

NEDERLAND ECONOMIC DEVELOPMENT CORPORATION

Minutes
March 23, 2016

Cor.

MEETING

A meeting of the Nederland Economic Development Corporation was called to order at 4:31 p.m. at the Nederland Economic Development Corporation Office, 1519 Boston Avenue, by President Craig J. Belaire.

QUORUM

Board members present: Craig J. Belaire, Larry Ducharme, Jim McNeill, Billy Neal, Bert Rogers and Brian Swindel. Absent: Regan Meaux. Others present: Jimmy Wimberley, NEDC Attorney, Kay DeCuir, NEDC Executive Director and Christinia Herrmann, NEDC Administrative Secretary. Guests present: Chris Duque, Nederland City Manager, Kasey Taylor of CEESI.

INVOCATION AND PLEDGE TO AMERICAN FLAG

Secretary / Treasurer Bert Rogers gave the invocation and President Craig Belaire led the Pledge.

MINUTES

A motion was made by Larry Ducharme and seconded by Bert Rogers to approve the minutes of February 17, 2016.

Motion carried.

Ayes: Belaire, Ducharme, McNeill, Neal, Rogers and Swindel.

Noes: None. Absent: Meaux

A motion was made by Larry Ducharme and seconded by Bert Rogers to approve the minutes of February 29, 2016.

Motion carried.

Ayes: Belaire, Ducharme, McNeill, Neal, Rogers and Swindel.

Noes: None. Absent: Meaux

EXECUTIVE SESSION

The regular meeting was recessed at 4:34 p.m. by President Craig J. Belaire 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; or Texas Government Code, Chapter 551.072 discuss potential acquisition, exchange, and/or release of property.

RECONVENE

The regular meeting was reconvened by President Belaire at 5:05 p.m. President Belaire announced no action was needed on Texas Government Code, Chapter 551.087, to discuss the

offer of an incentive to a business prospect; or Texas Government Code, Chapter 551.072 to discuss potential acquisition, exchange, and/or release of property.

President Belaire announced the following action is needed on Texas Government Code Chapter 551.071 to discuss litigation and/or legal advice

A motion was made by Craig Belaire and seconded by Billy Neal to approve posting of a sign at the front entrance, at parking and added to agendas to advise no guns allowed on premises.

Motion tied. Tabled for next agenda

Ayes: Craig J. Belaire, Billy Neal and Bert Rogers.

Noes: Larry Ducharme, Jim McNeill, and Brian Swindel Absent: Regan Meaux

FINANCIALS

Kay Decuir shared the February 2016 Financials and noted that the City Sales Tax has continued growing since 2013. In addition, February 2016's Sales Tax of seventy four thousand seven hundred forty-nine dollars and twenty-five cents (\$74,749.25) is the highest Sales Tax in the history of the NEDC.

Kay informed the Board that both of the NEDC Certificate of Deposits (one at Five Point Credit Union and one at Neches Credit Union) were close to reaching two hundred and fifty thousand dollars and no/100 (\$250,000.00). President Belaire suggested leaving the minimum required amount in Certificate of Deposits and transferring the remaining money into the NEDC's checking account. Larry Ducharme suggested the funds be kept liquid for now. Bert Rogers stated Mid-County Credit Union had private insurance, not FDIC, and asked if that was safe for investment. Jim Wimberley stated the private insurance carried by Mid-County Credit Union was strong.

A motion was made by President Belaire and seconded by Larry Ducharme to renew Certificate of Deposits at minimum required amount and transfer remaining money to NEDC's checking account at maturity date.

Motion carried

Ayes: Craig Belaire, Larry Ducharme, Jim McNeill, Billy Neal, Bert Roger and Brian Swindel.

Noes: None. Absent: Regan Meaux

MONITORING UPDATE

Christinia Herrmann gave an update on the PRIDE Program and reviewed the monitoring status of each CBA Client, including the date incentive granted, anticipated payback term and current balance. She informed the Board that eleven (11) PRIDE applications had been received and approved with a projected pay out of seventy four thousand five hundred four dollars and .35/100 (\$74,504.35). As of today, five (5) PRIDE Awards have been paid for a total of nineteen thousand five hundred four dollars and .35/100 (\$19,504.35) and six (6) were pending with a projected payout of fifty-five thousand dollars (\$55,000.00). The current actual remaining fund balance (not including the 6 pending) is one hundred forty thousand four hundred ninety-five dollars and .65/100 (\$140,495.65). She also advised that Rosa Hernandez of Rosa's Mexican Restaurant (which closed prior to fulfilling PRIDE obligation) has signed a PRIDE Award Repayment Agreement and has already paid back twelve hundred dollars and no/100 (\$1,200.00) leaving a balance of one thousand eight hundred seventy-one dollars and .55/100 (\$1,871.55). Mrs. Hernandez agreed to pay monthly installments and her goal is to pay off any remaining balance upon receipt of her tax refund.

