

**ANNUAL REPORT OF THE NASSAU BAY
ECONOMIC DEVELOPMENT CORPORATION
Fiscal Year 2002 -- 2003**

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

November 2003

ANNUAL REPORT OF THE NASSAU BAY
ECONOMIC DEVELOPMENT CORPORATION
For
Fiscal Year 2002 — 2003

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In accordance with the by-laws of the Nassau Bay Economic Development Corporation, this annual report covering the period October 1, 2002 – September 30, 2003, is submitted as required by paragraph 5. (b). The following items summarize major EDC activities and decisions for Fiscal Year 2002 -- 2003:

1. Provided funding for various projects as listed in the attached report (Attachment 1) and explained here:
 - a. Completed funding for the Nassau Bay Drive / Space Park Drive drainage project to relieve street flooding at the intersections behind Holiday Inn, on a major egress avenue from the City needed for possible evacuation needs.
 - b. Provided City matching funds of \$70,000 for the NASA Parkway enhancement project, a \$917,000 project being accomplished through the Statewide Transportation Enhancement Program administered by TxDOT. This project will be accomplished in the spring/summer of 2004 and includes significant landscaping and a feature honoring our Nation's space program.
 - c. Provided a \$25,000 contribution to the City's dredging "war chest" to be used to dredge the waterways surrounding the City and in Lake Nassau.
 - d. Funded the development and printing of a tri-fold brochure to market Nassau Bay and the advent of the 1-45 Connector / Webster By-pass.
 - e. Funded the development of a video presentation on Nassau Bay that was initially shown in a regional economic development meeting sponsored by Bay Area Houston Economic Partnership (BAHEP), formerly known as CLAEDF) at South Shore Harbour Conference Center.
 - f. Other expenses as reflected on the attached report.

2. World Space Congress – EDC members participated in this BAHEP sponsored event at the George R. Brown Convention Center, October 14-19, 2002.
3. Bio-Technology Symposium – Chief Ron Wroblewski and Dr. Ed Czerwinski have represented the City in this industry segment. City participated with a booth on November 13, 2002 at UHCL, along with Nassau Development and 1st Contact Technologies.
4. Verizon Telephone Service – Surveyed area businesses concerning their satisfaction with Verizon's service. Report given by Mark Denman.
5. Economic Development Database – Developed Economic Development Database for properties in the commercial area of Nassau Bay.
6. Advised the Planning Commission and Council on items related to the proposed Planned Unit Development being written by the Planning Commission and Staff.
7. Discussed and supported efforts to educate Nassau Bay voters on the proposed ¼ cent sales tax for the purpose of street repair and maintenance. This was a very successful effort and taxes are being collected already, about \$80,000 per year.
8. Annual Audit – The annual audit was completed with the auditor's highest opinion and no management recommendations.
9. Shuttle Service to Hobby Airport – Considered sponsorship of a van to be painted with Nassau Bay/Clear Lake unique features. Sent recommendation for funding to the CVB where it was approved and is under development. Mr. Denman is project champion.
10. City Facilities Study – Developed a preliminary requirements document for the City's future facilities needs.
11. Fair Market Value Study – Commissioned studies to determine the fair market value of the current City Hall and Fire/EMS station property.
12. Advised City Webmaster Ken Gerken regarding EDC related materials to be placed on the City's web site, greatly increasing the amount of data and usefulness of data present.
13. Represented the City on an annual Bay Area Houston Economic Partnership "Keep It Sold" trip to Washington D.C. to educate

congressional staffers and congressmen on the value of NASA-JSC and human space flight to our region and to our Nation.

14. Supported the transition of CLAEDF to Bay Area Houston Economic Partnership. Assisted in the selection of marketing materials and image documents to represent the Bay Area.
15. Considered and approved a change to the EDC by-laws that will allow an EDC Director (non-council member) to serve on the City's Planning Commission.
16. Considered EDC funding for a proposed bulkhead rehabilitation project. Recommended modifications to the project scope and will re-consider the project at a later meeting.
17. Continued to seek a viable grocery store operator for the old Arlan's Supermarket space in the Nassau Bay Shopping Village.
18. Approved the EDC budget for the FY03/04 Year.

