

Minutes of a **REGULAR** called meeting of the Board of Directors of the Greater Brownsville Incentives Corporation (GBIC), held on **Thursday, January 07, 2021 at 5:30 pm** at The Young House 500 E. Saint Charles St Brownsville, Texas and Cisco WebEx Video Teleconferencing.

Board Members in Attendance at the GBIC Office:

None

Board Members in Attendance via Cisco WebEx:

Commissioner John Cowen Jr (*Chairman of the Board*)
Commissioner Nurith Galonsky-Pizana (*Vice Chairman*)
Commissioner Rose Gowen (*Treasurer*)
Commissioner Ben Neece (*Secretary*)
Mayor Juan “Trey” Mendez III (*Board Member*)

Board Members Absent:

Commissioner Jessica Tetreau-Kalifa (*Board Member*)
Commissioner Joel Munguia (*Board Member*)

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 at the GBIC Office:

None

Others in Attendance via Cisco WebEx:

Michael Pruneda, *GBIC Attorney*
Allison A. Bastian-Rodriguez, *Attorney Denton Navarro Rocha Bernal & Zech, P.C.*
Lupe Granado, *COB Finance Director*
Salvador Villalpando, *COB Finance Accountant*
Laure Morgan, *COB City Secretary*
James McCoy, *COB Agile Project Manager*
Noel Bernal, *COB City Manager*
Helen Ramirez, *COB Deputy City Manager*
Bryant Walker, *COB Assistant City Manager/Aviation Administrator*
Elizabeth Walker, *COB Assistant City Manager*
Jeffrey Millar, *Tequila Group*
Ana Chavez, *Tequila Group*
Catherine Derbala, *Tequila Group*
Blanca Reyes, *Tequila Group*
Michael Cortez, *Tequila Group*
Sandra Duran

CALL TO ORDER

A) Roll Call- Excuse Members

With a quorum present, Mayor Juan “Trey” Mendez III, called the meeting to order at 5:30pm to consider the following matters, as posted at the Brownsville City Hall.

B) Invocation – Commissioner John Cowen Jr.

Public Comment Period – No Public Comment.

ITEMS FOR INDIVIDUAL CONSIDERATION

1) Discussion and action on Election of Officers. – (Executive Director & Staff)

Mayor Juan “Trey” Mendez opened the floor for nominations for the chairman, vice chairman, secretary, and treasurer.

Commissioner Ben Neece nominated Commissioner John Cowen Jr for the chairman position. Commissioner Rose Gowen Seconded the nomination. Motion Carries.

Commissioner Rose Gowen nominated Commissioner Nurith Galonsky for vice chair. Commissioner John Cowen Jr Seconded the nomination. Motion Carries.

Commissioner John Cowen Jr nominated Commissioner Ben Neece for secretary. Commissioner Rose Gowen Seconded the motion. Motion Carries.

Mayor Juan “Trey” Mendez nominated Commissioner Rose Gowen for treasurer. Commissioner Ben Neece Seconded the motion. Motion Carries.

2) Discussion and action on amendment of the GBIC Bylaws.

Michael Pruneda commented that section 4.02 of the Bylaws had a limitation on the membership of the GBIC board. Mr. Pruneda states that it limits the city commission to one member as far as an appointee. Mr. Pruneda continued to say that a motion should be made with the current membership that 4.02 subsection 3 be amended to remove the one-member limit on the city commission appointees, that it would allow the current board to proceed without any conflicts with the Bylaws.

Commissioner Ben Neece moved to make the amendment to increase from one to seven.

Commissioner Ben Neece asked attorney Allison Bastian-Rodriguez to speak on this item. Commissioner Neece commented if attorney Bastian is not prepared to speak on this item we can move forward since we understood what it is about.

Michael Pruneda asked Commissioner Ben Neece to restate the motion.

Commissioner Ben Neece restated his motion.

Commissioner Ben Neece motioned to increase the subsection that was referred to from one to seven. Commissioner Rose Gowen Second the Motion. Motion Carries.

Commissioner Ben Neece added that since they appointed themselves not to exceed one year it should tailor the motion that for the next year it should be expanded to seven and later, we can come back to amend it back down to one.