Kay DeCuir inquired as to whether or not the Board wanted monitoring continued for Specialty Insulation as there is little Sales Tax from this business and we were mainly monitoring job creation which fluctuates and required numbers have been met at various times. Larry Ducharme stated this business is tied to the petrochemical industry which causes the fluctuation and the incentive was originally granted based on job creation and the projected money that would be spent by employees. Jim Wimberley stated job creation should be the EDC's primary focus. Kay also informed the Board that a lawsuit had been filed against the Candle Cottage and we were in the "demand stage" in regards to status of The Veranda.

Kay also informed the Board that Daley's Hunt-N-Fish had closed and that she had spoken with Keith Daley numerous times offering suggestions and even tried assisting in finding him a new location. She reminded him that if he closed or moved the business from Nederland, he would need to repay the remaining balance of his incentive and he understood. Christinia also spoke with Megan Daley and reminded her to submit the fourth quarter 2015 and first quarter 2016 reports.

A motion was made by Larry Ducharme and seconded by Jim McNeill to close the monitoring for Specialty Insulation Solutions.

Motion carried

Ayes: Craig Belaire, Larry Ducharme, Jim McNeill, Billy Neal, Bert Roger and Brian Swindel.

Noes: None. Absent: Regan Meaux

PRIDE PROGRAM

A discussion was held regarding applications for the PRIDE Program.

An application was received from a business, Jimmy's Automotive located at 1726 Nederland Avenue in Nederland, TX. They are requesting ten thousand dollars and no/100 (\$10,000.00) for a project totaling twenty-two thousand four hundred ninety-nine dollars and 38/100 (\$22,499.38) which consists of signage, painting, landscaping and changing mansard awning from a slant to a boxed shape.

A motion was made by Bert Rogers and seconded by Larry Ducharme to approve the PRIDE Program application for Jimmy's Automotive in the amount not to exceed ten thousand dollars and no/100 (\$10,000.00) for signage, painting, landscaping and changing mansard awning from a slant to a boxed shape at 1726 Nederland Avenue in Nederland, Texas.

Motion carried.

Ayes: Craig J. Belaire, Larry Ducharme, Jim McNeill, Billy Neal, Bert Rogers and Brian Swindel.

Noes: None. Absent: Regan Meaux

An application was received from Dustin Hood Insurance for a project consisting of updating façade, painting, awning and signage located at 1204 Boston Avenue in Nederland, TX. They are requesting ten thousand dollars and no/100 (\$10,000.00) for a project totaling twenty-three thousand one hundred sixteen dollars and .35/100 (\$23,116.35).

A motion was made by Larry Ducharme and seconded by Bert Rogers to approve the PRIDE Program application for Dustin Hood in the amount not to exceed ten thousand dollars and no/100 (\$10,000.00) for updating façade, painting, awning and signage at 1204 Boston Avenue in Nederland, Texas.

Motion carried.

Ayes: Craig J. Belaire, Larry Ducharme, Jim McNeill, Bert Rogers and Brian Swindel

Abstained: Billy Neal

Noes: None. Absent: Regan Meaux

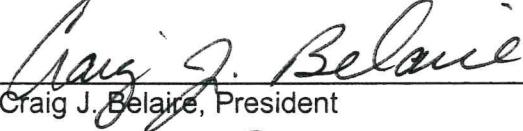
COMMUNICATION

Kay DeCuir informed the Board of the upcoming Town Hall Meeting to be held on Tuesday, March 29, 2016 at the Nederland EDC office. The main topic of discussion will be bringing back something like "Third Thursday" except having it on a Saturday and renaming it to include the phrase "Market Day" or something similar. The thought is to have one in May and if all goes well have the event twice a year or quarterly. Bert Rogers asked if there was an organization for the Merchants' Association. Kay stated that association had been dissolved and Nancy Landry had offered to assist in the planning of future events.

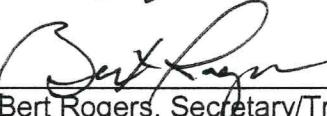
Larry Ducharme asked for an update on the property sold to Philpott Ford. Jim Wimberley advised he had sent a letter asking what they intended to do in regards to building their new facility on the property within the required timeline. He feels the letter was forwarded to Sonic's corporate office for response. Mr. Ducharme also stated he had reviewed the letter sent to "Mookie" Bhakta and wanted to know if any response had been received. No response received.

ADJOURN

There being no further business, President Belaire adjourned the meeting at 5:35 pm.



Craig J. Belaire, President



Bert Rogers, Secretary/Treasurer