

**BALCONES HEIGHTS
ECONOMIC DEVELOPMENT CORPORATION**

Regular Meeting Agenda

April 13, 2023 at 3:00 p.m.

Balcones Heights Justice Center – City Council Chamber
3300 Hillcrest Drive, Balcones Heights, TX 78201

Corporation Board of Directors

Ken Raymie, Director/Chair

Gloria Cantu, Director/Vice Chair

Suzanne de Leon, Director

Madeline Slay, Director

Miguel Valverde, Director

Daniel P. Martinez, Director

Matt Arnett, Director

**NOTICE IS HEREBY GIVEN THAT THE ABOVE CALLED SPECIAL MEETING OF
THE ECONOMIC DEVELOPMENT CORPORATION, TYPE B TO CONSIDER AND
ACT UPON ANY LAWFUL SUBJECT WHICH MAY COME BEFORE SAID
MEETING, INCLUDING, AMONG OTHERS, THE FOLLOWING ITEMS TO BE
DISCUSSED AND ACTED UPON**

NOTE: Notice is hereby given that there may be a quorum of The City of Balcones Heights City Council Members. There will be no formal action taken by city council members.

CALL TO ORDER AND RECORDING OF QUORUM:

PUBLIC COMMENT PERIOD:

CORPORATION BUSINESS ITEMS:

1. **REVIEW AND APPROVAL** of minutes for the regular meeting held March 9, 2023
2. **FINANCE REPORT and DISCUSSION** regarding future financial reports. (Floyd Messick, Treasurer)
3. **UPDATE** from Wonderland of the Americas (WOTA) on the following items:
 - New tenants, tenant relocations, business closings
 - Management/Staff changes
 - Interior signage compliance
 - Implementation of special event/vendor fees
 - Elevator/Hoistway, Escalator Repairs
 - Amphitheater Fountain Repair

(Sid Weiss, Managing Partner; Denise Bush, General Manager, WOTA)

EXECUTIVE SESSION:

4. Discussion pursuant to §551.072. DELIBERATION REGARDING REAL PROPERTY; of the Texas Government Code, regarding Wonderland of the Americas. (A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property.)
 - a) New Tenant Lease Analysis
 - b) WSS Lease Review
 - c) 1st Quarter Financial Report
 - d) Cash Flow Recap
 - e) Audit Report

- f) Projected Cash Distributions
- g) Falcon Bank Term Sheets
- h) Financial Projections

RE-CONVENE IN OPEN SESSION:

- 5. **DISCUSSION and POSSIBLE ACTION** on items discussed in Executive Session.
- 6. **DISCUSSION and POSSIBLE ACTION** regarding the potential sublease by the City of B-61 to Spirit Halloween from July 1, 2023 through November 6, 2023.
(Lorenzo Nastasi, Executive Director, BH EDC)

EXECUTIVE SESSION:

- 7. Discussion pursuant to §551.072. **DELIBERATION REGARDING REAL PROPERTY;** of the Texas Government Code, regarding Wonderland of the Americas. (A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property.)
 - a) Reporting Processes and Procedures
 - b) Update on discussions with Truist Bank

RE-CONVENE IN OPEN SESSION:

- 8. **DISCUSSION and POSSIBLE ACTION** on items discussed in Executive Session.
- 9. **DISCUSSION** regarding the EDC's role in achieving the City's Strategic Plan and Vision.
(Lorenzo Nastasi, Executive Director)
- 10. **UPDATE** from Executive Director Lorenzo Nastasi.
- 11. Future Agenda Items
- 12. Announcements
- 13. Adjournment

Balcones Heights Economic Development Corporation, Type B

DELIA R. SANCHEZ
City Secretary

The Balcones Heights Economic Development Corporation, Type B reserves the right to adjourn into **executive session** at any time to discuss any of the matters listed above, as authorized by Texas Government Code § 551.071 (Consultation with Attorney) § 551.072 (Deliberations about Real Property) § 551.073 (Deliberations about Gifts and Donations) § 551.074 (Personnel Matters) § 551.076 (Deliberations about Security Devices), and § 551.086 (Economic Development)

