

**CITY OF SOUTH PADRE ISLAND
ECONOMIC DEVELOPMENT CORPORATION
NOTICE OF REGULAR MEETING**

Note: One or more members of the South Padre Island City Council may attend this meeting. If so, this statement satisfies the requirements of the Open Meetings Act

Notice is hereby given that the Economic Development Corporation Board of Directors of the City of South Padre Island, Texas, will hold its **Regular Meeting Tuesday, December 16th, 2014 at 8:30 a.m. at the Municipal Complex Joyce Adams Conference Room, 2nd floor, 4601 Padre Blvd.,** South Padre Island, Texas. Following is the agenda on which action may be taken:

1. **Call to order**
2. **Pledge of Allegiance**
3. **Public Comments and Announcements**
This is an opportunity for citizens to speak to the Board relating to agenda or non-agenda items. Speakers are required to give their name before addressing their concerns. (Note: State law will not permit the Board to discuss, debate, or consider items that are not on the agenda. Citizen comments may be referred to staff or may be placed on the agenda of a future Board meeting.
4. **Activity update from President Lynne Tate and Manager Cristin Howard of the Birding and Nature Center**
5. **Discussion and action regarding the Draft Lease and Operations Agreement between the EDC and the South Padre Island Birding and Nature Center**
6. **Discussion and action to approve the Financial Reports from the Birding and Nature Center**
7. **Discussion and action to approve the annual Insurance payment for the Birding and Nature Center facility –Wind, Property, and Liability policies and possibly decreasing the amount in the budget for Birding Center Cash Advances by the amount paid for the Insurance**
8. **Discussion and action to approve the cash advance requested by the Birding and Nature Center \$25,702.45 (or \$12,411.97 without Insurance premium down payment)**
9. **Approve the Consent Agenda**
 - 9a. **Approve the Minutes from the Regular Meeting of November 18th, 2014**
 - 9b. **Financial Reports-November 2014**

9c. Approve excused absence for Joe Townsend from the November Board Meeting

10. EDC Executive Director's Activity Report

11. Discussion and action to schedule the Strategic Planning Board Retreat in January 2015

12. Adjournment

We reserve the right to go into Executive Session regarding any of the items posted on this agenda, pursuant to Sections 551-071, Consultation with Attorney; 551.072, Deliberations about Real Property; 551.073, Deliberations about Gifts & Donations; 551-074, Personnel Matters; 551-076, Deliberations about Security Devices; and/or 551.086, Discuss (A) Commercial or Financial Information Received from a Business Prospect with which the Economic Development Corporation is Conducting Negotiations, or (B) Financial or Other Incentives to the Business Project.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Directors of the City of South Padre Island Economic Development Corporation is a true and correct copy of said Notice and that I posted a true and correct copy of said notice on the bulletin board at City Hall by December 12th, 2014 at 5:00 p.m., which will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Dated this the 12th day of December 2014

S E A L



Darla Lapeyre, Secretary

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact Jay Mitchim, ADA-designated responsible party, at (956)761-1025.

5.

Lease and Operations Agreement

Basic Information

Date: ~~October~~ October/January 1, 2014

Owner: South Padre Island Economic Development Corporation, an economic development corporation incorporated pursuant to the Texas Local Government Code

Owner's Address: 6801 Padre Blvd., South Padre Island, TX 78597

Tenant/Operator: South Padre Island Birding and Nature Center, Inc., a non-profit corporation

Tenant/Operator's Address: 6801 Padre Blvd., South Padre Island, TX 78597

Tenant/Operator's Trade Name: Birding and Nature Center

Premises/Center

Street address/suite: 6801 Padre Blvd.

City, state, zip: South Padre Island, TX 78597

Term (months): 12 months

Commencement Date: October 1, 2014

Termination Date: September 30, 2015, unless earlier terminated in accordance with the terms of this agreement. The Lease and Operations Agreement (hereinafter "the Agreement"). Term will be automatically extended for an additional 12 months unless either Owner or Tenant/Operator gives the other party written notice of intent to terminate at least 60 days before the applicable Termination Date. However, the Base Rent will be discussed and agreed to by the parties 60 days prior to the ~~extension~~ extension.

Base Rent ~~(Annually monthly)~~: \$10.00

Tenant/Operator's Pro Rata Share: — currently 100 %

Permitted Use: The "Birding and Nature Center," open to the public, for charitable, educational, cultural, community, scientific and research purposes and events, including, but not limited to, as a nature center providing environmental education and promoting conservation action through programs, classes and other activities; as a sanctuary for the protection of birds, other wildlife and their habitat; as a venue for fundraising, private party, wedding, community, parking concessions and other events; together with uses incidental thereto; and consisting of office, theater and classroom space, meeting space, storage, exhibits, food concession(s), a shop for the sale ~~of nature books and other nature-related~~ of items determined by the Tenant/Operator, demonstration gardens, interpretive areas and trails, ⁷ and driveways and parking areas.

Operating Hours:

The minimum hours of operation are listed below and may be extended at the discretion of the Tenant. Operator:

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[except Thanksgiving Day and Christmas Day – Premises closed]

Weekdays: 9:00 a.m. to 5:00 p.m.

Saturdays: 9:00 a.m. to 5:00 p.m.

Sundays: 9:00 a.m. to 5:00 p.m.

Tenant/Operator's Insurance: As required by Insurance Addendum

Owner's Insurance: As required by Insurance Addendum

Tenant/Operator's Rebuilding Obligations: If the Premises/Center are damaged by windstorm, hurricane, fire or other elements, Tenant/Operator will be responsible for repairing or rebuilding from insurance proceeds any Tenant/Operator leasehold improvements

A. Definitions

A.1. "Agent" means agents, contractors, employees, licensees, and, to the extent under the control of the principal, invitees.

A.2. "CAM Charge" means the reasonable cost of ownership, operation, and maintenance of the Common Areas.

A.3. "Common Areas" means all facilities and areas of the Premises/Center that are intended and designated by Owner from time to time for the common, general, and nonexclusive use of owner and all tenants/operators of the Premises/Center, including but not limited to access drives, sidewalks, open areas, parking lots, *etc.* Owner has the exclusive control over and a superior right to manage the Common Areas.

A.4. "Essential Services" means utility connections reasonably necessary for occupancy of the Premises/Center for the Permitted Use, provided, however, that Tenant/Operator shall be responsible for all charges related to Tenant's usage of electricity, water, sewer, gas, cable, telephone and digital services.

A.5. Intentionally omitted.

A.6. "Injury" means (a) harm to or impairment or loss of property or its use, (b) harm to or death of a person, or (c) "personal and advertising injury" as defined in the form of liability insurance Tenant/Operator is required to maintain.

A.7. ~~Intentionally omitted. "Lienholder" means the holder of a deed of trust covering the Premises/Center.~~

A.8. "Performance Standards" means the standards set forth on the attached Schedule A.8, as the same are amended and supplemented from time to time. Owner and Tenant/Operator agree to cooperate with each other in scheduling meetings well in advance of each Term so that Owner and Tenant/Operator can mutually agree upon Performance Standards based on the parties' budgets.

A.89. "Rent" means Base Rent plus any other amounts of money payable by Tenant/Operator to Owner.

A.109. "Taxes and Insurance" means all ad valorem taxes and all insurance costs incurred by Owner with respect to the Premises/Center.

B. Tenant/Operator's Obligations

B.1. Tenant/Operator agrees to—

B.1.a. Lease, manage and operate the Premises/Center for the entire Term beginning on the Commencement Date and ending on the Termination Date.

B.1.b. Accept the Premises/Center in their present condition "AS IS," the Premises/Center being currently suitable for the Permitted Use.

B.1.c. Obey (i) all laws relating to Tenant/Operator's use, maintenance of the condition, and occupancy of the Premises/Center and Tenant/Operator's use of any Common Areas in the Premises/Center; (ii) any requirements imposed by utility companies serving or insurance companies covering the Premises/Center or Premises/Center; and (iii) any rules and regulations of the Premises/Center adopted by Owner.

B.1.d. Pay within 10 days after demand by Owner the Base Rent to Owner at Owner's Address.

B.1.e. Use a security/lock system approved by Owner and provide Owner with such keys and codes as are necessary to access all areas of the Premises.

B.1.f. If required by Owner, pay Tenant/Operator's Pro Rata Share of the monthly CAM Charge and monthly Taxes and Insurance on or before the first day of each month. The initial charges are based on Owner's estimates and are set forth in the Basic Terms. Owner may adjust the monthly payment from time to time by notice to Tenant/Operator. If the actual amount of Tenant/Operator's Pro Rata Share of actual costs for any period exceeds the amount paid by Tenant/Operator, Tenant/Operator will pay to Owner the deficiency within fifteen days following notice from Owner; if the amount paid by Tenant/Operator exceeds Tenant/Operator's Pro Rata Share of the actual cost, then the surplus will be credited to the next payment due by Tenant/Operator, or Owner may refund the net surplus.

B.1.g. Reimburse Landlord for the cost of windstorm and flood insurance on the building

B.1.h. Obtain and pay for all utility services used by Tenant/Operator and not provided by Owner.

B.1.i. Pay Tenant/Operator's Pro Rata Share of any utility services provided by Owner, and all charges related to Tenant's usage of electricity, water, sewer, gas, cable, telephone and digital services.

A.89. "Rent" means Base Rent plus any other amounts of money payable by Tenant/Operator to Owner.

A.109. "Taxes and Insurance" means all ad valorem taxes and all insurance costs incurred by Owner with respect to the Premises/Center.

B. Tenant/Operator's Obligations

B.1. Tenant/Operator agrees to—

B.1.a. Lease, manage and operate the Premises/Center for the entire Term beginning on the Commencement Date and ending on the Termination Date.

B.1.b. Accept the Premises/Center in their present condition "AS IS," the Premises/Center being currently suitable for the Permitted Use.

B.1.c. Obey (i) all laws relating to Tenant/Operator's use, maintenance of the condition, and occupancy of the Premises/Center and Tenant/Operator's use of any Common Areas in the Premises/Center; (ii) any requirements imposed by utility companies serving or insurance companies covering the Premises/Center or Premises/Center; and (iii) any rules and regulations of the Premises/Center adopted by Owner.

B.1.d. Pay within 10 days after demand by Owner the Base Rent to Owner at Owner's Address.

B.1.e. Use a security/lock system approved by Owner and provide Owner with such keys and codes as are necessary to access all areas of the Premises.

B.1.f. If required by Owner, pay Tenant/Operator's Pro Rata Share of the monthly CAM Charge and monthly Taxes and Insurance on or before the first day of each month. The initial charges are based on Owner's estimates and are set forth in the Basic Terms. Owner may adjust the monthly payment from time to time by notice to Tenant/Operator. If the actual amount of Tenant/Operator's Pro Rata Share of actual costs for any period exceeds the amount paid by Tenant/Operator, Tenant/Operator will pay to Owner the deficiency within fifteen days following notice from Owner; if the amount paid by Tenant/Operator exceeds Tenant/Operator's Pro Rata Share of the actual cost, then the surplus will be credited to the next payment due by Tenant/Operator, or Owner may refund the net surplus.

B.1.g. Reimburse Landlord for the cost of windstorm and flood insurance on the building

B.1.h. Obtain and pay for all utility services used by Tenant/Operator and not provided by Owner.

B.1.i. Pay Tenant/Operator's Pro Rata Share of any utility services provided by Owner, and all charges related to Tenant's usage of electricity, water, sewer, gas, cable, telephone and digital services.

B.1.j. Allow Owner to enter the Premises/Center to perform Owner's obligations, inspect the Premises/Center, and show the Premises/Center to others; and upon reasonable prior notice to Tenant/Operator and at mutually agreeable times, to use the Premises/Center in ways not inconsistent with Tenant/Operator's use.

B.1.k. Repair, replace, and maintain any part of the Premises/Center that Owner is not obligated to repair, replace, or maintain, normal wear excepted.

B.1.l. Keep the sidewalks, service ways, and loading areas adjacent to the Premises/Center clean and unobstructed.

B.1.m. Submit in writing to Owner any request for repairs, replacement, and maintenance that are the obligations of Owner.

B.1.n. (i) Continuously and in good faith conduct on the entire Premises/Center the type of business for which the Premises/Center are leased and established, in an efficient and reputable manner and (ii) except during reasonable periods for repairing, cleaning, and decorating, keep the Premises/Center open to the public for business during Operating Hours so as to produce the maximum amount of Gross Sales.

