THE SEABROOK ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF SEABROOK MET ON **THURSDAY, JULY 8, 2021** AT 7:00 P.M. AT SEABROOK CITY HALL AND VIA TELECONFERENCE, TO CONSIDER, AND IF APPROPRIATE, TAKE ACTION WITH RESPECT TO THE AGENDA ITEMS LISTED BELOW.

BOARD MEMBERS PRESENT:	
PAUL R. DUNPHEY	CHAIRMAN
TERRY CHAPMAN (exc. absence)	VICE-CHAIR
KEVIN FERGUSON	TREASURER
ERNIE DAVIS	SECRETARY
THOMAS KOLUPSKI	MAYOR
GARY BELL	MEMBER
JEFF LARSON	COUNCIL REPRESENTATIVE

ALSO PRESENT WERE:	
GAYLE COOK	CITY MANAGER
STEVE WEATHERED	CITY/EDC ATTORNEY
PAUL CHAVEZ	DIRECTOR OF ECONOMIC DEVELOPMENT
PAT PATEL	EDC ADMINISTRATIVE ASSISTANT

EDC Chairman Paul Dunphey called the meeting to order at 7:00 p.m. and declared that a quorum was present.

1. PUBLIC COMMENTS AND ANNOUNCEMENTS

There were no public comments.

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2. PRESENTATIONS

2.1 EDC Director's report on economic development activities for May and June 2021.

EDC Director Paul Chavez gave his monthly report on economic development activities for the months of May and June.

2.2 WMF Investments Inc. presentation on new retail development at "Retail at the Commons".

Mr. Gary Johnson, representative of WMF Investments, gave the following presentation:

- Construction costs are still at 3 million but there are 7 million of other costs like land cost, developer fees, loan fees, legal, interest and financing fees, leasing commission insurance...etc. Therefore it will be a 10 million dollar project when it's finished.
- Despite the increase in construction materials pricing, the fees for this project have remained the same and the contractors have held their same prices they did back in 2018.
- Item was presented back in 2018 – revisit with same application
- Asking for same request as before: reimbursement of permit fees $64,162.75

- Broken ground on this project as of 6/14/2021
- Detention pond and fencing are complete
- Property has been stripped
- Proceed with storm drain and site utilities
- New drawings submitted to City Staff for review
- Timeline for construction to take place is between 6 to 8 months
- Once occupancy on first building has reached 33%, then bank will release funds for second building
- Leasing status so far: Donalds donuts already signed their lease, and a new bbq place will sign their lease next week

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3. EXECUTIVE SESSION

3.1 Section 551.087
Discuss or deliberate the offer of a financial incentive for a business prospect, and commercial/financial information that the SEDC has received from a business prospect, that it seeks to have locate, stay, or expand in or near the City, and for which the SEDC is conducting economic development negotiations, as provided by Texas Government Code Section 551.087.

The EDC Board decided not to go into Executive Session as no member needed it.

4. OPEN SESSION

4.1 The EDC Board will reconvene in open session to allow for possible action on the agenda items listed above under "Executive Session".

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5. NEW BUSINESS

5.1 Consider and take all appropriate action on incentive application for reimbursement of permit fees and impact fees in an amount not to exceed $64,162.75, filed by WMF Investments Inc. seeking EDC sales tax funds as an incentive to assist the retention, and new construction/improvements for a new retail center Retail at the Commons, at 3300 Bayport Blvd.

The EDC Board discussed the incentive application and request:

- Discussion of new terms of agreement versus the old terms
- The need to protect the City from getting a half-completed retail center
- Potential issue of first building meeting 33% occupancy in order for bank to release funds for second building
- Consider paying the full amount after the completion of both buildings
- If building one gets built, then move forward with reimbursement for building one
- If half the project is completed than half the funds should be released
- The developer has lived up to the original contract till now, and it would not be fair to change the terms
- Construction completion date within 12 months – too fast? Maybe applicant needs more time

Motion made by Ernie Davis and seconded by Gary Bell.

To approve the incentive application and draft a new agreement similar to the original one, maintain the same 12-month timeline, but adjust the terms such that the full amount $64,162.75 be reimbursed upon the completion and issuance of certificate of occupancy of BOTH buildings.

The Board Took A Vote:
Ayes: Ernie Davis & Gary Bell
Nays: Paul Dunphey, Jeff Larson, Kevin Ferguson, Thom Kolupski

MOTION FAILED BY MAJORITY VOTE

Another motion was made:

Motion made by Kevin Ferguson and seconded by Gary Bell.

Motion to approve the Incentive Application for reimbursement of permit fees and impact fees in an amount not to exceed $64,162.75, with the knowledge that 50% of the funds (32,081.36) will be reimbursed upon completion of the first building A, and another 50% of the funds ($32,081.35) will be reimbursed upon completion of the second building B, all within a period of 12 months from the execution of the agreement and completion of certificate of occupancy.

MOTION CARRIED BY UNANIMOUS CONSENT

5.2 Discussion, consideration, and possible action on Special Counsel Engagement Letter for legal services provided from Denton Navarro Rocha Bernal & Zech, P.C. This is not a budgeted item.

EDC Director Paul Chavez explained to the board that this law group would help the City with the development of a potential contract for the property next to Merlion, at 1110 Hall Avenue that is currently owned by the City. The City would like guidance on developing a Request For Proposal (RFP) from developer groups on getting that site developed and utilizing that site for either a Chapter 380 agreement or EDC incentive for the development of that site. The City is seeking the expertise of specialized council to help pull those documents & contracts together.

Motion made by Kevin Ferguson and seconded by Jeff Larson.

To approve hiring of the special council under the engagement letter and terms specified.

MOTION CARRIED BY UNANIMOUS CONSENT

5.3 Consider and take all appropriate action on changing the normal start time for regular EDC meetings to 6:00 p.m.

Motion made by Ernie Davis and seconded by Gary Bell.

To approve and adjust the regular EDC Meeting time to 6:00 p.m.

MOTION CARRIED BY UNANIMOUS CONSENT

6. ROUTINE BUSINESS

6.1 Approve minutes of the May 13, 2021 Regular EDC meeting.

Motion made by Ernie Davis and seconded by Gary Bell.

To approve the minutes as presented.

MOTION CARRIED BY UNANIMOUS CONSENT

6.2 Update on SH 146 expansion.

Paul Chavez gave a brief report.

6.3 Update on Livable Centers Study.

Paul Chavez gave a brief report.

6.4 Establish future meeting dates and agenda items.

Next regular EDC Meeting – August 12 at 6:00 p.m.

Upon motion duly made, the meeting was adjourned at 7:51 p.m.

APPROVED ON THE 12th DAY OF August 2021.

Paul Dunphey, EDC Chairman

Pat Patel

Pat Patel,
EDC Administrative Assistant