

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, NOVEMBER 22, 2021 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 5:00 P.M.

**CITY COMMISSION PRESENT:**

Sam R. Fugate, Mayor  
Hector Hinojosa, Commissioner  
Norma N. Alvarez, Commissioner  
Edna Lopez, Commissioner  
Ann Marie Torres, Commissioner

**CITY STAFF PRESENT:**

Mark McLaughlin, City Manager  
Mary Valenzuela, City Secretary  
Courtney Alvarez, City Attorney  
Kyle Benson, IT Manager  
Alex Talip, IT  
Uchechukwu Echeozo, Director of Planning & Development Services  
Rudy Mora, Engineer  
Ricardo Torres, Police Chief  
Diana Gonzales, Director of Human Resources  
Emilio Garcia, Health Director  
Bill Donnell, Public Works Director  
Stephannie Resendez, Planning Administrative Assistant  
Manny Salazar, Economic Development Director

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Fugate opened the meeting at 5:00 p.m. with all five Commission members present.

**INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)**

The invocation was delivered by Mrs. Courtney Alvarez, City Attorney, followed by the Pledge of Allegiance and the Texas Pledge.

**MINUTES OF PREVIOUS MEETING(S)**

**Regular Meeting – November 8, 2021**

Motion made by Commissioner Lopez to approve the minutes of November 8, 2021, as presented, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres, Fugate voting "FOR". Hinojosa "ABSTAINED".

**II. Public Hearing - (Required by Law).<sup>1</sup>**

**1. Public hearing on request to replat KT&I Co., Block 20, Lot SE Pt 11, acres 13.13, also known as Property ID 22555, Kingsville, Texas. John A. Wuensche and Dena Rae Wuensche, applicants and owners. (Director of Planning & Development Services).**

Mayor Fugate read and opened this public hearing at 5:02 P.M.

Mr. Uchechukwu Echeozo, Director of Planning & Development Services stated that this item is for a request to replat property. He further stated that the Planning & Zoning Commission has met on this item and has voted unanimously to recommend approval of this request. Citizens have been notified and staff received one call from a citizen, not against or in favor of the replat, but rather to ask a question on what replat meant. No complaints were received by citizens that received letters from the city.

Mayor Fugate announced that this is a public hearing and if anyone would like to speak on behalf of this item may do so now with a five-minute time limit. Additional time cannot be extended by City Commission.

Mr. Mark McLaughlin commented that this property is adjacent to the city limits, but just outside, but it is within the Extra-Territorial Jurisdiction (ETJ) which is the reason for the item being presented at this meeting.

There being no further comments Mayor Fugate closed this public hearing at 5:04 P.M.

**2. Public hearing on request to submit an application for Brownfield Cleanup Grant to the U.S. Environmental Protection Agency. (Director of Planning & Development Services).**

Mayor Fugate read and opened this public hearing at 5:04 P.M.

Mr. Echeozo gave some background information on this Brownfield Grant. He stated that this comes from demolition and process from the Code Enforcement Department back in 2018. When staff determined that the building could have asbestos a test was ordered from an organization to do an environmental test, to which the test showed that

the building did have asbestos. He further stated that now the city has acquired the building and is wanting to demolish and clean the property and have it used for something else, hence the grant. Mr. Echeozo stated that the grant is an EPA grant which has its legislative backing from the Comprehensive Environmental Response Compensation and Liability Act and Brownfields Utilization, Investment and Local Development Act 2018. He further stated that the summary of this is that the EPA's Brownfields Program provides funds to empower states, communities' tribes, and non-profit organizations to prevent, inventory, assess, clean up and reuse brownfield sites. EPA anticipates awarding an estimated 26 cleanup grants for an estimated \$13 million, subject to the quality of applications received, availability of funds, and other applicable considerations. Mr. Echeozo further stated that the grant application closing date is December 1, 2021. The property site is the old Kleberg County Hospital located at 400 E. Caesar, Kingsville, TX. Funding requested is \$500,000 with a 20% match which equals to \$100,000. He stated that the enviro test has two reports, one from Envirotest LLC with 96 samples isolated and the other one from Analysis of Brownfield Cleanup Alternatives, which is a requirement for the Brownfield Grant. He stated that the organization that took care of this is APTIM and recommended the removal of the asbestos and the building as well. He further stated that the potential reuse strategy for this property would be affordable housing, recreational (amusement park) which would improve the amenity of the area, or a parking lot that can be used for the church across the street. Mr. Echeozo stated that the conclusions are as followed: request to apply for Brownfield Grant; public hearing to engage with the public; available to answer questions; applications, documents, details, that can be reviewed here during this meeting or visit the Planning and Development Services Department or contact a staff member from within the department.

