CITY OF FREEPORT
ECONOMIC DEVELOPMENT CORPORATION
430 North Brazosport Boulevard, Freeport, TX
Tuesday, January 14, 2025, at 6:00 p.m.

REGULAR MEETING MINUTES

FEDC BOARD MEMBERS: Quorum Present

Directors:

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

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 6:03 p.m. A quorum was present.

II. Invocation and Pledge

Ken Tyner led the invocation and David McGinty led the pledge.

III. Citizens Comments

IV. Consent Agenda

1. **Approve Meeting Minutes for January 11, 2025**
2. **Approve Financials**
3. **Approve Quarterly Investment Reports**

David McGinty noted a change to the December minutes from Skinner Street to Western Seafood location distinction: page 5, paragraph 4 of the packet.

Ken Tyner made a motion to approve the consent agenda. David McGinty seconded. **MOTION PASSED UNANIMOUSLY.**

V. Discussion and Action Items

1. **Discuss and take action on revised Bank and TexPool account signatures.**

The board reviewed the need to update bank and tax pool account signatures to reflect recent administrative changes. This item was previously discussed and approved in the November 2024 meeting; however, the update was listed again due to a name change from Ashlee Ferguson to Ashley Hurst, requiring a correction in the documentation. Ensuring that the financial accounts have the correct authorized signatories is critical to maintaining compliance with banking regulations and preventing any delays in financial transactions.

During the discussion, board members reiterated the importance of having properly designated individuals on financial accounts to ensure smooth financial operations, maintain accountability, and provide efficient oversight. The updated signatory list will be formally submitted to the bank upon board approval.

Motion: Sandra Loeza motioned to approve the name correction and officially add Ashley Hurst as a signatory on both the EDC bank accounts and TexPool account. Seconded by Ronnie Martin. **MOTION PASSED UNANIMOUSLY.**

2. **Discuss and review Downtown and Main Street updates for December.**

The board received an update on the Downtown and Main Street program, detailing ongoing efforts to revitalize Freeport's historic district. Over the last quarter, $100,000 had been invested in downtown Freeport, with $26,000 of that coming from grant opportunities provided by the EDC. Businesses such as Sweet T's and Ocean Mart have already benefited from these funds, showing visible improvements. The board was informed that biweekly meetings between city officials, Main Street representatives, and economic development leaders are being held to identify investment and reinvestment opportunities, address challenges, and align development strategies.

A key initiative discussed was the use of window advertisements on vacant properties. Inspired by similar programs in other Main Street communities, these advertisements would serve two purposes: to showcase leasing opportunities for potential business owners and to highlight the historical significance of downtown buildings. This approach is expected to help generate interest and attract new investments.

Additionally, the board received an update on the UTSA Plan, which provides long-term recommendations for downtown revitalization. It was noted that further discussions on implementing the plan will take place next month, with a potential joint meeting between the EDC and other key stakeholders to determine the best approach. Board members were also encouraged to consider joining Main Street subcommittees focused on economic vitality, design, organization, and promotion, which play a role in shaping future initiatives.

No motion was required for this item

3. **Discuss and take possible action on Freeport EDC property maintenance.**

The board discussed the ongoing maintenance of EDC-owned properties, with a primary focus on addressing overgrown areas and removing fallen trees to maintain compliance with city code enforcement and improve the overall appearance of EDC properties. The discussion stemmed from a previous citation issued by code enforcement regarding a property on Oak Street, which prompted the board to seek cost-effective solutions for cleanup.

Two estimates were reviewed: Landon Trees provided a $3,700 bid, which only covered the removal of two fallen trees and stump grinding. Meanwhile, Campbell submitted a $5,000 bid, which included a broader scope of work such as debris removal, additional overgrowth clearing, and overall property maintenance, excluding fence line work already covered under an existing contract. The board deliberated on the cost-effectiveness and long-term benefits of each proposal, weighing whether to only address the immediate tree removal issue or to take advantage of the broader cleanup to prevent future maintenance concerns.

Additionally, it was noted that code enforcement had temporarily held off on issuing additional citations after being informed that the board was actively addressing the issue. However, board members agreed that acting sooner rather than later would demonstrate compliance and prevent further complications. There was also discussion on the importance of maintaining properties year-round to avoid costly emergency cleanups and the potential for ongoing partnerships with contractors for periodic maintenance.

After careful consideration, the board decided that a comprehensive cleanup approach would be more effective than addressing issues in a piecemeal fashion. The broader scope of work provided by Campbell was seen as a more practical investment, as it would ensure multiple areas were addressed at once and reduce the need for further emergency expenses.

Motion: Ken Tyner motioned to approve the **$5,000 bid from Campbell** for a comprehensive cleanup of EDC properties, excluding fence line work. **Seconded by Ronnie Martin**. The vote **passed 4-1**, with **David McGinty voting nay**.

