

Case Number **2021-016 Checklist**

1. Dickinson Economic Development Corporation; Board Member Joe Wilburn
2. Sean Christopher Skipworth, Mayor of Dickinson, Texas
 - a. 1061 Misty Cliff Drive Dickinson, TX 77539
 - b. (832) 720-2203
3. Not Applicable
4. Open Meetings Act Violation; Fraud
5. May 25, 2021 – Present
6. Unknown at this time
7. See Below
8. See Below
9. See Below
10. See Below
11. Not applicable
12. See Below
13. No statements at this time
14. I have not reported this matter to any other agencies
15. No, DEDC Executive Director Scott Jones is aware of the issues raised here.
16. No
17. Done
18. Done

Complainant:

Sean Christopher Skipworth

1061 Misty Cliff Drive Dickinson, TX 77539

(832) 720-2203

RE: Dickinson Economic Development Corporation Board Members Open Meetings Act Violation and Fraud; Joe Wilburn

Dates of Incidents: Approximately May 25, 2021 and ongoing

Summary of Offenses:

Joe Wilburn negotiated an agreement with a Bret Floyd, a restauranter, outside of his scope as a DEDC board member. After negotiating this agreement he violated the Open Meetings Act by creating a walking quorum of four board members to sell property below appraisal value without an economic impact report. Simultaneously, the DEDC was finalizing a performance agreement with REME to develop an approximately 19 acre tract of DEDC owned property in the vicinity of I45 and Water St. Joe Wilburn stated on multiple occasions, in the presence of witnesses, that he was separately negotiating with a restauranter in conflict with the DEDC's letter of intent with REME. On one of these occasions, Mr. Wilburn stated that "I have the four votes to sell this property" to the restauranter. Subsequently, DEDC Executive Director Scott Jones was presented with paperwork to place the property in question on the DEDC's agenda with the signatures of a majority of voting members of the DEDC. Minutes after a meeting between Daniel Blanco of REME and the restauranter, Joe Wilburn called Daniel Blanco and threatened him saying, "if you do not sign an agreement with Bret Floyd, city council (which must ratify any EDC development deal) will not approve" your performance agreement.

Details of Offenses:

City Council was provided with city policy detailing the process for appointments to city boards and committees on May 11th of 2021. At the next regular meeting on May 25th, Councilman Deats proposed the appointment of Joe Wilburn to a long vacant position on the DEDC. Myself, Councilman Wilson, and Councilman King objected to this sudden appointment that came in opposition to an appointment timeline that was set forth in the May 11th policy and to prior council discussions. During a consultation with attorney during this meeting, David Olson stated that these appointments were a violation of this policy, but that it was council's prerogative to proceed if they so chose. Mr. Wilburn's appointment to the DEDC was confirmed at this meeting with myself, Councilman Wilson, and Councilman King standing in opposition.

Approximately two weeks ago, with the performance agreement between DEDC and REME in the final stages of negotiation, DEDC Member Bill Schick spoke to DEDC Executive Director Scott Jones and stated that he and unnamed members of council had negotiated a deal with Texas City to build a park on a parcel of land that is a part of these negotiations. Subsequent inquiry with Texas City officials revealed that no such negotiation had taken place. This was the first sign that outside negotiations on the part of DEDC board members were being contemplated. On August 2nd, I sent an email to city council, the city manager, and our city attorney expressing my concerns with potential outside negotiations. I asked that any members of council involved in such negotiations brief all of city council at the next regular meeting.

No such briefing occurred, however on Friday, August 6th Councilman Deats indicated to the City Manager Theo Melancon that “the community development department” is to blame for this deal falling apart with REME. However, the community development department had only been engaged in this project for purposes of zoning.

Up until this point, the substantive terms of the performance agreement had been established, with the DEDC’s and REME attorney’s finalizing language. Last Thursday, Scott Jones met with Joe Wilburn, at his request, where he proposed selling a portion of the property in question to Mr. Floyd for less than market price. Following that meeting, Daniel Blanco of REME agreed to meet with Mr. Floyd the following week to discuss potential site development.

On Monday, August 9th, Councilman Deats met with City Manager Theo Melancon and stated that we have been working on this performance agreement for two years and we have someone ready to “turn dirt now” and “to build a restaurant in 12 months.” He further stated that “we need to do whatever it takes” to carve out the piece of property in question for this proposed development.

The next day, Tuesday, August 10th, DEDC Executive Director Scott Jones was presented with an agenda request via email to sell this same parcel of property. The email included attachments bearing the signatures of four (a majority) of DEDC members supporting this added agenda item.

