CITY OF FREEPORT
ECONOMIC DEVELOPMENT CORPORATION

430 North Brazosport, Freeport, TX
Tuesday, August 13th, 2024, at 6:00 p.m.

REGULAR MEETING MINUTES

FEDC BOARD MEMBERS: Quorum Present

Directors:

Josh Mitchell	President
Sandra Loeza	Vice President
Ken Tyner	Treasurer
Shonda Marshall	
Mark Parker	
Ronnie Martin	
David McGinty (Absent)	

Robert Johnson: Executive Director
Lance Petty: City Manager
Jerry Cain- City Liaison
Loren Smith: EDC Attorney
Rachael Cohen: EDC Staff

I. Call to Order
Josh Mitchell called the meeting to order at 6:04 p.m. A quorum was present.

II. Invocation and Pledge
Ken Tyner led the invocation and Mark Parker led the pledge.

III. Citizens Comments
There were no citizen comments.

IV. Consent Agenda
1. **Approve Meeting Minutes for July 30th, 2024**
2. **Approve 3rd Quarter Financials**
3. **Approve Monthly Financials**

Rachael Cohen noted a correction under topic six, the figure $3,000 should be corrected to $300,000

Cathy Ezell presented the third quarter investment report and financials as of June

30, 2024. This is the first quarter where the Tax full investment shows because we moved $2.5 million out of the bank account and into the Tax pool. There is still a little over $700,000 in the bank account and 2.5 million in the Tax pool. Earnings were reported at $126,000 in interest so far this year. This is good because interest rates are high.

Sandra Loeza requested clarity on the type of investment, asking if this is like a CD or what because it has a 2024 -2025 yearly note. Ms. Ezell noted the report is listed as April 1, 2024, to June 30th of 2024.

Ms. Ezell further clarified the investment account is a Tax pool, which is also called a pull account which means anyone in a government entity in the state of Texas can put money into it so you get a bigger investment because you have all these different counties, school districts, cities, economic development corporations in it so it becomes an investment tool. It operates like a bank account and there is no cost and a one-to-one ratio pull. You can get the money wire either same day or next day transfers as necessary. This was the first quarter we had this Tax Pool because we moved money around April.

The EDC's fund balance is $1,815,011 with $169,819 in revenue over expenditures. The project fund balance is $905,001 and the marketing fund balance is $152.120

Sandra Loeza made a motion to approve the consent agenda. Ronnie Martin seconded. **MOTION PASSED UNANIMOUSLY.**

V. Executive Session- Adjourn into Executive Session

It is now 6:12 p.m. and I hereby recess the regular session of the Freeport Economic Development Corporation meeting and do hereby convene into executive session in compliance with Texas Government Code: Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), Section 551.074 (Personnel Matters)

1. **Update on Pending Litigation: Realty World and A&T**

Reconvene into an Open Session

Board President's statement:
It is now 7:34 p.m. and I hereby close the executive session of the Freeport Economic Development Corporation and do hereby reconvene the regular open session and take possible action on items mentioned in the executive session.

VI. Discussion and Action Items

1. **Discuss and take possible action on a Business Improvement Grant Request – Sit’N’Bull. (Agenda item#5)**

   Josh Mitchell moved the topic listed under Discussion and Action Items #5 to the first item to accommodate the owners time.

   Laurinda Almaguer, owner of Sit N Bull, explained the building had experienced significant damage, including the complete loss of its roof due to Hurricane Beryl. Despite efforts to resolve the issue with FEMA and SBA, no assistance has yet been received, and every rainfall has further damaged the building's interior. They requested a grant to help with repairs.

   Ken Tyner asked questions of insurance coverage. Mrs. Almaguer noted they did not have insurance and were not sure if they would get any further assistance. Mr. Tyner then asked about what the establishment sold, and if it was majority alcohol and Mrs. Almaguer confirmed.

   Ms. Almaguer noted even with a loan from the previous owner of $10,000, they would be short $12,000 to finish the repairs.

