

NEDERLAND ECONOMIC DEVELOPMENT CORPORATION

Minutes December 19, 2012

MEETING

A meeting of the Nederland Economic Development Corporation was called to order at 4:35 p.m. at the Nederland Economic Development Corporation Office, 1903 Atlanta Avenue, by President Larry Ducharme.

QUORUM

Board members present: Don Albanese, Talmadge Austin (by phone), Craig Belaire, Larry Ducharme, Stuart Kieschnick, Jim McNeill and Randy Sonnier. Absent: None. Others present: Jim Wimberley, NEDC Attorney, Mark Rantala, NEDC Executive Director and Marlinda Eastberg, Secretary, NEDC. Guest present: Bert Rogers, Nederland City Councilman, Chris Duque, Nederland City Manager, Melinda Bean, The Veranda, Linda Tait, Small Business Development Center, Wayne Turner, Sunoco Logistics Nederland Terminal.

MINUTES

A motion was made by Craig Belaire and seconded by Randy Sonnier to approve the minutes of November 28, 2012.

Motion carried.

Ayes: Albanese, Belaire, Ducharme, Kieschnick, McNeill and Sonnier.

Noes: None. **Absent:** Austin.

PUBLIC HEARING

The regular meeting was recessed at 4:36 p.m. by President Ducharme for the purpose of conducting a public hearing regarding the City of Nederland selling 255 acres tracts, of undeveloped property near the City's closed landfill off Twin City Highway to the Nederland Economic Development Corporation along with the right of first refusal on an additional of 614 acres, all of which will be for economic development pursuant to a proposed contract of sale between the City and Nederland EDC. Mark Rantala stated the contract that the City of Nederland will enter into with the Nederland Economic Development Corporation is a contract that will have contingencies that are related to environmental studies, wetlands, and the right of first refusal and could be involved with a quit claim deed for one million four hundred seventy five thousand dollars and no/100 (\$1,475,000.00). A discussion was held regarding the cost if any that might be incurred by the NEDC.

With no more questions and/or comments President Ducharme adjourned the Public Hearing at 4:40 pm.

PUBLIC HEARING

The regular meeting was recessed at 4:41 p.m. by President Ducharme for the purpose of conducting a public hearing regarding the potential expenditure of funds for economic development to The Veranda for a restaurant/party room. Melinda Bean owner of The Veranda stated she is planning to open a tea room that will be open for brunch and lunch. In addition to a tea room Ms. Bean plans to rent the room for private parties.

With no more questions and/or comments President Ducharme adjourned the Public Hearing at 4:45 pm

PUBLIC HEARING

The regular meeting was recessed at 4:46 p.m. for the purpose of conducting a public hearing regarding the potential sale by the NEDC of 255 acre tracts and the right of first refusal on an additional tract of 614 acres of undeveloped property located near the City's closed landfill off Twin City Highway to Sunoco Partners Marketing & Terminals, L.P. for the purpose of economic development and construction and operation of an industrial bulk product terminal, dock facilities and related improvements. Wayne Turner, Sunoco Terminal Manager, stated their plans are to expand terminal services with construction to begin sometime next year. Mr. Turner reported they currently have 22 ½ million barrels worth of storage and are one of the busiest ports on the river handling approximately 500 ships per year. In order to service that kind of traffic along with domestic pipelines that they are connected to it requires the ability to continue to grow the storage availability.

With no more questions and/or comments President Ducharme adjourned the Public Hearing at 4:50 p.m.

EXECUTIVE SESSION

The regular meeting was recessed at 4:51 p.m. by President Ducharme 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 advise and Texas Government Code, Chapter 551.072, to discuss acquisition, exchange, and/or release of property and Texas Government Code, Chapter 551.074, personnel.

RECONVENE

The regular meeting was reconvened by President Larry Ducharme at 5:40 p.m. President Ducharme announced no action is needed on Texas Government Code, Chapter 551.071 to discuss litigation and/or legal advice or Texas Government Code, Chapter 551.074, to discuss personnel.

ACQUISITION OF LAND

President Ducharme announced that the following action is needed on Texas Government Code, Chapter 551.072, to discuss acquisition, exchange, and/or release of property.

A motion was made by Stuart Kieschnick and seconded by Don Albanese that the Nederland EDC receive from the City of Nederland 255 acres more or less of undeveloped property near the city's closed landfill on Twin City Highway along with the right of first refusal an additional tract of 614 acres more or less for the purchase price of \$1,475,000.00 with the final terms and conditions subject to Nederland EDC counsel approval.

