

Minutes of a **REGULAR** called meeting of the Board of Directors of the Greater Brownsville Incentives Corporation (GBIC), held on **Thursday June 18, 2020 at 5:30pm** at The Young House 500 E. Saint Charles St Brownsville, Texas and Zoom Video Teleconferencing.

Board Members in Attendance at the GBIC Office:

Graham Sevier-Schultz (*Chairman of the Board*)
Esteban Guerra (*Vice Chair*)
Sandra Duran (*Treasurer*)
Dennis Sanchez (*Board Member*)
Pedro Cardenas (*Board Member*)
Nico Schaefer (*Board Member*)

Board Members in Attendance via Zoom:

Jason Wolfe (*Secretary*)

Board Members Absent – Excused: None

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:

Michael Pruneda, *GBIC Attorney*
Salvador Villalpando, *COB Accountant*
Stefano Poisl, *Goree Architects Representative*
Wanda Reyes, *Superior Global Solutions Inc.*
Navin Buxani, *Superior Global Solutions Inc.*
Mark Stimal, *Pesa Enterprises, Inc.*

1. Roll Call- Excuse Members

With a quorum present, Graham Sevier-Schultz, called the meeting to order at 5:31pm to consider the following matters, as posted at the Brownsville City Hall.

EXECUTIVE SESSION

Esteban Guerra “Motioned to adjourn to Executive Session at 5:33 pm”
Pedro Cardenas “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 551.087, 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 Maple** *(Executive Director & Staff)*
- **Project Stone** *(Executive Director & Staff)*
- **Project Dragon and Project Stamp** *(Executive Director & Staff)*
- **Project Bobbin** *(Executive Director & Staff)*

B. 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.

- **Land Acquisition** *(Executive Director & Staff)*
- **Sale of Land - North Brownsville Industrial Park** *(Sandra Duran & Dennis Sanchez)*

C. 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 bear 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.

- **Authorization for the payment of compensation and benefits related to the terms and conditions of the Employment Agreement of C.E.O. Lozoya and other related matters.** *(Executive Director & Staff)*

RECONVENE

Graham Sevier-Schultz "The time is 7:48 pm do we have a motion to reconvene?"

Esteban Guerra "Motioned"

Sandra Duran "Seconded Motion"

3. 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.

- **Project Maple** *(Executive Director & Staff)*

Mario Lozoya stated the terms that were discussed in which GBIC will offer 3 and 2 with a total \$5,000 for 4 years. Graham Sevier-Schultz mentioned that we discussed having a standardized contract made available to Project Maple if they choose to locate to Brownsville within the city limits and employee Brownsville residents.

Dennis Sanchez mentioned that it should have a caveat a minimum salary which would be a little bit lower than the average salary.

Graham Sevier-Schultz stated that they do not want to deviate anything under the minimum salary.

Dennis Sanchez motion to approve Project Maple as suggested by staff and as qualified by discussions.

Sandra Duran seconded the motion.

Motion Carries.

- **Project Stone** *(Executive Director & Staff)*

Mario Lozoya stated the terms that were discussed in which GBIC will offer 3 and 3 with increasing it to 6 thousand for 4 years with similar standards.

Esteban Guerra motion to approve Project Stone.

Sandra Duran seconded the motion.
Nico Schaefer sustains his motion.
Motion Carries.

- **Project Dragon and Project Stamp (Executive Director & Staff)**

Mario Lozoya stated there is no action for this agenda item.
Dennis Sanchez made a motion to take no action on this item.
Nico Schaefer seconded the motion.
No action was taken.

- **Project Bobbin (Executive Director & Staff)**

Mario Lozoya stated that we would sell the land as is and he wants to apply for the application later.
Graham Sevier-Schultz mentioned that it was discussed as a non-action item.
Esteban Guerra made a motion to sell as is.
Pedro Cardenas seconded the motion.
Motion Carries.

- **Land Acquisition (Executive Director & Staff)**

Graham Sevier-Schultz stated that during the executive session the board discussed to allow the executive director to negotiate the purchase of this land on the terms of this item.
Dennis Sanchez motioned to proceed to acquire the land.
Pedro Cardenas seconded the motion.
Motion Carries.

