



MINUTES

Aransas County Commissioners Court: Workshop

9:11 AM – Friday, June 30, 2023

The Aransas County Commissioners Court met on Friday, June 30, 2023, at 9:11 AM, in the Aransas County Courthouse, 2840 Hwy 35 N, Rockport, Texas. Aransas County Commissioner's Court meeting video recordings are available by following this link: [Commissioners Court Minutes and Agendas \(aransascourttx.gov\)](https://www.aransascourttx.gov), then scroll to the bottom of the page and select the date you wish to view.

Present: **Ray A. Garza**, County Judge
Jack Chaney, Commissioner Precinct 1-1A
Leslie Casterline, Commissioner, Precinct 2
Pat Rousseau, Commissioner, Precinct 3
Robert Dupnik, Commissioner, Precinct 4

I. CALL TO ORDER

II. ROLL CALL

III. DECLARE QUORUM

CITIZENS TO BE HEARD-added by Judge Garza

Jeff Hutt – against this project

- Not against Del Mar, just this workforce project
- They offering no product
- No study about what classes to offer
 - Currently ACMSI is offering classes at the high school
 - Christus Spohn has offered verbal commitment to host classes
- Taxpayer funded
 - With salaries for Stouts and Whitson, hours that our County Attorney has worked/working on this, this would turn over taxpayer project to a business that is Del Mar
 - Dual Credit was presented in the prior meeting, there has been no conversation with high school on these things
 - School board does not support or they would be here
 - Currently Texas Women's University is being used for dual credit and are considering using TAMU-CC
- The marketing data doesn't make sense
 - Presentation mentioned everything east of I-37, many of these areas would feasibly go to a Corpus Christi campus because it is closer
- This project does not make sense and could end up making us a taxing district for Del Mar
 - Del Mar's strategic plan is to increase their taxing district
 - Why don't we put out an RFP, why are giving a building do Del Mar?
 - Why not to private companies?

- Sell the building, put it back on the roll
- Get out of the business of education
- Don't give it to Del Mar

IV. ITEMS FOR DELIBERATION AND/OR ACTION

1. General discussion of Aransas County Economic Development and Workforce Development with Commissioners Court – Judge Garza

Discussion followed:

Karen Blaney, with GrantWorks

- New to managing this grant
- The grant was to acquire, renovate, and give to Del Mar for a workforce training facility
- This is an economic development grant awarded to the county
- The acquisition has been achieved
- The remaining piece of the grant is the renovation, the grant is paused at this point
- Expenditures at this point have been for;
 - Acquisition
 - Professional services
 - GrantWorks
 - Engineering
 - Architect
- Reached out to EDA, Asmaldo Rocha, inquired if the county can transfer this grant, to see if Del Mar could become the award of the grant
 - The answer is yes
 - The two responsible parties would need to do letters to express the willingness to make this transfer

Judge Garza

- Mr. Hutt brought up the question, going out for bids
 - Can we just offer to Del Mar or can we open it up to see anybody else is interested

Karen Blaney

- In the grant?

Judge Garza

- Yes, like what we are planning with Del Mar, do we need to give other entities an opportunity?

Karen Blaney

- Probably not appropriate, if other entities are interested you have to go back to the EDA on each one and describe what you are proposing and see if they are okay with that. The rules may vary depending on the type of organization and what would be offered

Judge Garza

- As a county employer we are required to give others a chance as well
- Commissioner's this was called so you can ask questions or have concerns you can

Commissioner Dupnik

- What happens if it goes back on the tax roll, what burden will that put back on the county

Judge Garza

- Give up the grant
- Sell the building
- Pay back what we have spent so far

Commissioner Rousseau

- That amount is?

Karen Blaney

- Building Purchase, \$1,000,082
 - Jacky Cockerham, we only received about \$800,000 from grant funds
 - It's an 80/20 grant

Commissioner Rousseau

- We would have to pay back in the \$800,000 range

Karen Blaney

- There were other expenditures

Commissioner Casterline

- What would happen if we sold it for more than we paid for it?