B.1.o. Meet or exceed the Performance Standards set forth on Schedule A.8 attached hereto.

B.1.p. Vacate the Premises/Center on the last day of the Term.

B.1.q. On request, execute an estoppel certificate that states the Commencement Date and Termination Date of the agreement, identifies any amendments to the agreement, describes any rights to extend the Term or purchase rights, lists defaults by Owner, and provides any other information reasonably requested.

B.1.r. INDEMNIFY, DEFEND, AND HOLD OWNER ~~AND LIENHOLDER~~, AND THEIR RESPECTIVE AGENTS, HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN ANY PORTION OF THE PREMISES/CENTER. **THE INDEMNITY CONTAINED IN THIS PARAGRAPH (i) IS INDEPENDENT OF TENANT/OPERATOR'S INSURANCE, (ii) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (iii) WILL SURVIVE THE END OF THE TERM, AND (iv) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF OWNER BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF OWNER ~~AND LIENHOLDER~~ AND THEIR RESPECTIVE AGENTS.**

B.2. Tenant/Operator agrees not to—

B.2.a. Use the Premises/Center for any purpose other than the Permitted Use.

B.2.b. Create a nuisance.

B.2.c. Interfere with any other tenant/operator's normal business operations or Owner's use of the Premises/Center.

B.2.d. Permit any waste.

B.2.e. Use the Premises/Center in any way that would increase insurance premiums or void insurance on the Premises/Center.

B.2.f. Change Owner's lock system.

B.2.g. Alter the Premises/Center.

B.2.h. Allow a lien to be placed on the Premises/Center.

B.2.i. Assign this agreement or sublease any portion of the Premises/Center without Owner's written consent.

B.2.j. Use the roof of the Premises/Center.

B.2.k. Place any signs to which Owner objects on the Premises/Center.

C. Owner's Obligations

Owner agrees to—

C.1. Lease to Tenant/Operator the Premises/Center for the entire Term beginning on the Commencement Date and ending on the Termination Date.

C.2. Obey all laws relating to Owner's operation of the Premises/Center.

C.3. Provide the Essential Services.

C.4. Repair, replace, and maintain the building, including the (i) roof, (ii) foundation, (iii) structural soundness of the exterior walls, including windows and doors, (iv) boardwalks, sidewalks and driveways, (v) elevators and stair systems.

~~**C.5. Return the Security Deposit to Tenant/Operator, less itemized deductions, if any, on or before the sixtieth day after the date Tenant/Operator surrenders the Premises/Center.**~~

C.6. INDEMNIFY, DEFEND, AND HOLD TENANT/OPERATOR HARMLESS FROM ANY INJURY AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS, OCCURRING IN ANY PORTION OF THE COMMON AREAS. THE INDEMNITY CONTAINED IN THIS PARAGRAPH (i) IS INDEPENDENT OF OWNER'S INSURANCE, (ii)

WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (iii) WILL SURVIVE THE END OF THE TERM, AND (iv) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF TENANT/OPERATOR BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF TENANT/OPERATOR.

D. General Provisions

Owner and Tenant/Operator agree to the following:

D.1. Alterations. Any physical additions or improvements to the Premises/Center made by Tenant/Operator will become the property of Owner. Any alterations or improvements to the Premises/Center must first be approved by the Owner. Owner may require that Tenant/Operator, at the end of the Term and at Tenant/Operator's expense, remove any physical additions and improvements, repair any alterations, and restore the Premises/Center to the condition existing at the Commencement Date, normal wear excepted.

~~*D.2. Abatement.* Tenant/Operator's covenant to pay Rent and Owner's covenants are independent. Except as otherwise provided, Tenant/Operator will not be entitled to abate Rent for any reason.~~

D.2.3. Insurance. Tenant/Operator and Owner will maintain the respective insurance coveragescoverage described in the Insurance Addendum.

D.3.4. Release of Claims/Subrogation. Owner AND TENANT/OPERATOR RELEASE EACH OTHER ~~AND LIENHOLDER~~, AND THEIR RESPECTIVE AGENTS, FROM ALL CLAIMS OR LIABILITIES FOR DAMAGE TO THE PREMISES/CENTER OR PREMISES/CENTER, DAMAGE TO OR LOSS OF PERSONAL PROPERTY WITHIN THE PREMISES/CENTER, AND LOSS OF BUSINESS OR REVENUES THAT ARE COVERED BY THE RELEASING PARTY'S PROPERTY INSURANCE OR THAT WOULD HAVE BEEN COVERED BY THE REQUIRED INSURANCE IF THE PARTY FAILS TO MAINTAIN THE PROPERTY COVERAGES REQUIRED BY THIS AGREEMENT. THE PARTY INCURRING THE DAMAGE OR LOSS WILL BE RESPONSIBLE FOR ANY DEDUCTIBLE OR SELF-INSURED RETENTION UNDER ITS PROPERTY INSURANCE. OWNER AND TENANT/OPERATOR WILL NOTIFY THE ISSUING PROPERTY INSURANCE COMPANIES OF THE RELEASE SET FORTH IN THIS PARAGRAPH AND WILL HAVE THE PROPERTY INSURANCE POLICIES ENDORSED, IF NECESSARY, TO PREVENT INVALIDATION OF COVERAGE. THIS RELEASE WILL NOT APPLY IF IT INVALIDATES THE PROPERTY INSURANCE COVERAGE OF THE RELEASING PARTY. **THE RELEASE IN THIS PARAGRAPH WILL APPLY EVEN IF THE DAMAGE OR LOSS IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF THE RELEASED PARTY OR ITS AGENTS BUT WILL NOT APPLY TO THE EXTENT THE DAMAGE OR LOSS IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE RELEASED PARTY OR ITS AGENTS.**

D.4.5. Casualty/Total or Partial Destruction

~~D.4.5.a.~~ If the Premises/Center are damaged by casualty and, in Owner's sole discretion, can be restored within ninety days, Owner will, at its expense, restore the roof, foundation, Common Areas, and structural soundness of the exterior walls of the Premises/Center and any improvements within the Premises/Center that are not within Tenant/Operator's Rebuilding Obligations to substantially the same condition that existed before the casualty and Tenant/Operator will, at its expense, be responsible for replacing any of its damaged furniture, fixtures, and personal property and performing Tenant/Operator's Rebuilding Obligations. If Owner fails to complete the portion of the restoration for which Owner is responsible within ninety days from the date of written notification by Tenant/Operator to Owner of the casualty, Tenant/Operator may terminate this agreement by written notice delivered to Owner before Owner completes Owner's restoration obligations.

D.5.b. If Owner cannot complete the portion of the restoration for which Owner is responsible within ninety days, Owner has an option to restore the Premises/Center. If Owner chooses not to restore, this agreement will terminate. If Owner chooses to restore, Owner will notify Tenant/Operator in writing of the estimated time to restore and give Tenant/Operator an option to terminate this agreement by notifying Owner in writing within ten days from receipt of Owner's estimate. If Tenant/Operator does not notify Owner timely of Tenant/Operator's election to terminate this agreement, the agreement will continue and Owner will restore the Premises/Center as provided in D.5.a. above.

~~D.5.c. To the extent the Premises/Center are untenable or inoperable after the casualty, the Rent will be adjusted as may be fair and reasonable.~~

D.6. Condemnation/Substantial or Partial Taking

D.6.a. If the Premises/Center cannot be used for the purposes contemplated by this agreement because of condemnation or purchase in lieu of condemnation, this agreement will terminate.

~~D.6.b. Whether or not any portion of the Premises/Center is taken by condemnation or purchase in lieu of condemnation, Owner or Tenant/Operator may elect to terminate this agreement if 50 percent or more of the Common Area is taken.~~

~~D.6.c. If there is a condemnation or purchase in lieu of condemnation and this agreement is not terminated, Owner will, at Owner's expense, restore the Premises/Center, and the Rent payable during the unexpired portion of the Term will be adjusted as may be fair and reasonable.~~

D.6.d. Tenant/Operator will have no claim to the condemnation award or proceeds in lieu of condemnation, except for relocation or other benefits that are payable to Tenant/Operator by the condemning authority but that do not reduce the award or proceeds payable to Owner.

~~D.7. Uniform Commercial Code. Tenant/Operator grants Owner a security interest in Tenant/Operator's personal property now or subsequently located on the Premises/Center. This agreement is a security agreement under the Uniform Commercial Code. Owner may file financing statements or continuation statements to perfect or continue the perfection of its security interest.~~

~~D.8.—Default by Owner/Events.—Defaults by Owner are failing to comply with any provision of this agreement within thirty days after written notice and failing to provide Essential Services to Tenant/Operator within ten days after written notice.~~

~~D.9.—Default by Owner/Tenant/Operator's Remedies.—Tenant/Operator's remedies for Owner's default are to sue for damages and, if Owner does not provide an Essential Service for thirty days after default, terminate this agreement.~~

~~D.10.—Default by Tenant/Operator/Events.—Defaults by Tenant/Operator are (a) failing to pay timely Rent, (b) abandoning or vacating a substantial portion of the Premises/Center, and (c) failing to comply within ten days after written notice with any provision of this agreement other than the defaults set forth in (a) and (b).~~

D.7.11. Default by Tenant/Operator/Owner's Remedies. Owner's remedies for Tenant/Operator's default are to (a) enter and take possession of the Premises/Center, after which Owner may relet the Premises/Center on behalf of Tenant/Operator and receive the rent directly by reason of the reletting, and Tenant/Operator agrees to reimburse Owner for any expenditures made in order to relet, (b) enter the Premises/Center and perform Tenant/Operator's obligations, and (c) terminate this agreement by written notice and sue for damages. Owner may enter and take possession of the Premises/Center by self-help, by picking or changing locks if necessary, and may lock out Tenant/Operator or any other person who may be occupying the Premises/Center, until the default is cured, without being liable for damages.

D.8.12. Default/Waiver/Mitigation. It is not a waiver of default if the non-defaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this agreement does not preclude pursuit of other remedies in this agreement or provided by applicable law. Owner and Tenant/Operator have a duty to mitigate damages.

~~D.13.—Eco-Tourism Project.—The Eco-Tourism Project is the Owner's intention to develop at and near the Premises/Center and in conjunction with third parties, a centralized and diversified destination for the promotion and enjoyment by residents and tourists of ecological, biological, and other environmental elements, education and studies, including by way of example and not by limitation a marine science center/aquarium, native grasses plantation, sea turtle and other animal centers, etc.—The branding and identity of the Center must therefore be approved by the Owner and developed consistent with any branding and identity program approved by the Owner for the Eco-Tourism Project. Tenant/Operator will recognize the contribution and cooperation of Owner on signage at the Center and in promotional and other appropriate marketing materials specifically related to Tenant/Operator's activities or events at the Center. In addition, Tenant/Operator will coordinate with Owner regarding the inclusion of the branding of the Center as a part of the overall branding and marketing of the Eco-Tourism Project.~~

D.9.14. Non-Exclusive Use/Reservation of Owner Rights. The Premises/Center are for the non-exclusive use of Tenant/Operator. Owner reserves the right to

- a. use the Premises/Center or portions thereof for Owner's own use from time to time, and agrees to cooperate with Tenant/Operator in scheduling of events to avoid conflicts;
- b. exclusive use of at least one office in the Premises/Center, as designated by Owner, for use by Owner's Executive Director and staff;
- c. rent portions of the Premises/Center to other tenants/operators upon reasonable notice to Tenant/Operator provided that Owner reasonably accommodates Tenant/Operator's needs for use of the Premises/Center in the event of any such rental; and
- d. allow the use of and tie-ins to the Premises/Center for promoting and facilitating the Eco-Tourism Project and its component parts.

D.105. Holdover. If Tenant/Operator does not vacate the Premises/Center following termination of this agreement, Tenant/Operator will become a Tenant/Operator at will and must vacate the Premises/Center on receipt of notice from Owner. No holding over by Tenant/Operator, whether with or without the consent of Owner, will extend the Term.

