
January 24, 2019, 3:31 p.m.
Minutes

Agenda Item One: Call to order, roll call.

The Board meeting for the January 24, 2019 Pasadena Second Century Corporation d/b/a Pasadena Economic Development Corporation was called to order at 3:31 pm by President, Steve Cote.

Agenda Item Two: Invocation.

Invocation given by Board Member Emilio Carmona, Secretary.

Agenda Item Three: Pledge of Allegiance.

Pledges led by Board Member Marilyn Wilkins.

Agenda Item Four: Approval of Minutes

Chairman, Steve Cote called for a motion to approve the minutes from the meeting held on November 29, 2018. Ernesto Paredes moved to approve the minutes, seconded by Randy Drake, MOTION CARRIED UNANIMOUS.

Agenda Item Five: Public Comments

No comments given by the Public in attendance.

Agenda Item Six: Discussion

Discussion and presentation of items a, b and c were made during the Pre-board meeting. No additional comments were made during the meeting.

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

Fund 9949 is the Operating Fund, for this year \$9.7M was budgeted and if you notice there is a new column added for encumbrances. When a contract is approved, that amount is carved out so that the true balance available is known. \$260k has been spent so far so there is a current balance of approximately \$7.7M in the Operating fund. Moving over to the next fund, 9950, which is the CIP projects there are about \$52M in cash, but \$43M is already earmarked which is on the next page. You subtract what is available in your operating budget still to spend and that leaves about \$1.6M to work with. Fund 9955 is closed. Fund 9960 was for work on Vista and that job is complete. We will need to get a ruling to see what we can do with the last \$29k. Fund 9965 is for Richey Street improvements which just got started and the available funds in that is \$115k, but that's because the budget we're working on is already carved out. Fund 9966 is Fairmont Watermain Phase I that is also complete and again has a little left over of \$55k.

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

The Utility Development is work on the overlay on South Street that is basically completed. The contractor is working on repairs to Preston Road. The Rodeo Arena Expansion is completed. On the Gateway Project the contractor has ordered material and should start in February. That's the one that we had to wait on the County because they wanted to shut down the U-turn during the holidays. Joe V's is just about done, just waiting on the traffic light poles. The high rise building we're about 25% done on the abatement. Robby expects to bring the award for demolition in March. Pasadena Blvd is moving very slowly. I have a meeting tomorrow with Harris County on the Right of Way acquisition. Richey St. is about 25% complete, lots of traffic problems with that which is just the price of progress. Shaw St. we expect to bring an award at the March meeting. Traffic mobility it takes ordering of poles 4-6 months. Fairmont Parkway Waterline Phase II is complete. Fairmont Parkway Waterline Phase III is just finishing cleanup. Ernesto Paredes asked what was going on at Space Center and Fairmont to which Robin responded that it's a line and that it has to be dug up with a shovel. Steve Phelps asked how long the demolition of the Bank Building would take and Robin estimates it will be 4-5 months.

