

NEDERLAND ECONOMIC DEVELOPMENT CORPORATION

HENRY LABRIE, MID-COUNTY PLAZA, LLC

"OLD TOWN NEDERLAND" - AIRPORT RETAIL DEVELOPMENT

HOW WE GOT HERE AND WHERE ARE WE GOING

SEQUENCE OF EVENTS

Correspondence and/or minutes listed on this timeline will be provided as exhibits

▶ On February 17, 2016 Director Kay Decuir advised the Board that she met with Wells Fargo to obtain information regarding the possibility of financing the infrastructure for the land through Bonds. Attorney Jim Wimberley advised that the current interlocal Agreement with the County states that NEDC will receive not less than 50% or more of the Ad Valorem Tax and all rent money, but could be modified to receive 50% or more of the Ad Valorem Tax plus a dollar-for-dollar match of the Ad Valorem Tax on the lease, which will result in the same net proceeds received from the County. Attorney Wimberley advised the better option would be to Bond the financing.

▶ On February 18, 2016 an article in the local paper read "Nederland EDC lands a huge development project in front of the Jack Brooks Regional Airport".

▶ On May 28, 2017 Glow Investment, Inc. enters into a ground lease with Jefferson County.

▶ A motion was made and passed by NEDC Board authorizing Mr. Wimberley and Director Decuir to obtain bids, develop package and present their finding to the Board.

- ▶ On May 2, 2019, Mr. LeBrie and Attorney Monk had a Airport development meeting with NEDC Director, and Airport Manager, Alex Rupp,
- ▶ On May 15, 2019, Henry LaBrie, and Attorney Brandon Monk made a presentation at the NEDC meeting.
- ▶ On May 24, 2019, NEDC has Closed Executive Meeting to discuss the following items.
 - ▶ Section 551.087 Deliberations regarding Economic Development Incentive - Henry LaBrie, Developer - Airport Project
- ▶ On June 13, 2019 NEDC Director provides written response to Mr. LaBrie Attorney in response to his May 15, 2019 presentation and Board No Action from their closed meeting on May 24, 2012.
- ▶ On June 24, 2019 Jefferson County Commissioner's Court considers airport ground lease from LaBrie and the termination of any Glow Lease. Precinct 2 Commissioner Brent Weaver stated "I just think it's time to hit the reset button, start fresh," "This property has been tied up since February of 2016. That's about 3 ½ years. Put this in perspective. That's 1,222 days."
- ▶ On July 22, 2019 Henry LaBrie signs ground lease with Jefferson County.
- ▶ On January 15, 2020, per Resolution 2020-01, a motion was made and passed by the Board of Directors to earmark \$600,000 for GLOW Investments Group Development at the Landing.
- ▶ On January 15, 2020, per Resolution 2020-02, a motion was made and passed by the Board of Directors to earmark \$700,000 for Prospective Tenant Investment at the Landing.
- ▶ On July 14, 2020, LaBrie signs ground lease with Jefferson County for potential Retail Development.

▶ On March 24, 2021 a motion was made and passed by the Board of Directors to unrestrict the \$700,000 Reserved Funds for the Airport PRIDE and restrict the amount of \$700,000 as Reserved Funds for Boston Avenue Revitalization.

▶ On April 21, 2021 Director Decuir shared the following Financial information from the January Financial Report. Committed/Reserve Funds:

1. Boston Avenue Revitalization	\$ 700,000
2. Emergency Funds	750,000
3. Airport	2,200,000
4. Glow/Airport	600,000

▶ Director also shared that she brought a "local Developer to meet with Commissioner Bush and Airport Manager Rupp for a possible development at the Airport.

▶ On May 10, 2021 Mr. Labrie's office hand-delivered a proposal for the airport retail development to NEDC Office. Proposal attached.

▶ On May 19, 2021, The NEDC has a closed meeting executive session related to the Airport Development;

- ▶ Director Decuir informed the Board that Glow made a decision not to move forward with their \$88 million dollar project at the Airport.
- ▶ Director Decuir requested the Board reallocate the 2.2 million dollars previous allocated for the NEDC development at the Airport to Downtown Development and Revitalization.
- ▶ The Board made a motion and passed to unrestrict the \$600,000 Reserved Fund for Glow and restrict the amount of \$600,000 as Reserved Funds for Airport PRIDE Program.
- ▶ On May 26, 2021, Labrie Attorney Brandon Monk emailed NEDC Director as to Board action on proposed Airport Project.
- ▶ On May 26, 2021 Kay DeCuir emailed Attorney Brandon Monk a response to a follow-up regarding proposed Airport Project, letting him know that there would be no incentive from the EDC and they would not need any further information.

This being the first mention to Mr. Labrie or his Attorney of the long-standing NEDC precedent that the NEDC does not provide incentives to entities whose project are both committed and commenced before presentation to the NEDC".

At this time the only work the Mr. Labrie had been done was moved dirt.

- ▶ On June 19, 2019, during the EDC meeting, Director Kay DeCuir shared with other board members that a prospective applicant would not be accepted due to not submitting for Board approval prior to the start of project and the majority of the work has been completed.

- ▶ On October 1, 2021, Mr. Labrie engaged me to assist him in seeking an Economic Infrastructure Incentive from NEDC for his Airport Retail Development.
- ▶ I'm Floyd Batiste, CECD, with 17 years as prior Director of Port Arthur EDC, and 20 years of Workforce Development experience. In 2020, I was awarded a Life Time Achievement Award in Community Economic Development by The International Economic Development Council.
- ▶ After meeting with Mr. Labrie and his Attorney Mr. Monk, I gather the above information in regards to his request for assistance from NEDC for an Economic Infrastructure Incentive. I first completed an Impact Analysis on his proposed project (attached hereto and will be further explained). I spoke to the County Judge and other County Commissioners, the Nederland City Manager, the Mayor and other Nederland City Councilmen, the Director of Nederland EDC and other NEDC Board Members, and the Airport Manager.
- ▶ In my discussion with each of those individuals I learned that ALL supported the project and wanted to find a resolve to bring this project to Nederland, based on the Return on Investment, "ROI" that it would provide the City of Nederland, Jefferson County, the Nederland ISD and other taxing entities. (Please refer to Impact Analysis).
- ▶ When speaking with Director Decuir, she stated the *project IS DEAD* and Mr. Labrie knows as such. Ms. Decuir advised me that "due to the fact that construction on the project was clearly commenced by Mr. Labrie before presenting his plan to the NEDC, such commencement was averse to *long-standing NEDC precedent* that the NEDC does not provide incentives to entities whose project are both committed and commenced before presentation to the NEDC".
- ▶ On October 7, 2021 Brandon Monk emailed Mrs. DeCuir a request to be on the next Nederland EDC agenda for a presentation in open session. Mr. Labrie and Floyd Batiste would be present.

