

**ANNUAL REPORT OF THE NASSAU BAY
ECONOMIC DEVELOPMENT CORPORATION
Fiscal Year 2001 -- 2002**

Prepared for the City Council of the City of
Nassau Bay, Texas

November 2002

**ANNUAL REPORT OF THE NASSAU BAY
ECONOMIC DEVELOPMENT CORPORATION
For
Fiscal Year 2001 – 2002**

Prepared for the City Council of the City of Nassau Bay, Texas

In accordance with the by-laws of the Nassau Bay Economic Development Corporation, this annual report covering the period October 1, 2001 – September 30, 2002, is submitted as required by paragraph 5. (b). The following items summarize major EDC activities and decisions for Fiscal Year 2001 -- 2002:

1. CLAEDEF Proposal for Economic Development Services: Considered a proposal from CLAEDEF for the provision of economic development services to the Nassau Bay EDC. CLAEDEF developed and presented a 'strawman' proposal to the EDC. An EDC committee studied the proposal and President Phil Johnson and City Manager John Kennedy met with Mr. Jim Reinhartsen to discuss the areas where CLAEDEF could assist our EDC. Those areas are:

- a. Development of base demographic data, including an inventory of resources (people and facilities)
- b. Retail recruitment and exposure
- c. Exposure to Developers and Re-developers

In addition there was discussion of "proposal development" assistance and development of incentives for expansion and growth of existing business. CLAEDEF will present a revised proposal for the EDC's consideration.

2. Funded participation in the World Space Congress 2002 as a member of the CLAEDEF Consortium at \$20,000. Exhibit area was a 1,200 square-foot, multi-tenant exhibit, designed and developed by NASA-JSC to promote the Clear Lake region and advocacy of space exploration. Nassau Bay took a leading role in the "Cities of Clear Lake" portion of the exhibit area and developed a looped video presentation that played at the exhibit throughout the week. City Council members, EDC members, and City Staff/volunteers worked at the Congress passing out literature and promoting the City of Nassau Bay for businesses relocating or expanding.

3. EDC members continue efforts to revitalize the Nassau Bay Shopping Village. Held several meetings with the new owner and property manager of this important retail resource in our community. Considered business proposals related to attracting a grocery business. Neither was successful due to tenant funding issues. Coordination with the new owner continues with respect to the redevelopment of the center.
4. Increased funding for NASA Road One landscape improvements under the Texas Department of Transportation Cost Share Program. Phase III has been completed with the EDC providing \$46,350.
5. Funded street and curb improvements throughout the City at \$100,000.
6. Funded drainage improvements at Nassau Bay Drive and Space Park Drive at \$110,000 in FY02 funding, with an additional \$21,649 already approved in FY03 funding.
7. Provided funding for the City's dredging project at \$25,000. Considered the comments of numerous Nassau Bay citizens on the issue of dredging our waterways and referred the action to Council's Dredging Sub-committee. Reaffirmed strong commitment to expedite dredging and affirmed support to Council.
8. Sponsored the Regional Mobility Plan developed by the Bay Area Transportation Partnership at \$5,000.
9. Surveyed the business community concerning telephone service satisfaction. Initiated further comparative study using SW Bell as a benchmark.
10. Studied and considered action to bury overhead power lines in the commercial district along NASA Road One. Action on this item is desirable, yet too costly at this time.
11. Considered and adopted new Tax Abatement Guidelines and Criteria.
12. Considered and continue to study and pursue the establishment of redevelopment zones and interested developers to redefine our commercial districts to meet the needs of today and our future.
13. Studied and recommended that Council adopt an ordinance establishing an Economic Development Program pursuant to Chapter 380 of the Local Government Code. Council did adopt such an ordinance authorizing broader powers.

14. Participated in a City Council, Economic Development Corporation, and City Staff Retreat to review goals and objectives and assess priorities for the years ahead.

15. Adopted the Fiscal Year 2002 – 2003 Budget. Budget priorities continue to focus on the need for infrastructure improvement.

