MEETING MINUTES
CITY OF PORT ARTHUR
ECONOMIC DEVELOPMENT CORPORATION
REGULAR BOARD MEETING
501 Procter Street, Ste. 100, Port Arthur, TX 77640
Monday, August 5, 2024
6:00 PM

I. CALL TO ORDER

The Board of Directors of the City of Port Arthur Section 4A Economic Development Corporation met in a Regular Meeting on Monday, August 5th, 2024. The meeting was called to order at 6:10 p.m.

II. ROLL CALL, INVOCATION & PLEDGE

The following Board Members were present:

Beverly Raymond, Kaala Jacobs, Jerry LaBove, Morris Albright, Ingrid Holmes, and Melvin Getwood.

The invocation was given by Dr. Melvin Getwood.
The Pledge of Allegiance followed the Invocation.

III. MINUTES

07/01/2024 Regular Meeting
07/29/2024 Bylaws, Policies & Procedures Workshop
07/30/2024 PAEDC FY 2024/2025 Budget Workshop

A motion was made by Morris Albright and seconded by Beverly Raymond to approve the meeting minutes of 07/01/2024, Regular Board Meeting, 07/29/2024, Bylaws, Policies & Procedures Workshop, and 07/30/2024 PAEDC FY 2024/2025 Budget Workshop. The vote was unanimous. Motion carried.

IV. PETITIONS & COMMUNICATIONS

1. **Speakers**

   None

2. **Presentations**

   None

3. **Communications**

A. Greater Beaumont Chamber of Commerce and Greater Port Arthur Chamber of Commerce's Congressional Legislative Update Luncheon | Monday, August 19, 2024, 11:00 AM to 1:00 PM, Holiday Inn Plaza in Beaumont

CEO Terry Stokes informed the board about the upcoming Congressional Legislative Update Luncheon. He mentioned that staff would be sending out an email poll to gauge interest in participating, which will help determine whether to purchase individual tickets or reserve a table.

B. Letter to the PAEDC Board of Directors from the Greater Port Arthur Chamber of Commerce Lease

Mr. Stokes (CEO) and Deputy Muller informed the Board that Joe Tant from the Chamber of Commerce sent a letter stating that they will proceed with renewing their lease at 501 Procter St. Additionally, they expressed interest in leasing more space if it becomes available and would like the option to amend their lease in the future to accommodate potential expansion.

C. Golden Triangle Days in Austin 2025

The CEO informed the Board that it is almost time for the preparations for the upcoming Golden Triangle Days event in 2025 to begin. The PAEDC's delegation is scheduled for March 3rd and 4th of next year. The event has been budgeted to allow for maximum flexibility in securing the highest level of sponsorship, which the Board will decide upon as the event dates approach.

D. Denton, Navarro, Rodriguez, Bernal, Santee, & Zech, PC: Legal Fees – Rate Adjustment effective September 1, 2024

The PAEDC's attorney sent a letter indicating an upcoming rate increase effective September 1st, with a detailed breakdown of the new rates attached. Their contract is scheduled for renewal by the Board a few months after September.

V. REPORTS

1. CEO's Report | Discussion

   a. Major Activities for the month of June
   b. Update on Corporation's Name Change
      Update on the Port Arthur Residents trained via the PAEDC_LSCPA ITF Training Agreement
   c. Update on our Grow Port Arthur Funding Mechanism
   d. PAEDC's Revised Incentive Application Process
   e. Staffing Update

   The CEO stated that the primary activities in July focused on recruitment efforts and preparations for the two workshops and the August board meeting. He will email his report to the Board, and he can address their questions in the following workshop. The CEO clarified that he would provide the Board with a

draft of the strategic plan in August to gather their feedback, with the aim of finalizing it in September.

VI. UNFINISHED BUSINESS

1. Review, discussion, and possible action regarding the approval of the proposed Terms and Conditions of an Economic Incentive Infrastructure Grant with Korpal Enterprises

   A motion was made by Morris Albright and seconded by Beverly Raymond to review, discuss and take possible action regarding the approval of the proposed Terms and Conditions of an Economic Incentive Infrastructure Grant with Korpal Enterprises.
   Deputy Muller clarified that since the project falls under the previous application process for infrastructure projects and due diligence has been completed, the staff recommends proceeding with the approval of the proposed Terms and Conditions for an Economic Incentive Infrastructure Grant with Korpal Enterprises. Following discussion, the motion to approve failed, no action taken.