In Summary let's look at the Financial Impact Report of this Project

1. Mr. Labrie's Capital Investment will be \$35.6 million for Phase 1 Development he is requesting \$1,200,000 in Economic Infrastructure Incentive from NEDC.
2. Estimated Net Annual Benefits to the City of Nederland = \$ 360,610
3. Estimated Net Annual Benefits to Jefferson County = \$ 202,100
4. Estimated Net Annual Benefits to Nederland ISD = \$ 168,820
5. Estimated Net Annual Benefits to Others = \$ 269,237
Estimated Total Annual Benefit of Phase 1 Development = \$1,000,767
6. Estimated New Job Creation will be created: 70 Direct and 15.5 Spin-off with an Average Annual Salary of \$32,427.
7. The Rate of Return is estimated at 30.1%
8. The Payback Period for NEDC Economic Infrastructure Incentive is 3.4 years.

CONCLUSION

► Based upon the Impact Report, we ask that the Board of Directors consider waiving the “long-standing” NEDC precedent of NEDC not provide incentives to Mr. Labrie development which he is committed and ready to commence construction of the project on Hwy 69 at the Airport as this project will greatly benefit the City of Nederland Financially with a estimated Rate of Return of 30.1% and serve ALL Jefferson County with its high traffic count because of its location on.

► I certainly commend the NEDC Director and the Board of Directors on the commitment you have making with the investment in on Boston Avenue in Downtown Nederland and feel your investment in both of these projects will be a win-win Financially for the City of Nederland.

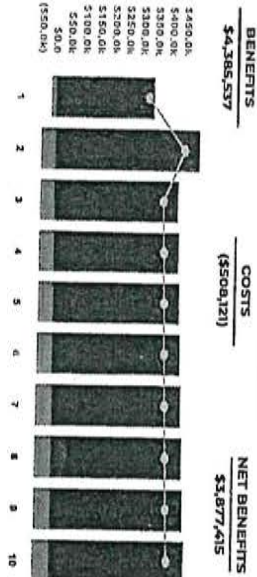
Thank you.



IMPACT REPORT MID-COUNTY PLAZA, LLC Scenario 1

☒ New/Startup
 ☒ Tourism & Hospitality

City of Nederland



NET BENEFITS
 Present Value **\$3,877,415**
 \$2,983,956

BENEFITS	
Sales Taxes	\$888,022
Real Property Taxes	\$2,771,411
FF&E Property Taxes	\$200,463
Inventory Property Taxes	\$0
New Residential Property Taxes	\$4,577
Hotel Occupancy Taxes	\$40,000
Building Permits and Fees	\$373,556
Utility Revenue	\$34,943
Utility Franchise Fees	\$70,084
Miscellaneous Taxes and User Fees	\$70,084
Benefit Subtotal	\$4,385,537
COSTS	
Cost of Government Services	(\$13,405)
Cost of Utility Services	(\$374,716)
Costs Subtotal	(\$500,121)

JOBS
 85.5 Total
 70.0 Direct
 15.5 Spin-off

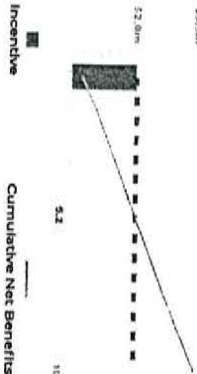
SALARIES
 \$32,427 Avg
 \$31,200 Direct
 \$37,963 Spin-off

CAPITAL INVEST.
 \$39.8M
 Buildings + FF&E

RESIDENTIAL DEV.
 0.6 Homes
 3.8 Relocations

INCENTIVE ANALYSIS

Total Incentive **\$2,000,000**
 Per Job **\$28,571**
 Rate of Return **19.4%**
 Payback Period **5.2 Yrs**



NET BENEFITS OVER 10 YEARS

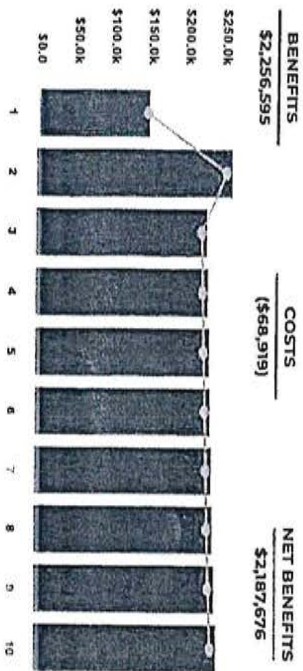
CITY	\$2,187,676	\$3,877,415
COUNTY	\$1,945,922	
SCHOOL DISTRICT		
OTHER		



IMPACT REPORT
MID-COUNTY PLAZA, LLC
Scenario 1

• New/Startup ☑ Tourism & Hospitality

Jefferson County



NET BENEFITS

Present Value

\$2,187,676
\$1,675,380

BENEFITS

Sales Taxes	\$330,178
Real Property Taxes	\$1,744,846
FF&E Property Taxes	\$126,209
Inventory Property Taxes	\$0
New Residential Property Taxes	\$10,278
Hotel Occupancy Taxes	\$137
Miscellaneous Taxes and User Fees	\$44,947
Benefits Subtotal	\$2,256,595

COSTS

Cost of Government Services	(\$68,919)
Costs Subtotal	(\$68,919)

NET BENEFITS OVER 10 YEARS

CITY	\$3,877,415
COUNTY	\$2,187,676
SCHOOL DISTRICT	\$1,845,922
OTHER	\$2,942,694

JOBS

99.1 Total
70.0 Direct
29.1 Spin-off

SALARIES

\$33,184 Avg
\$31,200 Direct
\$37,963 Spin-off

CAPITAL INVEST.

