

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

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**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, July 16th, 2019 at 9:00 a.m.** at the Paul Y. Cunningham Jr. City Hall, in the Joyce H. Adams Board Room, 2<sup>nd</sup> 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 / Pledge to the Texas flag**
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. **Approve the Consent Agenda:**
  - 4a. **Approve the Minutes from the Regular Meeting of June 18, 2019**
  - 4b. **Financial Report for EDC- June 2019**
  - 4c. **Financial Reports for the Birding and Nature Center through June 2019**
  - 4d. **Birding and Nature Center's Manager's Report June 2019**
  - 4e. **Birding and Nature Center's Naturalist Report May 2019 and June 2019**
5. **Discussion and possible action to approve the 2019-20 Annual Budget for the South Padre Island Birding and Nature Center**
6. **Update regarding a Medical Facility for SPI with discussion and possible action to approve a proposal from BKD CPAs and Advisors to complete a Community Health Needs Assessment**
7. **Discussion and possible action to approve a Façade Improvement Grant application from Jake's Restaurant 2001 Padre Blvd.**
8. **Discussion and possible action to approve the Art Business Incubator Artist Studio Lease Agreement effective August 1, 2019**

9. **Discussion and possible action to approve a resolution in support of the Cameron County Regional Mobility Authority completing the environmental phase for the SPI 2<sup>nd</sup> Access Project and the Outer Parkway project**
10. **Executive Director's Activity Report**
11. **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, 551.087 Deliberation regarding Economic Development Negotiations (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1)

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 which will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

***Dated this the 12<sup>th</sup> day of July 2019***

S E A L

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Darla Lapeyre, Executive Director

*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 David Travis, ADA-designated responsible party, at (956)761-8104*

**ECONOMIC DEVELOPMENT  
CORPORATION  
AGENDA ITEM COVER PAGE**

**MEETING DATE:** July 16, 2019

**ITEM**

**Approve the Consent Agenda**

**BACKGROUND**

**RECOMMENDATIONS/COMMENTS**

Monthly items placed on the consent agenda for approval.

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

**MINUTES**  
Regular Meeting  
June 18, 2019

**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, June 18th, 2019, at the Paul Y. Cunningham, Jr. City Hall, Joyce H. Adams Board Room, 2<sup>nd</sup> floor, 4601 Padre Blvd., South Padre Island, Texas. President Mickey Furcron called the meeting to order at 9:00 a.m. Other Board members present were Vice-President Gayle Hood, Secretary/Treasurer Thomas Bainter, and Directors Kori Marra, Theresa Metty, Jerry Pace and Beverly Skloss. Also present were EDC Executive Director Darla Lapeyre, Cameron County Regional Mobility Authority Executive Director Pete Sepulveda, UTRGV Entrepreneurship Center instructors Maria Villalon and Linda Ufland, and SPI Medical Director Dr. Joe Ybarra.

**2. PLEDGE OF ALLEGIANCE**

**3. PUBLIC COMMENTS AND ANNOUNCEMENTS**

There were no public comments or announcements.

**4. APPROVE THE CONSENT AGENDA**

- 4a. Approve the Minutes from Regular Meeting of May 21, 2019**
- 4b. Financial Report for EDC-May 2019**
- 4c. Birding and Nature Center's Manager's Report May 2019**
- 4d. Approve excused absence for Beverly Skloss from the May 21, 2019 Board meeting**

Upon a motion from Theresa Metty and a second by Gayle Hood the consent agenda was approved unanimously.

**5. PRESENTATION FROM THE CAMERON COUNTY REGIONAL MOBILITY AUTHORITY REGARDING AN UPDATE TO THE SECOND ACCESS PROJECT**

Cameron County Regional Mobility Authority Executive Director Peter Sepulveda gave an update to the Board regarding the second access project. The legislative

session did not consider the reinstatement of toll road funding. The MPOs in the Valley merged and SPI will need to request to be annexed into one of the MPOs. First there is some administrative work to be done by the MPO so will more than likely be in October. Mr. Sepulveda will send a template letter and resolution to use for requesting support from Governor Abbott and Lieutenant Governor Patrick to allow TXDOT to consider toll projects for funding.

**6. REPORT FROM UTRGV REGARDING THE KAUFFMAN FASTTRAC ENTREPRENEURSHIP COURSE**

Linda Ufland and Maria Villalon reported on the Kauffman fall class and presented the metrics for graduates from the Kauffman program.

**7. UPDATE FROM DR. JOE YBARRA REGARDING THE HOSPITAL FEASIBILITY STUDY AND FUTURE MEDICAL PROVISIONS FOR SOUTH PADRE ISLAND**

Dr. Ybarra, the Medical Director for the City of South Padre Island, gave an update on providing health care to the Island. The feasibility study indicated a micro-hospital would make a profit in the second year of operation. The next step according to Dr. Ybarra is a Community Health Needs Assessment (CHNA) to take the pulse of the citizens on the Island- how many diabetics, how many with high blood pressure, etc. The EDC Board asked Dr. Ybarra to submit a proposal to consider funding the CHNA at their July Board meeting.

**8. DISCUSSION AND POSSIBLE ACTION TO A FAÇADE IMPROVEMENT GRANT APPLICATION FROM JAKE'S RESTAURANT 2001 PADRE BLVD IN THE AMOUNT OF \$25,000**

The application has not been reviewed by the City Planning Department and is thereby tabled until the City has approved the proposed work.

**9. DISCUSSION AND POSSIBLE ACTION TO APPROVE THE EDC ANNUAL BUDGET FOR FISCAL YEAR 2019-20**

Upon a motion from Kori Marra and a second by Jerry Pace the Board unanimously approved the budget for 2019-20 as presented.

**10. EXECUTIVE DIRECTOR'S ACTIVITY REPORT**

Ms. Lapeyre gave her report including an update on the strategic plan and goals and the Island economic indicators.

**11. ADJOURNMENT**

There being no further business, the meeting was adjourned at 10:25 a.m.

SEAL

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Darla Lapeyre  
Executive Director

APPROVED:

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Mickey Furcron  
President



# Memo

**To:** South Padre Island Economic Development Corporation Board of Directors  
**From:** Rodrigo Gimenez, Chief Financial Officer  
City of South Padre Island  
**CC:** Darla Lapeyre  
**Date:** July 11, 2019  
**Re:** June 30, 2019 Operating Statement

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The June 30, 2019 Operating Statement for the South Padre Island Economic Development Corporation as well as the Balance Sheet as of June 30, 2019 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 of 2011.

Sales Tax amounts include the May tax collections sent to the State of Texas in June and distributed to local governments in July. This July allocation payment is accrued for financial statement presentation purposes in the June Operating Statement.

Please contact me at [rgimenez@MYSPI.org](mailto:rgimenez@MYSPI.org) at your earliest convenience should you have any questions.

**City of South Padre Island  
Economic Development Corporation  
Balance Sheets  
June 30, 2019/2018**

<b>EDC FUND</b>			
<b>Assets</b>	<b>2019</b>		<b>2018</b>
Cash and Cash Equivalents	\$ 765,604	\$	748,160
Receivables - Sales Tax	77,126		77,897
Revolving Loan Receivable	27,445		37,938
<b>Total Assets</b>	<b>\$ 870,175</b>	<b>\$</b>	<b>863,995</b>

<b>Liabilities and Fund Balance</b>			
Deferred Revenue	\$ 27,445	\$	37,938
Payroll Taxes Payable	-		-
Other Liabilities	327		327
<b>Total Liabilities</b>	<b>27,772</b>		<b>38,265</b>
Fund Balance	842,403		825,730
<b>Total Liabilities and Fund Balance</b>	<b>\$ 870,175</b>	<b>\$</b>	<b>863,995</b>

<b>BNC FACILITY RESERVE</b>			
<b>Assets</b>	<b>2019</b>		<b>2018</b>
Cash and Cash Equivalents	\$ 61,252	\$	-
<b>Total Assets</b>	<b>\$ 61,252</b>	<b>\$</b>	<b>-</b>

<b>Liabilities and Fund Balance</b>			
Total Liabilities	\$ -	\$	-
Fund Balance	61,252		-
<b>Total Liabilities and Fund Balance</b>	<b>\$ 61,252</b>	<b>\$</b>	<b>-</b>



**City of South Padre Island  
Economic Development Corporation  
Statements of Revenues, Expenditures and Changes in Fund Balance  
June 30, 2019/2018**

<b>EDC FUND</b>			
	<b>2019</b>		<b>2018</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Sales Tax	\$ 813,000	\$ 546,808	\$ 520,071
Revolving Loan Revenue	11,581	7,669	8,304
Grant Revenue	-	1,886	-
Interest Revenue	1,194	10,170	7,675
Miscellaneous Revenues	10	-	10
<b>Total Revenue</b>	<b>825,785</b>	<b>566,533</b>	<b>536,060</b>
<b>Expenditures</b>			
General Administrative Expenses	703,185	480,609	596,784
BNC Cash Advances	10,000	5,550	-
BNC Maintenance Expenses	45,000	44,850	49,152
BNC Facility Transfers	97,600	97,600	-
<b>Total Expenditures</b>	<b>855,785</b>	<b>628,609</b>	<b>645,936</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,000)	(62,076)	(109,876)
Fund Balance - Beginning	904,479	904,479	935,606
<b>Fund Balance - Ending</b>	<b>\$ 874,479</b>	<b>\$ 842,403</b>	<b>\$ 825,730</b>

<b>BNC FACILITY RESERVE</b>			
	<b>2019</b>		<b>2018</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Transfers From EDC	\$ 97,600	\$ 97,600	
<b>Total Revenue</b>	<b>97,600</b>	<b>97,600</b>	<b>-</b>
<b>Expenditures</b>			
Building & Structure Per Facility Reserve Study	97,600	36,348	-
<b>Total Expenditures</b>	<b>97,600</b>	<b>36,348</b>	<b>-</b>
Excess (Deficiency) of Revenues Over	-	61,252	-
Fund Balance - Beginning	-	-	-
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 61,252</b>	<b>\$ -</b>

MEMORANDUM  
 DATE: July 11, 2019  
 TO: EDC Board of Directors  
 FROM: Rodrigo Gimenez  
 SUBJECT: Financial Report for the nine Months Ended June 30, 2019

**EDC FUND**

	Current Month			YEAR TO DATE			Annual Budget			BUDGET PERCENT REMAINING
	Actual	Budget	Variance Positive (Negative)	Actual	Budget	Variance Positive (Negative)	ORIGINAL BUDGET	AMENDED BUDGET	REMAINING BUDGET	
<b>REVENUES</b>										
SALES TAX	\$77,126	\$69,995	\$7,131	\$546,808	\$499,143	\$47,665	\$813,000	\$813,000	\$266,192	33%
REVOLVING LOAN REVENUE	970	965	5	7,669	8,686	(1,017)	11,581	11,581	3,912	34%
INTEREST REVENUE	1,110	100	1,010	10,170	896	9,274	1,194	1,194	(8,976)	0%
MISCELLANEOUS	0	10	(10)	0	10	(10)	10	10	10	100%
GRANT REVENUE	0	0	0	1,886	0	1,886	0	0	(1,886)	0%
TOTAL REVENUES	79,206	71,070	8,136	566,533	508,735	57,798	825,785	825,785	259,252	31%
<b>EXPENDITURES</b>										
PERSONNEL SERVICES	5,652	6,724	1,072	55,922	60,512	4,590	80,683	80,683	24,761	31%
GOODS & SUPPLIES	0	258	258	1,085	2,325	1,240	3,100	3,100	2,015	65%
MISCELLANEOUS SERVICES	655	2,358	1,703	20,485	21,225	740	28,300	28,300	7,815	28%
DEBT SERVICE TRANSFERS	32,554	32,554	0	292,987	292,987	0	390,650	390,650	97,663	25%
DESIGNATED PROJECTS	54	16,704	16,650	110,130	150,339	40,209	200,452	200,452	90,322	45%
BNC CASH ADVANCE	0	833	833	5,550	7,500	1,950	10,000	10,000	4,450	45%
BNC MAINTENANCE EXPENDITURES	(946)	3,750	4,696	44,850	33,750	(11,100)	45,000	45,000	150	0%
BNC FACILITY TRANSFERS	0	0	0	97,600	97,600	0	67,600	97,600	0	0%
TOTAL EXPENDITURES GENERAL	37,969	63,181	25,212	628,609	666,238	37,629	825,785	855,785	227,176	27%
ADMINISTRATIVE EXPENSES										
Excess (Deficiency) of Revenues Over Expenditures	\$41,237	\$7,889	\$33,348	(\$62,076)	(\$157,503)	\$95,427	\$0	(\$30,000)	\$32,076	

**BNC FACILITY RESERVE**

	Current Month			YEAR TO DATE			Annual Budget			BUDGET PERCENT REMAINING
	Actual	Budget	Variance Positive (Negative)	Actual	Budget	Variance Positive (Negative)	ORIGINAL BUDGET	AMENDED BUDGET	REMAINING BUDGET	
<b>REVENUES</b>										
TRANSFER FROM EDC	\$0	\$0	\$0	\$97,600	\$97,600	\$0	\$67,600	\$97,600	\$0	0%
TOTAL REVENUES	0	0	0	97,600	97,600	0	67,600	97,600	0	0%
<b>EXPENDITURES</b>										
BUILDING & STRUCTURE PER FACILITY RESERVE STUDY	0	8,133	8,133	36,348	73,200	36,852	67,600	97,600	61,252	63%
TOTAL EXPENDITURES GENERAL	0	8,133	8,133	36,348	73,200	36,852	67,600	97,600	61,252	63%
ADMINISTRATIVE EXPENSES										
Excess (Deficiency) of Revenues Over Expenditures	\$0	(\$8,133)	\$8,133	\$61,252	\$24,400	\$36,852	\$0	\$0	(\$61,252)	



SCHEDULE OF BUDGETED, ACTUAL AND ENCUMBERED EXPENDITURES

DEPARTMENT : DEPT 580 - EDC  
 NOTATION :

ACCOUNT NUMBERS	ACCOUNT DESCRIPTION	-- MONTH --		YEAR TO DATE		CURRENT MODIFIED BUDGET	UNENCUMBERED BALANCE	BUDGET PERCENT REMAINING
		EXPENDITURES	ENCUMBRANCES	EXPENDITURES	TOTALS			
580-0534-019	BUSINESS RECRUITMENT	0.00	0.00	1,295.00	1,295.00	0.00	( 1,295.00)	0.00
580-0534-020	BNC LANDSCAPING PROJ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0540	ADVERTISING	0.00	0.00	3,150.11	3,150.11	3,500.00	349.89	10.00
580-0550	TRAVEL	0.00	0.00	3,239.46	3,239.46	6,000.00	2,760.54	46.01
580-0551	DUES & MEMBERSHIPS	0.00	0.00	950.00	950.00	1,000.00	50.00	5.00
580-0555	PROMOTIONS	125.00	0.00	3,250.00	3,250.00	3,000.00	( 250.00)	( 8.33)
580-0560	RENTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0576	BEACH RENOURISHMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-0599	PROMOTIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		654.85	0.00	20,485.53	20,485.53	28,300.00	7,814.47	27.61
<u>EQUIPMNT &gt; \$5,000 OUTLAY</u>								
580-1001	BUILDINGS & STRUCTUR	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-1003	FURNITURE & FIXTURES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-1004	MACHINERY & EQUIPMEN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-1011	INFORMATION TECHNOLO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>INTERFUND TRANSFERS</u>								
580-9470	TRANSFER TO EDC DEBT	32,554.16	0.00	292,987.52	292,987.52	390,650.00	97,662.48	25.00
580-9471	TRANSFER TO GENERAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-9476-01	TSF TO BEACH NOURISH	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-9483	TSF TO BNC FACILITY	0.00	0.00	97,600.00	97,600.00	97,600.00	0.00	0.00
		32,554.16	0.00	390,587.52	390,587.52	488,250.00	97,662.48	20.00
<u>SPECIAL PROJECTS</u>								
580-9175	ELECTION EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-9178	DESIGNATED PROJECTS	54.00	0.00	110,130.16	110,130.16	200,452.00	90,321.84	45.06
580-9178-001	TOMPKINS CHANNEL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
580-9181	BNC CASH ADVANCE	0.00	0.00	5,550.00	5,550.00	10,000.00	4,450.00	44.50
		54.00	0.00	115,680.16	115,680.16	210,452.00	94,771.84	45.03
DEPARTMENT TOTAL		38,914.86	0.00	583,759.70	583,759.70	810,785.00	227,025.30	28.00

SCHEDULE OF BUDGETED, ACTUAL AND ENCUMBERED EXPENDITURES

DEPARTMENT : BNC BUILDING FACILITY  
 NOTATION :

ACCOUNT NUMBERS	ACCOUNT DESCRIPTION	-- MONTH --		YEAR TO DATE		CURRENT MODIFIED BUDGET	UNENCUMBERED BALANCE	BUDGET PERCENT REMAINING
		EXPENDITURES	ENCUMBRANCES	EXPENDITURES	TOTALS			
<u>REPAIR AND MAINTENANCE</u>								
583-0411	BUILDINGS & STRUCTUR	0.00	0.00	1,998.40	1,998.40	0.00	( 1,998.40)	0.00
		0.00	0.00	1,998.40	1,998.40	0.00	( 1,998.40)	0.00
<u>MISCELLANEOUS SERVICES</u>								
583-0520	INSURANCE	0.00	0.00	42,851.20	42,851.20	45,000.00	2,148.80	4.78
583-0580	ELECTRICITY	( 945.76)	0.00	0.00	0.00	0.00	0.00	0.00
		( 945.76)	0.00	42,851.20	42,851.20	45,000.00	2,148.80	4.78
DEPARTMENT TOTAL		( 945.76)	0.00	44,849.60	44,849.60	45,000.00	150.40	0.33

FUND :82 -BNC FACILITY MAINTENANCE

SCHEDULE OF BUDGETED, ACTUAL AND ENCUMBERED EXPENDITURES

DEPARTMENT : BNC BUILDING FACILITY

NOTATION :

ACCOUNT NUMBERS	ACCOUNT DESCRIPTION	-- MONTH --		YEAR TO DATE		CURRENT MODIFIED BUDGET	UNENCUMBERED BALANCE	BUDGET PERCENT REMAINING
		EXPENDITURES	ENCUMBRANCES	EXPENDITURES	TOTALS			
<u>REPAIR AND MAINTENANCE</u>								
583-0411	BUILDINGS & STRUCTUR	0.00	0.00	6,348.34	6,348.34	40,000.00	33,651.66	84.13
		0.00	0.00	6,348.34	6,348.34	40,000.00	33,651.66	84.13
<u>EQUIPMNT &gt; \$5,000 OUTLAY</u>								
583-1001	BUILDINGS & STRUCTUR	0.00	0.00	30,000.00	30,000.00	57,600.00	27,600.00	47.92
		0.00	0.00	30,000.00	30,000.00	57,600.00	27,600.00	47.92
DEPARTMENT TOTAL		0.00	0.00	36,348.34	36,348.34	97,600.00	61,251.66	62.76

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Balance Sheet**  
 As of June 30, 2019

	Jun 30, 19
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
\$BNC Operating 38458	111,200.56
Cash on Hand	
Cash Box	700.00
Clearing, In-transit	-1,680.29
Kiosk Cash	2,400.00
Register Drawer	800.00
<b>Total Cash on Hand</b>	2,219.71
<b>SPI BNC MMAcct 38415</b>	13,593.66
<b>Total Checking/Savings</b>	127,013.93
<b>Other Current Assets</b>	
Inventory	
Birds Nest	49,207.81
Wine & Beer	1,954.40
Inventory - Other	522.63
<b>Total Inventory</b>	51,684.84
<b>Inventory Asset</b>	1,481.19
<b>Total Other Current Assets</b>	53,166.03
<b>Total Current Assets</b>	180,179.96
<b>Fixed Assets</b>	
Accumulated Depreciation	-32,531.00
Alligator Fence	9,558.44
Boardwalk	40,750.00
Building Improvement	20,474.22
Entrance Gate	37,159.50
Furniture and Equipment	
2019 Equipment	1,244.70
2019 Furnishings	850.29
Furniture and Equipment - Other	12,210.10
<b>Total Furniture and Equipment</b>	14,305.09
<b>Landscape and Grounds</b>	9,000.00
<b>Total Fixed Assets</b>	98,716.25
<b>TOTAL ASSETS</b>	<b>278,896.21</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	4,267.21
<b>Total Accounts Payable</b>	4,267.21
<b>Other Current Liabilities</b>	
INSURANCE	
HEALTH	4,411.50
<b>Total INSURANCE</b>	4,411.50
<b>Payroll Liabilities</b>	
FIT and FICA-Medicare	5,959.92
<b>Total Payroll Liabilities</b>	5,959.92