Also on Tuesday, August 10th, during consultation with attorney during the regular Dickinson City Council meeting, I expressed my concerns about the attempts on behalf of unnamed council and EDC members to “blow up” this deal at the last moment and undercut a developer the DEDC had negotiated in good faith with for over a year. During that attorney consultation Councilman Deats stated that Joe Wilburn had “already negotiated” the deal with Mr. Floyd and is ready to begin construction immediately. He stated his impatience with Daniel Blanco’s lack of progress. I countered that REME could not begin construction without a signed development agreement and that approving the agreement would allow us to proceed.

Following the end of the August 10th city council meeting, Joe Wilburn asked to speak with City Manager Theo Melancon privately. During their discussion, Mr. Wilburn stated that he had a long-time relationship spanning over five years with Bret Floyd, owner of Floyd’s Restaurant chain. Joe stated that he and Mr. Floyd tried to purchase the property in question five years ago but a deal did not work out. He stated he was in discussions with Council Members and DEDC members that they wanted to quickly turn dirt on development. It was at this point that Joe volunteered to reach out to Mr. Floyd about reviving the old deal they had from five years ago. He and Mr. Floyd came to an agreement to purchase over 4 acres of property at \$2.50 per square foot, which is nearly half the appraised value of the property. Mr. Wilburn stated that he had four votes to sell the property to Mr. Floyd at that price, but Scott Jones and President Donley is trying to block them from placing it on the agenda. At this time, City Manager informed Joe Wilburn that a vote of the Council is required to approve such an agreement anyways and that he wouldn’t have enough votes to approve this land sale without Daniel Blanco’s agreement.

On August 11th, Scott Jones sent an email to City Manager Theo Melancon and myself informing us that the DEDC’s attorney had advised Scott Jones to warn the DEDC members of their violation of the Open Meetings Act. It was at this time that the City Manager was provided by Scott Jones a print out copy of the email sent by Kevin Edmonds to all DEDC board members and copies of signatures from the four

DEDC board members requesting the sale of land in question to be placed on the agenda [DEDC is a seven member board, therefore four members constitute a quorum/voting majority].

Confronted with this information, the City Manager requested that Scott Jones contact three members of his board to be a part of a discussion with three members of City Council to come to an understanding about how we devolved into this situation. Scott Jones invited Kevin Edmonds, Bill Schick, and Matt Sabatier. Theo Melancon invited Louis Decker, Scott Shrader, and myself. Scott Shrader requested that Matt Sabatier be replaced by Joe Wilburn. Theo informed Scott of this request, and Joe was invited.

The meeting occurred on Wednesday August 11th from 4:00 to 6:00 P.M. The attendees of this meeting were as follows:

Scott Shrader (City Council)

Louis Decker (City Council)

Joe Wilburn (DEDC Board)

Kevin Edmonds (DEDC Board)

Bill Schick (DEDC Board)

Theo Melancon (City Manager)

Scott Jones (DEDC Executive Director)

Myself (City Council)

During the meeting, Joe Wilburn stated that he had negotiated his deal with Bret Floyd for "\$2.50 per square foot" and indicated that this was a better deal than five years ago because they were going to buy the same property for \$2.00 per square foot. He also said that Mr. Floyd will have the restaurant open within 12 months. He also stated that there could be a water taxi service on the bayou with an operations station at Floyd's. This is an idea that has been discussed by Mr. Wilburn in the past as a business venture and a campaign plank in 2017. Coincidentally, Mr. Wilburn owns property that he has stated could be used for the water taxi service. In this meeting, City Manager stated that we need to be more mindful of governance. Scott Jones stated that DEDC cannot sell the property at under appraised market value without an Economic Impact report. When questioned by the City Manager if he had an economic impact report or performance agreement, Mr. Wilburn stated that he did not. Scott Jones said that selling the property in this fashion is illegal. Kevin Edmonds asked by what authority is it illegal, to which Scott Jones said "It is state law."

City Manager stated that it would be foolish to dismantle a well thought out performance agreement as he has been presented to sell property without the economic impact report being done on a smaller restaurant development. He also stated that without a performance agreement, there is nothing stopping Mr. Floyd from demanding to pay less than the \$2.50 per square foot price Mr. Wilburn and he agreed to after REME walks away from the table.

Before leaving the meeting, Joe Wilburn specifically stated that he would not reach out to or contact either REME or Mr. Floyd so that they could try to negotiate an agreement without political interference.

On Thursday August 12th, Scott Jones called City Manager Theo Melancon and told him that Daniel Blanco of REME informed him that Joe Wilburn threatened Daniel that if Daniel and Bret Floyd did not sign an agreement to sell Mr. Floyd land that day, then Daniel's performance agreement would not be passed by the City Council. When City Manager informed me of this conversation, I called Daniel Blanco for confirmation of this, to which Mr. Blanco confirmed this stating that Joe told him that he will not get a development agreement unless he signed a contract of sale that day.

Index of Documents:

A) August 2, 2021 email to all of Council about concerns about OMA violations.

