



PASADENA ECONOMIC DEVELOPMENT CORPORATION
Pre-Board Meeting
Conducted in the Pre-Council Conference Room at City Hall
September 27, 2018, 3:00 p.m.
Minutes

Members present:

Steve Cote, President
Rick Lord, Vice President
Emilio Carmona, Secretary
Marilyn Wilkins
Steve Phelps
Ernesto Paredes

Members Absent:

Randy Drake, Treasurer

Others Present:

Jeff Moore, Brown & Hofmeister, LLP (via conference call)
Carlos Guzman, Economic Development Executive Director
Robin Green, Public Works Director
Tony Allender, Hawes Hill & Associates
Kerby Smith, Place Strategies

Call to Order

The Pre-Board meeting for the September 27, 2018 Pasadena Second Century Corporation d/b/a Pasadena Economic Development Corporation was called to order at 3:00 p.m. by Chairman Steve Cote.

(6) Presentations

Convention Center Master Plan Update: Tony Allender briefed the Board on the Activity to date on the Master Plan. Proposed 4 phases of study; Hawes Hill was contracted to conduct 3 of the 4 which are: 1- Starting with existing conditions, understanding what the Market Analysis is, talking to stakeholders; 2 – Master Planning & Visioning; 3 – Professional & Financial Analysis (Gap Analysis). As of today they are in the Master Planning phase. The draft of the document will be turned over to staff for review and then they will be able to hand that document off and will proceed to the Gap analysis and the financial piece when Staff gets back to them with input. Tony then handed off the presentation to Kerby Smith who went through the Development & Design portion. In addition to the team there is a team of feasibility consultants: RCLCO and McCaslin Hotel Consulting Group who explored the market and market demand factors for this site. They have identified key drivers, suitability and market conditions, near term, long term, and opportunities. Tony pointed out that the market analysis says both

retail and housing are not the same that Pasadena already has. It's looking for a different caliber of housing development. Kerby continued with a brief summary of the 3 day workshop for the Convention Center Master Plan. This is a transformation opportunity and a catalyst project to redefine the City's image. A lot of different concepts were studied, scenarios were looked at with external influences that could change the plan. Conservative plans that would keep it as is and dress it up, or the best of both worlds. They ended up at scenario 3 with a new convention center, face lift of the arena, added parking facilities, other destination type amenities and keeping the demand for residential and hospitality components. They arrived at the Concept Site Plan that addresses the market demand factors and immediate opportunities. Kerby proceeded to present an overview of those details. The residential component is about 300 lots and there is a market demand of approximately 400-600 homes; nevertheless the demand is being addressed. A relocation of the convention center to the East side of the large acre lot is identified as a statement opportunity for the community, the plan identifies a walkable town center-esque layout for walkability and mix use. There is a flexible space in the middle for festivals or rodeo events to lay out and the Arena. The study also identified a need for an RV resort type use. A hotel next to the convention space is a demand that could be presenting itself later. There is lots of detention that could also be used as an amenity. Steve Cote added that he would like to insure that the detention and retention should not only serve that immediate community, but also the homes across Fairmont in accordance to the agreement made when buying that property. Tony added that the detention will be covering the requirements and any others needed for the entire facility. Steve asked if in the talks that they had with the Rodeo and Strawberry Festival; if removing Campbell Hall would be an issue. Kerby stated that it didn't seem to be, the use of an indoor space is clearly needed and as more festivals occurs, the Convention Center space will provide a multiple use and leverages that indoor space. He thinks they are open to it, because of the constant maintenance issue because it does flood often. Kerby continued to go over different portions of the concept site plan highlighting the walkable main streets to connect the residential to the convention area and the arena. We would roll into other phases as demand shows up, hotels, a destination entertainment (indoor waterpark), something entertainment driven pulling from a region. The RV piece may come earlier. Those are things they are continuing to fine tune. Tony Allender went over what comes next: From here we'll get feedback, move into Phase 3, come back with some of the numbers and from there it's ready for development. This plan checks so many boxes off of the Economic Development plan because the site is unique to the region. This will provide the next unique thing that is recognizable in Pasadena. It's time for the City to have that game changer to rebuild perception. Steve Phelps asked for further detail regarding the housing needs were and what kind of housing. Tony responded that the market gap showed demand for homes between \$200-300k for a smaller home like a townhome, cluster homes, with lot sizes of 55ft max. Once that phase does present itself the developer will have its own ideas on what that price will bear. Steve Phelps asked if there has been indication of private/public partnerships in this regards. Tony stated that partnerships would be with residential development, the City would not be developing those themselves. Marilyn stated she's having difficulty with the idea that the residential and infrastructure of the area are actually going to work hand in hand. Kerby stated that the residential will have its own phasing internally based on meeting the market demand. Tony stated the market study came out and said the residential should come first and the lifestyle should come second. Marilyn had an