2. "Review, discussion, and possible action regarding the City of Port Arthur's reimbursement of expenses to the PAEDC for the Lift Station Rehabilitation at the Spur 93 Business Park". (Request of Director LaBove)

   A motion was made by Beverly Raymond and seconded by Morris Albright to review, discuss and take possible action regarding the City of Port Arthur's reimbursement of expenses to the PAEDC for the Lift Station Rehabilitation at the Spur 93 Business Park.
   Director LaBove suggested that the PAEDC should issue a demand letter to COPA for reimbursement, emphasizing the importance of safeguarding taxpayer funds and ensuring they benefit the city. Mr. Stokes acknowledged a misunderstanding regarding the legal guidance he believed he was receiving from the PAEDC attorneys. He informed the board that he has already initiated contact with the city manager to arrange a meeting for reimbursement negotiations. Madame Chair Holmes advised that no formal action is required at this time, except for instructing the CEO to engage in discussions with the City and present the outcomes to the Board at the next meeting.

3. "Review, discussion, and possible action regarding the status of the PAEDC CEO's relocation expenses". (Request of Director LaBove)

   Director LaBove requested the item be removed.

VII. CONSENT AGENDA ITEMS

None

VIII. NON-CONSENT AGENDA ITEMS

1. Review, discussion, and possible action regarding the approval of the PAEDC Fiscal Year 2024-2025 Budget

Director Jacobs recommended postponing this item, citing the need to review pending additional information related to the PAEDC budget for Fiscal Year 2024-2025 before making an informed decision. The board agreed to hold a second workshop in August to review and discuss the budget for the fiscal year 2024-2025.

2. Review, discussion, and possible action on the revised proposed bylaws and requesting City Council's approval of same

   A motion was made by Morris Albright and seconded by Beverly Raymond to review, discuss and take possible action on the revised proposed bylaws and requesting the City Council's approval of same.
   Director Albright proposed a supplemental motion to add a revision to the proposed bylaws, stipulating that all meeting materials be provided to the Board three (3) business days before any meeting, rather than the current requirement of 72 hours. Director LaBove seconded the motion, and it was unanimously approved. Motion carried.

   Director Jacobs proposed a supplemental motion to add a revision to the proposed bylaws by adding a requirement that any request to add an agenda item and any supporting documents should be submitted at the same time. Director Albright seconded the motion, which was unanimously approved. The motion carries.

   No action was taken to approve the proposed bylaws at this time.

3. Review, discussion, and possible action on the revised Board of Directors Policy and Procedures Manual and requesting City Council's approval of same

   A motion was made by Morris Albright and seconded by Beverly Raymond to review, discuss and take possible action on approving the revised Board of Directors Policy and Procedures Manual and requesting the City Council's approval of same.

   Director Jacobs noted that the current revised policies and procedures imply that all CEO travel requires Board approval, as they no longer include exceptions found in the original document. She highlighted the need for clarity if the Board does not intend to require approval for all the CEO's travel. Attorney David agreed to consult with Attorney Zach about reintroducing language that specifies exceptions.

   Director Jacobs motioned to table the current motion in favor of scheduling a special meeting to finalize discussions on the revised policies and procedures. Director Albright seconded the motion, and it was unanimously approved.

   Director Raymond motioned to incorporate the approved April 2022 PAEDC Code of Ethics directly into the revised policies and procedures, rather than using the City of Port Arthur's Code of Ethics as an addendum. Director LaBove seconded the motion. The vote resulted in a tie, with 3 in favor and 3 opposed, causing the motion to fail.

   Madam Chair emphasized the importance of ensuring that any document referencing an attachment should always include the referenced attachment.

Director Raymond motioned to reinstate a nepotism clause as part of the revised policies and procedures to enhance organizational transparency. The motion was seconded by Director LaBove. Director Jacobs noted that the City of Port Arthur's Code of Ethics already includes a nepotism clause, which was the basis for its removal from the revised policies and procedures in favor of adhering to the City's guidelines. A recess was taken to print a copy of the City's Code of Ethics for review. Afterwards, Mr. Stokes stated that after reviewing the COPA Code of Ethics, he determined that it does not apply to the corporation. He suggested that a more relevant Code of Ethics should be developed and implemented specifically for the PAEDC.

4. Review, discussion, and possible action regarding the approval of the proposed Terms and Conditions of an Economic Incentive and entering into a Performance Agreement with Texas Desserts, doing business as Rao's Bakery

   The CEO discussed Rao's Bakery's interest in expanding to Port Arthur, including their manufacturing and distribution operations. After reviewing the project proposal, Mr. Tortorice and his son highlighted the industrial opportunities in catering and manufacturing, noting that they ship products nationwide. Mr. Tortorice mentioned that the starting salary for a full-time customer service employee would be $22,800, with a priority on hiring Port Arthur residents and catering to local industries.