   Mr. Robert Johnson reminded the board that the funds available for grants this fiscal year amounted to $51,000. After discussing the circumstances, the board agreed that Sitting Bull qualified for a $10,000 reimbursement under the current grant rules.

   Sandra Loeza made a motion to approve the Business Improvement Grant request under Façade Improvements for $10,000, seconded by Ronnie Martin, and **MOTION PASSED 5 to 1, with Ken Tyner being the nay.**

2. **Discuss and take possible action on Kidfest's additional marketing sponsorship.**

   Ana Silbas, Main Street Coordinator opened the discussion on the Kid Fest 2024 Sponsorship, for a request for additional sponsorship for KIDFEST 2024 to utilize event communication services offered by SiCoustics, LLC. Ms. Silbas offered a detailed review of the sound and event management concerns from the Cinco de Mayo event with issues from stage location and wind elements. The company recommended SiCoustics, LLC would help with issues with lost children, announcements, and overall enjoyment of the event. Mr. Robert Johnson also expressed concerns about the event as the broadcastings couldn’t be heard on certain sections of the stage. During that event, sound problems were exacerbated by wind and stage placement, resulting in difficulties with broadcasting to attendees. This is a trail run for this product to be utilized at future events.

   The aim was to ensure that the events the EDC supports are enjoyable for attendees by improving the overall experience while using available resources to their fullest potential. Ms. Silbas highlighted that Ronnie Martin, a member of not only the EDC board but the Main Street board as well, already had ideas for an event next year and was considering how to enhance the attendee experience further while adhering to communication and emergency management protocols, especially given the constraints of the downtown area.

Sandra Loeza inquired about concerns with backup plans and with the event being outside. Ms. Silbas also acknowledged that, while the scalable sound solution seemed promising, there was no current contingency plan in place for weather-related issues such as rain. However, Ms. Silbas noted that rescheduling rather than canceling was a feasible option, and most vendors had previously been flexible when events needed to be postponed due to bad weather. Ms. Loeza questioned if the vendors' contracts could include provisions for rescheduling due to weather. Ms. Silbas confirmed that she would update the contracts accordingly and follow up with a phone call to the vendors to ensure this flexibility.

Ken Tyner inquired about the cost of the proposal, to which Ms. Silbas responded that it would be $4,992.22 and noted that this was the last event of the fiscal year. Josh Mitchell asked the legal representative, Loren Smith if the Board could approve the sponsorship with contingencies related to the weather. Mr. Smith confirmed that such a contingency could be included, and Mr. Mitchell moved to approve the sponsorship with the added clause to accommodate potential weather-related changes.

Sandra Loeza made a motion to approve the sponsorship with the added clause to accommodate potential weather-related changes, seconded by Ken Tyner, and **MOTION PASSED UNANIMOUSLY**.

3. Discuss and take possible action on Ethics Policy.

The board began a detailed discussion on the need for a formal Ethics Policy for the Freeport Economic Development Corporation (EDC).

Ronnie Martin opened the discussion, emphasizing the importance of establishing clear, enforceable guidelines that promote transparency, integrity, and accountability among board members, staff, and contractors. Mr. Martin noted that although the EDC currently operates under general ethical standards, the lack of a codified policy leaves the organization vulnerable to conflicts of interest, ethical missteps, and potential negative perceptions from the public. Mr. Martin stated “you have to adhere to certain things if you want people to get involved in the City” along with concerns about developers having doubts because of the actions of the members outlined in the video shown earlier in the session.

Loren Smith weighed in, offering legal counsel on drafting the policy. Mr. Smith emphasized the need to ensure the policy aligns with existing municipal and state regulations, particularly regarding public service and nonprofit management. Mr. Smith outlined the problems with enforcing a code of Ethics but having said code will help align goals and is generally a good practice to be under.

In conclusion, the board agreed that legal counsel would draft the Ethics Policy based on the discussion points raised. A draft will be presented at the next board meeting for review and potential approval.

