

Minutes of a **REGULAR** called meeting of the Board of Directors of the Greater Brownsville Incentives Corporation (GBIC), held on **Thursday August 20, 2020 at 5:30 pm** at The Young House 500 E. Saint Charles St Brownsville, Texas and Zoom Video Conferencing.

**Board Members in Attendance at the GBIC Office:**

Dennis Sanchez (*Board Member*)

Sandra Duran (*Treasurer*)

**Board Members in Attendance via Zoom:**

Graham Sevier-Schultz (*Chairman of the Board*)

Nico Schaefer (*Board Member*)

Pedro Cardenas (*Board Member*)

Jason Wolfe (*Secretary*)

**Board Members Absent – Excused:**

Esteban Guerra (*Vice Chair*)

**GBIC Staff in Attendance at the GBIC Office:**

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 via Zoom:**

Michael Pruneda, *GBIC Attorney*

Lupe Granado, *COB Finance Director*

Priscilla Alvarez (*VIDA*)

Ana Chavez (*Tequila Group*)

Blanca Reyes (*Tequila Group*)

Alan Hollander (*Tequila Group*)

Jeffrey Millar (*Tequila Group*)

Stefano Poisl (*Goree Architects*)

Matt Ruszczak (*RSTEC*)

Commissioner Nurith Galonsky Pizana (*COB*)

**1. Roll Call- Excuse Members**

With a quorum present, Graham Sevier-Schultz, called the meeting to order at 5:30 pm to consider the following matters, as posted at the Brownsville City Hall.

2. **Public Comment Period** – No Public Comment.

3. **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 – July 16, 2020

B.) Approval and acknowledgement of invoices and miscellaneous claims.

Graham Sevier-Schultz asked if anyone had questions or comments on the invoices or minutes?

*Pedro Cardenas motioned to acknowledge.*

*Nico Schaefer Seconded the motion.*

*Motion Carried.*

4. **Financials & Staff Reports**

A. Discussion and Acknowledgement of GBIC Financials and investment reports. (Lupe Granado, COB)

Lupe Granado presented to the board the financial oversight of the dashboard. His presentation consisted of the financial activities through July 31<sup>st</sup> of 2020. The balance sheet composed of asset in amount of 12.9 million, net assets of 12.8 million, and liabilities of 64,000. He continued to say that the sales tax is exceeded their expectations compared to last year. This year we are up about 72 thousand from last year July. He continued with the presentation which consisted of the unreserved monies, undesignated and designated amounts.

Graham Sevier-Schultz asked if anyone had questions to ask Mr. Granado? The chairman entertained a motion to acknowledge the presentation.

*Jason Wolfe motioned to accept the financials as presented.*

*Pedro Cardenas Seconded the motion.*

*Motion Carried.*

*Graham Sevier-Schultz stated that counsel pointed out that we did approve the invoices but did not the minutes on the previous agenda item. If anyone would like to make a motion to approve the minutes from the previous meeting. I would entertain that motion.*

*Pedro Cardenas motioned to approve the board minutes.*

*Nico Schaefer Seconded the motion.*

*Motion Carried.*

B. 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 presented to the board about the projects and activities the GBIC staff have worked on. He stated that this item has been adjusted since the GBIC team has been sending updates to the board weekly. Mr. Lozoya continued with the presentation about the Select USA Virtual Tour which is scheduled for October 15<sup>th</sup> and the targeted markets.

Graham Sevier-Schultz asked Mr. Lozoya who GBIC is collaborating with locally to relay information during this select USA event?

Mario Lozoya answered that the Tequila Group is handling a lot of the marketing. He continued to say that GBIC have invited the mayor, the governor and if not the governor then the executive director of economic development which is pending confirmation on who will be participating. He continued to say that GBIC invited the NAD bank, Wilson center, the Mexico Institute.

Graham Sevier-Schultz asked if we could invite some local manufacturers and other people who might have some good words to say about the environment here on the border.

Mario Lozoya commented that GBIC has invited relevant manufacturers that meet this market. He continued to say that Keppel Amfels and CK Technologies. Mr. Lozoya continued to say that video commentaries will be available on the website.

Graham Sevier-Schultz asked that he notices that GBIC is targeting Aerospace and Energy. He continued to say that many efforts have been made into the airport and SpaceX. He would like to see drafts of the progress as it develops.