\$39.8M
Buildings + FF&E

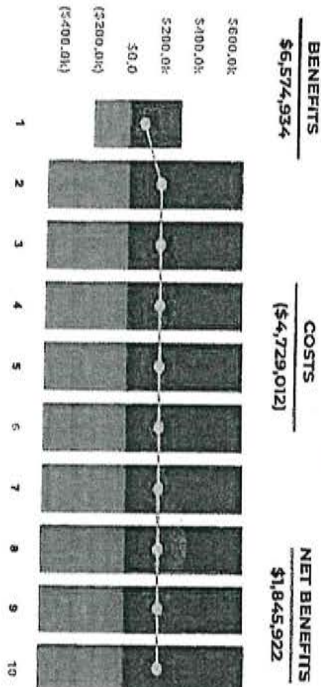
RESIDENTIAL DEV.

24 Homes
16.1 Relocations



IMPACT REPORT MID-COUNTY PLAZA, LLC Scenario 1

- New/Startup
- Tourism & Hospitality



NET BENEFITS
Present Value **\$1,845,922**

BENEFITS

Real Property/Taxes	\$6,096,352
FF&E Property Taxes	\$440,964
Inventory/Property Taxes	\$0
New Residential Property Taxes	\$4,033
Addtl. State & Federal School Funding	\$33,585
Benefits Subtotal	\$6,574,934

COSTS

Cost to Educate New Students	(\$32,324)
Reduction in State School Funding	(\$4,696,688)
Costs Subtotal	(\$4,729,012)

NET BENEFITS OVER 10 YEARS

CITY	\$3,877,415
COUNTY	\$2,187,676
SCHOOL DISTRICT	\$1,845,922
OTHER	\$2,942,694

JOBS

86.3 Total
70.0 Direct
16.3 Spin-off

SALARIES

\$32,480 Avg
\$31,200 Direct
\$37,963 Spin-off

CAPITAL INVEST.

\$39.8M
Buildings + FF&E

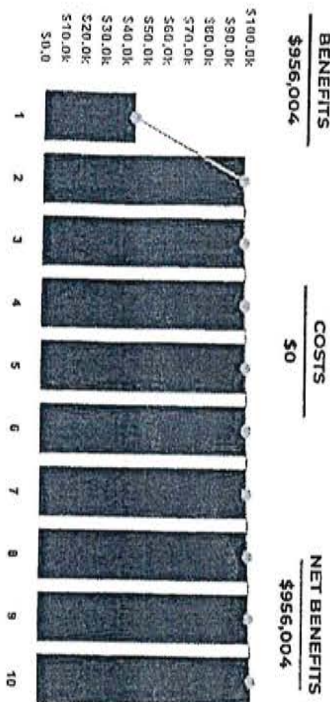
RESIDENTIAL DEV.

0.3 Homes
1.8 Relocations



IMPACT REPORT MID-COUNTY PLAZA, LLC Scenario 1

- New/Startup
- Tourism & Hospitality



NET BENEFITS
Present Value \$956,004
\$726,430

BENEFITS

Real Property Taxes	\$886,648
FF&E Property Taxes	\$64,133
Inventory Property Taxes	\$0
New Residential Property Taxes	\$5,223
Benefits Subtotal	\$956,004

COSTS

None Estimated	\$0
Costs Subtotal	\$0

NET BENEFITS OVER 10 YEARS

CITY	\$3,877,415
COUNTY	\$2,187,676
SCHOOL DISTRICT	\$1,845,922
OTHER	\$2942,694

JOBS

99.1 Total
70.0 Direct
29.1 Spin-off

SALARIES

\$33,184 Avg
\$31,200 Direct
\$37,963 Spin-off

CAPITAL INVEST.

\$39.8M
Buildings + FF&E

RESIDENTIAL DEV.

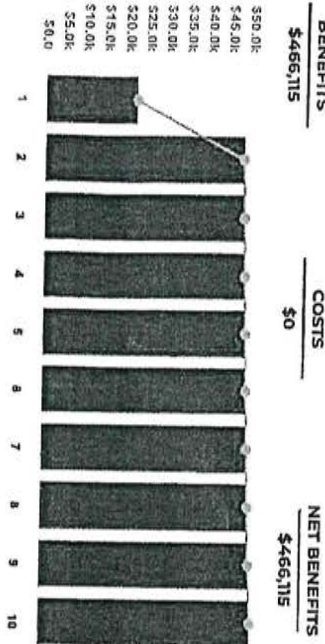
24 Homes
16.1 Relocations



IMPACT REPORT MID-COUNTY PLAZA, LLC Scenario 1

☒ New/Startup ☐ Tourism & Hospitality

Sabine Neches Navigation District



NET BENEFITS

Present Value

\$466,115
\$354,183

BENEFITS

Real Property Taxes	\$432,300
FF&E Property Taxes	\$31,269
Inventory Property Taxes	\$0
New Residential Property Taxes	\$2,546
Benefits Subtotal	\$466,115

COSTS

None Estimated	\$0
Costs Subtotal	\$0

JOBS

99.1 Total
70.0 Direct
29.1 Spin-off

SALARIES

\$33,184 Avg
\$31,200 Direct
\$37,963 Spin-off

CAPITAL INVEST.

\$39.8M
Buildings + FF&E

RESIDENTIAL DEV.