12:38 PM  
07/09/19  
Accrual Basis

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Balance Sheet**  
As of June 30, 2019

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	<u>Jun 30, 19</u>
Sales Tax Payable	2,274.04
Total Other Current Liabilities	<u>12,645.46</u>
Total Current Liabilities	16,912.67
Long Term Liabilities	
EDC Loan 270101	27,650.01
Entrance Gate Loan FNB 292226	<u>4,960.28</u>
Total Long Term Liabilities	<u>32,610.29</u>
Total Liabilities	49,522.96
Equity	
Fund Balances	
Board Designated	<u>8,000.00</u>
Total Fund Balances	8,000.00
Unrestricted	94,519.15
Net Income	<u>126,854.10</u>
Total Equity	<u>229,373.25</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u><u>278,896.21</u></u></b>



12:55 PM

## SOUTH PADRE ISLAND BIRDING &amp; NATURE CENTER

07/09/19

## Profit &amp; Loss Budget vs. Actual

Accrual Basis

October 2018 through June 2019

	Oct '18 - Jun 19	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>ADMISSIONS INCOME</b>			
DISCOUNT ADMISSIONS	901.00	1,000.00	-99.00
EXTENDED PASS ADMISSIONS	11,947.50	10,000.00	1,947.50
GENERAL ADMISSIONS	223,047.10	226,510.00	-3,462.90
GROUP ADMISSIONS	8,593.00	6,500.00	2,093.00
<b>Total ADMISSIONS INCOME</b>	<b>244,488.60</b>	<b>244,010.00</b>	<b>478.60</b>
<b>ALLIGATOR SANCTUARY</b>			
ADVENTURE PASS	33,330.00	0.00	33,330.00
ALLIGATOR FOOD/PHOTOS	15,473.84	0.00	15,473.84
<b>Total ALLIGATOR SANCTUARY</b>	<b>48,803.84</b>	<b>0.00</b>	<b>48,803.84</b>
<b>BUILDING RENTAL INCOME</b>	<b>9,225.00</b>	<b>20,000.00</b>	<b>-10,775.00</b>
<b>CONTRIBUTIONS</b>			
CONTRIBUTIONS-GENERAL PUBLIC DESIGNATED	260.00		
MONARCH	1,675.00		
DESIGNATED - Other	575.00		
<b>Total DESIGNATED</b>	<b>2,250.00</b>		
<b>DONATIONS</b>			
ANNUAL MEMBERSHIP GIVING CORPORATE	0.00	5,000.00	-5,000.00
<b>INDIVIDUAL</b>			
REDDISH EGRET	1,500.00		
ROSEATE SPOONBILL	2,000.00		
SANDERLING	250.00		
INDIVIDUAL - Other	0.00	5,000.00	-5,000.00
<b>Total INDIVIDUAL</b>	<b>3,750.00</b>	<b>5,000.00</b>	<b>-1,250.00</b>
<b>Total ANNUAL MEMBERSHIP GIVING</b>	<b>3,750.00</b>	<b>10,000.00</b>	<b>-6,250.00</b>
HABITAT	5,550.00		
HALLO WINGS	12,529.55	20,000.00	-7,470.45
SPECIAL EVENTS	0.00	10,000.00	-10,000.00
SUMMER CAMP	900.00	1,000.00	-100.00
W O W E	13,861.00	12,300.00	1,561.00
WEBSITE	0.00	0.00	0.00
DONATIONS - Other	13,539.61		
<b>Total DONATIONS</b>	<b>50,130.16</b>	<b>53,300.00</b>	<b>-3,169.84</b>
<b>EVENT PARKING</b>	<b>11,163.00</b>	<b>25,000.00</b>	<b>-13,837.00</b>
<b>PARKING GATE</b>	<b>0.00</b>	<b>10,000.00</b>	<b>-10,000.00</b>
<b>Total CONTRIBUTIONS</b>	<b>63,803.16</b>	<b>88,300.00</b>	<b>-24,496.84</b>
<b>GIFT SHOP INCOME</b>			
CONSIGNMENT SALES	1,634.98	5,000.00	-3,365.02
GIFT SHOP SALES	135,619.02	145,000.00	-9,380.98
WINE & BEER SALES	1,491.36		
GIFT SHOP INCOME - Other	0.00		
<b>Total GIFT SHOP INCOME</b>	<b>138,745.36</b>	<b>150,000.00</b>	<b>-11,254.64</b>
<b>Gift Shop Sales</b>			
40201 - Gift Shop Sales	0.00		
<b>Total Gift Shop Sales</b>	<b>0.00</b>		
<b>INTERNET PURCHASES</b>	<b>8.13</b>		
<b>Total Income</b>	<b>505,074.09</b>	<b>502,310.00</b>	<b>2,764.09</b>

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## SOUTH PADRE ISLAND BIRDING &amp; NATURE CENTER

07/09/19

## Profit &amp; Loss Budget vs. Actual

Accrual Basis

October 2018 through June 2019

	Oct '18 - Jun 19	Budget	\$ Over Budget
<b>Cost of Goods Sold</b>			
<b>COST OF GOODS SOLD</b>			
CONSIGNMENT	890.90	3,000.00	-2,109.10
GIFT SHOP	58,177.45	72,500.00	-14,322.55
WINE & BEER	493.32		
COST OF GOODS SOLD - Other	1,060.20		
<b>Total COST OF GOODS SOLD</b>	<b>60,621.87</b>	<b>75,500.00</b>	<b>-14,878.13</b>
RETURNS, ALLOWANCES, BAD DEBTS	6.00		
<b>Total COGS</b>	<b>60,627.87</b>	<b>75,500.00</b>	<b>-14,872.13</b>
<b>Gross Profit</b>	<b>444,446.22</b>	<b>426,810.00</b>	<b>17,636.22</b>
<b>Expense</b>			
<b>ALLIGATOR SANCTUARY EXP</b>			
ALLIGATOR SANCTUARY GENERAL EXP	10,006.39		
GR QUARTERLY SETTLEMENT	0.00	0.00	0.00
TURTLE/ALLIGATOR FOOD	571.30		
<b>Total ALLIGATOR SANCTUARY EXP</b>	<b>10,577.69</b>	<b>0.00</b>	<b>10,577.69</b>
<b>OPERATIONS EXPENSES</b>			
<b>ADVERTISING &amp; PROMOTION</b>			
BOOTH RENT	231.00	650.00	-419.00
GUIDES & DIRECTORIES	1,602.64	3,200.00	-1,597.36
PRINT	3,811.90	2,500.00	1,311.90
SOCIAL & INTERNET	1,245.64	150.00	1,095.64
ADVERTISING & PROMOTION - Other	3,307.72		
<b>Total ADVERTISING &amp; PROMOTION</b>	<b>10,198.90</b>	<b>6,500.00</b>	<b>3,698.90</b>
CREDIT CARD & BANK FEES	16,237.40	18,000.00	-1,762.60
DUES & SUBSCRIPTIONS	325.05	670.00	-344.95
EDUCATION	1,600.85		
<b>FUNDRAISING &amp; EVENTS</b>			
ALLIGATOR SANCTUARY	1,779.86		
FEES & INCENTIVES & SUPPLIES	23.70		
GREAT TEXAS BIRDING CLASSIC	0.00	600.00	-600.00
HALLO WINGS	1,916.17	2,000.00	-83.83
JOJO	3.49	300.00	-296.51
LETTERS & BROCHURES	11.80	2,000.00	-1,988.20
MONARCH CELEBRATION	0.00	300.00	-300.00
PLAQUES & BRICKS	1,498.86	1,200.00	298.86
SPECIAL EVENTS	759.50	2,000.00	-1,240.50
SUMMER CAMP	0.00	300.00	-300.00
W O W E	11,785.29	7,000.00	4,785.29
FUNDRAISING & EVENTS - Other	64.78		
<b>Total FUNDRAISING &amp; EVENTS</b>	<b>17,843.45</b>	<b>15,700.00</b>	<b>2,143.45</b>
GIFT SHOP SUPPLIES	1,322.91	500.00	822.91
GRANT WRITING	0.00	5,000.00	-5,000.00
<b>INSURANCE</b>			
DIRECTORS & OFFICERS	0.00	650.00	-650.00
EVENT LIABILITY	0.00	1,300.00	-1,300.00
HEALTH	3,502.77	3,000.00	502.77
WORKERS COMPENSATION	2,735.00	3,040.00	-305.00
<b>Total INSURANCE</b>	<b>6,237.77</b>	<b>7,990.00</b>	<b>-1,752.23</b>
LEGAL & PROFESSIONAL	7,488.75	10,000.00	-2,511.25
LOAN EXPENSE	1,468.36	2,810.00	-1,341.64

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Profit & Loss Budget vs. Actual**  
 October 2018 through June 2019

	Oct '18 - Jun 19	Budget	\$ Over Budget
<b>LOCAL MEETINGS</b>			
MEALS & SNACKS	1,013.10	800.00	213.10
VOLUNTEER APPRECIATION	1,533.99	600.00	933.99
LOCAL MEETINGS - Other	574.57		
<b>Total LOCAL MEETINGS</b>	3,121.66	1,400.00	1,721.66
<b>MAINTENANCE &amp; REPAIRS</b>			
BUILDING	6,454.08	10,000.00	-3,545.92
EQUIPMENT	328.88		
GROUNDS	6,271.20	15,000.00	-8,728.80
HABITAT	1,963.75	13,000.00	-11,036.25
MAINTENANCE & REPAIRS - Other	561.13		
<b>Total MAINTENANCE &amp; REPAIRS</b>	15,579.04	38,000.00	-22,420.96
<b>OFFICE &amp; PRINTING</b>	1,791.42	1,200.00	591.42
<b>PAYROLL SERVICE</b>	866.65	710.00	156.65
<b>POSTAGE &amp; FREIGHT</b>	382.80	500.00	-117.20
<b>SOFTWARE</b>	964.23	1,400.00	-435.77
<b>SUPPLIES</b>	1,904.50	6,000.00	-4,095.50
<b>TABC SALES EXPENSE</b>	512.50		
<b>TRAINING</b>			
ANCA	130.00	1,500.00	-1,370.00
OTHER	150.00	300.00	-150.00
TRAINING - Other	15.00		
<b>Total TRAINING</b>	295.00	1,800.00	-1,505.00
<b>TRAVEL</b>	2,042.32	4,000.00	-1,957.68
<b>OPERATIONS EXPENSES - Other</b>	180.29		
<b>Total OPERATIONS EXPENSES</b>	90,363.85	122,180.00	-31,816.15
<b>POS Inventory Adjustments</b>	-6,838.96		
<b>RENT</b>	10.00	10.00	0.00
<b>SALARIES AND BENEFITS</b>	350.00		
<b>SALARIES AND TAXES</b>			
CASHIER	1,734.99		
CONTRACT	11,585.87		
GIFT SHOP	1,048.58		
GIFT SHOP ATTENDANTS	30,172.13	39,000.00	-8,827.87
JANITOR	14,574.25	20,500.00	-5,925.75
MAINTENANCE	26,222.40	27,300.00	-1,077.60
MANAGER	36,830.74	50,400.00	-13,569.26
NATURALIST	28,500.00	40,950.00	-12,450.00
PAYROLL TAXES	11,184.85	13,230.00	-2,045.15
<b>Total SALARIES AND TAXES</b>	161,853.81	191,380.00	-29,526.19
<b>SERVICE CONTRACTS</b>			
AIR CONDITIONING	4,684.25	5,000.00	-315.75
BACKGROUND CHECKS	0.00	110.00	-110.00
CLEANING SUPPLIES	1,886.48	2,800.00	-913.52
DRINKING WATER	565.60	600.00	-34.40
EBIRD TRAIL TRACKER	650.00	650.00	0.00
<b>INFORMATION TECHNOLOGY</b>			
COMPUTER COPIER	14,979.36	19,500.00	-4,520.64
KIOSK	2,362.48	3,600.00	-1,237.52
<b>Total INFORMATION TECHNOLOGY</b>	17,341.84	23,100.00	-5,758.16
<b>PARKING EXPENSES &amp; GATE</b>	3,084.00	2,000.00	1,084.00
<b>PEST CONTROL</b>	624.00	940.00	-316.00
<b>SECURITY</b>	2,002.26	2,470.00	-467.74

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 Accrual Basis

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Profit & Loss Budget vs. Actual**  
 October 2018 through June 2019

	Oct '18 - Jun 19	Budget	\$ Over Budget
<b>TELEPHONE &amp; INTERNET</b>			
ATT EMERGENCY LINES	84.51	2,690.00	-2,605.49
ATT INTERNET	3,982.67	16,800.00	-12,817.33
ATT VOICE	1,981.63	4,480.00	-2,498.37
<b>Total TELEPHONE &amp; INTERNET</b>	6,048.81	23,970.00	-17,921.19
<b>WEBSITE &amp; CLOUD</b>	0.00	1,000.00	-1,000.00
<b>Total SERVICE CONTRACTS</b>	36,887.24	62,640.00	-25,752.76
<b>UTILITIES</b>			
ELECTRICITY	8,931.49	26,400.00	-17,468.51
TRASH	777.67	1,400.00	-622.33
WATER / SEWER	10,796.56	22,800.00	-12,003.44
<b>Total UTILITIES</b>	20,505.72	50,600.00	-30,094.28
<b>Total Expense</b>	313,709.35	426,810.00	-113,100.65
<b>Net Ordinary Income</b>	130,736.87	0.00	130,736.87
<b>Other Income/Expense</b>			
<b>Other Income</b>			
INTEREST INCOME	27.38		
<b>Total Other Income</b>	27.38		
<b>Other Expense</b>			
AMERICAN EXPRESS CREDIT CARD	3,910.15		
<b>Total Other Expense</b>	3,910.15		
<b>Net Other Income</b>	-3,882.77		
<b>Net Income</b>	<b>126,854.10</b>	<b>0.00</b>	<b>126,854.10</b>

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 Accrual Basis

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Profit & Loss Budget vs. Actual**  
 October 2018 through June 2019

	% of Budget
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>ADMISSIONS INCOME</b>	
DISCOUNT ADMISSIONS	90.1%
EXTENDED PASS ADMISSIONS	119.5%
GENERAL ADMISSIONS	98.5%
GROUP ADMISSIONS	132.2%
<b>Total ADMISSIONS INCOME</b>	100.2%
<b>ALLIGATOR SANCTUARY</b>	
ADVENTURE PASS	100.0%
ALLIGATOR FOOD/PHOTOS	100.0%
<b>Total ALLIGATOR SANCTUARY</b>	100.0%
<b>BUILDING RENTAL INCOME</b>	46.1%
<b>CONTRIBUTIONS</b>	
<b>CONTRIBUTIONS-GENERAL PUBLIC DESIGNATED</b>	
MONARCH	
DESIGNATED - Other	
<b>Total DESIGNATED</b>	
<b>DONATIONS</b>	
<b>ANNUAL MEMBERSHIP GIVING</b>	
CORPORATE	0.0%
<b>INDIVIDUAL</b>	
REDDISH EGRET	
ROSEATE SPOONBILL	
SANDERLING	
INDIVIDUAL - Other	0.0%
<b>Total INDIVIDUAL</b>	75.0%
<b>Total ANNUAL MEMBERSHIP GIVING</b>	37.5%
<b>HABITAT</b>	
HALLO WINGS	62.6%
SPECIAL EVENTS	0.0%
SUMMER CAMP	90.0%
W O W E	112.7%
WEBSITE	0.0%
DONATIONS - Other	
<b>Total DONATIONS</b>	94.1%
<b>EVENT PARKING</b>	44.7%
<b>PARKING GATE</b>	0.0%
<b>Total CONTRIBUTIONS</b>	72.3%
<b>GIFT SHOP INCOME</b>	
CONSIGNMENT SALES	32.7%
GIFT SHOP SALES	93.5%
WINE & BEER SALES	
GIFT SHOP INCOME - Other	
<b>Total GIFT SHOP INCOME</b>	92.5%
<b>Gift Shop Sales</b>	
40201 - Gift Shop Sales	
<b>Total Gift Shop Sales</b>	
<b>INTERNET PURCHASES</b>	
<b>Total Income</b>	100.6%

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## SOUTH PADRE ISLAND BIRDING &amp; NATURE CENTER

07/09/19

## Profit &amp; Loss Budget vs. Actual

Accrual Basis

October 2018 through June 2019

	% of Budget
<b>Cost of Goods Sold</b>	
<b>COST OF GOODS SOLD</b>	
CONSIGNMENT	29.7%
GIFT SHOP	80.2%
WINE & BEER	
COST OF GOODS SOLD - Other	
<b>Total COST OF GOODS SOLD</b>	80.3%
<b>RETURNS, ALLOWANCES, BAD DEBTS</b>	
<b>Total COGS</b>	80.3%
<b>Gross Profit</b>	104.1%
<b>Expense</b>	
<b>ALLIGATOR SANCTUARY EXP</b>	
ALLIGATOR SANCTUARY GENERAL EXP	
GR QUARTERLY SETTLEMENT	0.0%
TURTLE/ALLIGATOR FOOD	
<b>Total ALLIGATOR SANCTUARY EXP</b>	100.0%
<b>OPERATIONS EXPENSES</b>	
<b>ADVERTISING &amp; PROMOTION</b>	
BOOTH RENT	35.5%
GUIDES & DIRECTORIES	50.1%
PRINT	152.5%
SOCIAL & INTERNET	830.4%
ADVERTISING & PROMOTION - Other	
<b>Total ADVERTISING &amp; PROMOTION</b>	156.9%
<b>CREDIT CARD &amp; BANK FEES</b>	90.2%
<b>DUES &amp; SUBSCRIPTIONS</b>	48.5%
<b>EDUCATION</b>	
<b>FUNDRAISING &amp; EVENTS</b>	
ALLIGATOR SANCTUARY	
FEES & INCENTIVES & SUPPLIES	
GREAT TEXAS BIRDING CLASSIC	0.0%
HALLO WINGS	95.8%
JOJO	1.2%
LETTERS & BROCHURES	0.6%
MONARCH CELEBRATION	0.0%
PLAQUES & BRICKS	124.9%
SPECIAL EVENTS	38.0%
SUMMER CAMP	0.0%
W O W E	168.4%
FUNDRAISING & EVENTS - Other	
<b>Total FUNDRAISING &amp; EVENTS</b>	113.7%
<b>GIFT SHOP SUPPLIES</b>	264.6%
<b>GRANT WRITING</b>	0.0%
<b>INSURANCE</b>	
DIRECTORS & OFFICERS	0.0%
EVENT LIABILITY	0.0%
HEALTH	116.8%
WORKERS COMPENSATION	90.0%
<b>Total INSURANCE</b>	78.1%
<b>LEGAL &amp; PROFESSIONAL</b>	74.9%
<b>LOAN EXPENSE</b>	52.3%

