

STATE OF TEXAS            }  
COUNTY OF WILLACY       }

THE BOARD OF NAVIGATION AND CANAL COMMISSIONERS OF THE WILLACY COUNTY NAVIGATION DISTRICT met in Regular Session Wednesday, March 13, 2024 at 9:00 A.M., 400 W. Hidalgo, Ste 200, Raymondville, TX with the following members present:

COMMISSIONERS PRESENT:	CHAD KINNEY	CHAIRMAN
	STACY REYES	SECRETARY
	ALBERTO TREVINO	MEMBER
	STEVEN KENDRICK	MEMBER
	ERNESTO CAVAZOS	MEMBER
ALSO PRESENT:	RON MILLS	PORT DIRECTOR
	ALLISON RODRIGUEZ	ATTORNEY
	FRANK VASQUEZ	PORT SUPERINTENDENT
	DAVID MAYES	PORT POLICE CHIEF
	LETTY MARTINEZ	ADMINISTRATIVE ASSISTANT

Chad Kinney, Chairman called the meeting to order at 9:00 a.m.; upon conclusion of roll call, it was ascertained that a quorum was present. Kinney called for affidavits of conflict of interest, and there was none.

Item No. 1: REVIEW & CONSIDERATION OF PREVIOUS BOARD MEETING MINUTES: Upon review of the February 14, 2024 board meeting minutes, Commissioner Trevino made the motion to approve the previous board meeting minutes. The motion was seconded by Commissioner Cavazos and vote unanimously carried.

Item No. 2: PUBLIC COMMENT:

**John King**/Honey Hickman Public Fishing Dock: addressed the board that the wind has blown 3 trash cans and is concerned when children are around the area. Mr. King asked the board if we could provide a garbage bin with no expense. Mr. King stated he will also provide drawings for approval to construct enclosure to the garbage bin.

**Melissa Murphy**/Due diligence: comment letter attached by Melissa Murphy.

**P. Tyler**/Fiduciary duty: comment letter attached by P. Tyler

Comments

Melissa Murphy

Since we learned the District signed a 50 year lease with North American Standards, Inc.(NAS) in a "Special Meeting" in December that was "posted" two days after the regular December meeting, we have learned a great deal about the company that will be running our Port unless we get this project and contract canceled. We have done our own due diligence. It's shameful that the Board has not.

NAS was incorporated in 2019, according to the Texas Secretary of State, with only two directors, Hector Franco Garcia and his daughter, Mary Lou Abundis.

They forfeited their corporate charter in August 2021 for not paying their franchise tax. They delayed getting reinstated until last year. Mr. Franco gives his address as 5304 Mountain View Ln in Edinburg, an empty lot. Last August, the company filed a amendment removing Ms. Abundis, and adding Erick Joven Gonzalez of Huixquilucan Mexico; Lillian Dolores Zamora of Lyford, and Isaac Franco Godoy. Isaac Franco is Hector's teenage son. He also gives the same empty lot as his address.

We also discovered that in 2019, Mr. Gilbert Espino invested \$100,000 in NAS. to finance apartment construction. But none were ever built. Mr. Espino brought suit for fraud and breach of contract against NAS, its officers and partners. The suit is still outstanding because court officials have been unable to find these individuals to serve them, according to Court records and Mr. Espino)

We have spoken in person with Lillian Zamora who is currently serving a 10 year suspended sentence after pleading guilty in Cameron County to embezzlement of nearly \$60,000 from the Harlingen Physicians Network. She seemed to know Mr. Mills very well, had visited his offices with her co-directors and had been briefed on how the company would work with Mills. We asked her a lot of questions about what projects NAS had worked on; especially maritime projects (Mr. Espino told us there were none he knew of) but she demurred until she could check with Mr. Mills. Mr. Mills now tries to describe NAS and its partners as some kind of Haliburton. This is what Mr. Espino told us about NAS, that Hector Franco makes dramatic claims about his connections in Mexico, just as he did when he defrauded Mr. Espino of his \$100,000 investment. Mr. Mills has little experience in international business. Has he allowed himself to be conned? He refuses to name names of the people he describes as the Haliburtons of Mexico. He has made statements we find reckless and dubious about how this little company of handymen and drywall hangars will bring partners that have astounding backgrounds in logistics and in building Walmarts (one of the most corrupt construction activities in Mexico). Mr. Mills, show us something. Show us the 3 million these drywall hangars have to put up. In this election year, we do not intend to let you take us for a ride.