4. **Discuss and take possible action on a new mowing contract.**

The meeting moved forward with a discussion regarding the new mowing contract for the city, led by Robert Johnson. Mr. Johnson initiated the conversation by outlining the pressing need for a reliable mowing contractor to maintain the public spaces within Freeport EDC properties. The City of Freeport is currently mowing our properties. The Freeport EDC has sent a letter of termination to the previous mower, Grass Masters, and now we need to pick another contract.

Mr. Johnson outlined that the previous bids from Mr. Gardner Campbell is still available, but we now have another bid from VT Enterprises, which is a higher bid. At one point, VT Enterprise mowed before Grass Masters. Mr. Johnson talked with David McGinty, who is out today, about reaching out to other mowers, stating Mr. McGinty indicated he had two or three possible options to add to the bidding pool.

Mark Parker made a motion to table this item after a conversation with Mr. McGinty about other possible bids.

Josh Mitchell asked what the charges from the City are to maintain the properties, at which Mr. Johnson explained they were helping the Freeport EDC at no cost, and as more of a favor to the EDC.

Sandra Loeza requested this be added to the next agenda at the request of other board members to table the discussion. Loren Smith, the legal representative, noted we could table the discussion and it would go up on the next agenda.

Josh Mitchell, circling back around to Mr. Parker's motion, goes back to the board with a second motion from Mr. Ken Tyner to table this discussion for the next meeting, **THE MOTION PASSED UNANIMOUSLY**.

5. **Discuss and take possible action on a Business Improvement Grant Request – Four Corners.**

The meeting began with a discussion about the ongoing challenges faced by the Four Corners area, with Robert Johnson acknowledging that they are in uncharted territory and with sustained damage from Hurricane Beryl.

Ken Tyner stated that by the end of August, the current work should be completed, and it would be about three weeks before Arlan's would be able to restock. Mr. Johnson noted that under the terms of the lease, Arlan's and Dollar Tree are not required to pay rent while their stores are closed. He projected that the necessary work would be completed by the end of August, and it would take roughly a week before operations could resume.

Ken Tyner inquired about the possibility of a mega grant, and Robert Johnson responded that they were exploring adjustments, mentioning that they were initially considering 14 different stores but have now identified 41,266 square feet of space available until October 1st. He also suggested the possibility of structuring a half-and-half agreement, leaving options wide open.

Sandra Loeza asked whether Mr. Adnan Ali had paid the deductible, to which Robert Johnson responded that Mr. Ali would handle it, but it would feel like “robbing Peter to pay Paul.” Josh Mitchell shared his personal experience from high school, when Kroger left during Hurricane Ike, noting that fixing these issues since then has not been prioritized. However, Mr. Mitchell emphasized that getting an answer on why things haven’t been fixed since Hurricane Ike was less important than moving forward with a half-now, half-later solution, specifically suggesting half of the grant now and the remainder after October 1st.

Rachael Cohen mentioned that $56,000 had already been spent, with extra documentation provided and clarity on invoice payments. Josh Mitchell stated a caveat of the grant is the money must go straight to the contractor and not to Four Corners, LLC. Rachael Cohen pointed out the submitted receipts, to which Mr. Mitchell stated we could issue funds for the work already performed for this year, but for October, the payments must be issued to the contractors.

Sandra Loeza asked if Mr. Ali had applied for assistance with the Small Business Association (SBA) and Federal Emergency Management Agency (FEMA), and Loren Smith, legal representative with Olsen and Olsen, clarified that FEMA was only providing assistance for rising water, not falling water. Sandra Loeza expressed her support for resolving this issue for the employees, favoring the idea of providing half the funds now and the rest after the fiscal year begins.

The discussion shifted to specifics about the mega grant. Ken Tyner asked for clarification on what portion they were considering, and Josh Mitchell suggested splitting the mega grant, proposing $15,000 now and $15,000 after October 1st. Mark Parker emphasized the importance of maintaining a relationship with Mr. Ali, recognizing that although he didn’t attend the meeting, his presence and cooperation are important for their long-term relationship. Mark Parker noted that while Mr. Ali can be demanding, he has met all the requirements asked of him and questioned whether they should continue supporting him or let him walk. Mr. Parker stressed the importance of ensuring that Freeport’s needs are met.