## SOUTH PADRE ISLAND BIRDING &amp; NATURE CENTER

07/09/19

## Profit &amp; Loss Budget vs. Actual

Accrual Basis

October 2018 through June 2019

	% of Budget
<b>LOCAL MEETINGS</b>	
MEALS & SNACKS	126.6%
VOLUNTEER APPRECIATION	255.7%
LOCAL MEETINGS - Other	
<b>Total LOCAL MEETINGS</b>	223.0%
<b>MAINTENANCE &amp; REPAIRS</b>	
BUILDING	64.5%
EQUIPMENT	
GROUNDS	41.8%
HABITAT	15.1%
MAINTENANCE & REPAIRS - Other	
<b>Total MAINTENANCE &amp; REPAIRS</b>	41.0%
OFFICE & PRINTING	149.3%
PAYROLL SERVICE	122.1%
POSTAGE & FREIGHT	76.6%
SOFTWARE	68.9%
SUPPLIES	31.7%
TABC SALES EXPENSE	
TRAINING	
ANCA	8.7%
OTHER	50.0%
TRAINING - Other	
<b>Total TRAINING</b>	16.4%
TRAVEL	51.1%
OPERATIONS EXPENSES - Other	
<b>Total OPERATIONS EXPENSES</b>	74.0%
POS Inventory Adjustments	
RENT	100.0%
<b>SALARIES AND BENEFITS</b>	
<b>SALARIES AND TAXES</b>	
CASHIER	
CONTRACT	
GIFT SHOP	
GIFT SHOP ATTENDANTS	77.4%
JANITOR	71.1%
MAINTENANCE	96.1%
MANAGER	73.1%
NATURALIST	69.6%
PAYROLL TAXES	84.5%
<b>Total SALARIES AND TAXES</b>	84.6%
<b>SERVICE CONTRACTS</b>	
AIR CONDITIONING	93.7%
BACKGROUND CHECKS	0.0%
CLEANING SUPPLIES	67.4%
DRINKING WATER	94.3%
EBIRD TRAIL TRACKER	100.0%
INFORMATION TECHNOLOGY	
COMPUTER COPIER	76.8%
KIOSK	65.6%
<b>Total INFORMATION TECHNOLOGY</b>	75.1%
PARKING EXPENSES & GATE	154.2%
PEST CONTROL	66.4%
SECURITY	81.1%

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Accrual Basis

## SOUTH PADRE ISLAND BIRDING & NATURE CENTER

### Profit & Loss Budget vs. Actual

October 2018 through June 2019

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	<u>% of Budget</u>
<b>TELEPHONE &amp; INTERNET</b>	
ATT EMERGENCY LINES	3.1%
ATT INTERNET	23.7%
ATT VOICE	44.2%
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<b>Total TELEPHONE &amp; INTERNET</b>	25.2%
<b>WEBSITE &amp; CLOUD</b>	0.0%
	<hr/>
<b>Total SERVICE CONTRACTS</b>	58.9%
<b>UTILITIES</b>	
ELECTRICITY	33.8%
TRASH	55.5%
WATER / SEWER	47.4%
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<b>Total UTILITIES</b>	40.5%
	<hr/>
<b>Total Expense</b>	73.5%
	<hr/>
<b>Net Ordinary Income</b>	100.0%
<b>Other Income/Expense</b>	
<b>Other Income</b>	
INTEREST INCOME	
<b>Total Other Income</b>	
<b>Other Expense</b>	
AMERICAN EXPRESS CREDIT CARD	
<b>Total Other Expense</b>	
<b>Net Other Income</b>	
	<hr/>
<b>Net Income</b>	<u>100.0%</u>



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 Accrual Basis

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Profit & Loss Prev Year Comparison**  
 October 2018 through June 2019

	Oct '18 - Jun 19	Oct '17 - Jun 18	\$ Change
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>ADMISSIONS INCOME</b>			
DISCOUNT ADMISSIONS	901.00	477.00	424.00
EXTENDED PASS ADMISSIONS	11,947.50	8,435.50	3,512.00
GENERAL ADMISSIONS	223,047.10	163,730.75	59,316.35
GROUP ADMISSIONS	8,593.00	7,454.00	1,139.00
<b>Total ADMISSIONS INCOME</b>	244,488.60	180,097.25	64,391.35
<b>ALLIGATOR SANCTUARY</b>			
ADVENTURE PASS	33,330.00	0.00	33,330.00
ALLIGATOR FOOD/PHOTOS	15,473.84	0.00	15,473.84
<b>Total ALLIGATOR SANCTUARY</b>	48,803.84	0.00	48,803.84
<b>BUILDING RENTAL INCOME</b>	9,225.00	15,700.00	-6,475.00
<b>CONTRIBUTIONS</b>			
CONTRIBUTIONS-GENERAL PUBLIC DESIGNATED	260.00	1,274.54	-1,014.54
MONARCH	1,675.00	0.00	1,675.00
DESIGNATED - Other	575.00	0.00	575.00
<b>Total DESIGNATED</b>	2,250.00	0.00	2,250.00
<b>DONATIONS</b>			
ANNUAL MEMBERSHIP GIVING CORPORATE			
GREAT EGRET	0.00	5,000.00	-5,000.00
<b>Total CORPORATE</b>	0.00	5,000.00	-5,000.00
INDIVIDUAL			
REDDISH EGRET	1,500.00	0.00	1,500.00
ROSEATE SPOONBILL	2,000.00	0.00	2,000.00
SANDERLING	250.00	0.00	250.00
<b>Total INDIVIDUAL</b>	3,750.00	0.00	3,750.00
ANNUAL MEMBERSHIP GIVING - Ot...	0.00	400.00	-400.00
<b>Total ANNUAL MEMBERSHIP GIVING</b>	3,750.00	5,400.00	-1,650.00
HABITAT	5,550.00	0.00	5,550.00
HALLO WINGS	12,529.55	21,415.00	-8,885.45
SPECIAL EVENTS	0.00	2,217.00	-2,217.00
SUMMER CAMP	900.00	600.00	300.00
W O W E	13,861.00	12,941.00	920.00
WEBSITE	0.00	558.45	-558.45
DONATIONS - Other	13,539.61	6,526.97	7,012.64
<b>Total DONATIONS</b>	50,130.16	49,658.42	471.74
EVENT PARKING	11,163.00	20,315.00	-9,152.00
PARKING GATE	0.00	100.00	-100.00
<b>Total CONTRIBUTIONS</b>	63,803.16	71,347.96	-7,544.80
<b>GIFT SHOP INCOME</b>			
CONSIGNMENT SALES	1,634.98	3,500.10	-1,865.12
GIFT SHOP SALES	135,619.02	106,183.66	29,435.36
WINE & BEER SALES	1,491.36	0.00	1,491.36
GIFT SHOP INCOME - Other	0.00	0.00	0.00
<b>Total GIFT SHOP INCOME</b>	138,745.36	109,683.76	29,061.60
Gift Shop Sales			
40201 - Gift Shop Sales	0.00	0.00	0.00
<b>Total Gift Shop Sales</b>	0.00	0.00	0.00

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 Accrual Basis

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Profit & Loss Prev Year Comparison**  
 October 2018 through June 2019

	Oct '18 - Jun 19	Oct '17 - Jun 18	\$ Change
INTERNET PURCHASES	8.13	0.00	8.13
Total Income	505,074.09	376,828.97	128,245.12
Cost of Goods Sold			
<b>COST OF GOODS SOLD</b>			
CONSIGNMENT	890.90	2,052.21	-1,161.31
GIFT SHOP	58,177.45	54,185.56	3,991.89
WINE & BEER	493.32	0.00	493.32
COST OF GOODS SOLD - Other	1,060.20	0.00	1,060.20
Total COST OF GOODS SOLD	60,621.87	56,237.77	4,384.10
RETURNS, ALLOWANCES, BAD DEBTS	6.00	0.00	6.00
Total COGS	60,627.87	56,237.77	4,390.10
Gross Profit	444,446.22	320,591.20	123,855.02
Expense			
ALLIGATOR SANCTUARY EXP			
ALLIGATOR SANCTUARY GENERAL EXP	10,006.39	0.00	10,006.39
TURTLE/ALLIGATOR FOOD	571.30	0.00	571.30
Total ALLIGATOR SANCTUARY EXP	10,577.69	0.00	10,577.69
OPERATIONS EXPENSES			
ADVERTISING & PROMOTION			
BOOTH RENT	231.00	435.00	-204.00
GUIDES & DIRECTORIES	1,602.64	1,398.00	204.64
PRINT	3,811.90	472.75	3,339.15
SOCIAL & INTERNET	1,245.64	367.07	878.57
ADVERTISING & PROMOTION - Other	3,307.72	0.00	3,307.72
Total ADVERTISING & PROMOTION	10,198.90	2,672.82	7,526.08
CREDIT CARD & BANK FEES	16,237.40	16,083.68	153.72
DUES & SUBSCRIPTIONS	325.05	115.00	210.05
EDUCATION	1,600.85	0.00	1,600.85
FUNDRAISING & EVENTS			
ALLIGATOR SANCTUARY	1,779.86	0.00	1,779.86
FEES & INCENTIVES & SUPPLIES	23.70	0.00	23.70
HALLO WINGS	1,916.17	9,206.16	-7,289.99
JOJO	3.49	660.77	-657.28
LETTERS & BROCHURES	11.80	0.00	11.80
PLAQUES & BRICKS	1,498.86	205.00	1,293.86
SPECIAL EVENTS	759.50	962.67	-203.17
SUMMER CAMP	0.00	631.80	-631.80
W O W E	11,785.29	7,179.33	4,605.96
FUNDRAISING & EVENTS - Other	64.78	0.00	64.78
Total FUNDRAISING & EVENTS	17,843.45	18,845.73	-1,002.28
GIFT SHOP SUPPLIES	1,322.91	665.60	657.31
GRANT WRITING	0.00	1,189.00	-1,189.00
INSURANCE			
HEALTH	3,502.77	3,400.11	102.66
WORKERS COMPENSATION	2,735.00	2,693.00	42.00
Total INSURANCE	6,237.77	6,093.11	144.66
LEGAL & PROFESSIONAL	7,488.75	8,239.25	-750.50
LOAN EXPENSE	1,468.36	1,639.03	-170.67
LOCAL MEETINGS			
MEALS & SNACKS	1,013.10	370.27	642.83
VOLUNTEER APPRECIATION	1,533.99	440.58	1,093.41
LOCAL MEETINGS - Other	574.57	0.00	574.57
Total LOCAL MEETINGS	3,121.66	810.85	2,310.81

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Accrual Basis

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Profit & Loss Prev Year Comparison**  
**October 2018 through June 2019**

	Oct '18 - Jun 19	Oct '17 - Jun 18	\$ Change
<b>MAINTENANCE &amp; REPAIRS</b>			
BUILDING	6,454.08	6,315.78	138.30
EQUIPMENT	328.88	0.00	328.88
GROUNDS	6,271.20	14,195.41	-7,924.21
HABITAT	1,963.75	5,900.44	-3,936.69
MAINTENANCE & REPAIRS - Other	561.13	0.00	561.13
<b>Total MAINTENANCE &amp; REPAIRS</b>	15,579.04	26,411.63	-10,832.59
<b>OFFICE &amp; PRINTING</b>	1,791.42	1,112.39	679.03
<b>PAYROLL SERVICE</b>	866.65	627.87	238.78
<b>POSTAGE &amp; FREIGHT</b>	382.80	266.91	115.89
<b>SOFTWARE</b>	964.23	107.17	857.06
<b>SUPPLIES</b>	1,904.50	4,165.79	-2,261.29
<b>TABC SALES EXPENSE</b>	512.50	65.94	446.56
<b>TRAINING</b>			
ANCA	130.00	530.00	-400.00
OTHER	150.00	495.00	-345.00
TRAINING - Other	15.00	0.00	15.00
<b>Total TRAINING</b>	295.00	1,025.00	-730.00
<b>TRAVEL</b>	2,042.32	2,582.83	-540.51
<b>OPERATIONS EXPENSES - Other</b>	180.29	0.00	180.29
<b>Total OPERATIONS EXPENSES</b>	90,363.85	92,719.60	-2,355.75
<b>POS Inventory Adjustments</b>	-6,838.96	0.00	-6,838.96
<b>RENT</b>	10.00	10.00	0.00
<b>SALARIES AND BENEFITS</b>	350.00	0.00	350.00
<b>SALARIES AND TAXES</b>			
CASHIER	1,734.99	0.00	1,734.99
CONTRACT	11,585.87	0.00	11,585.87
GIFT SHOP	1,048.58	0.00	1,048.58
GIFT SHOP ATTENDANTS	30,172.13	24,006.00	6,166.13
JANITOR	14,574.25	14,189.72	384.53
MAINTENANCE	26,222.40	21,647.06	4,575.34
MANAGER	36,830.74	35,077.47	1,753.27
NATURALIST	28,500.00	24,846.11	3,653.89
PAYROLL TAXES	11,184.85	9,036.40	2,148.45
<b>Total SALARIES AND TAXES</b>	161,853.81	128,802.76	33,051.05
<b>SERVICE CONTRACTS</b>			
AIR CONDITIONING	4,684.25	4,329.12	355.13
CLEANING SUPPLIES	1,886.48	1,405.90	480.58
DRINKING WATER	565.60	563.08	2.52
EBIRD TRAIL TRACKER	650.00	0.00	650.00
<b>INFORMATION TECHNOLOGY</b>			
COMPUTER COPIER	14,979.36	15,696.97	-717.61
KIOSK	2,362.48	5,620.39	-3,257.91
<b>Total INFORMATION TECHNOLOGY</b>	17,341.84	21,317.36	-3,975.52
KIOSK LEASE PURCHASE	0.00	3,459.20	-3,459.20
PARKING EXPENSES & GATE	3,084.00	1,347.14	1,736.86
PEST CONTROL	624.00	468.00	156.00
SECURITY	2,002.26	2,522.69	-520.43
<b>TELEPHONE &amp; INTERNET</b>			
ATT EMERGENCY LINES	84.51	2,451.17	-2,366.66
ATT INTERNET	3,982.67	9,187.89	-5,205.22
ATT VOICE	1,981.63	2,701.36	-719.73
<b>Total TELEPHONE &amp; INTERNET</b>	6,048.81	14,340.42	-8,291.61
<b>WEBSITE &amp; CLOUD</b>	0.00	840.12	-840.12
<b>Total SERVICE CONTRACTS</b>	36,887.24	50,593.03	-13,705.79

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Accrual Basis

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Profit & Loss Prev Year Comparison**  
**October 2018 through June 2019**

	<u>Oct '18 - Jun 19</u>	<u>Oct '17 - Jun 18</u>	<u>\$ Change</u>
<b>UTILITIES</b>			
<b>ELECTRICITY</b>	8,931.49	15,255.62	-6,324.13
<b>TRASH</b>	777.67	810.37	-32.70
<b>WATER / SEWER</b>	10,796.56	15,351.79	-4,555.23
<b>Total UTILITIES</b>	<u>20,505.72</u>	<u>31,417.78</u>	<u>-10,912.06</u>
<b>Total Expense</b>	<u>313,709.35</u>	<u>303,543.17</u>	<u>10,166.18</u>
<b>Net Ordinary Income</b>	<u>130,736.87</u>	<u>17,048.03</u>	<u>113,688.84</u>
<b>Other Income/Expense</b>			
<b>Other Income</b>			
<b>INTEREST INCOME</b>	27.38	25.41	1.97
<b>Total Other Income</b>	<u>27.38</u>	<u>25.41</u>	<u>1.97</u>
<b>Other Expense</b>			
<b>AMERICAN EXPRESS CREDIT CARD</b>	3,910.15	0.00	3,910.15
Balancing Adjustments	0.00	0.00	0.00
<b>DEPRECIATION</b>	0.00	5,528.00	-5,528.00
<b>Total Other Expense</b>	<u>3,910.15</u>	<u>5,528.00</u>	<u>-1,617.85</u>
<b>Net Other Income</b>	<u>-3,882.77</u>	<u>-5,502.59</u>	<u>1,619.82</u>
<b>Net Income</b>	<u><u>126,854.10</u></u>	<u><u>11,545.44</u></u>	<u><u>115,308.66</u></u>

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Profit & Loss Prev Year Comparison**  
 October 2018 through June 2019

	% Change
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>ADMISSIONS INCOME</b>	
DISCOUNT ADMISSIONS	88.9%
EXTENDED PASS ADMISSIONS	41.6%
GENERAL ADMISSIONS	36.2%
GROUP ADMISSIONS	15.3%
<b>Total ADMISSIONS INCOME</b>	35.8%
<b>ALLIGATOR SANCTUARY</b>	
ADVENTURE PASS	100.0%
ALLIGATOR FOOD/PHOTOS	100.0%
<b>Total ALLIGATOR SANCTUARY</b>	100.0%
<b>BUILDING RENTAL INCOME</b>	-41.2%
<b>CONTRIBUTIONS</b>	
CONTRIBUTIONS-GENERAL PUBLIC	-79.6%
DESIGNATED	
MONARCH	100.0%
DESIGNATED - Other	100.0%
<b>Total DESIGNATED</b>	100.0%
<b>DONATIONS</b>	
ANNUAL MEMBERSHIP GIVING	
CORPORATE	
GREAT EGRET	-100.0%
<b>Total CORPORATE</b>	-100.0%
INDIVIDUAL	
REDDISH EGRET	100.0%
ROSEATE SPOONBILL	100.0%
SANDERLING	100.0%
<b>Total INDIVIDUAL</b>	100.0%
ANNUAL MEMBERSHIP GIVING - Ot...	-100.0%
<b>Total ANNUAL MEMBERSHIP GIVING</b>	-30.6%
HABITAT	100.0%
HALLO WINGS	-41.5%
SPECIAL EVENTS	-100.0%
SUMMER CAMP	50.0%
W O W E	7.1%
WEBSITE	-100.0%
DONATIONS - Other	107.4%
<b>Total DONATIONS</b>	1.0%
<b>EVENT PARKING</b>	-45.1%
<b>PARKING GATE</b>	-100.0%
<b>Total CONTRIBUTIONS</b>	-10.6%
<b>GIFT SHOP INCOME</b>	
CONSIGNMENT SALES	-53.3%
GIFT SHOP SALES	27.7%
WINE & BEER SALES	100.0%
GIFT SHOP INCOME - Other	0.0%
<b>Total GIFT SHOP INCOME</b>	26.5%
<b>Gift Shop Sales</b>	
40201 · Gift Shop Sales	0.0%
<b>Total Gift Shop Sales</b>	0.0%

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Profit & Loss Prev Year Comparison**  
 October 2018 through June 2019

	<u>% Change</u>
INTERNET PURCHASES	100.0%
Total Income	34.0%
Cost of Goods Sold	
<b>COST OF GOODS SOLD</b>	
CONSIGNMENT	-56.6%
GIFT SHOP	7.4%
WINE & BEER	100.0%
COST OF GOODS SOLD - Other	100.0%
Total COST OF GOODS SOLD	7.8%
RETURNS, ALLOWANCES, BAD DEBTS	100.0%
Total COGS	7.8%
Gross Profit	38.6%
Expense	
ALLIGATOR SANCTUARY EXP	
ALLIGATOR SANCTUARY GENERAL EXP	100.0%
TURTLE/ALLIGATOR FOOD	100.0%
Total ALLIGATOR SANCTUARY EXP	100.0%
<b>OPERATIONS EXPENSES</b>	
<b>ADVERTISING &amp; PROMOTION</b>	
BOOTH RENT	-46.9%
GUIDES & DIRECTORIES	14.6%
PRINT	706.3%
SOCIAL & INTERNET	239.4%
ADVERTISING & PROMOTION - Other	100.0%
Total ADVERTISING & PROMOTION	281.6%
CREDIT CARD & BANK FEES	1.0%
DUES & SUBSCRIPTIONS	182.7%
EDUCATION	100.0%
<b>FUNDRAISING &amp; EVENTS</b>	
ALLIGATOR SANCTUARY	100.0%
FEES & INCENTIVES & SUPPLIES	100.0%
HALLO WINGS	-79.2%
JOJO	-99.5%
LETTERS & BROCHURES	100.0%
PLAQUES & BRICKS	631.2%
SPECIAL EVENTS	-21.1%
SUMMER CAMP	-100.0%
W O W E	64.2%
FUNDRAISING & EVENTS - Other	100.0%
Total FUNDRAISING & EVENTS	-5.3%
GIFT SHOP SUPPLIES	98.8%
GRANT WRITING	-100.0%
<b>INSURANCE</b>	
HEALTH	3.0%
WORKERS COMPENSATION	1.6%
Total INSURANCE	2.4%
<b>LEGAL &amp; PROFESSIONAL</b>	
LOAN EXPENSE	-10.4%
<b>LOCAL MEETINGS</b>	
MEALS & SNACKS	173.6%
VOLUNTEER APPRECIATION	248.2%
LOCAL MEETINGS - Other	100.0%
Total LOCAL MEETINGS	285.0%

