

THE STATE OF TEXAS §
CITY OF BROWNSVILLE §
COUNTY OF CAMERON §

MINUTES of a **Special Meeting** of the City Commission of the City of Brownsville, Texas, held in the Commission Chambers, on the Second Floor of the Brownsville City Hall – Old Federal Building, located at 1001 East Elizabeth Street, Brownsville, Cameron County, Texas, on **Thursday, June 13, 2019, at 6:30 P.M.** with the following members present:

- | | |
|------------------------------|--|
| ROSE GOWEN | COMMISSIONERS |
| RICARDO LONGORIA, JR. | At-Large “B” |
| JESSICA TETREAU | District 1 |
| JOEL MUNGUIA | District 2 |
| | District 3 |
| NOEL BERNAL | CITY MANAGER |
| MICHAEL LOPEZ | ASSISTANT CITY MANAGER |
| RENE DE COSS | CITY ATTORNEY |
| GRISELDA ROSAS | CITY SECRETARY |
| ABSENT | ANTONIO MARTINEZ - Mayor |
| | CESAR DE LEON – At-Large “A” |
| | BEN R. NEECE – District 4 |
| | HELEN RAMIREZ – Deputy City Manager |
| | ELIZABETH WALKER – Assistant City Manager |

A quorum being present, Mayor Pro Tem Joel Munguia, asked Ms. Griselda Rosas, City Secretary, to read the call to consider the following matters as posted and filed for the record in The Office of the City Secretary on June 10, 2019.

SPECIAL MEETING: 6:30 P.M.

INVOCATION:

The invocation was led by Pastor Brad Burkes, from Embassy of the Spirit Church, of Brownsville, Texas.

PLEDGE OF ALLEGIANCE: UNITED STATES PLEDGE * TEXAS PLEDGE

The Pledge of Allegiance was led by Mayor Pro Tem Joel Munguia and the Texas Pledge was led by Commissioner Ricardo Longoria, Jr.,

EXECUTIVE SESSION:

Upon motion by Commissioner Ricardo Longoria, Jr., seconded by Commissioner Rose Gowen and carried unanimously, the Executive Session convened at 5:55 p.m. to discuss the following items:

- A) **Pursuant to Texas Government Code Section 551.071 (entitled “consultation with attorney”) and Texas Government Code Section 551.087 (entitled “deliberation regarding Economic Development Negotiations”) the Commission shall convene in closed session to: (i) receive confidential legal advice; (ii) deliberate the offer of financial or other incentives the Commission may wish to offer the Hernandez Foundation; and, (iii) discuss commercial or financial information that the commission received from the Hernandez Foundation related to a hotel, conference center and a Hotel and Hospitality Tourism Management Program and authorizing a contract for the use of Hotel Occupancy Tax funds for the marketing and managing the project.**

Upon conclusion of Executive Session, Mayor Pro Tem Joel Munguia, convened the Special Meeting at 7:16 p.m. No action was taken in Executive Session.

* * * * *

ACTION ON ITEM DISCUSSED IN EXECUTIVE SESSION:

- A) **Consideration and ACTION on Resolution Number 2019-044, establishing a program under Texas Local Government Code Chapter 380 for the grant of incentives to facilitate economic development in the City; and authorizing a contract to provide economic incentives pursuant to such program to the Hernandez Foundation for the development of a project consisting of a hotel, conference center and Hotel and Hospitality Tourism Management Program and authorizing a contract for the use of Hotel Occupancy Tax funds for the marketing and managing the project.**

Commissioner Ricardo Longoria, Jr., moved to approve the minutes as discussed in Executive Session and advise staff to continue with the discussion and to be able to submit the report and the City Commission’s ordinance to the Hernandez Foundation and UT System so they can have it on their agenda. The motion was seconded by Commissioner Jessica Tetreau and carried unanimously.

At this time, Mr. Noel Bernal, City Manager noted that the terms had to be read once again for the record.

Commissioner Ricardo Longoria, Jr., and Commissioner Jessica Tetreau withdrew their motion.

Mr. Habib Burke, representative of the Denton Navarro Rocha Bruno and Zack of the San Antonio Office, read the terms of the agreement noting the following:

The proposed is a 138 hotel rooms with a minimum of 8,000 square foot conference center and a newly approved UTRGV hospitality tourism and management program teaching facility. The project is contingent upon execution of separate agreements between the developer, the foundation and UTRGV for the hospitality tourism and management teaching facility. The proposed project would be located on a 28-acre tract the site is located off Expressway on I-69 between Morrison Road and Alton Gloor the total cost of the development, the developer of the project is including land, design, construction and

financing is \$37.1 million dollars these terms are found in the Chapter 380 agreement in Sections 101 and the project narrative in Section 202 as well in Article 2 of the operations and management agreement. The narrative for Chapter 3 of the agreement goes on to provide that the program that is being discussed the UTRGV Program will feature Dual Enrollment programs for local high school students as well as hospitality management programs at the university level, it is expected that 60 students will be enrolled in 2020 and by 2023 the count would be 250 students. The adjacent hotel will be a select service 4 story Hyatt Hotel consisting of 138 rooms and just to clarify that the City has the right to approve the hotel, in the agreement you pre-approve the Hyatt and if something happens too Hyatt it does not come to fruition they will come to you with the alternative and the City will determine whether it is equal to a Hyatt and that is in the 380 agreement in Section 202 B and it is also in article 2 of the operations and management agreement; that the developer and foundation will pay all City Taxes, Real Sales and Personal Property. The developer foundation will provide a reduced competitive at least to UTRGV such as the City's review it prior to receipt of City and sentence outlined in the season obligation section in term sheet. Once again, if the developer does not enter into it a lease agreement with the university you are not obligated under either the Chapter 380 Agreement nor are you obligated under the operations and management agreement. So the City's obligation for under the Chapter 380 the agreements for infrastructure cost and the amount not to exceed \$2 million dollars payable over a twenty year period. As to hotel occupancy tax, the City is obligated to pay an amount not to exceed \$6 million dollars over a 20-year period; this amount can be increased if the applicant owner provides City Staff and the consultant with information that shows justification of an increase up to \$3 million dollars; the issue right now is we don't have all the facts and it's been determined by your consultant and your staff this \$6 million dollars is justified additional \$3 million dollars may be justified but there needs to be more information to be provided and if the information shows that such an increase is warranted; the agreement can be increased by up to \$3 million dollars.

Commissioner Ricardo Longoria, Jr., moved to approve Resolution Number 2019-044. The motion was seconded by Commissioner Jessica Tetreau and carried unanimously.

* * * * *

1. PUBLIC COMMENT PERIOD: PLEASE NOTE:

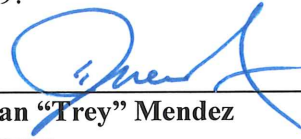
Mr. Jim Barton, expressed concern in regards to the Texas Open Meeting Act.

* * * * *

ADJOURNMENT:

There being no further business to come before the Commission, upon duly made motion the meeting adjourned at 7:27 p.m.

Approved this 2nd day of July, 2019.



Juan "Trey" Mendez
Mayor

Attest:



Griselda Rosas
City Secretary

Respectfully submitted by:
Yolanda Galarza, Administrative Supervisor
Office of the City Secretary