Robert Johnson reiterated that they are in uncharted territory and proposed the idea of structuring future lease agreements with requirements for CAM (Common Area Maintenance) fees. Ronnie Martin raised concerns that only two businesses had paid CAM, with most small businesses not paying. He shared that his CAM fees were higher than his rent, citing examples like a fitness center with 500 stores is not “mom and pop” nor is a vape shop with one thousand stores nationwide.

Mark Parker expressed concerns about long-term repairs, differentiating between responsibilities for concrete repairs and roof work. Mr. Parker emphasized the need for clarity in handling future investments.

Robert Johnson added that this should allow for reimbursement in the first fiscal year since Mr. Ali had already paid $56,000 for storm-related expenses.

Josh Mitchell then called for a motion, and Mark Parker proposed accepting the grant with two separate payouts, one in the current timeframe, with a maximum of $15,000 each, and the second portion in October, contingent on the presentation of an invoice for actual costs. Ken seconded the motion. **THE MOTION PASSED UNANIMOUSLY.**

6. **Discuss the outcome of the in-person meeting with Retail Strategies.**

Robert Johnson started the discussion by mentioning the in-person meeting between Retail Strategies, Madison Neal, and his assistant, Megan Jimenez, along with Ana Silbas, Main Street Coordinator, and Rachael Cohen, EDC Specialist. Mr. Neal and the team discussed programs they had as far as keeping track of realty and land and working with them on that. Also took the step to schedule a monthly meeting that was very brief. There were concerns with redirection due to the storm, and aside from keeping track of closures and making them aware of closures, there is not really a lot they can assist with for property management, but they are certainly aware of the challenges from the storm.

An update followed regarding outreach efforts related to the storm. The team discussed potential redirection due to the storm and keeping track of which businesses were closing, acknowledging that not much could be done beyond property management. Retail Live, an industry trade show, was mentioned as an opportunity to continue conversations on behalf of the group. The demographic challenges of the area were also acknowledged. Robert Johnson shared that he had reached out to Taco Bell’s representative, to explore ideas, but noted that the local Taco Bell did not have a Facebook page or other social media presence. Taco Bell’s efforts were contrasted with Starbucks’ more successful outreach efforts.

The topic was concluded with the decision to continue pushing for solutions and remaining active in outreach efforts to support local businesses.

7. **Discuss the benefits of EDC memberships in the Hispanic and Brazosport Chamber of Commerce in Fiscal Year 2024 - 2025.**

Robert Johnson opened the discussion by underscoring the importance of the Economic Development Corporation's (EDC) memberships with local and regional Chambers of Commerce. Mr. Johnson emphasized that these memberships serve as vital connections between the EDC and the broader business community, allowing Freeport to benefit from networking opportunities, business advocacy, and resource sharing. Mr. Johnson noted that the relationships fostered through Chambers of Commerce are critical for promoting economic growth, enhancing the city's visibility, and facilitating partnerships that can lead to business attraction and retention.

Mr. Johnson then provided a detailed report on the EDC's current involvement with several Chambers of Commerce, including the Brazoria County Chamber of Commerce and the Brazoria County Chamber. Ronnie Martin explained that these memberships offer the EDC access to key resources such as workshops, business development programs, and marketing platforms that benefit both new and established businesses in Freeport. The Chambers also provide critical lobbying efforts at the state and federal levels, ensuring that the interests of Freeport's business community are represented in legislative processes.

Ronnie Martin elaborated on the specific advantages that the EDC has gained through its memberships. For instance, the EDC has regularly participated in Chamber-sponsored networking events, which have proven instrumental in connecting local entrepreneurs with potential investors, suppliers, and clients. These events provide a platform for Freeport businesses to showcase their services, products, and innovations to a larger audience. Additionally, Chambers of Commerce often host business expos and trade shows that attract attendees from across the state, offering Freeport businesses an opportunity to gain exposure and attract customers from outside the immediate region.