4. **Discuss and take possible action on a Business Improvement Grant: SitNBull**

The board reviewed a grant application from Lorinda Almaguer, owner of Sitting Bull, who applied for assistance due to unexpected fire suppression requirements resulting from changes in occupancy regulations. The business owner sought two grants: a Facade Improvement Grant totaling $21,146, requesting a $10,000 reimbursement, and a Fire Suppression Grant totaling $64,950, requesting a $25,000 reimbursement.

The applicant explained that during renovations, the city determined that her occupancy limit had increased from 72 to 199 people, triggering a mandatory requirement for a fire suppression system that was not originally anticipated in her renovation plans. This new regulation significantly increased her costs, forcing her to redirect funds from other necessary improvements to cover fire safety compliance. In addition to the fire suppression system, she also had to install a fire alarm system, bringing her total investment to over

$101,096. She expressed frustration at the unexpected nature of these costs but remained committed to reopening her business.

Board members deliberated on the impact of these requirements on small business owners and discussed the purpose of the EDC grant programs. Several members agreed that while the fire suppression system was a required safety measure, the financial burden it placed on the applicant warranted support from the grant program. Some concerns were raised about whether this type of expense should be covered by the EDC in the future, but it was noted that the fire suppression grant had been previously approved for another business under similar circumstances.

After discussion, the board voted on the approval of both the Facade Improvement Grant and the Fire Suppression Grant, ensuring that the applicant could meet compliance regulations while continuing renovations.

Motion: Sandra Loeza motioned to approve both grant requests, providing a total of $35,000 max in funding ($10,000 for facade improvements and $25,000 for fire suppression). Seconded by Ronnie Martin. **MOTION PASSED UNANIMOUSLY.**

5. **Discuss the U.S. Beneficial Ownership Information Registry**

The board discussed the US Beneficial Ownership Information Registry, a new federal reporting requirement implemented by the US Department of Treasury's Financial Crimes Enforcement Network (FinCEN). The registry is intended to increase financial transparency and prevent money laundering by requiring businesses to disclose information about their owners and key decision-makers. The initial deadline for compliance was December 31, 2024, but recent legal challenges have resulted in a temporary hold on enforcement.

During the discussion, board members emphasized the need to educate local businesses about this requirement to ensure compliance once enforcement resumes. It was noted that registration is free, and businesses should be cautious of third-party services charging unnecessary fees to assist with the filing process. Board members also acknowledged that while some business owners may be resistant to increased reporting requirements, the registry is expected to remain in place pending the resolution of the court cases.

Additionally, concerns were raised about the potential impact of noncompliance, as penalties for failing to register could be significant once enforcement begins. The board agreed that it was in the best interest of Freeport businesses to stay informed and prepared, even though the requirement is currently paused. The EDC committed to monitoring updates from the Treasury Department and continuing to provide guidance as more information becomes available.

Ronnie Martin suggested the EDC get the information out with social media and the website to distribute an informational notice to Freeport businesses regarding the registry, emphasizing that registration is free and does not require third-party assistance. The Board agreed to monitor legal developments and provide updates to local businesses as necessary.

No formal action was required.

6. **Discuss and take possible action on the MLK Parade (Marshall)**

The Board discussed participation in the upcoming Martin Luther King Jr. Parade, with a focus on how the EDC could contribute to the event. The discussion was led by David McGinty, who inquired about logistics and the level of commitment required for participation.

Robert Johnson informed the Board that he had spoken with the parade organizers earlier in the day. Due to anticipated poor weather conditions, the recommendation was for the EDC not to participate in the parade this year. The Board agreed that while the event is important, safety concerns and unpredictable weather conditions made it difficult to ensure meaningful participation.

Additionally, Lance Petty provided an update regarding the Martin Luther King Jr. Celebration Banquet hosted by the Martin Luther King Jr. Celebration Committee of Brazoria County. The banquet was scheduled for Saturday, January 18, 2025, at 6:00 PM at the Dow Academic Center at Brazosport College. The City of Freeport had reserved a table for attendees, and EDC had four tickets available for Board Members interested in attending.

No action was required

VI. Board and Executive Director Comments

VII. Executive Session- Adjourn into Executive Session

It is now 7:04 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. Discuss and consider real property contract and possible sale of the Skinner Street property.
2. In accordance with Texas Government Code Section 551.087, deliberation regarding economic development negotiations.
3. Discuss and update on possible upcoming projects related to Economic and Community Development Matters.
4. Update on ongoing litigation: Realty World and A&T.
5. Annual Personnel Review of Freeport Economic Development Corporation, Executive Director. (Marshall)

Reconvene into an Open Session

Board President’s statement:
It is now 7:47 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.

VIII. Adjourn

Josh Mitchell requested a motion to adjourn the meeting.

Motion: Sandra Loeza made the motion, seconded by Ken Tyner. **MOTION PASSED UNANIMOUSLY**

Josh Mitchell adjourned the board meeting at 7:48 p.m.