additional question of what percentage of inquiries are made to the convention center and do not come to fruition due to lack of amenities, space, etc... Tony answered that it was part of the questions. That there is a ceiling of types of folks and capture they can get before people are going to go somewhere else. The 40k sq. ft. was a response to that. Rick asked if there are any problems with any of the roadways in and out of the area. Tony stated that all of that was taken into consideration so that things can flow easily and went over some details regarding the roadways. Rick added that he is worried that we are worrying more about the residential than the convention center. Tony added that the residential component provides that revenue stream to get to the end game which is the convention center. Marilyn added that the area graphically looked very dense if they know the headcount they are anticipating. Tony stated it's intended to be dense because that is what the demand is for and that the approximate number is 300-400 lots. He stated that there will be a certain target market that will not be interested in this. Steve Phelps asked what the value of the homes at Parkway Trails to which Deanna Schmidt responded that from what she's heard is \$200-300k.

TIRZ Update: Taking a look at the different financing options they wanted to make sure they were focusing on the major catalyst areas identified by the Strategic Plan. The areas of focus are: The convention center area, Pasadena town square area, the 6 major corridors and lastly the Bayshore Medical area. The recommendation is to create 2 tax increment reinvestment zones. The first around the Convention Center area and San Jacinto College, rodeo arena, etc...the second to take on the Pasadena town square Pasadena Blvd area as well as the Bayshore Medical area to have those 2 work in tandem, to start to see redevelopment on one side and development on the other. What are TIRZ? A tool created by the City that is approved in all aspects by City Council as well as having a Board appointed by the City Council. Other communities in the area with TIRZ are Baytown, La Porte, Houston, Pearland. Is it a tax increase? No, it is not. In order to be a TIRZ you have to meet certain requirements. Rick Lord asked how Bayshore Medical can be included. Tony answered that it is a market that can grow and there is an interest in growth around it. The problem is that the facilities around it are outdated and not market competitive. So if you want to capture as much economical success out of it then a re-investment zone will help spur that growth and that's how it makes it eligible. The City can issue debt on behalf of the TIRZ and they do not have to be contiguous. Tony continued going over additional details of how the TIRZ is set up and how the funds can be used as well as specific details of the areas corresponding to the 2 different TIRZ. Steve Cote asked how this would work. Tony stated that this is an incentive based development agreement and for every incentive they meet they are reimbursed and this will be paid when money starts coming in and they have to be willing to be patient. Steve Phelps followed up on Rick Lord's question and asked what they see being utilized in the medical center area that would spur economic improvements. Tony stated that the facilities around the center are opportunities to have new medical offices, or spinoff retail. It would be the same type of incentive based development agreement.

(9) Board Action – Resolutions

- a. Authorize Staff to negotiate and execute an Economic Development Service Agreement with Bay Area Houston Economic Partnership (BAHEP) in an amount of \$35,000.00.

No discussion/comments.

b. Authorize Staff to negotiate and execute an amendment to Hawes Hill & Associates, LLP's contract for professional services in an amount of \$25,000.00. Steve stated this is for doing the 2nd TIRZ and Tony added that this would be to do the writing and the notice of the second. Steve Phelps asked if it would be sufficient funding for when this is taken to Council. He also added that to get this going it would be important to have it up for Council approval in November.

Pre-Board Meeting Adjourned at 4:16 PM

PASADENA ECONOMIC DEVELOPMENT CORPORATION
Board Meeting
Conducted in the Pre-Council Conference Room at City Hall
September 27, 2018, 4:16 p.m.
Minutes

Agenda Item One: Call to order, roll call.

The Board meeting for the September 27, 2018 Pasadena Second Century Corporation d/b/a Pasadena Economic Development Corporation was called to order at 4:16 PM by Chairman Steve Cote.

Agenda Item Two: Invocation.

Invocation given by Board Member Marilyn Wilkins

Agenda Item Three: Pledge of Allegiance.

Pledges led by Emilio Carmona, Secretary.

Agenda Item Four: Approval of Minutes.

Chairman Cote called for a motion to approve the minutes from the meeting held on August 23, 2018. Ernesto Paredes moved to approve the minutes, seconded by Rick Lord, MOTION CARRIED UNANIMOUS.

Agenda Item Five: Public Comments.

No Comments.

Agenda Item Six: Presentations by Tony Allender and Kerby Smith

Convention Center Master Plan & TIRZ Update presented during Pre-Board.

Agenda Item Seven: Project Status Update from Robin Green, Director of Public Works.