Members of the Board... This simply does not pass the smell test, and each of you have not upheld your fiduciary responsibility to the citizens of the District by not doing due diligence on this company and it's so called "Partners" before signing a 50 year contract with no restrictions – no restrictions on noise pollution, light pollution, or on operational hours.

Cosmiment: "The following was submitted by Patrick Taylor"

**CONCERNED CITIZENS' OF WILLACY COUNTY, TEXAS DEMAND  
FOR INVESTIGATION INTO:**

**TRANSACTIONS CONDUCTED BETWEEN THE WILLACY COUNTY  
NAVIGATION DISTRICT BOARD AND ITS CHAIRMAN THAT RAISE  
SERIOUS QUESTIONS OF BREACH OF FIDUCIARY DUTY BY BOARD  
MEMBERS AND THEIR PORT DIRECTOR DUE TO LOST TAXPAYER VALUE  
ON LAND TRANSACTIONS, CONVERSION OF PUBLIC COMMERCIAL LANDS  
TO PRIVATE BENEFIT, FAILURE TO DISCLOSE A LOAN TRANSACTION OF  
\$165,000 BETWEEN THE NAVIGATION DISTRICT AND ITS CHAIRMAN  
FOR THE BENEFIT OF HIS PRIVATE BUSINESS AT MANSFIELD MARINA,  
AND PAYMENTS OF \$1500 OR MORE TO THE PORT DIRECTOR FOR HIS  
POLITICAL CAMPAIGN FOR CONGRESS MADE IN CLOSE PROXIMITY TO  
THE APPROVAL OF THE \$165,000 LOAN.**

**TRANSACTION ONE: PROPERTY ID 29441.**

This harbor front property on West Port Drive is now occupied (along with other adjoining lands) by Kevin B. Kolb, a former National Football League quarterback, operating as 4G Sports Enterprises LLC. In 2018, this property belonged to the Willacy County Navigation District. It's value in current dollars is estimated between \$250,000-\$400,000. According to a member of the Board, Mr. Mills came before the Board with a lengthy argument that he was very unhappy with the Vietnamese woman who operated a fish house on the south side of the Harbor (for live Drum and other species). He therefore proposed <https://www.instagram.com/ericdanielsmusic/> to transfer the large and highly desirable property on West Port Drive to Board Chairman Chad Kinney AT NO COST, WE ARE TOLD, as long as Kinney would eventually build a fish house on that property, the construction of which was long delayed and business soon failed. If Board members examined this transaction at the time, they would have seen that the footprint of the proposed fish house was less than 5 percent of the land area granted for free to Mr. Kinney, as we currently understand it. (The documentation of this transaction has never been made publicly available, nor has it been provided to the County Clerk or the County Tax Assessor.) Mr. Kinney began construction on a combined residential and commercial building on the property. The first floor was outfitted as a bait shop to compete with the neighboring bait shop, Poco Loco, near the North Ramp. The Board appears never to have posed the question of why Mr. Mills was willing to give away a large waterfront lot at no charge. The fish-house pretext seems a transparent artifice to simply give a valuable harbor front property to

Mr. Kinney. If the Port truly needed another fish house, which is questionable, it could have entered negotiations with one of the other operating marinas and bait stores to add a fish house. Or, Mr. Mills could have tried to resolve whatever difficulty he perceived with our industrious Vietnamese neighbor, who was operating a successful fish house. It appears likely that Mr. Kinney was keen to open his new bait store on his free lot in order to force Poco Loco to sell its business to him, which occurred in May of 2020. Mr. Kinney's bait shop next door had only been operating a short time before the competitive pressures forced his rival to sell. For the Board members, led by Mr. Mills, to suborn the use of their power and leverage to drive an on-going enterprise out of business would be reprehensible and the Navigation District Board should examine that aspect of this transaction as well as the highly questionable conversion of property and the loss of taxpayer value for this waterfront space.

During the aftermath of Hurricane Hannah in the summer of 2020, I met Mr. Kevin Kolb during clean-up activities and I asked him whether he was moving to Port. He told me that it was still a "secret," but that he was buying the Kinney bait store and was going to covert it from a commercial property to a residential property. When this transaction took place the next year, the public was kept out of the loop; no details of Mr. Kinney's sale to Mr. Kolb have been filed with the Clerk of Court or with the Tax Assessor.