B) August 11-12 email exchange with City Manager stating OMA concerns about Council and EDC

C) Packet given to City Manager Theo Melancon by Economic Development Director Scott Jones including email to all DEDC board members by Kevin Edmonds and signatures of four board members (a voting majority) requesting a meeting to sell land in question

D) Text message sent by Scott Jones (intended for Theo Melancon, but sent to me by mistake) highlighting conversations with board members concerning outside negotiations.

List of Witnesses:

City Manager Theo Melancon (281) 212-7141

DEDC Executive Director Scott Jones (469) 261-9770

REME Developer Daniel Blanco (409) 739-7689

City Council Walter Wilson (409) 939-6290

City Council William King (832) 276-4673

EDC President Robert Donley (832) 434-3444

EDC Vice President Jesse Brantley (409) 218-8170

Skipworth, Sean (MAYOR)

From: Skipworth, Sean (MAYOR)
Sent: Monday, August 2, 2021 6:10 PM
To: City Council
Cc: Melancon, Theo (City Manager); David Olson (City Attorney)
Subject: Councilmembers Discussion with Texas City Concerning EDC Property

Good evening,

I understand that members of council have been in discussion with members of our EDC and officials from Texas City about converting a portion of the EDC property around Water St into a park.

I would ask that these members brief the rest of council, the city manager, and our attorney at our next council meeting.

Sean Skipworth

Mayor

City of Dickinson

4403 Hwy. 3

Dickinson, TX 77539

Phone: [281-337-6202](tel:281-337-6202)

Cell: [832-720-2203](tel:832-720-2203)

Fax: [281-337-6190](tel:281-337-6190)

<http://www.ci.dickinson.tx.us/>



Skipworth, Sean (MAYOR)

From: Melancon, Theo (City Manager)
Sent: Thursday, August 12, 2021 5:47 AM
To: Skipworth, Sean (MAYOR)
Subject: Re: Walking Quorum Concern

Yes sir.

I will request an educational workshop be conducted by our law firm discussing these and other issues.

I would also suggest hiring Ron Cox as a consultant to discuss the role of City Manager, EDCs, and how to promote healthy relations.

Theo

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From: Skipworth, Sean (MAYOR) <sstripworth@ci.dickinson.tx.us>
Sent: Wednesday, August 11, 2021 11:51:24 PM
To: Melancon, Theo (City Manager) <tmelancon@ci.dickinson.tx.us>
Subject: Walking Quorum Concern

Good evening,

This was discussed during Tuesday's executive session, but I would like to state in writing that I am very concerned about what I feel are likely, or at least potential, violations of the open meetings by members of council and/or by members of the EDC.

My understanding is that four members of the EDC have all but indicated as much by all submitting identical agenda requests generated by a single member.

I am especially concerned that these potential violations revolve around a multi-million dollar development deal where a member of our EDC may have a potential conflict of interest. I appreciate your recent efforts to address this with our EDC during today's meeting.

As we discussed last night, I am requesting that we develop some plan of action to educate and prevent future violations. Please consult with David Olsen as necessary to facilitate this. We can follow up on this issue soon.

Sean Skipworth
Mayor
City of Dickinson
4403 Hwy. 3
Dickinson, TX 77539
Phone: [281-337-6202](tel:281-337-6202)
Cell: [832-720-2203](tel:832-720-2203)
Fax: [281-337-6190](tel:281-337-6190)
<http://www.ci.dickinson.tx.us/>



From: Melancon, Theo (City Manager) <tmelancon@ci.dickinson.tx.us>
Sent: Wednesday, August 11, 2021 8:08:08 AM
To: Jones, Scott (DEDC) <sjones@ci.dickinson.tx.us>
Cc: Bascle, Kerilyn (Director of Human Resources) <kbascle@ci.dickinson.tx.us>; Skipworth, Sean (MAYOR) <sskipworth@ci.dickinson.tx.us>
Subject: FW:

A Request to place an item on the agenda for DEDC

From: Bill Schick <tejasbuilderssupply@aol.com>
Sent: Wednesday, August 11, 2021 8:03 AM
To: Dickinson Economic Development Corp <DEDC@ci.dickinson.tx.us>
Subject:

08/10/2021

Mr Secretary,

It is requested the below listed item be included in the posting for consideration of the August 16th 2021, agenda of the Dickinson Economic Development Corporation regular meeting.

1.) CONSIDERATION AND POSSIBLE ACTION CONCERNING: Authorizing the Chief Executive Officer and/or President of the Dickinson Economic Development Corporation to negotiate terms and conditions of a Real Estate contract for the purpose of sale, a portion of the waterfront property located within ABST 19, Lot 2, ACRES 4.1386 situated in Dickinson, Custer County, Texas, to Coastline Development, Inc. requested by the purchaser.

