

Minutes of a **REGULAR** called meeting of the Board of Directors of the Greater Brownsville Incentives Corporation (GBIC), held on **Monday April 6, 2020 at 2:00pm** via Zoom Video Teleconferencing.

Board Members in Attendance:

Graham Sevier-Schultz	Esteban Guerra
Dennis Sanchez	Nico Schaefer
Pedro Cardenas	Sandra Duran

Board Members Absent – Excused:

Jason Wolfe

GBIC Staff:

Mario Lozoya, Executive Director
Ramiro Aleman, Director of Business Recruitment & Development
Karla De La Riva, Associate Director of Industry Retention
Elsa M. Galvan, Executive Assistant

Others in Attendance:

Salvador Villalpando, COB Accountant	Josh Mejia, BCIC Executive Director
Danielle Rodriguez, Chamber of Commerce	David Garcia
Michael Geissmann	John Stone

1. Roll Call- Excuse Members

With a quorum present, Graham Sevier-Schultz, called the meeting to order at 2:06pm to consider the following matters, as posted at the Brownsville City Hall.

EXECUTIVE SESSION

Dennis Sanchez "Motioned to adjourn to Executive Session @ 2:11pm"

Nico Schaefer "Seconded Motion" "Motion Carried"

2. CLOSED SESSION: In accordance with Chapter 551 of the Texas Government Code, the Board of Directors hereby gives notice that it may meet in a closed, non- public session to discuss the items listed on the public portion of the meeting agenda in accordance with the following below:

A. Pursuant to Section 551.072, the Board of Directors may convene in a closed, non-public meeting to discuss any matters related to **real property and deliberate the purchase, exchange, lease, or value of real property as such would be detrimental to negotiations between the Board of Directors and a third party in an open meeting.** The Board of Directors and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

- **Acquiring Property (Executive Director & Staff)**

B. Pursuant to Section 551.074, the Board of Directors may convene in a closed, non-public meeting to discuss any matters related to **appointment, employment, evaluation, reassignment, duties and discipline or dismissal of a public officer or employee and to hear any complaints or charges against an officer or employee.** The Board of Directors and its attorney may also discuss such issues with the appropriate staff including members so as to obtain necessary and relevant information so that such discussion is informative and developed.

- **GBIC Staff Positions (Executive Director & Staff)**

C. Pursuant to Section 551.087, the Board of Directors may convene in a closed, non-public meeting to discuss any matters regarding **economic development issues.** The Board of Directors and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

- **Project Bobbin (Executive Director & Staff)**
- **Project Stone (Executive Director & Staff)**
- **Project Dragon (Executive Director & Staff)**
- **Project Maple (Executive Director & Staff)**
- **MOU/StarGate (Executive Director & Staff)**

RECONVENE

Reconvene for possible action on any item(s) as discussed in Executive Session and those that are listed on the public portion of the agenda.

Elsa Galvan "Reconvene @ 3:24pm and the public was put back into the Zoom meeting at this time."

Graham Sevier-Schultz "Is there anyone waiting out there?"

Elsa Galvan "Yes. We are reconvening at 3:24pm. Reconvene for possible action on any item (s) as discussed in Executive Session and those that are listed on the public portion of the agenda. Do I have permission to close executive session?"

Graham Sevier-Schultz "I entertain a motion to close executive session and move back into open session"

Esteban Guerra "I motion to move out of executive session"

Graham Sevier-Schultz "Do I have a second?"

Pedro Cardenas "Second"

Graham Sevier-Schultz "All in favor"

Board of Directors "I"

Motion Carried

Graham Sevier-Schultz "That brings us to reconvening in public session at 3:25pm"

Elsa Galvan "First item on the list Discussion and possible action on negotiations related to Acquiring property"

Dennis Sanchez "Are we back in open session? Is the rest of the world available now?"

Elsa Galvan "Can everyone hear me? Karla, Josh, Salvador are you on?"

Karla de La Riva "Yes"

Josh Mejia "Yes"

Salvador Villalpando "Yes"

Graham Sevier-Schultz "Discussion and possible action on acquiring property?"

Mario Lozoya "Here we request a motion. We need someone to motion for us to move forward as discussed in executive session"

Dennis Sanchez "I would like to make a motion to move forward to attempt to acquire property as discussed in executive session for in initial term of 90 days renewable for an additional 90 days and a price not more than what was appraised and the appraisal that is in possession of GBIC."

Graham Sevier-Schultz "Pruneda is that sufficient enough for a motion?"

Michael Pruneda "Yes. We are taking on all the properties at once is that correct?"

Dennis Sanchez "Yes sir"

Esteban Guerra "It's two properties?"

Dennis Sanchez "yes"

Esteban Guerra "I'll seconded Mr Sanchez Motion"

Graham Sevier-Schultz "We have a motion and Seconded. All in favor"

Board of Directors "I"

Motion Carried

Elsa Galvan "Next item Discussion and possible action on negotiations regarding to GBIC Staff Positions."

Mario Lozoya "Here we are requesting a motion for us to form a committee"

Pedro Cardenas "Form a committee to make the outline"

Graham Sevier-Schultz "This one we don't have to take an action on since we have an item."

Michael Pruneda "We have a public item"

Graham Sevier-Schultz "We have a subsequent item"

Esteban Guerra "Move to table that"
Graham Sevier-Schultz "We have a motion do I have a second"
Pedro Cardenas "Second"
Graham Sevier-Schultz "All in favor"
Board of Directors "I"
Motion Carried to Table Discussion

Elsa Galvan "Discussion and possible action on negotiations related to Project Bobbin"
Graham Sevier-Schultz "Do anyone have a motion to introduce related to Project Bobbin?"