Attachments:

1. Economic Development Corporation Membership
2. Financial Report for Fiscal Year 2001

ECONOMIC DEVELOPMENT CORPORATION

OCTOBER 01

Officers are re-elected for another term:

President	Phil Johnson
Vice President	Gary Mossman
Secretary	John Haugen
Treasurer	Jerry Wilson
Directors	Don Matter
	Mark Denman

JANUARY 02

Treasurer Jerry Wilson moves out of the City, no longer serving on the EDC.

APRIL 02

Mark Denman is appointed Treasurer.

MAY 02

Council ratifies appointment of the following, by virtue of their service on Council:

Phil Johnson
Gary Mossman
David Braun
Mark Denman

Council appoints the following as additional directors:

Lo Cunningham	term to expire May 2003
John Haugen	term to expire May 2003
Don Matter	term to expire May 2004

OCTOBER 02

Officers are re-elected for another term:

President	Phil Johnson
Vice President	Gary Mossman
Secretary	John Haugen
Treasurer	Mark Denman
Directors	David Braun
	Don Matter
	Lo Cunningham

**NASSAU BAY
ECONOMIC DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS**

Unaudited

For the Year Ended

September 30, 2002

Attachment 2

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 16:58 10/22/02
 Fund: 51 ECONOMIC DEVELOPMENT FUND

City of Nassau Bay
 Revenue & Expense Report
 Period Ending: 09/02

Account	Description	Year Budget (SUBTOTAL)	Month Actual (SUBTOTAL)	Year To Date Actual (SUBTOTAL)	Encumbrce (SUBTOTAL)	Budget Balance (SUBTOTAL)	Percent Received Spent
Department number: 1 Administrative							
Program number:							
51-3020-01-00	Interest on Investments	10,000.00-	602.23-	6,768.21-		3,231.79-	67.682
51-3110-01-00	Sales Tax Revenue	150,000.00-	51,789.83-	229,680.61-		70,680.61	147.120
	Subtotal:	160,000.00-	52,392.06-	227,448.82-		67,448.82	142.156
Program number:	0	160,000.00-	52,392.06-	227,448.82-		67,448.82	142.156
Department number:	1 Administrative	160,000.00-	52,392.06-	227,448.82-		67,448.82	142.156
Department number: 99 FUND RESERVE							
Program number:							
51-9520-99-00	Prior Year Balance	316,204.00-				316,204.00-	
51-9525-99-00	End of Year Reserve	76,204.00				76,204.00	
	Subtotal:	240,000.00-				240,000.00-	
Program number:	0	240,000.00-				240,000.00-	
Department number:	99 FUND RESERVE	240,000.00-				240,000.00-	
Revenue	Subtotal - - - - -	400,000.00-	52,392.06-	227,448.82-		172,551.18-	56.862
Department number: 1 Administrative							
Program number:							
51-5000-01-00	Administrative Expense	12,000.00		12,000.00			100.000
51-5001-01-00	Audit	600.00		785.00		185.00-	130.833
51-5002-01-00	Promotion/Consulting	25,000.00		25,108.65		108.65-	100.435
51-5003-01-00	Reserve	100,000.00				100,000.00	
51-5004-01-00	Training	400.00				400.00	
51-5005-01-00	Legal	2,000.00		2,290.00		290.00-	114.500
51-5100-01-00	Economic Dev Proj-Undesignated	100,000.00				100,000.00	
51-5101-01-00	NASA Road Project	25,000.00		46,350.00		21,350.00-	185.400
51-5102-01-00	Streets & Curbs Projects	110,000.00	100,000.00	100,000.00		10,000.00	90.909
51-5103-01-00	Bradging	25,000.00		25,000.00			100.000
51-5104-01-00	Drainage Projects		110,000.00	110,000.00		110,000.00-	
	Subtotal:	400,000.00	210,000.00	321,533.65		78,466.35	80.383
Program number:	0	400,000.00	210,000.00	321,533.65		78,466.35	80.383
Department number:	1 Administrative	400,000.00	210,000.00	321,533.65		78,466.35	80.383

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Fund: 51 ECONOMIC DEVELOPMENT FUND