Robert Donley

Jessie Brantley

Kevin Edmonds

Bill Schick

Bill Schick

Joe Wilburn

Chad Rankin

Matt Sabatier

Sent from my iPhone

Economic Development (DEDC)

From: Edmonds, Kevin (DEDC)
Sent: Tuesday, August 10, 2021 12:43 PM
To: Matt Sabatier; Robert Donley; Jessie Brantley; Wilburn, Joe (DEDC); Schick, B (DEDC Board); Chad Rankin
Cc: Jones, Scott (DEDC); Economic Development (DEDC)
Subject: Agenda ITEM Request - Water Street / I45 South
Attachments: DEDC - Regular Meeting Agenda Item Request (08-10-2021).docx

All,

Please see the attached item requested to be placed on the August 16th agenda.

If you have time, could you please provide your signature to ensure discussion of this item at our next regular meeting.

Scott & Tracie, If you can have this available at the front desk for signatures today, it would be greatly appreciated.



08/10/2021

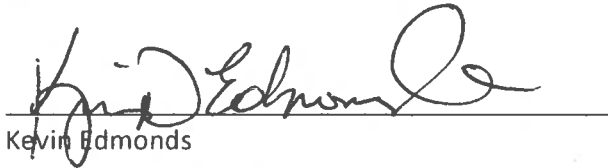
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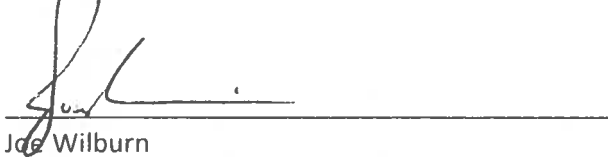
Robert Donley

Jessie Brantley



Kevin Edmonds

Bill Schick



Joe Wilburn

Chad Rankin



Matt Sabatier

All, this may need to be an item initially discussed in executive session in order work out the intent of direction and action to be taken in open meeting.

08/10/2021

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- 1) **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Authorizing the Chief Executive Officer and/or President of the Dickinson Economic Development Corporation to negotiate terms and conditions of a Real Estate contract for the purpose of sale, a portion of the waterfront property located within ABST 19, Lot 2, ACRES 4.1386 situated in Dickinson, Galveston County, Texas, to Coastline Development, Inc. requested by the purchaser.

Robert Donley

Jessie Brantley

Kevin Edmonds

Bill Schick
Bill Schick

Joe Wilburn

Chad Rankin

Matt Sabatier

Sent from my iPhone

2:14

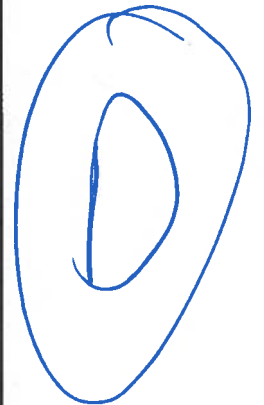


Scott >

Yep

Tuesday 7:44 PM

Theo, I checked with Daniel Blanco and our last binding LOI sunset was 7/1 (thus my delay this afternoon) and has not been extended because we're so close to documents passing he didn't see the need, but his oversight and if we want them to develop the 19+ acres Monday our Board will approve their Performance Agreement and incentives. But if the restaurant sites are pulled from the transaction it will absolutely 100% send he and his partners packing, no deal. Apparently, per my VP Jessie Brantley earlier today, Board Member Joe Wilburn is telling members and Council we don't need Daniel Blanco to do this development and he can develop this project himself. Except he has a little bit of a conflict. Thanks for your assistance.



iMessage



Apple Pay



STATE OF TEXAS

§

§

AFFIDAVIT

COUNTY OF GALVESTON

§

ATTENTION:

RE: Jennifer OTT Roth

CASE #: 2021-016

I CERTIFY THAT THE INFORMATION WHICH I FURNISH THE GALVESTON COUNTY DISTRICT ATTORNEY'S OFFICE IN THIS COMPLAINT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND IS FURNISHED FOR THE SOLE PURPOSE OF INSTITUTING CRIMINAL PROSECUTION IN THE EVENT INVESTIGATION INDICATES CRIMINAL ACTIVITY. I AM NOT REQUESTING CRIMINAL PROSECUTION FOR THE PURPOSE OF GAINING AN ADVANTAGE EITHER CIVILLY OR POLITICALLY.

I AUTHORIZE THE DISTRICT ATTORNEY'S OFFICE TO USE THE INFORMATION WHICH I PROVIDE IN ANY MANNER DEEMED NECESSARY AND PROPER.

Signature of Complaining Party

Sean Shipworth

Complaining Party's Printed Name

SUBSCRIBED AND SWORN TO BEFORE ME this 13 day of August, 2021.

Kerilyn B. Basco
Notary Public in and for the State of Texas

My commission expires: 02/09/2025