Mayor Juan “Trey” Mendez commented that there are two ways to approach to amend the language on number 4.02 section 2 to not more than seven or leave 3 there and make a 3 A or 3B that says during the calendar year the membership should not exceed more than seven of the commission.

Allison Bastian-Rodriguez commented that state law does not have any limit as to how many members can serve on this board so therefore you can leave it out, determine a number now, or amend as you wish. She continued to say if it is amended, and you want to keep in line with the membership that you have at hand that is perfectly fine. She reminded the board that state law does not restrict the number of commissioners that can serve on this board.

Commissioner Ben Neece commented to move to expand it to not more than seven members of city commission. Commissioner Rose Gowen commented that her second still stands. Motion Carries.

- 3) Discussion and action, if any, on Resolution Number R-2021-01 approving signatories for bank accounts and related matters.

Lupe Granado, COB Finance Director addressed the board concerning the depository account and the approved signatories for the checks. Mr. Granado comments that the current resolution has himself (finance director), the Executive Director Mario Lozoya, and in the past was the GBIC board members. Mr. Granado commented that some board members do not wish to be part of the signatory authority and depends on the board how to proceed. His recommendation is to have two signatures and a third person who can sign for the checks. Commissioner Ben Neece commented that he would decline any such authority and he thinks the treasurer would be the appropriate person and anyone else who might want too. Commissioner John Cowen comments that he would be happy to sign as well since it can be difficult to obtain the signatures from the listed personnel if they are busy. Commissioner Rose Gowen asked if he wanted to move for the chair to be the additional signatory? Commissioner John Cowen answered the chair and the treasurer. Commissioner Ben Neece comments that the executive director and finance director as well.

Commissioner Ben Neece Motioned to have the Finance Director of the City of Brownsville, the Executive Director of GBIC, the chairman and treasurer of GBIC be authorized to be signatories on the bank account. Mayor Juan “Trey” Mendez III Second the Motion. Motion Carries.

- 4) Discussion and action on Resolution Number R-2021-02, repealing Resolution Number R-2020-01 electing specific closed meeting procedures.

Allison Bastian-Rodriguez addressed the board regarding an action must be changed to an equal dignity there was interest in allowing the board to go back to committing recordings of closed sessions. Allison Bastian-Rodriguez continued to say that all this does is repeal the resolution what the board had before of certified agenda and notes enclosed instead default to the Open Meetings Act and let the board do as it wishes.

Commissioner Ben Neece asked if the meetings were recorded before then changed to agenda. Allison Bastian-Rodriguez answered apparently so, yes.

Commissioner Ben Neece motioned to allow recordings of the executive session. Commissioner Rose Gowen asked Commissioner Neece if he would like to say that it is allowed or required. Commissioner Ben Neece stated required.

Allison Bastian-Rodriguez comments what the action is that the resolution 2021-02 which repeals the resolution 2020-01 required you to not record but take notes which all this does is repeals that resolution and defaults the open meetings act which allows either.

Commissioner Ben Neece made a motion that the executive session or closed session be recorded and that we repeal it, and, in the future, it be recorded. Commissioner Nurith Galonsky Second the Motion. Motion Carries.

Commissioner John Cowen Jr commented that in the commission level they required an ordinance that all city boards record executive sessions and at some point, the last year and a half so this is already mandated from the city commission.

- 5) Discussion and action to authorize the removal, migration, and change of GBIC e-mails, websites, and other electronic, virtual, or internet locations or other media to City of Brownsville domains, hosts, servers, and control.

Commissioner Rose Gowen Motion to do that. Commissioner Ben Neece Second the Motion. Motion Carries.

- 6) Discussion and action, if any, regarding the disposition and finalization of closing documents for Exel Bobbin-SBB Holdings, LLC, including the Promissory Note and Warranty Deed with Vendor's Lien.