Tequila Group is represented by Mr. Jeffrey Millar. He presented to the board his team and the progress of the work that both GBIC and Tequila Group has done together. He continued to say that the implementation plans that GBIC has is impressive and moved Tequila Group ahead from 6-8 months in advance. Mr. Millar complemented the GBIC team and they have done a great job. Mr. Millar mentioned that a wireframe, new logo, and the tasks that will be completed prior to the October 15<sup>th</sup> event is with ongoing communication with the GBIC team.

Jason Wolfe asked if Mr. Millar what GBIC needs to focus and work on aside from all the good things he found. Jason asked what are the areas that you will be working on, what are the areas that you will help the GBIC team focus on and improve?

Mr. Millar commented that the marketing materials and presentation is what will be focusing on. The team will be taken to a new level on how it looks, how it is presented, and what people see. He continued to say that they understand the design elements in this industry. Tequila's direction is to organize and market GBIC and the officially the new EDO.

Mr. Lozoya continued to mention about the new logo design and the rights that were given to GBIC from BEDC. He is asking for feedback from the board about the logos.

Graham Sevier-Schultz stated that he likes the direction and the connection of GBIC and BEDC.

Mr. Lozoya continued to update the board about the incentive businesses which was requested by the chairman. He continued to say that some companies have exceeded meeting the job creation while others have not due to COVID-19.

Graham Sevier-Schultz stated that he would like to work with Greyhound and SATA to make sure they know that this is not the end of the relationship with GBIC and the organization. He would like to get together with them to start over and negotiate or establish a new incentive package.

Mario Lozoya commented that they have contacted those companies to assist them in any way. Mr. Lozoya continued with the PPE request with the follow ups with the companies regarding how many applied and how many responded.

Jason Wolfe asked what kind of PPE is being requested?

Mario Lozoya responded that the companies are requested various types of PPE. Mr. Lozoya presented the update from Brownsville Chamber of Commerce.

5. Other Items:

A. Discussion and possible action on contractual funding obligations with VIDA. – *(Executive Director & Staff)*

Mario Lozoya presented to the board the annual funding request for VIDA to renew the contract.

Priscilla Alvarez presented the board the progress report as of July 2020 and the average wage for graduates is \$29, 868.80. The presentation consisted of the high demand occupations in which VIDA graduates are obtaining. Ms. Alvarez stated that the average wage will go up to about 30-40 after the allied health graduates test and become employed. She continued to present the programs of studies and the percentage of each that have grown. Ms. Alvarez stated that VIDA is starting to focus on the strategy of GBIC to assist in partner with the organization. She is requesting that GBIC partner with VIDA for the next fiscal year to continue at the same level of funding for \$355, 000 to serve 55 students.

Jason Wolfe asked about the matching of funds and where VIDA is currently with that funding.

Priscilla Alvarez commented that this fiscal year they have \$40,000 of non GBIC funds that they have invested. She asked the chairman to consider containing the funding since there is economy disadvantaged individuals living in the community and can use the funding provided by GBIC to move them forward and get them out of poverty.

Graham Sevier-Schultz commented in prior meetings GBIC had agreed to fund under 50% and

Jason Wolfe commented to Ms. Alvarez that the decision for GBIC to continue funding is that VIDA also find other funding and why is it difficult to find funding from other sources.

Priscilla Alvarez stated that they do have other funding's but if GBIC cuts back on funding so will those outside sources since those sources want to see local communities assist in funding.

Graham Sevier-Schultz commented that GBIC has adopted a strategic plan and the amount requested is not a small proportion and would like to start putting into our strategic goals.

Sandra Duran commented that our strategic plan does call for workforce development and she is request from the staff to develop a program with VIDA to evaluate what the workforce requirements are and where GBIC wants the workforce development to be headed towards so we can through VIDA continue to develop these individuals that would then satisfy the alignment of the strategic plan that we have in place.

Jason Wolfe commented is not trying to defund but need to come up with some funding to offset what GBIC is willing to do as well.

Pedro Cardenas asked how much do you get from the state?

Priscilla Alvarez answered that last year they received \$500,000 thousand for two years and 90% came to Brownsville. This fiscal year we have spent \$40,000 thousand of that.

