CITY OF INGLESIDE DEVELOPMENT CORPORATION (4B)
BOARD OF DIRECTORS
MINUTES
REGULAR QUARTERLY MEETING
January 30, 2013

1. Call To Order.

The meeting was called to order at 6:00 p.m. with Teresa Flores, President presiding. Directors present: Teresa Flores, Cynthia Wilson, Ben Tucker, Gene Saegert, Paul Pierce, and Buz Sawyer. Directors absent: Dennis Roberts. City of Ingleside staff present: City Manager Jim Gray, Asst. City Manager/Finance Director Paul Baen, and Administrative Assistant Ruby Nixon as well as City Secretary Kim Drysdale. There was one guest.

2. Comments from the Public.

Comments presented by Lynn Spencer with San Patricio Economic Development Corporation (SPEDC) regarding rural rail district issues and funding; the Sinton/Odem Diamond plans that will allow the current rail system to convert from spur to mainline in order to allow trains to continue on directly to San Antonio; as well as the Union Pacific abandonment plans.

3. Review and approval of meeting minutes of October 30, 2012.

Director Pierce made a motion for the minutes of October 30, 2012 to be approved which was seconded by Director Wilson. The minutes were unanimously approved by all Directors.

4. Recognition of a new officer to replace Rayman Kinman.

The Board of Directors welcomes Ben Tucker as the newest officer to replace Rayman Kinman.

5. Executive Director's Report

a. Financial Reports QE December 31, 2012.

Assistant City Manager Paul Baen discussed the Financial Reports for the quarter ending December 31, 2012.

Starting with the Balance Sheet this shows cash in bank staring at $390,000 and ending at $430,000. This is about 3 months of sales tax received. The ending fund balance of $455,000 is inclusive of about $25,000 estimated sales taxes receivable from the Texas Comptroller's Office with about a two month lag time.

The Income Statement summary shows year-to-date collections at $37,000. Total budget for year is $130,000 and currently about 3% over budget on cash basis as to revenues collected.

The Expense summary shows the budget for the year with $20,000 in Economic Development; $2,000 in Meetings / Conferences; and $61,000 in Debt Service. On a year-to-date basis, expenses have been $0.

b. Update and discussion regarding purchase of NSI, IISD, UH properties and Wright Street Apartments.

City Manager Jim Gray mentioned the Naval Station Ingleside (NSI) contract has closed and that NSI has changed names. The new name for NSI is now Oxy Ingleside Energy Center. Oxy is still trying to figure out how to use the newly acquired facility. Oxy is moving forward with projects that do not require permits like Liquefied Propane Gas (LPG) and waiting on projects like Liquefied Natural Gas (LNG), however, tank farms are expected. The focus for Oxy is on projects that can begin sooner and Oxy is already in a position to accept ship docking, as well as an energy training center. Oxy will be making an 80,000 sq. ft. warehouse available for lease. In the past years, we specifically dealt with raw land. Now with the former NSI building, Oxy is allowing us to market their warehouse building for lease purposes.

Wright Street Apartments is a $14 million investment. They have purchased the land and are very serious about a 380 agreement. Wright Street Apartments are trying to get the 380 agreement on the City Council agenda for February 12, 2013 or the alternate by February 26, 2013. Also, in another area we have another 150 unit apartment complex seriously looking in Ingleside which will also be a $10-$15 million investment. This investor has not purchased land at this time.

Director Tucker asked if there will be any options for a college or for leasing any housing on the former NSI. Mr. Gray mentioned that there will be no college or any use of the residential buildings as living quarters. Oxy is possibly going more toward a private Oxy training facility.

The Ingleside Independent School District (IISD) property under contract located on the North side of HWY 361 continues to be delayed. Expected closing moved to March 01, 2013. The other IISD property located on Brownfield behind the football stadium closed for approximately $130-$140 thousand for 100+ acres.

The University of Houston (U of H) property for sale is expected to have contracts signed next week with an expected closing to follow in two months. The sale price is $5 million for the Arco building.

Director Sawyer inquired as to what is involved with the U of H project. Mr. Gray explained what we are hearing is a barge operation to fill with Eagle Ford oil. One issue is they are having trouble with is the leases for getting the pipeline down. This is the reason for the delay. There is a second buyer lined up for the property for $3 million. If U of H does not finalize the contract soon, we may contacct our representatives about hurting economic growth.

6. **Discussion of future training opportunities.**

City Manager Jim Gray reminded the Board of Directors to try and attend the Texas Economic Development Council (TEDC) conferences for additional training this year. The Mid-Year Conference in Frisco, Texas and Annual Conference in San Antonio, Texas are usually good conferences to attend. There is approximately $5,700 available in the Economic Development budget and $2,000 is for Meetings/Conferences. President Flores requested reminders for registration and deadlines for each available conference. Administrative Assistant Ruby Nixon is to handle the reminder request.

7. **Discussion of potential projects.**

Director Seagert explained how he went to small town communities and surveyed random people on the streets and asked why they come to small towns and the response was for antique shops, museums, and restaurants. Seagert suggested the idea about starting a museum. City Manager Jim Gray commented that there is availability for arts and that this can be a recommendation to council; however, his focus has been to bring business and jobs to the area.

Director Tucker commented Cove Park is a beautiful park with no tourist because no beach area. Tucker suggested maybe building up an island and a bridge to go over to a picnic area. Mr. Gray stated that is more of a Tourism project than IDC.

Mr. Gray discussed how the City of Ingleside is more of an industrial community and with an industrial community we should have a strong park system to support the families. Ingleside needs beautification and quality of life. Ingleside cannot compete for large restaurant chains since we are too small to support them and doubt we will ever see a movie theater complex. The City of Ingleside has to be careful to not go in a direction in which it cannot support.

Suggestions at this point were to move electric lines off Main Street, setup a pavilion at Live Oak Park, and maybe a baseball complex. It was mentioned that Live Oak Park has 80+ acres. There is a time limit stipulation on when a certain portion of the park can be developed due to grants. An additional suggestion was a birding trail that is not being utilized in this area. Mr. Gray suggested the tourism projects need to be discussed with City Council and Chamber of Commerce.

8. **Recommendations as to items to be placed on the next agenda.**

No recommendations at this time to be placed on the next agenda.

9. **Adjourn**

There being no further business, the meeting was adjourned at 6:50 p.m.

ATTEST:

Cindy Wilson

Cindy Wilson, Secretary

APPROVED:

Teresa Flores

Teresa Flores, President