2.4 Homes
16.1 Relocations

NET BENEFITS OVER 10 YEARS

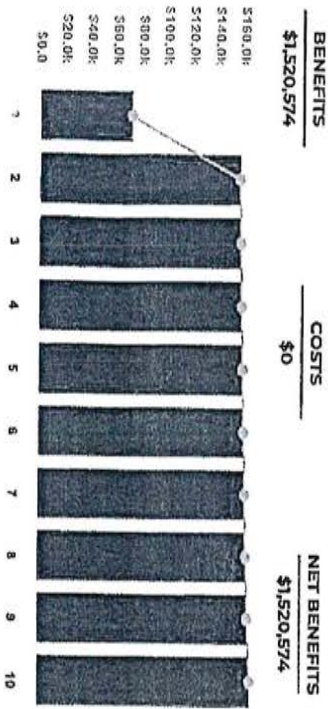
CITY	\$3,877,415
COUNTY	\$2,187,676
SCHOOL DISTRICT	\$1,845,922
OTHER	\$2,942,694



IMPACT REPORT
MID-COUNTY PLAZA, LLC
Scenario 1

- New/Startup
- Tourism & Hospitality

Drainage District #7



NET BENEFITS
Present Value \$1,520,574
\$1,555,423

BENEFITS

Real Property Taxes	\$1,410,259
FF&E Property Taxes	\$102,008
Inventory Property Taxes	\$0
New Residential Property Taxes	\$8,307
Benefits Subtotal	\$1,520,574

COSTS

None Estimated	\$0
Costs Subtotal	\$0

NET BENEFITS OVER 10 YEARS

CITY	\$3,977,415
COUNTY	\$2,187,676
SCHOOL DISTRICT	\$1,845,922
OTHER	\$7,942,694

JOBS

99.1 Total
70.0 Direct
29.1 Spin-off

SALARIES

\$33,184 Avg
\$31,200 Direct
\$37,963 Spin-off

CAPITAL INVEST.

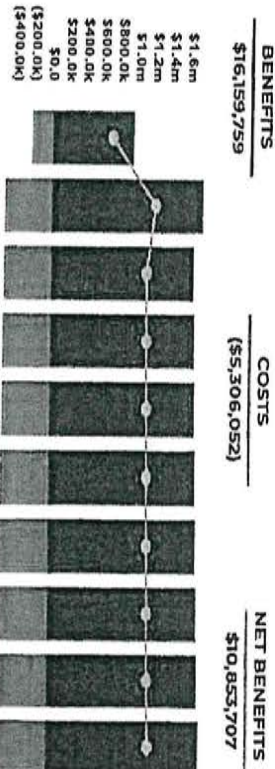
\$39.8M
Buildings + FF&E

RESIDENTIAL DEV.

24 Homes
161 Relocations



IMPACT REPORT MID-COUNTY PLAZA, LLC Scenario 1



JOBS
99.1 Total
70.0 Direct
29.1 Spin-off

SALARIES

\$33,184 Avg
\$31,200 Direct
\$37,963 Spin-off

CAPITAL INVEST.

\$39.8M
Buildings + FF&E

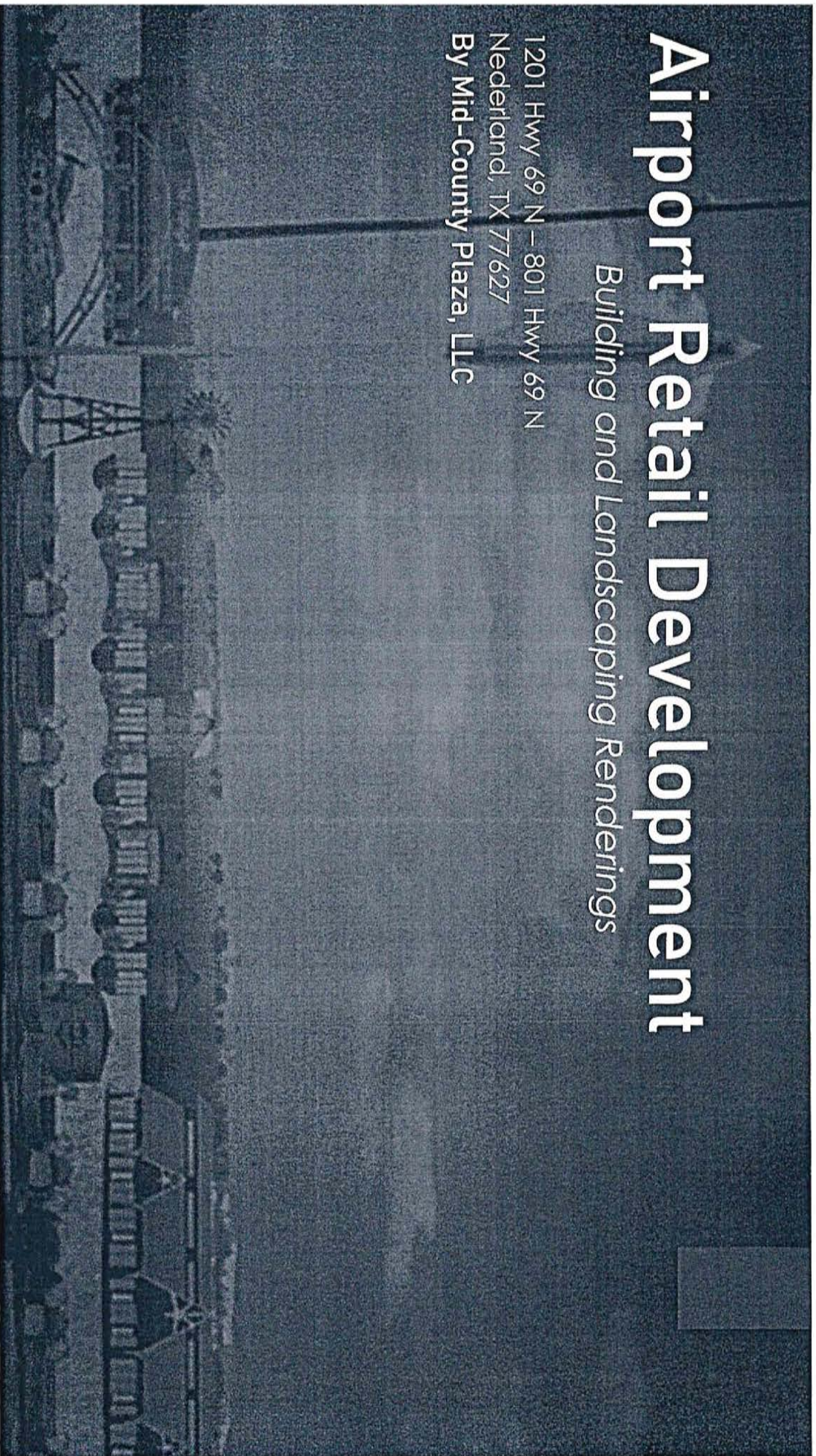
	City of Nederland	Jefferson County	Nederland ISD	Other Districts	Total
NET BENEFITS	\$3,877,415	\$2,187,676	\$1,845,922	\$2,942,694	\$10,853,707
Present Value	\$2,983,956	\$1,675,380	\$1,402,684	\$2,236,036	\$8,298,056
BENEFITS					
Sales Taxes	\$988,022	\$330,178	\$0	\$0	\$1,218,200
Real Property Taxes	\$2,771,411	\$1,744,846	\$6,096,352	\$2,729,207	\$13,341,817
FF&E Property Taxes	\$200,463	\$126,209	\$440,964	\$197,410	\$965,047
Other Benefits	\$525,640	\$55,362	\$37,618	\$16,076	\$634,695
Benefits Subtotal	\$4,385,537	\$2,256,595	\$6,574,934	\$2,942,694	\$16,159,759
COSTS					
Cost of Government Services	(\$133,405)	(\$68,919)	(\$32,324)	\$0	(\$234,648)
Other Costs	(\$374,716)	\$0	(\$4,696,688)	\$0	(\$5,071,404)
Costs Subtotal	(\$508,121)	(\$68,919)	(\$4,729,012)	\$0	(\$5,306,052)
NON-TAX INCENTIVES					
Non-Tax Incentive	\$2,000,000	\$0	\$0	\$0	\$2,000,000
Payback Period	5.2 Years				2.1 Years

