

Minutes of a **REGULAR** called meeting of the Board of Directors of the Greater Brownsville Incentives Corporation (GBIC), held on **Thursday, March 11, 2021 at 5:00 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*)
Commissioner Jessica Tetreau-Kalifa (*Board Member*)

Board Members Absent:

Commissioner Joel Munguia (*Board Member*)
Mayor Juan “Trey” Mendez III (*Board Member*)

GBIC Staff in Attendance at the GBIC Office:

Helen Ramirez, *Executive Director/CEO*
Ramiro Aleman, *Director of Business Recruitment & Development*
Karla De La Riva, *Associate Director of Industry Retention & Expansion*
Elsa M. Galvan, *Executive Assistant*

Others in Attendance at the GBIC Office:

Constanza Miner, COB Retail and Redevelopment Manager

Others in Attendance via Cisco WebEx:

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*
Bryant Walker, *COB Assistant City Manager/Aviation Administrator*
Elizabeth Walker, *COB Assistant City Manager*
Olivia Bodella, *National Electric Coil*
Robert Barton, *National Electric Coil*
Marina Zolezzi, *COB Assistant to the City Manager*

CALL TO ORDER

A) Roll Call- Excuse Members

With a quorum present, Chairman John Cowen Jr., called the meeting to order at 5:00pm to consider the following matters, as posted at the Brownsville City Hall.

Public Comment Period – Robert Barton President and CEO from National Electric Coil (NEC) addressed the board regarding the company products and production. Mr. Barton comments that the NEC rebuilds generators for the powerplants throughout the world and remanufacturing motors and generators. He comments regarding the change the Government made about 5 years ago to the use of coal in powerplants emissions. Mr. Barton stated that there was the change in the railroad's major cuts in coal shipments which in turn had 20% of the locomotives parked. He continued saying that it resulted in cutting back on the maintenance. Mr. Barton stated that with that change resulted in consolidating the company to either one location or another. He continued to say he preferred to consolidate Brownsville because of the employee work ethics, even if the skill levels on the average and once the additional training is implemented the employee is productive. Mr. Barton mentioned that GBIC provide a package of incentives and start the process of relocation of products that are in Columbus to Brownsville and have completed about 80% of that relocation. Mr. Barton stated he is looking forward to the growth in Brownsville. Mr. Barton stated that they have been in Brownsville since 1983 and are fully supportive of the industry and the area. Secretary Ben Neece comments to Mr. Barton that he would like to thank you for the decision to stay in Brownsville. Chairman John Cowen Jr. also extended his gratitude to Mr. Barton and the company for the investment in Brownsville.

CONSENT AGENDA ITEMS

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

a.) Approval of the Minutes of Special Workshop and Minutes of Regular Board Meetings-

- Regular: January 7, 2021
- Special: February 12, 2021

Secretary Ben Neece moved to approve. Treasurer Rose Gowen Second the motion. Motion Carries.

b.) Approval regarding the payment of vendor services invoiced to the GBIC for the months of January 2021 and February 2021.

Secretary Ben Neece moved to approve. Treasurer Rose Gowen Second the motion. Motion Carries.

ITEMS FOR INDIVIDUAL CONSIDERATION

- 1) Discussion and Acknowledge 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 mentioned that the timeliness of the financials not all activity for the month of February were not captured in short time to reconcile the account. Mr. Granado explained the balance sheet composed of assets \$14.7 M, liabilities, net assets of \$14.5 million dollars and are combined mainly of cash of about \$12.7 million, investments of \$1.7 million, and receivables of \$270,000. He comments on the income statement, revenues received of \$1.5 million, revenues over expenditures \$952,860. He addressed the fund balance that include the designated and undesignated balances. Mr. Granado stated that the designed funds are \$14.5 million and out of that amount there is 5. Million designated to projects and \$8.9 million undesignated to projects. Mr. Granado mentioned the 1.5 % sales tax that was collected. Secretary Ben Neece asked regarding the activities listed on the financial presentation. He asked if the \$1.4 million for the 511 industrial park that is year marked. Mr. Granado answered that it is the budget.

Secretary Ben Neece motion to acknowledge the financials and quarterly investment report. Treasurer Rose Gowen Second the motion. Motion Carries.