- **Sale of Land - North Brownsville Industrial Park (Sandra Duran & Dennis Sanchez)**

Mario Lozoya stated if the board would give authority to rebuttal and a ceiling. We are looking for a motion to move as discussed in executive session.
Pedro Cardenas motioned to move as discussed in executive session.
Esteban Guerra seconded the motion.
Sandra Duran and Dennis Sanchez abstain their motions.
Motion Carried

- **Authorization for the payment of compensation and benefits related to the terms and conditions of the Employment Agreement of C.E.O. Lozoya and other related matters. (Executive Director & Staff)**

Graham Sevier-Schultz commented that he would request to move this item and table it for further discussion.
Dennis Sanchez asked will we be discussing later?
Graham Sevier-Schultz answered yes.

Pedro Cardenas motioned to table discussion.
Esteban Guerra seconded the motion.
Agenda Item Tabled.

4. Public Comment Period – No Public Comment.

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 – April 6, 2020
Regular – May 15, 2020
- B.) **Approval and acknowledgement of invoices and miscellaneous claims.**

*Graham Sevier-Schultz entertained a motion to approval the GBIC board minutes.
Dennis Sanchez motioned to acknowledge consent agenda items.
Pedro Cardenas Seconded the Motion.
Motion Carries.*

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

Salvador Villalpando presented to the board the financials and highlights about the budget. He continued to mention about the contracts that were previously terminated and the told of those three contracts \$523,000 thousand dollars and that amount was moved from the designated fund balance to the undesignated fund balance. Salvador provided two types of scenarios for the budgeted fund balance and the COVID-19 fund balance. Salvador continued to comment on the funds for GBIC are as follows the total assets as of May are 15.6 million, liabilities are \$49,000, and lead assets are 15.6 million. The total revenue for the income statement is at 4 million and expenses are 3.7 million and the revenue over expenditures are 310,000 thousand. The fund balance undesignated is at 3.10 million and designated is at 4.8 million which total fund balance is at 15.6 million. The sales tax collection is over by 13,000 thousand or .38 percent increase. The actual budget year to date is 5,000 thousand decrease. Salvador continued to mention about the possible decreases in sales tax due to COVID-19 which in June would be 20 percent decrease, in July 15 percent decrease, August 15 percent decrease, and September 15 percent decrease.

Mario Lozoya commented that in the city calculations based on the contracts which included Keppel Amfels. GBIC was committed at 1.8 million which was incorrect and that 400,000 thousand was moved over so it was turned into a savings. Mr. Lozoya continued to state that our funds are healthy, and we hope to continue to maintain it that way. Once the audits are completed GBIC can make payouts and make up some money at the same time. Graham Sevier-Schultz commented that 15 percent for the next two months behind.

*Graham Sevier-Schultz I entertain a Motion to acknowledge financials.
Estepan Guerra I move to acknowledge.
Nico Schaefer Seconded the 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 presented to the board about the projects and activities the GBIC staff have worked on. He mentioned that there are not many people who are savvy based on the USMCA content. The regional value of content means that you make parts and 70% of regional content is made outside of the U.S. Mr. Lozoya discussed producing a tool which helps prospects understand what the maquilas means, the regional value content, and all the parts associated with the maquilas. Mr. Lozoya commended that he is partnered with the secretario of economia of Tamaulipas and the university to create a virtual 3-D tool which features the car and its parts. This tool will identify each part of the car and the manufacturer. They are working on a prototype of this 3-D tool and all the features that are associate with the car. Mr. Lozoya commented that they are trying to get other maquilas to participate in this project. Mr. Lozoya mention that this 3-D tool should be patent and that it could be a great advantage.

Sandra Duran commented that there will be a growing interest in other areas to use this process.

Mr. Lozoya continued to comment about the webinars that the staff has attended. Mr. Lozoya and Mr. Aleman attended a webinar relevant to the USMCA where they learned about the regional value content issue and they will be more involved to make sure we are able to meet those targets as we entertain projects. He continued to comment about the chamber being closer to what was asked of them. The chamber has continued to make phone calls and many companies have received funding. Mr. Lozoya commented that out of the funds that GBIC issued the chamber has received 35,000 thousand and release the remaining funding soon.

Dennis Sanchez motioned to acknowledge the GBIC staff reports.

Sandra Duran seconded the motion.

Motion Carries.