Ramiro Aleman addressed the board regarding the sale of 5 acres of land at the North Brownsville Industrial Park to Excel Bobbin and Plastic Component. Mr. Aleman stated that this item was presented in July 2020 at the city commission which was unanimously approved. Mr. Aleman continued to say that since then GBIC has been working on the necessary documentation to close the sale. He stated that in November 2020 the previous board had approved the necessary documentation but since now there is a new board in place the title company has advised us that new signatures are required. Mr. Aleman is asking the board to approve the documentation to finalize the closing of the sale which is standard procedure for the chair and the secretary to sign which is a requirement of the title company.

Commissioner Ben Neece Motion to this approve this action.

Commissioner Nurith Galonsky asked if there are conditions that they must start construction within a certain period of time. Ramiro Aleman stated that the CCR at the North Brownsville Industrial Park mandate that the construction start within the first 6 months of closing, but they have already started construction due to time constraints.

Commissioner Nurith Galonsky Second the Motion. Mayor Juan "Trey" Mendez III abstained his vote. Motion Carries.

7) Consideration and action, if any on the following items:

- A.) Approval of the Minutes of Special Workshop and Minutes of Regular Board Meetings-
 - Regular: November 19, 2020

Commissioner Rose Gowen Motion to approve the minutes.

Commissioner Nurith Galonsky asked regarding the legal implications of approving minutes when we were not present and what happens if it is a misrepresentation.

Michael Pruneda addressed the board that they are approving what was memorized and what took place and not approving any of the actions. They memorialized what occurred at the previous meeting and all you are doing is approving it.

Commissioner Nurith Galonsky Second the Motion. Mayor Juan "Trey" Mendez III Abstained his vote. Motion Carries.

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

Commissioner John Cowen Jr asked regarding the invoice from Tequila Group and the service agreement.

Mario Lozoya addressed the board regarding the 1-year service agreement for marketing and public relations from a local PR firm. He continued to say that GBIC went through the process of selection and interviews, which the board selected this particular contractor so this item which is in question is the monthly invoice.

Commissioner Ben Neece asked regarding how many firms we interviewed.

Mario Lozoya answered that there were three firms that applied to the RFP.

Commissioner Ben Neece asked if we know the names of those companies and which of those are local.

Mario Lozoya answered that it was Tequila Group, Orange 142, and he did not recall the third firm. He commented that Tequila Group is local.

Commissioner Rose Gowen asked if Mr. Millar was in the meeting and what type of marketing they provide in terms of print, t-shirts, billboards, electronic and so forth which at a later time she would like to know what they do.

Jeffrey Millar addressed the board regarding his full-service firm which specializes in multiply categories that include strategy, social digital, and video.

Commissioner Rose Gowen asked if they can design a t-shirt or flyer along with video and media?

Jeffrey Millar commented that yes absolutely which he has two on staff artists. He continued to say that they design a full range of deliverables, corporate packages from logo design to presentation folders, presentation items within that packet all within campaign.

Mayor Juan "Trey" Mendez III Motion to approve. Commissioner Rose Gowen Second the Motion. Motion Carries.

8) Discussion and Acknowledgement of GBIC Financials and Quarterly Investment Report. – *(Lupe Granado, COB Finance Director)*

Lupe Granado, COB Finance Director addressed the board regarding the GBIC financials and explained the total assets, revenues, expenditures, fund balances, and sales tax history. Mr. Granado commented on the designated and undesignated funds. He addressed the commitments that GBIC has that reflect on the breakdown of the investment portfolio, the receivables, and the assets.

Mayor Juan "Trey" Mendez III Motion to Acknowledge the report. Commissioner Nurith Galonsky Second the Motion. Motion Carries.

9) Discussion and action, if any, on changing the name of the GBIC organization.

Commissioner John Cowen Jr addressed the board regarding the name change for the organization. He commented that he does not believe there is any record for GBIC formally changing its name, so we wanted to discuss this.

Mario Lozoya addressed the board regarding this item. He commented that the GBIC organization did not change the name, we filed a DBA, so we are doing business as Greater Brownsville Economic Development Corporation however, the GBIC name is the name on file with the state.

Commissioner Ben Neece asked if an assume name certificate filed to do business as GBEDC?

Mario Lozoya answered yes.

Mayor Juan "Trey" Mendez III asked if it was filed with the county and state or both?

Jeffrey Millar commented that it needs to be filed with both the county and state under the assumed name.

