

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Wednesday, April 15, 2026 at 6:00 PM at the Freeport Council Chamber located at 430 North Brazosport Blvd., Freeport Texas for the purpose of considering the following agenda items:

City Council: Mayor Jerry Cain
Councilman Jeff Pena
Councilman Jarvis Davis
Councilman George Matamoros
Councilman Winston Rossow

Staff: Danielle M Kelly, DPA, City Manager
Christopher Duncan, City Attorney
Clarisa Fernandez, City Secretary
Toby Cohen, IT Director
Corey Brinkman, Police Captain
Craig Graham, Police LT
Robert Johnson, EDC Director

Visitors: David McGinty Nicole Mireles
Sam Reyna

Call to Order:

Call to Order - Jerry Cain, Mayor

Mayor Cain called the special meeting of the Freeport City Council to order at 6:00P.M. on April 15, 2026, declaring a quorum was present.

Invocation - Councilman

Councilman Rossow led the Invocation.

Pledges - Pledge of Allegiance to the United States; Pledge of Allegiance to the State of Texas.

Councilman Rossow led the Pledge of Allegiance to the United States and the Pledge of Allegiance to the State of Texas.

Matters Subsequent to Posting.

City Manager Dr. Danielle Kelly stated that there were no matters subsequent to posting.

Audience Participation – Anyone who has registered to speak prior to the meeting being called to order and desires to address the City Council will be heard at this time, or during the discussion of an item listed on the agenda. These forms are located by the City Secretary. After completing the form, give it to the City Secretary. She will give it to the Mayor. The Mayor will call on you when that item is presented, once a motion has been made by Council then public participation will not be allowed. You will have four (4) minutes to make your comments regardless of the number of agenda items to be addressed.

No members of the public registered to speak during audience participation.

Business

First reading: Consideration and possible action approving Resolution No. 2026-3042 for an EDC Settlement Agreement.

Mayor Cain clarified that this was a first reading only, so no action would be taken. He noted that the matter involved ongoing litigation and that EDC attorneys were not present, so legal questions might need to wait until Monday's second reading when legal counsel would be available.

EDC Executive Director Robert Johnson presented the item, explaining that the proposed settlement agreement was intended to resolve long-standing disputes related to property reversion, foreclosure actions, and competing ownership interests across multiple lots within the Velasco town site. The agreement would consolidate obligations between the Freeport Economic Development Corporation, GLNL, and AMG into a single enforceable framework facilitating infrastructure completion and residential development. Mr. Johnson noted that the City Council had previously considered a version of this agreement at its February 17, 2026 meeting, after which council directed staff to pursue additional sureties and clarifications to strengthen accountability, ensure project completion, and improve enforceability. The revised agreement included several key provisions: infrastructure completion requirements for roadway and related improvements including North Avenue N and West Royer extensions according to city requirements and shared cost participation among the parties; residential development obligations for GLNL and AMG are each responsible for development of specific lots with construction complying with applicable codes; a project completion deadline requiring certificates of occupancy by December 31, 2027; liquidated damages of \$500 per day after a 10-day cure period for failure to meet deadlines; and limited force majeure extensions with strict notice requirements. The financial impact would divide costs as follows: the Freeport Economic Development Corporation would pay 50 percent for the road, AMG 25 percent, and GLNL 25 percent.

Councilman Matamoros asked EDC Director Robert Johnson to provide background on why a settlement was needed and why the EDC and the property owners were involved. Mr. Johnson explained that there were currently six houses to be built on property located off Skinner Street, with disputed ownership at the heart of the case. Brazoria County records showed Herman Torres from GLNL and Michael Holberman from AMG as owners. Part of the property was originally conveyed by an Urban Renewal Agency directly to the EDC, while some was city-owned. Michael Holberman had foreclosed on a loan, and both Mr. Torres and Mr. Holberman were current titleholders. The settlement would have the title revert back to the EDC as it was in 2018, which aligned with the lawsuit filed by Chris Duncan. Mr. Johnson noted that the city was not a party to the lawsuit, and Mr. Duncan's lawsuit did not request the property go back to the city. Attorney Brad Ireland, representing Holberman's AMG, had filed an intervention claiming the EDC's actions were improper due to unclear deed language and development agreement requirements. He noted that Mr. Duncan's position is that the reverter clause did not need to be filed in the property records, while opposing parties dispute this interpretation and argue that such filing was required, creating uncertainty around the issue. Mr. Johnson further explained that the reverter clause governs the conditions under which the property would revert back and raised the question of whether that clause would take precedence over any mortgage interests.

City Attorney Christopher Duncan provided clarification on several points EDC Director Robert Johnson had made. Mr. Duncan explained that half the lots had belonged to urban redevelopment and half were owned by the city, with the city passing a resolution to deed those lots to the EDC. The resolution specifically stated the property would revert back to the city if the project failed. Mr. Duncan addressed the

requirement to file contracts with property records, explaining that most people understand from buying houses that while deeds and deeds of trust are filed to give notice of liens, promissory notes are not required to be filed. The deed from EDC contained the reversion clause, providing notice to anyone conducting basic title research. Mr. Duncan stated their claim was superior to subsequent lenders because they had filed first, and any basic title insurance review would have revealed the reversion clause.