~~D.16. Alternative Dispute Resolution. Owner and Tenant/Operator agree to mediate in good faith before filing a suit for damages.~~

~~D.17. Attorney's Fees. If either party retains an attorney to enforce this agreement, the party prevailing in litigation is entitled to recover reasonable attorney's fees and other fees and court and other costs.~~

~~D.18. Venue. Exclusive venue is in the county in which the Premises/Center are located.~~

D.119. Entire Agreement. This agreement, its exhibits, addenda, and riders are the entire agreement of the parties concerning the occupation and operation of the Premises/Center by Tenant/Operator. There are no unwritten representations, warranties, agreements, or promises pertaining to the Premises/Center, and Tenant/Operator is not relying on any statements or representations of any agent of Owner, that are not in this agreement and any exhibits, addenda, and riders. This agreement supersedes all prior agreements between the parties concerning the occupation and operation of the Premises/Center by Tenant/Operator, including that Operations Agreement dated 6/21/11, as the same was subsequently amended.

D.120. Amendment of Agreement. This agreement may be amended only by an instrument in writing signed by Owner and Tenant/Operator.

D.134. Limitation of Warranties. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS AGREEMENT, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS AGREEMENT.

D.2.142. Notices. Any notice required or permitted under this agreement must be in writing. Any notice required by this agreement will be deemed to be delivered (whether

actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this agreement. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

D. ~~1523~~. Use of Common Areas. Tenant/Operator will have the nonexclusive right to use the Common Areas subject to such reasonable rules and regulations that Owner may prescribe.

D. ~~1624~~. Abandoned Property. Owner may retain, destroy, or dispose of any property left on the Premises/Center at the end of the Term.

Insurance Addendum to Lease

This insurance addendum is part of the lease.

A. Tenant/Operator agrees to maintain—

1. Causes of loss—special form insurance on Tenant/Operator's leasehold improvements and personal property in the Premises/Center in an amount equal to the full replacement cost, including any windstorm insurance coverage desired by Tenant/Operator for its personal property in the Premises/Center.
2. Worker's Compensation insurance covering all of Tenant/Operator's employees.

B. Owner agrees to maintain—

1. Causes of loss—special form insurance upon the building in which the Premises/Center are located in an amount equal to the full replacement cost.
2. Commercial general liability insurance, including contractual liability insurance coverage, covering: (1) the property in which the Premises/Center are located, (2) Owner's operations, and (3) Tenant/Operator's operations within the Premises/Center, in the Building and on the Property, with combined single limits of not less than \$1,000,000 per occurrence for bodily injury or property damage.
3. Windstorm and flood insurance on the building in an amount equal to the full replacement cost.
4. Owner shall maintain the policy for the benefit of Owner and Tenant/Operator. However, Tenant/Operator shall reimburse Owner for all costs associated with the policy.

C. Owner and Tenant/Operator agree that—

The causes of loss—special form insurance policies maintained by them shall contain (a) an agreed evaluation provision in lieu of a co-insurance clause, (b) an increased-cost-of-construction clause, (c) debris removal coverage, and (d) a waiver-of-subrogation clause in favor of the party not carrying the insurance.

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D. Authority of Signatories: The person signing on behalf of Owner and Tenant/Operator each represent, warrant and covenant that such person has authority to enter into and sign this lease on behalf of the party for whom each is signing, and that all requisite action by such party for entering into this lease and authorizing such person to sign on behalf of such party has occurred.

SOUTH PADRE ISLAND ECONOMIC
DEVELOPMENT CORPORATION

By: _____
Its: _____

SOUTH PADRE ISLAND BIRDING AND
NATURE CENTER, INC.

By: _____
Its: _____

SCHEDULE A.8
[Performance Standards]

A.8.1. Budget Submission. On or before May 1 of each calendar year, Tenant/Operator shall submit to Owner and seek approval of a written proposed Budget for the upcoming fiscal year [October 1 through September 30). Owner may approve or disapprove the proposed Budget in Owner's reasonable discretion. Tenant/Operator shall thereafter submit revised proposed Budgets as may be requested by Owner until such time as Tenant/Operator has submitted a Budget acceptable to Owner.

A.8.2. Funding of Budget Shortfalls. Provided that Tenant/Operator has met the Performance Standards set forth in this Schedule, Owner shall pay Tenant/Operator expenditures approved by Owner.

A.8.3. Monthly Financial Reports. At the regularly scheduled monthly meetings of Owner, Tenant/Operator shall provide Owner with monthly financial reports, including Cash Flow, Balance Sheet, and Profit/Loss Statements for the period previous to the current period, prepared by a certified public accountant according to generally accepted principals consistently applied.

A.8.4. Standards: The parties agree to meet and develop mutually agreeable performance standards by March 1, 2015, which performance standards each party will present to its next regularly-scheduled Board for approval by such party. The approved performance standards shall become an amendment to this lease.

6.

2:16 PM

12/10/14

SPI BIRDING AND NATURE CENTER - NEW
A/P Aging Detail
As of December 10, 2014

Type	Date	Num	Name	Due Date	Aging	Open Balance
Current						
Bill	12/1/2014	8-2015	South Padre Island ...	12/11/2014		1,704.00
Bill	12/1/2014	17160	Toucan Graphics	12/11/2014		500.00
Bill	11/12/2014	0001...	Quick Reference P...	12/12/2014		590.00
Bill	12/4/2014	17171	Toucan Graphics	12/14/2014		235.00
Bill	12/5/2014	2014...	SOS Shipping's Our...	12/15/2014		28.99
Bill	11/18/2014	170032	Atlas Screen Printing	12/18/2014		1,685.63
Bill	11/18/2014	170033	Atlas Screen Printing	12/18/2014		366.50
Bill	11/26/2014	170190	Atlas Screen Printing	12/26/2014		251.96
Bill	12/8/2014	20077	CTM Group	1/7/2015		495.00
Bill	11/25/2014	S195...	K & M International	1/24/2015		425.10
Total Current						6,282.18
1 - 30						
Bill	11/14/2014	2701...	Rural Community E...	11/29/2014	11	1,064.59
Bill	11/23/2014	5001...	Wells Fargo	12/3/2014	7	1,568.00
Total 1 - 30						2,632.59
31 - 60						
Bill	10/24/2014	102414	Lynne Tate	11/3/2014	37	1,367.33
Bill	10/6/2014	0001...	Quick Reference P...	11/5/2014	35	103.00
Total 31 - 60						1,470.33
61 - 90						
Total 61 - 90						
> 90						
Credit	9/3/2014	956 7...	AT&T			-0.19
Credit	9/9/2014	816981	Gulf Coast Paper C...			-31.44
Total > 90						-31.63
TOTAL						10,353.47

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12/10/14
Accrual Basis

SPI BIRDING AND NATURE CENTER - NEW
Balance Sheet
As of December 10, 2014

	<u>Dec 10, 14</u>
ASSETS	
Current Assets	
Checking/Savings	
\$\$BNC Operating 38458	7,003.14
Cash on Hand	
Kiosk Cash	500.00
Petty Cash	250.00
Register Drawer	500.00
Total Cash on Hand	1,250.00
SPI BNC Donation 33545	6,265.61
SPI BNC Loan 38415	4,412.09
Total Checking/Savings	18,930.84
Other Current Assets	
Inventory Asset	29,816.12
Undeposited Funds	504.87
Total Other Current Assets	30,320.99
Total Current Assets	49,251.83
Fixed Assets	
Boardwalk	40,750.00
Building Improvement	19,562.01
Furniture and Equipment	10,600.00
Landscape and Grounds	9,000.00
Total Fixed Assets	79,912.01
Other Assets	
Prepaid Insurance	4,331.89
Total Other Assets	4,331.89
TOTAL ASSETS	<u>133,495.73</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	10,353.47
Total Accounts Payable	10,353.47
Other Current Liabilities	
Payroll Liabilities	
FIT and FICA-Medicare	1,452.64
Total Payroll Liabilities	1,452.64
Sales Tax Payable	484.71
Total Other Current Liabilities	1,937.35
Total Current Liabilities	12,290.82
Long Term Liabilities	
Rural Community Enterprise	75,459.26
Total Long Term Liabilities	75,459.26
Total Liabilities	87,750.08
Equity	
Fund Balances	
Board Designated	4,411.02
Donor Designated	9,065.61
Temporarily Restricted	13,309.77
Total Fund Balances	26,786.40

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12/10/14
Accrual Basis

SPI BIRDING AND NATURE CENTER - NEW
Balance Sheet
As of December 10, 2014

	Dec 10, 14
Unrestricted	35,306.99
Net Income	-16,347.74
Total Equity	45,745.65
TOTAL LIABILITIES & EQUITY	133,495.73

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12/10/14

SPI BIRDING AND NATURE CENTER - NEW
Statement of Cash Flows
October 1 through December 10, 2014

	<u>Oct 1 - Dec 10, 14</u>
OPERATING ACTIVITIES	-16,347.74
Net Income	
Adjustments to reconcile Net Income	
to net cash provided by operations:	-10,468.04
Inventory Asset	10,501.57
Accounts Payable	-1,630.27
Payroll Liabilities:FIT and FICA-Medicare	39.49
Sales Tax Payable	-17,904.99
Net cash provided by Operating Activities	8,977.88
INVESTING ACTIVITIES	8,977.88
Prepaid Insurance	
Net cash provided by Investing Activities	-813.05
FINANCING ACTIVITIES	-813.05
Rural Community Enterprise	
Net cash provided by Financing Activities	-9,740.16
Net cash increase for period	29,175.87
Cash at beginning of period	19,435.71
Cash at end of period	

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12/10/14

Accrual Basis

SPI BIRDING AND NATURE CENTER - NEW
Profit & Loss Prev Year Comparison
October 1 through December 10, 2014

	Oct 1 - Dec 10, 14	Oct 1 - Dec 10, 13
Ordinary Income/Expense		
Income		
ADMISSIONS INCOME		
DISCOUNT ADMISSIONS	346.00	0.00
EXTENDED PASS ADMISSIONS	1,841.00	1,145.00
GENERAL ADMISSIONS	18,840.00	17,163.00
GROUP ADMISSIONS	753.00	2,966.00
Total ADMISSIONS INCOME	21,780.00	21,274.00
BUILDING RENTAL INCOME	550.00	-350.00
CONTRIBUTIONS		
DONATIONS		
HALLOWEEN	3,200.00	0.00
DONATIONS - Other	1,839.00	8,074.30
Total DONATIONS	5,039.00	8,074.30
Total CONTRIBUTIONS	5,039.00	8,074.30
GIFT SHOP INCOME		
CONSIGNMENT SALES	821.41	2,423.54
GIFT SHOP SALES	20,879.75	17,275.90
Total GIFT SHOP INCOME	21,701.16	19,699.44
Gift Shop Sales	0.00	0.00
Total Income	49,070.16	48,697.74
Cost of Goods Sold		
COST OF GOODS SOLD		
COST OF GOODS CONSIGNMENT	1,059.58	1,222.76
COST OF GOODS GIFT SHOP	5,628.20	9,990.54
COST OF GOODS SOLD - Other	0.00	38.70
Total COST OF GOODS SOLD	6,687.78	11,252.00
RETURNS, ALLOWANCES, BAD DEBTS	0.00	0.00
Total COGS	6,687.78	11,252.00
Gross Profit	42,382.38	37,445.74
Expense		
OPERATIONS EXPENSES		
ADVERTISING & PROMOTION		
GUIDE	1,704.00	0.00
VIDEO	2,500.00	0.00
ADVERTISING & PROMOTION - Other	910.49	575.98
Total ADVERTISING & PROMOTION	5,114.49	575.98
CREDIT CARD FEES	934.29	615.60
DUES & SUBSCRIPTIONS	144.00	50.00
FUNDRAISING & EVENTS		
HALLOWEEN	46.29	0.00
SOLICITATION	882.00	0.00
SPECIAL EVENTS	179.32	0.00
FUNDRAISING & EVENTS - Other	0.00	1,281.10
Total FUNDRAISING & EVENTS	1,107.61	1,281.10
GIFT SHOP SUPPLIES	751.00	0.00
INSURANCE	8,977.88	14,905.34
LEGAL & PROFESSIONAL	1,555.00	1,250.00
LOAN EXPENSE	1,316.13	564.13
LOCAL MEETINGS		
VOLUNTEER APPRECIATION	322.00	0.00
LOCAL MEETINGS - Other	19.00	0.00
Total LOCAL MEETINGS	341.00	0.00

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12/10/14
Accrual Basis

SPI BIRDING AND NATURE CENTER - NEW **Profit & Loss Prev Year Comparison** October 1 through December 10, 2014