Karen Blaney

- You would pay back the grant funds
- When you are dealing with grants there is a program income rule, she will have to ask EDA about those rules for this grant

Commissioner Rousseau

- How long will it take to get a response? A week or so?
- Would you (Karen Blaney) please do that?

Commissioner Dupnik

- Concern about the significant amount of donations from the community, how would that be addressed

Commissioner Casterline

- We would need to go back and refund
- If we sold it his recommendation would be to refund

Judge Garza

- If cash then refund
- If in kind they are probably not going to get anything back

Commissioner Casterline

- The only entities that paid cash were Aransas County and RFISD

John Strothman

- There was a lot of in kind donations/Services
 - City of Rockport, Aransas County, RFISD

Commissioner Rousseau

- Is there a spread sheet that shows these? That would be a good thing to have.

Commissioner Chaney

- Was the grant awarded with the intent that it go to Del Mar?
- Would there be issues if we awarded to others?
- Would there be a way to get out that contract?

Karen Blaney

- The County has the right to terminate the grant for reasons of their choosing as long as it is done in one year
- If we terminate beyond that one year it could affect our eligibility for future grants, we are not passed that deadline
- The deadline is August of 2024

Commissioner Chaney

- If we decide to continue but didn't want to use Del Mar, we don't have enough time to change

Judge Garza

- Has there been any written notification from Del Mar, about their intent to take it over?

Karen Blaney

- Nothing in writing

Dr. Villarreal with Del Mar as Director of Strategic and Operational Initiatives

- We are waiting for the County to before our Board of Regents to request for that, then they would be able to put something in writing

Jeff Sjostrom – With Aransas County Partnership

- At his 1 year anniversary with the Partnership
- When he came into this the project was a debacle
- It has been stuck in a morass for a couple of years
- What needs to be figured out is
 1. Renovate the building so it can be completed and opened
 2. Where would the funds come from
 - a. Considering to the financial condition of the County, and conversations with the Judge coming into 2024
 - b. Questions about the feasibility to complete this project successfully
 - c. Concern of this building being a liability long term
 - d. Not just opening but the obligations of maintenance and insurance, etc.
- With these in mind the partnership started to look and have identify three alternatives at this juncture
 1. Continue on the current path by
 - a. Raising funds
 - b. Going out for bids to get the amounts needed to complete the renovations
 2. Turn this project back to EDA
 - a. Killing the project for convenience
 - b. This will save the County with regards of the relationship with EDA in the long term
 - c. Effectively end this project
 - d. But would have to find a way to pay back funds to EDA and others
 - e. This would include the sale of the building

3. Alternative plan – how can we effectuate an assignment and obligations of the County from the Grant
 - a. How to remove the County as the fiduciary agent of this project and come up with an alternative that could still realize the outcome of a successful completion of the Workforce Center
 - b. What if we could remove the County and assign the grant to Del Mar College, as they are already in the grant as the operator of the facility as it was envisioned long term.
 - c. Could Del Mar qualify / meet EDA requirements?
 - d. Would Del Mar be willing to assume the financial obligations and the execution of this Workforce Development Center?
 - e. Asmaldo Rocha with EDA regional office has said based on what John Strybos has heard. There are 2 things that need to happen if the County was interested in looking at this assignment
 - i. EDA would require financial confidence that Del Mar is not only committed to the project but willing to take on and manage the financial obligations long term
 - ii. There would need to be a letter by both the County and Del Mar to be submitted to EDA explaining what needs to happen and why
 - With the many conversation that we have had about this project and with EDA
 - He believes there is a viable option should we choose that Del Mar could be assigned the rights and obligations of this grant
 - At that point all of the obligations would be on Del Mar
 - His hope would be that we would be able and willing to support the successful completion of this project

Commissioner Chaney

- This seems to be a lot of stuff to do between now and Aug. 14
- If the court decided they want to look at another way to do this to take the burden off of the County do you think we would have time to change it?
- It took a while to get the grant.