Graham Sevier-Schultz commented that there should be a 1/3 match to unlock our funding's.

Pedro Cardenas commented that he would like to fund \$100,000 thousand and have \$100,000 thousand up for them if they can match that. He continued to say that if VIDA brings in \$200,000 thousand then we will match it but if they do not bring in \$100,000 thousand, we will still match the \$100, 000 thousand. For the next year we will match what you bring in. We will fund \$100,000 thousand for this year.

Graham Sevier-Schultz commented that the consideration of a match is fair and reasonable. He continued to say that there needs to be clarification in the wording for the motion from Mr. Cardenas.

Pedro Cardenas stated that awarding \$100,000 thousand and the match anything over \$100,000 thousand up to \$200,000 thousand.

*Sandra Duran Motioned to discuss it further.  
Jason Wolfe Seconded the motion.*

*Pedro Cardenas Motioned that GBIC award VIDA \$100,000 and anything over \$100,000 if they are able to get from other people, we will match that dollar to dollar up to a total of \$200,000.*

*Motioned did not pass.*

*Graham Sevier-Schultz commented that the funding of 2/3 of our previous funding amount which will be \$201,666 dollars.*

*Jason Wolfe commented that the motion for further discussion in this item is right now or develop a few options to discuss in an executive session or a proposal and a plan.*

*Graham Sevier-Schultz answered that he understands to continue the discussion in this item and asked Ms. Duran for clarification.*

*Sandra Duran motioned to table the discussion.  
Dennis Sanchez Seconded the motion.  
Nico Schaefer also Seconded the motion.  
Agenda Item Tabled.*

**B. Discussion and possible action on annual membership for Rio South Texas Economic Council. – (Executive Director & Staff)**

Matt Ruszczak presented to the board about the 12 years of the organization and the benefits of the membership. He mentioned that there are 21 organizations that are members and the primary focus for economic development. The organization attracts investors to bring them to the local communities to enhance job create and economic prosperity. Mr. Ruszczak mentioned that they try to recruit investors into the area with the Site Selector Fam Tour and the projects that are shared to members.

Mario Lozoya commented that the GBIC staff recommendation is to continue funding RSTEC.

Matt Ruszczak answered that the amount for the membership is \$ 21, 875 dollars a year.

*Graham Sevier-Schultz commented that he agrees with the staff recommendation and asked if anyone would like to entertain a motion.*

*Pedro Cardenas Motioned to continue funding RSTEC.  
Dennis Sanchez Seconded the motion.*

*Motion Carries.*

- C. Discussion and possible action on service agreement between the City of Brownsville and GBIC.  
*(Graham Sevier- Schultz, Chairman of the board)*

Graham Sevier-Schultz commented that this was an item that he asked to bring back in previous discussions. He asked for the staff to find some resolution since in his opinion we are overpaying for the service agreement and would like for a collaboration with the city to find a more agreeable resolution for GBIC. He continued to say that after research they found that other EDCs within Brownsville are paying around \$2500 per month verses what GBIC is paying. Currently, we are paying 3 times that per month.

Mario Lozoya commented that in the board packet is the agreement which states that a 2 percent of tax revenue verses a specific amount. To your point it would make sense to come up with an amount verses a percentage.

Graham Sevier-Schultz asked Mr. Granado if he recalls the discussion and the agreed amount?

Lupe Granado answered he doesn't recall but city manager's office hasn't actively pursued this item with administration. After his discussion with Helen Ramirez she asked to table the discussion but with budget approval it was about \$28,800. The city has not accessed any fees since October 2019 to go forward. The last transaction was in September 2019 so this agreement would be retroactive if finalized.

Graham Sevier-Schultz would like to take action on this item. He commented that BCIC has reached an agreement with the city to pay \$2,500 for the services which is tech support, hosting of email servers, and payroll services so in the last discussion we asked to be mirrored in the service agreement.

