

**MINUTES**  
**ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF UNIVERSAL CITY, TEXAS**  
Regular Meeting, Thursday, 10 August 2023

1. **CALL TO ORDER:** Mr. Crow, President at 5:00 P.M.
2. **QUORUM CHECK:** Kristin Mueller, City Clerk

**Present:**

Dick Crow, President  
Lenny Dagg, Vice President  
Roland Hinojosa, Secretary  
Dick Neville, Treasurer  
Bear Goolsby, Director  
Christina Fitzpatrick, Director  
Bryan Kuhlmann, Director

**Also Present:**

Kristin Mueller, Economic Development Director  
Regina Carmona, Community Relations Specialist  
Maribel Garcia, Deputy City Clerk  
Janet Pitman, CPA with ABIP - Financial Auditor

Mr. Hinojosa noted a quorum was present.

3. **INTRODUCTION OF GUESTS:** None.
4. **OLD BUSINESS:**

Mr. Goolsby moved to approve the following consent agenda item: a) Minutes of the 13 July 2023 Regular Meeting. Ms. Fitzpatrick seconded the motion.

**Vote: All in favor, none opposed.**  
**Motion to approve carried.**

Mr. Neville gave the Financial Report.

Mr. Goolsby moved to approve the following consent agenda item subject to the completion of the FY 2022 Audit: b) Financial Report. Mr. Dagg seconded the motion.

**Vote: All in favor, none opposed.**  
**Motion to approve carried.**

5. **NEW BUSINESS:**

**A. Discuss & Consider the Financial Audit Report for Fiscal Year (FY) 2022-2023.**

Ms. Pitman reported the methodology and management principles used to govern the audit process. She presented specifics on revenue and noted differences in this FY and prior year's audit. She noted that money in the EDC bank account was collateralized effectively. Finally, she reported the decrease in the fund balance was planned and assured the EDC they were in good financial standing. She thanked Ms. Mueller and the Finance Department for their support throughout the auditing process.

Mr. Hinojosa motioned to approve the Financial Audit Report for FY 2021-2022. Ms. Fitzpatrick seconded the motion.

**Vote: All in favor, none opposed.**  
**Motion to approve carried.**

**B. Discuss & Consider Memorandum of Understanding (MOU) with Reunion Development Partners, LLC.**

Ms. Mueller gave an update on the Reunion Development project. She reported the City continued good-faith negotiations and the contract would need to be extended to continue these negotiations. She clarified for Mr. Hinojosa that the extension of the contract would expire January 17, 2024. She assured the EDC that a clause in the MOU allowed them to revisit it should good-faith negotiations fail. She noted Mr. Goolsby and Mr. Kuhlman met to advise Staff and strategize for proceedings.

Mr. Goolsby voiced his support and echoed assurances after clarifying the state of negotiations.

Mr. Goolsby moved to approve the MOU with Reunion Development as presented. Mr. Kuhlmann seconded the motion.

**Vote: All in favor, none opposed.**

**Motion to approve carried.**

**C. Discuss & Consider awarding a contract for the demolition of the commercially zoned structure at 302 Pat Booker Rd.**

Ms. Mueller reported the EDC had posted a Request for Proposal but had received no response by the deadline. After consultation, it was recommended that the City demolish the structure on the property to make the property more attractive to prospective buyers. Three interested parties reached out, but all agreed it would be too costly to buy the property while demolition was still needed. Ms. Mueller reported on the requested acquired quotes for demolition. Since the project would cost over \$20,000, three bids were required to be considered. She reminded the EDC that they have no obligation to choose the lowest bid.

Mr. Goolsby and Ms. Mueller discussed the legitimacy and reputation of each bidder. Ms. Mueller assured the EDC that all bidders had references accessible.

Mr. Kuhlmann proposed that Ms. Mueller reach out to references for each business and involve Randy Luensmann, Public Works Director, to use his expertise in deciding which company to employ. He expressed concern with the lowest bid having such a difference in price. He stated he would feel comfortable going with Apache Demolition if they included their \$900 asbestos inspections already conducted.

Mr. Hinojosa opined that a \$4500 difference in the lowest and highest bid was not enough money to give up quality work.

The Board asked Ms. Mueller to gain clarification on price differences and gain assurances on experience and quality of work.

For the sake of moving forward with the project, Ms. Mueller stated the EDC could approve the project for up to \$28,000 given that Mr. Luensmann is consulted in making the final decision in awarding the contract, or they could wait for Mr. Luensmann's recommendation and approve the project at the next meeting having been provided the recommendation.

Mr. Kuhlmann agreed with the suggestion of approving the project for up to \$28,000 contingent upon the best-value bid being chosen resulting from the professional analysis of Mr. Luensmann.

The EDC provided feedback to Ms. Mueller for factors to consider with bidders and Mr. Luensmann before making the decision.

Mr. Kuhlmann moved to award the contract for demolition of the commercially zoned structure at 302 Pat Booker for a \$28,000 allowance to be awarded to the company who provided the best-value project. Mr. Dagg seconded the motion.

