

STATE OF TEXAS

COUNTY OF BRAZORIA

CITY OF LAKE JACKSON

BE IT KNOWN that the Lake Jackson Development Corporation of the City of Lake Jackson met in Public Hearing and Regular Session on Thursday, May 12, 2016 at 12:00 p.m. at Lake Jackson City Hall, 25 Oak Drive, Lake Jackson, Texas, with the following present:

Gary Rodgers, Chair
Gerald Roznovsky, Vice Chair
Jason Chavez
Lisa Pauls
Rod Hall
Nathan Whipple

Modesto Mundo, Asst. City Manager
Alice A. Rodgers, City Secretary
Michael Coon, Asst. to City Manager
Sherri Russell, City Attorney

Visitor
Jim Mahon
Lisa Mutchler

SWEAR IN NEW MEMBER NATHAN WHIPPLE

Alice Rodgers, City Secretary administered the oath of office to new member Nathan Whipple.

VISITORS COMMENTS

There were no visitors to speak on a non agenda item.

APPROVAL OF MINUTES – APRIL 12, 2016

On motion by Rod Hall second by Jason Chavez with all members present voting "aye" the minutes of the April 12, 2016 meeting were approved as presented.

PUBLIC HEARING FOR THE PURPOSE OF CONSIDERING FUNDING THROUGH THE HALF-CENT SALES TAX FUND FOR THE PURPOSE OF A \$2,400,000 PROJECT TO UPGRADE LIFT STATION 25 (AT BRAZOS MALL) AND INSTALL FORCE MAIN FROM LIFT STATION 25 TO WASTEWATER TREATMENT PLANT

Chairman Rodgers opened the public hearing at 12:15 p.m.

Modesto Mundo stated this project has been on the books for a while for the lift station. This is more of a force main project than a lift station. It was brought to the forefront mainly due to the development on the Mall property, the hotels and possible future expansion or changing out of tenants. Without the project there would be a severe road block in development. Staff is proposing to put in a new force main to handle this new development. The \$2.4 million is for engineering design and construction.

Sal Aguirre gave an overview of the project stating that lift station 25 services everything north of FM 2004, the north SH288 east and west sides. This lift station services from Northwood all the way to the extension of Yaupon. The development in the Northwood area will be serviced by this lift station. Through the years modifications have been made to this lift station we have increased the capacity of the wet well.

Jim Mahon stated that he salutes the city. As a developer in this area they have concerns about the ability of the lift station to handle the load that they will add to it with the Staybridge Suites. This will be an upscale extended stay.

Jason Chavez asked for clarification on last year the board could not fund moving power lines around but now are being presented with upgrading a lift station. How does this work? This lift station will service residential as well as commercial. Where does the EDC fit to be able to fund this?

Mr. Mundo stated that the EDC can fund public infrastructure and this is all on public right of way. The power lines last October were on private property.

Mr. Aguirre stated that in speaking to the residential portion of this project, at the interchange there will be an economic development project.

Ms. Russell stated that the ballot language allows the city to do public infrastructure. This is for more than one piece of property to help bring new businesses in. As Mr. Mundo stated this is all in public right of way.

Mr. Rodgers asked what the time frame was on this project.

Mr. Aguirre stated that the force main would be in by September of 2017. We will need to be in construction this year with the force main that is coming from them. It would be best to install this line while the line to the airport is being installed. This would save cost. We are working to get the State to allow us to be in the right of way on the west side of FM2004. We will be boring under any road so as not to interrupt traffic.

Mr. Mundo stated this is the first of two public hearings required on a project over \$500,000.

Mr. Rodgers closed the public hearing at 12:35 p.m.

REVIEW COMPETITIVE ASSESSMENT STUDY FROM TEEEX

Lisa Mutchler, TEEEX stated they contracted with the LJDC in October 2015.

She stated the Lake Jackson Trade Area extends into Matagorda, Fort Bend and Galveston Counties while primarily covering the majority of Brazoria County.

She stated they performed a baseline assessment of Lake Jackson along with a SWOT Analysis involving the Stakeholders. She stated the opportunities and strengths of the community far outweigh the challenges.