Michael Pruneda comments that there was no filing due to the issues with the domain. Mr. Pruneda comments that if the new board would like to move forward then they can do that, but it has been filed.

Commissioner Ben Neece asked if there is no other discussion he would make a motion to keep the name as it is.

Commissioner Ben Neece asked if there were any marketing efforts under the new GBEDC and BEDC is still in existence.

Jeffrey Millar commented that yes there have been marketing efforts under GBEDC. He continues to say that the GBIC is known locally and when working with foreign direct investors they do not understand the word GBIC or Greater Brownsville Incentives Corporation. Mr. Millar states that the terminology used in this category is economic development organization. Mr. Millar stated that there are three descriptive words that need to be involved in the brand. He continues to say that those three words are descriptive words Brownsville, economic, and development and those words it becomes whether it is an organization or corporation. Mr. Millar continues saying the three words are combined it is understood what it is they do.

Commissioner Ben Neece asked if there were any expenditures to use GBEDC?

Jeffrey Millar answered that yes there have been expenditures associated with the name which include the website and marketing. He continues to say that GBIC had permission from the organization BEDC to use the domain and name.

Ramiro Aleman stated that they spoke to Mr. Muschenheim and Lee Ostos which allowed GBIC to the name.

Commissioner Ben Neece asked if it was taken to their board to vote on it?

Ramiro Aleman stated that since BEDC is liquidating their assets which they will no longer be an organization which allowed them to let us take the name.

Commissioner Ben Neece stated that he spoke to one of the board members of BEDC which told him otherwise and that BEDC wanted to work with GBIC.

Jeffrey Millar comments that the BEDC was pointing towards the GBIC website. Mr. Millar states that the company Tech Net was in charge of the domain at that time. He states that the domain was sold from GO Daddy to BCIC. Mr. Millar continues saying that currently BCIC has the name and which the former board president was going to meet with Mr. Jesus Rivas to discuss this issue on why this domain was moved and taken away from him and sold by GO DADDY.

Commissioner Ben Neece comments that GBIC has been operating without authority under an assume name which there was never any action to assume that name or any action to officially make it happen with the state. Commissioner Neece continued to say we are already affiliated with an organization that has a past with this organization and it does not look good. Commissioner Neece stated that until it can all be straightened out and done right then he will stick with his motion that the name remain the same Greater Brownsville Incentives Corporation.

Commissioner Nurith Galonsky stated she agrees and Second the Motion.

Commissioner Rose Gowen comments that she seconds as well. Commissioner Rose Gowen asked for a better explaining regarding BCIC and the domain in the next meeting. Commissioner Gowen agrees that without a better explaining she would not want to change the name.

Mayor Juan "Trey" Mendez III comments that the motion should be to not change the name at this point since it does not seem as if a name change has occurred.

Commissioner Ben Neece stated to keeping the name the same and not change it.

Commissioner Rose Gowen states that she agrees but how does it change the items that are already out there with the new name or we saying they are not supposed to use them.

Mayor Juan “Trey” Mendez III comments that his concern is can you claim to do business as a corporation, and is it a type of entity that has to be registered?

Michael Pruneda commented that GBIC was going to using the DBA not as an entity but just without the suffix.

Mario Lozoya commented that this was one of the items in the strategic plan which the name GBIC does not bring up any type of investors. He continues to say that locally it is known but outside the region it does not have the economic development and Brownsville words in it. He stated that the previous board, the marketing firm, BEDC president, BEDC immediate past chairman and Tech Net were in discussion to pass the name to GBIC. He continues to say it was based on a recommendation from the strategic plan and would abide by the board.

Commissioner Ben Neece Motion to keep name the same. Commissioner Nurith Galonsky Second the Motion. Motion Carries.

- 10) Discussion and action, if any, regarding the update of the GBIC Articles of Incorporation with the Secretary of State.

Allison Bastian-Rodriguez addressed to the board that a draft was completed before the discuss. She stated at the last city commission meeting that they were directed to restate and update the Articles of Incorporation for GBIC. Allison Bastian-Rodriguez comments that the item would have to go to city commission to adopt it into a form of resolution before filing. She commented that the draft contemplated a name change, fixes the citation, notes new membership, and mentions the new street address.