	Oct 1 - Dec 10, 14	Oct 1 - Dec 10, 13
MAINTENANCE & REPAIRS	775.16	1,462.44
OFFICE	59.82	541.36
PAYROLL SERVICE	58.63	102.33
POSTAGE	68.99	230.00
SOFTWARE	85.52	171.04
SUPPLIES	381.18	356.49
TOOLS & EQUIPMENT	523.92	748.11
TRAVEL	95.03	418.10
Total OPERATIONS EXPENSES	22,289.65	23,272.02
POS Inventory Adjustments	0.00	0.00
SALARIES AND BENEFITS	4,584.99	6,617.25
GIFT SHOP ATTENDANTS	3,747.33	2,408.00
JANITOR	2,899.55	2,885.50
MAINTENANCE	7,692.30	3,923.07
MANAGER	1,447.71	1,237.05
PAYROLL TAXES		
Total SALARIES AND BENEFITS	20,371.88	17,070.87
SERVICE CONTRACTS	310.00	692.42
AIR CONDITIONING	217.71	534.09
ARGUS SECURITY	323.00	658.50
CLEANING SUPPLIES	4,592.38	10,575.76
COMPUTER COPIER I.T.	139.39	73.00
DRINKING WATER	1,067.28	1,032.69
ELEVATOR	1,729.60	1,729.60
KIOSK LEASE	2,119.36	2,119.36
LAWN & GROUNDS	0.00	374.90
LINENS MOPS MATS	156.00	156.00
PEST CONTROL		
TELEPHONE & INTERNET	427.90	632.57
ATT EMERGENCY LINES	1,237.40	1,432.48
ATT INTERNET	1,016.61	1,068.12
TELEPHONE SYSTEM		
Total TELEPHONE & INTERNET	2,681.91	3,133.17
WEBMASTER	270.00	240.00
Total SERVICE CONTRACTS	13,606.63	21,319.49
UTILITIES	168.36	241.77
TRASH	1,811.13	4,844.46
WATER / SEWER		
Total UTILITIES	1,979.49	5,086.23
Total Expense	58,247.65	66,748.61
Net Ordinary Income	-15,865.27	-29,302.87
Other Income/Expense		
Other Income	0.00	10,000.00
EDC ADVANCE	1.07	2.53
INTEREST INCOME	146.46	175.29
VENDING INCOME		
Total Other Income	147.53	10,177.82
Other Expense	0.00	0.00
Balancing Adjustments	630.00	0.00
HABITAT/CATTAIL MAINTENANCE	630.00	0.00
Total Other Expense	-482.47	10,177.82
Net Other Income	-16,347.74	-19,125.05
Net Income		

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12/10/14

Accrual Basis

SPI BIRDING AND NATURE CENTER - NEW
Profit & Loss Budget vs. Actual
October 1 through December 10, 2014

	<u>Oct 1 - Dec 1...</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Admissions				
40150 · Admission Sales	0.00	0.00	0.00	0.0%
Admissions - Other	0.00	0.00	0.00	0.0%
Total Admissions	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>
ADMISSIONS INCOME				
DISCOUNT ADMISSIONS	346.00	0.00	346.00	100.0%
EXTENDED PASS ADMISSIONS	1,841.00	7,000.00	-5,159.00	26.3%
GENERAL ADMISSIONS	18,840.00	132,000.00	-113,160.00	14.3%
GROUP ADMISSIONS	753.00	18,000.00	-17,247.00	4.2%
ADMISSIONS INCOME - Other	0.00	0.00	0.00	0.0%
Total ADMISSIONS INCOME	<u>21,780.00</u>	<u>157,000.00</u>	<u>-135,220.00</u>	<u>13.9%</u>
Building Rental	0.00	0.00	0.00	0.0%
BUILDING RENTAL INCOME	550.00	15,000.00	-14,450.00	3.7%
CONTRIBUTIONS				
DESIGNATED	0.00	0.00	0.00	0.0%
DONATIONS				
HALLOWEEN	3,200.00	0.00	3,200.00	100.0%
SPECIAL EVENTS	0.00	0.00	0.00	0.0%
DONATIONS - Other	1,839.00	25,000.00	-23,161.00	7.4%
Total DONATIONS	<u>5,039.00</u>	<u>25,000.00</u>	<u>-19,961.00</u>	<u>20.2%</u>
PARKING	0.00	0.00	0.00	0.0%
CONTRIBUTIONS - Other	0.00	0.00	0.00	0.0%
Total CONTRIBUTIONS	<u>5,039.00</u>	<u>25,000.00</u>	<u>-19,961.00</u>	<u>20.2%</u>
GIFT SHOP INCOME				
CONSIGNMENT SALES	821.41	13,000.00	-12,178.59	6.3%
GIFT SHOP SALES	20,879.75	97,500.00	-76,620.25	21.4%
GIFT SHOP INCOME - Other	0.00	0.00	0.00	0.0%
Total GIFT SHOP INCOME	<u>21,701.16</u>	<u>110,500.00</u>	<u>-88,798.84</u>	<u>19.6%</u>
Gift Shop Sales				
40201 · Gift Shop Sales	0.00	0.00	0.00	0.0%
Gift Shop Sales - Other	0.00	0.00	0.00	0.0%
Total Gift Shop Sales	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>
Merchandise Sales	0.00	0.00	0.00	0.0%
Service Sales	0.00	0.00	0.00	0.0%
Shipping and Delivery Income	0.00	0.00	0.00	0.0%
Total Income	<u>49,070.16</u>	<u>307,500.00</u>	<u>-258,429.84</u>	<u>16.0%</u>
Cost of Goods Sold				
COST OF GOODS SOLD				
COST OF GOODS CONSIGNMENT	1,059.58	6,000.00	-4,940.42	17.7%
COST OF GOODS GIFT SHOP	5,628.20	47,500.00	-41,871.80	11.8%
COST OF GOODS SOLD - Other	0.00	0.00	0.00	0.0%
Total COST OF GOODS SOLD	<u>6,687.78</u>	<u>53,500.00</u>	<u>-46,812.22</u>	<u>12.5%</u>
RETURNS, ALLOWANCES, BAD DEBTS	0.00	0.00	0.00	0.0%
Total COGS	<u>6,687.78</u>	<u>53,500.00</u>	<u>-46,812.22</u>	<u>12.5%</u>
Gross Profit	<u>42,382.38</u>	<u>254,000.00</u>	<u>-211,617.62</u>	<u>16.7%</u>
Expense				
OPERATIONS EXPENSES				
ADVERTISING & PROMOTION				
GUIDE	1,704.00	0.00	1,704.00	100.0%
VIDEO	2,500.00	0.00	2,500.00	100.0%
ADVERTISING & PROMOTION - Other	910.49	2,500.00	-1,589.51	36.4%
Total ADVERTISING & PROMOTION	<u>5,114.49</u>	<u>2,500.00</u>	<u>2,614.49</u>	<u>204.6%</u>

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12/10/14

Accrual Basis

SPI BIRDING AND NATURE CENTER - NEW

Profit & Loss Budget vs. Actual

October 1 through December 10, 2014

	Oct 1 - Dec 1...	Budget	\$ Over Budget	% of Budget
BANK SERVICE CHARGES	0.00	0.00	0.00	0.0%
CREDIT CARD FEES	934.29	6,500.00	-5,565.71	14.4%
DUES & SUBSCRIPTIONS	144.00	185.00	-41.00	77.8%
FUNDRAISING & EVENTS				100.0%
HALLOWEEN	46.29	0.00	46.29	0.0%
PHOTOGRAPHY WORKSHOP	0.00	0.00	0.00	0.0%
PLAQUES & BRICKS	0.00	0.00	0.00	0.0%
SOLICITATION	882.00	0.00	882.00	100.0%
SPECIAL EVENTS	179.32	0.00	179.32	100.0%
SPOONBILL MINI GOLF TOURNAMENT	0.00	0.00	0.00	0.0%
FUNDRAISING & EVENTS - Other	0.00	5,000.00	-5,000.00	0.0%
Total FUNDRAISING & EVENTS	1,107.61	5,000.00	-3,892.39	22.2%
GIFT SHOP SUPPLIES	751.00	250.00	501.00	300.4%
INSURANCE	8,977.88	66,000.00	-57,022.12	13.6%
LEGAL & PROFESSIONAL	1,555.00	7,110.00	-5,555.00	21.9%
LOAN EXPENSE	1,316.13	13,200.00	-11,883.87	10.0%
LOCAL MEETINGS				100.0%
VOLUNTEER APPRECIATION	322.00	0.00	322.00	7.6%
LOCAL MEETINGS - Other	19.00	250.00	-231.00	
Total LOCAL MEETINGS	341.00	250.00	91.00	136.4%
MAINTENANCE & REPAIRS	775.16	3,000.00	-2,224.84	25.8%
OFFICE	59.82	2,500.00	-2,440.18	2.4%
PAYROLL SERVICE	58.63	700.00	-641.37	8.4%
POSTAGE	68.99	300.00	-231.01	23.0%
SOFTWARE	85.52	1,400.00	-1,314.48	6.1%
SUPPLIES	381.18	3,000.00	-2,618.82	12.7%
TOOLS & EQUIPMENT	523.92	2,000.00	-1,476.08	26.2%
TRAINING	0.00	250.00	-250.00	0.0%
TRAVEL	95.03	2,000.00	-1,904.97	4.8%
OPERATIONS EXPENSES - Other	0.00	0.00	0.00	0.0%
Total OPERATIONS EXPENSES	22,289.65	116,145.00	-93,855.35	19.2%
POS Inventory Adjustments	0.00	0.00	0.00	0.0%
SALARIES AND BENEFITS				14.8%
GIFT SHOP ATTENDANTS	4,584.99	31,000.00	-26,415.01	19.1%
JANITOR	3,747.33	19,600.00	-15,852.67	20.6%
MAINTENANCE	2,899.55	14,100.00	-11,200.45	19.2%
MANAGER	7,692.30	40,000.00	-32,307.70	0.0%
MEDICAL INSURANCE	0.00	0.00	0.00	0.0%
PAYROLL TAXES	1,447.71	8,710.00	-7,262.29	16.6%
SALARIES AND BENEFITS - Other	0.00	0.00	0.00	0.0%
Total SALARIES AND BENEFITS	20,371.88	113,410.00	-93,038.12	18.0%
SERVICE CONTRACTS				7.9%
AIR CONDITIONING	310.00	3,900.00	-3,590.00	12.1%
ARGUS SECURITY	217.71	1,800.00	-1,582.29	0.0%
BACKGROUND CHECKS	0.00	200.00	-200.00	0.0%
CLEANING SUPPLIES	323.00	3,000.00	-2,677.00	10.8%
COMPUTER COPIER I.T.	4,592.38	20,400.00	-15,807.62	22.5%
DRINKING WATER	139.39	400.00	-260.61	34.8%
EBIRD TRAIL TRACKER	0.00	650.00	-650.00	0.0%
ELEVATOR	1,067.28	4,200.00	-3,132.72	25.4%
KIOSK LEASE	1,729.60	7,000.00	-5,270.40	24.7%
LAWN & GROUNDS	2,119.36	12,800.00	-10,680.64	16.6%
LINENS MOPS MATS	0.00	500.00	-500.00	0.0%
PEST CONTROL	156.00	940.00	-784.00	16.6%
TELEPHONE & INTERNET				17.0%
ATT EMERGENCY LINES	427.90	2,520.00	-2,092.10	26.9%
ATT INTERNET	1,237.40	4,600.00	-3,362.60	18.4%
TELEPHONE SYSTEM	1,016.61	5,520.00	-4,503.39	0.0%
TELEPHONE & INTERNET - Other	0.00	0.00	0.00	0.0%
Total TELEPHONE & INTERNET	2,681.91	12,640.00	-9,958.09	21.2%

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12/10/14

Accrual Basis

SPI BIRDING AND NATURE CENTER - NEW
Profit & Loss Budget vs. Actual
 October 1 through December 10, 2014

	Oct 1 - Dec 1...	Budget	\$ Over Budget	% of Budget
WEBMASTER	270.00	1,000.00	-730.00	27.0%
SERVICE CONTRACTS - Other	0.00	0.00	0.00	0.0%
Total SERVICE CONTRACTS	13,606.63	69,430.00	-55,823.37	19.6%
UTILITIES				
ELECTRICITY	0.00	0.00	0.00	0.0%
TRASH	168.36	1,000.00	-831.64	16.8%
WATER / SEWER	1,811.13	14,000.00	-12,188.87	12.9%
UTILITIES - Other	0.00	0.00	0.00	0.0%
Total UTILITIES	1,979.49	15,000.00	-13,020.51	13.2%
Total Expense	58,247.65	313,985.00	-255,737.35	18.6%
Net Ordinary Income	-15,865.27	-59,985.00	44,119.73	26.4%
Other Income/Expense				
Other Income				
EDC ADVANCE	0.00	78,385.00	-78,385.00	0.0%
INTEREST INCOME	1.07	0.00	1.07	100.0%
VENDING INCOME	146.46	600.00	-453.54	24.4%
Total Other Income	147.53	78,985.00	-78,837.47	0.2%
Other Expense				
Balancing Adjustments	0.00	0.00	0.00	0.0%
HABITAT/CATTAIL MAINTENANCE	630.00	19,000.00	-18,370.00	3.3%
Total Other Expense	630.00	19,000.00	-18,370.00	3.3%
Net Other Income	-482.47	59,985.00	-60,467.47	-0.8%
Net Income	-16,347.74	0.00	-16,347.74	100.0%

7.