On April 14, 2021, Mr. Kolb's LLC, 4G Sports Enterprises, acquired Kinney's bait store (the fish house had already closed) but this is where we find a bizarre set of facts. Mr. Kinney may never have formally owned the property on which he built his bait store. The Willacy County Tax Assessor's records show that 4G Sport Enterprises LLC acquired the property directly from the Willacy County Navigation District. So how much did Mr. Kolb pay and to whom did he pay it? There are no public records for this transaction. If Mr. Kolb paid Mr. Kinney or the Navigation District several hundred thousand dollars for this property, as the market forces would dictate, there should be a record. Where is it? Was the Board aware of how this transaction was conducted? Did Mr. Kinney, or Mr. Mills, convert the proceeds of this transaction to some other use? We demand that the Board exercise its fiduciary duty to find out. To show just one example of the impact on taxpayer value, this property was still an empty lot in 2016. It was assessed at \$75,000. Today, after hundreds of thousands of dollars invested by Mr. Kinney and by Mr. Kolb in housing and landscaping improvements, it is assessed for tax purposes at \$9375. The Board should stand as the guardians of taxpayer value and they have failed miserably.

### **TRANSACTION TWO: PROPERTY ID 29440**

A few months after Hurricane Hannah in 2020, it was clear that Mr. Kolb's statement to me that he was in secret negotiations with Mr. Kinney foreshadowed what was to come. In October 2020, the Navigation District transferred a large piece of waterfront property that may also have been under Mr. Kinney's control, on the eastern boundary of Mr. Kinney's bait store property, to Mr. Kevin Kolb personally. (A year later, he transferred his ownership into his private LLC, 4G Sports Enterprises.) We have no information about this transaction, except that it is another blatant conversion of a highly valued commercial property worth in excess of \$100,000 (and greater public income from commercial lease payments) to private, residential use. And who profited from it? How much did Mr. Kolb pay and to whom did he pay it? And the timing indicates that there was a multi-year plan to take premier commercial waterfront properties and convert them to lavish personal residential properties without public notification, comment or participation in debate.

### **TRANSACTION THREE: MANSFIELD MARINA**

On May 1, 2020, Mr. Kinney through his Mansfield Marina LLC, purchased the old Poco Loco for an underdetermined amount ( the Navigation District routinely withholds information on transactions from the County Assessor and the County Clerk). As most residents recall, Mr. Kinney undertook renovations promptly after the acquisition, so we are at pains to ask why he received a loan from the Willacy County Navigation District for \$165,700 a year later on May 5, 2021 with terms extending to 2026 "for the benefit of the business conducted at 600 Mansfield Drive." When did the Navigation District become Mr. Kinney's personal banker? The loan documents were signed by Mr. Mills and the funds may have been provided by the Small Business Administration, but why was Mr. Mills dispensing them? Was there no effort by the Board to examine whether it was appropriate for Mr. Mills to be funneling government money to the Chairman of the Board? Lots of businesses were suffering that pandemic year, but were any of them in Port Mansfield offered six-figure loans to get through the storm?

Did Mr. Mills offer loans to Harbor Bait & Tackle, or to The Bait Shop, the hotels, the home builders, the commercial fishermen or the Vietnamese fish house lady?

### **TRANSACTION FOUR: PROPERTY ID 29442**

If you drive down West Port Drive near the car wash and Post Office, you can see that Mr. Kevin Kolb's palatial estate on the waterfront has been spreading out for several years. Indeed, there used to be a big gap between the football player's villa and the Getaway Lodge. That "gap" used to be a full sized commercial lot as large (more than an acre) as the Kinney bait store lot. Where did this lot go? You can see that Mr. Kolb has built a large boat barn and a swimming pool on this neighboring lot which, according to records in the Assessor's office, he does not own. This is the most recent outrage of conversion of public commercial properties to private use and benefit. The Board is certainly aware by now that the Getaway Lodge properties on the waterfront adjacent to this lot (No. 29442) are registered under Mika Land and Cattle LLC, a partnership between Mike Sutton and Chad Kinney as we understand. The property was conveyed to this LLC from the Willacy County Navigation District on June 9, 2021.

According to our colleagues who know Mr. Kolb and Mr. Sutton, they are telling their friends that they bought the large lot between them together and are sharing it. The records of the County Assessor say otherwise, however. The County records show that this lot, also worth an estimated \$250,000 to \$400,000 in current market value, is owned by Mika Land and Cattle. So how could Mr. Kolb be spreading out on land he does not appear to own? But here's the real question: did Mr. Sutton, Mr. Kinney or Mr. Kolb pay anything for this hugely expensive public lot? One source inside the Navigation District tells us that nothing was paid. If that is true, such malfeasance may well demonstrate a criminal conspiracy and the Board needs to examine these matters with all the seriousness it can muster in performance of its fiduciary duty.