**Nassau Bay Economic Development
Corporation EDC Expenses For Year Ended
September 30, 2003**

| Payee | - | Vendor | Check | Description | For Year Ended 09-30-03 |
|----------------------------------|---------------|---------------|--------------|--|--|
| Expenditures: | | | | | |
| City of Nassau Bay | | | 1180 | 42" Drain Space Park/N.B.Dr. | \$ 21,649.00 |
| CLAEDF | | | 1181 | Membership | 5,000.00 |
| Patric O'Connor & A. | | | 1182 | Appraisal | 1,600.00 |
| City of Nassau Bay | | | 1183 | FY03 Admin. Expense | 12,000.00 |
| Fifield & Co., CPA | | | 1184 | FY2002 Audit | 895.00 |
| City of Nassau Bay | | | 1185 | FY03 Dredging Contribution | 25,000.00 |
| City of Nassau Bay | | | 1186 | NASA Road One Phase IV | 70,000.00 |
| Gregg & Gregg | | | 1187 | Legal Services | 250.00 |
| City of Nassau Bay | Gregg & Gregg | | 1189 | Legal Services | 585.00 |
| City of Nassau Bay | CLAEDF | | 1190 | Promotion-Bay Area Houston Campaign | 500.00 |
| City of Nassau Bay | Karen Dickson | | 1191 | Consult-N.B.Commercial Database | 1,020.00 |
| City of Nassau Bay | Magnan-McFee | Payable | | Promotion-Video Presentation-EDC Meeting | 1,500.00 |
| City of Nassau Bay | Magnan-McFee | Payable | | Promotion-N.B. Marketing Brochure | 1,900.00 |
| City of Nassau Bay | Gregg & Gregg | Payable | | Legal Services | 345.00 |
| Total Expenditures | | | | | \$ 142,244.00 |
| Pending Commitments: None | | | | | |

NASSAU BAY
ECONOMIC DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS

Un-audited
For the Year Ended
September 30, 2003

Attachment 2

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City of Nassau Bay
Balance Sheet

Fund; 51 ECONOMIC DEVELOPMENT FUND
Account Number Description

Period Ending; 09/30/03
Debit Credit

| | | | |
|------------------------------|------------------------|-------------|-------------|
| 51-1010-01-00 | CASH | | |
| 51-1013-01-00 | CASH-EDC Bk of America | 5,225.56 | |
| 51-1032-01-00 | INVESTMENTS | 231,984.67 | |
| 51-1122-01-00 | Accounts Receivable | | |
| 51-1135-01-00 | SALES TAX RECEIVABLE | 27,954.88 | |
| 51-2005-01-00 | Accounts Payable | | -3,745.00 |
| 51-2520-01-00 | FUND BALANCE | | -225,019.23 |
| 51-2521-01-00 | Prior Year Reserve | | |
| Current Year Revenue/Expense | | | -36,400.88 |
| Fund totals: | 265,165.11 | -265,165.11 | |

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

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 13:32 10/23/03
 Fund: 51 ECONOMIC DEVELOPMENT FUNO

City of Nassau Bay
 Revenue & Expense Report
 Period Ending 09/03

| Account | Description | Year Budget (SUBTOTAL) | Month Actual (SUBTOTAL) | Year To Date Actual (SUBTOTAL) | Encumbrce (SUBTOTAL) | Budget Balance (SUBTOTAL) | Percent Received Spent |
|-------------------------------------|---------------------------------|------------------------|-------------------------|--------------------------------|----------------------|---------------------------|------------------------|
| Department member% | 1 Administrative | | | | | | |
| Program number, | | | | | | | |
| 51-3020-01-00 | Interest on Investments | 3,000 | 190 | 2,8 | | 17 | 94.3 |
| 51-3110-01-00 | Sales Tax Revenue | 155,000.00 | 40,358.19 | | 175,815. | 20,815.4 | 113.42 |
| | Subtotal | 158,000.00 | 40,548.31 | 178,644. | | 20,444.8 | 113.06 |
| Program number: 0 | | 158,000.00 | 40,548.31 | 178,644. | | 20,444.8 | 113.06 |
| Department Number: 1 Administrative | | 158,000.00 | 40,548.31 | 178,644. | | 20,644.8 | 113.06 |
| Department number: 99 FUND RESERVE | | 222,488.00 | | | | 222,488.00 | |
| 51-9520-99-00 | Prior Year Balance | | | | | | |
| 51-9525-99-00 | End of Year Reserve | 74,488. | | | | 74,488.0 | |
| Program number: 0 | | 148,000.00- | | | | 148,000.00 | |
| Department number: 99 FUND RESERVE | | 148,000.00- | | | | 148,000.00 | |
| Revenue | Subtotal ----- | 306,000.00- | 40,548.31- | 178,644.:- | | 127,355.12 | 58,381 |
| Department %tuber: 1 Administrative | | 12,000.0 | | | 12,000.00 | | 100.000 |
| Program number: | | | | | | | |
| 51-5000-01-00 | Administrative Expense | | | | | | |
| 51-5001-01-00 | Audit | 89 | | | | | 100.000 |
| 51-5002-01-00 | Promotion/Consulting | 5,000. | 3,400.00 | | 6,5 | 1,520. | 130.400 |
| 51-5003-01-00 | Reserve | 100,000.00 | | | | 100,000.00 | |
| 51-5004-01-00 | Training | 40 | | | | 40 | |
| 51-5005-01-00 | Legal | 2,705. | 345. | | 1,1 | 1,525.0 | 43.62 |
| 51-5006-01-00 | Memberships - BAHEP | 5,000. | | | 5,00 | | 100.000 |
| 51-5100-01-00 | Economic Dev Proj- Undesignated | 63,351.0 | | | | 63,351.00 | |
| 51-5101-01-00 | NASA Road Project | 70,000.00 | | | 70,000 | | 100.000 |
| 51-5103-01-00 | Dredging | 25,000.0 | | | 25,000 | | 100.000 |
| 51-5104-01-00 | Drainage Projects | 21,649.00 | | | 21,649 | | 100.000 |
| | Subtotal: | 306,000.00 | 3,745.00 | | 142,244. | 163,756.00 | 46.48 |
| Program number: 0 | | 306,000.00 | 3,745.00 | 142,244. | | 163,756.00 | 46.485 |
| Department number: 1 Administrative | | 306,000.0 | 3,745.00 | 142,244.00 | | 163,756.00 | 46.485 |