Commissioner Lopez asked if this is the same grant that was applied for some years back but was denied? Mr. McLaughlin responded yes and stated that the city that was awarded the grant last year had applied nine times in a row before they were awarded the grant.

Commissioner Torres asked that when a grant is denied, does it tell you what was wrong in the application that caused for denial of the application? Mr. Echeozo stated that they do provide some tips on what was not done correctly. Commissioner Torres further asked if that this grant will include the three items such as the affordable housing, recreational or parking lot, or do you have to choose one? Mr. Echeozo responded that what will be recommended is affordable housing.

Mr. McLaughlin commented that affordable housing is a natural fit for this area. One thing that the city will need to do is build Ragland Street all the way through to open the back half of the property. Mr. McLaughlin further stated that what is hurting the city on this is the amount of asbestos that was determined as well as the trash that is inside the building, which is considered contaminated as well.

Commissioner Lopez asked if the building was still being used for storage? Mr. McLaughlin responded no; the building is secure with no entry allowed.

Commissioner Torres asked about the property located behind the building. Mr. McLaughlin stated that the property behind this one is privately owned and therefore the fly-over bridge between both buildings will need to come down.

Mayor Fugate commented that the building had been used for storage for many years.

Commissioner Lopez commented that the amount of trash inside the building is visible from Caesar Street.

Mayor Fugate asked if the city increased their match, would that give the city a better chance of being awarded this grant?

Mr. McLaughlin responded yes, and the staff believes that the city will be closer to a 50% match, but the requirement is that we would need to do at least a 20% match. He further stated that if the city asks for \$500,000, staff believes that the bill could be closer to \$1 million the city will be in for 50%. Mr. McLaughlin stated that staff is not asking for the match, it is only asking to apply for the grant.

Commissioner Alvarez asked if there is a maximum to this grant. Mr. McLaughlin responded that it is \$500,000.

Mayor Fugate commented that some time back, with Mr. Cappell being City Manager, the city set aside \$500,000 to demolish and clean up this property but was not enough. He further commented that if the city needs to put more money into it to make this happen, let's get it done.

Commissioner Hinojosa asked if additional money since it will cost more than \$500,000 to demolish the building.

Mayor Fugate commented that if it is going to cost more than \$500,000, why not put it in the match.

Mr. McLaughlin responded that it may be, but staff doesn't have a firm amount until bids are presented.

Commissioner Hinojosa asked that if the walkway will be demolished up to the city's property line and will the city be responsible for covering the walkway.

Mr. McLaughlin responded that once the city gets to the edge of its property, the rest will be on private property which will be that owner's responsibility.

Commissioner Torres asked if the property owner will cooperate with having affordable housing so near if that is the route the city decided to go.

Mr. McLaughlin responded that where Ragland Street would go all the private property with the owner that has the flyover bridge which connects to the old hospital, city staff has not discussed this with that owner and what he plans on doing with his side of the lot. Mr. McLaughlin stated that on the city's side of the property, it can fit a 16-unit complex.

Commissioner Torres further asked if the city receives the grant, would the city be locked if it is decided to use the property for affordable housing. Would it need to be affordable housing only, if that is what is decided or can it be used for anything else?

Mr. McLaughlin responded that if the city says that it will do affordable housing, the city will have to follow through with that.