Sandra Duran "Motion to sell as is"
Graham Sevier-Schultz "I have a motion do I have a second to sell the property as is?"
Esteban Guerra "I second motion to sell property as is."
Graham Sevier-Schultz "All in Favor?"
Board of Directors "I"
Motion Carried

Graham Sevier-Schultz "Discussion and possible action on negotiations related to Project Stone"
Graham Sevier-Schultz "Table. No action. Or does anyone want to introduce a motion? Is that even an action or not an action? We do need a motion"

Esteban Guerra "I move to table."
Graham Sevier-Schultz "We have a motion. Do we have a second?"
Dennis Sanchez "Second"
Graham Sevier-Schultz "All in favor to table?"
Board of Directors "I"
Motion Carried to Table Discussion

Graham Sevier-Schultz "Discussion and possible action on negotiations related to Project Dragon"
Mario Lozoya "Same thing. Request to table"
Pedro Cardenas "There is no motion. No action on it then?"
Mario Lozoya "Right"

Graham Sevier-Schultz "I entertain a motion if anyone wants to enter one?"
Dennis Sanchez "I make a motion to table"
Graham Sevier-Schultz "I have a motion do I have a second?"
Esteban Guerra "Second"
Graham Sevier-Schultz "All in favor to table?"
Board of Directors "I"
Motion Carried to Table Discussion

Graham Sevier-Schultz "Discussion and possible action on negotiations related to Project Maple"

Dennis Sanchez "I'm suggesting that our director and attorney develop further information related to the ability of project Maple to guarantee some kind of performance with this project. Develop a draft a potential agreement to present to the board."

Graham Sevier-Schultz "We have a motion to allow counsel to form a contract with specifics as it relates to Project Maple. Do we have a second?"

Sandra Duran "What is the deadline for this project? Is there a deadline for the decision making?"

Graham Sevier-Schultz "The motion on the floor is to let our counsel develop a contract."

Pedro Cardenas "Second"
Graham Sevier-Schultz "All in favor to table?"
Board of Directors "I"
Motion Carried to Table Discussion

Graham Sevier-Schultz "Discussion and possible action on negotiations related to MOU/StarGate"

Mario Lozoya "Here we request that myself the executive director and the GBIC Attorney pursue with closing this contract while pursuing the opportunity to recover money."

Graham Sevier-Schultz "Does anyone want to make a motion to permit the executive director to pursue?"

Pedro Cardenas "I make a motion for Mario to be able to go"

Esteban Guerra "Second"

Graham Sevier-Schultz "We have a motion. All in favor?"

Board of Directors "I"

Graham Sevier-Schultz "Motion Carried"

4. Public Comment Period –

Elsa Galvan "Item #4 Public Comment Period-There is no public comment"

Graham Sevier-Schultz "No one has joined or entered a public comment"

Elsa Galvan "No Chairman"

5. Consent Agenda Items: All consent Agenda Items listed are considered to be routine by the Greater Brownsville Incentives Corporation and will be approved by one motion. There will be no separate discussion of these items unless a GBIC Board member so requests, in which event the time will be removed from the Consent Agenda and considered in its normal sequence on the Agenda.

Consideration and action, if any on the following items:

A.) Approval of the Minutes of Special Workshop and Minutes of Regular Board Meetings:

Regular – February 20, 2020

B.) Approval and acknowledgement of invoices and miscellaneous claims. -No Claims

Graham Sevier-Schultz "Item #5 Consent to agenda items"

Elsa Galvan "There are no claims chairman"

Graham Sevier-Schultz "Thank you. Do we have a motion to approve agenda items such as the minutes?"

Dennis Sanchez "I make a motion to approve"

Nico Schaefer "Second"

Graham Sevier-Schultz "We have a motion. All in favor?"

Board of Directors "I"

Graham Sevier-Schultz "That was four so that passes"

6. Discussion and Acknowledgement of GBIC Financials and investment reports. (Salvador Villalpando, COB)

Salvador Villalpando presented to the board the financials for the month of February and March. He explained that the additional funds will reflect in the March data. The sales tax collection the information is not available for March but did provide the board the sales tax information for February. The significant changes is the added of funds which are the five hundred thousand and the debt service of one point nine million to the airport.

Mario Lozoya "Board you've allowed me in the past to have conversations with UTRGV on a whole separate contract and we were able to recover the five hundred thousand dollars. They are already in our funds. The check is already in our general fund so that is probably the major change in the financials."

Graham Sevier-Schultz "Motion to acknowledge financials"

Pedro Cardenas "Motion to acknowledge financials"

7. Discussion, consideration and acknowledgement of GBIC Executive Director & Staff reports regarding recent activities and progress related to current ongoing projects. – (Executive Director & Staff)

Mario Lozoya addressed the board to about the projects that the GBIC staff have done from the end of the month of February till end of month of March. Mr Lozoya mentioned about the cancelation of Select USA, Secretary of State visit, and other projects that have been cancelled due to the COVID-19. Therefore, during this time the staff sent out a survey for the industry/business partners to ask what issues they have during this pandemic.

Graham Sevier-Schultz "With that survey you presented what's the plan with those businesses, employees, and employers? I saw that was mostly information, but I was hoping it would be followed up with a plan of action."

Mario Lozoya "When we were doing that at that time the federal government had not announced the Cares Act. We didn't know what the government was doing but now all these businesses are taking advantage of the Cares Act and filing for support and filed for their team members to get paid. But before that we didn't have that knowledge back then."

Graham Sevier-Schultz "So for all the companies that are under contract to incentivize If they laid off people then they gage their contract. That's a breach of contract."

