

**NOTICE OF MEETING  
SEABROOK ECONOMIC DEVELOPMENT CORPORATION  
THURSDAY, JUNE 09, 2016 AT 7:00 P.M.**

NOTICE IS HEREBY GIVEN THAT THE SEABROOK ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF SEABROOK WILL MEET ON **THURSDAY, JUNE 09, 2016 AT 7:00 P.M. AT SEABROOK CITY HALL**, 1700 FIRST STREET, SEABROOK, TEXAS TO CONSIDER, AND IF APPROPRIATE, TAKE ACTION WITH RESPECT TO THE AGENDA ITEMS LISTED BELOW.

**ALTHOUGH THIS IS NOT A SEABROOK CITY COUNCIL MEETING, MEMBERS OF THIS BODY MAY ATTEND AND A QUORUM OF THIS BODY MAY BE PRESENT.**

THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR OTHER ACCOMMODATIONS OR INTERPRETIVE SERVICES, MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY SECRETARY'S OFFICE AT (281) 291-5600 OR FAX (281) 291-5710 FOR FURTHER INFORMATION.

**1. ROUTINE PUBLIC HEARING AND ANNOUNCEMENTS**

At this time comments will be taken from the audience on any subject matter, whether or not that item is on the agenda. All comments are limited to a maximum of four minutes for each speaker. In accordance with the Open Meetings Act, Corporation members may not discuss or take action on any item that has not been posted on the agenda.

**2. PRESENTATIONS**

- 2.1. EDC Director's report on economic development activities for May 2016 (Chavez)
- 2.2. Presentation by Merlion Thai Restaurant of request for incentives. (Chavez)

**3. EXECUTIVE SESSION**

The EDC Board will now hold a closed executive session pursuant to the provisions of the Open Meetings Act, Chapter 551, Government Code and Vernon's Texas Codes Annotated, in accordance with the authority contained in one or more of the following sections: Section 551.071, Consultation with Attorney; Section 551.072, Real Property; Section 551.073, Deliberation Regarding a Prospective Gift; Section 551.074, Personal Matters; Section 551.076, Security Devices; and Section 551.087, Economic Development.

- 3.1. Discuss/deliberate potential financial incentives and financial information received from a business prospect(s) that the City/EDC seeks to have locate, stay, or expand for which the City is conducting economic development negotiations, as provided by Texas Government Code Section 551.087. Consult with attorney to receive advice on legal issues associated with potential financial incentives by City/EDC for economic development.

**4. OPEN SESSION**

The EDC Board will reconvene in open session to allow for possible action on the agenda items listed above under "Executive Session".

**5. NEW BUSINESS - The Corporation will discuss, consider, and if appropriate, take action on the items listed below.**

- 5.1. Discuss, consider, and authorize approval of, or take action on the project notice for the incentives for Seabrook Hospitality, LP. (Chavez)

Documents: [NOTICE OF PROJECT - HAMPTON INN.PDF](#)

- 5.2. Discuss, consider, and authorize approval of, or take action on the Economic Development Agreement between the SEDC and Seabrook Hospitality, LP (Hampton Inn), for expenditures of SEDC sales tax funds as an incentive to assist the retention, construction, and improvement of a hotel owned by Seabrook Hospitality, LP. (Chavez)

Documents: [ECONOMIC DEVELOPMENT AGREEMENT - HAMPTON DRAFT 060316 CLEAN \\_INCOMPLETE\\_.PDF](#)

- 5.3. Discuss, consider, and authorize approval of, or take action on the renewal of the Administrative Services Contract for fiscal year 2016-2017. (Chavez)

Documents: [ADM STAFFING SERVICE AGREEMENT DOC 053116 SLW.PDF](#)

**6. ROUTINE BUSINESS - The Corporation will discuss, consider, and if appropriate, take action on the items listed below.**

- 6.1. Approve minutes of the May 12, 2016 meeting. (Patel)

Documents: [5-12-16 MINUTES.PDF](#)

- 6.2. Update on SH 146 Expansion.