*Graham Sevier-Schultz Motioned that GBIC initiate a service agreement document with the monthly amount \$2,500 dollars to present to the city for approval.*

*Jason Wolfe Seconded the Motion.*

*Motion Carries.*

*Lupe Granado commented for the clarification of \$28,800 the amount needs to be \$2,400.*

*Graham Sevier-Schultz amended the motion to not exceed \$2,500 per month.*

*Dennis Sanchez Seconded the Motion.*

*Motion Carries.*

- D. Discussion and possible action on potential variance with the City of Brownsville related to North Brownsville Industrial Park. – *(Executive Director & Staff)*

Mario Lozoya presented to the board the sidewalk ordinance that is related to the North Brownsville Industrial Park. He commented that this information was found during the construction of Lot 7 for Project Bobbin. Mr. Lozoya commented that Mr. Bobbin has the concern of a safety issue if there will be sidewalks since they will have traffic. Mr. Lozoya presented the options to the board for the sidewalk variance. The options Mr. Lozoya presented are Option 1 is no action, option 2 is a variance request on only one side of the park, option 3 is variance request on the Paredes side, and option 4 no sidewalks. Mr. Lozoya's request from the board is to allow GBIC staff to file a variance to the city

Pedro Cardenas asked Mr. Lozoya if he has spoken to the city about this and if there was any input and is that where your recommendation comes from?

Mario Lozoya answered that yes.

Ramiro Aleman commented that Mr. Bobbin mentioned that the sidewalks would be a safety issue and the bike racks there because of the traffic. Mr. Aleman continued to say that the city had a brief with him, so they came to GBIC to consider a variance for the different options that Mr. Lozoya provided. Mr. Aleman mentioned that the reason GBIC's recommendation is for Option 3 is because it will connect to the mass transit and trail. He stated that would be the proper way to get there and arrive at the park.

Graham Sevier-Schultz commented that the concern of safety does not make sense to put pedestrians on to the street in harm's way. He does not agree with option 3. He commented to input a right of way on lot 3 and 4 to allow those commuting to work to access the cul-de-sac get into park from the trail without any conflict. Mr. Sevier-Schultz continued to say if it is possible to have a sidewalk on the trail on the north end, along the side of lot 5, and enter the cul-de-sac?

Mario Lozoya commented that in the end we would request the variance would need to be detail it with the slide.

Dennis Sanchez commented that the last thing we would want is families riding bikes with 18 wheelers around and I believe we need to keep them segregated. He continued to say that for a safety point of view to keep them out of the interior of the park. Mr. Sanchez continued to say that maybe if the trail and overpass goes through lot 5 and lot 6 then they are out of sight.

Sandra Duran commented that some of the people might have to walk to their jobs so there has to be a common pedestrian walkway for them to enter the park. She continued to say that there has to be a sidewalk where they can go up to the park and if there isn't a side way put the pedestrians will be walking on the road.

Graham Sevier-Schultz commented that we cannot prevent anyone from entering the park unless we put a gate with an armed guard. He asked why we are being asked to represent this variance?

Mario Lozoya answered that since GBIC is the owner of the park the city said we would need to ask for the variance.

Graham Sevier-Schultz asked if every developer needs to put a sidewalk? His suggestion is to build a sidewalk between lots 3 and 4.

*Sandra Duran motioned to propose a variance based on city recommendations for the best alternative together with the GBIC staff.*

*Dennis Sanchez seconded the motion.*

*Motion Carries.*

- E. Discussion and possible action on feasibility study exploring a state funded public daycare pilot program in the greater Brownsville area. - *(Graham Sevier- Schultz, Chairman of the board)*

Graham Sevier-Schultz addressed the board by saying that feasibility study could clarify observations that they have had and if it reasonable to pursue. The idea behind this is that the feasibility study would be presented at the state level to ask for pilot money for Brownsville that would go for recommendation of 5-6 years. He continued to say that the idea is that GBIC can potentially fund the

feasibility study and can potentially unlock state money or not depending on the study. He continued to say that an RFP could allow an organization to do a feasibility study and go from there. Mr. Sevier-Schultz continue to say that if we can put money into the daycare.

Sandra Duran commented that there are issues of quality of life for families to come down to Brownsville and this would add value.

Sandra Duran Motioned to put out an RFP to see what comes back if we can pursue it.  
Dennis Sanchez Seconded the motion.  
Motion Carries.

- F. Update on master plan for GBIC 511 Development. – (*Graham Sevier- Schultz, Chairman of the board*)

Mario Lozoya commented that he would like to clarify that this is a 511-corridor updated and not necessarily an update on Project Stone which is the master planning of that site.