Mayor Fugate announced that this is a public hearing and if anyone would like to speak on behalf of this item may do so now with a five-minute time limit. Additional time cannot be extended by City Commission.

There being no further comments Mayor Fugate closed this public hearing at 5:16 P.M.

### **III. Reports from Commission & Staff.<sup>2</sup>**

*"At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to, the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Condemnation Update, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Investment Report, Quarterly Budget Report, Monthly Financial Reports, Utilities Billing Update; Police & Fire Department – Grant Update, Police & Fire Reports; Streets Update; Public Works; Landfill Update, Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Emergency Management, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Health Department, Hotel Occupancy Report, Quiet Zone, SEP, Legislative Update, Proclamations, Employee Recognition, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Wastewater Treatment Plant, Water, And Wastewater Rate Study Presentation, Golf Course, Library Summer Programs, Grants Update. No formal action can be taken on these items at this time."*

Mr. McLaughlin reported that the city had a successful weekend with the Ranch Hand festivities that occurred this past weekend. He further thanked the Tourism Staff and Mr. Bill Donnell, Public Works Director for their hard work this past weekend. He further stated that Mr. Manny Salazar, Economic Development Director should be providing a cell phone ping report showing where visitors came from. Mr. McLaughlin further reported that this year's Grand Marshall for La Posada Parade will be Officer Sherman Otto Benys, with the Benys Family approval. He further reported that city offices will close at noon on Wednesday, November 24<sup>th</sup> so that staff can travel safely to their destination for the Thanksgiving Holiday. He further reported that city offices will be closed on Thursday, November 25<sup>th</sup>, and Friday, November 26<sup>th</sup> for the Thanksgiving Holiday.

Commissioner Torres asked if numbers will be provided for the Ranch Hand Festivities that occurred this past weekend?

Mr. McLaughlin responded that staff would get some figures but not sure if staff will get amounts made by the businesses but may receive percentages that were made during the weekend festivities. He further stated that he has heard from some of the downtown merchants who stated that they had a great weekend in sales.

Commissioner Torres asked if they would be able to get a report after each event that shows how it went and what the city spent and what came in.

Mr. McLaughlin responded that he would try and figure out how to build a report with what is being asked by Commissioner Torres.

Ms. Courtney Alvarez reported that the next City Commission meeting is scheduled for December 13<sup>th</sup> with a deadline to staff for agenda items on December 2<sup>nd</sup>.

Commissioner Torres commented that she and her family had a great time during this weekend's festivities. She further stated that she made contact with a lot of the visitors who stated that they were having a great time. Commissioner Torres stated that she mentioned this to Mayor Fugate, that more communication between what is going on with the Commission and so forth, would be appreciated, and further stated that this can be discussed later.

Mayor Fugate commented that the entire weekend festivities were great and well attended.

#### **IV. Public Comment on Agenda Items.<sup>3</sup>**

##### **1. Comments on all agenda and non-agenda items.**

Ms. Crystal Emery, 1620 S. 11<sup>th</sup> Street commented that she would like to commend the City Secretary and the City's IT Staff for keeping the citizens informed of the Commission meetings through the online minutes and the live stream meeting that is available for playback. She appreciates the dedication and transparency and wanted to say thank you.

