

WHARTON ECONOMIC DEVELOPMENT CORPORATION

Minutes - Regular Meeting

July 17, 2023 12:00 P.M

President Freddie Pekar called the Meeting to order at 12:01 P.M.

Board Members Participating: Freddie Pekar, Michael Wootton, Russell Machann,
Michael Roberson, Alice Heard-Roberts and Andrew Armour

Board Members Not Participating: Larry Pittman

Advisory Members Participating: County Judge Phillip Spenrath, City Manager Joseph Pace,
Mayor Tim Barker and Marilyn Sebesta

Advisory Members Not Participating: Ronald Sanders, Abby King, Betty McCrohan, Dr. Michael O'Guin
Kent Hill, County Tax Assessor Cindy Hernandez and Joe Freudenberger

Visitors Participating: Al Dube, Joan Andel, Jason Mills, Chris Young, David Schroeder
Madison Neal, Megan Jimenez, Gwyn Teves, Paula Favors,
Lee Miller, Lata Krishnarao and Diana DuCroz

Wharton EDC Attorney: Ashley Tegeler-Kleiman

Staff Member Present: Joshua Owens and Louisa Jimenez

Public Comments: President Freddie Pekar asked if there were any public comments. Lee Miller, owner of I-69 Seafood located in Hungerford, Texas, addressed the board and made a request to place a 2x3' sign on Wharton EDC's Industrial Foundation property located off of Hwy 59. President Freddie Pekar and Executive Director Josh Owens thanked Lee for the information. No action was taken.

Minutes of the Regular Meeting held on May 30, 2023. Director Russell Machann made the motion to approve all minutes as presented. Director Michael Roberson seconded the motion. All voted in favor.

Presentation by Ardurra on the Downtown Master Plan. Project Manager Lata Krishnarao addressed the board and provided a power point presentation on the purpose, goals, topics, process, community engagement and schedule of the City of Wharton Downtown Master Plan. No action taken.

Hawes Hill & Associates. LLP TIRZ Scope of Services. Executive Director Josh Owens informed the board that Hawes Hill & Associates, LLP is a Houston firm that specializes in Tax Increment Reinvestment Zones (TIRZ). Mr. Owens stated the Scope of Services will be discussed during Executive Session but has provided the board of directors with the frequently asked questions (FAQ's) of what a tax increment reinvestment zone is. The creation of TIRZs is to establish a base value for a designated geographic area and capture all the value added into paying all the infrastructure costs. The Scope of Services provides the advantages of what TIRZ can do for a tax district and the three phases of the creation of TIRZ. Mr. Owens stated the focus is the 1301 corridor. No action taken.

EDA Contract. Executive Director Josh Owens provided the board with an update on the Economic Development Administration grants that Wharton EDC is applying for. Mr. Owens stated City of Wharton Director of Planning & Development Gwyn Teves is in the process of applying for the Economic Adjustment Assistance on behalf of Prime Eco Group for the expansion of a waterline. If the application is denied, an application will be submitted to

the Public Works Grant. The second grant is the Regional Technology Hub grant in which Wharton EDC will partner with Fort Bend County and University of Houston-Sugar Land. The regional technology hub office will be set at the University Houston-Sugar Land campus with the promotion of cyber security and bio-medical security technologies in the region. In August, Wharton EDC will submit an application for the Recompete Grant. The grant is geared towards individuals between the ages of 25-45 who are not in the workforce. Wharton EDC is hoping to team with Wharton County Junior College and Wharton Workforce Solutions to launch a pilot program on how to get individuals back in the workforce. No action taken.

Report from Executive Director and discussion of:

A. Monthly Sales Tax Report. Mr. Owens reported that monthly sales tax has slightly dropped and encouraged everyone to shop locally. For the month of June, there was slight dip in sales tax and this was the same trend as last year. As of July, there was an increase.

B. Required PFIA 2256.023 Report. Mr. Owens provided the Board with copies of the required PFIA showing the distribution of assets. Mr. Owens reported that a 6-month CD has reached its maturity and has been repurchased, the new maturity date is 12/6/23. Liquid assets are slightly over one million, which is a strong position to be in.

C. Balance Sheet/Commitments. Mr. Owens provided the Board with copies of the current Balance Sheet stating WEDC's total assets were \$2,416,752 and the total liabilities were \$319,927, net equity being \$2,096,825. WEDC's 2022-2023 commitments were \$319,927. Mr. Owens pointed out that there is nothing outstanding with the Wharton EDC properties. Nelson Pleitez, Los Charritos Mexican Grill, has submitted the first signed grant payout information and Wharton EDC is in the process of reimbursement.

D. Statement of Revenues and Expenditures. Mr. Owens provided the Board with copies of the statement of Revenues and Expenses as of June 30, 2023.

E. Strategic Goals. Mr. Owens reported the following:

- 1) **Website-** Mr. Owens stated the website traffic remains consistent and he is working with Kapeesh Marketing to enhance the website.
- 2) **Bring Developable Sites to Market-** is working with the new owners of the Outlar property to see what can be done to bring the properties to market. Mr. Owens has discussed this with the project committee and will move forward with the strategies.
- 3) **Strengthen the school to jobs pipeline-**The Recompete Grant will enhance the project. Mr. Owens will continue to work with WCJC on their programs.
- 4) **FM 1301-**currently working on a quarter strategy on how infrastructure will be provided.

Director Michael Roberson made the motion to approve the Executive Director's report as presented. Director Russell Machann seconded the motion. All voted in favor.

Executive Session: According to Texas Government Code (Chapter 551, Open Meetings), the Board may conduct a closed executive session for the following reasons: Consultation with attorney §551.071, deliberation regarding real property §551.072, deliberation regarding prospective gift §551.073, personnel matters §551.074, deliberation regarding security devices §551.076, deliberation regarding economic development negotiations §551.087. Final action, decision, or vote, if any with regard to any matter considered in Executive Session shall be made in Open Meeting.

The Board went into Executive Session at 12:51 P.M.

- A. §551.087 - Deliberation regarding Economic Development negotiations.**
- 1. Negotiations on Sites.** No action taken.
 - 2. Business Retention and Expansion.** No action taken.
 - 3. Hawes Hill & Associates, LLP TIRZ Scope of Services.** No action taken.

- B. §551.072 - Deliberation regarding Real Property**
- 1. 200 East Milam Street.** No action taken.

The Board returned to Open Session at 1:20 P.M.

- A. §551.087 - Deliberation regarding Economic Development negotiations.**
- 1. Negotiation on Sites.** No action taken.
 - 2. Business Retention and Expansion.** No action taken.
 - 3. Hawes Hill & Associates, LLP TIRZ Scope of Services.** On a motion made by Director Russell Machann and seconded by Director Andrew Armour the following was unanimously adopted: Resolved that Wharton EDC may move forward in the Scope of Professional Services offered by Hawes Hill & Associates, LLP for the purpose of creating a reinvestment zone. The cost of the legal fees is \$49,500. All voted in favor.

- B. §551.072 - Deliberation regarding Real Property.**


- 1. 200 East Milam Street.** No action taken.

With no further business to discuss, President Freddie Pekar thanked everyone for coming and adjourned the meeting at 1:22 P.M.

WHARTON ECONOMIC DEVELOPMENT BOARD

By: 
Freddie Pekar, President

07.17.2023

Attest: 
Andrew Armour, Secretary