SPI BNC Insurance
12/21/14-12/21/15

POLICY	COMPANY	LIMITS	PREMIUM
PROPERTY	Texas Insurance Managers	Building \$2,750,000 Business Personal Property \$1,300,000 Business Income \$270,000	\$9,851.00
	Shepard, Walton, King	Building \$2,750,000 Business Personal Property \$1,300,000 Business Income \$270,000	included with Wind policy
WIND & HAIL	Texas Insurance Managers	Building \$2,750,000 Business Personal Property \$1,300,000 Business Income \$270,000	\$40,055.00
	Shepard, Walton, King	Building \$2,750,000 Business Personal Property \$1,300,000 Business Income \$270,000	\$44,022.34* * includes Property
		1% deductible for both	
LIABILITY	Texas Insurance Managers	\$1,000,000 per occurrence \$2,000,000 aggregate	\$3,992.17
	Shepard, Walton, King	\$1,000,000 per occurrence \$2,000,000 aggregate	\$4,000.00

Texas Insurance Managers \$53,898.17
Shepard, Walton, King \$48,022.34 (maximum) Waiting on Liability he verbally quoted \$4,000

✓ Best Proposal

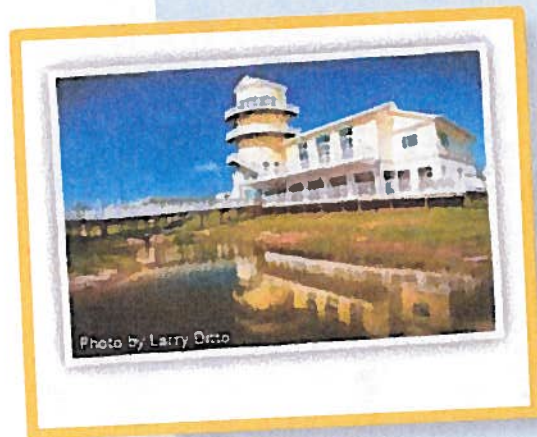
CAMERON INVESTMENT COMPANY, INC. DBA

SHEPARD WALTON KING

INSURANCE GROUP

2014-2015

SPI Birding & Nature Center Insurance Proposal



Presented by Hayden Ellis, Producer

"You'll like the way we do business."

SHEPARD WALTON KING

INSURANCE GROUP VALLEYWIDE

SPI Birding & Nature Center

Underwriters at Lloyd's, A (XV)	
National Fire & Marine Insurance Company, A++(XV)	
Property	
<i>6801 Padre Blvd, South Padre Island, TX</i>	
Building	\$ 2,750,000
Business Personal Property	\$ 1,300,000
Business Income/Extra Expense/Rental Value	\$ 270,000
Ordinance or Law Coverage	Included
Equipment Breakdown, \$2500 per policy, applied separately, per occurrence <i>electrical surge</i>	Not to Exceed Policy Limit
Valuation Property	Replacement
Coinsurance	Waived
All other Causes of Loss Deductible	\$ 2,500
Named Storm Deductible, whichever is greater, by sum of TIV, per location, per occurrence	1% or \$1,000
Wind & Hail Deductible, whichever is greater, by sum of TIV, per location, per occurrence	1% or \$1,000
Annual Premium	\$ 41,112.00
Brokerage Fee	\$ 500.00
Inspection Fee	\$ 150.00
Company Fee	\$ 200.00
State Tax & Stamping Fee	\$ 2,060.34
Total Annual Premium	\$ 44,022.34

Installment Options	
Down Payment	\$ 11,643.08
10 Installments	\$ 3,372.23

December 11, 2014

SHEPARD WALTON KING

INSURANCE GROUP VALLEYWIDE

Insurance Proposal Continuation for
SPI Birding & Nature Center

Optional Coverage	
Property	
<i>6801 Padre Blvd, South Padre Island, TX</i>	
Building	\$ 2,750,000
Business Personal Property	\$ 1,300,000
Business Income/Extra Expense/Rental Value	\$ 270,000
Ordinance or Law Coverage	Included
Equipment Breakdown, \$2500 per policy, applied separately, per occurrence	Not to Exceed Policy Limit
Valuation Property	Replacement
Coinsurance	Waived
All other Causes of Loss Deductible	\$ 2,500
Named Storm Deductible, whichever is greater, by sum of TIV, per location, per occurrence	2% or \$1,000
Wind & Hail Deductible, whichever is greater, by sum of TIV, per location, per occurrence	2% or \$1,000
Annual Premium	\$ 35,268.00
Brokerage Fee	\$ 425.00
Inspection Fee	\$ 150.00
Company Fee	\$ 200.00
State Tax & Stamping Fee	\$ 1,769.72
Total Annual Premium	\$ 37,812.72
TRIA, additional premium plus taxes & fees	\$4,048

"You'll like the way we do business."

SOUTHWEST RISK, LP

A MEMBER COMPANY OF CLEARVIEW RISK HOLDINGS, LLC

8144 Walnut Hill Lane, Suite 1400, Dallas, TX 75231

214-206-4900 Phone

214-206-4901 Fax

Date: December 11, 2014

Total Pages: 8

Name: Hayden Ellis & Debbie Rae Valdez
General Lines Agent: Shepard Walton King
Fax No.: Via Email

From: Ryan Handler

Proposed Insured: SPI Birding & Nature Center

Insurer: See Page 3 of Quote

Proposed Term: Annual

Coverage: Commercial Property - Risks of Direct Physical Loss or Damage; Excluding Flood & Earthquake

1% WHH Deductible

Premium:	\$ 41,112.00
Brokerage Fee:	\$ 500.00 Fully Earned at inception
Inspection Fee:	\$ 150.00 Fully Earned at inception
Company Fee:	\$ 200.00 Fully Earned at inception
State Tax:	\$ 2,035.16
Stamping Fee:	\$ 25.18
Total:	\$ 44,022.33

TRIA Coverage - Optional

\$ 4,048.00 subject to applicable professional fees, surplus lines taxes and stamping fee which are in addition to amounts shown on the left.

2% WHH Deductible Option

Premium:	\$ 35,268.00
Brokerage Fee:	\$ 425.00 Fully Earned at inception
Inspection Fee:	\$ 150.00 Fully Earned at inception
Company Fee:	\$ 200.00 Fully Earned at inception
State Tax:	\$ 1,748.09
Stamping Fee:	\$ 21.63
Total:	\$ 37,812.71

TRIA Coverage - Optional

\$ 3,474.00 subject to applicable professional fees, surplus lines taxes and stamping fee which are in addition to amounts shown on the left.

Premium Notice: Premium is 25% minimum earned at inception; subject to cancellation penalty if cancelled during wind season

Comments: Based on revised TIV = \$4,320,000 and \$2,500 AOP deductible

Subject to: Please see attached quote for subjectivities. Payment due within 20 days and as per attached terms and conditions. Additional premiums, including audits, are subject to commensurate professional fees, surplus lines taxes, and stamping fees, as applicable

Responsibility for
Surplus Lines Taxes
and Filings:

- ☐ This insurer is licensed in and is not subject to surplus lines forms and taxes.
- ☒ Our office is responsible for the filing of applicable surplus lines form and taxes
- ☐ Your office is responsible for the filing of applicable surplus lines forms and taxes in and evidence of compliance with all surplus lines filing procedures is required in our office within 20 days of binding.

Southwest Risk, LP



****Estimated Commercial Property Quote****

Coverage is underwritten by International Catastrophe Insurance Managers on behalf of the Company(ies) listed below. Coverage will be written on a Special Cause Of Loss form.

Insurer Participation:

If coverage is bound, each insurer will be responsible for its share of losses under the policy and will be severally (but not jointly) liable solely for its share. Insurer participation may change at the time of binding. All insurers are non-admitted.

Insurer

Underwriters at Lloyd's, A (XV)
National Fire & Marine Insurance Company, A++ (XV)

Perils

All Perils Covered Under This Policy

Insured:
SPI Birding & Nature Center

Producer: 1177.1
Southwest Risk LP
8144 Walnut Hill Lane, Suite 1010
Dallas, TX 75231
License Number: N/A
Phone Number: 214-206-4900

All Other Causes of Loss Deductible: \$2,500 per policy, per occurrence.
Equipment Breakdown: \$2,500 per policy, applied separately, per occurrence.

Location 1: Location 1

Named Storm Deductible: 1% or \$1,000, whichever is greater, by sum of TIV, per location, per occurrence.

All Other Wind & Hail Deductible: 1% or \$1,000, whichever is greater, by sum of TIV, per location, per occurrence.

Location Level Coverage

Business Income/Extra Expense/Rental Value

Limit
\$270,000

Premium
\$3,847

Subject to a 50% monthly limit of indemnity.

Building 1: 6801 Padre Blvd, South Padre Island, TX 78597

<u>Property Coverage</u>	<u>Limit</u>	<u>Premium</u>
Building	\$2,750,000	\$25,511
Business Personal Property (including Tenant's Improvements and Betterments)	\$1,300,000	\$8,567
Ordinance or Law Coverage Parts B&C are limited to a 10% sublimit of the building.	Included	\$2,552
Building Coverage Total	\$4,050,000	\$36,630
Location I Summary		
Location Coverage Total	\$4,320,000	\$40,477
Inspection Fees		\$150
Expanded Coverages	Limit	Premium
Package C	Sub-limits as outlined below	\$200
Equipment Breakdown Coverage \$2,500 per policy, applied separately, per occurrence	Not to Exceed Policy Limit	\$435
Policy Coverage Total	\$4,320,000	
Premium Total		\$41,112
Inspections Fees Total		\$150
Policy Fee		\$200

- Terrorism coverage is available for additional premium for all quote options. The premium is subject to change for each quote.

Coverage Extensions

Replacement Cost (Building and Personal Property)	Yes, Including "Stock"
Coinsurance	Waived
Property In Transit	Lesser of Business Personal Property ("BPP")



TEXAS INSURANCE MANAGERS

410 E. Harrison, Harlingen, TX 78550

Serving Texas Since 1903

Insurance Summary For

South Padre Island Economic Development Corporation
&
South Padre Island Birding and Nature Center

This proposal is provided for illustration purposes only; it is not a legal contract. We are providing it to facilitate your understanding of the insurance program we are offering. *Please refer to the actual policies for the specific terms, conditions, limitations and exclusions that will govern in the event of a loss.* Specimen copies of all policies are available for review prior to binding coverage.

In evaluating your exposures to loss, we have been dependent upon information provided by you. If there are other areas that need to be evaluated prior to binding coverage, please bring them to our attention. *Should any of your business operations or exposures to loss change after coverage is bound, please let us know promptly so proper coverage can be discussed.*

The final decision and responsibility for carrying "proper" limits of insurance rests with you as the business owner or manager.

We at Texas Insurance Managers appreciate the time you have invested in answering our questions and providing information necessary for preparation of this proposal. We try to provide the clearest and most complete analysis of your insurance needs possible. We want to represent you for all of your insurance needs.

Please call our office at any time for assistance in any insurance related matter. We look forward to working with you as your insurance agency

Presented
by

Ryan A. Newman
Executive Vice President

E-mail ryan@txinsmgr.com

December 2, 2014

Contact Information

Telephone No	956-423-6986
Toll Free	800-880-1177
Fax No	956-423-4205

Service Team

Customer Service Representative

Mona Gomez

E-mail mona@txinsmgr.com

Claims

Ruth Garcia, CISR

E-mail ruth@txinsmgr.com

This proposal is an outline of the coverage proposed by the insurers, based on the information provided by you. It does not include all the terms, coverages, exclusions, limitations or conditions of the actual contract language. The policies themselves must be read for those details. The policy forms will be made available to you upon its receipt.