Jeff Sjostrom

- The grant has a five year window
- We are in year three
- We started talking about the alternative proposal in March 2023
- In looking at talking to other entities that might meet EDA requirements there are no other viable options
- We are on a 60 day clock
- Two ways to think about this grant with EDA
 1. Close for convenience
 2. EDA says it is not going to happen and they close it, this is the worst case scenario

Karen Blaney

- We have until 2024

Commissioner Dupnik

- Can see that there is financial value in putting it back on the market
- Believes that it is important to bring furthering education to our area

- If we can save commute costs and time for our students that brings value
- Students coming into this center will be spending money here
- We need to consider all of this when making our decision

Jeff Sjostrom

- One other aspect in judgment, the second building was reported as sold
- It was put up for auction with a minimum base of \$250,000 and there was not one qualified bidder
- Would it be better to put our building on the market and get it back on the tax roll? People have thought that should have happened day 1.
- The situation we are in now is that it is a unique property, we don't know if someone is going to be willing to come to the table with \$800,000

Commissioner Rousseau

- Concern is the performance we have seen so far with classes offered by Del Mar.
 - The construction class that has been offered at the campus of First Baptist church have not been well attended
 - This does not seem to be a large demand and that is a concern
 - She does not believe this is a "build it and they will come" situation
 - Does not want the county to be a part of something that will be a fiasco
 - Whether we continue as planned or deed it to Del Mar if it is sitting there a White Elephant we have done this community no service

Commissioner Casterline

- We've been on this for so long, I don't think we should be looking for other entities. We should do one of these other options and do it quickly

Dr. Villarreal

- With Del Mar we have served 4 other counties regardless of tax base, we are legally bound and have been here a long time.
- We have been in the high schools and in the area serving the population
- This project gives us an opportunity to expand
- We crunched our numbers, they show that we have 40,000 within 30 minute drive time to this campus between the ages of 18 and 65, that includes our dual credit students
- What we are hearing from employers is that they need skilled workforce in this area particularly
- If the court does decide to go forward, we are ready to continue to serve this area but on a larger scale

Commissioner Casterline

- Originally I thought we would be pointed at training adults, not high school kids
- One job that is needed is CDL drivers, the classes are needed, but currently expensive and in Corpus Christi

Commissioner Rousseau

- Has not been thinking high school kids I have been thinking adults looking to make a carrier change

Commissioner Dupnik

- We want to bring in businesses, if they need up to 75 employees, they are going to locate closer to their employees are living

- They are also doing lineman training with Robstown

Jeff Hut

- Looking the 40,000 number quoted by Del Mar, these numbers include Portland & Sinton. Are people really going to drive to Rockport or go into Corpus Christi?
- These are not really good numbers
- Why does the county think it is there place to identify a need for education and build a building and give it to a school?
- Don't put Del Mar in here, it doesn't make sense on paper and it doesn't make sense in the classes they want to offer
- Leave this to the free market economy
- Sell the property and get out of the business of education

Commissioner Chaney

- Aransas Pass had an agreement with DOW, starting with sophomores, so that when they graduated many had well-paying job offers
- This was only for high school
- This project is a gamble.
- As far as he know Del Mar has not treated any of their partnerships unfairly
- Is this a large investment for a long time?
- If we can help 100 people per year locally that would be worth the investment
- If we market it right, and run the organization this thing will blossom
- For the investment he thinks it is worth it

Jeff Sjostrom

- If selling the building is the way you go, he wishes you all the best and will help in any way he can
- The workforce center is about the future of 4-5 years or more, long term
- Aransas County is the only county in the Coastal Bend with a projected double digit growth population for the next 5 years
- Employers are paying attention to that, two different companies would have moved here if this were up and running last year
- There is a current prospect that several of you have met
- Companies # 1 question in deciding where to be is where is there work force coming from?
- The Workforce Development Center is a tool, looking at this county growing this becomes an asset for the future of Aransas County

Commissioner Rousseau

- Concerned about lack of participation within the program. Can you address that?

Dr. Villarreal

- Don't know specifically about these construction classes, That class came out of a grant "Rebuild Texas" but if this is true Del Mar needs to re-address
- We don't want to add to the Boondoggle
- We will support you in what every decision you make
- We are ready to stay and continue building here and addressing those issues

Jeff Sjostrom

- During the last legislative session Del Mar worked to get funding improved
- To increase the presence in the high schools
- Del Mar is a good partner and could enhance what Mike Geer is trying to build at the airport, help with the Maritime Program, Healthcare Services and possibly add instrumentation.