Not only have taxpayers almost certainly lost the benefit of an arm's-length purchase of this property, which would have brought in substantial revenue to the Navigation District, they have seen the tax base assessment drop from \$25,000 to \$15,000. Why would the Board allow this kind of self-dealing, conflict-of-interest nonsense to prevail in our Navigation District? Our Board members are entrusted to be the watchdogs against this very type of conversion of public property. That is their most profound fiduciary duty.

#### **TRANSACTION FIVE: MR. MILLS' CAMPAIGN FOR CONGRESS**

In the months following the conversion of these waterfront lands, whose lost value, lost commercial activity, and absence from the tax base will cost Port Mansfield millions of dollars, Mr. Mills took up the twin projects of deciding to

run for Congress, while also dreaming up a grand project on which he could run. This project turned out to be the barge-container port operation which Mr. Mills calls Project Rolloff and we call Project Ripoff, because he has so ineptly managed every aspect of its planning. Indeed, most of Willacy County has turned against it due to the unsavory company, North American Standards Inc., that he has recruited to run our Port for 50 years. The Federal Elections Commission reports that Mr. Mills, in September 2021, received \$1,500 from Mika Land and Cattle partners, Mike Sutton and Chad Kinney, who had benefited substantially from decisions by Mr. Mills to help convert major commercial properties to their account. Mr. Mills reported that he raised a total of more than \$10,000 that summer and fall. The public deserves to know where every penny came from.

#### **TRANSACTION SIX: PROPERTY ID 29975**

Our once pristine harbor terminates down by Marine Street on the south end by the boat barns. And this is where, for two decades, a choice piece of land, measuring 4.5 acres, has been waiting for the right buyer or developer to turn it into a marina or some other commercial enterprise that could really boost the status and revenue prospects for this dreary end of the Port. Several residents say they had offered the Board substantial sums of money to develop the property. So there was quite a bit of surprise in November of 2022 when word raced about town that the Board and Mr. Mills had sold the property to Laura Kaitlyn Elliff Hardin and the Laguna Waterfront Development LLC for somewhere between \$70-\$80,000. Ms. Elliff's husband, Marshal Hardin, a well known resident of Port, appeared to be the driving force in the deal but Ms. Elliff's presence in the LLC incited many questions of whether the Board was seeking her influence on her father, an investor in and member of the board of Texas Regional Bank, to offer a big loan to help Mr. Mills grand project of a container port.

One thing is clear about this transaction: it seems to be another instance of low balling the sale of prime property for what may still be an unknown benefit to Mr. Mills or his unpopular attempt to undermine the character of Port Mansfield. Given that Mr. Mills has set a price of \$60,000 for 50' x 130' foot (6500 sq ft) lots in his new brush-country subdivision, it appears that he under-priced the sale to the Hardins by a substantial amount given that the 196,020 square feet at harbor's end, if priced the same as these lots at \$9.23 per square foot, would yield well over \$1.5 million. Again, the taxpayers suffer a horrendous loss of value.