Mr. Lance Hamm, 912 South Creek, commented that he emailed the City Commission a couple of days ago and like the email, he is here to ask for the city's assistance. He stated that he is a highway safety advocate in Kingsville and has been working with Lucio Ramos from TXDOT and America Garza from Traffic from Corpus Christi on highway safety on Highway 77. Mr. Hamm stated that he resides on South Creek Subdivision which is near the work zone. Within the next couple of months, the south flow traffic is going to shift to the service road going past the RV Park and South Creek Subdivision. He further stated that there will be a lot of traffic close to his subdivision and at this moment TXDOT has the speed at 55 mph. He stated that he is working with Lucio and America in trying to reduce this speed, but he sees a roadblock coming up which is why he is here tonight asking for the Commission's assistance. He stated that he doesn't think they will get the speed down to what he and his neighbors think it needs to be. They are hoping for at least 45 mph but right now it's planned for 55 mph. America from Corpus is working on this and trying to get the speed down to 50 mph, and further stated that he needs the Commission assistance. Mr. Hamm stated that the thing about TXDOT, which he has been working with them for some time, they have all this money to do this overpass and the need statement for that overpass was that at-grade intersection compromises safety, at grade intersection within the project experience accident rates. He stated that TXDOT has said that a grade intersection which is where the RV Park is located, and South Creek Subdivision is located in an at grade intersection which he knows is dangerous and so TXDOT has told them it is dangerous so let's build an overpass or make it an intercede which they are. But now that they will be moving traffic near the subdivision, they are not using the same logic and say that this at grade intersection be slower as we know that it was part of their reasoning. He further stated that they will not be slowing down the traffic. They are using logic to say that they need money for the project, once they get the project, they are not using the same logic saying that these at grade intersections will be slower speed. Mr. Hamm further commented that he needs the Commission's assistance. He further stated that the other concern is the speed limit on General Cavazos. The speed limit is at 45 mph and the city's code of ordinances and what the city is asking for in the code, Ordinance 2003-08 approved May 12, 2003, General Cavazos at the beginning of the intersection of US Highway 77 to the intersection of Business; he stated that this is all General Cavazos in the city and right now it states 35 mph. Mr. Hamm continues to state that the ordinance asks for 35 mph but the speed limit is 45 mph at this time. He further stated that he has been working with the School Board in getting a school zone near the baseball field. He further stated that the other major distractor is the sidewalk. On the sidewalk next to General Cavazos on the southside nearest to Walmart and the Hospital, there is no clear zone with the speed at 45 mph which is dangerous to have anyone walking next to a roadway that is 45 mph and is uncalled for. He further stated that the city's ordinance says 35 mph and as he mentioned in his email, can the city sign a resolution requesting TXDOT to change to 35 mph? He stated that there is no reason we can't have 35 mph as the other streets in Kingsville that are four lanes, two lanes each direction with a turn lane, at 35 mph. It is only reasonable for it to be 35 mph which is probably why it is listed under the ordinance. Mr. Hamm stated that these are the two main things and requested the City's assistance with this. He stated that he will not be able to attend the next City Commission which is a major concern for him because if the Commission decides to place this item on the agenda, he would want to be here for it. He further stated that he has spoken with Lucio Ramos and Mr. Ramos is willing to come to the City Commission to answer any questions the Commission may have. He stated that he has been speaking with Mr. Ramos and has had two major sit-down meetings with him and America Garza who have done a lot of other things that

he has asked for and have complied with and are working with him on this. Mr. Hamm further stated that the speed limit, he sees a roadblock and will need some assistance as to why he is here at this meeting.

Mrs. Mary Valenzuela, City Secretary read a public comment on behalf of Ms. Norma Martinez. The comment read as followed:

Dear Ms. Valenzuela, The City of Kingsville Tourism Department staff should be commended and rewarded for successfully organizing, coordinating, and executing the multi-day multi-venue Ranch Hand Weekend Festival. That the Department can do this with its small staff and a relatively small group of volunteers speaks volumes for their dedication and work ethic. I attended the very first Ranch Hand Weekend Festival and have attended most of them since then. The festivals have always been fun and out-of-town guests who have accompanied me to them have always enjoyed them. The 2021 Festival did not disappoint. The downtown venue was a great opportunity to find unique gifts and do so at a relaxed pace. The artistic exhibits are always stimulating. The Saturday evening concert was so much fun; I had not seen so many people singing along with the performer in a long time. I was pleased to see community leaders among the crowds and especially pleased that they were willing to visit with many on any number of topics. I urge the city to publicly recognize the Tourism Department employees that work tirelessly to put forth a positive image for Kingsville and kick off the holiday season with a successful event. I am certain the Tourism Department workload will remain at close to peak levels throughout the entire holiday season as they prepare for all the La Posada events. Let the staff members know that the community and their employer appreciate their efforts. Regards, Norma Martinez, Bishop TX.

