

**CITY OF SANTA FE
ECONOMIC DEVELOPMENT CORPORATION
REGULAR MEETING
JULY 25, 2023 7:00 P.M.
COUNCIL CHAMBERS
12002 HWY. 6, SANTA FE, TEXAS**

MINUTES

The meeting was called to order at 7:00 p.m. by President Fidencio Leija, Jr.

Roll Call: Present: President Fidencio Leija, Jr.
Vice-President Matt Crable
Secretary/Treasurer Ashley Carner
Director Bob Wylie
Director Gregg Vicknair
Director Johnny Helpenstill

Absent: Director Tamra Loftin

The Invocation was led by Director Johnny Helpenstill. The Pledge of Allegiance to the U.S. Flag were led by President Leija.

IV. Executive Staff Reports

A. Approval of the Minutes of the EDC Special Workshop Meeting and Regular Meetings on June 27, 2023.

Director Vicknair made a motion to approve the Minutes of the Santa Fe Economic Development Corporation (EDC) Special Workshop Meeting held on June 27, 2023, and Regular Meeting also held on June 27, 2023. Director Helpenstill seconded the motion and the motion carried unanimously.

B. FM 1764 Project Status Report presented by Sander Engineering

Bill Manning of Sander Engineering stated that there were no payment applications this month and that the punch list work is being completed.

Mr. Manning advised that the contractor is working on a change order at the request of the landowners, Robert and Dedra Amato, where the new Lift Station No. 1 is located. The contractor deems these tasks to be beyond the scope of the initial agreed upon work. Those three tasks are as follows:

- 1) Clearing the south and east side fence lines of trees and brush. This task was excluded due to aerial electrical lines and buried gas lines in easements along these two fence lines. In addition, clearing these fence lines may result in the existing wooden fence having to be replaced.
- 2) Remove tall metal post near back (east) fence line.
- 3) Remove crushed concrete pad and drive from Anna Ct. side (does not include access road to the Lift Station).

Items 2 and 3 above were completed by Reddico as a good faith gesture.

As stated in correspondence between Mr. Manning and Mr. Amato, the following list reflects the remaining items to be completed, as agreed upon by both parties:

- 1) Finish clearing the trees and brush along the north and west property lines.
- 2) Any existing fencing along the north and west property lines to be removed and NOT replaced.

- 3) Remove old stump near the northwest corner of the site.
- 4) All debris associated with items 1 through 3 above shall be removed from the site and disposed of properly.
- 5) All stumps to be cut close enough to the ground so they can be mowed over with a riding lawn mower (flush to max ½" above the ground).
- 6) Stumps can be ground down or cut at ground level as discussed in item 5.
- 7) Any stumps not ground shall have a root killer applied to the stump in accordance with product manufacturers instructions.
- 8) Any remaining trash or construction debris to be removed from this site.
- 9) Any remaining gravel that can be hit by a riding lawn mower to be removed or buried. (This excludes the lift station access road coming off of FM 1764.)
- 10) Once all site work is completed, the site will be hydromulched with a St. Augustine grass mix per the project specifications.

Mr. Manning added that, according to the current survey, some of the trees in question may belong to a neighboring property owner. President requested that Mr. Manning add a signature line to the document that lists the preceding ten items and have Reddico sign and return to the EDC.

Mr. Manning continued by reading the list of disputed items located between the two parties:

- 1) Finish clearing the trees that have been marked with green paint or green ribbons along the south and east property lines
- 2) All stumps to be cut close enough to the ground so they can be mowed over with a riding lawn mower (flush to max ½" above the ground)
- 3) Stumps can be ground down or cut at ground level as discussed in item 2.
- 4) All debris associated with items 1 through 3 above shall be removed from the site and disposed of properly
- 5) Any stumps not ground shall have a root killer applied to the stump in accordance with product manufacturers instructions
- 6) You will not pay for nor be held liable for any fencing that falls over or is damaged as part of the tree removal along the south and east property lines.
- 7) You will not pay for a surveyor to come out and verify the location of the property line in reference to the tree locations along the south and east property lines.
- 8) You will not pay for any portion of the tree removal along the south and east property lines. This also includes the north and west property lines.
- 9) You did agree to allow cutting the stumps at or near ground level as discussed in items 2 and 4 above instead of requiring stump grinding.

According to the Engineer's Report, the Change Order costs total \$18,992.95 with the breakdown of projected costs as follows:

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|--|-----------|
| 1) Clearing the trees and brush along the east and south lines | \$8527.95 |
| 2) Cost to survey the property lines to verify tree locations | \$2600.00 |
| 3) Anticipated fence replacement (wood section only) | \$7865.00 |

Economic Development Corporation Executive Director Rudy Zepeda advised that he would consult with the EDC attorneys to see if these items fall within the scope of the existing contract.

After lengthy discussion, the EDC agreed to pay for a survey to determine Mr. Amato's property lines so they can determine which trees can be legally and safely removed. Mr. Manning stated that the contingency funds are able to be used to pay for these extra items. Mr. Manning stated that there is contingency money available in the existing contract that can be allocated for a new survey.

C. Sales Tax Report June 2023 for April Sales

Economic Development Corporation Executive Director Rudy Zepeda presented the overview of the June 2023 Sales Tax Report for April 2023 Sales. Mr. Zepeda stated that the EDC is currently at 10.2% over last year's sales tax, which equates to approximately \$83,000.00 more than was originally budgeted for. Mr. Zepeda added that the current projected EDC budget stands at \$957,617.00, which is 9.5% higher than the current budgeted amount of \$874,500.00.

D. Current Budget Update

Economic Development Corporation Executive Director Rudy Zepeda presented the Budget Performance Snapshot to the EDC Board for the period ending June 30, 2023:

- Current revenue = \$627,005.18
- Current expenses = \$561,333.36
- Current Net Revenues over Expenses = \$65,671.82

Mr. Zepeda advised that these numbers may change depending upon the outcome of the items on this agenda.