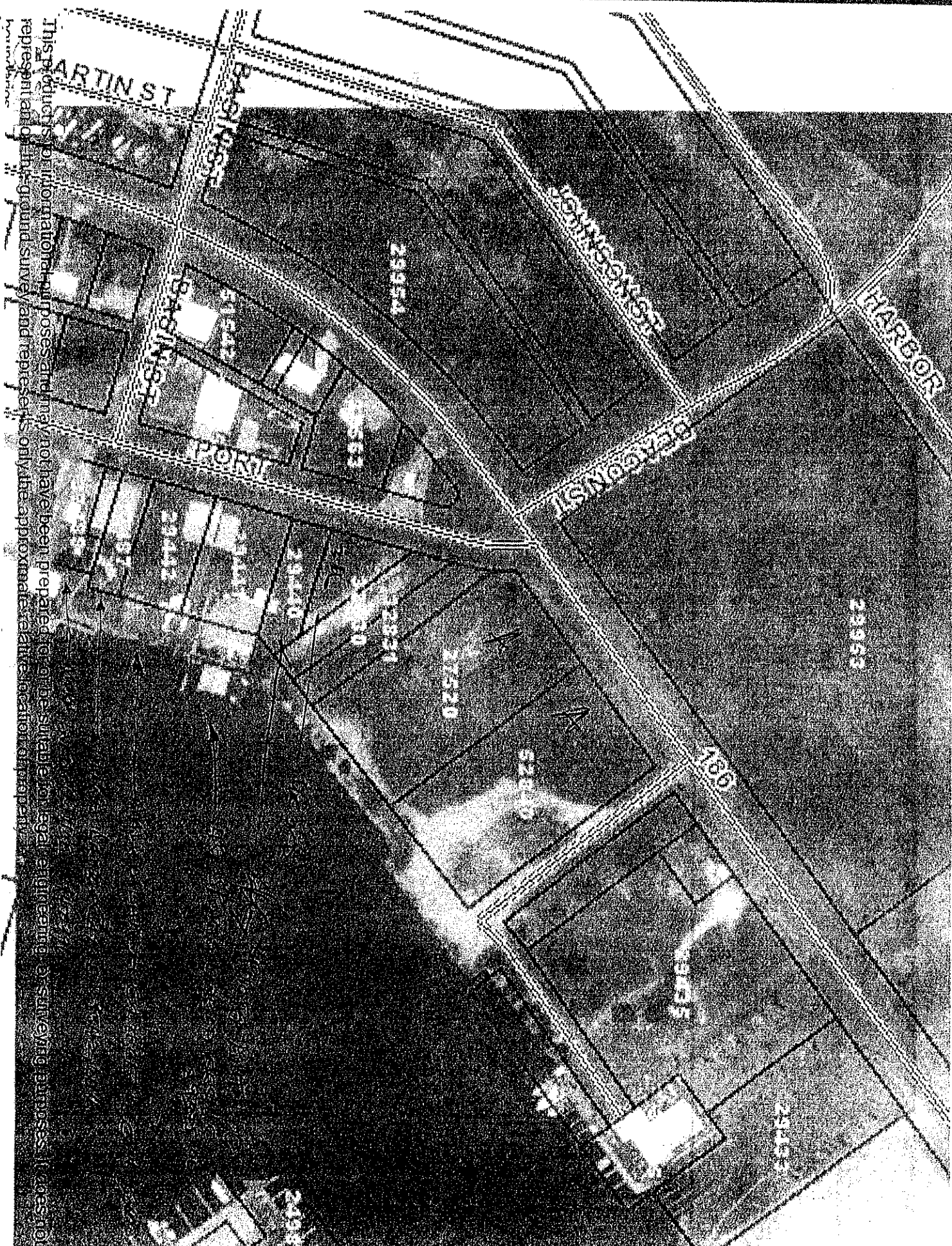
We demand that the Board conduct a thorough inquiry into all of these transactions and to acknowledge their individual commitment to do so by appointing a spokesperson to brief the public on their timetable and progress.