- 6.3. Establish future meeting dates and agenda items.

THE EDC BOARD RESERVES THE RIGHT TO HEAR ANY OF THE ABOVE DESCRIBED AGENDA ITEMS THAT QUALIFY FOR AN EXECUTIVE SESSION IN AN EXECUTIVE SESSION BY PUBLICLY ANNOUNCING THE APPLICABLE SECTION NUMBER OF THE OPEN MEETINGS ACT, (CHAPTER 551 OF THE TEXAS GOVERNMENT CODE) THAT JUSTIFIES EXECUTIVE SESSION TREATMENT .

**CERTIFICATE**

I certify that this notice was placed on the bulletin board at Seabrook City Hall on or before Monday, June 06, 2016 at 5:00 p.m. and that it will remain posted until the meeting has ended.

---

Pat Patel  
EDC Administrative Assistant



Notice of Project of the Seabrook Economic Development Corporation  
Relating to Incentives for Seabrook Hospitality, LP (Hampton Inn)

NOTICE IS HEREBY GIVEN that the Seabrook Economic Development Corporation (“SEDC”) intends to undertake a project for economic development including expenditures consistent with the purposes and duties as a Type B corporation by providing incentives through SEDC sales tax revenue, to promote or develop new or expanded business enterprises that create or retain primary jobs in or near the City of Seabrook. SEDC is proposing to expend SEDC sales tax funds as an incentive to assist the retention, construction and improvement of a hotel owned by Seabrook Hospitality, LP (Hampton Inn) for the following Project: repayment of building permit fees, not to exceed \$40,000. Payment of such expenditures is authorized for Projects under Texas Local Government Code, including, Section 505.158 and related provisions.

Pursuant to Texas Local Government Code section 505.159, the SEDC shall hold a public hearing for the Project on July 14, 2016, at 7:00 p.m. at Seabrook City Hall, 1700 First Street, Seabrook, Texas

Pursuant to Texas Local Government Code Section 505.160, and 505.302, proceeds of the sales tax imposed under Chapter 505 may be used to pay the costs of projects of the types added to the definition of “project” by Subchapter D, unless, not later than the 60<sup>th</sup> day after the date of this notice, the City Council of the City of Seabrook receives a petition signed by more than 10 percent of the registered voters of the municipality requesting that an election be held before tax proceeds may be used to promote new or expanded business development.

CERTIFICATE

I certify that this notice was posted on the bulletin board of Seabrook City Hall on June 16, 2016 and published in THE CITIZEN newspaper on June 16, 2016.

---

Pat Patel  
EDC Administrative Assistant

## **ECONOMIC DEVELOPMENT AGREEMENT**

**THIS ECONOMIC DEVELOPMENT AGREEMENT** ("Agreement") is made and entered into as of \_\_\_\_\_, 2016, by and between the **Seabrook Economic Development Corporation**, situated in Harris County, Texas ("SEDC"), and **Seabrook Hospitality, LP, doing business as the Hampton Inn Seabrook**, a Texas limited partnership, with registered office located at 3925 Lake Star Drive, League City, TX 77573, registered agent Gunvant D Bhakta, and general partner Shurag Hospitality Group, LLC, ("Owner" or "Developer"), collectively referred to herein as the "Parties."