8. Discussion and possible action, if any, on contract award for GBIC marketing services- (Executive Director & Staff)

Mario Lozoya presented to the board about the two companies that were chosen as finalists from all the entries that had applied. He continued to mention that the staff recommendation is that GBIC will move forward in contracting Tequila Group because of costs and being a local company. He lighted the point that if we needed the marketing firm, they would be readily available since they are local branched in the valley.

Dennis Sanchez asked where the principal office is located.

Elsa Galvan answered that Tequila Group has two office located in Brownsville and McAllen.

Graham Sevier-Schultz commented that previously the two groups that were finalists were to travel to present to the board back in March. Since there were travel restrictions one of the finalists was unable to come from Austin to present. He continued to comment that GBIC has grown within the last year and rebranding is an important part.

Mario Lozoya commented that we have an urgency to contract the marketing firm since we are getting ready for the virtual Spinoff.

Dennis Sanchez motioned to award the contract to Tequila Group.

Sandra Duran seconded the motion.

Motion Carries.

9. Discussion and possible action authorizing engagement of consultant for the Master Planning and Development of the 511 GBIC property. (Graham Sevier- Schultz, Chairman of the board)

Graham Sevier-Schultz addressed the board stating that we have about seven responses for the RFPs. He commented that during the selection they used scoring sheets to grade the information that was provided from each firm. Mr. Sevier-Schultz mentioned that Goree Architects scored highest from the firms that were the three finalists.

Esteban Guerra asked if our point of contact would be Goree for the project?

Graham Sevier-Schultz answered that Goree Architects would develop the whole site and Project Stone is separately contracting them to design. He commented that Goree Architects have the most developed plan.

Sandra Duran commented that Goree gave a very impressive presentation and shows they spent many hours investing in their customers.

Esteban Guerra motioned to approve to hire Goree Architects as the master planner.

*Nico Schaefer seconded the motion.
Motion Carries.*

10. Discussion and possible action authorizing limited emergency resource funding in response to COVID-19. - (Graham Sevier-Schultz, Chairman of the board)

Graham Sevier-Schultz addressed the board that he would like to have money budgeted and if the commission recognize that we have money budgeted we do not have to go back to them to ask. It will already be in the budget and use if needed. He continued to say that especially now there are relevant things like the masks and employers that are not asked to provide that. Many of those are our primary employers.

Mario Lozoya commented that Karla De La Riva has a list of employers on the system.

Sandra Duran motioned to provide support for those employers that are partners of GBIC. She continued to say that she recommends that the employers be approached.

Jason Wolfe commented that there should be a ceiling amount. He asked if anyone had put together a proposed what it will cost?

Dennis Sanchez commented that if someone is needing a specific product or amount, they should bring it to the board.

Graham Sevier-Schultz stated that unless we have someone make that decision such as the executive director. We are just making it available as a budget item.

Esteban Guerra asked if this is going for our partners right now?

Mario Lozoya answered that is Sandra's motion to help partners

Sandra Duran motioned to provide and support a maximum of \$20,000 dollars total to help in the relief of COVID-19 for industry partners.

Graham Sevier-Schultz mentioned we have a motion to provide \$20,000 dollars for COVID-19 related activity for future specificity by the board. Do we accept?

Jason Wolfe mentioned that if for the next meeting we get some activity on the board but if you can add to your motion for the next board meeting that there be a budget presented for any future discussion that would present costs for what kind of funding would be available for testing and so forth. He commented that it would be nice to have a ballpark amount of the costs for those items that way we know if that \$20,000 thousand is way to low or right on the money.

Sandra Duran mentioned that she was asking for data from the team. She agreed with his comment.

Sandra Duran motioned to approve a temporary budget of \$20,000 dollars in support of COVID-19 subject to our next meeting for annual budget.

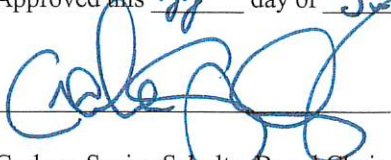
*Esteban Guerra seconded the motion.
Motion Carries.*

11. ADJOURNMENT

Graham Sevier- Schultz "I entertain a motion to adjourn this meeting at 8:26 pm"

Dennis Sanchez motioned to adjourn the meeting at 8:26 pm. The motion was seconded by Pedro Cardenas. Motion Carries.

* Approved this 22nd day of July, 2020. *



Graham Sevier-Schultz, Board Chair

Respectfully Submitted By: Elsa M. Galvan, Executive Assistant