Motion carried.

Ayes: Albanese, Belaire, Ducharme, Kieschnick, McNeill and Sonnier.

Noes: None. **Absent:** Austin.

THE VERANDA

President Ducharme announced that the following action is needed on Texas Government Code, Chapter 551.087, to discuss the offer of an incentive to a business prospect.

A motion was made by Don Albanese and seconded by Stuart Kieschnick to approve the expenditure of funds, not to exceed five thousand dollars and no/100 (\$5,000.00) with a 2.3 year payback for a restaurant/party room located at 1208 Nederland Avenue, Nederland, Texas contingent upon the proper financial statements released and projected numbers met through the recovery period.

Motion carried.

Ayes: Albanese, Belaire, Ducharme, Kieschnick, McNeill and Sonnier.

Noes: None. **Absent:** Austin.

SUNOCO PARTNERS MARKETING & TERMINALS, L.P.

President Ducharme announced that the following action is needed on Texas Government Code, Chapter 551.072, to discuss acquisition, exchange, and/or release of property.

A motion was made by Randy Sonnier and seconded by Don Albanese pending counsel approval to sell 255 acres with the right of first refusal of an additional 614 acres to Sunoco Partners Marketing & Terminals, L.P. for \$1,475,000.00 for economic development.

Motion carried.

Ayes: Albanese, Belaire, Ducharme, Kieschnick, McNeill and Sonnier.

Noes: None. **Absent:** Austin.

BUDGET AMENDMENTS

Mark Rantala made the following recommendations for amendments to the 2012-2013 budget.

1) # 6340 Rent + \$2,060.00

Mr. Rantala stated the increase to this account was due to actual estimate after negotiations.

2) # 6316 Legal + \$5,000.00

Mr. Rantala stated the increase to this account was due to additional legal for waterfront/city/Sunoco.

3) # 6333 Travel & Training + \$3,000.00

Mr. Rantala stated the increase to this account was due to attendance of Golden Triangle Days in Austin not being budgeted.

4) # 6402 Minimum Air Service Guarantee + \$75,000.00

Mr. Rantala stated the increase to this account was due to monies given for Minimum Air Service Guarantee.

5) # 6400 Special Programs + \$314,940.00

Mr. Rantala stated the increase to this account was due to additional incentives being given.

6) # 0000-1011 Cash Reserves - \$400,000.00

Mr. Rantala recommended moving monies from account # 0000-1011 Cash Reserves into each of these accounts to cover the overages.

A motion was made by Randy Sonnier and seconded by Don Albanese to approve amendments as presented.

Motion carried.

Ayes: Albanese, Belaire, Ducharme, Kieschnick, McNeill and Sonnier.

Noes: None. **Absent:** Austin.

PRIDE PROGRAM

A discussion was held regarding an application for the PRIDE Program.

An application was received from Melinda Bean, The Veranda, for landscaping located at 1208 Nederland Avenue. They are requesting one thousand twenty nine dollars and 19/100 (\$1,029.19) for a project totaling two thousand fifty eight dollars and 37/100 (\$2,058.37).

A motion was made by Stuart Kieschnick and seconded by Don Albanese to approve the application for The Veranda in the amount not to exceed one thousand twenty nine dollars and 19/100 (\$1,029.19).

Motion carried.

Ayes: Albanese, Belaire, Ducharme, Kieschnick, McNeill and Sonnier.

Noes: None. **Absent:** Austin.

SIGN-UP! PROGRAM

Mark Rantala requested postponing action until next meeting do to a lack of information.

FINANCIAL REPORTS

The board reviewed the income and expenses for the NEDC ending September 30, 2012.

STRATEGIC PLAN UPDATE

Each board member was presented with an updated Strategic Plan Program of Work.

COMMUNICATION

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

Mark Rantala made the following announcements:

1. Forecast Breakfast - January 3, 2013, 7:30 – 10:00 am, Holiday Inn Beaumont Plaza.
2. Golden Triangle Days – March 3-5, 2013, Austin, Texas.
3. An Investment Policy review would be done and presented to the board.
4. Juxtapose is still working on the new website.

ADJOURN

There being no further business, a motion was made by Randy Sonnier and seconded by Don Albanese that the meeting be adjourned at 6:05 p.m.

Motion carried.

Ayes: Albanese, Belaire, Ducharme, Kieschnick, McNeill and Sonnier.

Noes: None. **Absent:** Austin.

Larry Ducharme, President

Stuart Kieschnick, Secretary/Treasurer