Stefano Poisl presented to the board the master planning project for the 511 Corridor. Mr. Poisl continued with his presentation regarding the square footage, railways, the utilities, and ditch sites. He continued to say that the potential tenants need to pay for the relocation of the ditch since it is required. Mr. Poisl represented to the board the financials for the rail which the estimated costs is \$22 million and the rail that runs across the sites ran about \$8 million which half will be covered by the first tenant.

Graham Sevier-Schultz asked if there were any questions concerning the presentation?

*Graham Sevier-Schultz entertained a motion to acknowledge the presentation by Goree Architects.  
Pedro Cardenas motioned to acknowledge the presentation.  
Dennis Sanchez Seconded the motion.  
Motion Carries.*

- G. Discussion and possible action scheduling budget workshop. – (*Graham Sevier- Schultz, Chairman of the board*)

Graham Sevier-Schultz commented that he has asked to revisit due to the fund balance, changes, incentive contracts not being met, and potential changes in VIDA funding, and the adoption of the strategic plan since last year. He continued to say that he would like to give this a fair amount of attention. Graham Sevier- Schultz continued to say that Mr. Lozoya has sent updates, spreadsheets for us to consider and would discuss this as a workshop. He continued to say that this will be the only item on the agenda and no other action. He asked if there is any discussion as it pertains to the budget and do you all agree with the workshop approach?

*Jason Wolfe Motioned to schedule the workshop that is being requested.  
Sandra Duran Seconded the motion.  
Pedro Cardenas also Seconded the motion.  
Motion Carries.*

### **EXECUTIVE SESSION**

*Graham Sevier-Schultz asked for a motion to move to executive session.  
Pedro Cardenas Motioned to adjourn to executive session at 7:06pm.  
Jason Wolfe Seconded the Motion.  
Sandra Duran also Seconded the Motion.*



*Motion Carried.*

**6. 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 551.074, 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.

- **Evaluation of C.E.O. Mario Lozoya** – *(Graham Sevier-Schultz, Chairman of the Board)*

B. 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 Dragon** - *(Executive Director & Staff)*
- **Project Stone** - *(Executive Director & Staff)*
- **Project Bobbin** - *(Executive Director & Staff)*
- **Project Heavy** - *(Executive Director & Staff)*

### **RECONVENE**

**7. 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.**

- **Evaluation of C.E.O. Mario Lozoya** – *(Graham Sevier-Schultz, Chairman)*
- **Project Dragon** - *(Executive Director & Staff)*
- **Project Stone** - *(Executive Director & Staff)*
- **Project Bobbin** - *(Executive Director & Staff)*
- **Project Heavy** - *(Executive Director & Staff)*

*Dennis Sanchez motioned to reconvene at 7:30pm*

*Sandra Duran seconded the motion.*

*Motion Carries.*

*Graham Sevier - Schultz commented that the reconvene time was 7:30pm and stated there was no action on the executive session agenda items.*

*Graham Sevier - Schultz entertained a motion on the items discussed on executive session. He commented that the only discussion that might require a clarification is the additional board member Mr. Pedro Cardenas to the HR Committee. He continued to say that the rest of the items did not require any action.*

*Michael Pruneda commented that we cannot act upon any committee assignments and stated that it is GBIC's decision to assign who is in the committees.*

*Graham Sevier – Schultz asked for a motion for the no action of the executive session agenda items.*

*Dennis Sanchez motioned that there will be no action on the agenda items as discussed.*

*Sandra Duran seconded the motion.  
Motion Carries.*

**8. ADJOURNMENT**

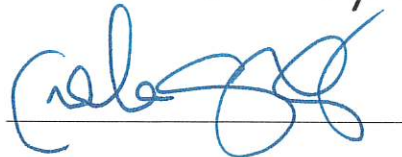
*Graham Sevier- Schultz motioned to adjourn the meeting.  
Jason Wolfe motioned to adjourn the meeting at 7:31 pm. The motion was seconded by Sandra Duran. Motion Carried.*

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Approved this 17<sup>th</sup> day of September 2020.



Graham Sevier-Schultz, Board Chair

Respectfully Submitted By: Elsa M. Galvan, Executive Assistant