### **WITNESSETH:**

**WHEREAS**, Developer/Owner proposes to make hotel construction improvements at its location at 3000 Nasa Rd 1, Seabrook, Texas, operating under the name of Hampton Inn Seabrook, located in the tract as referenced in Exhibit "B" and made a part hereof, hereinafter referred to as ("Project Facilities"); and

**WHEREAS**, Owner has proposed Project Facilities site improvements and submitted a Project Summary and budget to SEDC requesting reimbursement of City permit fees estimated to be approximately \$40,000 for construction of the total Project Facilities, estimated to be \$\_\_\_\_\_ and has applied for incentives from the SEDC under the Economic Development Incentive Programs, ("Program"); and

**WHEREAS**, upon completion of such construction, Developer proposes to construct a \_\_\_\_\_ square foot building of the Project Facilities as a hotel, ("Project"), collectively employing a minimum of \_\_\_\_\_ full time and part time employees; and

**WHEREAS**, Developer/Owner has applied to SEDC for a business incentive grant under the Program to help defray a portion of the total costs of construction referred to above, a copy of which application, including project summary, and budget, (the "Application") is attached hereto and made a part hereof as Exhibit "A," the representations contained therein which the SEDC is specifically relying upon as true and correct in considering Owner's/Developer's Application for the Project; and

**WHEREAS**, pursuant to the Texas Local Government Code, Chapters 501 and 505

together with related authority, Economic Development Corporations of municipalities are authorized to establish programs to promote the creation or retention of jobs or that promote or develop new or expanded business enterprises in the municipality; and

**WHEREAS**, in accordance with such enabling laws, SEDC has adopted “Economic Development Incentive Programs, as provided for in SEDC Resolution 2016-1,” (the "Program"); and

**WHEREAS**, SEDC hereby finds and determines that Developer's/Owner's proposed Project, together with the proposed Project Facilities, as set forth in the Application and related correspondence, meets the minimum eligibility requirements for an economic incentive grant pursuant to the Program; and

**WHEREAS**, SEDC hereby finds and determines that the Project, as depicted by Developer/Owner in the Application and related correspondence, encourages the creation or retention of jobs and/or promotes or develops new or expanded business enterprises in the municipality and can be reasonably anticipated to act as a catalyst for further economic development, particularly tourism in the City of Seabrook; and

**WHEREAS**, SEDC, in reliance upon Developer's/Owner's representations desires to provide an economic development incentive grant under the Program to induce Developer/Owner to proceed with the implementation of the Project; now therefore,

**FOR AND IN CONSIDERATION** of the mutual promises, covenants, and agreements herein, the Parties agree as follows:

**I. Inducement by SEDC.** Conditioned upon Developer's/Owner's representations as being true and correct, pursuant to the guidelines of the Program, final approval of the Project Facilities by SEDC, compliance with the City Code of Ordinances, this Agreement and approval by the Seabrook City Council, SEDC will provide, in the form of a reimbursement to Developer/Owner, an economic incentive grant ("Grant"), payable within thirty (30) days following issuance to the Developer/Owner of a required certificate of occupancy applicable to the Project Facilities. The final reimbursement amount of the economic incentive grant shall be determined and based on the actual amounts paid by Developer/Owner, for the required building permits for construction of the Project Facilities approved by the SEDC in accordance with the Program and Project, in an amount not to exceed \$40,000.

**II. Performance by Developer.**

**A. Improvements to Project Facilities.** Developer/Owner shall provide for the construction and build-out of the Project Facilities as set forth in the Application. Construction shall be substantially complete on or before \_\_\_\_\_.

**B. Employment.** Owner/Developer, pursuant to the Project shall, within 30 days following the date of issuance of Grant funds, collectively employ not less than 21 full and part-time employees.

**III. Recapture for Default.** Grant funds provided hereunder by SEDC shall be contingent on compliance with the provisions of Sections I and II above. In the event of default on any of such requirements, and failure to completely cure any such default within thirty (30) days following written notice thereof by SEDC to Developer/Owner, Developer/Owner shall refund to SEDC the full amount of Grant funds provided hereunder.

Any required refund payment shall be remitted to SEDC within thirty (30) days following the expiration of the cure period set forth above, and any delinquent payment shall bear interest at the maximum rate allowed by law.

**IV. Jurisdiction.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas. Venue for any action arising out of this Agreement shall be exclusively in Harris County, Texas.

