

**MINUTES OF THE INDUSTRIAL DEVELOPMENT CORPORATION
OF THE CITY OF GALVESTON
REGULAR MEETING - MAY 19, 2025**

5/19/2025 - Industrial Development Corporation Minutes

I. Declaration Of A Quorum

Mayor Brown declared a quorum and called the meeting to order at 9:00 a.m.

II. Roll Call

Present: Board Member Craig Brown (Mayor); Board Member Marie Robb (Mayor Pro Tem); Board Member Sharon Lewis (City Council); Board Member Alex Porretto (City Council); Board Member Keith Basset (Galveston Chamber of Commerce); and Bill Coltzer (Galveston Economic Development Partnership).

Absent: Jason Hardcastle (Park Board of Trustees).

III. Conflict of Interest Declaration

No conflicts of interests were declared.

IV. Consider Approval Of Meeting Minutes

IV.A April 1, 2025 Meeting Minutes

Board Member Porretto made a motion to approve the April 1, 2025 meeting minutes, with Board Member Brown seconding the motion. The motion passed 5-0; Board Member Robb was not in the room for the vote.

V. Public Comment On Agenda Items

There were no public comments on agenda items.

VI. Public Hearings - ED Silo

VI.A Public Hearing and Potential Changes to the Economic Development Agreement between the City of Galveston and the Industrial Development Corporation for additional funding for the City of Galveston's Local Share Funding Requirement for the Pelican Island Bridge Replacement Project, in

the amount of \$2,000,000.

The public hearing was opened and closed at 9:02 a.m. No comments were received for this agenda item.

VII. Beach Silo - Financial Forecast and Project Consideration

Coastal Resources Manager Kyle Clark presented current and potential beach projects, including:

VII.A Update on Financial Forecast – Beach Silo, 5-Year Funding Plan (B. Cook)

Assistant City Manager Brandon Cook discussed with the board an update on the Financial Forecast - Beach Silo, 5-Year Funding Plan.

VII.B Discuss and Give Staff Direction on current and potential Beach projects (K. Clark)

Coastal Resources Manager Kyle Clark discussed with the board an update on current and upcoming beach silo projects, specifically those on the West End:

1. West End Beach Nourishment Projects

- **USACE Project (CAP 204):**
 - Beach nourishment using dredged sand from the Houston Ship Channel.
 - Focused on ~2 miles of the West End (near Spanish Grant).
 - Funded by a \$10M USACE contribution and a \$10M GLO grant for additional costs; this is not an IDC-funded project.
 - Project start anticipated in August–September 2025.
- **Park Board Project (8–13 Mile Road):**
 - Led by Park Board and GLO.
 - Awaiting regulatory and sand source permits.
 - Engineering plans expected to be ~90% complete by June.
 - Will follow the CAP 4 project in the same region (~5 miles nourished total).

2. Future Projects & Maintenance Needs

- **Additional Projects:**
 - Park Board working on Dellanera Breakwater improvements.
 - Regulatory permit amendments in progress for dune and beach restoration/nourishment projects along Seawall and west of Seawall to San Luis Pass.
- **Pirates Beach Drainage Engineering and Design:**
 - \$5M GLO “Project of Special Merit” grant proposal to improve stormwater flow and reduce erosion

- **New Beach Erosion and Remediation Crew Proposal:**

- Suggested forming a dedicated crew for sand cleanup and beach access maintenance (especially on the West End).
- Rationale: Public Works is overstretched; frequent sand buildup after high tide/storms.
- Could reduce erosion, improve access, and reuse displaced beach sand.

3. Funding & Legal Concerns

- **IDC Beach Silo Use:**

- Discussion on whether the new crew qualifies under IDC's "beach silo" use.
- Need for a legal opinion to clarify eligibility, especially around:
 - Routine maintenance vs. storm recovery
 - Use of IDC funds for personnel and equipment
 - Definitions in the original sales tax authorization language

- **Operational Details:**

- Proposal includes using vacant positions under a hiring freeze.
- Staff would be billed against beach silo only when doing beach-specific work.
- Estimated cost for new survey work on nourished beaches: ~\$60K/year.

