

MINUTES OF THE
COMMISSIONERS' COURT

WORKSHOP & SPECIAL MEETING - APRIL 16, 2018

On the 16th day of April, 2018, there was a Multi-Jurisdictional Intergovernmental Workshop and Special Meeting of the Commissioners' Court scheduled in the Emergency Operation Center in the Public Safety Center, located at 714 East Concho, Rockport, Aransas County, Texas, with the following members present: **Jack Chaney**, Commissioner, Precinct 1; **Leslie "Bubba" Casterline**, Judge Pro-Tem and Commissioner, Precinct 2; **Brian Olsen**, Commissioner, Precinct 3; **Betty Stiles**, Commissioner, Precinct 4; and **Valerie K. Amason**, County Clerk.

Other County Officers present were **Richard Bianchi**, County Court at Law Judge; **Kristen Barnebey**, County Attorney; **David Reid**, Road Administrator/Drainage Engineer/Stormwater Management Engineer; **Elle Morales**, Administrative Assistant, Road & Bridge Department; **Michael Geer**, Airport Manager; **Mike Koerner & Kim Foust**, Long-Term Recovery Specialists;

Members of Local City Government, Community Groups and other Interested Parties present:

C. J. Wax, Mayor, **Rusty Day**, Ward 1, **J. D. Villa**, Ward 2, **Pat Rios**, Ward 3 and Mayor Pro Tem, **Barbara Gurtner**, Ward 4, Council Members, **Kevin Carruth**, City Manager, **Teresa Valdez**, City Secretary, City of Rockport;

James Kendrick, Mayor, Town of Fulton;

Ricky McLester, Police Chief, Town of Fulton and also the Aransas County Emergency Operations Coordinator;

Judith Vlasek, Madam Vice-Chairman & Commissioner, Pct. 1 & 1-A,

Tommy Moore, Secretary & Commissioner at Large, and **Keith Barrett**, Harbor Master, Aransas County Navigation District;

Joseph Patek, Superintendent; **Jack Wright**, Chairman; Aransas County Independent School District Board;

Diane Probst, President/CEO; Rockport Chamber of Commerce;

Betty Collier, Director of Client Services, Grantworks, Inc., Rockport/Fulton Field Office;

Greg Harlan, Owner of The Grant Connection;

Kenneth C. Burns, AIA, Burns Architecture, LLC;

John P. Jackson, CWS, CIMA, Senior Vice President, Wealth Advisor, Senior Portfolio Management Director, The Rockport Group @ Morgan Stanley;

Russel Cole, 2018 General Election Candidate for Commissioner, Pct. 4;

Mike Probst, Editor and Publisher of the Rockport Pilot Newspaper;

Connie Garcia, Hidden Treasures Owner/Operator;

Robert Mitchell, Local Citizen;

The Workshop Meeting was convened at **1:30 p.m.** at which time a quorum was declared by **Leslie "Bubba" Casterline**, Judge Pro-Tem; a quorum was declared by **C. J. Wax**, City of Rockport Mayor; the Town of Fulton, Aransas County Navigation District, Aransas County Independent School District and the Rockport-Fulton Chamber of Commerce did not have a quorum present, WHEREUPON, the following proceedings were had and done to wit:

Kim Foutz: We pulled together all of the different plans from all of the different entities and studied them because we wanted to know "What are all the entities doing, what are their goals short term and long term"? A lot of you have special plans that you've worked on over the years, such as the Historic District plan and so we really wanted to understand that, for the same reason we want to put together an economic development plan that everyone has volume to allowing the community to have a united path towards recovery, but more importantly, how are we going to become really resilient, in a thoughtful way? One of the themes that we've had as a community is that we have one path and one voice, we did that when we started out with our emergency operations, but then we carried it through with the long term recovery efforts that are being done. We need to have a way that all entities are binding together and come forth with leveraging our resources. One of the drivers as far as the timeline is we want to apply for some major economic development administration grant projects. In order to do that there has to be what's called a comprehensive economic development strategy for the community that has been done by the Council of Governments and we need a plan that feeds into that strategy and actually our plan will be incorporated into their plan. Only until such time that those plans are integrated are we allowed to go out for the grants, its first come, first serve, so it's really important for us to get our applications and plans in for those projects. Just moving forward, any time that you are asking for grants or asking for special consideration they want to know that a plan exists and that everyone is cooperative, in fact some of the scoring that they do is: Are you looking regional? Have you worked together? Is there leveraging among different entities for matching funds? So we wanted to put together a plan