Commissioner Ben Neece Motion to Table the Agenda Item. Commissioner Rose Gowen Second the Motion. Agenda Item Tabled.

- 11) Update from the Executive Director regarding the status of the FM 511 Master Plan.

Executive Director Mario Lozoya presented to the board of directors the status on the FM 511 Master plan with a rendering of the property which GBIC owns the amount of 729 acres. He continued to say that when GBIC presents this slide they present other lots to show to the customer. Mr. Lozoya commented that Goree Architects from Houston was awarded the contract by the prior board and it went through an RFP process. He presented the rendition of the master plan for the GBIC property. Mr. Lozoya commented that GBIC already has permission from Union Pacific for a rail spur and approval from Drainage District if any adjustments are needing to be made for the drainage.

Commissioner Rose Gowen comments that they have an MOU with that drainage district to use the easement on all drainage canals to use for trails. She commented that this space is opportune to be able to provide a walking avenue for people who work in the industrial corridor or connect with the trails at the sports park to interact a corridor or master plan that is healthy and refreshing. Commissioner Rose Gowen stated the modern design is to includes recreational opportunities for people who work there or people who are using this area on the weekends.

Mario Lozoya commented that the prior board has already approved a rendition from Goree Architects that includes everything you said.

Commissioner Ben Neece asked if includes the whole range canal that runs through the property and a railroad track that runs parallel from that irrigation ditch in consideration.

Commissioner John Cowen Jr asked Mr. Lozoya if this plan is expected to have a phased approach?

Mario Lozoya answered that the presentation is an example of potentials for the park.

Commissioner Rose Gowen comments that she would prefer to show a rendition of recreational opportunities to a potential client.

Commissioner Cowen asked about project costs to the build to suit areas that are located on the rendition presentation?

Mario Lozoya commented that the client has interacted with the city which he believes put together an incentive package that includes that information.

Helene Ramirez, Deputy City Manager comments that there were preliminary estimates provided by Goree Architects that were shared by the city months ago and a term sheet was offered to Project Stone and we do not know where they are with the project. She continued to say that the project costs were not provided by city staff but by Goree Architects. Ms. Ramirez continues saying to move forward with the TIRZ they will need to have better cost estimate from a stamped engineering to understand what those costs are. They were requesting to phase the infrastructure so that so much money would not be put in upfront.

Commissioner John Cowen Jr asked if this was an action item. Mario Lozoya responded it was only an update. Commissioner John Cowen Jr stated if there are no other questions we can move on to the next item.

- 12) Discussion and action, if any, to provide direction on the progress of the FM 511 Master Plan.

Commissioner Nurith Galonsky Pizana asked if there are any deadlines or milestones that are pending? Mario Lozoya comments there are not.

Commissioner John Cowen Jr comments there is no action.

- 13) Discussion and action, if any, regarding the findings of the 2020 City of Brownsville Internal Auditor Report of the GBIC acquisition of the Orestes and Shades properties.

Commissioner Ben Neece asked if GBIC has complied with all the requested documentation and information made by the internal auditor.

Mario Lozoya commented that his understanding is that the audit was complete, and we answered all we did to incorporate and complied with the questions.

Commissioner Ben Neece asked about the document which was presented in executive session regarding the sale from that property and it was a certification by an engineer regarding the value of the property. Commissioner Neece asked if that document was turned over to Mr. Zacchini?

Mario Lozoya commented that he does not recall if it was asked of us, but we can provide it. He stated that the particular item is in a binder which pertains to each property and was turned over to the auditor.

Commissioner Ben Neece asked if we ever found out who the principals were for Shades, Orestes, Provost companies that were involved in the sale.

Mario Lozoya comments he does not know the entirety of the owners.

Commissioner John Cowen Jr asked during the audit there was an initial request to produce the email records from GBIC and that was met with heavy resistance from GBIC and you in particular. He comments that some of the emails were provided and some of the findings were part of the audit report and am I able to discuss my thoughts on some of the findings or other items that were found.