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Profit & Loss Prev Year Comparison**  
 October 2018 through June 2019

	% Change
<b>MAINTENANCE &amp; REPAIRS</b>	
BUILDING	2.2%
EQUIPMENT	100.0%
GROUNDS	-55.8%
HABITAT	-66.7%
MAINTENANCE & REPAIRS - Other	100.0%
<b>Total MAINTENANCE &amp; REPAIRS</b>	-41.0%
<b>OFFICE &amp; PRINTING</b>	61.0%
<b>PAYROLL SERVICE</b>	38.0%
<b>POSTAGE &amp; FREIGHT</b>	43.4%
<b>SOFTWARE</b>	799.7%
<b>SUPPLIES</b>	-54.3%
<b>TABC SALES EXPENSE</b>	677.2%
<b>TRAINING</b>	
ANCA	-75.5%
OTHER	-69.7%
TRAINING - Other	100.0%
<b>Total TRAINING</b>	-71.2%
<b>TRAVEL</b>	-20.9%
<b>OPERATIONS EXPENSES - Other</b>	100.0%
<b>Total OPERATIONS EXPENSES</b>	-2.5%
<b>POS Inventory Adjustments</b>	-100.0%
<b>RENT</b>	0.0%
<b>SALARIES AND BENEFITS</b>	100.0%
<b>SALARIES AND TAXES</b>	
CASHIER	100.0%
CONTRACT	100.0%
GIFT SHOP	100.0%
GIFT SHOP ATTENDANTS	25.7%
JANITOR	2.7%
MAINTENANCE	21.1%
MANAGER	5.0%
NATURALIST	14.7%
PAYROLL TAXES	23.8%
<b>Total SALARIES AND TAXES</b>	25.7%
<b>SERVICE CONTRACTS</b>	
AIR CONDITIONING	8.2%
CLEANING SUPPLIES	34.2%
DRINKING WATER	0.5%
EBIRD TRAIL TRACKER	100.0%
INFORMATION TECHNOLOGY	
COMPUTER COPIER	-4.6%
KIOSK	-58.0%
<b>Total INFORMATION TECHNOLOGY</b>	-18.7%
<b>KIOSK LEASE PURCHASE</b>	-100.0%
<b>PARKING EXPENSES &amp; GATE</b>	128.9%
<b>PEST CONTROL</b>	33.3%
<b>SECURITY</b>	-20.6%
<b>TELEPHONE &amp; INTERNET</b>	
ATT EMERGENCY LINES	-96.6%
ATT INTERNET	-56.7%
ATT VOICE	-26.6%
<b>Total TELEPHONE &amp; INTERNET</b>	-57.8%
<b>WEBSITE &amp; CLOUD</b>	-100.0%
<b>Total SERVICE CONTRACTS</b>	-27.1%

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Accrual Basis

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Profit & Loss Prev Year Comparison**  
**October 2018 through June 2019**

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	<u>% Change</u>
<b>UTILITIES</b>	
ELECTRICITY	-41.5%
TRASH	-4.0%
WATER / SEWER	-29.7%
<b>Total UTILITIES</b>	<u>-34.7%</u>
<b>Total Expense</b>	<u>3.4%</u>
<b>Net Ordinary Income</b>	666.9%
<b>Other Income/Expense</b>	
Other Income	
INTEREST INCOME	7.8%
<b>Total Other Income</b>	<u>7.8%</u>
<b>Other Expense</b>	
AMERICAN EXPRESS CREDIT CARD	100.0%
Balancing Adjustments	0.0%
DEPRECIATION	-100.0%
<b>Total Other Expense</b>	<u>-29.3%</u>
<b>Net Other Income</b>	<u>29.4%</u>
<b>Net Income</b>	<u><u>998.7%</u></u>



June 2019 Monthly Totals (GIFT SHOP POS ONLY)

Gift Shop	\$10,857.33	
Donations	\$120.00	
Habitat	\$46.00	
Ducky Duck Food Fund	\$93.00	
Big Padre Food Fund	\$81.00	
Donation Jar	\$164.00	
Bird Seed	\$408.00	
Beer and Wine	\$349.04	
Food	\$3,359.99	
Facility Rental	\$1,000.00	
Binoculars Rentals	\$295.50	
Special Events	\$625.0	(summer camp \$450.00 and parking \$175.00)
Penny Press	\$98.10	
Passes through the gift shop	\$2,855.00	
Total	\$20,351.96	

\*\*Parking Totals does not include money collected at the gate by credit card

Advertising:

3 months in valley Business Report for July, August, September @\$250.00 per month

Pearl Key card \$495.00 for 1 year

MONTHLY ADMISSIONS, ADVENTURE PACKAGE, PHOTO, FEED

MONTH	2018 COUNT	2019 COUNT	2018 ADMISSION	ADD 10%	ADMISSION TOTAL BASIS	2019 ADMISSION KSK/SQ/GROUP LESS FEE	DIFFERENCE	ADMISSIONS 50% SPLIT	ADV PASS FOOD/PIC SALES	ADV/FOOD/PIC 50% SPLIT	DUE GR
MAY 11-31	4707	6241	\$20,170.00	\$2,017.00	\$22,187.00	\$37,858.12	\$15,671.12	\$7,835.56	\$14,881.00	\$7,440.50	\$15,276.06
JUNE			\$20,883.00	\$2,088.00	\$22,971.00		-\$22,971.00	-\$11,485.50			
JULY			\$22,457.00	\$2,245.00	\$24,702.00		-\$24,702.00	-\$12,351.00			
AUGUST			\$18,639.00	\$1,863.00	\$20,502.00		-\$20,502.00	-\$10,251.00			
SEPTEMBER			\$8,651.00	\$865.00	\$9,516.00		-\$9,516.00	-\$4,758.00			
OCTOBER			\$12,729.00	\$1,272.00	\$14,001.00		-\$14,001.00	-\$7,000.50			
NOVEMBER			\$14,199.00	\$1,419.00	\$15,618.00		-\$15,618.00	-\$7,809.00			
DECEMBER			\$17,552.00	\$1,755.00	\$19,307.00		-\$19,307.00	-\$9,653.50			

# Naturalist Report: May 2019

## May School Field Trips:

8 schools and 546 students

Total schools this season: 15

Total number students: 1,0092

## Programs

### **GLOBAL BIG DAY**

**SPI  
Birding &  
Nature  
Center**

**Saturday  
MAY 4  
2019**

**9:00 am: Beginner Birding Program**  
w/ Naturalist Javier Gonzales  
**10 - 12 pm: Boardwalk Bird Count!**

Join us for the Cornell Lab of Ornithology's Global Big Day on May 4, 2019! The day will begin with a Beginner Birding Program followed by two hours of counting as many species as possible SPI Birding & Nature Center! Your efforts contribute to citizen science and help monitor bird populations.

[Spibirding.com](http://Spibirding.com)  
[Ebird.org/globalbigday](http://Ebird.org/globalbigday)



## **World Migratory Bird Day**

Protect the Birds!  
Be the Solution to Plastic Pollution!

**SAVE  
the DATE**

WHEN: Saturday - May 11, 2019

WHERE: South Padre Island Birding & Nature Center

10:15 am: Plastics in Our Waters:

Be A Part of the Solution

with Washed Up Texas




**PROTECT BIRDS:  
BE THE SOLUTION  
TO PLASTIC POLLUTION**

## **Boardwalk Babies**

Lots of cute baby birds are born and grow up in the wetlands during the Spring and Summer! Discover the birds species that call the SPIBNC nesting grounds!

Presentation followed by guided tour!

**Saturday, May  
25th  
10:00am**




## **Audubon TERN**

Texas Estuarine Resource Network  
Community Citizen Science

Join us at 9am on  
June 11th & 25th    July 9th & 30th  
August 13th

Help our naturalists access the health of our wetlands and colonial waterbird population by assisting with a foraging survey of the colonial waterbirds using our habitats and contributing that important data to Audubon TX!



## Naturalist Monthly Report: June

### Field Trips with guided tour:

5/29 Kaffie MS Band– Corpus Christi, 51 visitors

5/31 STEMS San Benito – 18 HS Students

6/6 Santa Rosa Summer Camp – 52 visitors

6/7 STEMS – 18 HS Students

6/28 TX A&M Field Trip – 39 students , paid admission and adventure pack for each child. \$546 generated from field trip.

Field trips have been conducted with the help from **Britney, Philip, Marilyn, and myself.**

**New intern:** Rebekah Hernandez, intern studying at UTRGV. She will be helping through the summer with gator education and maintenance duties.

### Programs:

4 weekly **Bird Walks** – **Britney**-Wednesdays, **Marilyn**-Fridays, **Javi** –Thursday & Saturday

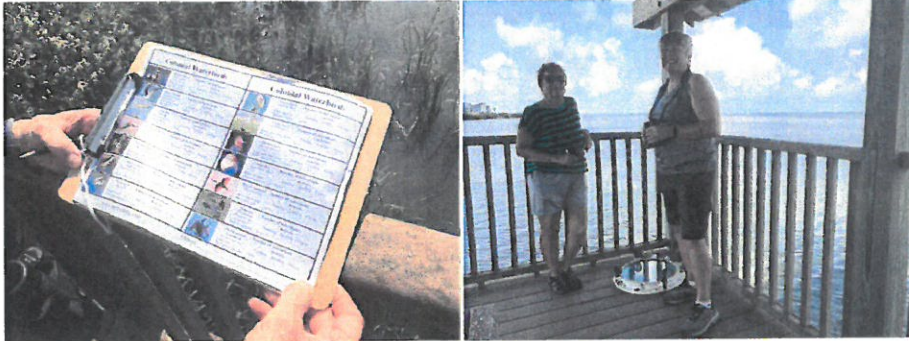
**Daily Gator Talks** – conducted by **Jasmine, Rebekah, Nick, Britney, Philip, and myself.**

Have been extremely well attended and visitors are very interested.

Lots of very important alligator awareness is being taught. Visitors have been very grateful for the information and they have really enjoyed the experience learning about alligators and seeing them up close.



**6/11 TERN Citizen Science** – I'm training visitors and volunteers to learn how to identify our local Colonial Waterbirds through a short presentation followed by a Colonial Waterbird foraging survey of our habitats, and we conclude with Submitting data collected to Audubon Texas' Coastal Conservation. It's been a great way to get people to learn these birds, their ecology, and Be part of citizen science and coastal conservation efforts.



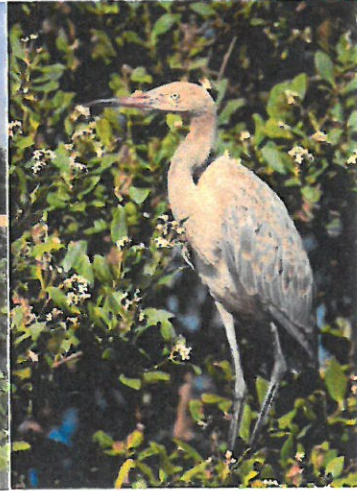
**6/14 Library Outreach**– Britney conducted an outreach program for the Ethel Whipple Memorial Library (Los Fresnos) summer camp. She presented a “Gator Talk” and even took a juvenile alligator for the kids to see.

**6/15 Train the Trainer Monarch Workshop at Quinta Mazatlan** – I attended a Monarch conservation training facilitated by the National Wildlife Federation, the org behind the “Mayor’s Monarch Pledge” that SPI has signed.

**6/17-20 Coastal Nature Camp 2019** - We had a great camp this year with 11 campers, that is one more than my 10 camper limit. We learned all about our coastal habitats and nature during the 4-day camp.



**Volunteers:** 14 info desk volunteers and 2 birding volunteers = **60 total volunteer hours a week.**



Article to Port Isabel  
Press

## The Case of the Nuisance Gator

American Alligator population has grown incredibly since its removal from the endangered species list in 1987, after two decades of being listed because of over hunting for its leather and meat. The American Alligator is endemic to freshwater and brackish water wetlands of the southeastern United States and in its range, there are now more than 7 million alligators! Texas, as of a couple of years ago, broke 1 million alligators, and it is estimated that there are about 20,000 alligators in the Laguna Madre area. As their population and human population increases, we are meeting the American Alligator more and more and sometimes there are problems, and the alligators suffer most of the consequences. Alligators are powerful apex predators and their strength and keen senses command respect and a healthy amount of fear. These amazing animals at times may wander into areas where they are in close proximity to humans as they roam in search of food, new territory, or mates. Which are the same reasons any wild animal might encroach into human populated areas. It's not surprising that one would feel a lot more threatened by an alligator in the backyard than a raccoon or stray cat. Naturally, people worry for their safety and the safety of their family and pets when there is an alligator in the area. These alligators mean people no harm, as we are not on their menu, and a lot of the times they will keep to themselves and find their way to other areas as long as they are left alone and not bothered, but sometimes they can become a nuisance. According to TPWD, a "nuisance alligator" is defined as "an alligator that is depredated or a threat to human health or safety". A gator may be considered a "nuisance" if the alligator leaves the "banks of a body of water to spend time near homes, livestock pens, or other structures". Unfortunately, more often than not, alligators are turned into nuisances by people behaving inappropriately around them. People will feed wild alligators, either intentionally or unintentionally (throwing fish scraps back in the water), and once a wild alligator is fed by a human that is when the problems can occur. Once fed, wild alligators will lose all fear and respect for people and start recognizing people as food, and that is when these animals become a real dangerous threat. When an alligator is deemed a nuisance, they have to be removed from their habitat by law, which is a sad situation for a gator. A nuisance alligator is almost never able to be relocated back into the wild due to strict protocol. These animals are incredibly smart and there are records of nuisance gators that were relocated miles away returning to the area they were captured, making them a big safety liability. These relocated gators can cause a lot of problems along the way as they meet people and enter areas with established alligator hierarchies. Nuisance alligators are an overwhelming problem for TPWD game wardens stationed along the TX gulf coast. Most of the time a nuisance alligator meets one of two fates; they are either euthanized, or taken to an alligator sanctuary, where they at least get to live the rest of their lives and are taken care of. We house more than 70 rescued nuisance alligators in our secured enclosures as we've become the 2<sup>nd</sup> Alligator Sanctuary in the state. Here at the SPIBNC&GS, we are working to help alleviate the problem in hopes of keeping gators wild and people safe through our daily "Gator Talks" alligator awareness presentations. Visit our website for the Gator Talk schedule and come learn all about these incredible reptiles.





**ECONOMIC DEVELOPMENT  
CORPORATION  
AGENDA ITEM COVER PAGE**

**MEETING DATE:** July 16, 2019

**ITEM**

**Discussion and possible action to approve the 2019-20 Annual Budget for the South Padre Island Birding and Nature Center**

**BACKGROUND**

The Bylaws and the Operating Agreement for the 501c3 Birding and Nature Center state the EDC Board will approve their annual budget. The Birding and Nature Center Board of Directors met on July 10<sup>th</sup> and approved the 2019-20 Budget unanimously. With the new Alligator exhibit the BNC Board felt a 12% increase across the board from their last year's budget was conservative.

**RECOMMENDATIONS/COMMENTS**

BNC President Alita Bagley is unable to attend the meeting but their Director Cristin Howard will be in attendance to answer any questions you may have. The BNC did add the \$12000 rent expense line item to their 2019-20 budget and remove the cash advance line item to coincide with the changes the EDC b=made to their 2019-20 budget.

1:03 PM

07/09/19

Accrual Basis

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Profit & Loss Budget Overview**  
 October 2019 through September 2020

	<u>Oct '19 - Sep 20</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>ADMISSIONS INCOME</b>	
DISCOUNT ADMISSIONS	1,120.00
EXTENDED PASS ADMISSIONS	11,200.00
GENERAL ADMISSIONS	306,115.00
GROUP ADMISSIONS	7,280.00
<b>Total ADMISSIONS INCOME</b>	<u>325,715.00</u>
<b>ALLIGATOR SANCTUARY</b>	
ADVENTURE PASS	25,000.00
ALLIGATOR FOOD/PHOTOS	5,000.00
<b>Total ALLIGATOR SANCTUARY</b>	<u>30,000.00</u>
<b>BUILDING RENTAL INCOME</b>	22,400.00
<b>CONTRIBUTIONS</b>	
<b>DONATIONS</b>	
<b>ANNUAL MEMBERSHIP GIVING</b>	
CORPORATE	5,600.00
INDIVIDUAL	5,600.00
<b>Total ANNUAL MEMBERSHIP GIVING</b>	<u>11,200.00</u>
HALLO WINGS	22,400.00
SPECIAL EVENTS	11,200.00
SUMMER CAMP	1,120.00
W O W E	13,776.00
WEBSITE	28,000.00
<b>Total DONATIONS</b>	<u>87,696.00</u>
EVENT PARKING	1,120.00
<b>Total CONTRIBUTIONS</b>	<u>88,816.00</u>
<b>GIFT SHOP INCOME</b>	
CONSIGNMENT SALES	5,600.00
GIFT SHOP SALES	146,740.00
<b>Total GIFT SHOP INCOME</b>	<u>152,340.00</u>
<b>Total Income</b>	619,271.00
<b>Cost of Goods Sold</b>	
<b>COST OF GOODS SOLD</b>	
CONSIGNMENT	3,360.00
GIFT SHOP	81,200.00
<b>Total COST OF GOODS SOLD</b>	<u>84,560.00</u>
<b>Total COGS</b>	<u>84,560.00</u>
<b>Gross Profit</b>	534,711.00
<b>Expense</b>	
<b>ALLIGATOR SANCTUARY EXP</b>	
GR QUARTERLY SETTLEMENT	45,000.00
<b>Total ALLIGATOR SANCTUARY EXP</b>	<u>45,000.00</u>
<b>OPERATIONS EXPENSES</b>	
<b>ADVERTISING &amp; PROMOTION</b>	
BOOTH RENT	728.00
GUIDES & DIRECTORIES	3,584.00
PRINT	2,800.00
SOCIAL & INTERNET	168.00
<b>Total ADVERTISING &amp; PROMOTION</b>	<u>7,280.00</u>

1:03 PM  
07/09/19  
Accrual Basis

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Profit & Loss Budget Overview**  
October 2019 through September 2020

	<u>Oct '19 - Sep 20</u>
CREDIT CARD & BANK FEES	20,160.00
DUES & SUBSCRIPTIONS	750.00
FUNDRAISING & EVENTS	
GREAT TEXAS BIRDING CLASSIC	672.00
HALLO WINGS	2,240.00
JOJO	336.00
LETTERS & BROCHURES	2,240.00
MONARCH CELEBRATION	336.00
PLAQUES & BRICKS	1,344.00
SPECIAL EVENTS	2,240.00
SUMMER CAMP	336.00
W O W E	7,840.00
Total FUNDRAISING & EVENTS	17,584.00
GIFT SHOP SUPPLIES	560.00
GRANT WRITING	5,600.00
INSURANCE	
DIRECTORS & OFFICERS	728.00
EVENT LIABILITY	1,456.00
HEALTH	3,360.00
WORKERS COMPENSATION	3,404.00
Total INSURANCE	8,948.00
LEGAL & PROFESSIONAL	11,200.00
LOAN EXPENSE	3,147.00
LOCAL MEETINGS	
MEALS & SNACKS	896.00
VOLUNTEER APPRECIATION	672.00
Total LOCAL MEETINGS	1,568.00
MAINTENANCE & REPAIRS	
BUILDING	11,200.00
GROUNDS	16,800.00
HABITAT	14,560.00
Total MAINTENANCE & REPAIRS	42,560.00
OFFICE & PRINTING	1,344.00
PAYROLL SERVICE	795.00
POSTAGE & FREIGHT	560.00
SOFTWARE	1,568.00
SUPPLIES	6,720.00
TRAINING	
ANCA	1,680.00
OTHER	336.00
Total TRAINING	2,016.00
TRAVEL	4,480.00
Total OPERATIONS EXPENSES	136,840.00
RENT	12,000.00
SALARIES AND TAXES	
GIFT SHOP ATTENDANTS	43,680.00
JANITOR	22,960.00
MAINTENANCE	30,576.00
MANAGER	56,448.00
NATURALIST	45,864.00
PAYROLL TAXES	14,817.00
Total SALARIES AND TAXES	214,345.00

1:03 PM  
07/09/19  
Accrual Basis

**SOUTH PADRE ISLAND BIRDING & NATURE CENTER**  
**Profit & Loss Budget Overview**  
October 2019 through September 2020

	<u>Oct '19 - Sep 20</u>
<b>SERVICE CONTRACTS</b>	
AIR CONDITIONING	5,600.00
BACKGROUND CHECKS	123.00
CLEANING SUPPLIES	3,136.00
DRINKING WATER	672.00
EBIRD TRAIL TRACKER	728.00
INFORMATION TECHNOLOGY	
COMPUTER COPIER	21,840.00
KIOSK	4,032.00
<b>Total INFORMATION TECHNOLOGY</b>	<u>25,872.00</u>
<b>PARKING EXPENSES &amp; GATE</b>	2,240.00
<b>PEST CONTROL</b>	1,052.00
<b>SECURITY</b>	2,766.00
<b>TELEPHONE &amp; INTERNET</b>	
ATT EMERGENCY LINES	2,712.00
ATT INTERNET	18,816.00
ATT VOICE	5,017.00
<b>Total TELEPHONE &amp; INTERNET</b>	<u>26,545.00</u>
<b>WEBSITE &amp; CLOUD</b>	1,120.00
<b>Total SERVICE CONTRACTS</b>	<u>69,854.00</u>
<b>UTILITIES</b>	
ELECTRICITY	29,568.00
TRASH	1,568.00
WATER / SEWER	25,536.00
<b>Total UTILITIES</b>	<u>56,672.00</u>
<b>Total Expense</b>	<u>534,711.00</u>
<b>Net Ordinary Income</b>	<u>0.00</u>
<b>Net Income</b>	<u><u>0.00</u></u>

**ECONOMIC DEVELOPMENT  
CORPORATION  
AGENDA ITEM COVER PAGE**

**MEETING DATE:** July 16, 2019

**ITEM**

**Update regarding a Medical Facility for SPI with discussion and possible action to approve a proposal from BKD CPAs and Advisors to complete a Community Health Needs Assessment**

**BACKGROUND**

At the last EDC Board meeting Dr. Ybarra discussed the results of the Micro-Hospital feasibility study and reported the next step to bringing a medical facility to the Island would be a Community Health Needs Assessment. The Board indicated they would like to help with the CHNA and asked Dr. Ybarra to send the proposal to the EDC for review at their next meeting.