that we could demonstrate, that we've done all of that, that we've gone through a public process and we are moving forward with that. What do we want to accomplish today? We want to get all of the entities together, we need to have a mechanism of how we are going to prioritize the strategies, out of the eleven (11) strategies, in what order, what are the most important, and why. We would like to do an adoption of the plan, if we can't the entities can go back and consider it separately, although we would encourage you to do that quickly because I need to get the applications in for the two (2) grants that we are going to be applying for. As a premise for that, in case all of you don't know the two (2) grants that we are applying for, the City of Rockport in conjunction with the Rockport Center for the Arts is applying for a multi-use building, it's specifically for the Arts, the Performing Arts Component and also a mixed use room kind of like a conference center and that's the application that's being fulfilled right now and we hope to have that ready soon. The Town of Fulton is also applying for a grant to rebuild the Paws & Taws, as well as putting some amenities in place including a playground, water features, and various components that the town would like to see.

Diane Probst: So we did a process of focus groups in the middle of December, right after the disaster, everyone was asking us: What do you need? What is your direction? What's your plan? So we held community input sessions, you remember Allison Morrison that came down and at that time she just received community input. There were a lot of feelings that came out of that and she developed areas, Tourism, Down Towns (Rockport and Fulton), the Community Industry, and we talked about challenges. We categorized them, identified the different trends and things we were going to have to do to take us through the next process "What do we want to do"

and an action plan for that. Then we brought her back January 8th through the 12th and we had a reconnect meeting: What did we do in December? What areas do we need to focus on? Five short term action groups were developed and we established Team Leads for those, they worked very hard and the Team Leads are still working today on a lot of that. The evaluation of the focus group feedback and the development of the long term goals was kind of stretched out over this three month period, Kim was able to put it all on the sheets before you and list out all of the action plans. So, January through March, Kim went around to the different entities explaining the whole short-term long-term process and it was at these presentations that we realized we needed some prioritizations, actually Mayor Wax said that at the time. So during the Allison Larson workshops we analyzed our strengths, our weaknesses, what are the opportunities out there and what are the threats to us. Our strengths, we have an abundant, diverse, and natural assets in our community, we have can do attitude with a little bit of sophistication. We have a special charm about us, its personal, its unique, it's a sense of place, I'm very proud of that and there are a lot of people that want that. We are very good at tourism and hospitality, we have many successful events with large draws. We have a lot of locally owned business, which I think that in and of itself gives you a flavor in the community, we don't have the big box department stores and chains we have the local entrepreneurs trying to make a living. The fishing industry is a strength, for many years people have enjoyed our bays, and we also have an active chamber leadership participation. Our weaknesses, we don't have an economic development plan, we had one years ago, but that's all changed now, especially after the hurricane. The local government entities meet once a month and keep track of what

businesses are opening and closing, everything we can, but there is no developed economic development organization. We are not eligible for a 4A or 4B sales tax tool to fund an economic development operation because we are capped out at 8.25%. So we depend on one industry, tourism, and we need to diversify and stabilize through economic cycles. Diversity meaning some sort of Tier II or Tier III type of company that could come in and employ maybe 50 to 100 people and help diversify our economy so that we have some stability there. Workforce, what is our count pool, at this point after the Hurricane, who's going to return, who's here, what is the caliber of our workforce? And the big question, where is the workforce housed? Where would be put businesses we recruit? There are no development sites or buildings for non-retail commercial businesses. As we go and approach new businesses there is nothing to give them, so they would have to seek out their own land and at high prices and infrastructure, etc. Opportunities, now is the time for thoughtful planning to reveal better, more unique, and stronger. That's why we are so excited you are all here today, we are going to come back, all entities together and rebuild this economy back stronger and better than before. Create enhanced destination for tourists, residents and entrepreneurs, take a look at our harbor front development, our heritage district, our cultural arts district, could it be a city center? We've always wanted a congregating point, so we are looking at two city centers, really strengthening those down town areas and entrepreneurial, if small business is going to be our thing lets invest in it and provide it so that it's good for the area. Original Arts, Performing, Conference Center, we've talked about this for years with the Economic Development Administration, that's a possibility, when they visited our community to determine what