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted on the bulletin board, at the Justice Center / City Hall of Balcones Heights, Texas, in a place convenient and readily accessible to the general public at all times, and said Notice was posted on the following date and time: **April 7, 2023 at 10:00 a.m.** and remained so posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

BALCONES HEIGHTS ECONOMIC DEVELOPMENT CORPORATION, TYPE B
REGULAR MEETING MINUTES
3300 Hillcrest Drive
Balcones Heights, TX 78201

DATE: March 9, 2023

TIME: 3:00 p.m.

Members Present: Ken Raymie Gloria Cantu Suzanne de Leon
Madeline Slay Daniel P. Martinez Miguel Valverde (3:02 p.m.)

Members Absent:

Sign In Sheet: Oscar Montemayor

CALL TO ORDER AND RECORDING OF QUORUM:

Meeting was called to order and quorum was present.

PUBLIC COMMENT PERIOD:

There were no citizens signed up to be heard.

CORPORATION BUSINESS ITEMS:

1. **REVIEW AND APPROVAL** of minutes for the regular meeting held February 15, 2023.

MOTION: I make a motion that we approve the minutes of the meeting dated February 15, 2023.

Motion by: Gloria Cantu Seconded: Suzanne de Leon 6/0/0 PASSED

2. **UPDATE** on the installation of the Elevator/Hoistway installation at Wonderland of the Americas (Denise Bush, General Manager, Wonderland of the Americas-WOTA).

- Waiting for drawings

3. **UPDATE** from Wonderland of the Americas on the following:

- Tenant relocations, new business openings/business closures
 - Management/staff changes
 - Implementation of special event/vendor fees
 - Signage compliance
(Denise Bush, General Manager, WOTA)
- One tenant moved from little shops to A-49
 - Temporary Vendor fees discussions on-going

- Updated sign requirements for leases

The chair called to go into Executive Session at 3:03 p.m. to address Item # 7 prior to Item #4.

4. **DISCUSSION and POSSIBLE ACTION** regarding the potential sub-lease of Space B-61 in Wonderland of the Americas to host a one-day special event on April 29, 2023. (Lorenzo Nastasi)

- Contingency plan to lease Stein Mart space or B-61

MOTION: I would like to make a motion to approve the lease as a contingency space in Stein Mart if available or B-61.

Motion by: Suzanne de Leon Seconded: Gloria Cantu 6/0/0 PASSED

5. Discussion regarding security and public safety at Wonderland of the Americas. (Chief John Jahanara, Lorenzo Nastasi)

- Update on tenant meeting regarding security at Wonderland of the Americas attended by Police Chief Jahanara and Fire Chief Marroquin

6. **FINANCIAL REPORT** (Floyd Messick, Treasurer)

- 2nd of 4 loan payment recorded

EXECUTIVE SESSION: 3:03 p.m.

7. Discussion pursuant to §551.072 of the Texas Government Code. DELIBERATION REGARDING REAL PROPERTY; (A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.) Regarding Wonderland of the Americas:

- a) New tenant lease negotiations
- b) Property Finances
- c) Budget Review
- d) Partnership Agreement
- e) Planning

RE-CONVENE IN OPEN SESSION: 4:25 p.m.

8. **DISCUSSION and POSSIBLE ACTION** on items discussed in Executive Session.

MOTION: Board to approve the lease pending final approval through Lorenzo, EDC, and Council if needed for the UT Health Science Center expansion on the lease.

Motion by: Daniel Martinez Seconded: Gloria Cantu 5/0/0 PASSED

Item #4 was addressed after Item #8.

9. **UPDATE** from Executive Director Lorenzo Nastasi.

