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**CLEAR LAKE SHORES ECONOMIC
DEVELOPMENT CORPORATION**

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Minutes

EDC Regular Board Meeting –February 16, 2017 at 7:00 p.m.

CLS Clubhouse

SPECIAL MEETING

1. Call to Order

The meeting was called to order by Ron Richards at 7:01

All Board members present.

2. Opening comments: Ronnie Richards commented that the guys that bought Franks Body Shop are actively pursuing investors and have hired a realtor to list the space as restaurant potential. No other comments were noted.

3. Director Comments: Mike McNamera mentioned that the sidewalk project estimate cost seemed high, but were not in a hurry especially if the CCLS purchases Joe Lees property. Charles Scoville asked if any progress was made with the Lee family, Mike McNamera said the issue seems to be the Lee family is slow to respond to city's requests.

4. Unscheduled Visitors: Brad Matlock, Kimberly Wydell, Diane Heard, Rob Shear, David Hoffman, Billy Flanagan, Alan Bachelor, Debra Harper.

5. City Administrator Update

George Jones commented that the ongoing street work is complete however they are addressing a failure issue on Rosewood & N Shore and will have the contractor come back to repair.

Community parks were vandalized, someone destroyed garden nomes, broken window in shed and children's playground equipment.

6. Consent Agenda

Motion was made by Ronnie Richards to approve the minutes from the previous meeting held January 10th and the addendum submitted to the EDC Board which outlines the EDC member position description. Mike MacNamara seconded, Motion passed.

7. Action Items:

a. Check Register: January 2017 Mike McNamara mentioned the account balance is \$589,467, No further comments, motion to approve Mike Pons, Ronnie Richards seconded, motion passed.

b. Financials: Ronnie Richards commented on the financials included in the agenda and the balance is \$589,467 dollars, confirmed by Mike McNamara. Ronnie Richards commented that the run rate is about \$20K per month. With 9 more months, we can anticipate another \$180,000 dollars on income based on sales tax. So we should have around \$700K by years end, which puts us 1-2% down from previous year over year. Motion to approve Charles Scoville, second by Mike Pons. Motion Passed.

c. New sidewalk considered from Aspens Parking lot to Joe Lee's:

From North side of Hwy 2094 Jarboe Bayou bridge to Joe Lee's restaurant. Bid Review was based on engineering proposal from Cobb Fendley Engineers received at the last meeting for \$27,000 for design services, bid review and engineering. Estimates for the proposed scope

of work is \$130,000. EDC received bids for patch work on various areas from around \$20-22K not the entire length of the scope of work that was included with Cobb Fendley proposal. The reduced scope of work was a consideration since these sidewalks are not heavily used by pedestrians or golf carts. Ronnie Richards suggested that this issue be put on the back burner until the other phases of Oakies Corner are resolved. Mike Pons solicited bids by local contractors to R&R sections of the worst areas in need of repairs. Mike McNamara commented that the City should not do the repair work in the TXDOT infrastructure and did not think the EDC could address since it's not within the City's jurisdiction. George Burns commented that the western section of the sidewalk was in very poor condition. Ronnie Richards commented that the term of connectivity project might be used in lieu of sidewalk. Scott McDonald commented that the proposals under review addressed the poor existing conditions at certain areas outlined in each proposal. No landscaping was included. Bids were considered as the bare minimum to allow pedestrian, bike and cart traffic. Alan Batchlor commented on the actual usage of the current sidewalks. Ronnie Richards pointed to the new sidewalks at Jarboe Park and how nice they look but get little usage. Motion to table this issue was made by Scott M, second by Don M. Motion passed.

d. Okies Yardhouse

Update; Latest master plan was distributed out to EDC for review. Plan Rev Date is 2/16/2017 Master Plan shows entire concept in its final form complete with landscaping and amenity areas. Project Elevation were also provided to show accessory & metal building elevations. A rough draft of the CCE Construction Cost Estimate was also provided providing Cost to Date on Phase I and a recap of Phase II alternates for discussion. Each alternate was discussed as potential options due to cost efficiency considerations. Revenue projections were discussed as

they relate to each alternate under consideration. The developer wanted to pause and present this information to the EDC as it will have an economic impact on any decision to move forward with additional phases. Mike M stated that the original Town Center Concept Plan had anticipated a similar facility at the Oakies Corner in 1999.

Mike M thinks the project was underfunded since he is closely associated with the construction process.

Scott M was concerned we might be getting ahead of ourselves by spending additional development funds for the second bar without any real proven track record on the first bar.

Billy F stated that the maximum revenue that can be anticipated from the first bar is approximately \$400-500K per year. With the addition of bar 2 he estimates that they should be able to generate \$1-1.5mm yearly. He believes with the addition of the bar 2 and associated facilities that it becomes a new venue for entertainment in the area.

Ronnie R stated that the history of the property was purchased by the city in 2007 and that with grants for infrastructure improvements the city now has close to \$2.5mm invested including the real estate. Ronnie R read a letter from Bryan Hoerner to the council (see attached).

Billy F stated revenue has been increasing every weekend but cooler size is restricting his ability to increase selections of beverages. Bar 2 will be able to increase volume as well as create economy of scale to meet his revenue projections, in turn increase tax revenue. Emphasizes that this would be family friendly environment with the addition of restaurant & gourmet pizza kitchen along with the food trucks, concert area and children area with outdoor games, would give CLS an edge over existing establishments.

Charles S stated that he didn't want to see Oakies become a Jackies Brickhouse II. Would like to revisit the 5% revenue formula to level off more in line with commercial rates of 10% with revenues generated over \$600K (+).

Much discussion was had concerning how the entire venue would operate and be perceived by the community. Concern was to differentiate between Oakies Yardhouse and other local establishments and how this would be accomplished if all phases of the buildout were completed sooner rather than later.

Billy F stated that one of the advantages of the having the Farmers Market in the adjacent parking lot and incorporating the Market into the venue would be that Food Truck vendors pay reduced permitting cost compared with other area's in Harris & Galveston County.

George J commented that their plans and projected needs for funding is the main purpose of tonight's meeting.

It was decided that more discussion would be needed to decide on additional future funding. Ronnie R stated that a sub-committee should be organized to discuss all mitigating factors and the economic impact. Ronnie ask if Mike M, Charles S, Don M could participate in the sub-committee.

Feasibility of the anticipated economics need to be considered if the project is to move forward with additional funding. If issues come up during construction who will bear responsibility for costs over runs? Sub-Committee needs to come up with a structure to deal with these items. Ronnie R put a hold on all other items until these issues are resolved.

e. Walking path around the Island

Scott McDonald concern about pedestrians walking on the streets and proposes a sidewalk circumnavigating the island along the waterfront to avoid any accidents from vehicular traffic.

George J indicated that current leases expire in 10 years and this issue was discussed in past meetings with much resistance from residents.

Scott M requested vote if any interest in pursuing the sidewalk request. Don M stated he had no interest to pursue and mentioned that he didn't think it was EDC responsibility.

Mike M stated that grant money may warrant the reconsideration in the future.

Ronnie R agreed. Suggested Roads and Drainage should consider the sidewalks when they re-pave sections of streets. That way they can be engineered together.

Ronnie R adjourned meeting 8:25

Approved: _____




Ronnie Richards, President

Secretary