Mario Lozoya "Yes, that is correct. Ramiro and I will go through all those contracts that are still open to your point and with the GBIC attorney we will formulate options to offer the board on how to pursue these contracts. To your point they do not meet the performance standard. We will come up with different options to present to the board for your decision."

Graham Sevier-Schultz "At this point GBIC's position should be something about getting everyone back to 100 percent employment as soon as possible. Whatever the suggestion or incentive ends up being the layoffs have already been done. I would like to renegotiate some of those contracts are they written to our benefit. I think this is an opportunity to reestablish some of those call back and continue to increase employment once everything is in full swing."

Mario Lozoya "Understood. That was it for staff reports, just updates. Just request for acknowledgement"

Esteban Guerra "I moved to acknowledge."

Graham Sevier-Schultz "we have a motion do we have a second?"

Dennis Sanchez "Second"

Graham Sevier-Schultz "All in favor to acknowledge staff reports?"

Board of Directors "I"

8. Discussion and possible action, if any, to fund the emergency hiring of a Temporary Support Team due to local economic and workforce needs by the business sector that include but are not limited to: loans, grants, and other resources due to the COVID-19 economic impact. – (Executive Director & Staff)

Mario Lozoya "This particular item was introduced by Mr. Dennis Sanchez. We were struggling to find out how we can use our dollars in alignment with a type A. As you know workforce development especially high demand is in alignment. In this case the thought is if you have small businesses that are struggling to collect the financial data acquired to go into the SBA packets. How can we provide people that can help them aggregate that data so they can be better prepared for SBA loans and grants? Here the GBIC staff recommendation is no more that 100,000 dollars for this effort. You can see the math. If you do \$15 per hour for 3 months = \$7,200 times 10 people is \$72,000. I thought a bit more for administrative purposes should we engage with the chamber for example, or an incubator for example that needs to add headcount, extra dollars would help to administer that."

Esteban Guerra "Mr. Lozoya so we are asking to hire 10 people to be the temporary support team. Is that correct?"

Mario Lozoya "To hire 10 people to be the support staff to help small businesses with navigating through the process of collecting data to apply for grants and loans."

Esteban Guerra "Were would these 10 people be officed out of? Would they be there with you or will they be working from home? Or what is it that you are recommending?"

Mario Lozoya "We thought that it would be helpful for the fund the chamber of commerce and for them to partner with TSC students that have financial and accounting experience. In your packet you have a job description of those."

Dennis Sanchez "Last Friday Mr Lozoya and I met with the Chamber of Commerce Esmeralda, 2 ladies from UTRGV, and unfortunately there wasn't anyone there from TSC. They have the ability to get business students or master's students who can provide technical information who have the technical capabilities to help basically unsophisticated small business persons to file for

the two SBA loans that are available. The emergency disaster loans and the PPPO loan. Essentially a lot of the people we suspect do not have the sophistication or capability of either filing online. If we have these young capable technicians available who have studied business and things like that, we felt that they would be able to meet with the people, help them collect the information, and help them generate an application for loans.”

Graham Sevier-Schultz “I appreciate the direction and I think that we should definitely be putting money towards this effort. I am not sure that 10 people is necessary. Fewer people and more money going to the small business owners might be better suited. I see Josh Mejia is still here with us in the meeting. I believe his board just approved some money to be directed to small business to kind of to Segway SBA, the business owners, and the banks. Josh are you still listening?”

Graham Sevier-Schultz “Does that item that your board approved does relates to this item on our agenda. Is that something that want to introduce to the rest of the board members on the GBIC board right now.”

Josh Mejia “Yes I am still here chairman. My key interest is to be able to find out if this particular item is to be approved, we do see that this can be a supplement towards providing the technical assistance that the business community might need at the moment. In relation to our actual project that just got approved we are able to provide some grants that will ultimately be looked at as cash injection for any business that is 500 employees and under. Which will help them enable SBA to provide additional funding for them in addition we are also doing payment reimbursements for any microloan that serves as a bridge loan SBA fund. We do expect for the business community to get engaged a whole lot more in what they are now to be able to apply for more SBA funding. Technical assistance is welcomed.”

Graham Sevier-Schultz “Who is managing that grant fund that you just mentioned. Is that going through the chamber or through SBA or managed by your office?”

Josh Mejia “That is managed by BCIC. The portals will be from BCIC website. We do have our partners such as the university to be able to provide some technical assistance for those who are applying as well.”

Esteban Guerra “How much did you all allocate for that project Josh if you do not mind me asking?”

Josh Mejia “No at all sir. We allocated 450 thousand for the project from unused funds from fiscal year 2019. The 450 thousand dollars is projected to enable at least 4.5 million to the local economy through SBA funding.”

Graham Sevier-Schultz “Essentially the money that you allocate will be 10% whether it be to payback interest or to 10% down payment towards a larger loan through SBA.”

Josh Mejia “That is correct Chairman”

Graham Sevier-Schultz “I know we mentioned earlier in the meeting an item related to MOU/Stargate. I am wondering if that proceed if we can reallocate money towards this effort. Use it to employee these people the staff is recommending but also prove some grant funding to small businesses that might need a grant more then they might need a loan.”

Pedro Cardenas “How are you going to define the small business? Are we going to go by tax returns, 1099? It’s real important for us to think this through before you give some money.”

Graham Sevier-Schultz “Luckily the SBA standards of what defines the small business, but we can also set our own definitions if it be the amount of employees or revenue, tax generated amount, payroll tax. We could decide or we could just brief to accept the SBA’s definition or the federal governments definition.”