EDC Robert Johnson clarified his prior remarks, addressing Mr. Duncan and noting that if he had misstated any facts. He explained that his intent was to state that on September 18, 2018, certain property was conveyed to the EDC from the Urban Development entity, while the City retained ownership of the remaining portion. He emphasized that he did not intend to imply that the EDC owned the entire property.

Councilman Davis asked about the resolution that supposedly said property would go back to the city. EDC Director Robert Johnson responded that if such language existed, it was an error, as the settlement agreement stated the property would revert back to the EDC as it was in 2018, which all parties had agreed to.

Councilman Pena expressed concern with prior statements suggesting that ownership of the property was not at issue, stating that he believed the City may have grounds to assert its ownership interest. He further noted that not all relevant parties were present at the meeting, including the full EDC Board and its legal counsel, while the City's attorney was in attendance for what he characterized as a hastily arranged special meeting driven by a lack of preparation. Councilman Pena questioned the proposed settlement agreement, referencing the original development agreement from several years prior, under which the developer was solely responsible for constructing the street infrastructure to required safety standards, including fire truck accessibility. He emphasized that these obligations were to be completed at the developer's expense and expressed concern over the shift in responsibility, whereby the City is now being asked to fund a portion of the costs. He highlighted that the project involves Freeport EDC funds, which are derived from taxpayer dollars and are intended to support responsible development. He questioned why the City is now considering covering 50 percent of the roadway costs, as well as additional expenses for expanded infrastructure, noting that earlier cost estimates did not account for utilities or long-term maintenance. He further criticized the developer and lenders, including AMG and GLNL, for failing to exercise due diligence, while also acknowledging prior shortcomings by the City and EDC in enforcing development requirements. Additionally, Councilman Pena raised concerns regarding the condition and viability of certain properties not associated with Mr. Torres, noting reports of mold and water damage, and requested inspection documentation to better understand potential liabilities. He emphasized the importance of reviewing these records before proceeding and cautioned against rushing into what he described as a potentially unfavorable agreement. Councilman Pena concluded by questioning the decision-making process behind revising the original terms to the developer's benefit and requested clarification on who authorized the shift in financial responsibility.

EDC Director Robert Johnson defended the settlement, explaining they were in litigation with a chance of losing the case. He provided cost comparisons showing the 2020 estimate was \$139,965 and the 2026 estimate was \$176,068, representing a 25.8 percent increase that closely matched cumulative inflation of 20-25 percent over the same period. Mr. Johnson stated the price increase was primarily due to inflation, with the actual cost only 1.1 percent higher than inflation-adjusted estimates.

Councilman Pena expressed strong concerns regarding the adequacy of due diligence performed in the matter, stating that he had little confidence in the negotiations and the process leading to the proposed agreement. He characterized the legal strategy as overly inclined toward settlement rather than litigation, suggesting that some counsel may prefer to settle rather than fully assert their legal position. Councilman Pena further stated that the decision to enter mediation appeared to stem from a reluctance to pursue litigation, which in his view resulted in the City now bearing 50 percent of roadway costs that were originally the responsibility of the developer. He reiterated that this shift represents the primary issue he has

with the agreement. He urged the EDC to reevaluate the terms of the agreement, emphasizing that despite the progress made, he believes the deal remains unfavorable. Councilman Pena stated his intent to vote against the agreement unless substantial revisions are made and emphasized his desire for the public to be aware of his concerns regarding the proposed settlement.

Councilman Davis asked whether the 2020 estimates were for concrete versus the current asphalt estimates, as this would affect cost comparisons. EDC Director Robert Johnson acknowledged he did not know the material specifications for the 2020 estimate but would try to provide that information.

Councilman Matamoros made a clarifying statement about attorney Christopher Duncan's removal from the EDC, stating it was due to an illegal contract signed by a president and the attorney that was never voted on.

Mayor Cain thanked EDC Director Robert Johnson for his presentation and noted that the second reading would occur on Monday with additional discussion and a vote.

Executive Session

The Council did not convene in Executive Session.

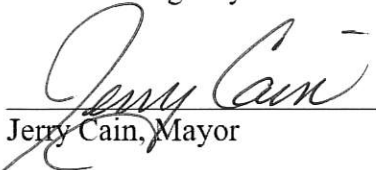
Reconvene into Open Session:

Take any action resulting from Executive Session.


Adjournment

Adjournment – Jerry Cain, Mayor

A motion was made by Councilman Matamoros to adjourn, seconded by Councilman Davis with all present and voting "Aye" 5-0. Mayor Cain adjourned the meeting at 6:38P.M.



Jerry Cain, Mayor



Clarisa Fernandez City Secretary