**RECOMMENDATIONS/COMMENTS**

In your packet are a few emails discussing the progress made during the last month with a community survey done by Dr. Ybarra. He and his staff are using the back half of the Med Spa building for the work they are doing on the CHNA. Dr. Ybarra will be at the EDC meeting to discuss the proposal and answer any questions. Due to the assistance they have received, the consultant lowered their initial quote of \$14,000 by 20% to \$12,000.

**From:** R. Joe Ybarra, MD [<mailto:rjybarra5@gmail.com>]  
**Sent:** Thursday, July 4, 2019 1:43 PM  
**To:** Taylor, David <[dtaylor@bkd.com](mailto:dtaylor@bkd.com)>  
**Cc:** Todd, Brian <[btodd@bkd.com](mailto:btodd@bkd.com)>; SPI EDC <[southpadreislandedc@gmail.com](mailto:southpadreislandedc@gmail.com)>  
**Subject:** Re: Community Health Needs Assessment (CHNA)

**\*CAUTION\*** External email from ([rjybarra5@gmail.com](mailto:rjybarra5@gmail.com)); attachments and links may be harmful.

Thank you. We've been working on community involvement all week. Here is a synopsis of what we have done.

1. Created a survey in order to acquire a community baseline health need
2. Launched the survey via QR code at strategic locations as well as strategic texts to community stakeholders
3. Posted survey on City of SPI WEBSITE
4. Contacted city manager, EDC, HOA groups to send mass emails to their island residents to assist in survey
5. Identified community stakeholders to schedule needs interviews
6. We've committed a "store front" at 3401 Padre Blv and I have my staff and a research assistant (medical school candidate and daughter of Fire chief) on this project until its conclusion.

We appreciate your professional direction.

Please advise other tasks for us for the coming week. We will formally request assistance from the EDC at their 7/16 meeting. I am intent on keeping this a city wide issue.

Sent from my iPhone

On Jul 3, 2019, at 9:30 AM, Taylor, David <[dtaylor@bkd.com](mailto:dtaylor@bkd.com)> wrote:

I talked with Brian yesterday and we agree a fee reduction is perfectly reasonable with more support on your side, and will reduce by 20% or to \$12,000.

With the holiday it might be next week before a revised letter is sent over with the two changes (signee and fee reduction). Will definitely have it to you by the 7/11 deadline.

Let us know anything else, thanks,

David Taylor, CPA  
Partner | BKD  
910 E. St. Louis Street, Suite 200  
Springfield, MO 65801  
417.865.8701  
417.522.0518 Direct  
417.894.6195 Mobile  
417.865.0682 Fax

Alyssa Fowler (alyssa.c.fowler@email.shc.edu)



To: you + 2 more [Details](#)

SPI Data.docx (24 KB)

Medical Services near SPI.docx (3.0 MB)

Here is what I have been working on today. I think it covers a lot of the data we are looking for. The other source that I would trust is from the US Census Bureau, so I could get similar data from there, but it might have slightly different numbers. I can look over that tomorrow. We are hopefully going to find the leading cause or causes of death in SPI soon. I was going to try to wait as long as possible before the meeting to pull together information from the survey so we could have as many responses as possible. But if you want to see the survey data before then, I can do it in the next couple days instead. Just a reminder I will be gone on a trip Friday through Monday, so I will not be on the island.

On Mon, Jul 8, 2019 at 9:48 AM Hector Ramos <[hector@emergencemedicine.org](mailto:hector@emergencemedicine.org)> wrote:

I have pretty good rapport with Dr. GUEVARRA I can also pay him a visit if you'd like. Let me know. It would be interesting to get a glimpse of his demographic pool of patients at the very least. He probably also has some raw/rough data regarding healthcare needs etc.

On Mon, Jul 8, 2019, 9:43 AM R. Joe Ybarra, MD <[rjybarra5@gmail.com](mailto:rjybarra5@gmail.com)> wrote:

Hector, Aly,

Don't forget, we need to provide Darla an agenda item this week (check deadline).

Great job with survey. And high five in getting BKD to reduce their fee by 20% for EDC.

Lets try to pull some synopsis together for me to report on at the EDC meeting. I loved reading about the free comments at the end of the survey, helps get a glimpse of the thinking that island folks have.

Lets pull info from feasibility study, and other sources to define our community. Basic stuff first (real polulation) to specific healthcare related issues (high on the hospitals thinking would be the demographic information). What can we extract from the data Darla Le Peyle sent on us, on how healthcare expenditure occurs?

Lets try to identify socioeconomic data, physical environment, existing clinic care, health status of population, leading causes of death, etc . How can we get leading causes of death on the island?

Who will be the 10 to 12 key informant telephone interviewees and what kind of questions do we think BKD will ask?

How about the other data sources we were looking at?

I'm wondering about calling Dr Guevara who runs the SPI Clinic? Thoughts?

--

Thanks,

R. Joe Ybarra MD  
cell 956-792-6403

July 8, 2019

Ms. Darla Lapeyre  
Executive Director  
South Padre Island Economic Development Corporation  
Delivered via Email

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide to the South Padre Island Economic Development Corporation (South Padre).

### **OUR SERVICES AND RESPONSIBILITIES**

We will assist South Padre with conducting a Community Health Needs Assessment. Our services will include completion of a Community Health Needs Assessment including 10 to 12 key informant telephone interviews. Additionally, if your personnel or volunteers conduct additional interviews, we will summarize and incorporate those results in our final report. We will gather community demographics, behavioral prevalence, vital statistics, socio-economic information and mortality statistics. This data, along with information obtained in the questionnaire, will be analyzed to provide a prioritized description of the community health needs identified for The Hospital primary service area.

Optionally, we will conduct a community health input survey, utilizing SurveyMonkey, to gather additional input if desired. The fee associated with this additional service is provided separately below.

This engagement is not designed to prevent or discover errors, misrepresentations, fraud or illegal acts, and you agree we have no such responsibility.

Regulatory authorities may interpret circumstances differently than we do. In addition, the applicable laws, regulations and regulators' enforcement activities may change over time.

Our procedures will be performed on a test basis and cannot be relied upon to detect all errors or violations of laws, regulations or company policy. Management is responsible for notifying us of changes in policies and procedures that may affect or necessitate a re-evaluation of compliance. In addition, management is responsible for advising us of any adverse communications with its regulators or other third parties, including its legal counsel, which may affect compliance with policies, procedures, laws or regulations.



Ms. Darla Lapeyre  
July 8, 2019  
Page 2

Our services do not include interpretation of legal matters. You should seek the advice of legal counsel in such matters.

We will not make management decisions or perform management responsibilities, the responsibility for which remains with management and the Board of Directors.

We will use and rely on information furnished by you, your employees and representatives and on information available from generally recognized public sources. We are not responsible for the accuracy and completeness of the information and are not responsible to investigate or verify it.

We will not update our report for or disclose any event or circumstances after the date of our report.

### **YOUR RESPONSIBILITIES**

You agree to supply us with the necessary information and allow us access to personnel to assist in performing our services. A list of information and assistance that management will need to provide will be supplied by us prior to the beginning of our engagement. A list of information and assistance that management will need to provide will be provided after execution of this engagement letter. Your failure to fulfill this responsibility in a timely manner may impair our ability to provide service.

In addition, we may perform other services for you that are not covered by this engagement letter. You agree to assume full responsibility for the substantive outcomes of the services described above and for any other services we may provide, including any findings that may result. You also acknowledge these services are adequate for your purposes, and you will establish and monitor the performance of these services to ensure they meet management's objectives. Any and all decisions involving management responsibilities related to these services will be made by you, and you accept full responsibility for such decisions. We understand you have designated a management-level individual to be responsible and accountable for overseeing the performance of these services, and you have determined this individual is qualified to conduct such oversight.

### **ENGAGEMENT FEES**

Our fees will be based on time expended. In addition, you will be billed travel costs and fees for services from other professionals, if any, as well as an administrative fee of 4 percent to cover items such as copies, postage and other delivery charges, supplies, technology-related costs such

Ms. Darla Lapeyre  
July 8, 2019  
Page 3

as computer processing, software licensing, research and library databases and similar expense items. We have estimated the time required for our engagement and expect our fee to be \$12,000, plus the administrative fee. This estimated fee is based on the understanding that your personnel will be available to assist us and we will be able to utilize information gathered in phases 2 through 4 of the CHNA process.

If you desire the optional community health improvement survey, the fee for gathering that information and summarizing in the final CHNA report will be \$2,500.

Our pricing for this engagement and our fee structure are based upon the expectation that our invoices will be paid promptly. We will issue progress billings during the course of our engagement, and payment of our invoices is due upon receipt. Interest will be charged on any unpaid balance after 30 days at the rate of 10 percent per annum.

Our engagement fee includes up to 6 hours of consulting related to the implementation strategy but does not include other time for post-engagement consultation with your personnel or third parties, inquiries from regulators or testimony or deposition regarding any subpoena. Charges for such services will be billed separately.

If our invoices for this or any other engagement you may have with BKD are not paid within 30 days, we may suspend or terminate our services for this or any other engagement. In the event our work is suspended or terminated as a result of nonpayment, you agree we will not be responsible for any consequences to you.

#### **OTHER ENGAGEMENT MATTERS AND LIMITATIONS**

The employees of BKD are not, under any circumstances, your employees. Decisions regarding management of your business remain the responsibility of your personnel at all times.

BKD is not acting as your municipal advisor under Section 15B of the *Securities Exchange Act of 1934*, as amended. As such, BKD is not recommending any action to you and does not owe you a fiduciary duty with respect to any information or communications regarding municipal financial products or the issuance of municipal securities. You should discuss such information or communications with any and all internal or external advisors and experts you deem appropriate before acting on any such information or material provided by BKD.

We will not perform any of your obligations, nor are we responsible for managing operations of the business.

Ms. Darla Lapeyre

July 8, 2019

Page 4

Our workpapers and documentation retained in any form of media for this engagement are the property of BKD.

We can be compelled to provide information under legal process. In addition, we may be requested by regulatory or enforcement bodies to make certain workpapers available to them pursuant to authority granted by law or regulation. You agree that we have no legal responsibility to you in the event we provide such documents or information.

You agree to indemnify and hold harmless BKD and its personnel from any claims, liabilities, costs and expenses relating to our services under this agreement, except to the extent determined to have resulted from the intentional or deliberate misconduct of BKD personnel.

Any liability of BKD and its personnel to you is limited to the amount of the fee you paid for this engagement as liquidated damages.

You agree that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. We will share any costs of mediation proceedings equally.

Either of us may terminate these services at any time. Both of us must agree, in writing, to any future modifications or extensions. If services are terminated, you agree to pay us for time expended to date. In addition, you will be billed travel costs and fees for services from other professionals, if any, as well as an administrative fee of 4 percent to cover items such as copies, postage and other delivery charges, supplies, technology-related costs such as computer processing, software licensing, research and library databases and similar expense items.

If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect.

This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. It shall be binding on heirs, successors and assigns of you and BKD.

If these services are determined to be within the scope and authority of Section 1861(v)(1)(I) of the Social Security Act, we agree to make available to the Secretary of Health and Human Services, or to the Comptroller General or any of their duly authorized representatives such of our billing records as are necessary to certify the nature and extent of our services, until the expiration of four years after the furnishing of these services.

Ms. Darla Lapeyre

July 8, 2019

Page 5

We may from time to time utilize third-party service providers, *e.g.*, domestic software processors or legal counsel, or disclose confidential information about you to third-party service providers in serving your account. We remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information. In the event we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider.

We will, at our discretion or upon your request, deliver financial or other confidential information to you electronically via email or other mechanism. You recognize and accept the risk involved, particularly in email delivery as the internet is not necessarily a secure medium of communication as messages can be intercepted and read by those determined to do so.

You agree you will not modify these documents for internal use or for distribution to third parties. You also understand that we may on occasion send you documents marked as draft and understand that those are for your review purpose only, should not be distributed in any way and should be destroyed as soon as possible.

Any time you intend to reference our firm name in any manner in any published materials, including on an electronic site, you agree to provide us with draft materials for our review and approval before publishing or posting such information.

BKD is a registered limited liability partnership under Missouri law. Under applicable professional standards, partners of **BKD, LLP** have the same responsibilities as do partners in a general accounting and consulting partnership with respect to conformance by themselves and other professionals in BKD with their professional and ethical obligations. However, unlike the partners in a general partnership, the partners in a registered limited liability partnership do not have individual civil liability, directly or indirectly, including by way of indemnification, contribution, assessment or otherwise, for any debts, obligations or liabilities of or chargeable to the registered limited liability partnership or each other, whether arising in tort, contract or otherwise.

We are an independent accounting firm allowed to use the name "Praxity" in relation to our practice. We are not connected by ownership with any other firm using the name "Praxity," and we will be solely responsible for all work carried out by us on your behalf. In deciding to engage us, you acknowledge that we have not represented to you that any other firm using the name "Praxity" will in any way be responsible for the work that we do.

Ms. Darla Lapeyre

July 8, 2019

Page 6

We will be pleased to discuss this letter with you and look forward to the opportunity of serving you. If you agree with the above terms, please sign the statement below and return the original of this letter to us. If the signed copy you return to us is in electronic form, you agree that such copy shall be legally treated as a "duplicate original" of this agreement.

**BKD, LLP**

*BKD, LLP*

The services and terms described in this letter are in accordance with our understanding and are acceptable to us.

**SOUTH PADRE ISLAND ECONOMIC DEVELOPMENT CORPORATION**

BY \_\_\_\_\_  
(Name and Title)

DATE \_\_\_\_\_

cc: Dr. Joe Ybarra

## Community Health Needs Assessment Service Description

Our CHNA process can help CohERence identify the priority health needs in your community. If engaged, we will work with you to effectively plan and coordinate a CHNA engagement. Our five-phase approach to CHNAs follows.

### Phase 1: Strategy & Planning

During the strategy and planning phase of our CHNA, we will be available for a kickoff meeting if one is requested by CohERence. Phase 1 will include:

- ▶ Executing an engagement letter and establishing a CHNA timeline
- ▶ Reviewing the initial information request list
- ▶ Gain an understanding of the service area and define the community that will be the focus of the CHNA
- ▶ Gathering and reviewing community information and other hospital-specific data

### Phase 2: Research & Analysis of Community

Once an appropriate plan has been established and the community defined, we will begin the research and analysis phase, including:

- ▶ Population demographics and socioeconomic characteristics of the defined community
- ▶ Health statistics of the community
  - Leading causes of death
  - Mortality and morbidity rates
  - Health outcomes and factors
  - Behavioral risk factor data

### Phase 3: Key Informant Telephone Interviews

Interviews with key informants from the defined community will be conducted by BKD personnel via telephone. These interviews have a standard one-hour interview format and we anticipate conducting 10 to 12 interviews. Key informant interviews are formatted for community input from both those who represent the broad interests of the community and those with special knowledge or expertise in public health. CohERence will provide input and recommendations for the key informants to be interviewed. If face-to-face interviews are preferred, that also can be accommodated.

### Phase 4: Community Health Questionnaire (Optional)

Our community health questionnaire process is based on a series of standard questions accompanied by several questions determined by CohERence. These questionnaires can be conducted through a standard online format using Survey Monkey. The format of the questionnaire is highly dependent upon the anticipated audience. The final written report will include an analysis of the questionnaire results.

## Phase 5: Identification & Prioritization of Community Health Needs

BKD professionals will work with CohERence to identify community health needs and gaps in information. Your BKD engagement team also can assist CohERence with prioritizing the identified needs and collaboratively work with you to review various possible implementation strategies. BKD’s process focuses on establishing reliable benchmarks and goals (Healthy People 2020 topic areas) for consistent monitoring and future assessments.

### CHNA Timing

BKD will work with you to establish a detailed CHNA timeline to meet your needs. A typical CHNA can be conducted within a two- to five-month period; however, we will coordinate the scheduling of your CHNA to accommodate your schedule and allow for the timely completion of deliverables. Please refer to the Anticipated Timeline on page three for our proposed timing for CohERence’s 2019 CHNA.

### Deliverable

At the end of the assessment, BKD will provide a written report of the assessment including all of the elements described the phases above with the conclusion being a prioritized list of community health needs.

Please refer to the following links to explore the hospitals that have received helpful deliverables from BKD:

- ▶ Wray Hospital and Clinic (CO): <http://wrayhospital.org/wp-content/uploads/2018/12/2018-Health-Needs-Assessment.pdf>
- ▶ UPMC Susquehanna, formerly Susquehanna Health (Combined report for three hospitals in PA): <https://www.susquehannahealth.org/sites/default/files/2016-09/Susquehanna%20CHNA%20Report%20%20FINAL%206-30-16.pdf>
- ▶ Grove City Medical Center (PA): <https://grovecitymedical.org/wp-content/uploads/2019/01/Grove-CHNA.pdf>

*Links active as of May 21, 2019*

### Anticipated Timeline

Community Health Needs Assessment Timeline	
For the Year Ending December 31	2019
Phase 1: Strategy & Planning	July 2019
Phase 2: Research & Analysis of Community	July – August 2019
Phase 3: Key Informant Telephone Interviews	August – September 2019
Phase 4: Community Health Questionnaire (Optional)	TBD
Phase 5: Identification & Prioritization of Community Health Needs	September – October 2019

## Your Investment

BKD knows our clients do not like fee surprises. Neither do we. Our goal is to be candid and timely, and we want to answer your questions about fees upfront. We determine our fees by evaluating a number of variables: the complexity of the work, the project’s scope, the time we will spend and the level of professional staff needed.