areas that they like to find, of course we were throwing out all sorts of areas, and words, and things, they really guide you on what they would like to see funded, so the Arts Performing Conference Center is what was settled on and they really liked that. Mixed use, housing, retail, office, etc., take Fulton's special events, Center, Park, and Pier, really investing in the down town Fulton area, I know Jimmy has a lot of ideas and now maybe there will be a lot of funding there to help bring those ideas to fruition. Harvest the momentum that we are currently doing in the recovery process and make it our economic development strategic planning. Utilize the volunteers and organizations that want to help us, we need to have a direction and say yes, this is what you can help us with. Federal, state, philanthropy resources, but you must be prepared with strategic and thoughtful planning, be bold and take advantage of the opportunity. Now what are the threats out there? Will businesses reopen, if they reopen my concern is being able to sustain the low tourist seasons because there's not that diversified economy, just yet, because a lot of people are not in the condominiums, the patrons are gone, they are returning as the room models are done, but that's our threat. Will our workers return so that the businesses can stay open? Are we so exhausted that there are not enough workers with us? Can businesses sustain? The downside of tourism is success drives up land and high prices, housing prices, the majority of tourism jobs do not pay a living wage. There's also another natural disaster risk looming out there for us, if you expect to wait for the outside to fix Aransas County, it's not going to happen, we have to stand up, we have to want to fix it. Thousands of communities vie for tourists, it's very competitive out there, you see what we have to compete with, their ad dollars are a lot more than our ad

dollars and we are very fortunate that George Strait has contributed to money to our community.

Kim Foutz: So as Diane was saying, we sent a draft plan out to all of the entities, there's about 90 different items on here and although that number is huge, it's not meant to be overwhelming, this is supposed to be about a 10 year plan that's revisited every few years to see if items that are coming next, are they still a priority or have we had different successes or different things that have happened? We need to take a look at it again, add some things and take away some things, so because it was such a large list we didn't really feel like we could tackle it today. So we need to decide, what are our overriding principles? How are we going to prioritize the goals and we're going to have to talk about only 11 goals today for prioritization.

Commissioner Casterline: Could you enlighten us on Workforce/Housing, and why that wouldn't that be at the top of the list, if you don't have the people back in town, you don't have anyone to work at the jobs?

Kim: I think it is, if you start talking about any of these goals it's kind of like the chicken and the egg, because how are we going to work businesses if we don't have the workforce and we don't have anywhere for them to stay, so you get into that circle, that could be one of the priorities, we need to focus on that and then the rest will come after. We had hoped to get some of the workforce housing moving forward by doing a demonstration project and we held a strike team meeting where we had a lot of the players that provide funding for housing in the room, that's been several months ago and it just wasn't possible. Based on the Stafford Act that we have to deal with, that's been in place for over 20 years, it

really doesn't give the Feds much opportunity to provide that flexibility. What's been going on though, we're working on a housing plan, different strategies, and how we might incentivize builders and developers to come in, we've probably met with about 25 different builders and developers. It's really hard at this point to differentiate between the committed and the tire kickers, so you've got a handful of people who will turn around and make an investment in the community. Right now about 11 million dollars was made available to three counties, which included Aransas County, for a very quick turn-around project and that was issued by the General Land Office. It was supposed to happen about six weeks ago, but there were some snags and they weren't able to move as fast as they would have liked to but they did issue the request for proposals. There are two stages and they left it open for only five days for apartment complexes, eight units and above, to come in and make proposals for either rehabbing what was damaged or rebuilding, so demo and start from scratch, and their last priority was building new. We do not know quite yet, we're calling in with the GLO to find out how many different parties have made proposals for that first round, my impression from talking to the complexes owners in town, we try to stay in touch with them, and by the way Diane's office calls every single complex and has an inventory of all the units that are available at each location and what they are hoping to be able to open up from month to month, additional.

Commissioner Chaney: Did they stay with the \$250,000 minimum?

Kim: Yes, I have not heard of any changes.

Commissioner Chaney: That really cut down on the amount of people who could do it.