Michael Pruneda commented that it depends on what you would like to discuss as there may be some issues that are legal issues or personnel issues those create exemptions that we need to be careful with.

Commissioner John Cowen Jr comments that it is regarding breach of confidentiality, in this item, and in connect with this item.

Michael Pruneda comments that his recommendation is to discuss it in executive session first then come back to this item.

Commissioner Rose Gowen asked about the deleted emails.

Michael Pruneda commented that when he was called about this information reviewed, we allowed them access with no limitations to the domain what the auditor or anybody working with the auditor was able to obtain. He continued to say they were given no boundary as to what they were going to review.

Commissioner Rose Gowen commented that if there were emails deleted would we have access to them? Michael Pruneda answered that he does not have that information. He continued to say if someone can delete them from the domain then it would require more expertise.

Mayor Juan "Trey" Mendez III comments that Commissioner Neece asked a question to Mr. Lozoya regarding principals of a particular business, and I did not hear what business he asked. He continues to say that Mr. Lozoya answered that he did not know all the members which would make me think he knows some of the members and if he does, I will ask he disclose that information and officially answer. Mario Lozoya answered that the client at the time was a steel mill and this property plus other aggregate a total amount 1,200 hundred acres. He continues to say they reached out to a third-party Coastal Realty and asked them to speak to each owner and asked them for prices, potential sales, and go into contract which we would aggregate to send to the client to purchase. The realty would report back to me of who they spoke with and owned the property. He continued saying that with this particular property owned by an organization with multiple owners and mentioned to me that Mr. Marin was one of the owners. Mr. Lozoya stated that at the time Ambiotec was the engineering firm on file for GBIC, so we were familiar with that organization. The conversations were on behalf of the client and that is the one that I know. Mr. Lozoya states that as soon as the client decided not to come to Brownsville that is when we changed strategies and now the purchaser was GBIC, the board agreed to make this purchase. He continued to say that they passed everything to the attorney who then dealt with their attorney till the purchase was made.

Commissioner Ben Neece asked which organization Mr. Marin was affiliated with?

Mario Lozoya comments that he believes they are all the same owners of Shades Orestes.

Commissioner Nurith Galonsky Pizana asked who was the attorney at that point?

Mr. Lozoya answered it was Mr. De Coss.

Commissioner Nurith Galonsky Pizana comments in the audit report and conclusion on top of page 11 the city auditor could not find any evidence that the purchase of the land was appropriately approved by the board of directors. Commissioner Galonsky continues to say that they could not pinpoint which meeting the decision to purchase that land was made. She continues to say that at what point then did no one decide that this a violation of the Texas Open Meeting act to give the opportunity to the public to have a say.

Mario Lozoya states he cannot explain what the auditor entered because I too was surprised that he mentioned that since GBIC provided a resolution. He continues saying the board signed to agree on the purchase of property. He stated that the agendas were provided to the auditor where they were going into executive session. Mr. Lozoya stated that for anyone to think that the GBIC staff went on their own to purchase something like this without board knowledge does not make sense. The board approved and we have a resolution signed agreeing to the purchase and all that was done before any contract was signed. Mr. Lozoya states that the contract is signed by the board chair, which we provided that to the auditor and the contract itself is evidence that the board chair approved it. He states that it is signed by the attorney and the board chair. The documents that were provided would prove that the board did approve the purchase.

Commissioner John Cowen comments that he disagrees with Mr. Lozoya since there were no minutes to reference to this particular transaction in detail. He continues to say that it is all general language to discuss real estate transaction and to proceed as discussed and it is not specific whatsoever. Commissioner Cowen states that he is referring to the agendas presented, and minutes provided to not reference this transaction in detail at all and it never came to city commission which is required by law so in my opinion it shows gross negligence and lack of respect to the commission.

Mario Lozoya comments that they had board approve and was done in executive session that is why you do not see the detail in regular minutes. He continues to say that at the time that is the way the attorney was defining.

Commissioner Cowen comments that in his opinion that is not legal. He continues to say that when there is a land transaction to be approved you need to reference what you are buying and how much you are paying.

Commissioner Ben Neece comments that the action needs to be taken in open session and that is how it gets reflected in the minutes.