**Vote: All in favor, none opposed.**  
**Motion to approve carried.**

**D. Discuss the Development Agreement with 2405 Pat Booker Rd.**

Ms. Mueller said the Acme Ace building project had been carried over as a storefront improvement project since 2018. She explained the causes for delays, emphasizing the COVID pandemic and subsequent shortages in labor and materials. She reported on the current state of the project, noting it was more aesthetically upscale than what was proposed and noted an added a roof feature. She said the developer had proposed two phases for completion of the project; the first would complete two suites in the front by the end of October to be able to open them and begin collecting revenue. The second would be completing the rest of the renovation on other suites in 10-12 months. She reminded the EDC that the initial agreement between the EDC and the developer was also in two phases: the first a renovation phase that would pay out \$160,000 of EDC reimbursement, the second an expansion phase that would pay out \$40,000 of EDC reimbursement. The initial estimate for the cost of the project was \$1.4 million, which had already been exceeded. Given the amount of time between the initial agreement and the present, and given the changes that have occurred, she asked the EDC how they would like to move forward with the agreement and provided several options.

Mr. Hinojosa received clarification that the last amendment to the agreement was in 2018, and the only time limit included hiring 20 full-time employees within 24 months of construction.

Ms. Mueller clarified the layout and timeline of the proposed project. She elaborated on reasons for delays, circling back to supply chain issues. She also clarified the cost breakdown.

Mr. Hinojosa suggested adding an expiration date so that the currently allocated monies do not continue to stay idle.

The Board reached consensus regarding next steps for the development agreement. They directed Ms. Mueller to add a completion deadline of September 30, 2024, to the development agreement. This would allow the EDC to avoid continuation of unused restricted monies, while also allowing the developer to request an extension if they demonstrate substantial progress on their project.

**E. Present & Discuss the UCEDC initiatives for FY 23-24.**

Ms. Mueller presented EDC initiatives that would be started or continued during FY 23-24. She reviewed past initiatives from 2018 noted initiatives that had been completed or were in progress; she gave an update on ongoing projects. She reviewed the following goals: increasing the quality of life for residents and businesses in the city, attracting new businesses to the city, and increasing infrastructure improvements to stimulate the economy. She stated all new initiatives would address at least one of these goals. She gave an overview of new initiatives such as new events and existing event improvements organized by Ms. Carmona, a comprehensive business list and increased business outreach, and increased advertising for local businesses. She shared new IT applications that would assist with accomplishing initiatives, and new methods of communication that would be explored in FY 23-24. Furthermore, she touched on ongoing infrastructure improvements for FY 23-24.

Mr. Goolsby asked Ms. Mueller to explore material options for a parking lot in the Aviation District to reduce costs.

Ms. Mueller continued by reporting on the funding need for a project between Reunion Development and the City. Both parties had been brainstorming how to fulfill this need. Ms. Mueller reported that, after speaking with financial counsel, the EDC could hold a bond election for up to a \$7.7 million bond. She advised the Board that it is their choice how much they would

like to financially contribute to the project, and that the most recent EDC bond would be fully paid in 2026, leaving debt service funds available to make new bond payments.

Mr. Goolsby opined the EDC should not cover the full budget need of the project given that monies could be used for other opportunities. However, he did believe the EDC should contribute to the funding need as it would provide substantial economic benefits for the City.

Ms. Mueller reminded the EDC that they would be able to decide what percentage, if any, they would contribute to the project. She shared that her recommendation of a \$4.7 million bond would only cover the thoroughfare portion of the project and there is still remaining need for funding. She also shared that Reunion Development had proposed methods for reducing construction costs and is working with the City to evaluate courses of action in compliance with State law.

Mr. Goolsby expressed concern that the Aviation District was not being prioritized. He received assurance that there had been progress with the Aviation District. He was also assured that bond monies could be used for other projects depending on the ballot language.

Ms. Mueller warned that the City would face project approval restrictions at a certain population level which would surely be reached in the next ten years. She recommended a bond to have the flexibility of approving certain projects before these restrictions are effective.

Bond payment options were discussed.

Mr. Neville emphasized Ms. Mueller's warning about project approval restrictions with a growing population.

Ms. Fitzpatrick recommended an added workforce development initiative.

Mr. Hinojosa and Staff discussed event opportunities benefiting both citizens and business development.

#### **F. Discuss and Consider the FY 23-24 UCEDC Budget.**

Ms. Mueller gave a summary of the UCEDC Budget for FY 23-24. The budgeted revenues, totaled from sales tax revenue, interest income, and the carryover from FY 22-23, totaled \$5,627,150. She gave an overview of recurring expenditures and clarified increases in costs and new costs compared to the prior year; this included explaining IT application uses. She detailed prior year economic development projects and property purchase expenditures not yet completed and explained the correlation of these carried over expenditures to the carried over revenues. She explained the remainder of expenditures, with total budgeted expenditures for FY 23-24 being \$5,627,150, with a contingency. After Mr. Dagg noted an error in a debt service line item, she corrected the contingency amount resulting in a \$842,446 contingency. She explained the extra contingency funds would allow flexibility for the EDC to go out for a bond.

Ms. Fitzpatrick gained clarification on the bond process and ballot language for an EDC bond.

Mr. Dagg confirmed the EDC bond would need to be approved by City Council.

The Board and Ms. Mueller discussed the possible effects of the bond on the EDC budget and potential use of funds in existing revenues, estimated future revenues, and future bond revenues.

Ms. Fitzpatrick moved to approve the FY 23-24 UCEDC Budget with stated amendments. Mr. Goolsby seconded the motion.

**Vote: All in favor, none opposed.  
Motion to approve carried.**

**G. Next Meeting: Thursday, 14 September 2023 at 5:00 pm, Council Chambers.**

**6. STAFF REPORT:**

Ms. Mueller gave updates on economic development projects throughout the City.

**7. PUBLIC COMMENT:** None.

**8. ADJOURNMENT:** Mr. Crow adjourned the meeting at 6:53 P.M.

---

Dick Crow, President