Robin quickly stated that the District H project is finally complete; Harris County finally issued the permit on the Gateway Monument on Fairmont Pkwy, but will be delayed until January because they asked for the turnaround to be closed. There is an approx. \$100k expense and there is about \$300k left for additional sites so we need to start thinking of other sites. They took bids for the mobility project and came in at about \$800k and the contract will be brought up at next month's meeting. Joe V's work continues. In October Shaw street will have a public hearing. Steve Sparks will be going over how it looks currently. Steve Sparks briefly went over the Shaw Revitalization Concept Rendering that was created in 2011.

Agenda Item Eight: Report by Carlos Guzman, Executive Director.

Quick project updates: The post office was recently closed on September 12th, J. Morales, Inc. is the new owner with an investment of over \$1M and at least 30 new jobs with an expected opening next Spring. A project that was recently announced is a surfactants facility in the

industrial district with a 2.2M investment. Kudos to a team effort between Greater Houston Partnership, Pasadena EDC and our friends from Economic Alliance. The ribbon cutting will be November 14th and everyone should be getting an invitation. The next one we have been discussing in Executive Session the last couple of months and wish Randy was here as he was a part of the initial discussions; Bayport Polymers that is a joint venture and \$800M project coming to our industrial district. Again kudos to a team effort by GHP, the EDC and Economic Alliance. Oxiteno's impact to Pasadena and the region is an investment of over \$200M with approximately 200 jobs and Bayport Polymers investment is over \$800M with peak jobs at 1,750 during construction and at least 25 permanent jobs. The activity report in the binder covers other items being worked on the remainder of the month. Cristina Womack briefly updated the Board about the Impact Pasadena program being announced next Tuesday at City Council and then to membership with the hopes of presenting the candidates at the December Gala. The job postings for the Marketing Manager and Redevelopment Manager positions will go live in October. Another reminder is for the November meeting the date of the meeting is November 29th.

Agenda Item Nine: Board Action – Resolutions.

- a. **PSCC RESOLUTION 18-027** – Authorize Staff to negotiate and execute an Economic Development Service Agreement with Bay Area Houston Economic Partnership (BAHEP) in an amount of \$35,000.00.

Steve Phelps made a motion to approve Staff to negotiate and execute an Economic Development Service Agreement with Bay Area Houston Economic Partnership (BAHEP), subject to legal review and comment, seconded by Rick Lord that PSCC Resolution 18-027 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

- b. **PSCC RESOLUTION 18-028** – Authorize Staff to negotiate and execute an amendment to Hawes Hill & Associates, LLP's contract for professional services in an amount of \$25,000.00

Rick Lord made a motion to approve Staff to negotiate and execute an amendment to Hawes Hill & Associates, LLP's contract, seconded by Rick Lord that PSCC Resolution 18-028 be passed, approved and adopted. MOTION CARRIED UNANIMOUS.

Agenda Item Ten: Comments by Board Members.

Rick Lord – had no comment.

Marilyn Wilkins – had no comment.

Emilio Carmona – had no comment.

Ernesto Paredes – Thanked Robin for staying on top of the Gateway Project.

Steve Phelps – had no comment.

Steve Cote – Invited everyone out to the Rodeo that is going on right now. Liked to hear that it's Pasadena's turn. We stand in a different light from a lot of other communities, we're not a bedroom community. There is industry and economic development in our City. This is a demand driven plan. We have a study that shows we're going to build a different plan with some density, but this has a good opportunity to be different because it's not apartments or a regular

subdivision. He likes how the TIRZ works from the standpoint that you establish the tool and developers knowing that you have the tool; the instructions state you go first and then we'll reimburse you. Thanked Cristina for their work on the leadership program.

Agenda Item Eleven: Executive Session.

****NOTE**4:40 PM** – At this time, Chairman Cote announced that the Board would be “going behind closed doors” for an Executive Session.

- a. Convene in executive session pursuant to Section 551.087, Texas Government Code to deliberate regarding economic development negotiations for business attraction/retention projects.
- b. Convene in executive session pursuant to Section 551.072, Texas Government Code to deliberate the purchase, exchange, lease or value of real property- Project #1804 – Bank Building.

****NOTE**4:59 PM** – At this time, Chairman Cote announced that the Board “has completed its Executive Session.”

Agenda Item Twelve: Reconvene into Regular Session

****NOTE**5:00 PM** – At this time, Chairman Cote reconvened the Board Meeting.

The Board will reconvene into Regular Session, pursuant to the provision of Chapter 551 of the Texas Government Code, to take any action necessary regarding:

- a. Deliberation regarding economic development negotiations for Business Attraction/Retention Projects. No action on this item.
- b. Deliberation regarding real property – Project #1804. No deliberation on this item.

Agenda Item Twelve: Adjournment.

Chairman Cote called for a motion to adjourn the September 27, 2018 meeting at 5:00 PM. Ernesto Paredes moved, seconded by Rick Lord. MOTION CARRIED UNANIMOUS.