4. Next Steps

- **Legal Review:**

- Outside legal counsel to confirm if the crew/equipment costs qualify under beach silo funding.
- Include review of equipment purchase rules across funding categories.

- **Next IDC Meeting:**

- Expected formalization of the beach maintenance crew proposal.
- Presentation of legal opinion and updated budget considerations.

VIII. Administrative Matters

VIII.A Discuss And Receive Update On Expenses, Available Funds, Forecasts And Investments.

Assistant City Manager Brandon Cook reported that March sales tax receipts totaled \$3 million, marking a 12.87% increase over March 2024. The year-to-date total is \$14.61 million, up 7.31% from the previous year.

VIII.B Discuss and Consider Approving a Resolution Amending the Total Operating Budget for the City of Galveston Industrial Development Corporation for fiscal

year ending September 30, 2025, increasing various budget accounts in the amount of One Million, Three Hundred Sixty- Four Thousand, Five Hundred Seventy-Five Dollars (\$1,364,575.00) to adjust and properly record expenses for debt service payments related to the 2024 Certificate of Obligation Bonds issued for the 14th Street and South Shore Drive Pump Station Project.

Board Member Brown made a motion to approve the Resolution amending the total operating budget in the amount of \$1,364,575.00 to adjust and properly record expenses for debt service payments related to the 2024 Certificate of Obligation Bonds issued for the 14th Street and South Shore Drive Pump Station Project, with Board Member Lewis seconding the motion. Unanimously approved by those present.

VIII.C Discuss and Consider annually accruing funds in the Parks Silo for Shield Park improvements (C. Brown/S.Lewis)

Board Member Porretto made a motion to move the amount accrued to \$100,000 at least for FY 2026 and continue reviewing numbers for estimated sales tax coming in, adjusting lower or higher for continual years, and directing staff to look at options to fund the entire \$1.2 million to fund the entire cost of remediation. Board Member Bassett seconded the motion. Unanimously approved by those present. Board Member Coltzer suggested bringing in a consultant to review and interpret the Shield Park report.

VIII.D Discuss and Consider annually accruing funds in the Economic Development Silo for Business Incentive Grants and developing a policy and program guidelines to administer such. (M. Robb/K. Bassett)

Board Member Porretto made a motion to increase the annual accrual of funds for the business incentive program in the Economic Development Silo from \$100,000 to \$250,000, with formal policy and program guidelines coming to the board in four months. Board Member Robb seconded the motion. Unanimously approved.

VIII.E Discuss and Consider Engaging Outside Legal Services to support City Staff (T.Fanning)

Assistant City Attorney Trevor Fanning discussed with the board two options for hiring outside legal counsel services to support City Staff with economic development issues, policy reviews, and specific legal questions. Further research will be conducted and staff will return with a recommendation at the next meeting.

VIII.F Discuss and Receive Update on Current or Completed IDC Projects (M. Hay)

Economic Development Coordinator Michele Hay reported that the Sandhill Crane Soccer Complex is at 90% completion. The complex is scheduled to open in June.

VIII.G Discuss and Receive Update FY25 Calendar. (M. Hay)

The next meeting will be held on June 17th at 8:00 a.m.

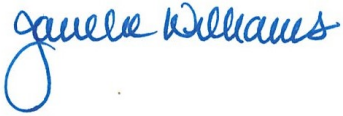
IX. Request Agenda Items For Future Meetings

Mayor Brown suggested that more individuals are needed for the concrete crews that are paid with IDC funds. He added that there is currently a nine-month waiting period for

sidewalk installation. The board requested an update at the next meeting.

X. Adjournment

The meeting was adjourned at 10:40 a.m.

A handwritten signature in blue ink that reads "Janelle Williams". The signature is written in a cursive style with a large, looping initial "J".

Janelle Williams, City Secretary

Date Approved: June 17, 2025