

CITY OF FREEPORT
ECONOMIC DEVELOPMENT CORPORATION
200 West 2nd Street, Freeport, Texas 77541

STATE OF TEXAS)
)
COUNTY OF BRAZORIA)
)
CITY OF FREEPORT)
)

BE IT REMEMBERED that the Economic Development Corporation of the City of Freeport met in regular session Tuesday, September 11, 2018 at 6:00 pm in the City Hall Conference Room, located at 200 West 2nd Street, Freeport, TX, for the purpose of considering the agenda items.

MEMBERS OF THE BOARD PRESENT: Quorum Present

Trey Sullivan - President
Mark Friudenberg – Vice President
Mingo Marquez
Ed Garcia

Jennifer Hawkins: Director
Chris Duncan: Attorney
Angel Barbosa: Intern
Kenneth Green: Council Liaison

Visitors in Attendance:

Scott Chelootz
Jack Segall
David Towers
Paul Crow
Gina Aguirre Adams
Anthony Lopez

1. OPEN SESSION:

President Sullivan opened the meeting at 6:09 PM. Quorum was present.

2. Citizens Comments:

None

3. Approval of Minutes for August 21, 2018.

Upon motion by Director Garcia and second by Director Marquez it was VOTED: to accept Minutes from August 21st meeting with the correction (as noted by President Sullivan) that Scott Cheelotz and Jack Segall be added to guest list.

VOTE: Yea 4 No 0 Motion prevailed.

4. Presentation by Scott Chelootz concerning acquisition of portion of Western Seafood property on riverfront:

Mr. Chelootz delivered a power point presentation showing proposed restaurant and waterfront palapa bar at Western Seafood office location, and winery/brewery at Texas Seafood bldg. Mr. Chelootz reiterated that he has not seen a survey or appraisal yet. He stated development costs (not including land acquisition) to be approximately one million dollars. Mr. Chelootz intends to revitalize the docks to accommodate boat traffic. He agreed to supply EDC with a financial statement when necessary. When questioned by Director Hawkins as to where parking would be located, Mr. Chelootz noted it would be in the back of both buildings. President Sullivan stated that FEDC is at the point where the need for a survey and appraisal is obvious. Director Friudenberg noticed the concept looked similar to West End Marina located in the Sea Isle subdivision in Galveston. Mr. Chelootz said he would like to start ASAP for tax purposes and offered to initially pay for survey if necessary.

5. Presentation by Gardner Campbell for acquisition of FEDC property located at 318 W. 2nd St., Freeport.

Mr. Campbell is interested in purchasing this property to renovate and rent as office space. His original intent was to acquire for a home remodel but since parking for American Rice workers has been relocated next door to 318 W. 2nd, he feels the noise and disruption early in the mornings and late evenings is not conducive to home rental. Mr.

Campbell called the board's attention to the need to spruce up the 300 block of W. 2nd street. Attorney Duncan reminded the board that previously the board had considered using this space for overflow parking from the riverfront. Director Garcia said he wanted a complete development plan for the river before any decisions are made. President Sullivan added that we should consider going out for bids on the property. Mr. Campbell stated he was amenable to that idea.

