

NEDERLAND ECONOMIC DEVELOPMENT CORPORATION

Minutes September 30, 2009

MEETING

A meeting of the Nederland Economic Development Corporation was called to order at 5:00 p.m. at the Nederland Economic Development Corporation Office, 1903 Atlanta Avenue, by President Nick Phillips.

QUORUM

Board members present: Debby Griffin, Mike Guidry, Stuart Kieschnick, Billy Neal, Nick Phillips and Bert Rogers. Absent: Erik Shaw. Others present: Jim Wimberley, NEDC Attorney; Tracie Killian, Executive Director and Marlinda Eastberg, Secretary, NEDC. Guest present: Chris Duque, Nederland City Manager; Jeff Ortiz and Don Albanese, Nederland City Councilmen; Wendell Meaux, Shane Reedy and Debbie Spittler, NEDC Impact Analysis Committee; Don O'Brien and Jack George, Go-Burgers, LP; and Angela Fanette, City of Nederland Park and Recreation Supervisor.

MINUTES

A motion was made by Bert Rogers and seconded by Stuart Kieschnick to approve the minutes of July 29, 2009. Motion carried.

Ayes: Griffin, Guidry, Kieschnick, Neal, Phillips and Rogers.

Noes: None. **Absent:** Shaw.

A motion was made by Bert Rogers and seconded by Debby Griffin to approve the minutes of August 20, 2009. Motion carried.

Ayes: Griffin, Guidry, Kieschnick, Neal, Phillips and Rogers.

Noes: None. **Absent:** Shaw.

PUBLIC HEARING

The regular meeting was recessed at 5:02 p.m. by President Phillips for the purpose of conducting a public hearing regarding the potential expenditure of funds for economic development for the new construction of Go-Burgers, LP to be located on Nederland Avenue, Nederland, Texas.

Mrs. Tracie Killian introduced Mr. Don O'Brien and Mr. Jack George, partners of Go-Burgers, LP, and local businessmen. Mr. George stated that they had purchased property at 3619 Nederland Avenue and would build a new Burger King Restaurant. Mr. George introduced Lori Rape, from Nederland, as the

District Manager, who will oversee three (3) of their restaurants, two (2) in Beaumont and the one (1) in Nederland.

The firm will invest approximately two (2) million dollars in this project which includes land, building, manufacturing and processing equipment and furniture and fixtures. The firm will create thirty (30) new jobs with an estimated payroll of ½ million dollars.

A discussion was held regarding hours of operation, health care benefits that are offered to employees and a tentative start date to begin construction. With no more questions and/or comments President Phillips adjourned the Public Hearing at 5:10 p.m.

GO BURGERS, LP

Mrs. Killian reported that the Impact Analysis Committee (IAC) has met and recommended that the NEDC approve an expenditure of funds not to exceed one hundred fifteen thousand dollars and no/100 dollars (\$115,000.00).

A motion was made by Nick Phillips and seconded by Billy Neal to approve the expenditure of funds, not to exceed one hundred fifteen thousand dollars and no/100 (\$115,000.00) with a two (2) year payback for the new construction of Go-Burgers, LP, doing business as Burger King to be located at 3617 Nederland Avenue, Nederland, Texas contingent upon the proper financial statements released and projected numbers met through the recovery period.

Motion Carried

Ayes: Griffin, Guidry, Kieschnick, Neal, Phillips and Rogers.

Noes: None. **Absent:** Shaw

POSPONE ITEMS 6 THROUGH 9

President Nick Phillips announced that Items 6 through 9 will be postponed until after Executive Session.

EXECUTIVE SESSION

The regular meeting was recessed at 5:15 p.m. by President Nick Phillips for the purpose of conducting an Executive Session as authorized by the Texas Government Code, Chapter 551.087, to discuss the offer of an incentive to a business prospect; Texas Government Code, Chapter 551.071 to discuss

litigation and/or legal advice; Texas Government Code, Chapter 551.072, to discuss acquisition, exchange, and/or release of property.

RECONVENE

The regular meeting was reconvened by President Nick Phillips at 5:43 p.m. President Nick Phillips announced no action is needed on Texas Government Code, Chapter 551.071 to discuss litigation and/or legal advice, and Texas Government Code, Chapter 551.072, to discuss acquisition, exchange, and/or release of property.

President Nick Phillips announced that the following action is needed on Texas Government Code, Chapter 551.087, to discuss and/or deliberate concerning financial and/or commercial information received from potential business prospects regarding potential economic development incentive.

Mrs. Killian reported The Avenue Apartments has exceeded expectations and fulfilled their obligations to the NEDC through the monitoring process. The Avenue Apartments received an incentive of one hundred seventy five thousand dollars and no/100 (\$175,000.00) on March 15, 2004 with a payback of 3 years. Mrs. Killian recommended that the monitoring of the abovementioned client be closed.

A motion was made by Bert Rogers and seconded by Mike Guidry to close the monitoring process for The Avenue Apartments.