Dennis Sanchez “I think that there is 2 trillion dollars available for funding small business as defined under the act. There is no problem with getting the money. The problem is properly asking for it. Josh, I understand what you are saying is that you are going to be giving grants to people to hire an attorney or accountant to help them prepare the grant applications? Is that what you all are going to do?”

Josh Mejia “No sir. There are two identifiable issues that we are seeing from the data that we are collecting in this community compared to what we are seeing regionally through the SBA regional office. One of them is specifically what you are asking detailing which is the technical assistance. The second one is these businesses are burning cash quickly the collateral needed to be able to activate a 7A loan through the Cares Act. A 10 percent collateral is still needed for that. Our grant is serve as a bridge for the businesses to be able to obtain this SBA loan.”

Dennis Sanchez "Just as a correction I don't think either a 7A or 7B loan requires 10 percent. The act that was passed last week all of those have been waived by the act. There is no requirement for the 10 percent to be paid down."

Josh Mejia "Just as a note sir. The provisions right now as you all already know are evolving. You are correct there is no collateral for the PPP program that provides up to 2 ½ months of payroll assistance. That component is also forgiven after a certain amount of time if the business reaches pre Covid-19 levels. However, cash injection is also a huge factor when it comes to the consideration for not only the SBA but private lender to be able to provide this sort of loan. Our grant even if we are using the term collateral its more of a cash injection cash assistance to be able to get the business in a level where they can pursue a minimum of 100 thousand dollars from SBA funding."

Michael Pruneda "Josh I have a question for you. I was wondering if you all set up any requirements in order to be eligible for cash injection on whether they were approved or not approved for the SBA loan. A lot of these applications are still pending approval. What was your requirement if any on eligibility?"

Josh Mejia "We are drawing the line on becoming the agency that determines whether if the business is eligible for a loan. All we are doing we are setting up an online portal or applications for both. We are collecting the data that they are providing based on questions that will meet our criteria. Based on eligibility requirements whether the business is critical at losing etc. Through that we determine if the business is eligible for our grant program. If it is SBA is still going to determine whether they are eligible for the grant. Our funding is still contingent whether SBA or the private lender provides the approval for the business. All we want to do is prioritize businesses are critical need of assistance so we can provide them with those grants bridge them towards the loan."

Esteban Guerra "Going back to the 10 people asked to hire. These are just college kids that have some type of experience in filing out this paperwork or filing this documentation needed by these businesses."

Dennis Sanchez "The people that chamber of commerce there is a lot of qualified individuals out there who will be able to help business person to be able to help process their loans."

Elsa Galvan "It's attached to your packet. The job description of the COVID-19 administrative support staff position."

Graham Sevier-Schultz "Could we consider funding tax specialists that are already in the field who might be unemployed instead of students who might not have experience. If we will be paying hourly, I think efficiency is very important."

Dennis Sanchez "This was raised in that meeting. It is going to be impossible to hire an attorney willing to work for \$20 bucks an hour to help people process loans. They can be doing it on their own for a lot more than that. There is also the question about them giving out legal advice. What we anticipate is that they will be basically illiterate, financially illiterate and not know how to put these documents together, numbers together. It's going to take somebody to help them make compilation of expenses. I've been through the PPP loan application and it requires two numbers. If we get enough people that need the help come in directly to our technicians to submit these applications on their behalf. If nothing else, they will get 10,000 bucks. That 10,000 bucks can maybe use that to go hire an account or bookkeeper to get more sophisticated larger amount. The EIDL loan is two stages. the first stage is you file the application you automatically get 10,00 thousand dollars within 3 days there is no questions asked. Then you can submit a further application to ask for another 150,000 thousand that will require you get a bunch of documents together so this may provide that person with the opportunity to go to a local bookkeeper or accountant to compile the necessary information and proceed to get more money."

Esteban Guerra "My Question would be Mr. Sanchez I know there is going to be different criteria that is going to be asked of these people. What these potential employees only be filing the application because I know that depending on what type of business, they are some are asking for business plans, 940, 941, different things where these young college students don't really know their way around that could potentially misstep or really file the correct paperwork."

Dennis Sanchez "Under the EIDL program. It's a two-page document and you give gross income and gross expenses and you'll get 10,00 thousand dollars. Under the PPP loan you have to get more documentation together. You have to provide your 941 or 1099 to show that you support salaries with x amount of dollars per month for the past 12 months."

Esteban Guerra "If they were to follow the 1099, they would have to show the profit lost and their business plan correct?"

Dennis Sanchez "Right"

Graham Sevier-Schultz "If they go through a bank which is managing some of these SBA programs the bank will set their own requirements from my understanding so they might want a 940, 941 or a balance sheet."

Pedro Cardenas "PPP is not asking for anything except for 940s, the bank is not asking for any collateral, insurance, any credit. All they want is your last year's payment first quarter of this year or other 3 quarters and they will divide it by 12. They get a monthly rate of your payroll, SSN, and their yearly income. I don't think we need anyone to help fill a PPP one out. What I think BCIC is doing you can correct me Mr. Mejia there helping you do the loan part which that one is a completely different act. The 10,000 on is those two numbers they are asking. Is that right? That's basically all there doing right now with those 3 programs. If we want to help someone out, we need to go through the grant side. That's when you get into all these question so of who is a small business, who deserves it, who can get it, who cannot get it and that's where we will have a lot of issues trying to figure it out."

Josh Mejia "Correct"

Graham Sevier-Schultz "I agree with most of that statement. I think grants are more important than loans right now and I do think that having people to manage that is important. I envision a combination of GBIC that we talked about grants and hiring positions to manage to help me navigate small businesses in particular or navigate these applications and differentiate between which ones they might need whether it be the PPP or other various programs and loans that are available right now."