- Proposing new EDC member at Council Meeting
- Met with Burritozilla group (First expansion out of San Jose)

10. **DISCUSSION** regarding the City's Strategic Plan and vision and the role of the EDC in elements of that plan. (Lorenzo Nastasi)

- Slide Presentation
- Q&A

11. **DISCUSSION** regarding options for the Amphitheater reflecting pool at Wonderland of the Americas. (Lorenzo Nastasi, Madeline Slay)

- Dance Floor
- Plaza with water feature
- Slabs with greenery

12. Future Agenda Item Suggestions

13. Announcements

- Kudos to new EDC Chair

14. Adjournment

Chair Ken Raymie adjourned the meeting at 5:02 p.m.

Submitted by:

Delia R. Sanchez
City Secretary

April 6, 2023

RE: BH EDC MEETING: April 13, 2023, 3:00 PM, BH Justice Center

BACKGROUND BRIEF

TO: EDC Board Members
Gilbert Perales, Interim City Administrator
Delia Sanchez, EDEC Board Secretary
Floyd Messick, EDC Treasurer
Mary Spence, Community Relations Manager

FM: Lorenzo Nastasi, Executive Director, EDC

This month's EDC Board Brief is a bit different from past briefs.

In several instances I am now providing additional background information to help guide and facilitate board discussion and questions. I hope you find this helpful.

Agenda Item 3: Update from Wonderland of the America:

- **New tenants, business closing etc.**: what is relevant here is that there has been a reluctance by WOTA management to share news of new businesses opening, and of businesses closing with EDC. Despite the fact that City Council and EDC members are likely to be asked questions, not knowing even a basic answer is awkward and embarrassing. Another aspect of this is that business openings are not announced specifically to tenants, including Springhill Suites. This has been a long-standing deficiency and is a basic component of marketing.
- **Interior Signage Compliance:** I am providing the email below to give Board members context as to why this continues to be an issue.

From: Lorenzo <lorenzo@reachfortheheights.org>

Sent: Thursday, March 16, 2023 2:47 PM

To: Denise Bush (dbush@wonderlandamericas.com) <dbush@wonderlandamericas.com>

Cc: Sid Weiss <sid@scwinterests.com>

Subject: Signage inside WOTA

As you read the following, please keep one thing in mind:

WOTA is a reflection of the City; not merely a reflection of "silent, anonymous" partners. Months ago the EDC Board raised questions regarding the varying styles and types of interior signage of WOTA tenants. Each of the Board members had walked the property and saw the signs first-hand.

In various updates to the Board, it was explained that as current leases expired, signage updates would be incorporated into new leases. The intent being that some objective, standard criteria would be created that would help create a professional, consistent look throughout the property. That certainly seemed reasonable at the time. *(continued on next page)*

(continued from previous page):

What does not seem reasonable is that several new tenants have opened and the signage is either questionable or non-existent. **The corner deli on the lower level has no signage and is brand new.** The Coffee Corner signage is painted on, not necessarily bad, but not consistent with the more professional signage of Image Ave, Ross, Pacoy's.

The Cell Center is yet another example The hodge podge of signage, (no credit necessary) the phone number on the ceiling sign placard, and the crumpled "will be back later" paper stuck in the door; really this is the image we wish to project?

How is this happening, not once, but repeatedly?

SID's reply to this email, March 16, 2023:

"Will review your very valid comments with Denise and Victoria"

- **Special Event Organizers/Vendor Fees:**

Discussions continue with WOTA staff regarding this topic. Presenting special events incurs costs to WOTA, including the time of the WOTA Marketing Director, maintenance, housekeeping, security, utilities, etc. WOTA retail tenants pay rent 24/7, 12 months a year. Why allow outside vendors with the opportunity to retail products on property yet not paying anything to do so, while creating costs to WOTA, and no real evidence the special events are generating sales for retail tenants, and sales tax to the City.

- **Elevator/Hoistway, escalator repairs:**

At the onset of this conversation EDC was told that University Health required an elevator be installed on the south end of WOTA as a condition of a long-term lease renewal. Over the past twelve months, the EDC has been told of various bids, a change in University Health's elevator requirement and the term of its lease renewal.