She reviewed what came out of the SWOT analysis:

Strengths

Location
Lower tax rate
Downtown Area
City's ease of doing business
Brazosport College
CNG Facility
Dow Chemical R&D
Planned hotel development
Texas Gulf Coast Regional Airport
Texas Innovation Center

Weaknesses

Housing Availability
Entertainment options
Health care specialists
Nightlife
Dining Options
Congestion on SH288 in Lake Jackson

Opportunities

Alden Development
HEB Complex
Brazos Mall redevelopment
Professional office space capacity
Incubator/mentoring start-ups
Downtown Revitalization
Housing developments
Diversified workforce
Perception of Brazosport ISD
Expansion of BC offerings

Threats

Skilled workforce
Variety/affordable housing
Demographics
Misperception of crude oil price on local economy
Effects of potential changes to EPA regulations

Recommendations from the report were 1. Continued City Government support; 2. Enhance the “Quality of Place” in Lake Jackson, 3. Attract new industries and services. Examples were given for each recommendation.

Ms. Mutchler reviewed some of the new industry and services ideas that could be try to attract to the area. She reviewed the cluster analysis and growing industries already in Lake Jackson.

She recommended that until Lake Jackson had a full time Economic Director perhaps The Alliance could help Lake Jackson.

Jason Chavez asked if the comments about the Economic Development Director was somewhere in the recommendations within the report. Ms. Mutchler stated it was located on page 22.

Mr. Rodgers stated that everyone will have opportunity to read over the report to further discuss it at the meeting next month.

Mr. Chavez asked about the results of the survey information. Ms. Mutchler stated those were incorporated into the SWOT. The survey was for those who could not attend the focus groups. He asked for copies of the comments and notes from the survey. Ms. Mutchler stated she could forward those to Mr. Rodgers, however they would be anonymous.

Mr. Chavez stated he wanted to look at the statistical information. Ms. Mutchler stated their information was collected in real time interviews. Mr. Chavez stated he was interested in the evidence and research for the results.

Ms. Mutchler stated that all the information has not been logged as of yet and it could be 6 months before it is all together. She stated that so much is occurring on the fast front that the information could still be coming in from all that is going on for 18 months.

Mr. Chavez stated he thought the reason this was being done is the market studies stopped at Hwy 6 at Manvel. He stated he was looking for a tool to market the community since we are included in the Houston area.

Ms. Mutchler stated the assessment is not a marketing tool.

Council member Roznovsky stated that if the city were to go after someone like a Lennar we would use this information to create a marketing brochure to attract them. We can reference this but we will still have to shape it for each component we want to go after.

Mr. Rodgers stated that this information could go to someone like a Sue Darcy to create a marketing brochure. This will be discussed further at the next meeting.

DISCUSS SUGGESTION BY ART VANDAVEER TO BROADEN THE DEVELOPMENT CORPORATIONS FUNDING OF ECONOMIC DEVELOPMENT PROJECTS

Jason Chavez stated that Art Vandaveer contacted him to let him know that TDECU and the State are doing projects with other EDC's to provide them loans for revitalization of private properties. He told Mr. Vandaveer he would bring it to the board to see if we would be interested with the large empty grocery stores as a way to bring "entertainment" to the area.

Gary Rodgers read the email from TDECU: TDECU has been awarded the commitment to provide a loan of \$7.5 million to Bay City EDC. Bay City EDC will construct a Family Entertainment Center [FEC] in Bay City. After completion, the FEC will be leased to a tenant who has a lease – purchase option. The option to purchase the facility from the EDC may be exercised within [5] years.

Mr. Rodgers stated he and Mr. Chavez felt it was worth discussion to bring this before the Board.

Michael Coon stated he called Bay City and spoke with their EDC Director. The Development Corporation is building an entertainment center and is going to lease it out to a private company. The reason they are using the bank or credit union is you cannot use bond monies to fund profitable projects. They could not have used sales tax monies to pay for a bond to build that facility.

Rod Hall asked how an EDC could have credit to get a loan.

Michael Coon stated from the sales tax monies and their revenue stream.

Council member Roznovsky asked how they are paying the loan off. If they default on the loan they can't use sales tax to pay it off.