## Proposed Fees

CohERence Management	
	2019
<b>Community Health Needs Assessment</b>	<b>\$15,000</b>
Phase 1: Strategy & Planning	Included
Phase 2: Research & Analysis of Community	Included
Phase 3: Key Informant Telephone Interviews (10 – 12)	Included
Phase 4: Community Health Questionnaire	See Below*
Phase 5: Identification & Prioritization of Community Health Needs	Included
Optional Items	
On-Site Interviews (10-12 in place of telephone interviews)	\$4,000
Community Health Questionnaire*	\$2,500

*\*Pricing for a Web-Based Community Health Questionnaire is \$2,500 for surveys with fewer than 15 questions. BKD’s survey does not use a statistically valid sample size. The Catholic Health Association of the United States’ **Assessing & Addressing Community Health Needs** states, “The best sources for reliable, statistically valid and comparable health data are federal and other public health agencies” and “Hospitals and those working with them on community health needs assessment should focus their time and resources on validating and supplementing public health data findings through interviews and forums with community members and other key informants.” Final 501(r) regulations do not require hospitals to conduct statistically valid surveys as part of the CHNA process. However, surveys can be used to gather the public’s thoughts and perceptions on various topics.*

## INSIGHT

“BKD’s value extends beyond the tangible deliverables. I can count on proactive ideas and actionable education. They anticipate our needs, offer helpful ideas and are the first to call with educational resources and advice when new opportunities or challenges emerge.”

### Jake McWay

Senior Vice President & Chief Financial Officer  
CoxHealth  
Springfield, Missouri



In addition, you will be billed travel costs, if any, and an administrative fee of 4 percent to cover items such as copies, postage and other delivery charges, supplies, technology-related costs, such as computer processing, software licensing, research and library databases and similar expense items. Our fees may increase if our duties or responsibilities change because of new rules, regulations and accounting or auditing standards. We will consult with you should this happen.

## Your BKD Engagement Team

The most critical factor in providing you with high-quality service is choosing your engagement team. We take team selection seriously and have the appropriate team of advisors to meet your needs.

- ▶ Partner Brian D. Todd, CPA – Lead Engagement Partner
- ▶ Partner David S. Taylor, CPA – Engagement Partner
- ▶ Manager Gail Rogers, CPA – Engagement Manager

## Additional Staff

Additional advisors are subject to discussion between BKD and CohERence. We currently have several qualified professionals who serve your industry year round. These individuals would be selected based on your preference, availability and the timing of the work.

## Why Choose BKD

### Delivering Value

Monitoring expenditures and receiving exceptional value for your investments is important, but informed consumers understand value is more than just about price. Value from a professional CPA and advisory firm is about the quality of the work and the merit of the advice. Expect BKD's work to be accurate and insightful. We stand behind it.

As evidenced by our inclusion in the **INSIDE Public Accounting** Best of the Best Firms list for the last eight years, we also offer long-term consistency, exceptional performance and a national network of support and resources. BKD is large enough to help CohERence address a variety of financial issues. At the same time, we pride ourselves on hard work and low overhead, which keep our fees competitive. With our reputation, size, service and experience, you can consider us a good value.



### Community Health Needs Assessment Knowledge

The professionals who can help CohERence conduct your CHNA have years of experience performing health needs assessments under various methodologies as well as performing operational assessments for hospitals and other health care providers. You can have peace of mind knowing we have the breadth of expertise and knowledge to efficiently complete your CHNA.

## National Health Care Expertise

Health care is a significant industry for BKD, representing approximately a quarter of our revenue. Per the 2017 **INSIDE Public Accounting 100** report, our health care practice would rank among the top 35 CPA firms in the country, based solely on our 2017 revenues from the health care industry. We work with approximately 3,900 providers nationwide, including hospitals, long-term care organizations, community health centers and physicians and medical groups. We employ a provider-type specialization that allows us to provide an engagement team experienced with the specific assurance, tax, financing and compliance challenges CohERence faces. The approximately 580 professionals in BKD National Health Care Group include the only public accounting firm member of the IRS Advisory Committee on Tax Exempt and Government Entities, as well as members of the HFMA Principles & Practices Board and a past chair of the AICPA Health Care Expert Panel.

## Thought Leadership

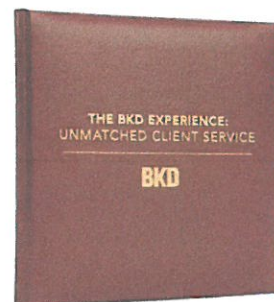
BKD advisors are serious about reinforcing their positions as thought leaders in the industries they serve. To help keep you informed about emerging issues in your industry, as well as changes in regulations and accounting and tax methods, we provide Thoughtware webinars, seminars, tailored training sessions, podcasts and articles. Many of these are eligible for continuing professional education credit. Recent and upcoming topics and events include:

- ▶ Healthcare Financial Management Association (HFMA) Annual Conference
- ▶ Primary Cares Initiative (PCI): The Evolution of the Value-Based Payment Transformation
- ▶ CMS Opens BPCI Advanced Model's Second Cycle for Applications

We encourage you to view these and a wide array of other resources available on [bkd.com](http://bkd.com).

## Unmatched Client Service

You want trusted advisors who will deliver exceptional client service, focus on your needs and take the time to address your unique challenges. BKD understands. We take our commitment so seriously, we penned five standards of unmatched client service and supporting guidelines in **The BKD Experience: Unmatched Client Service**, a book that articulates the firm's philosophy and sets expectations for serving clients. Those five standards are Integrity First, True Expertise, Professional Demeanor, Responsive Reliability and Principled Innovation.



Our acceptance of this engagement is subject to completion of our normal client acceptance procedures. Upon acceptance, the actual terms of our engagement will be documented in a separate letter to be signed by you and us. All information contained within this proposal is proprietary and confidential. The information provided in this proposal is intended for informational purposes only and may not be copied, used or modified, in whole or in part, without BKD's prior written approval. All information in this proposal is as of May 31, 2018, unless otherwise noted.

580

Approximately 580 BKD professionals focus on serving health care providers.

**ECONOMIC DEVELOPMENT  
CORPORATION  
AGENDA ITEM COVER PAGE**

**MEETING DATE:** July 16, 2019

**ITEM**

**Discussion and possible action to approve a Façade Improvement Grant application for Jake's Restaurant, 2001 Padre Blvd.**

**BACKGROUND**

At the last EDC Board meeting Dr. Ybarra discussed the results of the Micro-Hospital feasibility study and reported the next step to bringing a medical facility to the Island would be a Community Health Needs Assessment. The Board indicated they would like to help with the CHNA and asked Dr. Ybarra to send the proposal to the EDC for review at their next meeting.

**RECOMMENDATIONS/COMMENTS**

In your packet are a few emails discussing the progress made during the last month with a community survey done by Dr. Ybarra. He and his staff are using the back half of the Med Spa building for the work they are doing on the CHNA. Dr. Ybarra will be at the EDC meeting to discuss the proposal and answer any questions. Due to the assistance they have received, the consultant lowered their initial quote of \$14,000 by 20% to \$12,000.



## Facade Improvement Grant Program Application form

1. Applicant Name: Jake Falgout
2. Contact Name: Jake Falgout
3. Name of Tenant: Jake Falgout
4. Name of Business: Jake's Restaurant + BAR
5. Telephone Number: (956) 371-6549 Fax Number: \_\_\_\_\_
6. Email Address: jakesmess1@gmail.com
7. Project Address: 2001 Padre Blvd.
8. Mailing Address: P.O. Box 3367 South Padre Island Texas 78597
9. Does the applicant own the project building?  Yes  No

*If the answer to the above question is no, please attach a letter from the owner expressing approval of the project proposal.*

10. Will you be using the services of an architect, engineer, or contractor?  Yes  No
11. If yes, list your architect, engineer, or contractor of preference with name and contact number of business: Shan Rock Builders (956) 498-7331
12. Estimated Total Project Cost: (A) 70,766.<sup>50</sup> (attach itemized budget)
13. Owner to match 50% of Total: (B) \_\_\_\_\_  
Total Grant Requested from City: (A-B) \$25,000 (up to 50% of the project cost not to exceed \$25,000)

**Attach qualified contractor bid documents and all cost breakdowns by category such as masonry repair, window replacement, etc.**

14. Proposed Start Date: ASAP
15. Proposed Completion Date: June 20<sup>th</sup> 2019
16. What is the existing use of the building?: RESTAURANT
17. Will this project proposal cause change in the building use?  Yes  No
18. If so, please explain: \_\_\_\_\_
19. Please write a summary of the complete project scope. You may attach additional pages.

*Build front deck w/ skirting. Build Back Deck w/ skirting. Repair & rebuild handycap ramps. Paint building & replace all rotten wood. Fix sidewalk - Remove wall on left side of the building for cosmetics. Build a high Room on partial deck with siding on it with retractable siding on each side. Put plants in front of deck & back deck. Build a planter beside front walk way. Make planter where the fire standing sign w/ palm on each side & plants. Strip parking lot. Put new door to back & front patio. New door of kitchen door facing parking lot. Light on palm. Light for deck & new wood on front of building & <sup>nautical</sup> planters w/ real wood trees & rope.*

Jim Volz  
Print Name (Property Owner)

Jake Falgout  
Print Name (Applicant)

James Volz 5/16/19  
Signature of Property Owner Date

[Signature] 5/16/19  
Signature of Applicant Date

**APPLICANTS WHO DEVIATE FROM THE APPROVED APPLICATION OR DO NOT PROVIDE COMPLETE APPLICATION WILL BE DISQUALIFIED FROM THIS GRANT PROGRAM**

Submit completed application to South Padre Island EDC

For all questions please contact the EDC at 956-761-6805 or southpadreislandedc@gmail.com

*Applicant understands the Facade Improvement Grant is a matching grant, dollar for dollar. In kind contributions and profits generated by the applicant serving as contractor will not be considered as part of the required match.*

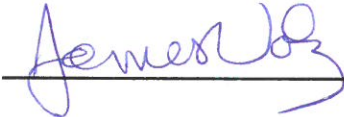
To Whom It My Concern,

I Jim Volz give my approval to all building and improvements to

The property at 2001 Padre Blvd. South Padre Island to Jake Falgout. Jake has proposed for the improvements of building two decks front and back of building. Repair and rebuild ramp for handicap. Repair all rotting wood and paint building.

Remove wall on the left side of the front of the building for better view to entrance. Build a middle roof with retractable awning on the sides of the new middle roof. We want to do extensive nautical landscaping with railroad ties, Palm Trees and plant life. Also any other additions that Jake Falgout Sees fit.

Thank You,



---

# Shamrock Builders

---

409 Banker St.

Laguna Vista, TX. 78578

Fax: 956-433-5471

Office: 956-433-5470

[builders.shamrock@gmail.com](mailto:builders.shamrock@gmail.com)

May 15, 2019

Bid for Jakes Restaurant: Varied projects

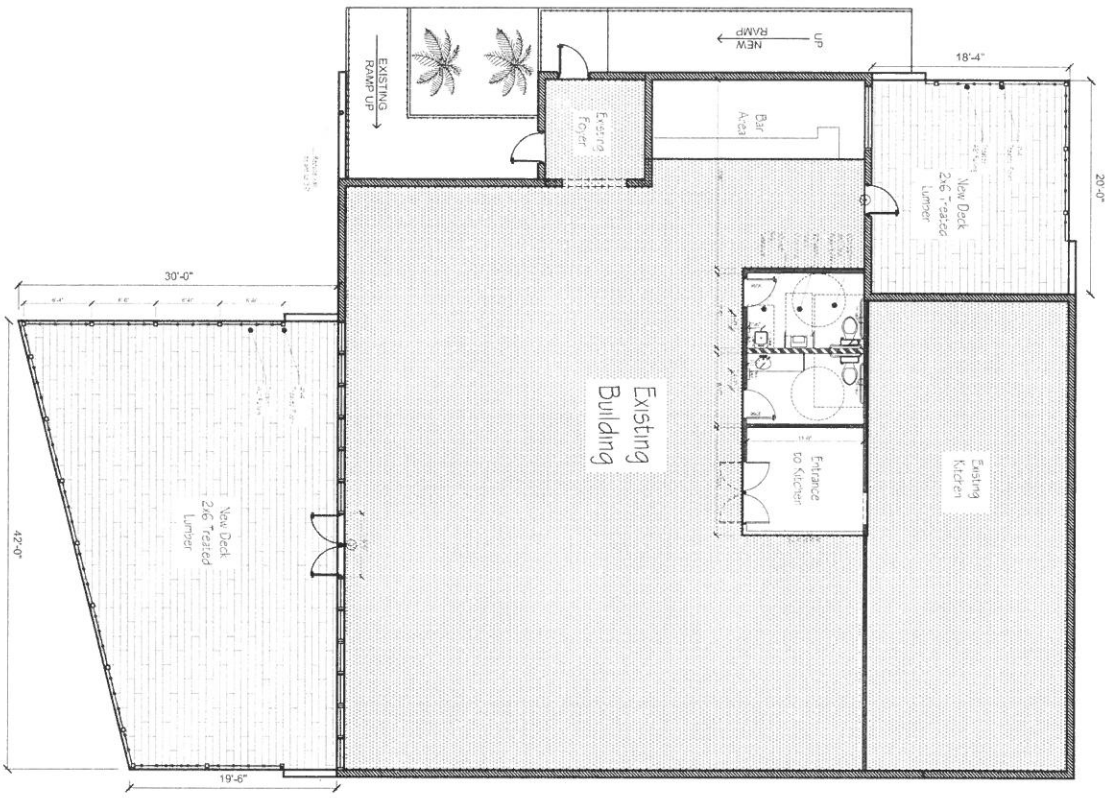
Shamrock GC LLC is licensed, bonded and insured general contractor in the state of Texas.

1. Front deck and skirting \$14,586
2. Back deck and skirting \$3,980
3. Repair and rebuild handicap ramp \$3,480
4. Repair all rotting wood and paint \$8,560
5. Repair sidewalk \$2,150
6. Remove wall in front to see view from street \$1,100
7. Build a middle roof over part of new deck \$15,380
8. Build planters \$2,180
9. Plant 6 palm trees and other plants \$6,820
10. Stripe parking lot \$1,648
11. Install emergency exit door \$1,092.50
12. Install new door off kitchen that faces parking lot \$896
13. Install landscape lighting for palms and other plants \$450
14. Install lighting for deck \$780
15. Install natural landscape in railroad tie planters \$4,800
16. Install new wood on front of building \$2,864

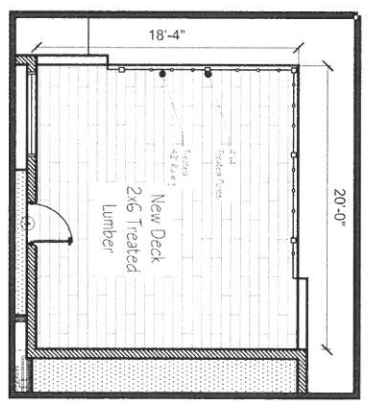
TOTAL: \$70,766.50

Thank you for your consideration,

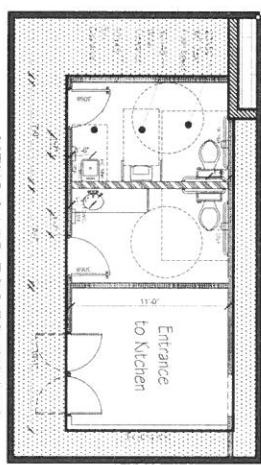
Shamrock Builders  
Scott Finney, Owner



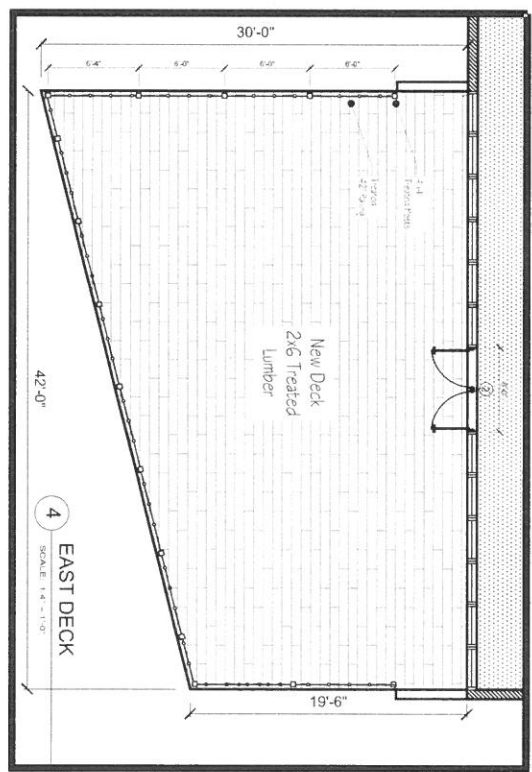
1 PROPOSED FLOOR PLAN  
SCALE: 3/16" = 1'-0"



2 WEST DECK  
SCALE: 1/8" = 1'-0"



3 MENS & LADIES RESTROOMS  
SCALE: 1/4" = 1'-0"



4 EAST DECK  
SCALE: 1/4" = 1'-0"

FLOOR PLAN NOTES:

1. ALL DIMENSIONS ARE IN FEET & INCHES UNLESS OTHERWISE NOTED.
2. ALL LUMBER SPECIES, GRADES, TREATMENT AND FINISHES SHALL BE AS SPECIFIED IN THE SCHEDULES AND SHALL BE VERIFIED BY THE ARCHITECT PRIOR TO CONSTRUCTION AND SHALL HAVE PROOF OF VERIFICATION ON FILE WITH THE ARCHITECT.
3. CONTRACTOR TO VERIFY ALL DIMENSIONS IN BIDDING ON JOB SITE.
4. CONTRACTOR SHALL CHECK ALL MEASUREMENTS AND MAKE REQUIRED ADJUSTMENTS FOR PROPER CONSTRUCTION.