Commissioner Rousseau

- She is familiar with Del Mar, however her concern is she has not seen the classes being utilized
- That you are unaware of that program not working, how are you going to define what courses we need here?
- How to get people to enroll in those classes to do all of these things that the Workforce Development Center could possibly do

Dr. Villarreal

- These conversations are ongoing all the time, that is why we already have relationships with area, after Harvey construction was highly sought after
- We know we need nurses and doctors

Commissioner Rousseau

- Do you need to continue to offer classes her to meet the grant requirements?

Dr. Villarreal

- This is our service area already, Del Mar is not going anywhere, we will continue to serve students, regardless of what happens with this project

Commissioner Rousseau

- So since there have not been classes at the First Baptist campus

Dr. Villarreal

- That is one classes and I don't know, we will have to address that

John Strybos – VP and Chief Fiscal Facilities Officer of Del Mar College

- Del Mar is committed to being a partner with the community because we are in the service area, that means they are obligated by law to provided services
- As part of the grant we've been involved in the grant from day one as a partner, it is a part of our time. We mark it on our time sheets that is part of the in-kind match on the grant
- We are committed to teaching classes but your right that if no one shows up that doesn't help anyone
- We need to have meetings like this with future employers and find out what kind of training do they need? And we need to match that.
- We need a space and a place. We can do it out of a temporary facility but having a specialized facility helps us with that.
- Your decisions will be your decisions
- The location has high visibility, we can customize our training to meet the employer's needs.
- The location has high visibility, we can customize our training to meet the employer's needs.

Judge Garza

- When we started this building it was a debacle from the start
- We are a County Government, we don't build Workforce training centers

- We don't do programming
- Mr. Hutt believes if we go through with this, and he is not the only one, that we do not want to be a taxing district, Del Mar's position is that if we don't initiate it but the community does it could go through
- 20 years ago the Commissioner Court signed off not to become a taxing district
- We don't want to open the door to be a taxing district
- Is there any way to do a binding document to never be a taxing district?
- The classes being offered now, it was all over Facebook for free classes, construction, plumbing and electrical classes were free and we didn't many attend.

Commissioner Casterline

- Actually knew some who went through the carpenter class

Judge Garza

- That was the first class, zero for this year
- He drives by all the time, he wants to go inside and introduce himself and he never sees anyone there
- It's a concern that if it is free and people aren't attending, maybe they don't see the value of free

Commissioner Dupnik

- Del Mar from a business standpoint as a needs based technical training. He can see that working with the economic development because we need bring people in here
- There are a lot of people in their 30's and 40's that working in jobs they would rather not be doing but they don't have the training or capability of driving the 30 to 45 miles to another job
- We have a work base here that is not trained
- Bringing in Del Mar to tie into the Economic Development is a big plus for the community
- This will help our tax base grow, not just a one-time sale of a retail store or what every Little Bay might become
- We need to look long term, if this is done right it will be a plus for our community

Commissioner Chaney

- We can't be just a tourist community. We've got plants coming in around us we need to bring stuff into our community.
- As an electrician the biggest problem is getting material, that is due to lack of transportation
- If we must look to the future and try to help

John Strybos

- We will get you the historical data when, where and how many attended classes and enrollments for which classes, so you can have a clear record
- About the taxing district, he recommends we talk to Robstown as they went through that process a year ago. They had an election and it did not pass, it is up to the voters. Del Mar did not take a position in favor or against.

Judge Garza

- There is no need for a building here to initiate an election
- Someone could initiate it even today
- Del Mar does not initiate an election

Commissioner Rousseau

- Del Mar just received funds \$686,000,000 from the state legislature

Dr. Villarreal

- That was for all 50 community college systems and it has not been decided if or how much Del Mar will receive. It is still in the rule making process. We should find out in the next few weeks.

Commissioner Rousseau

- Do you have an anticipated amount?

John Strybos

- No the numbers keep changing and this is part of a two-year financing but Del Mar has always received an allocation from the state.

Commissioner Rousseau

- Will this boost the allocation?