V.

### **Consent Agenda** **Notice to the Public**

*The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.*

### **CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:**

*(At this point the Commission will vote on all motions, resolutions and ordinances not removed for individual consideration)*

**Motion made by Commissioner Lopez to approve the consent agenda as presented, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres, Hinojosa, Fugate voting "FOR".**

**1. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 Budget to appropriate funding for the carry-over purchase orders that were ordered or started last fiscal year and will be received or completed this fiscal year. (Finance Director).**

**2. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 Budget to appropriate funding for the emergency repairs to Water Well #21. (Finance Director).**

**3. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 budget to transfer uncommitted funds in the DEAAG Grant Fund back to Utility Fund 051 and to cover shortage in Fund 054. (Finance Director).**

**4. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 budget to appropriate funding for façade grant applications received. (Finance Director).**

### **REGULAR AGENDA**

### **CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:**

VI. Items for consideration by Commissioners.<sup>4</sup>

**5. Consider a request to replat KT&I Co., Block 20, Lot SE Pt 11, acres 13.13, also known as Property ID 22555, Kingsville, Texas. (Director of Planning & Development Services).**

**Motion made by Commissioner Hinojosa to approve the request to replat KT&I Co., Block 20, Lot SE Pt 11, acres 13.13, also known as Property ID 22555, Kingsville, Texas, seconded by Commissioner Lopez.**

Commissioner Alvarez asked if Mr. McLaughlin if he could explain more on this item.

Mr. McLaughlin stated that this is outside the city limits. There are city utilities in this area. The properties are being divided into two and a half acres except for on the corner of Trant and FM 1030 (Franklin Adams) there is a .8 acre on the corner, which is most likely commercial but could be residential, this is the location where the city has a water line which is a six-inch water line. He further stated that there is water on the other side of the tracks that goes to this area to which if the developer turns it into R1 and builds it out they can have water but there are no sewer lines in this location.

**The motion was passed and approved by the following vote: Lopez, Torres, Hinojosa, Alvarez, Fugate voting "FOR".**

**6. Consider a resolution authorizing the submission of an application to the Environmental Protection Agency Brownfields Program for remediation at site of the Old Kleberg County Hospital building at 400 E. Caesar Ave., Kingsville, Texas. (Director of Planning & Development Services).**

**Motion made by Commissioner Lopez and Commissioner Torres to approve the resolution authorizing the submission of an application to the Environmental Protection Agency Brownfields Program for remediation at site of the Old Kleberg County Hospital building at 400 E. Caesar Ave., Kingsville, Texas, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Torres, Hinojosa, Alvarez, Lopez, Fugate voting "FOR".**

**7. Consider participation in and sponsorship of Wings Over South Texas Air Show at Naval Air Station Kingsville on April 2 & 3, 2022. (Tourism Director).**

**Motion made by Commissioner Hinojosa to approve the participation in and sponsorship of Wings Over South Texas Air Show at Naval Air Station Kingsville on April 2 & 3, 2022, seconded by Commissioner Lopez and Commissioner Torres.**

Commissioner Torres asked if the city had already set money aside for this?

Mr. McLaughlin responded that we have not set money aside but have discussed with the installation about the city's participation, which the city does every time this comes up. The city's participation level is normally much lower in cash but higher in in-kind services. This year, the city has been asked to be one of the leading sponsors. He further stated that once the entire airshow is lined up, the city will negotiate with them exactly where the \$25,000 would need to be spent as the city will already have a billboard that has been paid for which costs about \$8,000. Mr. McLaughlin stated that the request is for \$25,000 but would like to put another \$25,000 aside for other needs for the Wings Over South Texas Air Show.