DRYWALL LEGEND:

[Symbol]	2 x 4 STUD WALL
[Symbol]	2 x 6 EXTERIOR WALL
[Symbol]	EXTERIOR WALLS

DOOR SCHEDULE (2ND FLOOR)

TYPE	SIZE (WxH)	QTY	DOOR SWING
①	3'-0" x 6'-0" Exterior Door	1	RIGHT
②	6'-0" x 6'-0" Exterior Door	1	

JAKE'S RESTAURANT  
2001 PADRE BLVD.  
SOUTH PADRE ISLAND, TEXAS 78597



PERLA TORRES  
REGISTERED ARCHITECT  
4115 E. WASHBURN, SUITE A  
NO. 100  
DALLAS, TEXAS 75246  
M.P. No. 181,100,000

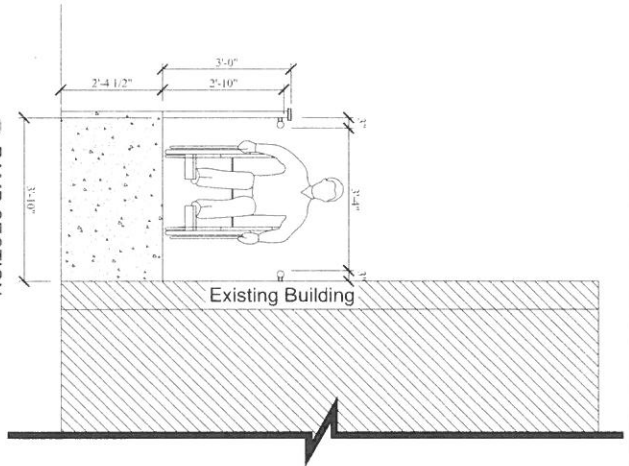
LOTS 12, 13, 14  
Block 17  
Padre Beach Section II  
Cameron County TX

Proposed  
FLOOR PLAN,  
West Deck  
Restrooms  
East Deck

J-03

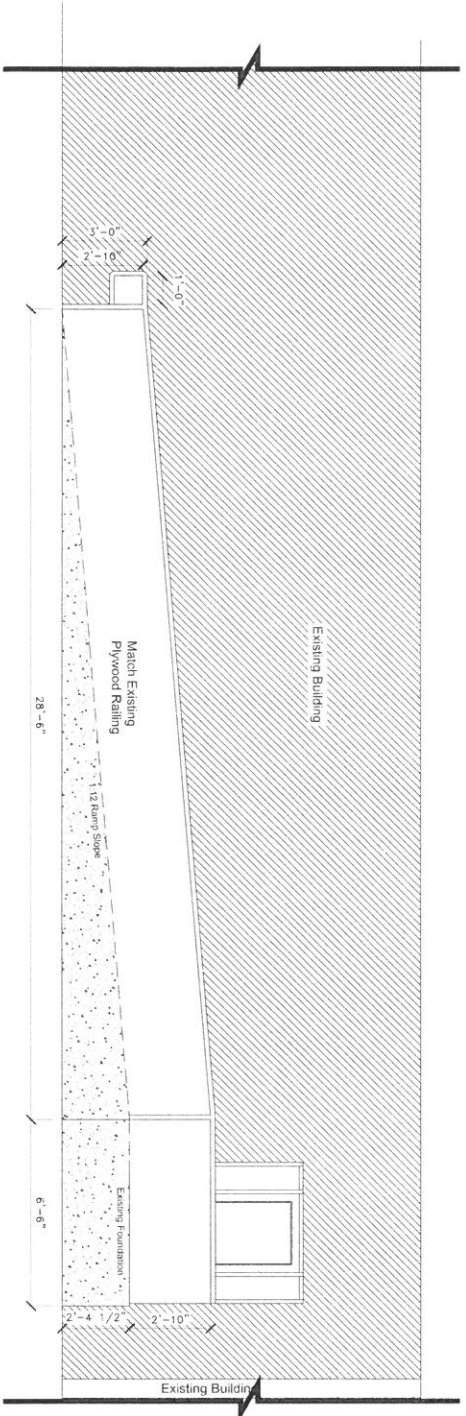
EVERY EFFORT HAS BEEN MADE TO AVOID  
MISSTATEMENTS, OMISSIONS, AND  
ERRORS. THE ARCHITECT ASSUMES NO  
RESPONSIBILITY FOR THE ACCURACY OF  
CONTRACT DOCUMENTS OR THE  
CONTRACTOR'S OBLIGATION TO OBTAIN  
NECESSARY PERMITS AND TO COMPLY  
WITH ALL APPLICABLE BUILDING CODES.





**A** RAMP SECTION  
3/4" = 1'-0"

NOTE: ALL RAMPS MUST MEET HANDRAIL AND CURB REQUIREMENTS.



**1** ACCESSIBLE RAMP  
SCALE: 1/8" = 1'-0"

JAKE'S RESTAURANT  
2001 PADRE BLVD.  
SOUTH PADRE ISLAND, TEXAS 78597



PERLA TORRES  
DRAWING & DESIGN  
4151 S. W. 11TH AVE.  
FORT LAUDERDALE, FL 33309  
(954) 943-7664  
PTORRES@AOL.COM

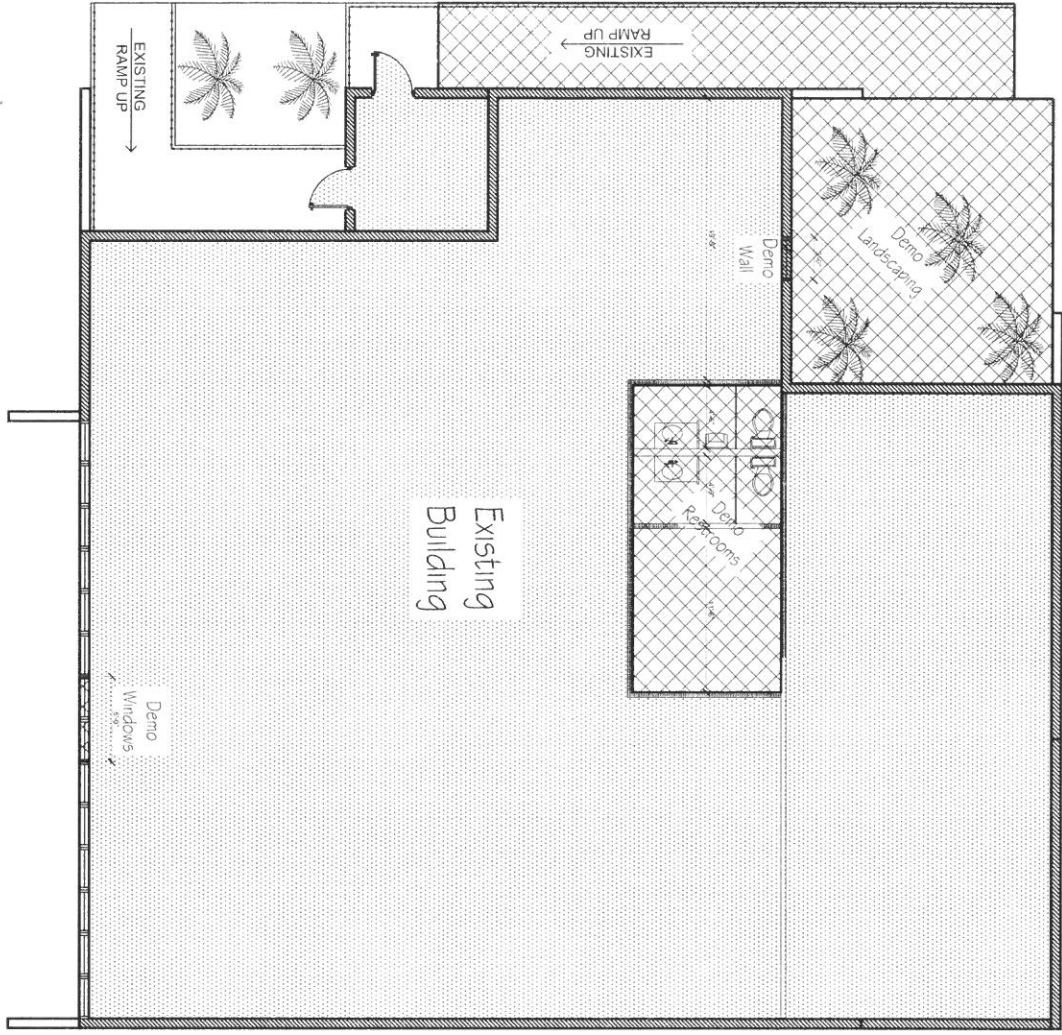
NO.	REVISION/ISSUE	DATE

Project Name & Address  
LOTS 12,13,14  
Block 17  
Padre Beach Section II  
Cameron County TX

Project Title  
ACCESSIBLE RAMP  
&  
DETAILS

Sheet No.	Project No.
J-04	

THIS SHEET HAS BEEN MADE TO ACCORD WITH THE PERMITS AND REGULATIONS OF THE CITY OF FORT LAUDERDALE, FLORIDA. THE ENGINEER'S RESPONSIBILITY IS LIMITED TO THE DESIGN AND CONSTRUCTION OF THE ACCESSIBLE RAMP AND CURB. ALL DIMENSIONS AND DETAILS AS SHOWN ON THIS SHEET SHALL BE AS REQUIRED PER BUILDING CODES.



1 EXISTING & DEMOLITION FLOOR PLAN  
SCALE: 1/4" = 1'-0"

**DRYWALL LEGEND:**

	2x4 STUD WALL
	EXISTING WALL
	DEMOLITION

**NOTES:**

- EXISTING WALL
- DEMOLITION

**JAKE'S RESTAURANT**  
2001 PADRE BLVD.  
SOUTH PADRE ISLAND, TEXAS 78597



**PERLA TORRES**  
DRAWING & DESIGN  
4115 E. WASHINGTON, SUITE A  
KINGPINE, TEXAS 78542  
(956) 943-7664  
PERLA@DTP.COM

No.	Revised/Issue	Date

Project Name & Address  
**LOTS 12,13,14**  
**Block 17**  
**Padre Beach Section II**  
**Cameron County TX**

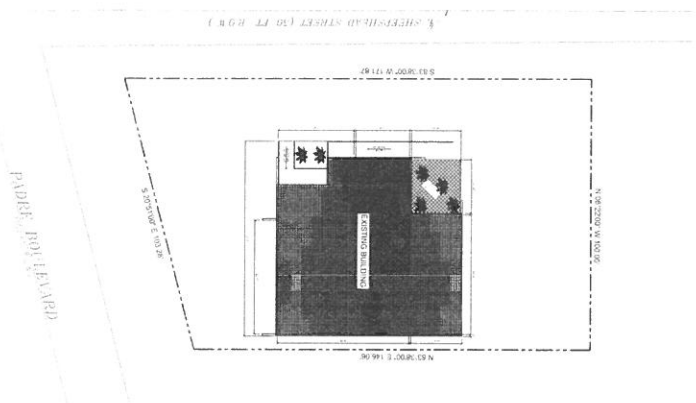
Project Title  
**Existing & Demolition**  
**FLOOR PLAN**

Sheet No.	Project No.
<b>J-02</b>	

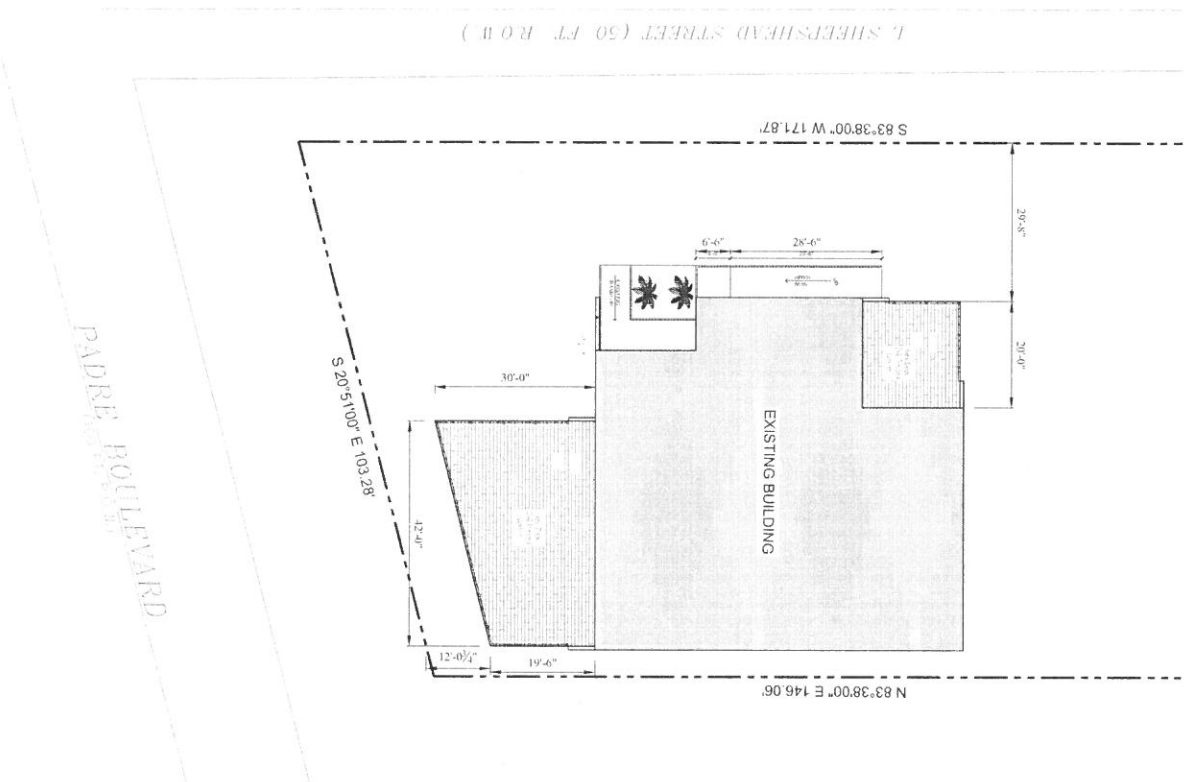
DATE EFFORT HAS BEEN MADE TO AVOID CONFLICTS WITH EXISTING RECORDS. THE USER ASSUMES ALL RESPONSIBILITY FOR VERIFYING THE ACCURACY OF THE INFORMATION PROVIDED. THE USER ASSUMES ALL RESPONSIBILITY FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES. THE USER ASSUMES ALL RESPONSIBILITY FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES. THE USER ASSUMES ALL RESPONSIBILITY FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.

INDEX OF DRAWINGS	
DWG. NO.	DESCRIPTION
J-01	EXISTING & NEW SITE PLAN
J-02	EXISTING & DEMOLITION FLOORPLAN
J-03	PROPOSED FLOOR PLAN
J-04	ACCESSIBLE RAMP & DETAILS

1 EXISTING SITE PLAN  
SCALE: N.T.S.



2 NEW SITE PLAN  
SCALE: 3/32" = 1'-0"



DATE	REVISION

NOTHING INDICATES NEW EXTERIOR WOOD DECK

EVERY EFFORT HAS BEEN MADE TO AVOID CONFLICTS WITH EXISTING RECORDS. DESIGN CONSULTANT'S FIELD NOTES AND FIELD SURVEY DATA SHALL TAKE PRECEDENCE OVER ANY CONFLICTING RECORDS. CONTRACTOR ASSIGNED TO DO THIS JOB MUST OBTAIN ALL NECESSARY PERMITS AND BE RESPONSIBLE FOR OBTAINING ALL NECESSARY RECORDS.

NO.	REVISION/DATE	BY
0		

PROJECT: JAKE'S RESTAURANT & BREWERY

LOTS 12, 13, 14  
Block 17  
Padre Beach Section II  
Cameron County TX

PRIMA TORRES  
DRAWING & DESIGN  
415 E WASHINGTON, SUITE A  
PORT ARTHUR, TEXAS 77652  
PHONE: 409.339.8878  
WWW.PRIMATORRES.COM

DATE: 08/20/2018


PROJECT: JAKE'S RESTAURANT & BREWERY

LOT: 12, 13, 14

BLOCK: 17

SECTION: PADRE BEACH SECTION II

CITY: CAMERON COUNTY, TEXAS

  
**JAKE'S RESTAURANT**  
**2001 PADRE BLVD.**  
**SOUTH PADRE ISLAND, TEXAS 78597**

**ECONOMIC DEVELOPMENT  
CORPORATION  
AGENDA ITEM COVER PAGE**

**MEETING DATE:** July 16, 2019

**ITEM**

**Discussion and possible action to approve the Art Business Incubator Artist Studio Lease Agreement effective August 1, 2019**

**BACKGROUND**

The lease for the Art Business Incubator is ready to approve. The construction has been more than anticipated at the location but will be ready in August. The ease is \$10 per year for 3 years. Both Ridley and City legal teams have reviewed and the few minor edits that were recommended have been made.

**RECOMMENDATIONS/COMMENTS**

Recommend approval. Once approved I will be sending to the insurance agent to secure our liability policy.

## ABI SPI ARTIST STUDIO LEASE AGREEMENT

THIS ABI SPI ARTIST STUDIO LEASE AGREEMENT ("Lease"), made as of the 1<sup>st</sup> day of August, 2019 by and between RIDLEY HOLDINGS, L.L.C., a Texas limited liability company ("Landlord"), and THE CITY OF SOUTH PADRE ISLAND ECONOMIC DEVELOPMENT CORPORATION, a Type B development corporation created pursuant to Chapter 505 of the Texas Local Government Code ("Tenant").

### 1. DEFINITIONS.

**LEASED PREMISES:** Approximately 3020 Rentable Square Feet of Floor Area as shown on the plan attached hereto as Exhibit A, and designated as "Suite 1" on Exhibit B, constituting part of the retail shopping center (as shown on Exhibit B) located in South Padre Island, Cameron County, Texas ("Leased Premises" or "Premises"). For purposes of this Lease, the term "Shopping Center" shall be defined as the property legally described on Exhibit B-1 attached hereto and incorporated herein.

**TERM:** Commencing on August 1, 2019 ("Commencement Date") and expiring on August 1, 2022.

**BASE RENT:** Commencing on the Commencement Date and continuing thereafter on August 1st of each calendar year during the Term, Tenant shall pay to Landlord an annual base rent ("Base Rent") in the amount of Ten Dollars (\$10.00) per year.

**PERMITTED USE:** Accommodations for up to five (5) artist studios in accordance with Tenant's mission to create new jobs and businesses in the artist community in order to enhance the economic growth and development of South Padre Island and for no other purpose. In the event the Premises is used for any other purpose not approved in writing by Landlord, this Lease shall automatically terminate.

**SECURITY DEPOSIT:** \$0.

**TENANT'S PRO-RATA SHARE:** Not Applicable. Landlord to furnish utilities, including electric, water and trash and internet.

2. **LEASED PREMISES AND TERM.** Landlord hereby leases to the Tenant and Tenant hereby leases from Landlord the Leased Premises for the Term. So long as no "Event of Default" (as defined in Section 23 hereafter) is then outstanding, Tenant shall have the option to negotiate mutually agreeable terms for an extension of this Lease (referred to herein as an "Extended Term"). Landlord may approve or reject the extension request at its sole discretion. Tenant must deliver written notice to Landlord of its desire to negotiate an extension of this Lease for an Extended Term no later than sixty (60) days before the date the Lease expires.

3. **HOLDING OVER.** If Tenant fails to vacate the Leased Premises after the expiration of the Term, Tenant shall be deemed to be occupying the Leased Premises as a tenant from month-to-month, subject to the terms of this Lease, except that Base Rent shall be increased to market rates and provided further that Landlord shall be entitled to all rights at remedies available at law or in equity for any holdover.

4. **OPENING COVENANT.** Tenant shall be required to open five (5) artist studios within thirty (30) days after Landlord delivers the Leased Premises to Tenant.

5. **RENT.** Tenant agrees to pay to Landlord Base Rent without setoff, deduction or demand, in advance on the first day of each calendar year during the Term. Except for Base Rent, all other sums and charges of whatsoever nature required to be paid by Tenant to Landlord ("Additional Rent") shall constitute additional rent. The Base Rent and the Additional Rent are hereinafter sometimes collectively referred to as the "Rent".

6. **COMMON AREA.** Tenant, its employees, customers and invitees shall have the non-exclusive use, along with others, of the Common Area. Landlord shall have the right, from time to time, to establish, modify and enforce rules and regulations and to police, and to modify the size and configuration of the Common Area and Shopping

Center. "Common Area" is area not included in the premises of other tenants and includes the parking area, drives and roads, landscaped areas, loading and service areas, sidewalks, lighting, drainage facilities, roofs, gutters and downspouts, and such other portions of the Shopping Center and/or nearby properties as may be treated by Landlord as part of the Common Area. Tenant acknowledges that there may be certain improvements or facilities located outside of the Shopping Center that benefit the Shopping Center and that such facilities and improvements may be considered to be "Common Areas" in Landlord's reasonable discretion.

7. UTILITIES. Landlord will provide water, sanitary sewer, electricity, and internet used in the Leased Premises. Such payments shall be made directly to the supplier of any utility separately metered to the Leased Premises. No interruption of any utility services shall constitute a disturbance of Tenant's use and possession of the Leased Premises, render Landlord liable for any damages, or grant Tenant any right of rental abatement or offset.

8. USE. Tenant will use the Leased Premises solely for the Permitted Use unless Landlord consents, in writing, to a change of Tenant's use. Tenant, at its own expense, will comply with all Federal, State, municipal and other laws, codes, ordinances, rules and regulations and documents of record applicable to the Leased Premises and the business conducted therein by Tenant. In the event the Premises is used for any purpose other than the Permitted Use, and the use is not approved in writing by the Landlord, this Lease shall automatically terminate.