City of Nassau Bay
Revenue & Expense Report
Period Ending: 09/02

Account	Description	Year Budget (SUBTOTAL)	Month Actual (SUBTOTAL)	Year To Date Actual (SUBTOTAL)	Encumbrce (SUBTOTAL)	Budget Balance (SUBTOTAL)	Percent Received Spent
Expenditure	Subtotal - - - - -	400,000.00	210,000.00	321,533.65		78,466.35	80.383
Fund number:	51 ECONOMIC DEVELOPMENT FUND		157,607.94	94,084.83		94,084.83-	
***** End of Report *****							

Nassau Bay Economic Development Corporation
Sales Tax Revenue
September 30, 2002

Month	Year Ended 9-30-01	Year Ended 9-30-02	Increase (Decrease)
December	9,422.67	8,636.50	(786.17)
January	8,600.20	8,724.70	124.50
February	19,024.30 c	28,554.36	9,530.06
March	10,213.08	10,094.99	(118.09)
April	8,327.25 d	60,709.83	52,382.58
May	18,245.62	18,039.76	(205.86)
June	a 21,013.26	12,344.50	(8,668.76)
July	10,895.07	10,404.37	(490.70)
August	19,521.14	14,327.57	(5,193.57)
September	9,466.54 e	14,875.80	5,409.26
* October	b 13,495.72	12,914.03	(581.69)
* November	23,945.80	24,000.00 Est	54.20
Total	172,170.65	223,626.41	51,455.76
FY02 Projected for FY03 Budget		<u>220,000.00</u>	
Budget	<u>140,000.00</u>	<u>150,000.00</u>	
Cash Balance 09-30-02		3,724.56	
Investments Balance 09-30-02		402,010.20	
Due to City of Nassau Bay		<u>(210,000.00)</u>	
Total Cash & Investments		<u>195,734.76</u>	

Includes one time payment of:

- a. \$ 9,291.59.
- b. \$ 4,147.43
- c. \$ 8,191.71
- d. \$52,672.02
- e. \$ 3,231.34

* Accrued at September 30, 2002 36,914.03
(October & Nov. 2002 payments)

Nassau Bay Economic Development Corporation
Sales Tax Expenses For Period Ended
September 30, 2002

Vendor	Description	For Period Ended <u>9-30-02</u>
Expenditures:		
City of Nassau Bay	Admin. Expense	\$ 12,000.00
Fifield & Co., CPA	FY2001 Audit	785.00
Gregg & Gregg	Legal Expense	2,290.00
City of Nassau Bay	NASA Road One Phase III	25,000.00
City of Nassau Bay	Dredging	25,000.00
City of Nassau Bay	World Space Conference	20,000.00
Apostle Design	Promotion	50.00
The Postive Image	Promotion	58.65
City of Nassau Bay	Bay Area Trans. Partnership	5,000.00
City of Nassau Bay	Additional NASA Road Ph III	21,350.00
City of Nassau Bay	FY02 Street Project	100,000.00
City of Nassau Bay	42" Drain Space Park/N.B.Dr.	110,000.00
Total Expenditures		<u><u>\$ 321,533.65</u></u>
Pending Commitments:		
NASA Road 1	NASA Road One Phase IV	\$ 70,000.00
Total Pending Commitments:		<u><u>\$ 70,000.00</u></u>

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Fund: 51 ECONOMIC DEVELOPMENT FUND

City of Nassau Bay
Balance Sheet
Period Ending: 09/30/02

Account Number	Description	Debit	Credit
51-1010-01-00	CASH		
51-1013-01-00	CASH-EDC Bk of America	3,724.56	
51-1032-01-00	INVESTMENTS	402,010.20	
51-1122-01-00	Accounts Receivable		
51-1135-01-00	SALES TAX RECEIVABLE	36,914.03	
51-2005-01-00	Accounts Payable		-210,000.00
51-2520-01-00	FUND BALANCE		-326,733.62
51-2521-01-00	Prior Year Reserve		
	Current Year Revenue/Expense	94,084.83	
	Fund totals:	<u>536,733.62</u>	<u>-536,733.62</u>

***** End of Report *****