Kim: It did and because it was only open for five days it was pretty voluminous, I went through the applications and talked to some different parties, there is a tremendous amount of paperwork and tracking that's associated with that grant, if you get it. It is a forgivable grant for five years, it used to be ten years and they've narrowed it down to five, so it's a quicker payoff and return for the investor but we don't know who applied. We think a couple of apartment complexes applied for this first round, what they are doing is after that five days of proposals they put those in one pile, they kept the proposal process open through April 27th. They're going through the pile of five days and they were supposed to finish that last Friday but we haven't heard back from them. If they spend all of the money and award all of the 11 million then they won't do anything with the 2nd pile of proposals that come in. That may be to someone's advantage even if they applied and didn't get funded in this mini round, they have had a chance to go through the application and they are familiar with the process so it's going to give them a better opportunity to apply when the whole community block grant funds become available. But they have already issued the rules and the action plan for the larger 5 billion, we're reading and studying that right now and those funds could become available very quickly. That will open up other things, not just housing but infrastructure, sometimes you're allowed to use it for demolition there is a variety of uses. That's all in that actions plan and you can go to the GLO's website and that action plan will be there.

Diane: You want to tell them about the housing strategy, being combined with the Sea Grant?

Kim: So we are working on the housing plan, we've gone through a number of workshops, we will have another major workshop before we adopt it, we've got assistance from a consultant that came in for tip strategies that is helping write the plan. He also did the facilitation and Sea Grant which is out of Texas A&M, they are helping with the writing of that as well, so we are hoping to have that done within the next four weeks and we really need to do that so we will be ready for the federal funds when they become available and proposals can be done.

Commissioner Chaney: Along with Commissioner Casterline's question about workforce, whenever Cheniere came around they were real up on workforce training but the only training was in Corpus Christi, I think they moved some into Portland, one of the problems that we had with Cheniere then, before the Hurricane, and one of the problems we're having now is how do we get young folks, that are employable and will stay here a long time, into that training? I did some volunteer work with a Navy Vet, a midshipman, and I always think about that workforce, they are so young and they are training to protect our nation, and we've got kids like that all over the place around here and we're not training them to do anything. We need to look at getting some sort of realistic workforce development location here.

Diane: The region is really working on this because of the Exxon/Mobil and workforce development is doing skills training. Craft Training Center is ramping up, Del Mar College is ramping up.

Commissioner Chaney: But it's not here and unless we can get something that is here and handling the skills that is necessary for MMR, Cheniere, or Voestalpine and things like that, these kids

don't have money to go across the bridge. I think if you've got a 16 year old that wants to get in and start learning how to do something, starting operator for Cheniere is \$100,000 a year.

Diane Probst: Joey, do you confer?

Joseph Patek: Yes, I think transportation, some kind of way that could be worked out, there's a lot of kids that would go across the bridge, but should somebody fund it, I think that maybe we might bus kids over.

Keith Barrett: Workforce housing, if you're starting to set these things in a chronological set of events, think about what all of us are going through right now, I have some very big bid contracts out and one of the main questions that these contractors who are thinking about bidding on it is, where are my people going to stay? When we can't give a very good answer on that, they commute the men, right now I have an office building being built and you know why there were no workers there at 8:00 a.m., because they were all coming from somewhere else, Port Lavaca, El Campo, Victoria, they are driving in and they don't even get to work until 9:00 a.m. and then they cut off early to drive back to where they are going and all these per diems and all of these things, you know what that means, the cost of our project goes up. So Bubba's right as far as setting a chronological set of events on how we're going to work on these things, we've got to have a place for our worker's to stay.

Unknown: I just saw a news report that there is an airport space in Corpus Christi that has several thousand modular homes parked on it waiting for distribution to disaster areas, where's ours?

Mayor Kendrick: Well, we've been asking that question for a long time, we are all in the same boat, everyone in this room knows we can't get anywhere without housing. We have fought as leadership to try to get housing, we've been laughed at, we've been joked about, they don't think we're important enough, we've had all of the same liars in the same room, I've asked them about housing, I've asked them about a million dollars to build something till we get started. We've talked about the man camps, the problem we've run into is the land and the facilities for them to set it up and having the infrastructure to hook it up to. We've looked at every aspect of it, so we know the workforce is a problem.

Kim: So as we were going through and evaluating the housing, the main one is the cost to the laborer, everyone that I've talked to that is a developer or a builder in talking about affordable housing, for the workers, what's that price point? The price here for the basic 1,000 sq. ft. home is about \$200,000, when you back out those numbers and you look at medium income, the poverty levels, 80% of the average income, you're talking about a \$1,000's rent or about a \$125,000 to \$135,000 dollar house and that's it. If you're putting 40,000 to \$50,000 into the lot, you're not going to get there, so what we have to do is figure out a reasonable development plan. Now one of the things that the cities can do to help with that is, when the funding becomes available, we can propose to do infrastructure projects which is something that cities do very well, go ahead and get that out there through and to the properties, which will drive the cost of the lots down and allow people to respond to that need. But that's the problem right now, we don't have the resources until we get that Federal funding in place to drive that land cost down.