**The motion was passed and approved by the following vote: Hinojosa, Alvarez, Lopez, Torres, Fugate voting "FOR".**

**8. Consider accepting donations from the King Ranch, La Posada de Kingsville, Kleberg County Attorney's Specialized Crimes Task Force, Kleberg County District Attorney's Office, and Christus Spohn Hospital Kleberg for Park's Healthy Family Partners Events. (Parks Director).**

**Motion made by Commissioner Alvarez to approve the acceptance of donations from the King Ranch, La Posada de Kingsville, Kleberg County Attorney's Specialized Crimes Task Force, Kleberg County District Attorney's Office, and Christus Spohn Hospital Kleberg for Park's Healthy Family Partners Events, seconded by Commissioner Lopez and Commissioner Torres. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres, Hinojosa, Fugate voting "FOR".**

**9. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 Budget to accept and expend donations for Parks Department from King Ranch, La Posada de Kingsville, Kleberg County Attorney's Specialized Crimes Task Force, Kleberg County District Attorney's Office, and Christus Spohn Hospital Kleberg. (Parks Director).**

Introduction item.

**10. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 Budget to appropriate funding for a broadband feasibility study. (Finance Director).**

Mr. Kyle Benson, IT Manager stated that this allocates the funding from the ARP Fund into City Special Funds. He further stated that the goal for this study is to determine

what it would take to get gigabyte fiber base internet to every citizen of Kingsville. Someone would have to make a capital investment, doesn't necessarily need to be the city, but the purpose of this study is to figure out what it would look like if the city was to undertake this or what it would look like if another carrier would take it on as well as to what the options would be at that point. Mr. Benson further stated that the city being an ISP and doing a private partnership or just doing nothing, the study will examine all those options.

Commissioner Torres asked if the city would assist other companies if they came in? Mr. Benson responded yes.

**Introduction item only.**

**11. Consider a resolution adopting the City of Kingsville Premium Pay Policy (for January-March 2021 using ARPA funds). (City Manager).**

**Motion made by Commissioner Lopez to approve the resolution adopting the City of Kingsville Premium Pay Policy (for January-March 2021 using ARPA funds), seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Lopez, Torres, Hinojosa, Alvarez, Fugate voting "FOR".**

**12. Consider a resolution adopting the City of Kingsville Economic Development Grant Program and Administrative Manual; and providing for evaluation of each application for conformity with such program and criteria prior to submission to the Commission. (City Manager/Economic Development Director).**

Mr. Manny Salazar, Economic Development Director stated that the Economic Development Grant (EDG) program is an evolution of the Façade Grant program. The EDG will have city-wide applicability as well as a more stringent application process. The intended funding for the EDG is \$500,000 annually, this increased amount requires additional vetting of applicants/ applications to ensure that the city is not only being a good steward of public money but also ensuring that projects that are funded are completed. The grant is designed for growth by removing one of the primary obstacles in starting a new or an expansion of a business. This grant is designed primarily to support local people who want to create local businesses and hire local people. Mr. Salazar stated that there is a stipulation within the grant manual that requires the purchase of supplies from Kingsville if supplies are available. Each grant recipient would be required to create full-time permanent jobs for each project. The ratio is one job for every \$10,000 received, which is a metric that is industry standard. This grant will be used to fill financial gaps for small incubator companies that utilize and promote innovative technologies. It will also be used to fully utilize the natural resources for the region, being consistent with recognized conservation practices in the development of agricultural and industrial expansion, especially in the area of value-added processing of the region's agricultural products. Mr. Salazar further stated that the City of Kingsville, as stewards of public dollars, must ensure that the funds allocated provide a benefit to the community. Grant award amounts range from \$10,000 to \$250,000 with an option for a micro-grant of below \$10,000. Microgrant applications require less information and are designed to be a faster process. Acceptable uses of the grant include business and industrial acquisitions, construction, conversion, enlargement, repairs, modernization, or development costs including improvements to the façade of a building. Purchase and develop land, easements, right of way, buildings, facilities, leases, or materials. Purchase equipment, machinery, or supplies. Pollution control and abatement. Startup costs and working capital and job training. Non-acceptable uses of the grant include costs of incorporating a business; purchase of vehicles; any project outside of the Kingsville, Texas city limits; purchase of technology/equipment or software; collateral for private loans or other grants; pay off the debt of any king; consulting fees; marketing or advertising fees; professional services including but not limited to architecture, legal, accounting, finance, or any other professional services; plats and permitting fees or associated costs; costs associated with units; utility costs or deposits; or down payment for the purchase of the property. Mr. Salazar stated that those that receive a grant from the EDG Program does not make them exempt from platting and permitting fees or associated costs as required by the city ordinance. Grant stipulations are that the EDG is designed to improve the economy within the Kingsville city limits and as such has certain stipulations that are aimed at doing just that. Grants will only be approved for those projects that fall within the city limits and preferential consideration will be given to residents of Kingsville and Kleberg County. There are also several documents and information that are required through the application. The process is designed to weed out those who may seek to profit off the city without intentions of actually opening a business. There are reporting requirements and repayment requirements if conditions are not met by grant recipients. The process for the grant application, the Kingsville Chamber of Commerce will accept the applications on behalf of the city. Mr. Salazar stated that this is available to any resident of the community and not only Chamber members. They will not give anyone any preferential treatment for Chamber members and is not part of this equation. He further stated that they will only be a vetting entity and provide recommendations. The Chamber will create an EDG Administrative Board