- 2) Discussion and Proposed Budget Amendment reallocating funding within the GBIC FY 2021 Budget from Project Stone to general budget and project funding purposes, including pending space industry projects. – (Helen Ramirez, GBIC Executive Director)

Helen Ramirez addressed the board regarding the budget amendment in response to the anticipated rail spur and drainage ditch access as part of the 511- north industrial corridor development which was associated with the lead Project Stone. She comments that at this time it is not anticipated to move forward at this time and therefore the funds for rail spur access and \$400,000 drainage ditch will not be expended before the end of the fiscal year. Ms. Ramirez comments that rather than having the money unexpended, she is proposing to use those funds for other economic development projects that GBIC has traction on. Ms. Ramirez is proposing \$250,000 to be allocated for New Space Marketing initiatives to add traction within the City of Brownsville and the airport. Ms. Ramirez comments regarding the NewSpace grant fund in the amount of \$400,000. She commented that GBIC believes that the startup companies will be incubating in Brownsville and in the future, there will be an opportunity to create a grant so we want to create a pot of grant funding for these companies that would be tied to performance agreements where future companies can incubate and stay in Brownsville and be headquartered here. Ms. Ramirez comments that the \$200,000 is additional funding regarding the agreement with Spaced Ventures and there will be a memorialized agreement. Ms. Ramirez commented regarding the City of Brownsville/SPI airport Spaceport License Application which would allow the increase in economic development in regard to new space and commercial space industry in the airport. Ms. Ramirez started that there are types of companies that are suppliers or vendors that will support activities or existing activities to engage and expand the new space sector in Brownsville through the space port license. Ms. Ramirez presented the budget amendment slide stating it is additional funding to the budget.

Secretary Ben Neece motion to amend the budget. Treasurer Rose Gowen Second the motion. Motion Carries.

- 3) Discussion and action, if any, on Resolution Number R-2021-03 approving signatories for bank accounts and related matters. – (Lupe Granado, COB Finance Director)

Lupe Granado addressed the board regarding this housekeeping item that designates authorizes signers on the account. Mr. Granado continues to say that all GBIC transactions have two authorized signers and what we are proposing is to have the Executive Director Helen Ramirez, the Finance Director (myself) Guadalupe Granado, the president/chairman John Cowen, and the treasurer Rose Gowen be authorized signers on the account.

Secretary Ben Neece motion to approve. Vice Chair Nurith Galonsky Pizana Second the motion. Motion Carries.

- 4) Consideration and action to approve the FY 2021 Administrative Service Agreement between the City of Brownsville and the Greater Brownsville Incentives Corporation (GBIC). – (Helen Ramirez, GBIC Executive Director)

Rose Gowen asked Helen Ramirez if there was anything different about the agreement compared to before? Helen Ramirez addressed the board regarding the difference in administrative service agreement which states enhanced technology, email, and communication support which will be included as the COB services. She continued to comment on the legal services and support staff services which include the CEO/Executive Director position, the Retail and Redevelopment manager, and Plans Examiner Manager support. Ms. Ramirez also comments on the communication and marketing department support to have a quick turnaround for promotions and marketing. She comments that the amount is \$41,366.50 a month which is all inclusive and is still below the amount of personnel services costs that GBIC has available. She said in addition she does foresee saving from the third-party vendors services GBIC has and in the future, it would be a savings and maximizing the city has verses external. Secretary Ben Neece asked if GBIC would be using the city attorney and reimbursing the city? Helen Ramirez answered that GBIC would be using an outside economic development attorney and yes, we would be reimbursing the city for that cost.

Secretary Ben Neece motion to approve it. Vice Chair Nurith Galonsky Pizana Second the motion. Motion Carries.

- 5) Discussion, consideration, and possible action on payment of economic development incentives as provided in the performance agreement for National Electric Coil (NEC). – (Ramiro Aleman, GBIC Director of Business Recruitment, Retention, & Expansion)

Ramiro Aleman addressed the board regarding the audit report for National Electric Coil. Mr. Aleman stated essentially since this is an expansion project the company has a baseline on the contract to keep 221 jobs and would grow from there to 129 new jobs within 3 years. Mr. Aleman stated the contract started in April 2019 and is year number 2. Mr. Aleman comments on the performance agreement which was job creation and job performance. Ramiro Aleman presented a scale to the board which demonstrates the NEC job creation incentives and job training. Mr. Aleman stated that he reviews the quarterly job and wages report to determine if the company is eligible for incentives.

Secretary Ben Neece motion to approve. Vice Chair Nurith Galonsky Pizana Second the motion. Motion Carries.