Commissioner Nurith Galonsky Pizana asked Mr. Lozoya if the public had an opportunity to voice their opinion about the purchase.

Mario Lozoya comments that at the time they were listening to the advice of the attorney and the board at the time were the ones to do the processes and the staff agreed.

Commissioner Ben Neece asked Mr. Lozoya if any other attorneys were involved?

Mario Lozoya commented that in the beginning of the courting of the client the attorney was Mr. Luis Hernandez and through the process the attorney changed to Mr. De Coss.

Commissioner Ben Neece asked if Mr. Lozoya could provide an exact date of when Mr. De Coss took over on this matter.

Commissioner John Cowen Jr. comments that he finds it strange that there was not any negotiation on this, you, and Mr. De Coss gave conflicting statements initially.

Commissioner Ben Neece stated that the only negotiation that was found was where the civil engineer at GBIC was trying to get you to reduce the price on the GBIC property and the other property that was involved.

Mario Lozoya commented that at the time they were trying to come up with the numbers to offer the client and all that changed when the client went away, and the purchaser changed to GBIC.

Commissioner Ben Neece asked if it is proper for the GBIC engineer to reduce the price rather than his own property that he is trying to sell to GBIC.

Mario Lozoya answered that it is not proper and they trying to present a total number for the client.

Commissioner Nurith Galonsky Pizana mentioned regarding the audit on page 12 where it states that GBIC did not obtain an appraisal for all three properties acquired. She continues to say that they might have subsequently got appraisals after the term of the sale had been negotiated. She asked if conflicts of interest were ever executed for Mr. Marin considering he was engineer on record or Ambiotec is and testified earlier that you knew he was the owner.

Mario Lozoya stated that initially we were aware of all the owners regarding a number to give to the client but once the client moved to different location we dealt with this particular property and the attorneys. He continues to say that initially they were having conversations with all the owners for example CDCB with Nick Bennet, we were trying to get the Wheeler properties so we knew the owners because we were dealing with them so that client would purchase from them but once the client went to a different location, we were not dealing with the owners but with the attorney.

Commissioner Nurith Galonsky Pizana asked if the decision for the steel mill to go to Sinton was after you had purchased the land correct?

Mario Lozoya answered the process is about a 30–40-day process and we had already started the process and they had already told us. He stated that they have an email which was shared with the commission in closed session from the client attorney indicating they were not coming anymore. He comments that he does not remember the specific dates, but the board agreed to purchase the property after the client had decided to go elsewhere.

Commissioner Nurith Galonsky Pizana asked if it occurred to GBIC to obtain your own appraisal instead of relying on the seller's appraisal considering the conflict of interest?

Mario Lozoya stated that the client had a timeline which GBIC was trying to meet so the board agreed to accept the information and came up with a selling price and that we were told to use.

Commissioner Nurith Galonsky Pizana asked which board members were present at that board meeting when it was decided on the selling price?

Mario Lozoya answered that he does not recall he can look at the meets and provide that information to her.

Commissioner John Cowen asked what was the rush to buy the property after the steel mill decided to leave?

Mario Lozoya answered it was already in process and the board also entertained not buying anything further but the members of the city, specifically the city manager and deputy city manager encouraged

GBIC to continue growing the footprint they asked them to try to increase the 5% industrial land use in Brownsville to a greater number.

Deputy City Manager Helen Ramirez commented that it is completely inaccurate.

City Manager Noel Bernal comments that it is completely false, and the transaction was continued without conferring with us and there was a break in discussions.

Mario Lozoya continued saying he is not talking about the transaction but the industrial land, the board utilized that information and various documents you had sent us, so the board used that information and the board decided to do it and agreed to purchase the land.

City Manager Noel Bernal comments that it is incorrect and in March 2019 we came before City Commission in executive session for an update on the master plan however it did not involve any land purchases subsequent to that meeting. He continued saying that both himself and the Deputy City Manager ceased any communication with GBIC staff because of them learning that GBIC had this action in place to purchase the land and was being done outside the scope of the any master plan which here we are 2 years later discussing a conceptual on the master plan verses an actual master plan that is complete. He continues to say at that point any purchases of land, financing of infrastructure, development agreements and that was part of the concern we had that there was a desire to purchase land without a master plan being in place.