Motion Carried.

Ayes: Griffin, Guidry, Kieschnick, Neal, Phillips and Rogers.

Noes: None. **Absent:** Shaw

President Nick Phillips announced that we will return to Agenda Items 6 through 9 for discussion.

PUBLIC HEARING

The regular meeting was recessed at 5:44 p.m. by President Phillips for the purpose of conducting a public hearing regarding the potential expenditure of funds for community development to the City of Nederland Parks and Recreation Department of various repairs and improvements to be made to Doornbos Pool.

Mr. Chris Duque, Nederland City Manager reported Doornbos Swimming Pool closed in June of 2009 for repairs to a pump. An engineer, Harry Beckwith, Waterscapes Consultants, Inc. was hired to evaluate the situation. He reported that the pool was not in compliance with ADA standards, and due to the

mechanical issues he found that the pool would have to stay closed until the necessary repairs could be made.

Mr. Duque reported that the City of Nederland Parks Board evaluated several plans that were submitted by Mr. Beckwith. The plans evaluated ranged from the lowest of \$550,000.00 to a high of \$700,000. The Parks Board recommended that of those plans, "Plan B" with an estimate of approximately six hundred twenty four thousand dollars and no/100 (\$624,000.00) be considered.

A lengthy discussion was held in regards to maintenance of the swimming pool, residents versus non residence using the swimming pool, repairs being done in phases and the possibility of applying for grants or seeking donations to help with the swimming pool.

Several NEDC Board members voiced concerns regarding the lack of firm estimates for the project, and questioned as to what level the City Council has indicated they will participate. With no more questions and/or comments, President Phillips adjourned the Public Hearing at 6:15 p.m.

DOORNBOS SWIMMING POOL

Mrs. Killian reported that the Impact Analysis Committee (IAC) met on September 23, 2009. Each member expressed concerns regarding the lack of an economic development component to this project. Due to not having an exact cost estimate the IAC members recommended that the NEDC never approve an expenditure of funds that would exceed thirty percent (30%) of the total cost of a project.

A motion was made by Nick Phillips and seconded by Mike Guidry to approve the expenditure of funds, not to exceed ninety thousand dollars and no/100 (\$90,000.00) for community development to the City of Nederland Parks and Recreation Department for the pool building and Doornbos Park Swimming Pool renovations.

Motion Carried

Ayes: Griffin, Guidry, Kieschnick, and Phillips.

Noes: Neal and Rogers. **Absent:** Shaw

ELECTION OF OFFICERS

A brief discussion was held concerning the following open positions for NEDC Executive Board. They are President, Vice President and Secretary/Treasurer.

A motion was made by Nick Phillips and seconded by Stuart Kieschnick to nominate Erik Shaw as Secretary/Treasurer.

Motion Carried

Ayes: Griffin, Guidry, Kieschnick, Neal, Phillips and Rogers.
Noes: None. **Absent:** Shaw

A motion was made by Stuart Kieschnick and seconded by Nick Phillips to nominate Billy Neal as Vice President.

Motion Carried.

Ayes: Griffin, Guidry, Kieschnick, Neal, Phillips and Rogers.
Noes: None. **Absent:** Shaw

A motion was made by Mike Guidry and seconded by Nick Phillips to nominated Stuart Kieschnick as President.

Motion Carried.

Ayes: Griffin, Guidry, Kieschnick, Neal, Phillips and Rogers.
Noes: None. **Absent:** Shaw

PRESENTATION

NEDC Board President, Nick Phillips presented plaques to retiring board member Mike Guidry for his six (6) years of dedicated service to the NEDC Board of Directors and resigning board member Debby Griffin for her two (2) years of service.

FINANCIAL REPORTS

The board reviewed the income and expenses for the NEDC ending August 31, 2009.

COMMUNICATION

Mrs. Killian presented the Board with a written Executive Director's Report with each item detailing activities of the NEDC office since the last board meeting.

Mrs. Killian reported two (2) slabs were ready to be poured for Sterling Ridge Subdivision and that the developer for Sterling Ridge Commercial was working very hard with several potential retail clients. Mrs. Killian also reported a seventeen (17) day extension had been requested by Brystar Contracting, Inc. for Beauxart Garden Road project due to rain.

Mrs. Killian welcomed new NEDC Board Members, Don Albanese and Randy Sonnier, and stated they would be formally introduced at the next scheduled board meeting. Mrs. Killian stated that a Board of Directors workshop had been scheduled for October 19, 2009 to help new board members understand the operations of the Nederland Economic Development Corporation.

ADJOURN

There being no further business, a motion was made by Billy Neal and seconded by Stuart Kieschnick that the meeting be adjourned at 6:40 p.m. Motion carried.

Ayes: Griffin, Guidry, Kieschnick, Neal, Phillips and Rogers.

Noes: None. **Absent:** Shaw.

Nick Phillips, President

Billy Neal, Secretary/Treasurer