Dennis Sanchez "What we are trying to do is just point the people in the right direction and help them get a pulmonary grasp of what they are required to do. Most of them walking around lost so to the extent that we can help them; show them the documents here's a list of documents you have to get or here's the document you have to fill out. Or we will help you fill it out. Then they can take it to the bank. Here's a perfect example Pedro and I we have our local banker and we can submit this to our local bankers and they will submit this right away but the local bankers will also tell you if they are not already a client of the bank we do not want to deal with them. We can use our leverage GBIC to go to the bankers to say this is your civic duty too. You need to process people who typically don't have bank accounts so we can help them there the ones that need the money more than we do. We need to help grab them by the hand and walk them down the path. I know they are lost."

Graham Sevier-Schultz "They are in worse position right now"

Josh Mejia "Your hitting the nail right on the spot and applaud you for bringing it up from the data that you are collecting we are seeing that from all the applicants from the Cameron county area 30% of those businesses are not going to be eligible for those loans. So, it's either due for business literacy or lack of credit or cash. Our components of our program is exactly what you mention to get the local banks and lenders to involved with the EDOs or BCIC in this specific case to be able to generate or create that emergency loan that will get the business that wouldn't necessarily qualify in this round to get some immediate access to funds and then be able to transition possibly to a 7A loan. The assistance is there. The technical assistance as well is very much needed. We just need to make sure we approach both strategically and effectively."

Dennis Sanchez "Okay"

Graham Sevier-Schultz "Okay. Let's see the clarification. Let's take some action. I personally think that attaching some grant money to these employed positions would be mostly effective, but I would like to hear what everyone else on the board thinks or any other staff recommendations"

Dennis Sanchez "If I can expand a little bit on what Josh said. I agree with Josh that a certain point in time people are in need of these EIDO bridge loans, but I think is more important now is the urgency to start fuddling people in the right direction. Be it too PPP loan or to a bridge loan through BCIC or through an EIDO Loan directly online with SBA. Right now, most people do not know where to go or what to do. There may be a necessity of having a combination of two. We may need a task force of five or ten people who can point the people in the right direction and tell them here's what you got to do and make a determination of what their options are so that the people know then maybe they need to go to BCIC and or GBIC for a bridge loan or go directly to SBA or local banker to get PPPO loan. Most people don't even know what to do."

Graham Sevier-Schultz "Exactly. If I am understanding what you are saying I think you are kind of in agreement that we should assign some money and positions to this. Is that accurate Dennis?"

Dennis Sanchez "Yeah. I think the minimum, we need to do is one or both yes sir. The more the merrier. We need to do everything we can because there is an urgency. Over the weekend 22 billion dollars was processed by Wells Fargo Bank on PPP loans alone. 320 million left over and they just open the doors on Friday. It's a first come first serve deal so we have to prioritize where we are going. The EIDO loans are longer term until the end of the year. We have until June to get the PPP loan and that's assuming there is still

money left on the table. Our priority would be to find can we help these people PPP loans and can we also get in line to put any EID loan or 7A loan as Josh is suggesting.”

Graham Sevier-Schultz “Okay so all that considered what seems to be most reasonable. One I think the non-essential businesses lost any revenue they have meaning that most or all of their employees are probably not working. I think BCIC has a program that they just passed that they would probably benefit from GBIC money and I think having these positions created to manage all that is reasonable. So I am thinking we can put money in those three resources hire some of these positions, offer some grant funding under the parameters we can set and potentially match some of these money that they are putting out there if people get those grants.”

Esteban Guerra “If were to do that where would these funds come from as far as this year’s budget?”

Graham Sevier-Schultz “Okay so I am not sure if everyone understands that this years budget is kind of laid out as a way to spend the money but the money that is in our fund is also money that is under GBIC control. So that unrestricted fund balance that we have in our financials earlier is money we can use if we need too. I am not talking about pulling all 13 million out or pulling most of it out. I’m thinking in this current situation it would be reasonable to use whatever you all deem relevant but I’m thinking 400 hundred thousand or less meet with the economy.”

Dennis Sanchez “Mario just got us \$500 hundred thousand dollars. By getting that money back.”

Esteban Guerra “Would this be focused on the industrial five things?”

Graham Sevier-Schultz “I’m not sure I think that the non-essential employers and employees have been hit the hardest. I think that industrial budgets are usually bigger, but they also laid off pretty quickly its pretty disappointing to me. I agree with your statement Dennis and that’s why I introduced it earlier we allocate money from that MOU that we are reclaiming it this is a perfect way of doing it. Make sure that deobligated money we hope to claw back is immediately put to good use.”

Michael Pruneda “I have a question for Josh. Josh what if every monies GBIC wants to allocate just so we are in compliance with our Type A restrictions. What if GBIC and BCIC enter an agreement on monies and BCIC would be administering with GBIC oversight?”

Josh Mejia “That is perfectly permissible. My suggestion is we are any business that is falling under the 500 hundred employees threshold right now that qualifies them as a small business. However, we do have a metric in place. That doesn’t mean we will grant just anyone money. We do have parameters and metrics in place which allow us to prioritize based on the type of business and many other at-risk factors. The recommendation is that if GBIC would like to use some funding that for this program you all are at the complete discretion to let us know if you all want to just use the funding that you are matching for industry partners factory or what have you on top of what we are doing. If you all want to focus on the same thing that we are doing you can adopt our criteria it becomes your criteria and we can proceed. However, you want to manage it is completely up to you all.”