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

Carlos provided a presentation including project updates including: pictures of Joe V's ribbon cutting, An update report of the remediation at the former bank building along with pictures. The basement, floor 1 & 2 are completed and floor 3 is partially completed. They estimate the remediation will be complete in April. The Macroplaza Mall – the mall owner gave a workshop to City Council talking about his vision and he did mention in the workshop that he's looking to spend \$25M of his own money to improve the mall. That will be going to City Council in the future. At this time I would like to briefly go over some of the achievements for 2018 that were also presented at the November Board meeting. As far as 2019 Goals, foremost is implementation of the Strategic Plan, we also discussed the awarding of the demolition of the Bank Building in March which we might have to call a special meeting so that we don't have to wait until the end of March. We will keep you posted on this so the work can be started. The community branding you heard about from Suzette was in the Program of Work and will be coming to you guys The Macroplaza Master Plan – we requested a master plan so the City knows exactly what they're going to do, what they can and cannot do there and there will be an incentive agreement coming later on. The convention center development we will touch on during Executive Session, the launch of a robust redevelopment program. At the next council meeting we have a Redevelopment Manager up for approval. For 2019 we will continue to work on the TIRZ 1 & 2. We will continue to push on that and the last bullet point is the consideration for bond program subject to the TIRZ. Steve Cote added that we missed an opportunity for 2018 getting the TIRZ, drawing the maps and just having the documentation in place. It was the end of the year, tax base was set and now TIRZ #2 is in jeopardy for 2019. There may be an opportunity there, but some homes are going to get developed. TIRZ #1 has a better opportunity if it can get passed this year. At least draw the maps and turn in the paperwork, there is no commitment by the City other than just establishing it. If we can get that set up it's better than just writing a basic one off 380 agreement with the mall owner. We're trying to redevelop an entire area. We want Shaw District all the way down to the mall area with an incentive program in place where anyone that will sign a contract, agree to do what they're going to do to our terms, come and spend their money, then they qualify for an opportunity to get incentivized for it. Hopefully we can see what we can get Council to look at and approve. These are 2 great tools and opportunities for the City. Carlos added that it was

bad that we missed the TIRZ for 2018, but if we miss 2019 for the TIRZ for the mall the stars won't be aligned anymore. We will have missed the opportunity and we can't do anything about that. Marilyn asked if the Mall owner has a tentative time line that he has toward getting his plan done? Steve added that the Sears is what is holding up his plans. Staff briefly went over some of the goals and objectives for the upcoming year. Cristina Womack, CEO of the Chamber of Commerce was invited to provide a briefing on the IMPACT Pasadena program and the candidate that the EDC is sponsoring, Olivia Rivas. Carlos continued with upcoming events and invited Board members who are interested reach out to the office so that we can reserve them a seat for the BAHEP Quasar awards, Pasadena State of the City and the Economic Alliance Annual Banquet. Finally Carlos congratulated Steve Cote on his Citizen of the Year award.

Agenda Item Ten: Board Action – Resolutions.

- a. **PSCC RESOLUTION 19-001** – Consideration to approve the Financial Report of Investment Activities for the Fiscal Quarter ended December 31, 2018.

Marilyn Wilkins made a motion to approve the Financial Report of Investment Activities, seconded by Steve Phelps that PSCC Resolution 19-001 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- b. **PSCC RESOLUTION 19-002** – Consideration to authorize Staff to negotiate and approve a Facilities Extension Agreement with CenterPoint Energy Houston Electric, LLC for \$44,814.00 for the Pasadena Blvd. Reconstruction Project (CIP #S077)

Emilio Carmona made a motion to authorize Staff to negotiate and approve a Facilities Extension Agreement with CenterPoint Energy Houston Electric, LLC for \$44,814.00, seconded by Ernesto Paredes that PSCC Resolution 19-002 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- c. **PSCC RESOLUTION 19-003** – Consideration to approve payment of 2018 Ad Valorem Taxes corresponding to the purchase of the Bank Building located at 1001 Southmore Avenue in the amount of \$32,439.45 (CIP# M038)

Steve Phelps made a motion to approve the payment of 2018 Ad Valorem Taxes corresponding to the purchase of the Bank Building in the amount of \$32,439.45, seconded by Emilio Carmona that PSCC Resolution 19-003 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- d. **PSCC RESOLUTION 19-004** – Consideration to approve the appropriation of incidental expenses in the amount of \$75,000.00 to cover miscellaneous expenses related to the Bank Building located at 1001 E. Southmore. (CIP# M039)

Marilyn Wilkins made a motion to approve the appropriation of expenses in the amount of \$75,000.00 to cover miscellaneous expenses related to the Bank Building, seconded by Ernesto Paredes that PSCC Resolution 19-004 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- e. **PSCC RESOLUTION 19-005** – Consideration to authorize Staff to join the Society of Industrial and Office Realtors (SIOR) as a General Associate in the amount of \$2,000.00.