which will be made up of Chamber Board members who are business owners themselves and who can see the issues that may be present in the applications and see if the core of the project is serious or not serious. He further stated that this entity will provide a recommendation to the Commission as the Commission will be the deciding vote on whether to award any grant. Additionally, the Planning Director will serve as an advisory member on EDG Administrative Board. Mr. Salazar stated that the recommendation is to approve \$500,000 of ARPA Funds and approve the City of Kingsville Economic Development Grant Program and Administrative Manual.

Commissioner Hinojosa commented that he doesn't feel that it should be the Chamber in charge of this program, even though the Commission has the final decision. He further stated that he did not see anywhere in the enforcement document. He further asked how this will be enforced? He also commented that he does not agree with the makeup of the EDG Administrative Board which is composed of members of the Chamber Board. He feels that the City should be in control of this program and the funds as this is a lot of money that the City is allocating to this program. Hinojosa further commented that the criteria of the program does not state if an applicant must meet one or all of the listed criteria. He further commented that one criteria is providing a monthly flow chart. He further asked how many businesses in town do this when you take all your information to a CPA and provide your information which most don't have a flow chart. Hinojosa further stated that this document states it's a grant but, in the criteria, it states if a corporation resolution from the Board of Directors authorizing the company to borrow. He stated that the applicant is not borrowing the money from the city or the chamber, it is a grant. He further commented that there are some discrepancies with this and that he does not agree with. He also commented that the City Commission needs to take their time on this and take a good look at the criteria listed on the document. Commissioner Hinojosa further commented that if the program is under the control of the Chamber, he will be voting against this item.

Mr. Salazar stated that to address some of the concerns that Commissioner Hinojosa has on the provision of the document, he is open to any changes the Commission sees as necessary. He sees this as a working document and if the Commission sees some things they would like to see changed, he is willing to change it. He further stated that this is the first try at such a program, but if the Commission has some recommendations, he is willing to incorporate them into the document. Mr. Salazar further stated that the Chamber of Commerce does not control this program. They do the vetting and accept applications as they have a mechanism for that and utilize local talent to go over applications. This Board will provide recommendations to the City Commission which will have the final vote on whether they want to fund the project and at what amount and any stipulations the Commission may see are needed.

Commissioner Torres commented that she agrees with Commissioner Hinojosa. She further stated that she also had some concerns with some of the criteria that need to be met. Commissioner Torres further asked if the Commission could have a workshop to discuss the criteria and the grant before the Commission votes on this item.

Mr. Salazar responded that it would be up to the Commission to determine if a workshop is needed to discuss this further.

