

**CITY OF SANTA FE
SPECIAL COUNCIL MEETING WITH THE
SANTA FE ECONOMIC DEVELOPMENT CORPORATION
APRIL 7, 2020 7:00 P.M.
COUNCIL CHAMBERS
12002 HWY. 6, SANTA FE, TEXAS**

MINUTES

The meeting was called to order at 7:03 p.m. by Mayor Jason Tabor.

Roll Call: Present: Mayor Jason Tabor
Mayor Pro-tem Bill Pittman
Councilmember and SFEDC Board Member Fidencio Leija
Councilmember Corey Jannett
Councilmember Jason O'Brien
Councilmember IV Hoke
SFEDC Board Member Ashley Carner
SFEDC Board Member Blu Baillio
SFEDC Board Member Bobby Wylie
SFEDC Board Member Gregg Vicknair
SFEDC Board Member Robert Bracknell
SFEDC Board Member Matt Crable

In accordance with the Orders of the Office of the Governor issued March 16, 2020, and March 19, 2020, and in compliance with the recommendations of the CDC and other governmental agencies, to limit meetings to less than ten persons to limit the spread of the COVID-19 virus, the City Council conducted the Meeting by Zoom telephone and video conference and by video on the City of Santa Fe City Hall Facebook Live.

The invocation was given by Pastor Brad Drake of the Dayspring Church and the pledge of allegiance to the U. S. Flag and to the Texas Flag was led by Mayor Tabor.

Citizens' Comments: None

Business:

1. Consideration and possible action: Joint Letter from the City and the EDC addressed to Governor Greg Abbott, Lieutenant Governor Dan Patrick, and Attorney General Ken Paxton requesting an executive order, disaster declaration or other formal action to temporarily expand the spending authority of the City of Santa Fe 4B Economic Development Corporation ("Santa Fe EDC") to include programs and projects that would assist local businesses during the COVID-19 crisis, including but not limited to projects for the general promotion and development of new or expanded business enterprises, which may also include but is not limited to projects ... that promote or develop new or expanded business enterprises pursuant to Tex. Loc. Gov't Code Ch. 501, Subchapter C, and Chapter 505, Sections 505.155 and 505.158, and subject to all other procedural and legal prerequisites associated with same. *[Public Testimony]*

City Manager Glen Adams said this item is to ask the governor for the authorization to expand the spending authority of the SFEDC in order to have the ability to support the community due to the economic hardship caused by the COVID-19 pandemic. Councilmember Leija said the SFEDC has been looking at options available to help the community by offering programs similar to those being provided by Clear Lake Shores, Texas City, and Dickinson. Mr. Chris Nichols, attorney for the SFEDC, said this letter to the governor is intended to open up the EDC's ability to expand the use of our sales tax revenue to be able to help our local businesses, but this temporary relief, if approved, would not change the bylaws. Councilmember Pittman asked if the governor may place restrictions on the use of these funds and Mr. Nichols replied that the Governor can if he thinks it's applicable and appropriate. Councilmember Hoke asked if this would affect the future election for this purpose and Mr. Nichols said this is a separate relief effort and would not have an impact on a future election to expand sales tax use. Mr. Nichols clarified that this letter is asking the Governor to authorize expanded use of the sales tax funds, and if authorized, any incentive or relief program devised would still need approval by the SFEDC Board of Directors and the City Council. SFEDC Board Member Matt Crable said small businesses may apply for federal assistance and other resources independent of the SFEDC. He said he feels it will be difficult for the SFEDC to administer our funds and this pandemic will have a affect on future collections and projects in the works. Councilmember Pittman said he has concerns about the process for requested relief and hopefully that criteria would be addressed at a later date. SFEDC Board Member Ashley Carner asked about the public safety language in the proposed letter and how that pertains to the SFEDC. Councilmember Leija said public safety is part of the 4B platform and that language was included as an attempt to be proactive if the situation worsens to the point of supporting law enforcement efforts should this situation escalate to martial law. Ms. Carner said she does not agree with that statement because we are already asking the Governor to go against the original voter-approved measure and she does not want to overstep our bounds into law enforcement that does not necessarily fall under the scope of the SFEDC. SFEDC board members expressed caution about developing an assistance program and feels that local businesses should explore available federal funding options for assistance. Councilmember Leija said he is hoping to retain local businesses by showing them that their local EDC supports them through this emergency pandemic, whether it be with rent, utilities, or other necessary expenses. Mr. Nichols reminded the board members that this letter is just asking the governor if he will authorize spending of the sales tax funds to provide financial assistance to our local businesses. He said the policy and criteria for assistance would be step 2 if the Governor approves this request. SFEDC Board Member Matt Crable expressed concerns that voters may feel we are trying to circumvent the election process, since there are other funding assistance programs available, and jeopardize any chance of voter approval at a special election. Motion by SFEDC Board Member Ashley Carner, seconded by SFEDC Board President Fidencio Leija to approve submission of the joint letter from the City and EDC requesting expansion of the spending authority of the SFEDC to include programs and projects that would assist local businesses during the COVID-19 crisis, but removing the language in the letter regarding public safety and the increased demand for law enforcement during this time. The motion passed unanimously. Motion by Councilmember Hoke, seconded by Councilmember Pittman to approve submission of the joint letter from the City and EDC, as amended by the SFEDC under the previous motion, requesting expansion of the spending authority of the SFEDC to include programs and projects that would assist local businesses during the COVID-19 crisis. The motion passed the roll call vote unanimously.

2. Public Hearing: In accordance with Sections 505.159 and 505.160 of the Texas Local Government Code, the Santa Fe EDC, a Texas non-profit 4B economic development corporation, will receive public comments related to the following proposed economic development project being considered by the Santa Fe EDC as follows:

- Pursuant to Local Government Code Section 505.158, the Santa Fe EDC proposes to participate in a project generally referred to as a program to assist eligible and qualifying small businesses located in the City of Santa Fe with financial assistance during the COVID-19 state of disaster and time of social distancing. The Santa Fe EDC's participation in any such general or specific project or program is subject to the having or otherwise receiving the proper legal authorization to do so.

Mr. Chris Nichols, attorney for the SFEDC, said any new project of the EDC must receive a public hearing before moving forward with any funding. He said there seems to be concerns about how the funds could be spent and the public hearing is meant to discuss the projects and implementation of those projects. Mr. Nichols said it may be premature, based upon the concerns expressed tonight, to hold the public hearing until the SFEDC develops a plan for use of the funds. He suggested the public hearing be held at a later date to discuss the details of any proposed project or program. Mayor Tabor asked the SFEDC Board of Directors to develop a proposed plan for Council review should the Governor approve our request. Motion by SFEDC Board Member Gregg Vicknair, seconded by SFEDC Board Member Bobby Wylie to table the public hearing. The motion passed unanimously.

Motion by Councilmember Pittman, seconded by Councilmember O'Brien to adjourn. The motion passed and the meeting adjourned at 8:34 p.m.

JASON TABOR, MAYOR

FIDENCIO LEIJA, SFEDC PRESIDENT

ATTEST:

Janet L. Davis, City Secretary