- 6) Consideration and action to approve funding for and the development of a Performance Agreement with the City of Brownsville to fund the Brownsville/SPI Airport Spaceport License Application. – (Helen Ramirez, Executive Director and Ramiro Gonzalez, COB Director of Government and Community Affairs)

Helen Ramirez addressed the board regarding the approved budget amendment which will provide funding to this agenda item. The amount will be to approve and not exceed \$450,000 for the retaining of aviation and aerospace professionals for guidance in and finalization of the spaceport license application. She stated that this is an initiative to support the NewSpace companies and expand the aerospace manufacturing. Secretary Ben Neece asked if the 180 day deadline is to apply to start the process? Helen Ramirez commented that yes, they would need to start the process within that time frame to procure that process. Secretary Ben Neece requested for a meeting agenda item every meeting on an update on this agenda item from Mr. Ramiro Gonzalez and how he is progressing to move this forward. Secretary Neece comments that if there are no more questions, he wants to move to approve with that caveat that there be a monthly report on this. Chairman John Cowen asked if GBIC has contacted the Cameron County Spaceport authority about possibly helping with this application as well financially. Ramiro Gonzalez comments that what he knows right now regarding the Spaceport it is inactive. He continues to say it was set up, but he doesn't believe they have met in about 2-3 years. Mr. Gonzalez comments that it was set up for as a pass through for the space funding that SpaceX received and has not been active since. Secretary Ben Neece comments that this raises an issue since no one has been monitoring SpaceX and if they are complying with all the agreements that they made. He stated if Mr. Gonzalez can reach out to SpaceX to see if they will reactivate and if so, counteroffer something. Helen Ramirez added to the discussion that this is part of the legislative agenda to obtain more funding for Spaceport in Texas and they have been speaking to the Greater Houston Aerospace Partnership. She believes that with our additional Houston partners and other partners we can request the funding be allocated towards this for future applications online.

Secretary Ben Neece motion to approve this with the addition of monthly updates. Treasurer Rose Gowen Second the motion. Board Member Jessica Tetreau-Kalifa abstained her vote. Motion Carries.

- 7) Consideration and action to fund and develop a Project Agreement between GBIC and COB and Spaced Ventures. – (Helen Ramirez, GBIC Executive Director and Ramiro Gonzalez, COB Director of Government and Community Affairs)

Helen Ramirez addressed the board regarding the agreement and joinder for Spaced Ventures Inc. She comments regarding their location in Brownsville and hiring local. Ms. Ramirez comments regarding maintaining the performance agreement which is to maintain a minimum of 4 local full-time jobs at the average wage of \$30.00 per hour as well as establishing their regional headquarters in the City of Brownsville. Ms. Ramirez comments that the platform will allow for citizens to invest into the platform. Ramiro Gonzalez comments that the company has accelerated hiring and they have met their performance agreement and will exceed their performance agreement within the next 6 months which they are getting attraction on their platform. He comments that it will pay dividends in the jobs and relationship building aspect of the space sector. Helen Ramirez added that

the companies that we have seen this far have been small tourism, satellite companies, and aerospace types that support that eco system.

Secretary Ben Neece move to approve. Vice Chair Nurith Galonsky Pizana Second the motion. 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:

Treasurer Rose Gowen Motion to move into executive session at 5:48pm. Secretary Ben Neece Seconded the motion. Motion Carries.

- **Project Bobbin**
- **Project Custom**
- **Project Channel**

RECONVENE

Vice Chair Nurith Galonsky Pizana motioned to reconvene at 6:44pm. Secretary Ben Neece Second the motion. Motion Carries.

POSSIBLE ACTION ON ANY ITEM(S) AS DISCUSSED IN EXECUTIVE SESSION

- A. Consideration and action if any, to amend the real property purchase and sale contract dated June 4, 2020 pertaining to Project Bobbin by deleting the name of Exel Bobbin & Plastic Components, Inc. as buyer on the purchase and sale agreement and other conveyance documents.

Secretary Ben Neece motion to move the amendment. Vice Chair Nurith Galonsky Pizana Second the motion. Motion Carries.

- B. Consideration and action if any, to approve the provision of economic development incentives in part through the finalization and execution of the unimproved property real estate sales contract pertaining to Project Custom.

Ben Neece motion to approve the incentives. Nurith Galonsky Second the motion. John Cowen Jr. comments if they will approve this item subject to the terms discussed in executive session.

Ben Neece amended the motion to include the item that was discussed that will need to be added on in executive session and it will be subject to that agreement. Nurith Galonsky Second the motion. Motion carries.

- C. Consideration and action to approve funding for and the development of a Project Agreement between the GBIC, City of Brownsville, and principals of Project Channel to provide incentives for Project Channel.

Secretary Ben Neece moved to approve the funding. Vice Chair Nurith Galonsky Pizana Second the motion. Motion Carries.

ADJOURNMENT

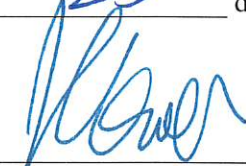
Secretary Ben Neece motioned to adjourn the meeting at 6:47 pm. Vice Chair Nurith Galonsky Pizana Second the motion. Motion Carried.

*

*

*

Approved this 23 day of April, 2021.



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

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