Ernesto Paredes made a motion to authorize Staff to join the Society of Industrial and Office Realtors (SIOR), seconded by Marilyn Wilkins that PSCC Resolution 19-005 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- f. **PSCC RESOLUTION 19-006** – Consideration to authorize Staff to renew the 2019 Team Texas membership at the general level in the amount of \$3,000.00.

Emilio Carmona made a motion to authorize Staff to renew the 2019 Team Texas membership, seconded by Ernesto Paredes that PSCC Resolution 19-006 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

Agenda Item Eleven: Comments by Board Members.

Rick Lord – “I’m curious about the TIRZ, and backing into those. People that are inside that designated area; will they be able to take part in some of the TIRZ? What if they want to do some renovations? The way I always took it was that it was for new people coming into an area. *Carlos responded that it’s like a financing mechanism. If you own property and want to re-do your business or invest in your business there’s other things, but not for new only. Steve Cote added that as long as it’s tied to public infrastructure, that portion that’s public infrastructure, then you qualify, but you have to sign a contract up front and make your commitments. Carlos added that there are thresholds.* Rick added, “I knows there is a lot of concern with the North side of Pasadena not getting the dialogue done; it needs to be addressed with a workshop or something. *Steve responded that there was a Workshop, but the big emphasis would be if you want to keep the money in that area, that’s what does it. Box it into the area.”*

Randy Drake– “Pass”

Marilyn Wilkins– “I’m good.”

Emilio Carmona – “I like the words Pasadena Healthy Parks because it means it’s going to be active, get the kids moving. I remember when I was a kid that most of the kids from out of town wanted to come to come play ball here because they said Pasadena had the best ball fields around. Hopefully that will happen again, now it would probably have to be soccer, but I think it’s a good deal that \$50k will get us \$300k. *Steve Cote added that Jed is working with other private investors so that it may not be where we have to fund all that money. It might be that someone else puts some of the money up and we participate.* Emilio added, “if this will keep our kids active and busy, then that’s good.”

Ernesto Paredes - Added that “at one time Second Century partnered with the Rotary for the Pavilion and they could probably jump in to.” Stated he liked the plan that Jed presented.

Steve Phelps – “Pass”

Steve Cote – “I think we’re on the right track with a lot of things. In the beginning we were approving a lot of studies, but Carlos has committed to implementing them, sticking to the plan. We still have details coming back on the Convention Center Feasibility & Master Plan. We threw out the opportunity for the TIRZ, we’ll try again and hopefully we’ll get something this year and if not, then we just roll up our sleeves and see what’s next. There was a few comments made to

me about the bank coming down. That it's become an eye sore and it's a very visible step in the right direction of seeing some changes and new things. That's going to be good and we're looking forward to that along with some other items in 2019. Looking forward to it guys!"

Agenda Item Twelve: Executive Session

****NOTE**4:11 PM** – At this time, President Steve 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.

****4:38 PM** - Steve Cote left the meeting for the discussion of section b. and did not further participate. Marilyn Wilkins left the meeting at **4:42 p.m.** for the discussion of section b. and did not further participate. Steve Cote and Marilyn Wilkins returned at **4:45 p.m.**

- 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 #1901.

****NOTE**4:45 PM** – At this time, President Steve Cote announced that the Board “has concluded its Executive Session.”

Agenda Item Thirteen: Reconvene into Regular Session

****NOTE**4:45 PM** – At this time, President Steve Cote reconvened the 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 negotiations for Business Attraction/Retention Projects.
 - No discussion/deliberation at this time.
- b. Deliberation regarding real property – Project #1901.
 - No discussion/deliberation at this time.

Agenda Item Fourteen: Adjournment.

Chariman, Steve Cote called for a motion to adjourn the January 24, 2019 meeting at 4:46 pm. Randy Drake moved, seconded by Ernesto Paredes. MOTION CARRIED UNANIMOUS.