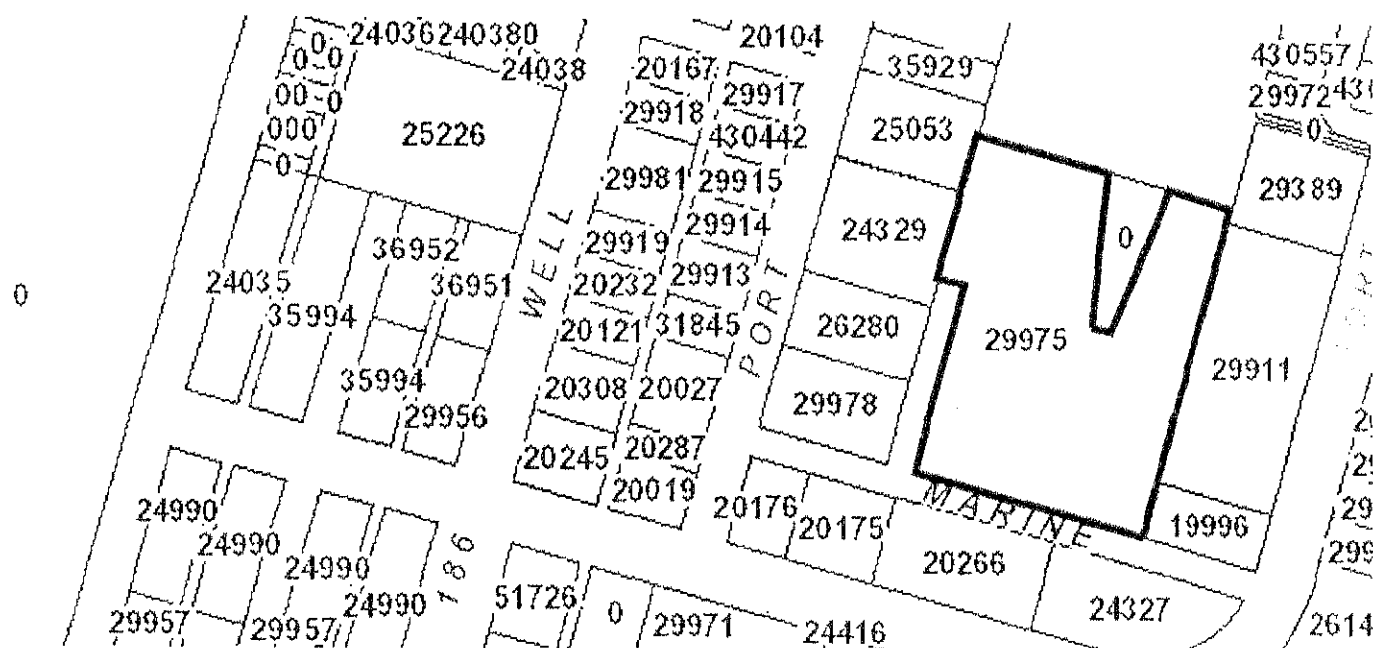
In the meantime, the Board and its attorney should take immediate and serious steps to secure all documents related to these transactions and to the Project Rolloff negotiations, planning and communications, including communications with North American Standards Inc. employees, officers and directors.

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This product is for informational purposes and may not have been prepared for or be suitable for legal engineering or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property.





## Property Details

## Property ID: 29975

Geographic ID: P0400-00-00050-005-0A-0

Type: Real

**Zoning:**

**Property Use:**

### Location

**Situs Address:**

Map ID:

Mapscot:

**Legal Description:** Port Mansfield Orign Town, BLOCK 5, LOT 5A & 5B(PT), Dock SP Along 5A, Land Leasehold Interest

**Abstract/Subdivision:** P0400 - Port Mansfield Orign Town

**Neighborhood:**

Owner

Owner ID: 211146

**Name:** Laguna Waterfront Development LLC

**Agent:**

Item No. 3: RESOLUTION IN SUPPORT OF LRGVDC AND OTHER GOVERNING BODIES TO ASK FOR MEXICAN ON THE 1944 WATER TREATY: Commissioner Cavazos made the motion to accept the resolution in support of LRGVDC and other Governing bodies to ask for US Mexico Water Treaty of 1944. The motion was seconded by Secretary Reyes and the vote unanimously carried.

Item No. 4: DISCUSSION AND ACTION ON ISSUANCE OF LETTER OF INTENT AGREEMENT WITH ARMY CORP OF ENGINEERS AUTHORIZING \$10M DREDGING PROJECT AND ITS SUBSEQUENT \$16M TRIANNUAL UPKEEP: This item was removed from discussion and action.

Item No. 5: PORT DIRECTORS REPORT:

- Post Office having building leveled
- Police and Harbor Office gutter complete
- Storm shutter proposal in office for Police and Harbor
- Auction bid forms will be in Harbor Office

Item No. 6: REVIEW AND DISCUSSION OF BUILDING AUTHORIZATIONS ISSUED FOR THE MONTH OF FEBRUARY, 2024: The building authorizations issued for the month of February, 2024 were reviewed and discussed.

Item No. 7: REVIEW & CONSIDERATION OF RESIDENTIAL, COMMERCIAL, CANCELLED LEASES AND COLLATERAL TRANSFER OF LEASE: Upon review and discussion of each described and itemized leases, Secretary Reyes made the motion to accept and approve the leases as presented. The motion was seconded by Commissioner Cavazos and the vote unanimously carried.

Item No. 8: REVIEW & CONSIDERATION OF CHECKS AND VOUCHERS: After review of the checks and vouchers, Commissioner Cavazos made the motion to accept the issued checks and approve the transactions for payment of the Willacy County Navigation District and to accept the transactions February 15, 2024 through March 13, 2024. The motion was seconded by Secretary Reyes and the vote unanimously carried.

Item No. 9: Meeting adjourned at approximately 9:26 a.m.