**V. Notices.** Any notice hereunder shall be given in writing to the party for whom it is intended, in person or by certified mail, at the following addresses or such future addresses as may be designated in writing:

**If to Owner/Developer:**

Seabrook Hospitality, LP  
Sal Bhakta, Manager  
3925 Lake Star Drive  
League City, TX 77573

**If to SEDC:**

City Manager  
City of Seabrook  
1700 First St.  
Seabrook , Texas 77586

Notice shall be deemed received upon actual receipt or upon refusal of receipt.

**VI. Assignment and Succession.** This Agreement shall be binding upon and inure to the benefit of the heirs, successors, affiliates, administrators, executors, and assigns of the respective parties. All rights hereunder may be assigned by Developer/Owner without restriction to any wholly owned subsidiary or affiliate of Developer/Owner or other entity controlled by Developer/Owner or by a subsidiary or affiliate of Developer/Owner, provided that notice of each assignment shall be given in writing to SEDC, but no other assignment shall be effective without the SEDC's written approval and consent. Provided further, no assignment hereunder shall be effective without the written acknowledgment and acceptance by the assignee of the duties and obligations of Developer/Owner set forth in this Agreement. Such approval shall not be unreasonably withheld.

**VII. Time of Essence.** Time is of the essence of this Agreement. However, in the event the date specified or computed under this Agreement for the performance of an obligation by any party, or for the occurrence of any event provided herein, shall be a Saturday, Sunday or "legal holiday" (defined for purposes hereof as any holiday observed by the City), then the date of such performance or occurrence shall automatically be extended to the next calendar day that is not a Saturday, Sunday or legal holiday.

**VIII. Modification/Entire Agreement Expressed.** No modification of this Agreement shall be valid or binding unless such modification is in writing, duly dated, and signed by the Parties. This Agreement constitutes the entire agreement between the parties. No party shall be bound by any term, conditions, statement, or representations, oral or written, not herein contained.

**IX. Severability.** If any term or provision of this Agreement is held to be illegal, invalid, or unenforceable, the legality, validity, or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby; and in lieu of such illegal, invalid, or unenforceable term or provision, there shall be added automatically to this Agreement, a legal, valid, or enforceable term or provision, as similar as possible to the term or provision declared illegal, invalid, or unenforceable.

**X. Paragraph Headings.** The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various

and several paragraph contained herein.

**XI. Operations.** It is expressly agreed that nothing contained in this Agreement shall be construed to contain a covenant, either express or implied, to either commence the operation of a business or thereafter continuously operate a business in the Project Facilities. The SEDC and Developer/Owner acknowledge and agree that Developer/Owner may, at its sole discretion and at any time cease the operation of its business in the Project Facilities, and SEDC hereby waives any legal action for damages or for equitable relief which might be available because of such cessation of business activity by Developer/Owner except for the recapture of Grant funds as specifically set forth in this Agreement. Provided, however, if Developer/Owner fails to construct the improvements to the Project Facilities as set forth herein, Developer/Owner agrees to reimburse SEDC for all costs expended by SEDC or for which it is legally obligated to expend, as a result of its performance of this Agreement. Nothing contained in this Agreement shall be construed as creating a partnership, joint venture, or other entity between SEDC and Developer/Owner, with regard to the Project, and SEDC shall have no right hereunder to control the operation of Developer/Owner or the Project. Provided, however, nothing contained herein shall be construed as waiving or limiting the power and authority of SEDC or the City of Seabrook to exercise its police powers, or exempt Developer/Owner from complying with lawfully adopted rules, regulations, ordinances, or laws of the State of Texas or SEDC.

**XII. Agreement Product of Negotiation.** The Parties agree that this Agreement is the product of negotiation, that each Party has been represented by counsel of their own choosing, that each has freely entered into this Agreement after consulting with their counsel, and that this Agreement contains the terms and conditions requested and required by each. This Agreement shall be construed as having been drafted by all Parties and no term or provision shall be construed either in favor of or against a party on the basis that a party did or did not author this Agreement.