   Directors Albright and Jacobs raised concerns about the low salary, emphasizing the need for livable wages and ensuring the hiring of Port Arthur residents. Director Jacobs requested details on the revenue split between manufacturing and retail in dual-function locations and suggested breaking down salaries by position. Director Raymond would like to know how many current employees are Port Arthur residents. Vice President Holmes agreed that the terms and conditions should be revised before a board vote. The board unanimously decided the proposal needs to be reworked to be revisited in the next meeting.

5. Review, discussion, and possible action regarding entering into a Professional Services and Consulting Agreement with Retail Strategies, LLC for the provision of a services associated with the implementation of the City of Port Arthur's Downtown Revitalization Plan

   The CEO stated that the PAEDC can and should take a leadership role in incorporating and implementing the non-infrastructure aspects of the City of Port Arthur's Downtown Revitalization Plan. He also confirmed that there is no change in pricing from what the Board approved in January. Director Albright and Secretary Jacobs expressed their concerns about the prolonged delay in the project's commencement as well as the City's commitment to this plan. Director Albright then made a motion to remove this item from the agenda and directed the CEO to consult with the city manager and city council to determine their willingness to move forward with the revitalization plan. The motion was seconded by Director LaBove and was unanimously approved. Motion carried.

6. Review, discussion, and possible action regarding the submission of a Request for use of Promotional Funds application from Legacy Community Development Corporation of Port Arthur, Texas for support of their "Homeownership Celebration" event.

A motion was made by Beverly Raymond and seconded by Kaala Jacobs to review, discuss and take possible action regarding the submission of a Request for use of Promotional Funds application from Legacy Community Development Corporation of Port Arthur, Texas for support of their "Homeownership Celebration" event. Brittany Collins, Deputy Director at Legacy CDC, requested $1,500 from the PAEDC to support concessions for their annual Homeownership Appreciation event. The PAEDC attorney clarified that up to 10% of the PAEDC's budget is allocated for promotional purposes, and the Board has the discretion to define what qualifies as promotion, as there is no specific legal definition in this context. The Board voted unanimously in favor of the request, and the motion was approved.

7. "Review, discussion, and possible action regarding documentation provided by the COPA's City Manager and Human Resources Director as it relates to the hiring process of the PAEDC's Business Attraction, Retention, and Expansion Manager". (Request of Director LaBove)

   A motion was made by Morris Albright and seconded by Beverly Raymond to direct the CEO to ask the COPA's City Manager and Human Resources Director for documentation relating to the hiring process of the PAEDC's Business Attraction, Retention, and Expansion Manager allowing for car allowance and moving expenses for such position. The Board voted unanimously in favor of the request. Motion carried.

8. "Review, discussion, and possible action regarding the PAEDC CEO's P-Card transactions and all supporting documentation over the past twelve (12) months". (Request of Director LaBove)

   A motion was made by Morris Albright and seconded by Jerry LaBove to ask the PAEDC's CEO to provide the Board with his P-Card transactions and all supporting documentation over the past twelve (12) months. The vote was 5 to 1, motion carried.

9. "Review and discussion regarding projects under review with Mid-County Plaza, LLC". (Request of Director LaBove)

   A motion was made by Jerry LaBove and seconded by Beverly Raymond to review and discuss the status of the projects under review with Mid-County Plaza, LLC. The CEO stated that the EDC has submitted the proposed terms and conditions for Mid-County Plaza, LLC to the PAEDC's attorneys, who are currently reviewing them. No action.

10. "Review and discussion regarding The Press Building Lease Kitchen as it relates to Golden Triangle Catering". (Request of Director LaBove)

    Director LaBove inquired about the status of The Press Building Lease Kitchen as it relates to Golden Triangle Catering. Deputy Muller highlighted that the board and the CEO need to decide on the future use of the lease space in the Press Building, whether it should be converted to commercial space or remain as an incubator. Once a decision and solid plan are established, the EDC will need to issue a request for proposals (RFP) from potential operators. Madame Chair Holmes expressed that she would like to see a recommendation from the CEO and his staff

regarding the EDC's direction and strategic plan so that a decision about the Press Building's future can be made within the next three months.

IX. CLOSED SESSION (EXECUTIVE SESSION)

NONE

X. FUTURE AGENDA ITEMS OR REQUESTED REPORTS

Director LaBove requested a special board meeting to conduct the CEO's annual evaluation. The CEO will provide the Board with the current evaluation form to be used prior to the special meeting.

XI. ADJOURNMENT OF MEETING

A motion was made to adjourn the meeting by Kaala Jacobs and seconded by Beverly Raymond. It was adopted unanimously. The meeting was adjourned at 9:21PM.

APPROVED BY THE BOARD OF DIRECTORS ON THE 9th DAY OF September, 2024.

SECRETARY OF THE CORPORATION