Mr. Martin further highlighted the educational opportunities provided through Chamber memberships. Chambers often offer seminars and training sessions on topics such as business strategy, digital marketing, financial planning, and regulatory compliance. These resources are available not only to EDC staff but also to the wider Freeport business community. Mr. Johnson stressed that the EDC has been actively promoting these opportunities to local business owners, ensuring they have access to the tools needed to grow and succeed in a competitive market.

The discussion then shifted to the EDC's relationship with the Brazoria County Alliance, where Freeport has played a significant role in regional economic development initiatives. Mr. Johnson mentioned that the Alliance's membership has opened doors for Freeport to collaborate with neighboring cities on large-scale projects, such as regional transportation improvements and infrastructure developments. These collaborative efforts not only improve the business environment within Freeport but also strengthen the entire county's appeal as a destination for investment.

Shonda Marshall brought up questions about marketing and feeling that we are accurately represented by the Chambers. Committees established within the Chambers encourage their members to participate on these committees, and she wants to make sure participation is done to help get business to Freeport.

Robert Johnson stated he has participated in their functions and is also very involved with Main Street, and with the boards. We are ever working on the endeavors for Downtown and the support from the Hispanic Chamber and the Brazosport Chambers, and while they still represent more than just Freeport, we have accurate representation at all events.

Robert Johnson attended the Brazoria County Alliance luncheon and noted how these interactions provide the EDC with opportunities to advocate for Freeport's unique strengths, such as its location along the Gulf Coast and its port facilities. Mr. Johnson shared that Freeport's presence at these regional discussions allows the city to be part of broader conversations about economic development trends, regional challenges, and emerging opportunities in industries like logistics, manufacturing, and tourism.

Sandra Loeza inquired about the membership cost and discussed the status of those costs with Ronnie Martin. While the Brazoria County Chamber is lower, they have any more incentives and abilities to further market Freeport. However, membership to the Hispanic Chamber allotted better networking opportunities and outreach.

Ronnie Martin emphasized the value of maintaining strong ties with these Chambers, as they act as a voice for the local business community. Mr. Martin suggested that the EDC could work more closely with the Chambers to tailor business support programs that align specifically with the needs of Freeport businesses, especially in light of the city's downtown revitalization efforts. Mr. Martin proposed collaborating on co-hosted events, such as business roundtables, to gather direct feedback from business owners and ensure their concerns and needs are addressed by the EDC.

Sandra Loeza remarked on the cost of the membership from this year and last year. Last year, the cost was $1,000 and the Board opted to reduce this amount for the upcoming year. Each tier of their memberships came with a level, such as platinum, which included gala invites or more overall advertising. Robert Johnson reminded the board that we reduced the membership down a bit.

Sandra Loeza is worried about the Hispanic Chamber's interactions with the move. Mr. Johnson outlined that we were only separated by a door, previously, but Mrs. Loeza expressed keeping up communication and keeping lines of communication flowing. Mr. Johnson explained that, while the change did adjust the relationship, communication lines are still open. Rachael Cohen further outlined the Hispanic Chamber's reach over the last few months having increased to ensure they are sharing our information every few weeks for something that may have been missed. There is more email vs face-to-face.

Josh Mitchell asked for the membership document to be brought up and acknowledged no motions to be made. While reviewing the information, it was confirmed that we are at the Plata level of $1,000 per year with enhanced media recognition and workshop booths.

Robert Johnson outlined the relationship that matters the most is cultivating that relationship, regardless of our level of sponsorship.

Shanda Marshall asked if we had memberships with both Chambers, and while Mr. Johnson confirmed, he did not know what level the Brazosport Chambers, but they are part of that membership.

Josh Mitchell asked Mr. Tyner and the rest of the board their opinions on moving from the Plata level to the Community level.

As a directive, at the next EDC Hispanic Chamber Membership Renewal, to decrease the coverage to the "Green" level or "Community" level of coverage.

VII. Board and Executive Director Comments

VIII. Adjourn

Josh Mitchell requested a Motion to adjourn the board meeting. Mark Parker made the motion, and the motion was seconded by Ken Tyner. **MOTION PASSED UNANIMOUSLY.**

Josh Mitchell adjourned the board meeting at 8:46 p.m.