**XIII. Limit Of Appropriation.** Prior to the execution of this Agreement, Owner/Developer has been advised by the SEDC and Owner/Developer clearly understands and agrees, such understanding and agreement being of the absolute essence to this Agreement, that the SEDC shall have available as a condition for payment, only those sums as expressly provided for under this Agreement for this fiscal year to discharge any and all

liabilities which may be incurred by the SEDC. The total compensation that Owner/Developer may become entitled to hereunder and the total sum that the SEDC shall become liable to pay to Owner/Developer hereunder shall not under any conditions, circumstances, or interpretations hereof exceed the amounts as provided for in this Agreement.

The Parties specifically acknowledge that the funds allocated for payment to Owner/Developer by SEDC are derived from sales tax revenues, and that SEDC has only estimated the anticipated tax revenues to be collected during the term of this Agreement in its budget for Fiscal Year 2015-16, and that no estimates have been made of tax revenues for future fiscal years. Owner/Developer further understands, acknowledges, and agrees that if the tax revenues actually collected in any fiscal year are estimated to be or are actually less than the estimated tax revenues anticipated to be collected during the term of this Agreement, SEDC shall be under no obligation to reimburse Owner/Developer for the amount set forth in Section I. Owner/Developer further acknowledges that this Agreement could be anticipated to extend into future fiscal years, and funds may not be available or budgeted in future fiscal years, and that any anticipation of extension may not be enforceable under the Constitution and laws of the State of Texas.

**XIV. Employment of Undocumented Workers.** Owner/Developer acknowledges prior notice provided by SEDC/City, that all Agreements related to the construction of the Project shall contain notifications required by Texas Govt. Code Section 2264, such as the following: During the term of this Agreement, the Owner/Developer agrees not to knowingly employ any undocumented workers as defined in Tex. Govt. Code Sec. 2264.001. If convicted of a violation under 8 U.S.C. § 1324a(f), the Owner/Developer shall repay the amount of the Grants/incentives and any other funds received by the Owner/Developer from the City as of the date of such violation not later than 120 days after the date the Owner/Developer is notified by the City of a violation of this section, plus interest from the date the Grant/incentive was paid to the Owner/Developer, at the rate periodically announced by the Wall Street Journal as the prime or base commercial lending rate, or if the Wall Street Journal shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank selected by the City) as its prime or base commercial lending rate. The payment of interest shall be as if it had

been accruing from the date the Grants/incentives were paid to the Owner/Developer until the date the Grants/incentives are repaid to the City.

IN WITNESS WHEREOF, and as authorized respectively by the SEDC and City Council of Seabrook and \_\_\_\_\_, the parties have executed this Agreement effective the day and year first written above.

**SEABROOK ECONOMIC DEVELOPMENT CORPORATION**

\_\_\_\_\_  
BY: Paul Dunphey,  
Board President

DATE: \_\_\_\_\_, 2016

ATTEST:

\_\_\_\_\_  
Ernie Davis,  
Board Secretary

**CITY OF SEABROOK, TEXAS**

\_\_\_\_\_  
Glenn R. Royal  
Mayor

DATE: \_\_\_\_\_, 2016

ATTEST:

---

Robin Hicks, TRMC  
City Secretary

**SEABROOK HOSPITALITY, LP**

---

Sal Bhakta, Manager/Authorized Representative

DATE: \_\_\_\_\_, 2016

**STAFFING SERVICES AGREEMENT  
SEABROOK ECONOMIC DEVELOPMENT CORPORATION  
AND CITY OF SEABROOK, TEXAS  
FY 2016-2017**

THE STATE OF TEXAS   §  
  §  
COUNTY OF HARRIS   §

This Staffing Services Agreement ("Agreement") is made and entered into by and between the City of Seabrook, Texas (the "City") and the Seabrook Economic Development Corporation ("EDC").