Proposal 2012-

Helping Manage Risk and Protect Assets





TEXAS INSURANCE MANAGERS

410 E. Harrison, Harlingen, TX 78550

Serving Texas Since 1903

Premium Summary

DESCRIPTION	2014 PREMIUM	2013 PREMIUM
Property	\$ 9,801.00	\$ 9,801.00
General Liability	\$ 3,992.17	\$ 2,412.93
Wind & Hail	\$40,055.00	\$38,202.00
Workers Compensation	\$ 1,852.00	\$ 1,796.00
Total	\$55,700.72	\$52,211.93

BNC pays

- 1,852.00
\$53,848.72

Under the Terrorism Risk Insurance Act of 2002, the federal government now covers 90% of losses from **certified** terrorist acts. Insurance companies must cover the remaining 10%. You may purchase limited terrorism coverage for additional premium.

Remember that the "Act" only applies when the Secretary of the Treasury **certifies** that an event meets the following definition of an "act of terrorism"

- ★ The terrorist act was committed by an individual or individuals acting on behalf of any foreign person or foreign interest, and
- ★ The terrorism event caused at least \$100 million in losses.

Contact Information

Telephone No 956-423-6986
Toll Free 800-880-1177
Fax No 956-423-4205

Service Team

Customer Service Representative

Mary Ellen Karn, CISR
E-mail mek@txinsmgr.com

Claims

Ruth Garcia, CISR
E-mail ruth@txinsmgr.com

This proposal is an outline of the coverage proposed by the insurers, based on the information provided by you. It does not include all the terms, coverages, exclusions, limitations or conditions of the actual contract language. The policies themselves must be read for those details. The policy forms will be made available to you upon its receipt.

Proposal 2012 -

Helping Manage Risk and Protect Assets



8.

MEMORANDUM

DATE: 12/10/2014

TO: SOUTH PADRE ISLAND ECONOMIC DEVELOPMENT CORPORATION

FROM: SOUTH PADRE ISLAND BIRDING & NATURE CENTER

SUBJECT: ADVANCE NEEDED FOR DECEMBER 2014

Payments due (see Accounts Payable 12/10/2014)	\$ 10,353.47
Insurance Premium Down Payment due 12/21/2014 (last year's amount)	\$ 13,290.48
Payroll 12/11/2014	\$ 4,030.82
Payroll 12/25/2014 (estimate)	<u>\$ 4,030.82</u>
Total disbursements required	<u>\$ 31,705.59</u>
Less available cash Operating (see Balance Sheet dated 12/10/2014)	\$ (6,003.14)
<u>Advance needed</u>	<u><u>\$ 25,702.45</u></u>

9.

DRAFT

**CITY OF SOUTH PADRE ISLAND
ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS**

MINUTES

Regular Meeting
November 18th, 2014

1. CALL TO ORDER

A regular meeting of the Board of Directors of the City of South Padre Island Economic Development Corporation was held on Tuesday, November 18th, 2014, at the Municipal Complex Joyce Adams 2nd floor Conference Room, 4601 Padre Blvd., South Padre Island, Texas. President Roy Bailey called the meeting to order at 8:30 a.m. Other Board members present were Vice-President Joanne Williams and Directors Roxanne Guenzel, Murray Meggison, Bob Friedman, and Bill DiLibero. Absent was Director Treasurer Joe Townsend. Also present were Executive Director Darla Lapeyre; Jenny Lundak, Vice-President of South Padre Island Art Space; City Council members Alita Bagley, Julee LaMure and Dennis Stahl. In attendance representing the Birding and Nature Center were President Lynne Tate, Director Joy Hartung, and Manager Cristin Howard.

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENTS AND ANNOUNCEMENTS

City Councilwoman Julee LaMure commented to the Board to table the proposed Lease and Operations Agreement (agenda item #6) between the EDC and the Birding and Nature Center so the document could be reviewed by the City Attorney and a workshop could be held with City Council's participation.

4. DISCUSSION AND ACTION TO APPROVE THE FUNDING REQUEST FROM ART SPACE FOR \$5,000 PER A WRITTEN PERFORMANCE AGREEMENT OUTLINING A SCHEDULE OF ADDITIONAL PAYROLL TO BE CREATED OR RETAINED, CAPITAL INVESTMENT TO BE MADE BY ART SPACE, AND TERMS FOR REPAYMENT IF ART SPACE FAILS TO MEET THE PERFORMANCE REQUIREMENTS SPECIFIED IN THE AGREEMENT

Jenny Lundak, Vice-President of South Padre Island Art Space was present if the Board had questions. Upon a motion from Bill DiLibero and a second by Bob Friedman, the Board unanimously approved the \$5,000 grant for South Padre Island Art Space per the requirements and conditions outlined in the Performance Agreement.

5. ACTIVITY UPDATE FROM PRESIDENT LYNNE TATE AND MANAGER CRISTIN HOWARD OF THE BIRDING AND NATURE CENTER

The Board received an update of activity regarding the Birding and Nature Center Board of Directors by President Lynne Tate and marketing and operations update by Manager Cristin Howard. Included in their report was fundraising, upcoming events, and school groups and educational programs. Manager, Cristin Howard had her one year anniversary at the end of October. For the sixth straight month the Birding Center did not request a cash advance from the EDC. They were able to make enough revenue to pay their operating expenses.

6. DISCUSSION AND ACTION REGARDING THE DRAFT LEASE AND OPERATIONS AGREEMENT BETWEEN THE EDC AND THE SOUTH PADRE ISLAND BIRDING AND NATURE CENTER

Lynne Tate provided some background history of the purpose of creating a new Operating Agreement between the EDC and the BNC and a time line of the status of the document. Upon a motion from Roxanne Guenzel and a second by Joanne Williams, the Board unanimously approved Bill DiLibero and Paul Cunningham reviewing and making revisions to the document, incorporating any suggestions from the Boards of the Birding and Nature Center and the EDC and placing the revised document on the next agenda for further discussion and action.

7. DISCUSSION AND ACTION TO APPROVE THE FINANCIAL REPORTS FROM THE BIRDING AND NATURE CENTER

Upon a motion from Bill DiLibero and a second by Murray Meggison, the Board unanimously approved the financial reports from the Birding and Nature Center. No cash advance was requested.

8. APPROVE THE CONSENT AGENDA:

8a. Approve the minutes from the Regular Meeting of October 21st, 2014

8b. Financial Reports-October 2014

8c. Approve excused absence for Joe Townsend from the November Board Meeting

Upon a motion from Roxanne Guenzel and a second by Bill DiLibero, the consent agenda was unanimously approved.

9. EDC EXECUTIVE DIRECTOR'S ACTIVITY REPORT

Ms. Lapeyre presented the latest available economic indicators, the meetings and events she attended for the period October 22nd, 2014 through November 14th, 2014, a list of upcoming meetings and events, four business inquiries she

prepared business startup packets for, the revised Top Ten Employers annual report, the flyer and handout for the UTB-Kauffman FastTrac NewVenture Entrepreneurship Program, an outline for Dr. Mostafa Malki's presentation at the Chamber Quarterly Public Affairs Luncheon on December 18th that the EDC is sponsoring, and the Lone Star Bank statement period ending October 31st, 2014. Ms. Lapeyre said once the EDC Board appointments have been finalized for 2015, a Board retreat/planning workshop will be held to establish projects and goals and priorities for the coming year.

10. DISCUSSION AND ACTION REGARDING A REQUEST FOR \$1,000 TO FUND THE "TUBA CHRISTMAS" EVENT AS PART OF THE CHRISTMAS CONCERT AT THE TREE LIGHTING

Bill DiLibero made a presentation and requested \$1,000 from EDC funds to assist with sponsoring a "Tuba Christmas" event. The EDC Board commented events were not in the budget and had not historically been funded by EDC. Lynne Tate said she could raise the funds for Bill in the private sector and those present at the meeting personally raised the amount needed. No formal action was taken.

11. DISCUSSION REGARDING PARTICIPATION IN ECONOMIC DEVELOPMENT ACTIVITY RELATED TO SPACE X

Ms. Lapeyre reported the EDC and the Chamber ordered 50 posters with the "Greetings SpaceX" artwork used in the print ad. The posters will be distributed to Island businesses.

Ms. Lapeyre and Ms. Guenzel will be meeting with personnel from SpaceX Community Outreach division after the first of the year.

The Board suggested a SpaceX Development Committee be established that includes the Laguna Madre EDC's, cities and the Point Isabel ISD. Bill DiLibero suggested efforts regarding projects and marketing related to SpaceX should be run through his office but could be EDC driven.

12. DISCUSSION AND ACTION TO APPOINT TWO MEMBERS TO THE BOARD OF DIRECTORS FOR A TWO YEAR TERM-JOANNE WILLIAMS AND JOE TOWNSEND TERMS EXPIRE 12/31/14

Upon a motion from Murray Meggison and a second by Roxanne Guenzel the Board approved to appoint Joanne Williams and Joe Townsend to serve on the Board for a two year term 1/1/15 through 12/31/16.

13. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:50 a.m.

SEAL

Darla Lapeyre
Executive Director and Board Secretary

APPROVED:

Roy Bailey
President



Memo

To: South Padre Island Economic Development Corporation Board of Directors
From: Rodrigo Gimenez, Finance Director
City of South Padre Island
CC: Darla Lapeyre
Date: December 10, 2014
Re: November 30, 2014 Operating Statement

The November 30, 2014 Operating Statement for the South Padre Island Economic Development Corporation as well as the Balance Sheet as of November 30, 2014 are attached for your review. **Transactions summarized in the statements are those processed through the Finance Department of the City.**

The Birding and Nature Center sales are not reflected in these financial statements, since they took their bookkeeping in house in October 2011.

Sales Tax amounts include the October tax collections sent to the State of Texas in November and distributed to local governments in December. This December allocation payment is accrued for financial statement presentation purposes in the November operating statement.

Due to the end of the fiscal year, additional expenditures may be posted in subsequent weeks in accordance with Generally Accepted Accounting Principles.

Please contact me at rgimenez@MYSPI.org at your earliest convenience should you have any questions.

"A Certified Retirement Community"

**City of South Padre Island
Economic Development Corporation
Balance Sheet
November 30, 2014/2013**

	2014	2013
Assets		
Cash and cash equivalents	\$540,750	\$385,986
Receivables - Sales Tax	\$41,795	\$37,704
Revolving Loan Receivable	\$76,272	\$87,912
Gift Shop Inventory	\$0	\$0
Due From General Fund	\$0	\$0
Due from EDC Debt Service	\$0	\$0
Due from BNC-Bank fees	\$0	\$115
Prepaid Expenses	\$0	\$0
TOTAL ASSETS	\$658,817	\$511,717
Liabilities and Fund Balances		
Deferred Revenue	\$76,272	\$87,912
Accounts Payable	\$0	\$0
Sales Tax Payable	\$0	\$0
Payroll Taxes Payable	\$318	\$308
Wages Payable	\$0	\$0
Due to General Fund	\$0	\$0
Due to BNC-sales net of bank fees	\$0	\$0
Reserved for Encumbrances	\$0	\$0
Other liabilities	\$0	\$0
Deferred Revenue	\$76,590	\$88,220
Total Liabilities	\$582,227	\$423,497
Fund Balance		
	\$658,817	\$511,717
Total Liabilities and Fund Balance		

City of South Padre Island
Economic Development Corporation
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
November 30, 2014/2013

	2014		2013
	Budget	Actual	Actual
<u>REVENUES</u>			
Sales Tax	\$725,000	\$99,555	\$100,313
Revolving Loan Revenue	\$9,000	\$808	\$2,076
Grant Revenue	\$0	\$0	\$74,408
Interest Revenue	\$3,500	\$287	\$899
BNC Expense Reimbursement	\$0	\$0	\$0
Miscellaneous Revenues	\$100	\$0	\$106
Total Revenue	\$737,600	\$100,650	\$177,802
<u>EXPENDITURES</u>			
General Administrative Expenses	\$617,600	\$84,538	\$234,469
BNC Cash Advances	\$90,000	\$0	\$0
Birding Center Expenses	\$30,000	\$2,282	(\$1,888)
Total Expenditures	\$737,600	\$86,820	\$232,581
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$0	 \$13,830	 (\$54,779)
Fund balance - beginning	\$568,397	\$568,397	\$478,276
Fund balance - ending	<u>\$568,397</u>	<u>\$582,227</u>	<u>\$423,497</u>