- 6. Presentaion by Anthony Lopez from LIFTFUND. LIFTFUND provides credit opportunities for small businesses.** Mr. Lopez stated that LIFTFUND has been in operation for 20 years and concentrates on startup businesses. Businesses affected by Hurricane Harvey can get up to \$35,000 at 0% interest. Interested parties need to supply LIFTFUND with proof of damage in the form of pictures, and bank statements (showing income before and after hurricane). Other interested businesses would need to qualify for loans by giving LIFTFUND their latest tax return and YTD financial statement. These businesses could qualify for \$10,000 - \$25,000. Director Garcia would like to meet with LIFTFUND in the near future.
- 7. Discuss and consider adopting revised FEDC budget for fiscal 2018-2019.** Director Garcia asked if our budget was separate from the city budget. Director Hawkins assured him it was and Attorney Duncan informed him that FEDC has its own checking accounts, independent of the city's. Director Hawkins explained that the city has agreed to pay the final note from Southside Bank since the loan is actually in the city's name due to the city being eligible for lower interest rates. Any extension request would end up causing the loan to default which would hamper the city's ability to obtain future loans from SSB. This loan was for a beautification project proposed by FEDC. FEDC agreed to pay the notes and FEDC will repay the city \$60,000 needed to complete final payment. Director Hawkins stated that because of a 25% decrease in sales tax for fiscal 2017-2018 the 2018-2019 fiscal year total revenue has been estimated at 25% lower than previous fiscal year. Attorney Duncan stated that sales tax were also down in Clute and other neighboring cities. Director Hawkins placed remainder of budget expenditures in

Special Projects NOS. Any development opportunities FEDC may experience in the upcoming fiscal year can be drawn from Special Projects NOS and adjusted to proper account (land acquisition, etc.). Director Hawkins also said she left \$18,500 in capital outlay but if that money wasn't spent on Christmas light labor as it has been in previous years, an adjustment could be made to Special Projects NOS.

UPON A MOTION by Director Marquez and second by Director Garcia it was VOTED:

Yea 4 No 0

To approve FEDC budget for fiscal 2018-2019. Motion prevailed.

8. Discuss and Consider timeline for appraisal and survey for 9.45 acres of EDC waterfront property (formerly Western Seafood).

Attorney Duncan suggested we ask a realtor for an approximation. Director Hawkins will initiate both tasks. **Upon a motion by Director Garcia and second by Director Friudenberg, IT WAS VOTED:**

Yea 4 No 0

To have a survey and appraisal done of all Western Seafood Property. Motion prevailed.

9. Discuss and consider executive director's job description:

Director Friudenberg asked Attorney Duncan to obtain EDC director's job descriptions from other city websites. Attorney Duncan also located the original job description created by former director Yates in 2014. Attorney Duncan agreed to obtain EDC executive director's job descriptions from other cities as well as provide the original by Mr. Yates.

10. Intern report to include duties and goals. Mr. Barbosa explained his intern description is broad; he is currently checking in with KKC concerning grant opportunities. Attorney Duncan suggested Mr. Barbosa also look at HGAC for grant opportunities. Attorney Duncan also said that Communities in Schools had an excellent grant writer and to look into possibility of finding a grant writer that works on commission to compose FEDC grants. Mr. Barbosa stated he would follow up with Attorney Duncan's suggestions, including getting in touch with council member

(unknown at time of meeting) who is the HGAC representative. Attorney Duncan gave Mr. Barbosa the formula regarding the revenue analysis he's performing: proposed value of land x sales tax rate + total sales tax / household population. Director Friudenberg stated this is useful information going forward for year to year comparisons.

11. Pay bills: Upon a motion by Director Marquez and a second by Director Friudenberg, IT WAS VOTED:

Yea 4 No 0

To pay the following bills totaling \$17532.03 (Duncan: \$8550, Kendig Keast: \$8821.53, Brazoria County Septic: \$160.50).

OPEN SESSION CLOSED at 7:59 pm.

EXECUTIVE SESSION OPENED at 8:00 pm.

EXECUTIVE SESSION CLOSED AT 8:29 pm

OPEN SESSION REOPENED at 8:29 pm.

Action taken as a result of executive session: IT WAS VOTED

Yea 4 No 0

Upon a motion by Director Friudenberg and second by Director Garcia, the motion prevailed to send contracts and conditions to Realty World as outlined in FEDC proposal composed by Attorney Duncan.

Further discussion concerning 318 W. 2nd is tabled until next regularly scheduled meeting.

Meeting adjourned: 8:32 pm

Respectfully submitted,

Jennifer Hawkins

Jennifer Hawkins

Executive Director