WHEREAS, pursuant to The Texas Development Corporation Act, Texas Local Government Code Chapters 501, 502 and 505 (the "Act"), the City created the EDC and collects, on behalf of the EDC, an additional sales and use tax of which a portion may be used by the EDC to pay certain administrative costs; and

WHEREAS, the EDC desires to utilize the services and support of City staff in furtherance of its work and the projects it undertakes to eliminate duplication and to promote economy and efficiency in the use of the additional sales tax revenues it receives; and

WHEREAS, the City has determined that providing personnel and services to the EDC will be mutually beneficial to the City and the EDC, will promote local economic development, and stimulate business and commercial activity within the City, all in furtherance of the purposes of the EDC; now, therefore,

FOR AND IN CONSIDERATION of the mutual covenants, agreements, and benefits accruing herein to each party, the City and the EDC hereby agree as follows:

1. The EDC will utilize City employees to perform the following services for and on behalf of the EDC:
  - a. Accounting and financial services;
  - b. Professional contract administration services;
  - c. Administrative/secretarial support;
  - d. Construction contract administration services;
  - e. Marketing services;
  - f. Director – Economic Development

- g. Any other reasonable services in furtherance of the purposes of the EDC and authorized by the Act.

2. The City and EDC acknowledge that from time to time conflicts between a city employee's primary responsibilities to the City and requests for services from the EDC may arise. The City and the EDC encourage employees to bring conflicts to the attention of the City Manager, who shall consult with the EDC President as necessary to prioritize demands and resolve any conflicts.

3. Consideration

After having reasonably estimated the amount of time City employees are anticipated to spend performing services for and on behalf of the EDC during the term of this Agreement, the parties have agreed that EDC will reimburse the City the amount of TWO HUNDRED THOUSAND DOLLARS AND NO/100 (\$200,000.00), as presented in the Fiscal Year 2016-2017 EDC and City budgets. (Reference Exhibit A). Such reimbursement is predicated on the approval of the budget by both the EDC Board and City Council and is contingent upon such amount being collected in sales and use tax dollars for the fiscal year.

4. Term

The term of this Agreement shall be for one (1) year commencing October 1, 2016, no matter when actually executed. Provided, further, either party may terminate this Agreement by giving thirty (30) days advance written notice thereof to the other.

5. Right to Hire Third Parties

EDC specifically reserves the right to hire third parties to perform any or all of the services described herein.

6. Notice

All notices and communications regarding the term of this Agreement to any party shall be in writing. If mailed, any notice or communication shall be deemed to have been received three (3) days after the date of its deposit into the United States mail, first class, postage prepaid. Unless otherwise provided in this Agreement, all notices shall be delivered to the following address:

City of Seabrook  
Attention: City Manager  
1700 First Street  
Seabrook, Texas 77586

Seabrook Economic Development Corporation  
Attention: President, Board of Directors  
1700 First Street  
Seabrook, Texas 77586

Either party may designate a different address by giving the other parties at least ten (10) days written notice in the manner prescribed above.

7. Parties in Interest

This Agreement shall be for the sole and exclusive benefit of the City and the EDC and shall not be construed to confer any benefit or right upon any other parties.

8. Severability

In the event any clause, phrase, provision, sentence, or part of this Agreement shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Agreement as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional.

9. Entire Agreement

This Agreement contains the entire agreement between the parties and supersedes all other negotiations and agreements with respect to the matters addressed herein, whether written or oral.

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized officers of the City of Seabrook, Texas and the Seabrook Economic Development Corporation, as of \_\_\_\_\_ day of \_\_\_\_\_, 2016.

