

Minutes of a **REGULAR** called meeting of the Board of Directors of the Greater Brownsville Incentives Corporation (GBIC), held on Thursday, February 20, 2020 at 5:30pm in the COB Commission Chambers, on the second floor of the Brownsville City Hall – Old Federal Building, located at 1001 East Elizabeth Street, Brownsville, Cameron County, Texas.

Board Members in Attendance:

Dennis Sanchez

Graham Sevier-Schultz

Pedro Cardenas

Esteban Guerra

Sandra Duran

Nico Schaefer

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:

Lupe Granado, COB Finance Director

1. Call to Order

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

2. Roll Call- Excused Jason Wolfe – *Graham Sevier-Schultz*

3. Public Comment Period –No Public Comment – *Graham Sevier-Schultz*

4. 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:

Esteban Guerra Motioned to approve the minutes. Nico Schaefer Seconded. Motion Carried

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

5. Presentation: Economic Development Type A – Mr. Russell Gallahan presented to the board information about the sales tax, TEDC training and the difference between A and B economic development.

Russell Gallahan presented to the board the information regarding the different between Type A and Type B economic development councils. Mr. Gallahan mentioned how the membership of the council is mixed and how the various councils depend on the Bylaws to either live in the city or can hold a seat even if they do not reside in the city. He gave information about retail, infrastructure, non-permissible projects. He informed the board how state law doesn't allow for an EDC to help with educational facilities because the school district is its own taxing entity and has its own funds. He mentioned that the annual report is due every April 1st

Graham Sevier-Schultz asked, "In no way or in actual facilities?"

Russell Gallahan "You can't provide any assistant to the ISD."

Mario Lozoya "For example we find ways to fund programs in alignment to what we do. We brought in those robots no cost to us, grants from Texas Workforce Commission. We can do it in that fashion but no dollars."

Russell Gallahan "You can help these types of organizations/trainings, but you have to work through a college so that would be University of Texas, TSC

Esteban Guerra "Even if they are a taxing entity themselves?"

Russell Gallahan "They are a taxing entity themselves, but your provision of assistance is not curriculum, its not course work, not the books, its not the teaching. You provide the facility and the equipment (lease a building or build a facility) and the instructors have to be offering course work that is college credit. You can accomplish things, but EDC cannot fund it. You can provide the bus, facility, equipment, local junior college provides the instructors." "Cash incentives to nonprofit is not permissible." Mr. Gallahan addressed how the comparisons tool that can be found on the comptroller.texas.gov to find this tool to use to compare other EDC's to Brownsville.

Sandra Duran "I am going to stop relating to the nonprofit supporting education. Is it permissible as a Type A to support? I think I just heard you say that. In our case there is an organization that is VIDA and they are helping to assist people who want to pursue a better career, make better living. Is that permissible within the law to support them?"

Russell Gallahan "It's all about accomplishing a permissible purpose. Once again if it will benefit for example a graduating high school class and you will be giving scholarships that's a gift. That is not promoting economic development" "We had this discussion sometime ago and we did research on it. It looks based upon what we read the local government code there is a provision there that provides for providing life skills that improves a person's ability to earn income and it will require your attorney to make sure of what this organization is doing is actually providing skills for people from not working to being fully employed. You can do contracts with nonprofits the issue is that gifts are not permitted." "As long as college credits are being given that actually goes over to the other part as you are providing something more assistance with getting them skilled.

Graham Sevier-Schultz "I believe that there are college credits, or a certification attached to that which is another provision."

Sandra Duran "I am just wondering where the line is between Type A and Type B."

Dennis Sanchez "You made a comment earlier about you would have to use a university or collage to provide the instruction curriculum. Would that apply to a dual enrollment?"

Russell Gallahan "If it is dual credit, we want to be assured there is a separation that you are not funding a high school auto mechanics class." "The EDC would build off high school campus and provides the facility and the equipment. The college to provide the curriculum, instructors while the high school is providing the kids."

6. **Discussion and Acknowledgement of GBIC Financials - Lupe Granado, Finance Director**, presented the financial report for January 2020.- (Lupe Granado, COB)

Mr. Granado presented to the board about the financial commitments and capital assets for the GBIC organization.

Dennis Sanchez Motioned to approve. Sandra Duran Seconded the motion. Motion Carried.

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

Executive Director Mario Lozoya presented to the board about the current events that have been completed within the GBIC organization. The RSTEC FamTour helped us to get a lead. Select USA spinoff event information and soon that we will present to the board. Business expansion was explained to which we visited TRICO. We have asked BISD team to be at this meeting to present to the board.

Careli Garza-P-Tech Director, Mary Solis-Principal, Alma Cardenas Rubio- Assistant Superintendent - who attended and presented the video from the JET Grant students. Careli Garza addressed to the board about how the PTECH program allows students to learn and grown so that they can be a part of the workforce manufacturing community.

Esteban Guerra Motioned to approved. Pedro Cardenas Seconded the Motion. Motion Carried.

8. **Discussion and possible action, if any, on Request for Proposal for professional marketing services for GBIC – (Executive Director & Staff)**

Executive Director Mario Lozoya presented to the board about the companies that provided a marketing proposal. He is asking the board to consider the topic be tabled so that GBIC staff can provide a detailed and educated recommendation. Executive Director Mario Lozoya is requesting to table this discussion.

Esteban Guerra asked "Who was involved in the scoring system? Was it the staff or did it include a board member? I would like to recommend that maybe a committee be formed. Definitely a board member."

Mario Lozoya explained that the process stated with Laura Matamoros and Karla De La Riva and himself got involved before Laura Matamoros terminated her GBIC position. Ms. Duran was there in office to open the packets but was not involved in the scoring system.