Definitive updates are necessary.

Did University Health eliminate the elevator requirement from its lease renewal?

What is the length of the University Health lease renewal; when to when?

Is the additional elevator going to be installed? When?

At what cost, and is it budgeted at this time?

If not, why not?

- **Amphitheater Fountain Repair:**

Due to equipment malfunctions and other issues, the reflecting pool is not filled except for very specific events, Jazz Festival, for example. It is empty and an eyesore most every day. A solution was offered by the suggestion of exploring a dance floor be installed over the fountain. WOTA management engaged its architect to begin a plan. This initial action cost more than \$2,000. Board member Madeline Slay offered some alternative options in discussion with staff. Any further discussion and or expenditures were put on hold.

These are the questions that must ultimately be answered:

Can the fountain be repaired?

If the answer is still pending, when will there be a definitive answer?

If the answer is yes, how, when, and at what cost? Budgeted?

Agenda Item 6: Short-term Sublease of B-61 to Sprit Halloween:

Last year the City agreed to this sublease from July 15, 2022 – November 12, 2022.

Spirit Halloween paid a total of \$39,000 for the entire term of the sublease, in addition to paying for its electricity usage directly to CPS, and providing a Certificate of Insurance. The City Attorney reviewed the lease provided by Spirit Halloween and then City Council voted on it.

This year Spirit Halloween has requested to short-term lease B-61 again.

The term requested is July 1, 2023 through November 6, 2023.

There are a couple of discussion items here:

1. The status of B-61 under the City's possession based on ongoing discussions with Truist Bank. This will be discussed in more detail in Executive Session.
2. If the Board chooses to recommend that the City approve this short-term sublease, at what cost does the Board recommend?

Agenda Item 7: EDC's role in the City's Strategic Plan and Vision:

During the February 2023 Board meeting staff presented an overview of the City's Strategic Plan. There was discussion about relevant aspects of the plan and the EDC's role in helping achieve those strategic goals. Board members were sent the presentation and asked to review it, formulate questions, and generate ideas. There was discussion of this again during the March 15, 2023 EDC Board meeting.

At this meeting we will review the "points to ponder" section of the presentation to prompt discussion.

Financial Report - March 2023

Account	Description	FY 2021-22 Actual	FY 2022-23 Approved	As of 31-Mar-23	50% of Budget	Prior Year 31-Mar-22
Economic Development Corporation						
<i>Fund Balance</i>						
Beginning Fund Balance			4,979,029	4,979,029		
Revenues			750,000	-		
Expenses			(750,000)	(206,931)		
Revenue/Expense			-	(206,931)		
Estimated Ending Fund Balance			4,979,029	4,772,098		
<i>Revenues</i>						
31-310-100	TRANSFER IN ECONOMIC INCENTIVE	-	-	-	0%	150,000
31-310-200	LOAN PROCEEDS WONDERLAND	5,400,000	-	-	0%	38,000
31-320-100	PARTNERSHIP DIVIDENDS	241,746	750,000	-	0%	25,747
31-370-000	OTHER REVENUES	39,000	-	-	0%	-
Total Revenue		5,680,746	750,000	-	0%	213,747
<i>Expenses</i>						
31-410-100	LEGAL SERVICES	27,000	36,000	-	0%	12,000
31-410-200	DEBT SERVICE - INTEREST	149,847	198,228	102,305	52%	47,418
31-410-210	DEBT SERVICE - PRINCIPLE	96,000	198,000	98,000	49%	-
31-410-400	LEASE	-	1	-	0%	-
31-410-410	TRIPLE NET	18,588	45,000	6,196	14%	-
31-410-435	PROFESSIONAL SERVICES	10,281	50,000	430	1%	46
31-410-450	CONTINGENCY	-	222,171	-	0%	-
31-410-478	UTILITIES - ELECTRIC	-	600	-	0%	-
31-490-691	DEBT ISSUANCE COSTS	400,000	-	-	0%	-
Total Expense		701,716	750,000	206,931	28%	59,464