**CITY OF SEABROOK**

ATTEST:

\_\_\_\_\_  
Glenn Royal  
Mayor

\_\_\_\_\_  
Robin Hicks, TRMC  
City Secretary

**SEABROOK ECONOMIC DEVELOPMENT CORPORATION**

ATTEST:

\_\_\_\_\_  
Ernie Davis, Secretary  
Board of Directors

\_\_\_\_\_  
Paul Dunphey, President  
Board of Directors

1 THE SEABROOK ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF  
2 SEABROOK MET ON THURSDAY, MAY 12, 2016 AT 7:00 P.M. IN THE SEABROOK  
3 CITY HALL COUNCIL CHAMBERS, 1700 FIRST STREET, SEABROOK, TEXAS TO  
4 CONSIDER, AND IF APPROPRIATE, TAKE ACTION WITH RESPECT TO THE AGENDA  
5 ITEMS LISTED BELOW.

6  
7 BOARD MEMBERS PRESENT:

8 PAUL R. DUNPHEY	PRESIDENT
9 TERRY CHAPMAN	VICE-PRESIDENT
10 GARY BELL	TREASURER
11 ERNIE DAVIS	SECRETARY
12 O.J. MILLER	COUNCIL REPRESENTATIVE
13 GLENN ROYAL	MAYOR
14 BRENDA VESELENY	MEMBER

15  
16 ALSO PRESENT WERE:  
17 STEVE WEATHERED CITY/EDC ATTORNEY  
18 PAUL CHAVEZ DIRECTOR OF ECONOMIC DEVELOPMENT  
19 PAT PATEL EDC ADMINISTRATIVE ASSISTANT  
20

21 President Paul Dunphey called the meeting to order at 7:00 p.m. and declared that a quorum was  
22 present.

23  
24 **1.0 ROUTINE PUBLIC HEARING AND ANNOUNCEMENTS**

25  
26 There were none.  
27

28 **2.0 PRESENTATIONS**

29  
30 **2.1 EDC Director's report on economic development activities for April 2016.**  
31 **(Chavez)**  
32

33 **3.0 EXECUTIVE SESSION**

34 At 7:15p.m., President Paul Dunphey stated that the EDC Board would now hold a  
35 closed executive session pursuant to the provisions of the Open Meetings Act, Chapter  
36 551, Government Code and Vernon's Texas Codes Annotated, in accordance with the  
37 authority contained in one or more of the following sections: Section 551.071,  
38 Consultation with Attorney; Section 551.072, Real Property; Section 551.073,  
39 Deliberation Regarding a Prospective Gift; Section 551.074, Personnel Matters; Section  
40 551.076, Security Devices; and Section 551.087, Economic Development.

41  
42 **551.072**

43 **3.1 Consult with attorney to receive advice on legal issues associated with potential**  
44 **financial incentives by City/EDC for economic development as provided under**  
45 **Section 551.071 Texas Government Code.**  
46

47 **551.071**

48 **3.2 Consult with attorney to receive legal advice regarding legal issues associated with**  
49 **the acquisition of real property under Section 551.071 Texas Government Code.**

50  
51 **551.072**

52 **3.3 Conduct executive session, as provided under Section 551.072 Texas Government**  
53 **Code, to deliberate the purchase, exchange, lease, or value of real property as**  
54 **deliberation in open session will have detrimental effect on the City/EDC with 3<sup>rd</sup>**  
55 **party.**

56  
57 **551.087**

58 **3.4 Discuss/deliberate potential financial incentives and financial information received**  
59 **from a business prospect(s) that the City/EDC seeks to have locate, stay, or expand**  
60 **for which the City is conducting economic development negotiations, as provided by**  
61 **Texas Government Code Section 551.087**

62  
63 **Consult with attorney to receive advice on legal issues associated with potential**  
64 **financial incentives by City/EDC for economic development.**

65  
66 **4.0 OPEN SESSION**

67 At 8:16p.m., President Paul Dunphey reconvened the meeting.

68  
69 Motion was made by Secretary Ernie Davis and seconded by Vice President Terry  
70 Chapman.

71  
72 To ask staff to proceed with the investigation to bring aboard a licensed real estate broker  
73 to work with the Economic Development Corporation on future potential projects as a  
74 consultant, with the contract to be considered by the board at a future meeting date.