Commissioner Torres further commented that the Commission needs a better understanding of the criteria for this program. She further stated that she also agrees with Commissioner Hinojosa regarding the five members of the EDG Administrative Board. She further stated that she would like to see a workshop scheduled to further understand this program as it is a lot of money the city will be allocating to this program. She wants more businesses to open in Kingsville but wants it to be done fairly and have it documented that way.

Mr. Salazar stated that the process is designed to be more stringent as we do want to be a good steward of money, we don't want to just give it away, we want for people to show that their project is viable and that they have gone through the steps that this is a good investment on behalf of the city.

Commissioner Torres asked if this would be a one-time grant award, or will it be available more than once to an individual who receives an award? Will the city be doing this for the next 10 years? Torres further commented that this is why she feels that a workshop is needed so that some of these questions can be answered and so that the Commission can better understand this program.

Commissioner Alvarez asked if there was a timeline that this program would need to be adopted by the City Commission.

Mr. Salazar responded that there is no timeline.

Mr. McLaughlin said that it took staff about eight months to develop this program and staff does not expect for the Commission to approve this item tonight if they feel that more time is needed to better understand the program.

Commissioner Hinojosa commented that if it took staff eight months to get this program together then why is it expected for the Commission to vote on it tonight with only a few days to examine the document.

Mr. McLaughlin commented that if the Commission is not ready to approve the program and if they feel that more time to discuss this, more time can be given.

Commissioner Hinojosa commented that there is one thing that he agrees with the program, that you have to have a separate bank account, but who will enforce it and check up on it. He further stated that he feels that the City's Finance Department has more knowledge than any of the Board members of the Board of Directors from the Chamber. He further stated that as for the advertising, how will this information get out to the public? He is aware that there is Facebook and web pages that this information can be advertised on, but how many citizens have access to the internet? How will this information be distributed to those that don't look at social media or have access to the internet? He further stated that the first one to get notified at Chamber members as they will be notified through the newsletter which will put others behind. Will this program be on a need basis or a first come first serve? Hinojosa further stated that he has a lot of questions on this program that he would like answered.

Mr. Salazar stated that in terms of marketing, it will be more robust than just Facebook or website based. He stated that he will ask the Editor of the Kingsville Record to put something in the local newspaper as well as he will reach out to the local media. It will be more robust than just website based. In terms of the Chamber newsletter, it is no longer just Chamber members, any email address that he can get ahold of receives the Chamber newsletter.

Mayor Fugate asked what is the process for the Façade Grant that exists now?

Ms. Alvarez responded that there are a few features if you look at the two grants that distinguish each. One is the funding source and the second is the scope of items that the funds can be used for and thirdly the area. She further stated that with regards to the Façade Grant, the Planning Department receives the information and is supposed to vet the application. The Façade Grants are a reimbursement grant. If the City Commission approves a Façade Grant the grant recipient has to expend their funds and show proof that the work, they submitted in their application was done, then they can be reimbursed up to 50% of whatever amount the Commission authorized. Alvarez stated that it is very different from what is being proposed now.

Mayor Fugate asked if the vetting process of Façade Grant goes through the Planning Department? Ms. Alvarez responded yes. Mayor Fugate commented that he agrees with Commission Torres in having a workshop to better understand the EDG program and further directed staff to schedule the workshop for December 13<sup>th</sup> to further discuss this item. He further stated that the workshop can begin at 4:00 p.m. with the regular meeting to begin at 5:00 p.m. Mayor Fugate further stated that the item will be listed as passage on the December 13<sup>th</sup> agenda, but if the Commission feels that they need more time than more time can be given.

Mr. Salazar commented that if the Commission had some things that they would like to see incorporated into the program, submit those items to him so that he may incorporate them into the document.

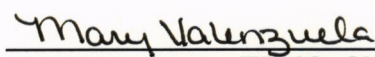
**No action was taken on this item.**

#### **VI. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 6:07 P.M.

  
Sam R. Fugate, Mayor

#### **ATTEST:**

  
Mary Valenzuela, TRMC, CMC, City Secretary