DATE: December 10, 2014
 TO: EDC Board of Directors
 FROM: Rodrigo Gimenez
 SUBJECT: Financial Report for the Two Months Ended November 30, 2014

	Current Month Actual	Actual	Budget	Variance	BUDGET PERCENT REMAINING
REVENUES					
SALES TAX	41,795	99,555	725,000	(625,445)	-86.27%
BNC EXPENSE REIMBURSEMENT	0	0	0	0	0.00%
REVOLVING LOAN REVENUE	0	808	9,000	(8,192)	-91.02%
MISCELLANEOUS REVENUE	0	0	100	(100)	0.00%
PROGRAMS/EVENTS REVENUE	0	0	0	0	0.00%
INTEREST REVENUE	14	287	3,500	(3,213)	-91.80%
TOTAL REVENUES	41,809	100,650	737,600	(636,950)	-86.35%
GENERAL ADMINISTRATIVE EXPENSES					
PERSONNEL SERVICES	5,239	8,922	73,452	64,530	87.85%
OFFICE SUPPLIES	88	88	1,350	1,262	93.51%
LOCAL MEETINGS	0	0	300	300	100.00%
BOOKS & PUBLICATIONS	0	0	600	600	100.00%
POSTAGE	0	0	200	200	100.00%
MINOR TOOLS & EQUIP.	0	0	1,000	1,000	100.00%
TELEPHONE	61	117	1,200	1,083	90.24%
TRAINING EXPENSE	0	0	1,200	1,200	100.00%
PROFESSIONAL SVCS	2	70	11,500	11,430	99.39%
ADVERTISING	475	765	3,500	2,735	78.14%
TRAVEL	0	0	2,000	2,000	100.00%
PROMOTIONS	500	1,200	3,000	1,800	60.00%
DUES & MEMBERSHIPS	0	0	1,000	1,000	100.00%
RENTAL	0	0	0	0	0.00%
INSURANCE	0	0	0	0	0.00%
BIRDING PLAN & IMPROVEMENTS	0	0	0	0	0.00%
LOBBYIST	2,083	4,167	25,000	20,833	83.33%
ECONOMIC ACTIVITY INDEX	0	0	5,000	5,000	100.00%
BUSINESS RECRUITMENT/DEVELOPMENT	395	395	35,000	34,605	98.87%
BEACH NOURISHMENT	0	0	0	0	0.00%
TRANSFER FOR BOND PAYMENT	34,407	68,814	412,885	344,071	83.33%
MARINE SCIENCE CENTER	0	0	5,000	5,000	100.00%
OTHER PROJECTS	0	0	34,413	34,413	100.00%
TOTAL GENERAL ADMINISTRATIVE EXPENSES	43,250 (1,441)	84,538 16,112	617,600 120,000	533,062 (103,888)	86.31%
ADMINISTRATIVE OPERATING RESULTS					
BNC CASH ADVANCE	0	0	90,000	90,000	100.00%

DATE: December 10, 2014
 TO: EDC Board of Directors
 FROM: Rodrigo Gimenez
 SUBJECT: Financial Report for the Two Months Ended November 30, 2014

	Current Month	Actual	Actual	Budget	Variance	BUDGET PERCENT REMAINING
BIRDING CENTER GENERAL ADMINISTRATIVE EXPENSES:						
INSURANCE	0	0	0	0	0	
ELECTRICITY	0	2,282	2,282	30,000	27,718	
TOTAL BIRDING CENTER GENERAL ADMINISTRATIVE EXPENSES	0	2,282	2,282	30,000	27,718	
BIRDING CENTER INCOME (LOSS)	0	(2,282)	(2,282)	(30,000)	(27,718)	
TOTAL EDC REVENUES OVER (UNDER) EXPENSES	(1,441)	13,830	13,830	0	(41,606)	

This report reflects transactions recorded for the month of November 2014, with the exception of Sales Tax Revenue. Sales Tax Revenue received in December 2014 for October 2014 sales by merchants in the amount of \$41,794.86 is included in revenue for the November 2014 report.

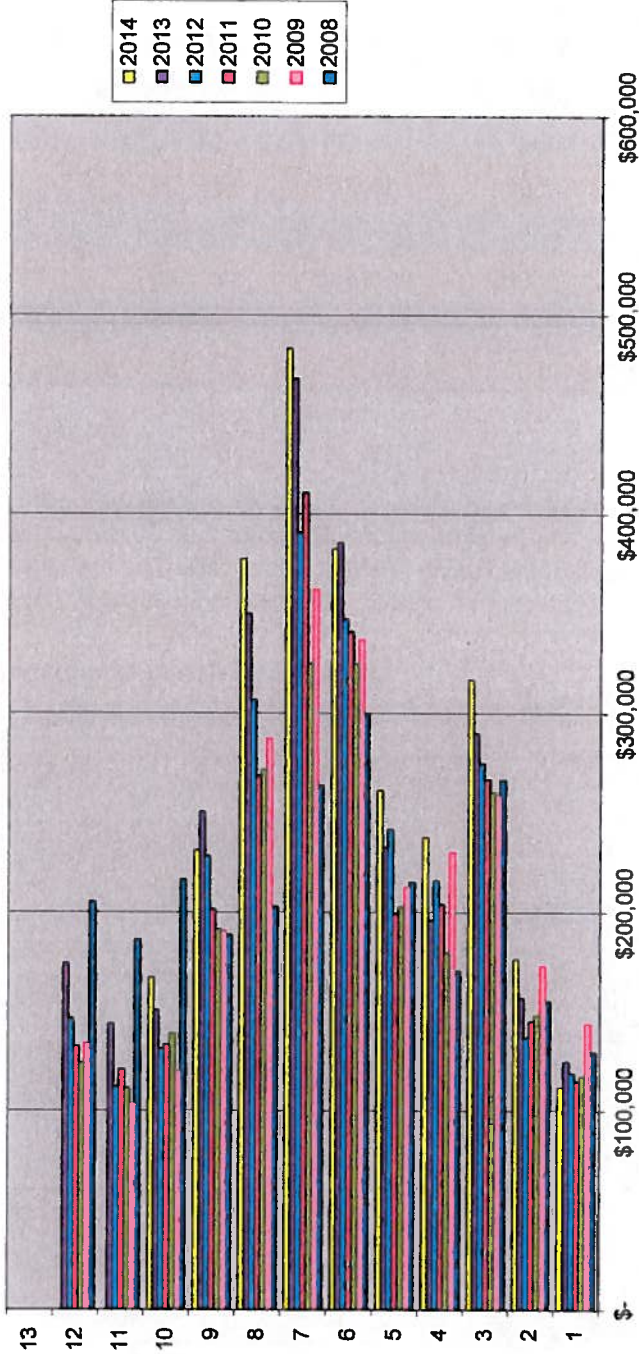
10.

South Padre Island Sales and Use Tax Revenues

South Padre Island Sales and Use Tax Revenues							
	2008	2009	2010	2011	2012	2013	2014
January	\$ 129,395	\$ 143,886	\$ 117,419	\$ 114,865	\$ 119,092	\$ 124,955	\$ 111,837
February	155,116	172,740	148,170	145,004	137,090	156,927	176,331
March	266,373	259,180	260,182	266,620	274,677	289,849	316,834
April	170,421	230,029	179,469	203,962	215,913	195,868	237,624
May	214,976	212,544	202,552	199,176	241,670	232,586	261,170
June	299,622	336,693	324,527	340,811	347,206	385,570	382,481
July	263,580	361,970	324,886	410,556	390,920	467,989	483,156
August	202,625	287,118	271,602	268,233	306,588	350,038	377,267
September	188,435	190,439	191,347	201,328	228,185	250,437	231,042
October	216,236	120,202	138,942	133,115	131,407	150,816	167,179
November	186,054	103,605	111,285	120,696	112,229	143,930	
December	205,008	133,951	124,089	132,467	146,595	174,214	
Total	2,497,841	2,552,357	\$ 2,394,470	\$ 2,536,833	\$ 2,651,572	\$ 2,923,179	

NOTE: Percentages of change March vs. April each year are principally the result of the month in which Easter falls. Amounts reported in January are based on January sales, for example, even though reported by the State and received by South Padre Island in March.

Sales and Use Tax Revenues

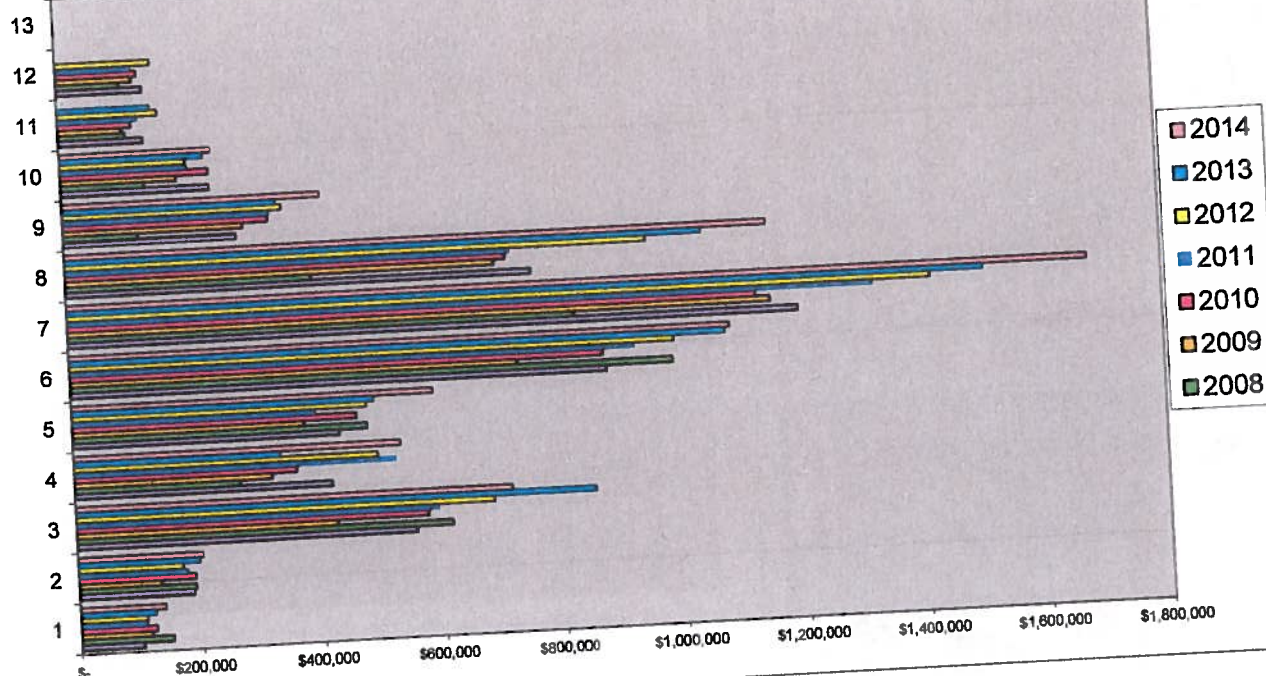


South Padre Island Hotel/Motel/Condo Occupancy Tax

	2008	2009	2010	2011	2012	2013	2014	% change
Taxes								
January	\$ 150,365	\$ 116,614	\$ 123,680	\$ 109,440	\$ 109,774	\$ 123,289	\$ 140,192	13.71
February	190,096	134,788	190,487	180,476	171,451	199,626	204,078	2.23
March	617,746	428,533	577,675	595,805	687,275	855,873	718,514	(16.05)
April	271,794	324,596	364,810	528,026	497,202	338,337	535,518	58.28
May	482,286	380,047	465,445	399,279	482,275	494,883	593,135	19.85
June	991,576	735,283	876,624	929,372	994,101	1,078,509	1,086,514	0.74
July	831,694	1,155,188	1,131,300	1,325,927	1,420,513	1,507,657	1,679,092	11.37
August	402,448	704,214	723,141	731,489	955,899	1,046,929	1,153,488	10.18
September	122,073	294,425	335,734	340,030	359,467	350,530	422,559	20.55
October	135,741	189,390	242,670	208,442	205,150	234,719	246,090	4.84
November	109,803	104,782	120,144	131,812	163,655	152,042		
December	103,187	123,877	131,991	123,799	155,338	149,820		
Total	\$ 4,408,809	\$ 4,691,737	\$ 5,283,701	\$ 5,603,897	\$ 6,202,100	\$ 6,532,214		12.57

Occupancy tax is 14.5% as of July 2009. 8.5% is collected by the City of South Padre Island monthly, and 6% by the state of Texas quarterly. Any hotel or condo visit longer than 30 days is tax exempt. Percentages of change March vs. April are partially the result of the month in which Easter falls. The monthly occupancy tax reports from the finance office include any late payments received from properties behind in their taxes. The City reports them in the month they are paid.