Mario Lozoya comments that the fact is that you acknowledge the interest to increase land use and I did not say you were involved with the land purchase.

City Manager Noel Bernal comments that it is broad goal that we have defined through a land use analysis however it is a much broader objective that takes years to overturn and is being taken out of context to approach and secure the land which is not connected to that. We are continued to work with a variety of projects that align with that vision but in this it is taken out of context to justify a purchase.

Mario Lozoya comments that he is not going to speak on behalf of the board, and he recommends that the auditor finish the job to audit that made those decisions and I do not want to answer questions when the board gave me direction to proceed with.

Commissioner John Cowen Jr comments that Mr. Lozoya has the obligation to answer the questions that the board has so he hopes that he can comply.

Mario Lozoya stated that it was so long ago that he does not recall and does not want to make any statements regarding the direction, and he is being put in a position to remember things that the board told me to do 2 years ago.

City Manager Noel Bernal stated that it is a false statement, and we have emails that support what we are stating here that were provided to the auditor of the trail where we stopped any communication or interaction regarding 511.

Commissioner Nurith Galonsky Pizana comments that on the audit report SDI has already communicated on March 6th of their intention to end any further discussion of a deal was that through written notice to Mr. Lozoya or GBIC by then and how did you find out by March 6th that they were moving to Sinton?

Mario Lozoya commented that he first received phone calls from the representing attorney for SDI and within days so then I asked if they could put in print to provide it to the board and that is when the email came.

Commissioner Nurith Galonsky Pizana comments that these purchases were finalized in April 2019 more than a month afterwards correct?

Mario Lozoya stated that it was finalized by then the process had already started which takes about 30-40 days to purchase. He stated that he can try to find the initial dates, but the final purchase time was in April.

Commissioner Ben Neece asked if next time this item is discussed that they get a supplemental report so we can get an updated from Mr. Zucchini.

Commissioner Ben Neece Moved to Table to get the update before and move it into executive session.

Commissioner Rose Gowen Second the Motion. Motion Carries. Agenda Item Tabled.

- 14) Discussion and action, if any, regarding the direction of staff to cooperate with pending audits to be performed by the City Auditor.

Commissioner Ben Neece Motion for staff to cooperate. Mayor Juan "Trey" Mendez III Second the Motion. Motion Carries.

- 15) Discussion and action, if any, regarding the Agreement for Legal Services with The Pruneda Law Firm, P.L.L.C.

Commissioner Nurith Galonsky addressed the agenda item saying that she reviewed the contract and there is a 30-day notice. She continued saying that the trajectory that they are going she suggested to go with only one attorney.

Commissioner Nurith Galonsky Motioned to provide a 30-day termination notice for the contract. Ben Neece Second the Motion. Mayor Juan "Trey" Mendez III opposed the vote. Motion Carries.

EXECUTIVE SESSION

- 1) Executive Session pursuant to Tex. Gov't Code Sec. 551.087(1) to discuss or deliberate regarding commercial or financial information that the GBIC has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the City of Brownsville and with which the GBIC is conducting economic development negotiations regarding the following pending economic development projects and prospects:

Commissioner Rose Gowen Motion to Move into Executive Session at 7:23pm. Mayor Juan "Trey" Mendez III Seconded the Motion. Motion Carries.

- **Project Stone**
- **Project Dragon**
- **Project Delta**

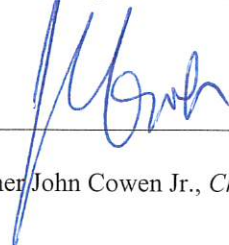
Executive Session Ended at 7:58pm.

ADJOURNMENT

Commissioner Rose Gowen motioned to adjourn the meeting at 8:00 pm. Commissioner Nurith Galonsky Pizana Second the motion. Motion Carried.

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Approved this 11th day of March, 2021.



Commissioner John Cowen Jr., *Chairman of the Board of Directors*

Respectfully Submitted By: Elsa M. Galvan, *Executive Assistant*