Diane: Shelby is here from the GLO and she does know that there were two proposals submitted and she doesn't know which county those proposals were from, it could be Nueces, it could be Aransas, or Refugio, she can't say for sure but there is a possibility that it was our two.

Kim: We worked it really hard, there are going to be many other opportunities on a solution.

Shelby: The first two projects that came in at priority time did not equal the almost \$11 million so it's still open until the 27th and we are still accepting the applications, so if anything get them in, I'm also told if you apply this time and don't get it, that's not going to affect you next time. So you might as well go to your offices, work out your kinks, and you can make it in that five days prior to that prioritization period.

Kim: So there's hope there that we can get started, but just to add to that, almost all of the apartment complexes that were damaged, they are all working on redoing their properties. Some have slowed a little bit and come to a stop because they are wanting to engage within that grant process so they can have reasonably priced rents so that can hasten the process, but it also has created a couple of delays because people are wanting to go out and apply for the funds and the problem is you can't apply retroactively.

Mayor Kendrick: Kim, do we have any information at all, such as Sea Mist and some these others that were tore up and not totally destroyed, are they still fighting the insurance companies or do they not have the capital to do the repairs. We've never gotten a breakdown of what each individual's totals are.

Diane: I have my offices calling each one and getting that.

Commissioner Casterline: I know a contractor at Sea Mist recently that were contacted to run a job just in the last week.

More discussion was had involving workers and housing issues, pay scales needed to support workers.

Kim: What all has to happen, getting back to the recovery process.

Mayor Wax: While I will agree with what all has been said about workforce/housing, this is not a strategy, it is an objective within a strategy and I think what we really need to focus on are the settings and priorities of the strategies that are listed here because workforce/housing, housing period and workforce/housing in particular, contributes directly to each of them regardless of whether its venues, attractions, businesses, schools, any of that, you'll need that but that's an objective within a strategy. My suggestion is that, number one we need to rebuild local attractions and venues for two reasons: 1) it offers opportunities for guests and our citizens to reclaim what Rockport used to be; 2) it offers employment opportunities for the people who are here as well as employment opportunities for those who are returning, because the people who are going to invest in the workforce/housing especially if we want to participate in the grant program, if they start today we are not going to have housing at the end of the year, so in my order it would be: 1)Rebuild local attractions and venues; 2)Solidify and Advance the Rockport Harborfront Boardwalk & Cultural Arts District; and 3) Diversify the Economy; But that doesn't have action steps until we examine what expanse to the economy and what areas because that then ties back into training, the houses, the schools, and a bunch of other things.

There was more discussion and the group agreed on:

- 1) Rebuild and Build New Local Attractions & Venues & as a subset of that we are going to consider our Hotels & Restaurants as a Venue and still as part of number one, we are going to combine Rockport and Fulton because basically this is the same bold statements there just happens to be some different action items for each in order to execute them.
- 2) Diversify our Economy, we will work on reordering this a little bit and put the most emphasis on the workforce attraction and development, plus what can we do to get the workforce housing built back and I want to emphasize even better because we can do even better than what we had before.
- 3) Enhance Marketing and Promotion program.

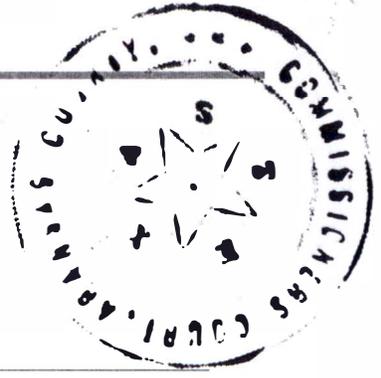
Kim: After we adopt this plan, it's going to be really important to talk about how we are going to work together to make this happen Jurisdictional. The thing about it is there has to be a Chair Leader, if we don't come together, it's going to fall by the wayside.

(Inserts)

No action was taken, the Court adjourned at 3:07 p.m. on a motion made by Commissioner Chaney and seconded by Commissioner Olsen.



LESLIE "BUBBA" CASTERLINE, COUNTY JUDGE PRO-TEM



VALERIE K. AMASON,
EX-OFFICIO CLERK OF THE
COMMISSIONERS' COURT