THE SEABROOK ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF SEABROOK MET ON **THURSDAY, JUNE 8, 2023** AT 6:00 P.M. AT SEABROOK CITY HALL TO CONSIDER, AND IF APPROPRIATE, TAKE ACTION WITH RESPECT TO THE AGENDA ITEMS LISTED BELOW.

BOARD MEMBERS PRESENT:

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| PAUL R. DUNPHEY (exc. absence) | CHAIR |
| TERRY CHAPMAN | VICE-CHAIR |
| KEVIN FERGUSON | TREASURER |
| GARY BELL | MEMBER |
| ANN WACKER | SECRETARY |
| BUDDY HAMMANN | COUNCIL REPRESENTATIVE |
| THOMAS KOLUPSKI | MAYOR |

ALSO PRESENT WERE:

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| GAYLE COOK | CITY MANAGER |
| PAUL CHAVEZ | DIRECTOR OF ECONOMIC DEVELOPMENT |
| JUSTIN PRUITT | CITY ATTORNEY |
| PAT PATEL | ADMIN COORDINATOR |

EDC Vice-Chair Terry Chapman called the meeting to order at 6:00 p.m. and declared that a quorum was present.

**1. PUBLIC COMMENTS AND ANNOUNCEMENTS**

*There were no public comments.*

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**2. PRESENTATIONS**

**2. SPECIFIC PUBLIC HEARINGS**

**2.1** Conduct public hearing on notice of project of the SEDC relating to incentives for Seabrook Town Centre Partners LLC, to be located at 3023 Bayport Blvd., in an amount not to exceed $397,947.48.

*Terry Chapman opened the Public Hearing at 6:00 p.m.*

*Since there were no public comments, Mr. Chapman closed the Public Hearing at 6:00 p.m.*

**3. CLOSED EXECUTIVE SESSION**

**3.1 Section 551.087**
**Conduct a closed executive session to discuss/deliberate potential financial incentive(s) and financial information received from a business prospect 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.**

*Motion made by Buddy Hammann and seconded by Mayor Thom Kolupski.*

*Executive Session is not needed.*

MOTION CARRIED BY UNANIMOUS CONSENT

**4. OPEN SESSION**

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

*Not needed.*

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**5. NEW BUSINESS**

**5.1** Consider and take all appropriate action on a Business Development Incentive Agreement between the Seabrook Economic Development Corporation and Seabrook Town Centre Partners LLC, to be located at 3023 Bayport Blvd., in an amount not to exceed $397,947.48 (Chavez)

*Mr. Chavez explained to the board that previously The Seabrook Town Center had struck out a section of the agreement (Section C sales tax) and staff requested clarification on the strike. Once the item was discussed in detail, the members of the team for The Seabrook Town Center decided not to strike that item and accepted the agreement as written. The agreement has been reviewed by City Attorney and we recommend approving the agreement.*

*Mr. Chavez explained that originally Section C sales tax reporting was struck. City Attorney Justin Pruitt also explained that what The Seabrook Town Center originally thought was that they were signing off on their own sales tax performance and when it was made clear to them that we are not asking the entity (companies) their own sales tax numbers. What we are asking for is the site that the incentive is related to, the sales tax numbers coming out of that site, which we have to have express authority to waive the confidentiality from the comptroller's office. We do not publish those numbers, we use that as a metric for gaging the performance of the site itself.*

Motion made by Ann Wacker and seconded by Gary Bell

To sign the Business Development Incentive Agreement between the Seabrook EDC and Seabrook Town Centre Partners LLC, as presented in an amount not to exceed $397,947.48.

MOTION CARRIED BY UNANIMOUS CONSENT

**5.2** Consider and take all appropriate action on a Business Development Incentive Agreement between the Seabrook Economic Development Corporation and Seabrook Plaza One, LP., to be located south of the 3500 Block of NASA Parkway in an amount not to exceed $2,000,000. (Chavez)

*Mr. Chavez explained to the board that per the previous board meeting the incentive amount was approved, although the agreement for this meeting was to receive feedback from the Board for the breakdown of the incentive payment that was* *approved. Section 6-A (page 4) outlines the disbursements of the incentive funds. The first disbursement will be the lower of $550,000 or fifty percent (50%) of the costs to the Company for the re-routing of the Repsdorph drainage system on the property. The second disbursement shall be provided to the Company upon the completion and certificate of occupancy issued of no less than four (4) restaurants on the property, with such second disbursement being the remainder of the two million dollars (2,000,000) maximum EDC payment less the amount of the first disbursement.*

Board questions and comments:

- *If the company is able to do the sewage relocation of lower than the 50%, does that mean that the second part of the disbursement will be paid greater?* 550K or 50% of that relocation. Remainder will be upon completion of project (Lower of the two) Overall it's a two-million-dollar incentive proposal. How that gets split up is what the board is discussing tonight.
- *The Incentive commitments for both projects added to budget spreadsheet* – will be included in next EDC budget spreadsheet. Fund balance is currently at 3.5 million dollars. Moving forward we will include the 2 million for The Seabrook Plaza and the approximately 400k for The Seabrook Town Centre.
- CIP and Old Seabrook Projects – looking at grant funding for these projects. For remaining funds, the recommendation is to not go below 500k.
- Typos – send corrections to City Attorney Justin Pruitt and/or EDC Director Paul Chavez.
- *Why not add the convention center?* (4 restaurants upon completion) The convention center loses money.
- *Timeline of completion?* – upon completion of the ditch – when engineers (City Staff) inspect and sign off on it. Perhaps add into incentive agreement
- *Number of jobs for this project?* – Based on the economic impact analysis 545 construction jobs and approximately 160 full-time equivalent jobs. Recommendation to create at least five hundred (500) construction and permanent retail jobs. To specify as retail jobs (not hotel jobs...example housecleaning).
- Section 11-C Assignment, Sale, Merger or Transfer. To give prior written notice to the SEDC.
- Section 6-A and Section 3-2 – to add "not to exceed" two million dollars maximum

Motion made by Ann Wacker and seconded by Gary Bell.

That the city staff and city attorney continue working on bringing back the final agreement for Seabrook Plaza One, LP back to EDC.

MOTION CARRIED BY UNANIMOUS CONSENT

**5.3** Consider and take all appropriate action on cancellation of the Clay Cat Studio Incentive Agreement. (Chavez)

*EDC Director Paul Chavez explained to the board that previously the EDC approved an incentive agreement for a new business Clay Cat Studio here in Old Seabrook. However the business owner had health issues and was not able to continue the development of her business. Going forward she will not be able to open her business due to her health. The incentive amount was awarded to the business owner since she did receive her certificate of occupancy per the agreement. Although since the business will not be opening, this was a way to close up this agreement.*

To approve the cancellation of the Clay Cat Studio incentive agreement.

Motion made by Kevin Ferguson and seconded by Gary Bell.

MOTION CARRIED BY UNANIMOUS CONSENT

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**6.1 EDC Director's report on economic development activities for May 2023.**

Director Paul Chavez presented the monthly activities for May 2023.

**6.2 Approve minutes of the May 11, 2023 Regular meeting.**

*Motion made by Gary Bell and seconded by Ann Wacker.*

*To approve the minutes as presented.*

MOTION CARRIED BY UNANIMOUS CONSENT

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

*Next meeting: July 13, 2023 at 6:00 p.m.*

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Upon motion duly made, the meeting was adjourned at 6:46 p.m.

APPROVED ON THE 13th DAY OF July 2023.

Pat Patel

Pat Patel,
EDC Administrative Coordinator

Paul Dunphey, EDC Chair