Hotel/Motel/Condo Occupancy Tax



South Padre Island Property Tax Revenue										
	2008	2009	2010	2011	2012	2013	2014			
January	\$ 592,059	\$ 881,608	\$ 633,716	\$ 955,624	\$ 925,441	\$ 768,980	\$ 774,747			
February	548,298	826,923	766,443	376,594	498,598	587,833	697,644			
March	145,732	113,491	128,325	211,177	488,209	154,633	129,345			
April	88,783	139,655	168,093	134,539	125,963	85,060	97,865			
May	75,965	124,088	70,190	104,032	117,171	100,790	74,555			
June	87,565	70,721	100,376	97,986	93,955	77,075	98,131			
July	107,011	124,127	68,581	164,458	222,631	135,249	125,279			
August	40,173	48,719	40,920	37,832	63,604	58,877	35,643			
September	20,920	8,678	38,286	56,310	33,535	44,457	41,480			
October	407,378	1,278,200	1,062,890	552,062	1,716,909	1,953,119	2,035,083			
November	2,836,353	2,145,275	2,598,999	1,558,168	2,287,424	1,925,829	1,828,594			
December	344,667	483,388	476,031	1,672,881	493,478	462,976				
TOTAL	\$ 5,294,904	\$ 6,244,873	\$ 6,152,850	\$ 5,921,663	\$ 7,066,918	\$ 6,354,878				
As of October 1:										
Tax rate per \$100	0.24561	0.24561	0.24561	0.2504	0.252071	0.254384				
Taxable value	\$ 2,424,947,973	\$ 2,434,546,327	\$ 2,421,696,820	\$ 2,608,645,628	\$ 2,606,119,273	\$ 2,583,563,287				

South Padre Island Building Permit Valuations

	2008	2009	2010	2011	2012	2013	Commercial	Residential	2014
	\$ 32,533,029	\$ 4,106,664	\$ 6,275,239	\$ 243,630	\$ 552,718	\$ 703,791	\$ 306,000	\$ 128,335	\$ 434,335
January	6,709,242	546,134	5,473,877	423,259	1,968,904	330,425	101,490	2,015,524	2,117,014
February	3,451,481	4,217,221	456,675	627,539	449,800	1,016,164	41,000	230,651	271,651
March	2,330,729	2,007,649	444,700	12,105,395	268,337	554,688	169,500	243,015	412,515
April	2,853,107	5,725,591	3,977,138	1,009,344	915,996	295,625	100,500	951,761	1,052,261
May	658,999	1,685,895	1,504,846	1,821,047	1,243,528	177,150	118,780	1,599,162	1,717,942
June	516,675	618,759	52,590,819	5,411,225	412,100	145,069	-	160,664	160,664
July	8,545,691	4,281,975	975,263	899,292	459,314	2,525,727	80,000	420,475	500,475
August	11,551,787	657,960	2,436,837	192,228	373,975	692,401	5,000	889,061	894,061
September	8,175,610	1,662,974	1,295,900	280,511	950,100	885,901	371,441	1,951,240	2,322,681
October	1,626,284	178,888	414,111	8,549,789	2,022,260	1,103,873	162,852	1,812,440	1,975,292
November	2,066,248	1,152,984	1,408,183	1,093,434	773,540	162,116			
December									
Total	\$ 81,018,882	\$ 26,842,694	\$ 77,253,588	\$ 32,656,693	\$ 10,390,572	\$ 8,592,930			

From: Rocio Arcia <Rocio.Arcia132@utb.edu>
To: spiedc <spiedc@aol.com>
Subject: Kauffman Participants
Date: Thu, Dec 4, 2014 2:26 pm

Hello Darla,

I would like to inform you we have the 5 participants from SPI for our Kauffman Program starting January 6, 2015. The names of the participants are:

Erika Vazquez	Fashion Designer
Luis Garza	Logistics Door, Door Service
Bryan Allen	Event Management and Planning
Eric Moore	Property Management
Ginny Ossanna	Florist/Retail Gifts

Thank you,



Rocío Arcia

Entrepreneurship & Commercialization Center

Tel. 956-882-4119 | Fax 956-882-4122
Rocio.Arcia132@utb.edu

Resaca Village 1601 E. Price Rd.

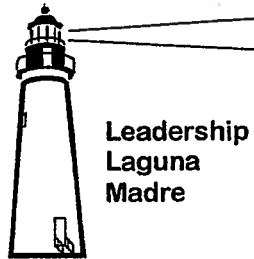
Brownsville, Texas 78521

TAXING ENTITIES

2014 Rates
Cents per \$100

Point Isabel Independent School District	1.081634
Cameron County	.399291
City of South Padre Island	.262754
South Texas ISD	.049200
Texas Southmost College	.164094
Laguna Madre Water District	.039260
TOTAL	1.996233

For more information visit www.cameroncad.org



check request sent

South Padre Island Chamber of Commerce
610 Padre Blvd, South Padre Island, Texas 78597

Leadership Laguna Madre Donation Letter

To Whom It May Concern:

Leadership Laguna Madre is an organization exists to identify, educate and motivate emerging leaders to improve the Laguna Madre area through personal and collective commitment. We are currently in early stages of planning our annual fundraising event. Leadership Laguna Madre – Class XIX will be hosting a Mardi Gras Shrimp and Crawfish Festival this year. We depend on donations from corporate and private individuals for financial support. We have been fortunate in past years to have the support or organizations like yours and we are hopeful that this year will be no different.

As a sponsor of \$100.00 or more, your company or personal name will be listed on the program of our Mardi Gras Fundraiser Festival, being held on January 31, 2015. You are an ideal partner for us as you are giving back to the Laguna Madre community. Class XIX will donate 50% of the proceeds of this event to the Laguna Madre community which will include the Port Isabel Boys and Girls Club, St. Stephens Food Bank, and scholarships to one graduating Senior from Port Isabel High School and Los Fresnos High School.

Your donation is appreciated. Thank you!

Sincerely,
Leadership Laguna Madre
Class Member XIX

ACCOUNT STATEMENT

Date 11/28/14 Page 2
Primary Account XXXXXXXXXXXX2005
Enclosures

NOW Checking Commercial XXXXXXXXXXXX2005 (Continued)

Daily Balance Information

Date	Balance	Date	Balance	Date	Balance
11/03	66,091.60	11/28	66,089.60	11/30	66,103.19

SPI Revolving Loans

Year 2014

<i>SPI Nature & Birding Center</i>						Total
	<i>Principal Pd.</i>	<i>Interest Pd.</i>	<i>Service Fees</i>	<i>Transfer fees</i>	<i>Late Fee</i>	<i>Deposited</i>
Jan-14	\$ 783.83	\$ 280.76	\$ 42.11	\$ 20.00	\$ -	\$ 1,002.48
Feb-14	\$ 786.44	\$ 278.15	\$ 41.72	\$ 20.00	\$ -	\$ 1,002.87
Mar-14	\$ 789.06	\$ 275.53	\$ 41.33	\$ 20.00	\$ -	\$ 1,003.26
Apr-14	\$ 791.69	\$ 272.90	\$ 40.93	\$ 20.00	\$ -	\$ 1,003.66
May-14	\$ 794.33	\$ 270.26	\$ 40.54	\$ 20.00	\$ -	\$ 1,004.05
Jun-14	\$ 796.98	\$ 267.61	\$ 40.14	\$ 20.00	\$ -	\$ 1,004.45
Jul-14	\$ 799.63	\$ 264.96	\$ 39.74	\$ 20.00	\$ -	\$ 1,004.85
Aug-14	\$ 802.30	\$ 262.29	\$ 39.34	\$ 20.00	\$ -	\$ 1,005.25
Sep-14	\$ 804.97	\$ 259.62	\$ 38.94	\$ 20.00	\$ -	\$ 1,005.65
Oct-14	\$ 807.66	\$ 256.93	\$ 38.54	\$ 20.00	\$ -	\$ 1,006.05
Nov-14	\$ 810.35	\$ 254.24	\$ 37.73	\$ 20.00	\$ -	\$ 1,006.86
Dec-14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 8,767.24	\$ 2,943.25	\$ 441.06	\$ 220.00	\$ -	\$ 11,049.43

Item No.

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: December 17, 2014

NAME & TITLE: Roy Bailey, President

DEPARTMENT: EDC

ITEM

Discussion and action to approve the EDC reappointments for two Board members for a term beginning 1/1/2015 and ending 12/31/2016

a) **Joanne Williams** (prior term 1/1/13-12/31/14)

b) **Joe Townsend** (prior term 6/18/14-12/31/14) filled vacancy left by Ben Levenson

ITEM BACKGROUND

At the EDC Board meeting held on 11/18/2014, the Board voted as follows:

Joanne Williams and Joe Townsend were each reappointed to serve on the board for a two year term from 1/1/2015-12/31/2016.

BUDGET/FINANCIAL SUMMARY

COMPREHENSIVE PLAN GOAL

LEGAL REVIEW

Sent to Legal:

YES: _____

NO: _____

Approved by Legal:

YES: _____

NO: _____

Comments:

RECOMMENDATIONS/COMMENTS

11.

XIV. IMPLEMENTATION AND MARKETING STRATEGIES

The first step in developing economic and marketing strategies to fulfill the economic vision of South Padre Island is to identify the problems, the challenges, and the obstacles facing the Island. The strategies must be clear and coherent, and fit within the overall development plans of the city.

The development program and strategy outlined below fit well with the goal of closing gaps especially during off-peak months, capitalizing on opportunities through planning for sustainable growth. One of the key strategies is to establish an entertainment retail district to serve as a focal point.

The proposed strategies should be evaluated and discussed by South Padre Island's leadership in order to develop a plan of action.

Establish an Entertainment Retail District

- Our analysis shows that the distribution of retail and commercial space is not clustered but scattered throughout the Island. This distribution poses few mobility and walkability problems. Further, there is an absence of an entertainment area that can be the Island's focal point. Our analysis also shows that during off-peak months, causeway traffic drops by approximately 50 percent while economic activity declines by more than 75%. This indicates that there is a substantial amount of traffic that does not translate into economic activity. We believe that establishing a focused entertainment and retail district on the Island could attract and capture a significant number of day visitors.

Development of Marina

- Boating data show that there is a high concentration of registered boats in the SPI Catchment area. Indeed, the ratio of registered boats to people is significantly higher than the national and state averages. In addition, establishing a marina adjacent to an entertainment and retail district could be synergistic and could generate substantial benefits, including an increase in employment and wages, an enhancement in the value of residential and commercial properties within the marina's vicinity and an improvement in the tax base.

①

Full service beachfront upscale Hotel

- There is an over-representation of lower-priced limited service lodging and accommodation facilities. However, the luxury segment of the lodging industry is not represented. In fact, there are no luxury hotels in the Rio Grande Valley. An upscale hotel will fill this crucial gap in lodging choices.

Other Recommendations

- Develop a targeted marketing plan for the Maquila industry
 - Target new and established Mexican markets (Tamaulipas & Nuevo Leon)
 - Develop a marketing plan for day visitors
 - Develop an office/flex space marketing plan for professional and technical service providers serving regional industries.
- Pernex/ Offshore Oil Developments in Mexico*

C. Further Research

Recommended development strategies should proceed with the cognizance of a need for additional research. Prior to moving forward with any strategies, the City of South Padre Island should revisit Development Codes and Regulations in order to create consistency across all development projects on the Island and to protect the character of the Island while simultaneously pursuing development strategies. At the forefront for consideration include the implications of increased intensity and density of development; mixed land uses, parking issues, floor/area ratios, pedestrian mobility, and land use transitions. A number of development codes and regulations models exist to guide the Island in pursuing development projects without sacrificing community welfare, health and safety.

Another area needing further research is a public infrastructure in support of development strategies. Capital improvement plans and budget analyses for transportation and public infrastructure should be in place prior to pursuing development projects. A thorough assessment of infrastructure is critical before the commencement of any projects to provide for any capital improvement necessary.