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 13:32 10/23/03 -
 Fund 51 ECONOMIC DEVELOPMENT FUND
 Account Description

City of Nassau Bay
 Revenue & Expense Report
 Period Ending: 09/03

| Account | Description | Year Budget (SUBTOTAL) | Month Actual (SUBTOTAL) | Year To Date Actual (SUBTOTAL) | Encumbrce (SUBTOTAL) | Budget Balance (SUBTOTAL) | Percent Received Spent |
|--------------------------------|---|------------------------------|-------------------------------|--------------------------------------|-------------------------|---------------------------------|------------------------------|
| | Expenditure | Subtotal | 306,000.00 | 3,745.00 | 142,244.00 | 163,756.00 | 46.485 |
| | Fund number: 51 ECONOMIC Development FUND | | | 36,803.31- | 36,400.88- | 36,400.88 | |
| +++++++ End of Report ++++++++ | | | | | | | |

**Nassau Bay Economic Development Corporation
Sales Tax Revenue
September 30, 2003**

| Month | 9-30-01 (FY01) | Year Ended 9-30-02 (FY02) | Year Ended 9-30-03 (FY03) | Increase (Decrease) (FY03) | Budget 9-30-04 (FY04) |
|---------------------------------|--------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------|
| December | 9,422.67 | 8,636 | 17,726.1 | 9,090 | 15,000.0 |
| January | 8,600.20 | 8,724 | 12,576.2 | 3,852 | 11,000.0 |
| February | 19,024.30 | 28,554.3 | 17,726.1 | (10,828) | 17,000.0 |
| March | 10,213.08 | 10,094.1 | 14,865.2 | 4,770 | 14,000.0 |
| April | 8,327.25 | 60,709.4 | 16,388.1 | (44,321) | 15,000.0 |
| May | 18,245.62 | 18,039.2 | 14,015.1 | (4,024) | 14,000.0 |
| June | 21,013.26 a | 12,344.1 | 8,371 f | (3,973) | 8,000 |
| July | 10,895.07 | 10,404.2 | 14,293.1 | 3,890 | 14,000.0 |
| August | 19,521.14 | 14,327.1 | 19,492.1 | 5,165 | 14,000.0 |
| September | 9,466.54 | 14,875.1 | 12,403.2 | (2,473) | 11,000.0 |
| October | 13,495.72 b | 12,914.1 | 12,954.1 | 41 | 12,000.0 |
| November | 23,945.80 | 16,370.2 | 15,000.1 P | (1,370) | 15,000.0 |
| Total | <u>172,170.65</u> | 215,996.8 | 175,815.4 | (40,181) | 160,000.0 |
| Sales Tax Net of Adjustments | 158,731.63 | 151,901.7 | | | |
| Budget | 140,000.00 | 150,000.0 | 155,000.0 | | 160,000.00 |

Projected

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
- f. \$(12,661.61)

* Accrued at September 30, 2003

\$ 27,954.88

(October & Nov. 2003 payments)

**Nassau Bay Economic Development
Corporation
EDC Expenses For Period Ended
September 30, 2003**

| Payee | Vendor | Check No. | Description | For Period Ended <u>July 28, 2003</u> |
|----------------------|---------------|------------------|--|--|
| Expenditures: | | | | |
| City of Nassau Bay | | 1180 | 42" Drain Space Park/N.B.Dr. | \$ 21,649.00 |
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| Patric O'Connor & A. | | 1182 | Appraisal | 1,600.00 |
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Total Expenditures

\$ 142,244.00

Pending Commitments:

None

ECONOMIC DEVELOPMENT CORPORATION

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

JANUARY 03

Director Lo Cunningham moves out of the City, no longer serving on the EDC.

MAY 03

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

Phil Johnson
Don Matter
David Braun Mark
Denman

Council appoints the following as additional directors:

Gary Mossman term to expire May 2005
Don Johnson term to expire May 2005
Vacancy term to expire May 2004

AUGUST 03

Council appoints the following to fill the vacancy

Joe Murdock term to expire May 2004 **OCTOBER 03**

Officers are elected:
President Don Matter
Vice President Phil Johnson
Secretary David Braun
Treasurer Mark Denman
Directors Don Johnson
Gary Mossman
Joe Murdock