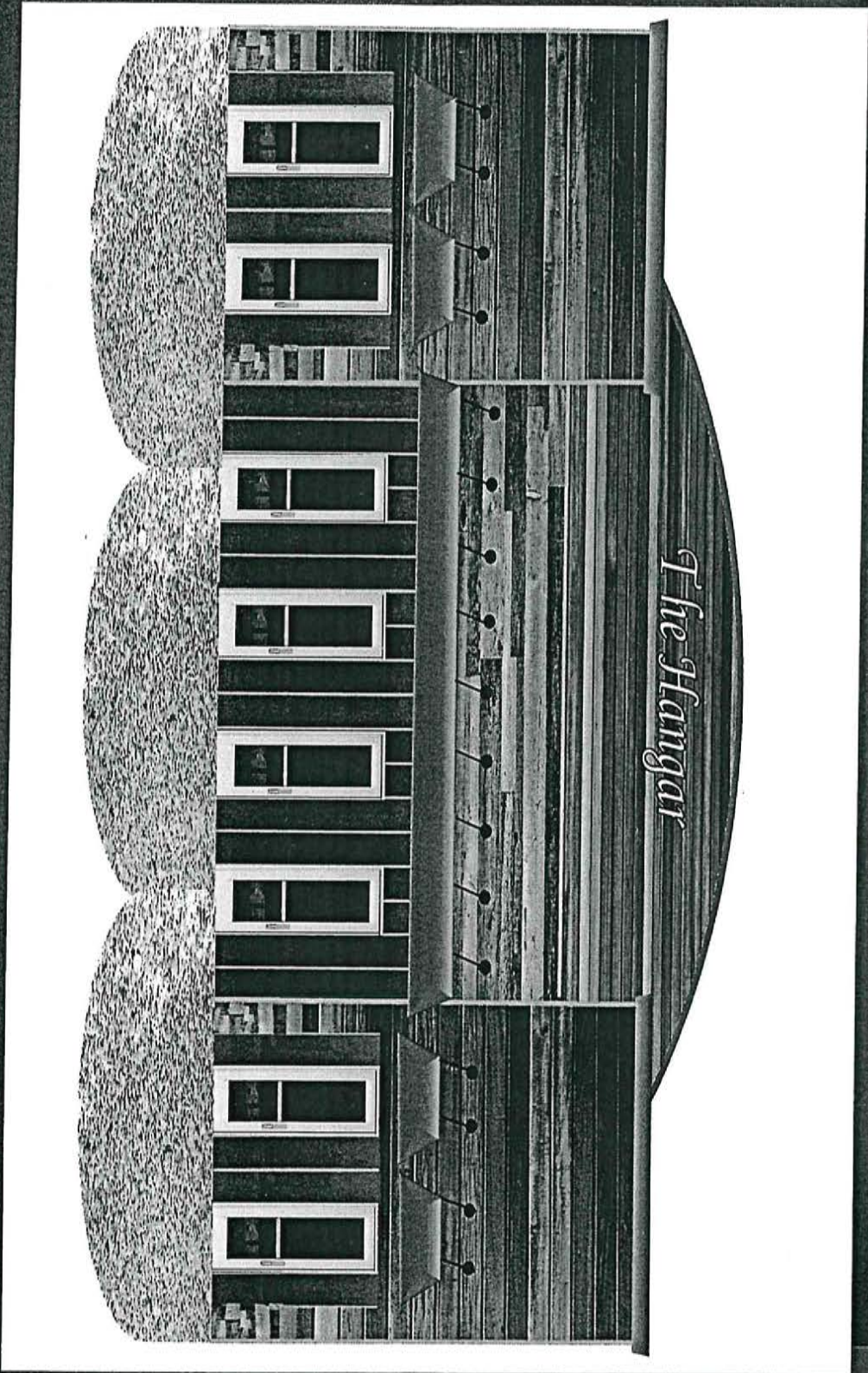
Airport Retail Development

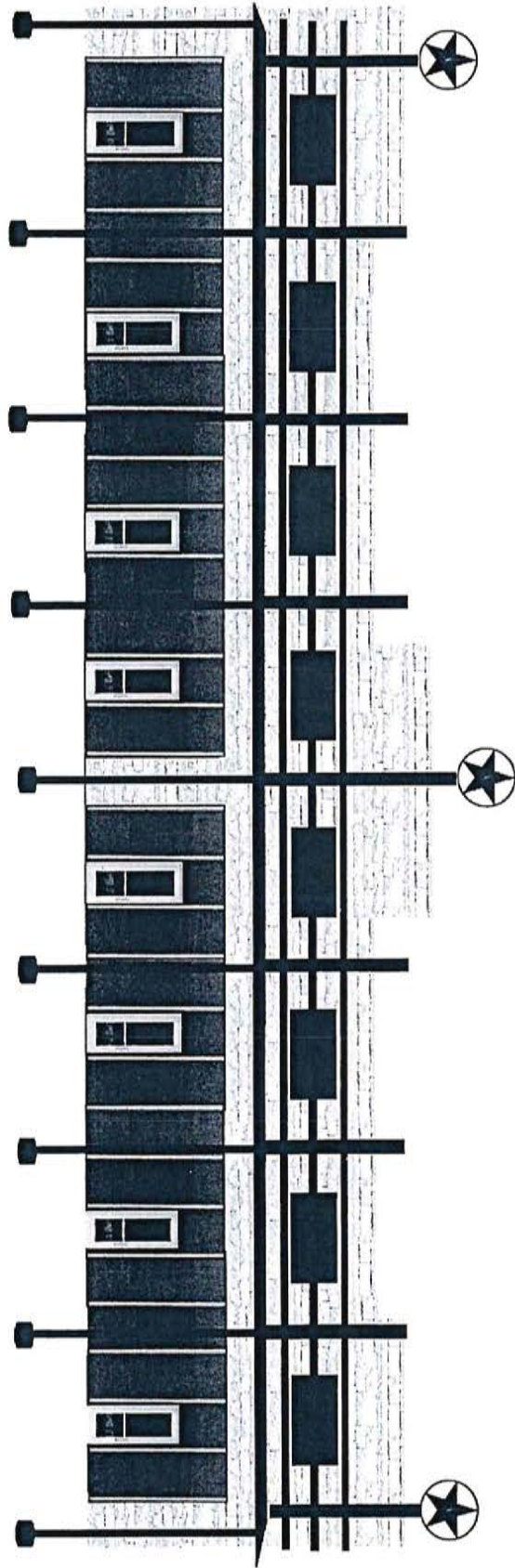
