

NEDERLAND ECONOMIC DEVELOPMENT CORPORATION

Minutes March 2, 2011

MEETING

A meeting of the Nederland Economic Development Corporation was called to order at 4:39 p.m. at the Nederland Economic Development Corporation Office, 1903 Atlanta Avenue, by President Stuart Kieschnick.

QUORUM

Board members present: Don Albanese, Larry Ducharme, Stuart Kieschnick, Bert Rogers, Erik Shaw and Randy Sonnier. Absent: Jim McNeill. Others present: Jim Wimberley, NEDC Attorney, Tracie Killian, Executive Director and Marlinda Eastberg, Secretary, NEDC. Guest present: Billy Neal, Nederland City Councilman; Brian McLain, Mollie's Home Décor & Fine Gifts.

MINUTES

A motion was made by Bert Rogers and seconded by Randy Sonnier to approve the minutes of January 27, 2011.

Motion carried.

Ayes: Albanese, Ducharme, Kieschnick, Rogers, Shaw and Sonnier

Noes: None. **Absent.** McNeill.

POSTPONE ITEMS 3 AND 4

President Kieschnick announced that items 3 and 4 will be postponed until after 5:00 p. m.

PRIDE PROGRAM

Mrs. Tracie Killian reported that of the one hundred thousand dollars and no/100 (\$100,000.00) funded or allocated for the PRIDE Program as of January 27, 2011 there was only three thousand one hundred sixty five dollars and 63/100 (\$3,165.63) left in the budget.

Mrs. Tracie Killian reported that she had received 3 applications for the PRIDE Program. The first applicant being 221 Properties, which is a general partnership located at 221 Highway 69 South. They are

requesting one thousand three hundred ninety five dollars and 50/100 (\$1,395.50) for a landscaping project totaling two thousand seven hundred ninety one dollars and no/100 (\$2,791.00). This would leave a balance of one thousand seven hundred seventy dollars and no/100 (\$1,770.00) left in the budget for the two remaining applicants. President Stuart Kieschnick stated that he has a business relationship with one of the partners and would have to abstain from voting and Don Albanese and Bert Rogers stated that they also have a relationship with another one of the partners. As a result of these three (3) abstaining and Jim McNeill being absent a quorum was not present.

A motion was made by Randy Sonnier and seconded by Larry Ducharme to postpone voting on the three (3) PRIDE Program applications until the next board meeting and officially closing the PRIDE Program subject to the consideration of the remaining three (3) applications at the next board meeting.

Motion carried.

Ayes: Albanese, Ducharme, Kieschnick, Rogers, Shaw and Sonnier

Noes: None. **Absent.** McNeill.

FINANCIAL REPORT

The board reviewed the income and expenses for the NEDC ending January 31, 2011.

A discussion was held regarding the interest rate the Nederland EDC is earning on all accounts. Bert Rogers recommended that the NEDC invest in two (2) Certificates of Deposit in the total amount of five hundred thousand dollars and no/100 (\$500,000.00) for at least six (6) months. These Certificates of Deposit will have to be from two (2) separate financial institutions and be FDIC insured.

A motion was made by Bert Rogers and seconded by Larry Ducharme to authorize Mrs. Tracie Killian to go out and get proposals on rates for two (2), two hundred fifty thousand dollars and no/100 (\$250,000.00) Certificates of Deposit from two (2) separate financial institutions that are FDIC insured for a term of six (6) months and bring back to the board of directors for approval.

Motion carried.

Ayes: Albanese, Ducharme, Kieschnick, Rogers, Shaw and Sonnier

Noes: None. **Absent.** McNeill.

President Kieschnick announced that we will return to Agenda Items 3 and 4 for discussion.

PUBLIC HEARING

The regular meeting was recessed at 5:02 p.m. by President Kieschnick for the purpose of conducting a public hearing regarding the potential expenditure of funds for economic development for a new retail store, Mollie's Home Décor & Fine Gifts to be located at 3316 Highway 365, Nederland, Texas.

Mrs. Tracie Killian introduced Mr. Brain McLain, owner of Mollie's Home Décor & Fine Gifts. Mr. McLain stated that he also owns Vacuum City located in the same strip center that he built about seven (7) years ago upon receiving an incentive from the Nederland EDC. The previous incentive came with a four (4) year payback which Mr. McLain was able to payback in two (2) years. The lease space is approximately three thousand (3000) square feet and the plans are to carry household décor and small furniture pieces, wall décor and new lines of gifts. The concept is somewhat like a Kirklands in Beaumont. They are planning for an opening date to be the middle of April or first of May.

A discussion was held regarding Mr. McLain possibly purchasing the property located at 3600 Highway 365 in Nederland, Texas if it is still available at a later date to expand this business.

With no more questions and /or comments President Kieschnick adjourned the Public Hearing at 5:09 p.m.

Mollie's Home Décor & Fine Gifts

Mrs. Killian reported that the Impact Analysis Committee (IAC) has met and recommended that the NEDC approved an expenditure of funds not to exceed fifteen thousand dollars and no/100 dollars (\$15,000.00) with a two (2) year payback.

A motion was made by Larry Ducharme and seconded by Don Albanese to approve the expenditure of funds, not to exceed fifteen thousand dollars and no/100 (\$15,000.00) with a two (2) year payback for the new retail store, Mollie's Home Décor & Fine Gifts to be located at 3316 Highway 365, Nederland, Texas contingent upon the proper financial statements released and projected numbers met through the recovery period.

Motion carried.

Ayes: Albanese, Ducharme, Kieschnick, Rogers, Shaw and Sonnier

Noes: None. **Absent.** McNeill.

COMMUNICATION

Mr. Stevenson, a Nederland resident and former banking executive, commented on the importance of the results of the study being done by The Retail Coach which is a national recruitment firm hired by the Nederland EDC. He stressed to the board of directors to pay particular attention to the psychographic results of the study which will help the board to determine the best retail fit for the City of Nederland

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 made the following announcements:

1. Nederland Heritage Festival would run from March 8-13, 2011
2. She had attended Golden Triangle Days in Austin on February 27 – March 1, 2011.

EXECUTIVE SESSION

The regular meeting was recessed at 5:16 p.m. by President Stuart Kieschnick 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 Stuart Kieschnick at 5:46 p.m. President Stuart Kieschnick announced no 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, 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

ADJOURN

There being no further business, a motion was made by Randy Sonnier and seconded by Erik Shaw that the meeting be adjourned at 5:47 p.m.

Motion carried.

Ayes: Albanese, Ducharme, Kieschnick, Rogers, Shaw and Sonnier

Noes: None. **Absent.** McNeill.

Stuart Kieschnick, President

Randy Sonnier, Secretary/Treasurer