Graham Sevier-Schultz “What does everyone think? I think this situation definitely needs time and money.”

Dennis Sanchez “Maybe we just take 72,000 thousand dollars for this orientation and take an equal amount and put it with Josh and revisit this thing in 30days to figure out what the need is where the biggest bang for the buck is going to be.”

Esteban Guerra “In that case Mr. Sanchez if we are going to revisit in 30 days wouldn’t it prudent to approve a third of it which is 24,000 thousand.”

Graham Sevier-Schultz “I think that it will burn out pretty fast if we all talked about collaboration and we are all here then in this meeting I think we should be prepared too. Say we want to prioritize BCICs money, but we want to offer a certain amount once that amount is exhausted, we could do that now theatrically if you think 72 is enough, we could do that. Or if you want to reallocate that claw back from MOU we could do that Mr. Sanchez.”

Esteban Guerra “Did we go from the hiring of 10 people to no longer hiring the 10 people and just giving the money to BCIC?”

Graham Sevier-Schultz “We haven’t decided on anything, but I think this situation needs more money than 72 thousand.”

Pedro Cardenas “Seventy-two thousand is not going to do it.”

Graham Sevier-Schultz “I think grants and loans and people are the best way. We are here to incentivize, get people hired and make sure Brownsville has jobs and money.”

Pedro Cardenas "Do you already have your people lined up to work."

Josh Mejia "Yes sir. We have our 2 staff, 4 other staff from UTRGV, as well as 7 other students that will be providing technical assistance."

Pedro Cardenas "Graham if he already has that why even spend money on that just allocate that to the grants or the program. If we are going to do this through BCIC why hire more people, why not just use that money."

Graham Sevier-Schultz "What do you mean? Why do we hire? Because I think that if we can draw more people to the program there would be more support needed. If that is not identified as a need than I understand but I totally see the smaller businesses being hit hardest they don't know how to navigate 940s."

Pedro Cardenas "I would disagree with you we are all being hit hard I don't know if I'm considered one of those little ones or not. I have 35 employees and I am still paying. I'm being hit just has hard. Probably harder because I am paying payroll still. I am just saying if you are going to help them out and spend money on people helping them BCIC already has people doing it we will just use their people. Could you take care of something like that Josh?"

Josh Mejia "That's perfectly fine again it's up to your discretion. I'm not going to argue that I need more people. I am completely for GBIC's trying to allocate funds to use for the chamber so they can hire more people that's just more hands on deck. I am never going to argue that fact. It is whatever you all like to do under your discretion. Our platforms with BCIC or programs or your programs as well. We have about 350 businesses registered with us so they can provide us with feedback and data that is accessible to any of the GBIC staff members or board members as well. What we want to do is we have workforce ready, the program ready we are just trying to find if there are any areas of identification where we can collaborate together. Whether its GBIC hiring more people or or doing a combination of people and matching funds."

Graham "Mr. Aleman I would like to hear your opinion on this. Do you have an opinion on what we have been talking about?"

Ramiro Aleman "Mario and I were brainstorming, and these are the types of programs that we came up with the interest by down and the down payment assistant if you will. We went ahead and focused on the manufacturing part of it. We have another program summary of that, and I think we sent it to you. I think that there is a need for the small business whether it is our funds are going to be a drop in the bucket. We have to use our funds to leverage to obtain more funds from bank, conventional loans, SBA loans, I think that is how we will make the biggest impact and we are on the right track here."

Graham Sevier-Schultz "So, what is this going to look like? I think that again I would like to offer some grant money for local businesses, small businesses, and support the programs that BCIC has packaged. We just need to decide if everyone agrees and see if it is a fair amount if we are going to do it."

Dennis Sanchez "Josh, If we were to take 75 thousand dollars for Bridge loans and take another 75 thousand and give it to you to administer increase the awareness to local business persons and to help them go to one of the three sources available of the PPP, EIDL, or 7A loans would you be able to handle that all on your own."

Josh Mejia "Yes sir. We would be more than happy to have a performance agreement if you all wish to put in agreement where BCIC is in charge of providing deliverables for you. We would be more than happy to do that. The concern that I have in this meeting sir. As per what I am reading in item 8 is the only thing that is in discussion is hiring of temporary support team. I would suggest that you refer to Mr. Pruneda ensure that you all follow the necessary procedures, TOMA, and open meetings acts to ensure that you all are in agreeance to providing us with a match or anything else that you all would like to contribute to ensure the proper procedures are effectively executed before than."

Dennis Sanchez "I agree with your comment and we will let Mr. Pruneda advise us on that but in terms just thinking out loud as to what the resolution of this matter should be if we were to take 150 thousand dollars and drop that into the BCIC fund to help assist them in doing what they are doing but also drop another 75 thousand to them with some strings attached so to speak to make sure we feel confident the proper audience is being reached at the proper message is going to help direct the people and we can compare both items side by side it will all be going through someone we trust which is BCIC."

Graham Sevier-Schultz "Mr. Cardenas his battery died, and Mr. Schaefer had to tend to a customer who was arriving with a ship."

Dennis Sanchez "I suggest that we take 150 thousand dollars. 75 thousand dollars be advanced to BCIC to administer it's program and the other 75 go to BCIC to administer on our behalf the ideas that we had to try to reach a broader audience and to help meet the immediate demand for direction and help for the small business man has so they can get to the proper resources of loans or grants. Josh can administer both of those side by side and we can all view the performance of both and tweak it one way or another based on how things are going."

Graham Sevier-Schultz "I agree, and Mr. Pruneda I would like to hear your input. But I think that all this falls within this agenda item and I'm comfortable taking action right now."