Building and Landscaping Renderings

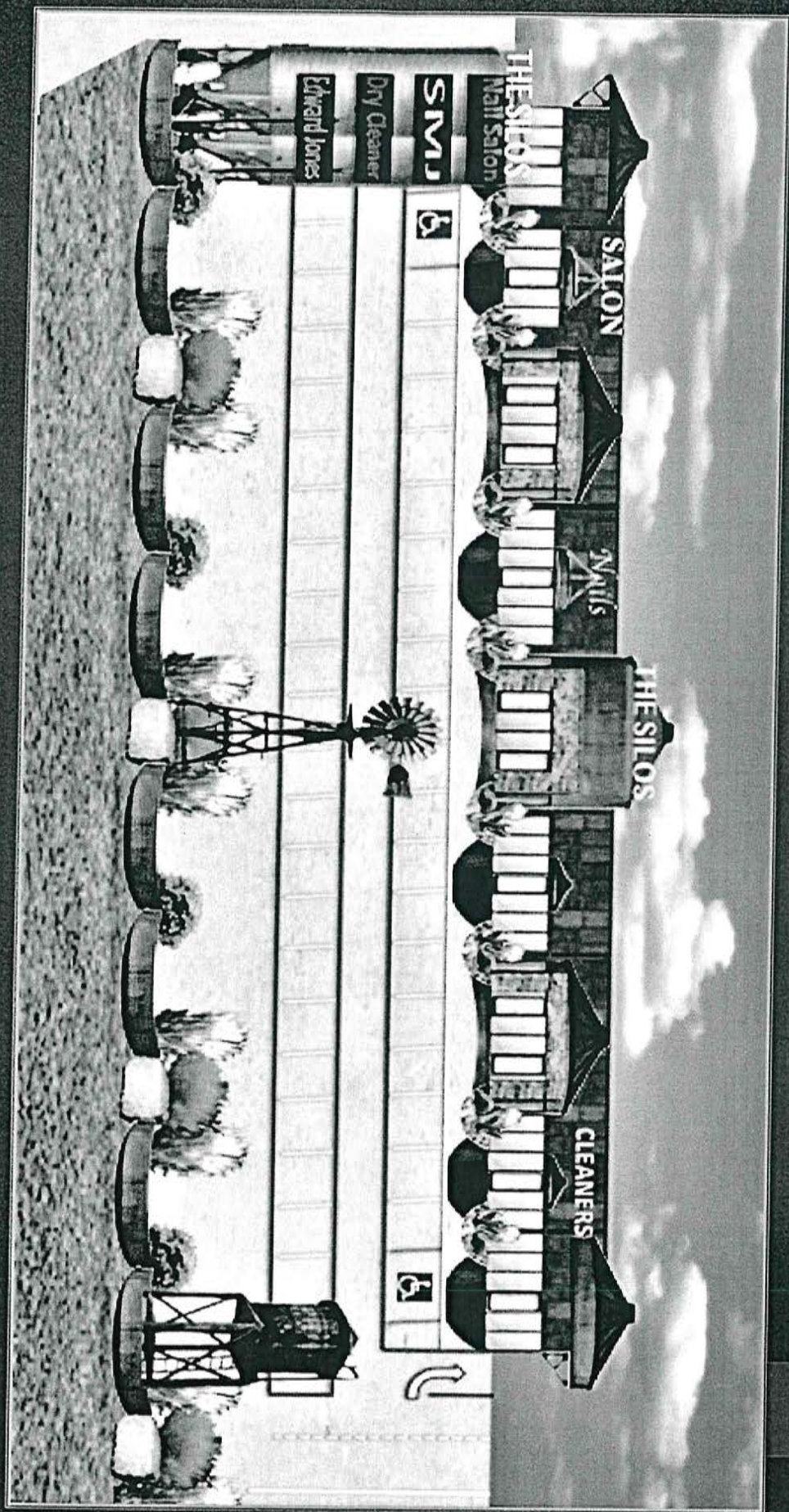
1201 Hwy 69 N – 801 Hwy 69 N
Nederland, TX 77627