E. Development Update

Economic Development Corporation Executive Director Rudy Zepeda gave the most recent update as of July 2023:

- The construction of Bighorn BBQ is currently on schedule
- Victorious Assisted Living has commenced construction
- Hubcap Grill and RE/MAX are both still under construction

V. Citizens' Comments

Mayor Pro Tem Brandon Noto addressed the Board regarding the separation of Projects/Grants and Programs, which was discussed at the EDC Budget Workshop held on Tuesday, June 27, 2023. Mr. Noto asked to present some Business Retention and Expansion (BRE) and Business Improvement Grant ideas that he had after talking with representatives of similarly structured cities:

- Façade beautification grant:
Matching funds with the EDC to help with the beautification of their businesses, i.e., painting the building, landscaping, adding signs, etc. Mr. Noto added that he believes that the EDC could benefit from added grant resources by partnering with the Keep Santa Fe Beautiful organization.
- Vacant space leasing grant
Matching funds for a specified amount of time (i.e., three months or six months, etc.) as an incentive to lease vacant buildings as opposed to building new structures for businesses.

- **Small business blitz**
Supporting struggling businesses by pooling extra resources from the EDC to encourage the community to patronize those businesses. A different business would be highlighted periodically (i.e., weekly, monthly, etc.). Mr. Noto explained the need for various media and social media avenues and having sponsored ads to help provide a specialized focus on that business to assist with their sales and marketing. Mr. Noto added that a scoring matrix could be used to determine eligibility in this program and that he has a rubric that he could offer as a template.

VI. Business:

A. Consider with possible action on accepting an amended agreement and any related costs associated with the Amato Property (Lots 36, 37, & 38 of Winston Heights Subdivision, Santa Fe, Galveston County

In response to the previous agenda item IV, B, the Board opted to table this item until the survey has been completed to determine the property lines of landowners Robert and Dedra Amato. Mr. Manning stated previously that there are contingency funds still available in the existing contract that can be allocated for a new survey.

Mr. Manning advised that Allred Tree Service in Houston is the contractor that is currently on retention for the FM 1764 Project; however, the Board decided to assemble a listing of local tree service contractors.

B. Consider with possible action on further funding the “Excavator Contribution Project”: a City of Santa Fe project in the amount of \$157,692 in the current fiscal year.

Secretary/Treasurer Carner made a motion to authorize the publication of 60-day public comment period on further funding the “Excavator Contribution Project” in the amount of \$157,692.00 as it will be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprise, as presented. Vice-President Crable seconded the motion and the motion passed unanimously.

C. Consider with possible action on adoption of Resolution 2023-01: a resolution of the City of Santa Fe Economic Development Corporation, adopting a budget for the fiscal year beginning October 1, 2022 (current year).

Economic Development Corporation Executive Director Rudy Zepeda explained that, with the approval of the purchase of Behringer-Tully Field, Substandard Structure Removal, and Excavator Contribution Project, the EDC needs to amend the current year budget. The original budget only had \$200,000.00 allocated; however, if the EDC adds the approved projects totaling \$307,692.00 and include the additional projected revenue from interest and sales taxes, the net is \$137,692.00 in increased expenses for Fiscal Year 2023.

Vice-President Crable made a motion to adopt Resolution 2023-01: a resolution of the City of Santa Fe Economic Development Corporation, amending the budget for the fiscal year beginning October 1, 2022, for further submission to the City council, as presented. Secretary/Treasurer Carner seconded the motion and the motion carried unanimously.

D. Consider with possible action on adoption of Resolution 2023-02: a resolution of the City of Santa Fe Economic Development Corporation, adopting the budget for the fiscal year beginning October 1, 2023, and ending September 30, 2024.

Economic Development Corporation Executive Director Rudy Zepeda stated that, at the EDC Budget Workshop held on June 27, 2023, the EDC agreed on the line item expenses for Fiscal Year 2024, which would leave the EDC at the end of the year with an estimated 176 months of operating revenue and \$2.6 in reserve fund balances for any potential large projects that may come up.

Vice-President Crable made a motion to adopt Resolution 2023-02. Secretary/Treasurer Carner seconded the motion and the motion carried unanimously.

VII. Citizens' Comments & Announcements

There were no citizen comments or announcements.

VIII. Summary of action from this agenda; Request for future agenda items; Scheduling future meeting

President Leija requested that any Board member email Mr. Zepeda with any agenda requests. President Leija also mentioned that Mayor Pro Tem Noto would be emailing documents to Mr. Zepeda.

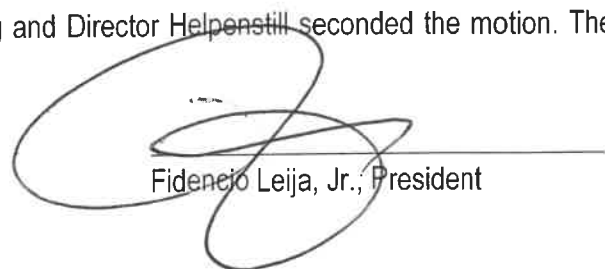
Vice-President Crable, who also serves as a member of the Santa Fe Independent School District Board of Trustees, announced that the School Board last night approved a \$93,000,000.00 bond referendum, which will be used to construct a new Sixth Grade Center, expand Career and Technical Education (CTE) services at Santa Fe High School, and critical maintenance items.

IX. Adjournment

Director Wylie made a motion to adjourn the meeting and Director Helpenstill seconded the motion. The meeting adjourned at 8:42 p.m.



Rudy Zepeda, Executive Director



Fidencio Leija, Jr., President