Michael Pruneda "I just wanted to get clarification. I agree with what you and Dennis said. This is probably the main route we should take in accordance with our Type A funds is to allow BCIC to administer and allow us to copilot. My question is would the agreement between GBIC and BCIC be 150 thousand incentive or would it be 75 and we administer the other 75?"

Graham Sevier-Schultz "We have lost another board member. Mr Guerra are you still here. If we lost one we have to stop right there."

Dennis Sanchez "Are you are there?"

Graham Sevier-Schultz "We just need to see if we can get another board member on."

Dennis Sanchez "Okay they are trying to getting him on the line-telephone so that he can participate telephonically. Just to clarify that one question that Michael had. I would let Josh do both of them and administer both of them."

Michael Pruneda "Do we have a quorum online here"

Graham Sevier-Schultz "No"

Mario Lozoya "We are trying to get Guerra on the phone. What happen with Cardenas is he not on there?"

Graham Sevier-Schultz "His battery died"

Dennis Sanchez "We are trying to get someone else on the line."

Elsa Galvan "Mr. Guerra I have you on speaker."

Dennis Sanchez "He's on the line now."

Graham Sevier-Schultz "Is he able to be invited into the Zoom meeting as well? I know he was on a desktop so I am hoping something can be done."

Esteban Guerra "I was trying to log back in but it won't let me."

Graham Sevier-Schultz "To clarify Mr. Sanchez you are suggesting that 225 be allocated. 150 of it be for BCIC to manage. Is that accurate?"

Dennis Sanchez "Yes. Just so Pedro and Mr. Guerra can understand what the motion is to take 150 thousand dollars of which 75 would be administer by Josh to BCIC and another 75 thousand dollars would also go to BCIC to be administered by Josh but it would be to try to attract a different market so to speak and a different usage of the funds for direction and assistance to unsophisticated borrowers."

Graham Sevier-Schultz "Okay. Can we get that in motion form?"

Esteban Guerra "My question would be for Mr. Pruneda can we designate funds from the TYPE A organization to another organization?"

Michael Pruneda "Yes. We will have a contract in place that has a performance agreement in it."

Esteban Guerra "Will GBIC board be the one to have the final decision and where those monies are given or do we come up with the criteria to give that money?"

Graham Sevier-Schultz "We can direct it however we want, or we can let them manage it or we can do a combination of those things. If we want to target a specific segment, we can do that."

Michael Pruneda "Part of this in accordance with the agenda item is for the additional workers that they have hired and that they have working on this which is consistent with the temporary emergency hiring that was put on the agenda by Mr. Sanchez."

Graham Sevier-Schultz "Okay. Are we ready to make a motion?"

Dennis Sanchez "Yes"

Michael Pruneda "Can I recommend the motion?"

Graham Sevier-Schultz "Yes. Please."

Michael Pruneda "I would recommend that you move to fund 150 thousand to BCIC for the hiring of temporary workers and any other financial relief in accordance with the program that they have approved and instituted and they work with GBIC in drafting a contract to ensure that the monies were properly expended."

Graham Sevier-Schultz "Okay. Does anyone want to make the motion suggested by Mr. Pruneda?"

Dennis Sanchez "I'll make that motion on behalf of what Mr. Pruneda said. I'll make that motion."

Graham Sevier-Schultz "Do we have a second?"

Sandra Duran "I have a second."

Graham Sevier-Schultz "All in favor? Mr. Guerra are you casting a vote on this?"

Esteban Guerra "I cannot hear the motion. Is there a motion?"

Elsa Galvan "Mr. Guerra can you hear me?"

Esteban Guerra "Yes I can hear you"

Graham Sevier-Schultz "Tell him there was a motion and a second and we were voting on designating the money."

Elsa Galvan "The motion was to designate the money to BCIC 150 thousand to be able to hire temporary workers and to assist them in their program."

Graham Sevier-Schultz "Is that the right amount 150 Mr. Sanchez?"

Mario Lozoya "He walked out. He said 150."

Elsa Galvan "Mr. Cardenas did you hear us?"

Graham Sevier-Schultz "Mr. Cardenas is not here"

Pedro Cardenas "Yes I can hear you."

Elsa Galvan "Okay. Thank you. Mr. Chairman do you want me to move on?"

Graham Sevier-Schultz "Did he vote?"

Elsa Galvan "Mr. Guerra and Mr. Cardenas do you agree with that?"

Pedro Cardenas "Yes I agree with that."

Esteban Guerra "If there is a motion and a second, I vote I. Can you hear me"

Graham Sevier-Schultz "That motion did carry."

Elsa Galvan "Motion Carried"

Graham Sevier-Schultz "Before we move on, I want to thank Josh for being here to collaborate and answer questions and move forward in helping solve this problem locally. So, thank you Mr. Mejia."

Michael Pruneda "I just want to make sure that Sandra voted I didn't hear vote."

Sandra Duran "I seconded"

Graham Sevier-Schultz "She did yes."

Michael Pruneda "Okay"

9. Discussion and possible action, if any, on the formation of an HR Committee for the purpose of strategic hiring. – (Graham-Sevier-Schultz, Chairman of the Board)

Mario Lozoya addressed the board stating that the prior board approving to hire additional employees through the hiring process, and we've been using that process before.

Esteban Guerra "Would the HR committee or Mario be the ultimate decision maker on that. Is that correct?"

Graham Sevier-Schultz "That is what we are here to discuss. My idea is that the HR committee would collaborate and decide job roles and it would be up to the GBIC staff to do the interviewing and hiring."

Sandra Duran "I'd like to collaborate on that if I'm supporting it."