Mr. Mundo stated they probably don't have the restrictions that Lake Jackson does.

Mr. Coon stated Bay City EDC can use their Sales Tax to pay the loan.

Lisa Pauls stated she was skeptical on this, if there were a project that needed funding right now, but there isn't one before the Board to even consider funding.

Mr. Mundo stated we still have the restriction on the development corporation due to the restriction in the ballot language.

Council member Roznovsky asked would that (borrowing from TDECU) in any case ever be a viable option for this EDC.

Sherri Russell said the problem is the city is not allowed to go into debt. The only debt a city can go into is bonds or a sinking fund. She did not know if it extends to the EDC.

Council member Roznovsky asked if the Bay City EDC was a stand alone.

Mr. Coon stated they are Type B and the director reports to the city manager.

Mr. Mundo stated the EDC can issue its own debt. We have issued certificates of obligation that is backed by the city. We do that to garner a much lower interested rate based on the city's bond rating. The EDC could stand alone on itself but would pay higher interest.

Mr. Rodgers asked if the city has ever used a financial institution to borrow monies.

Sherri Russell state the only way the city can “borrow” monies is through bonds.

Mr. Chavez stated he felt he had to at least reach out or bring this to the Board for discussion. If we could get with a Main Event and say we will build the facility if they would come down and paid the lease, it would be a good idea.

Mr. Hall stated that if a family entertainment center were built the community would be behind it.

Mr. Rodgers stated that the board agreed from the very beginning to bring any and all ideas up to see if it was something the board could do. Never hurts to look at other ideas.

The board asked that an item be on the next agenda to talk about the empty grocery stores for any potential projects.

DISCUSS AUGUST 11, 2016 MEETING WITH RON COX TO UPDATE THE LAKE JACKSON DEVELOPMENT CORPORATION'S STRATEGIC PLAN

Michael Coon reported that a meeting has been set for August 11, 2016 to work with Ron Cox on the development corporation's Strategic Plan. At this meeting discussion could possibly begin on ballot language to open up the restrictions on the 4B monies.

Mr. Coon reported the next regular meeting will be June 2 at the airport. Further discussion on the TEEEX report will be on the agenda. The July agenda will have Jason Chavez presenting the case for need of the economic development director.

REPORT ON LAKE JACKSON DEVELOPMENT CORPORATION WEBSITE

Michael Coon reported that Civic Plus is working on final revisions. The website should be live by July 28th.

Council member Roznovsky stated that he and Michael Coon have a meeting with Dow tomorrow to film a video for the website.

UPDATE ON LAKE JACKSON DEVELOPMENT PROJECTS

Modesto Mundo stated that the Randall's shopping center will be going before council for rezoning for a potential hotel and storage facility. Construction has started on both hotel sites, Wendy's and Chicken Express will be going in front of the HEB. Aldi's permit is ready they have not picked it up. The HEB property closed with Wellington on the first 10 acres.

Mrs. Rodgers stated that Council will have an executive session on Monday to discuss negotiations with the Mall.

Jason Chavez asked what the anticipated completion date for the construction downtown. Mr. Mundo stated engineering design probably will not start for another 1 ½ year. Construction would then start in 2 to 2 ½ year. The South Parking Place project will start sometime in the summer.

The first projects out of bond issues that passed will be the residential subdivision and the drainage at Willow and Blossom area.

ITEMS OF COMMUNITY INTEREST

Alice Rodgers stated there is a Symphony concert Saturday night at the Clarion.

Jason Chavez announced Dusty Martin passed away and asked that staff look into sending flowers.

Rod Hall stated Arts Festival would be held this weekend.

Council member Roznovsky stated he attended the Gulf Coast Workforce Report Card - the gulf coast workforce is doing very well, but we have a long way to go.

Council member Roznovsky stated Council has appointed a subcommittee to review the hotel occupancy tax and how those funds are distributed. There is a meeting scheduled for May 25 with the interested parties.

ADJOURNMENT

There being no further business Lake Jackson Development Corporation adjourned at 1:55 p.m.

These minutes read and approved this, the ____ day of _____, 2016.

Gary Rodgers, Chair

Alice A. Rodgers, City Secretary