75  
76 MOTION CARRIED BY UNANIMOUS CONSENT.

77  
78 **5.0 NEW BUSINESS**

79  
80 **5.1 Consider and take all appropriate action regarding the annual EDC Incentive**  
81 **Policy Resolution 2016-01. (Chavez)**

82  
83 EDC Director Paul Chavez stated that this is an annual policy that needs to be renewed  
84 by the board to acknowledge the incentives available for economic development  
85 purposes.

86  
87 Motion was made by Secretary Ernie Davis and seconded by Mayor Glenn Royal.

88  
89 To approve the EDC Incentives Policy Resolution 2016-01 as amended, to change the  
90 final bullet item in section 2 on page 2 to Site Development and Acquisition.

91  
92 MOTION CARRIED BY UNANIMOUS CONSENT.

93  
94  
95  
96  
97  
98  
99  
100  
101  
102  
103  
104  
105  
106  
107  
108  
109  
110  
111  
112  
113  
114  
115  
116  
117  
118  
119  
120  
121  
122  
123  
124  
125  
126  
127  
128  
129  
130  
131  
132  
133  
134  
135  
136  
137  
138

**5.2 Consider and take all appropriate action regarding the Hampton Inn Hotel Project Incentive. (Chavez)**

Mr. Sal Bhakta, owner of the Hampton Inn, gave a presentation to the EDC board for consideration of reimbursement of all City permitting fees associated with the construction of the Hampton Inn that burned down on April 30, 2015. The amount of the reimbursement is not expected to exceed \$40,000.

Mr. Bhakta is currently speaking with banks to secure funding for the project, and a construction contract has already been signed with Jade Construction.

Mayor Royal stated that Council Member Gary Johnson, owner of Jade Construction, has signed an affidavit of disclosure and has recused himself on discussing or taking any action on City Council.

Motion was made by Mayor Glenn Royal and seconded by Vice President Terry Chapman

To fund the requested estimated amount of \$36,000, not to exceed \$40,000, after execution of a Performance Development Contract with the City, with funds not reimbursed until project completion.

MOTION CARRIED BY UNANIMOUS CONSENT.

**5.3 Consider and take all appropriate action regarding discussing EDC goals and/or setting a workshop date. (Chavez)**

EDC Director Paul Chavez requested setting a workshop date to focus on setting EDC goals for the next fiscal year. President Paul Dunphey questioned whether or not there was enough information present to hold a special meeting on goals.

Secretary Ernie Davis stated he would like to hold a meeting to discuss EDC goals after the June 27 Master Plan Presentation.

President Paul Dunphey stated that EDC goals would then be discussed on the July Agenda.

**6.0 ROUTINE BUSINESS – The Corporation will discuss, consider, and if appropriate, take action on the items listed below.**

**6.1 Approve minutes of the April 14, 2016 meeting. (Patel)**

Motion was made by Vice President Terry Chapman and seconded by Mayor Royal.

To approve the minutes as written.

139  
140  
141  
142  
143  
144  
145  
146  
147  
148  
149  
150  
151  
152  
153  
154  
155  
156  
157  
158  
159  
160  
161  
162

MOTION CARRIED BY UNANIMOUS CONSENT.

**6.2 Update on SH 146 Expansion.**

EDC Director Paul Chavez stated that there were no additional updates at this time.

Mayor Royal stated that Texas Transportation Institute (TTI) came out with new robotic systems to move cargo boxes, and possibly move goods along SH 146.

**6.3 Establish future meeting dates and agenda items.**

President Paul Dunphey stated that the next meeting is scheduled for June 09.

Upon motion, the meeting was adjourned at 8:51 p.m.

APPROVED ON THE 9<sup>TH</sup> DAY OF JUNE, 2016.

---

Paul Dunphey, President

---

Pat Patel  
EDC Administrative Assistant