Esteban Guerra "I would like when it is brought back that it be included in the backup that way, we get a chance to review it a bit more."

Graham Sevier-Schultz "I would like to see the applicants address the board and give their pitch to us either at committee level or board level. I believe that interaction helps and a lot faster to answer questions."

Mario Lozoya "We will send out a form of request to form a committee and pick it you from there. I just don't feel comfortable. It can potentially be a big expense and I don't feel comfortable making a recommendation.

Esteban Guerra Motioned to table discussion. Pedro Cardenas Seconded to table the Motion. Motion Tabled.

9. **Discussion and possible action, if any, on pending proposals for the following 511 related studies:**

- A. **Soil Survey**
- B. **Phase 1 Environmental**
- C. **Historical Survey**

Mario Lozoya presented to the board the staff recommendation for the scoring system.

Graham Sevier-Schultz "Do we have the cost?"

Mario Lozoya "We don't have them here, but we can provide them to you. We didn't want to put up the cost numbers up public. This is based on the scoring system based on the RFP that each one should submit."

Esteban Guerra "One of my questions was the potential Project Stone. I know there has been discussions about them potentially paying for these services. The environmental is one that was definitely discussed. But also, I know there has been some work that has been done on this property before with the original acreage and what we added on. By engaging these firms would we be spending double or has this been done before? Do we know what's been done? I requested to see that what's been done to these properties."

Mario Lozoya "In this particular one the Geotech has not been done. The environmental was and we have a different presentation for that. The project asked if their contractor would do the master planning part. We have agreed to support that idea. In these particular ones we didn't have that type of conversation for them to fund the Geotech. We have a different presentation for that separate then this one"

Esteban Guerra "I am almost positive that they mentioned the environmental."

Mario Lozoya "To your point Mr. Guerra we did have four applicants. But last time we met we suggested that we would reach out to Ambiotech that had done an environmental prior (which is years ago). We asked if they could update the one that they have done already at a lower cost that we would go with it. We met with Vicente and we showed them what we have, and we asked can you update this at a much lower cost then before. The staff recommends that we go with it since it is a substantial less cost. Ambiotech has agreed to update the one that they did years prior.

Esteban Guerra "This is the one that this project offered to pay for correct?"

Nico Schaefer "My question is on the environmental study have we approached a different firm if they can update that same study that has already been done? At the same time I would like to know the cost of that."

Mario Lozoya "We approached four other firms and they provided costs to do an RFP of all the 491 acres. We have that costs. When we met last time, I said that this particular organization had done that one for 350 acres.

Graham Sevier-Schultz "We wouldn't have a complete environmental survey?"

Mario Lozoya "The update would then complete the whole 491 and they agreed to do that."

Nico Schaefer "Did we reach out to a different firm just to do the update portion? Is that correct?"

Mario Lozoya "Correct. My understanding is that another firm wouldn't update it. We could ask them if they would want to put their name on a study that someone else did and update it. But we can reach out to them."

Graham Sevier-Schultz "Is the 2012 survey no longer applicable or relevant? What about the historical survey?"

Mario Lozoya "Correct. It expires after so many years. We asked for them to use the same data and update it. They will still go visit the site and make it legal. They agreed to do that. Two different companies applied, and the staff recommends HALFF to conduct this particular survey for the study."

Sandra Duran "I think that cutting this into pieces may no be in our best interest and needs to be master planned. There should have been a full schedule from beginning to end that brings this all together rather than staff trying to cut up these professional services. It doesn't work in our favor. When industrial parks are master planned there is a schedule to allow the civil, earth, environmental, engineering that is required. It is usually best that one general contractor takes on the responsibility to bring this altogether rather than us trying to piece it piece by piece. From experience it is a recommendation I would like to make. I don't know if we would like to make a decision today on this."

Graham Sevier-Schultz "I am not comfortable committing to anything without seeing the cost. Please anytime we are asked to commit to an organization I would like to see the cost. If it is public money it should be public information."

Esteban Guerra "I would like to make a motion to table this term." Sandra Duran Seconded the Motion to table. Motion Tabled.

10. Discussion and possible action, if any, on date and time changes for March regular meeting.

Mario Lozoya presented that the date for the March meeting will potentially conflict with vacations and spring break. Mr. Lozoya asked if a motion can be proposed to ask the staff to provide a window for the board meeting

Board Chairman Graham Sevier-Schultz requested to do an Email follow up for the meeting whatever gets the most members at the same time is reasonable.

Sandra Duran Made a motioned for the staff to provide proposed dates. Esteban Guerra Seconded the Motion. Motion Carried.

EXECUTIVE SESSION

Esteban Guerra Motion to adjourn to executive session @ 7:02pm Nico Schaefer Second Motion.

11. 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, including items 7, 8, 9 in accordance with the following below:

A. 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 Stone** (Executive Director & Staff)
- **Project DC** (Executive Director & Staff)

12. RECONVENE into Regular Session and consider action on items as may be necessary.

Dennis Sanchez moved to close the executive session. Pedro Cardenas Second the Motion to close the executive session. Motion Carried.

Reconvene @ 7:21pm

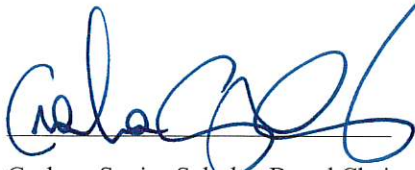
Graham Sevier-Schultz "NO Action Required on Closed Session Items."

13. ADJOURNMENT

Dennis Sanchez motioned to adjourn the meeting at 7:22pm. The motion was seconded by Pedro Cardenas. Motion Carried.

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Approved this 18 day of May 2020.



Graham Sevier-Schultz, Board Chair

Respectfully Submitted By: Elsa M. Galvan, Executive Assistant