Graham Sevier-Schultz "Any other discussion on strategic hiring. I think that the strategic hiring is important especially right now I'd hate to waste money especially right now. I think some real specific strategic hiring would be very beneficial to GBIC. Would anyone like to participate in this HR committee to identify roles for future hires?"

Esteban Guerra "If approved I would not like to participate. In order to have accountability and ask Mr. Lozoya to switch roles. He should be the one to hire them."

Graham Sevier-Schultz "We all agree on that and say GBIC staff. I believe they should have some input on their coworkers if relevant. At this point since we do not have all of the board members and we do not know who would want to participate. I think it would be reasonable to establish a committee. Counsel if we can assign members through email. Is that something we can do if we establish through a public meeting."

Michael Pruneda "I wasn't sure how you all wanted to appoint the HR committee. Maybe send out an email as to who would like to participate at some point then name the committee. I guess you are just approving a committee. You can appoint members at some point in the future"

Graham Sevier-Schultz "Do we have a motion to form an HR Committee and assign members at a later date?"

Sandra Duran "I'd like to make a motion to form an HR Committee"

Dennis Sanchez "I second"

Graham Sevier Schultz "all in favor?"

Board of Directors "I"

Motion Carried

10. Discussion and possible action, if any, on contract award for the following studies and surveys: (Executive Director & Staff)

- A. Phase 1 Environmental
- B. Cultural Resource Study
- C. Geotechnical Investigation

Graham Sevier Schultz "Ramiro do you have a recommendation?"

Ramiro Aleman "In a previous meeting we presented these studies and the board wanted to have the actual prices of these studies on open session. I went ahead and added the last column there and the board formed a committee. We met prior to this whole situation. The committee was made up of the chairman Graham, Sandra, and myself. We reviewed all of the proposals and we scored them. As you can see the highlights were the ones the committee recommended. The environmental was done in 2012. They are good for 1 year to 1 ½ year and it was done for the whole 369 acres not the whole 491."

Graham Sevier-Schultz "Update once the projects become closer in timeline to signing a contract and that one expires more quickly than all the other surveys. The recommendation was to proceed with the environmental is ready just in case we do get some customers ready to purchase or lease land at that point we proceed with the environmental. Is that accurate?"

Ramiro Aleman "That's the way I remember it. Sandra is that the way you remember it."

Sandra Duran "Yes."

Graham Sevier-Schultz "I think this goes hand and hand and let's us move forward with the master plan and topo with the 511 corridor. I think it is reasonable to entertain a motion to proceed with the cultural and geotechnical and have the environmental done when its more relevant."

Dennis Sanchez "I make a motion that we go with HALFF and associates on the cultural and Raba Kistner on the geotechnical."

Michael Pruneda "Can you do now announce the bids on the proposal."

Dennis Sanchez "I am basically making a motion to accept the staff recommendation for HALFF on the cultural for \$3,200 dollars and Raba Kistner for the geotechnical for \$9,975 dollars."

Graham Sevier-Schultz "We have a motion do we have a second?"

Sandra Duran "Second Motion"

Motion Carried

11. Discussion and possible action authorizing advertisement for proposals for the Master Planning and Development of the 511 GBIC property. - (Graham-Sevier-Schultz, Chairman of the Board)

Graham Sevier-Schultz "This came earlier in executive session and in previous meetings. 511 is one of our biggest priorities right now I think if we want to keep moving forward this is a good opportunity. The reason I asked for the wording like this master planning and development hopefully we can get a developer to do the master planning on their bill. Then we have one cohesive organization in the planning and the development obviously with our input as the owning organization of the property."

Pedro Cardenas "Is it our input and our money? I was the understanding that we were trying to get somebody else to do this."

Graham Sevier-Schultz "If someone else does do this, if they are willing to pay for the master planning that would give them points on our rubic. If it does not incur costs from the GBIC budget in my opinion that makes it more appealing."

Pedro Cardenas "Yes, I understand."

Graham Sevier-Schultz "This would give an organization that wants to develop it an opportunity for their master planner to submit to work with us."

Pedro Cardenas "Can we wait to find out what was happen with that said they were going to do it?"

Graham Sevier-Schultz "We can."

Mario Lozoya "This is just a request for us to go out and post it not necessarily making any selections."

Graham Sevier-Schultz "They can submit their ideas."

Pedro Cardenas "I motion to post the proposals in master planning and development."

Graham Sevier-Schultz "We have a motion do we have a second?"

Sandra Duran "Second"

Graham Sevier Schultz "all in favor?"

Board of Directors "I"

Motion Carried

Graham Sevier-Schultz "That one passed."

12. Discussion and possible action on legal services agreement with The Pruneda Law Firm, PLLC - (Executive Director & GBIC Attorney)

Pedro Cardenas "I motion that you retain"

Graham Sevier-Schultz "I have a motion to entertain"

Dennis Sanchez "I second"

Graham Sevier-Schultz "All in favor?"

Board of directors "I"

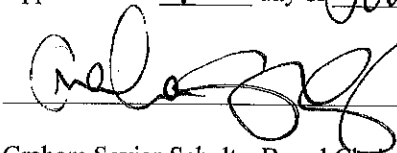
Graham Sevier-Schultz "I am very happy with your services Mr. Pruneda. I appreciate having you on board on GBIC. Thank you for that."

Motion Carried

13. ADJOURNMENT

Esteban Guerra motioned to adjourn the meeting at 4:48pm. The motion was seconded by Dennis Sanchez. Motion Carried.

* Approved this 18th day of June, 2020. *



Graham Sevier-Schultz, Board Chair

Respectfully Submitted By: Elsa M. Galvan, Executive Assistant