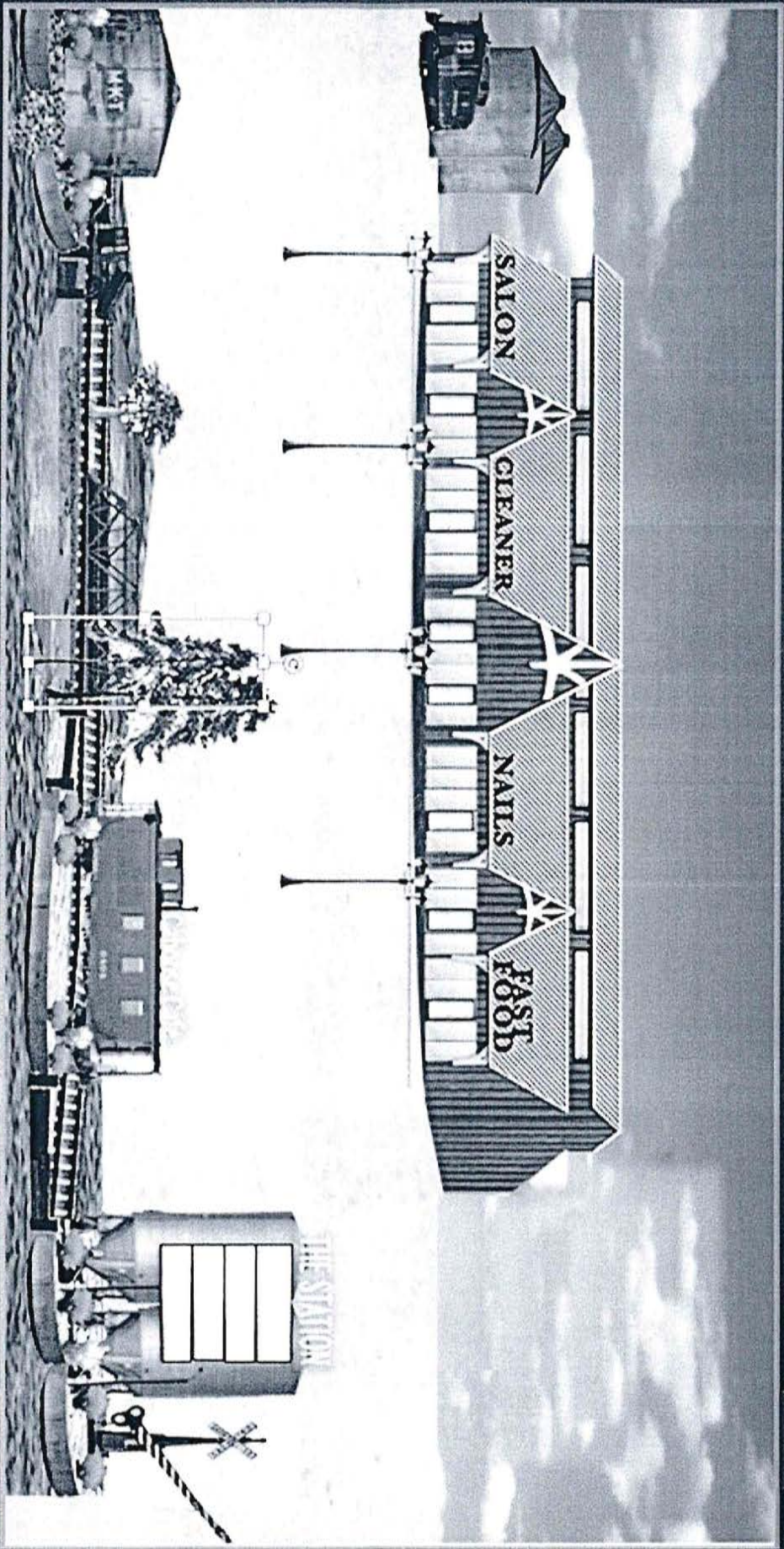
By Mid-County Plaza, LLC



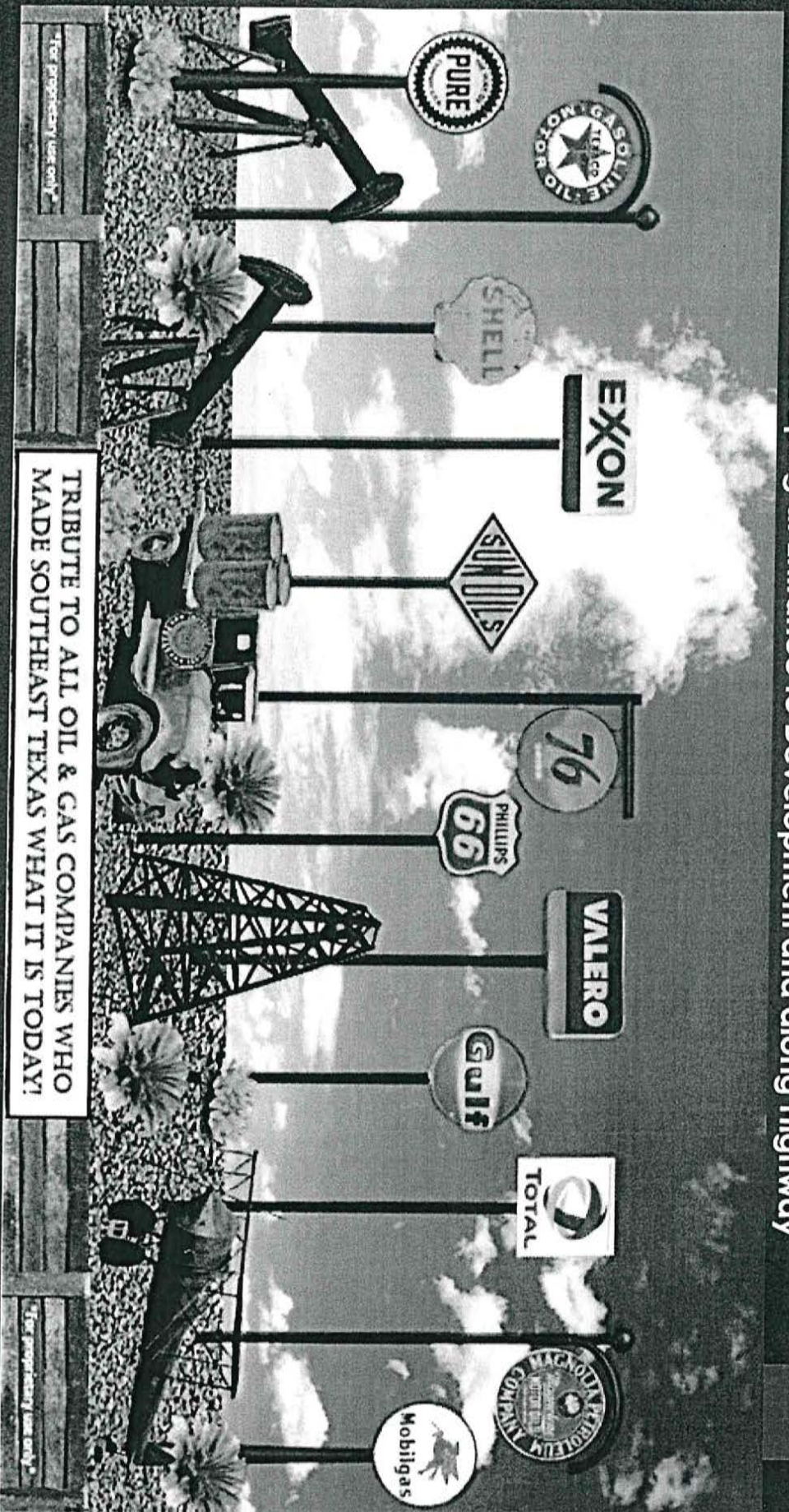








Landscaping at Entrance to Development and along Highway

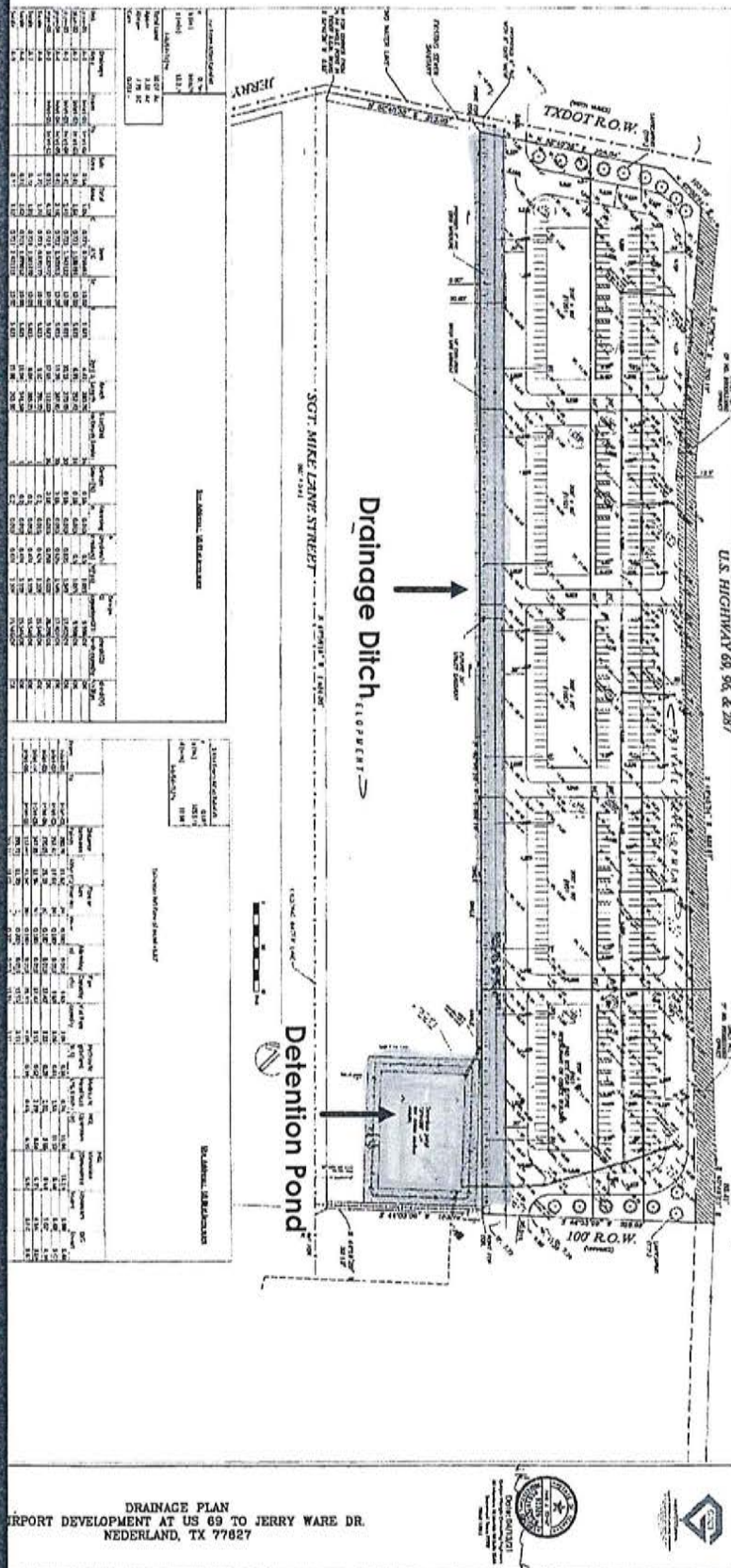


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MADE SOUTHEAST TEXAS WHAT IT IS TODAY!

"For proprietary use only"

"For proprietary use only"

Work Completed as of 10/20/21



Supporting documentation for the timeline we presented was delivered to Director Kay Decuir, with copies for all EDC Board Members on Monday 10/18/21.

We have extra copies if needed.

Does anyone have any questions?