John Strybos

- It may we don't know yet

Dr. Villarreal

- It is not automatic it depends on the success of our students
- They must complete their course to get a certain amount of money
- It is allotted if they complete

John Strybos

- We are setting the budget the same as last year since we are not sure of an increase and if so how much.

Jeff Sjostrom

- I'm still incredibly bullish about the opportunities in front of you in Aransas County
- We've got some fundamental issues that includes
 - Workforce
 - Attainable housing
 - Enhanced medical services
- We have already turned down a couple of heavy industry prospects that were brought to us.
- We want to maintain preserve and protect the superior quality of life in Aransas County not just today but into the future
- We've got the building blocks to make that happen with this partnership, thank you for your leadership and what you all do

Commissioner Dupnik

- Would Del Mar be part of that building block?

Jeff Sjostrom

- Personally, as it relates to the Workforce Development Center and a partnership with Del Mar College, that would be a tremendous asset for Aransas County into the future

Commissioner Rousseau

- Medical Services is a critical need. Many people cannot get general practice care in this community because that are here are not accepting new patients. It does not matter if they have insurance, Tricare or Medicare. She sees a portion of Little Bay being a potential Medical Clinic.
- Amistad looked there but wanted the county to provide that but that wasn't in keeping with the grant

Jeff Sjostrom

- If we are successful with Del Mar and the Workforce Development Center and based on conversations he has had even this week, with some of the medical partners there is a concerted effort to focus not only on those needs but to bring in enhanced services to this county. This is complementary to what we are talking about and it could fit very nicely and he is encouraged by the fact that folks are already talking about it and thinking about it. And why it make sense to be thinking about this area for the future.

Commissioner Rousseau

- There are physicians that offer services on an intermittent schedule, maybe once a week. But they have lost access to their building and are looking for a new location and have been unsuccessful.

Jeff Sjostrom

- Wants to be in contact with them so he can help.

Judge Garza

- Anticipates evidence on the next agenda how the Commissioner's Court wants to move forward.

Commissioner Rousseau

- The information that Lenora Keys presented on Monday the 26th in Commissioners Court: under the populations statistics for the Rockport site, looking at the 0-30 minutes, 2020 – 2030 CAGR has .87% is that correct because that is less than 1%

Dr. Villarreal

- This is Del Mar College being extremely conservative with our numbers. Even with that amount of population we would be able to be significant at the center

Jeff Sjostrom

- With our housing survey that we are working on we have gone out to San Patricio County and are trying to create a relationship with the big industry out there and have only had success with three. Those three have effectively a 10% participation rate of people working at the plants but living in Aransas County. This is something that we want to continue to look at. This something to play with as we go forward thinking about our relationship within the region.

Joh Strybos

- Math is done at the community college lever about where students come from
- In general you not going to see students coming from San Antonio
- We look at what we call a catchment area and define those boundaries based on drive time

- While .87% is a low number it is based in historic math and is a very conservative number because this is public information and our Board of Regency is asking the same questions. If Del Mar took this over then how's it going to be paid for because of you not wanting to be I the taxing district, Nueces County does pay the taxes they don't want their money coming over here? We are having to make a business case of can Del Mar operate this and can it be successful. Part of that is how many students could come and another part is teaching the right classes at the right times and the right days to partner with the community.
- If while you are making these decisions and you are hearing from the community, they can email Dr. Villarreal and we will provide you whatever information and details that you need. If you want to meet with us to talk about questions we are committed to give you in the information you need to make the best informed decision. We recognize these are very hard decisions. Del Mar is a partner to this particular grant and are critical to the success of the communities because it's a funding source you otherwise do not have access to and we're in this grant through our time that's our share and our part of it.

V. **ADJOURNMENT 10:19 AM**

Motion to adjourn: by Commissioner Rousseau, motion was seconded by Commissioner Casterline

Vote: Motion carried 5-8: it was so ordered

ARANSAS COUNTY COMMISSIONERS' COURT



Misty Kimbrough

Misty Kimbrough,
Ex-Officio Clerk of the Commissioners Court

Ray A. Garza

Ray A. Garza, County Judge