9. USE RESTRICTIONS. Tenant further agrees that Tenant: (a) will not make or permit any unlawful use of the Leased Premises; (b) shall not use the Common Areas for business purposes without the previous written consent of the Landlord; (c) shall keep its storefront displays lit during such periods of time Tenant is required to operate its business; (d) shall receive and deliver goods only in the manner, at such times, and in such areas, as may be reasonably designated by Landlord; (e) remove any sign visible from the Common Area that is not in keeping with the standards of the Shopping Center; (f) shall not injure any part of the Shopping Center, or cause the emission of any offensive odors or loud noise, or constitute a nuisance to any other persons in the Shopping Center; (g) shall occupy and use the entire Leased Premises for the Permitted Use continuously during the entire Term during reasonable business hours under the trade name set forth above; (h) shall at all times fully and adequately heat and/or air condition (as the circumstances require) the Leased Premises; and (i) shall not use the Leased Premises for any of the uses set forth in Exhibit C attached hereto and incorporated herein.

10. ASSIGNMENT AND SUBLETTING. Notwithstanding the five selected artists that will be using the studio space, Tenant shall not, without obtaining Landlord's prior written consent (which shall be at Landlord's sole discretion), assign this Lease, sublease or license the Leased Premises or any part thereof. Any transfer by merger, consolidation or dissolution, or any change in ownership in Tenant shall constitute an assignment for the purpose of this Lease. Landlord may collect rent from any assignee or sub lessee and apply the net amount collected to the Rent, but the same shall not be deemed a waiver or a release of Tenant from its obligations hereunder.

11. LANDLORD'S OBLIGATIONS. All maintenance, repair and replacements will be made by Landlord at Landlord's sole cost and expense, including without limitation, heating and air conditioning equipment; electrical and plumbing equipment; all fixtures; doors, door frames, molding, trim, windows, window frames, closure devices, hardware, plate glass and floor covering. Additionally, Landlord will repair and maintain the Common Areas and the following portions of the Leased Premises: roof (exclusive of flashing around the rooftop air conditioning unit); structural portions of the Leased Premises (consisting only of the foundation and members supporting the roof); and any utility lines (sewer, water, gas or electrical) located outside the boundaries of the Leased Premises that serve other premises. If however, damage to any of the foregoing is caused by Tenant, its agents, contractors, employees, or invitees, then Tenant shall bear the cost of such repairs.

12. TENANT'S OBLIGATIONS. Tenant shall not permit any penetration in the roof above the Leased Premises. Tenant will not commit waste on the Leased Premises, but will maintain the same in a clean, attractive condition and in good repair. Upon termination of this Lease, Tenant will surrender the Leased Premises to Landlord broom-clean and in the same condition which on the Commencement Date, excepting only ordinary wear and tear. Upon termination, Tenant will also surrender to Landlord all keys to the Leased Premises.

13. ALTERATIONS AND IMPROVEMENTS. Tenant shall not make any alterations, improvements and/or additions to the Leased Premises without Landlord's prior written consent. All such work shall be done in a lien-free and workmanlike manner with contractors reasonably acceptable to Landlord.

14. INDEMNIFICATION. Subject to the waiver in Section 16, and except to the extent such damage or injury arises as a result of the gross negligence or willful misconduct of Landlord or its respective agents, employees or contractors, Tenant agrees to indemnify, defend, and save harmless Landlord and all of its parent companies, subsidiaries, affiliates, including their respective officers, principals, partners, agents, successors and assigns, and its employees from and against all claims of whatever nature arising (a) in or about the Leased Premises, (b) from any act, omission or negligence of the Tenant, or Tenant's contractors, licensees, agents, servants, assignees, sub lessees, customers, invitees or employees, (c) occurring outside of the Leased Premises, where such claim results or is claimed to have resulted from negligence, an act or omission on the part of Tenant or Tenant's agents, contractors, or employees. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses and liabilities incurred in or in connection with any such claim or proceeding brought thereon, and the defense thereof. Tenant agrees to the provisions contained in this paragraph with the express understanding and agreement that this provision applies to the extent permitted by the Texas Constitution and state law without expanding Tenant's liability beyond the statutory limits of the Texas Tort Claims Act or under existing law, and without waiving or diminishing Tenant's immunity beyond the scope of that allowed by the Texas Tort Claims Act or existing law.

15. INSURANCE. Tenant agrees to maintain during the Term and any Extended Term: (a) a policy of commercial general liability insurance covering the Leased Premises, with limits of at least \$500,000 per occurrence and \$1,000,000 in the aggregate; (b) causes of loss-special form property insurance covering all of Tenant's personal property and business fixtures located within the Leased Premises (collectively, "Tenant's Property") in an amount not less than the full replacement cost of Tenant's Property. Such policies shall name Landlord and its designees as additional insureds. The policies of insurance required to be maintained by Tenant shall be in a form and with a company acceptable to Landlord, and shall be non-cancelable and not subject to material change except upon thirty (30) days prior written notice to Landlord. Tenant's insurance policies shall be primary and non-contributory as to all acts, negligence or omissions arising from the duties or responsibilities of the Tenant. Tenant's policies will also include a waiver of subrogation. Tenant agrees to deliver to Landlord a certificate of each required policy prior to taking possession of the Leased Premises. Tenant agrees that it will not do or permit anything to be done in the Leased Premises prior to delivering evidence of its insurance, or which could increase the rate of insurance on the Leased Premises or the Shopping Center. Tenant agrees that if such rates are increased solely as a result of the preceding sentence, Tenant will pay Landlord for the same. Landlord reserves the right to modify the insurance requirements from time to time upon written notice to Tenant.

RELEASE; WAIVER OF SUBROGATION. To the extent that a loss is covered by insurance in force and recovery is made for such loss, or in the alternative, coverage is required by contract or either party but not carried, Landlord and Tenant, or anyone claiming through either, by way of subrogation or otherwise, hereby mutually release each other for any loss from perils insured against under their respective causes of loss-special form property insurance policies, provided that this waiver shall not be applicable if it has the effect of invalidating any insurance of Landlord or Tenant. Notwithstanding any other provisions of this Lease to the contrary, Landlord hereby releases Tenant and Tenant hereby releases Landlord from and against any and all claims, demands, liabilities or obligations whatsoever for damage to the property or loss of rents or profits of either Landlord or Tenant resulting from or in any way connected with any fire, accident, death, or other casualty, whether or not such fire, accident or other casualty shall have been caused by the negligence or contributory negligence of either Landlord or Tenant or by any agent, associate or employee of either Landlord or Tenant to the extent that such damage or loss (i) is covered by insurance benefiting the party suffering such loss or damage; (ii) would have been covered by insurance pursuant to this Lease, but for the defaulting party's failure to comply with its obligation under this Lease to procure such insurance; or (iii) is insured against under the terms of any insurance actually carried, regardless of whether such insurance is required to be carried hereunder. Each of Landlord and Tenant agrees that in the event of any such loss or damage, it shall look solely to its insurance for recovery. The effect of such waiver is not limited by the amount of such insurance actually carried or required to be carried, to the actual proceeds received after a loss or to any deductible applicable thereto, and either party's

failure to carry insurance required under this Lease shall not invalidate such waiver. Landlord and Tenant each agrees to have the insurance companies that issue such property insurance waive any rights of subrogation with respect to such property insurance and shall cause the insurance company to issue an endorsement to evidence compliance with such waiver of subrogation. Each of Landlord and Tenant shall bear the costs associated with obtaining such waiver of subrogation from its insurance company. Landlord and Tenant shall give notice to their respective insurance carriers, if any, that the foregoing mutual waiver of subrogation is contained in this Lease. Tenant agrees to the provisions contained in this paragraph with the express understanding and agreement that this provision applies to the extent permitted by the Texas Constitution and state law without expanding Tenant's liability beyond the statutory limits of the Texas Tort Claims Act or under existing law, and without waiving or diminishing Tenant's immunity beyond the scope of that allowed by the Texas Tort Claims Act or existing law.

16. CASUALTY. If at any time during the Term, the Leased Premises or any portion of the Shopping Center is damaged by fire or other casualty, Landlord may elect to: (a) repair the damaged portion of the Leased Premises and/or the Shopping Center to substantially the condition which existed at the time Landlord delivered possession of the Leased Premises to Tenant, or (b) cancel this Lease. Landlord will notify Tenant of its election within one hundred eighty (180) days after receipt of written notice from Tenant of such casualty. If Landlord elects to repair the Leased Premises, this Lease shall continue in full force and effect. Base Rent shall abate proportionately during the period and to the extent that the Leased Premises are unfit for use by Tenant and not actually used by Tenant in the ordinary conduct of its business.

17. EMINENT DOMAIN. If any portion of the Leased Premises, is taken by any authority having the power of eminent domain or granted to the same by deed in lieu of condemnation ("Taken" or "Taking"), this Lease shall terminate as to the portion Taken effective on the date such authority takes possession of the same. If any portion of any building in the Shopping Center or any portion of the parking lot or more than ten percent (10%) of the Common Area of the Shopping Center is taken by such authority, Landlord may elect to terminate this Lease. All sums awarded or agreed upon between Landlord and the condemning authority for the Taking of the fee or the leasehold interest will be the property of Landlord. Tenant hereby assigns to Landlord all proceeds for its leasehold interest by reason of such Taking. If this Lease is terminated all Rent shall be payable up to the date that possession is Taken by the authority.

18. ADDITIONAL RENT PAYMENTS. INTENTIONALLY DELETED

19. PAYMENT OF TENANT'S PRO-RATA SHARE. INTENTIONALLY DELETED

20. ACCESS TO LEASED PREMISES. Landlord and its designees shall have the right to peaceably enter upon the Leased Premises at all times, 24 hours a day.

21. SECURITY DEPOSIT. NOT APPLICABLE

22. EVENTS OF DEFAULT. Any one of the following shall be deemed to be an "Event of Default": (a) failure by Tenant to make payment of Rent or any other monetary amount due under this Lease on its due date; (b) failure by Tenant to timely perform any non-monetary obligation within thirty (30) days following notice to Tenant of such failure; (c) if Tenant is judicially declared bankrupt or insolvent according to law; or (d) Tenant abandons the Leased Premises or any significant portion thereof.

23. LANDLORD'S REMEDIES. If an Event of Default occurs, Landlord may, at its option, in addition to all other rights and remedies given hereunder or by law or equity, do any one or more of the following: (a) terminate this Lease or Tenant's right to possession of the Leased Premises; in either event, Tenant shall immediately surrender possession of the Leased Premises to Landlord; or (b) enter upon and take possession of the Leased Premises and remove Tenant and any other occupant therefrom, with or without having terminated the Lease. Tenant shall be liable for all Rent and other indebtedness accrued to the date of such termination, plus immediately liable for all future Rent



and other indebtedness as would otherwise have been required to be paid by Tenant to Landlord during the balance of the Term. Tenant shall reimburse Landlord for any and all broker's fees, the costs of removing and storing Tenant's or other occupant's property, the costs of repairing, altering, remodeling or otherwise putting the Leased Premises into condition acceptable to a new tenant, and all reasonable expenses incurred by Landlord in enforcing Landlord's remedies. Landlord shall have no duty to relet the Leased Premises or otherwise mitigate damages under this Lease, except as otherwise expressly required by applicable law.

24. **SUBORDINATION TO LANDLORD'S MORTGAGE.** Tenant agrees that, at the election of Landlord's mortgagee, this Lease shall at all times be subordinate to any mortgages or deeds of trust (including all advances, interest, renewals, modifications, replacements and extensions thereof) that are presently or may hereafter be placed upon the Leased Premises or the Shopping Center. Tenant agrees to execute and deliver any instrument evidencing such subordination reasonably requested by Landlord within ten (10) days after the request therefor from Landlord (and no further notice or cure period will be provided prior to it being deemed an Event of Default).

25. **ESTOPPEL CERTIFICATES.** Tenant agrees to execute and deliver any estoppel certificate reasonably requested by Landlord within ten (10) days after the request therefor from Landlord (and no further notice or cure period will be provided prior to it being deemed an Event of Default).

26. **ENVIRONMENTAL REQUIREMENTS.** Except for the incidental use of certain products for routine cleaning and maintenance of the Leased Premises, Tenant agrees not to produce, use, store or generate any "Hazardous Materials" on, under or about the Leased Premises and/or the Shopping Center. Tenant shall keep, operate and maintain the Leased Premises in full compliance with all federal, state and local environmental, health and/or safety laws, ordinances, rules, regulations, codes, orders, directives, guidelines, permits or permit conditions currently existing and as amended, enacted, issued or adopted in the future which are applicable to the Leased Premises (collectively, "Environmental Laws"). "Hazardous Material" means any chemical, substance, material, controlled substance, object, waste or any combination thereof, which is or may be hazardous to human health, safety or to the environment due to its radioactivity, ignitability, corrosiveness, reactivity, explosiveness, toxicity, carcinogenicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, petroleum and petroleum products, benzene, toluene, ethyl benzene, xylenes, waste oil, asbestos, radon, polychlorinated biphenyls (PCBs), degreasers, solvents, and any and all of those chemicals, substances, materials, controlled substances, objects, wastes or combinations thereof which are now or may become in the future listed, defined or regulated in any manner as "hazardous substances", "hazardous wastes", "toxic substances", "solid wastes," or bearing similar or analogous definitions pursuant to any and all Environmental Laws.

27. **LIMITATION OF LANDLORD'S LIABILITY.** Tenant agrees to look solely to Landlord's interest in the Shopping Center for recovery of any judgment from Landlord, it being specifically agreed that neither the Landlord nor any trustee, director, officer, shareholder, employee or agent, nor anyone claiming under the Landlord shall ever be personally liable for any such judgment. In no event shall the Landlord ever be liable to Tenant for any indirect or consequential damages. In the event of the transfer by Landlord of its interest in the Shopping Center, Landlord shall be released from all covenants and obligations of Landlord thereafter accruing, but such covenants and obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership. Tenant agrees to the provisions contained in this paragraph with the express understanding and agreement that this provision applies to the extent permitted by the Texas Constitution and state law without expanding Tenant's liability beyond the statutory limits of the Texas Tort Claims Act or under existing law, and without waiving or diminishing Tenant's immunity beyond the scope of that allowed by the Texas Tort Claims Act or existing law.

28. **FEES AND EXPENSES.** Unless prohibited by applicable law, the non-prevailing party agrees to pay to the prevailing party the amount of all legal fees and expenses incurred by the prevailing party arising out of or resulting from any act or omission by the non-prevailing party with respect to this Lease or the Leased Premises, including without limitation, any breach by the non-prevailing party of its obligations hereunder.

29. **NOTICES.** Any notice that is given shall be in writing to the addresses as set forth below (as may be changed from time to time) and shall be delivered by hand or sent by United States Registered or Certified Mail, adequate postage prepaid, or via an overnight courier service (e.g., FedEx or UPS). No change of address of either party shall be binding on the other party until notice of such change of address is given as herein provided. Notice delivered by hand shall be deemed received when delivered to the notice address, notice mailed shall be deemed completed upon

the earlier to occur of (i) actual receipt as indicated on the signed return receipt, or (ii) three (3) days after posting as herein provided, and notice sent via overnight courier shall be deemed received when delivered to the notice address. Finally, any written notice addressed as provided hereinabove and actually received by the addressee, shall constitute sufficient notice for all purposes under this Lease. Notice addresses for the parties shall be as follows:

If to Landlord:

Ridley Holdings, L.L.C.  
700 Padre Boulevard, Suite D  
South Padre Island, TX 78597  
Attn: Mr. Wally Jones; Ms. Eleana Jones  
Email: [wally.jones@padregetaways.com](mailto:wally.jones@padregetaways.com)  
Email: [eleana.jones@padregetaways.com](mailto:eleana.jones@padregetaways.com)

Copy to:

Ridley Holdings, L.L.C.  
Attn: Jill Meyer, General Counsel  
1900 N. Akard Street  
Dallas, Texas 75201  
Email: [jmeyer@huntconsolidated.com](mailto:jmeyer@huntconsolidated.com)

If to Tenant:

South Padre Island Economic Development Corporation  
Attn: Darla Lapeyre, Executive Director  
6801 Padre Boulevard  
South Padre Island, TX 78597  
Email: [southpadreislandedc@gmail.com](mailto:southpadreislandedc@gmail.com)

30. **FORCE MAJEURE.** The time within which any of the parties hereto shall be required to perform any act or acts under this Lease shall be extended to the extent that the performance of such act or acts shall be delayed by acts of God, fire, windstorm, flood, terrorist acts, explosion, collapse of structures, riot, war, labor disputes, delays or restrictions by governmental bodies, inability to obtain or use necessary materials, or any cause beyond the reasonable control of such party, other than lack of monies or inability to procure monies to fulfill its commitments or obligations under this Lease, provided, however, that the party entitled to such extension hereunder shall give prompt notice to the other party of the occurrence causing such delay. The provisions of this section shall not operate to excuse Tenant from timely payment of Rent.

31. **LIABILITY.** If two or more persons or entities sign this Lease as Tenant, their liability shall be joint and several.

32. **RULES AND REGULATIONS.** Tenant shall, at all times during the Term, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Leased Premises and the Shopping Center.

33. **MISCELLANEOUS.** This Lease shall be governed by the law of the state in which the Shopping Center is located with venue in a court of competent jurisdiction in Dallas County, without regard to its conflicts of law rules. If any term or provision of this Lease shall be unlawful, then such term or provision shall be null and void, but the remainder of this Lease shall remain in full force and effect and be binding on both parties. This Lease constitutes the entire understanding and agreement between the parties with respect to the subject matter contained herein and may not be amended, supplemented, or modified except by a writing executed by both Landlord and Tenant. This Lease shall be binding upon Landlord and Tenant, and their respective heirs, personal representatives, successors and assigns. In the event of any enforcement of the terms of this Lease by either party hereto, the prevailing party in such litigation shall be entitled to its reasonable attorneys' fees in connection with such enforcement action. Failure on the part of

Landlord or Tenant to complain of any action or non-action on the part of the other, no matter how long the same may continue, shall never be a waiver by Landlord or Tenant of its rights hereunder.

34. SIGNAGE. Tenant shall be responsible for the costs and installation of a building fascia sign ("Storefront Signage"). Sign plans shall be prepared by Tenant in accordance with applicable laws, code ordinances and the Landlord's sign criteria, if any ("Sign Criteria") and subject to Landlord's prior written consent. All Storefront Signage shall be installed by Tenant on or before the Commencement Date. Landlord shall have the right, at Landlord's sole and absolute discretion, to require Tenant to remove any exterior or interior (visible from any portion of the Common Area of the Shopping Center) sign, window sign, placard or advertisement which is not professionally made and acceptable to Landlord. Except as approved by Landlord in writing, no sign, placard or advertisement, or exterior or interior window sign, placard or advertisement shall be painted, erected or displayed. No awnings shall be erected without Landlord's prior written consent. Tenant shall keep Tenant's electric signs lighted from dusk until 10:00 P.M. (or at Landlord's election until thirty (30) minutes after the last retail Tenant closes), every day during the Term. During the Term, Tenant shall maintain its signage in accordance with all applicable laws, code ordinances and the Sign Criteria at Tenant's sole cost and expense.

35. BROKERAGE. Each party hereto represents to the other that it has not authorized any broker to act on its behalf in connection with the Lease hereunder and that it has not dealt with any other broker purporting to act on its behalf. Each party hereto agrees to indemnify, defend and hold harmless the other from and against any and all claims, losses, damages, costs, or expenses of any kind or character arising out of or resulting from any agreement, arrangement, or understanding alleged to have been made by such party or on his or its behalf with any broker or finder in connection with this Lease or the transaction contemplated hereby.

36. Landlord shall deliver possession of the Leased Premises "move-in" ready with space for up to five artists along with general office fixtures and furnishings that shall remain the property of Landlord unless otherwise agreed to in writing between the parties.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

WITNESS the execution hereof, in any number of counterpart copies, each of which counterpart copies shall be deemed to be an original for all purposes, as of the day and year aforesaid. THIS LEASE SHALL BECOME EFFECTIVE ONLY UPON EXECUTION BY ALL PARTIES HERETO AND DELIVERY OF A FULLY EXECUTED LEASE BY LANDLORD TO TENANT.

LANDLORD

**RIDLEY HOLDINGS, L.L.C.,**  
a Texas limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Date of Execution: \_\_\_\_\_

TENANT

**SOUTH PADRE ISLAND ECONOMIC DEVELOPMENT CORPORATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Date of Execution: \_\_\_\_\_

EXHIBIT A

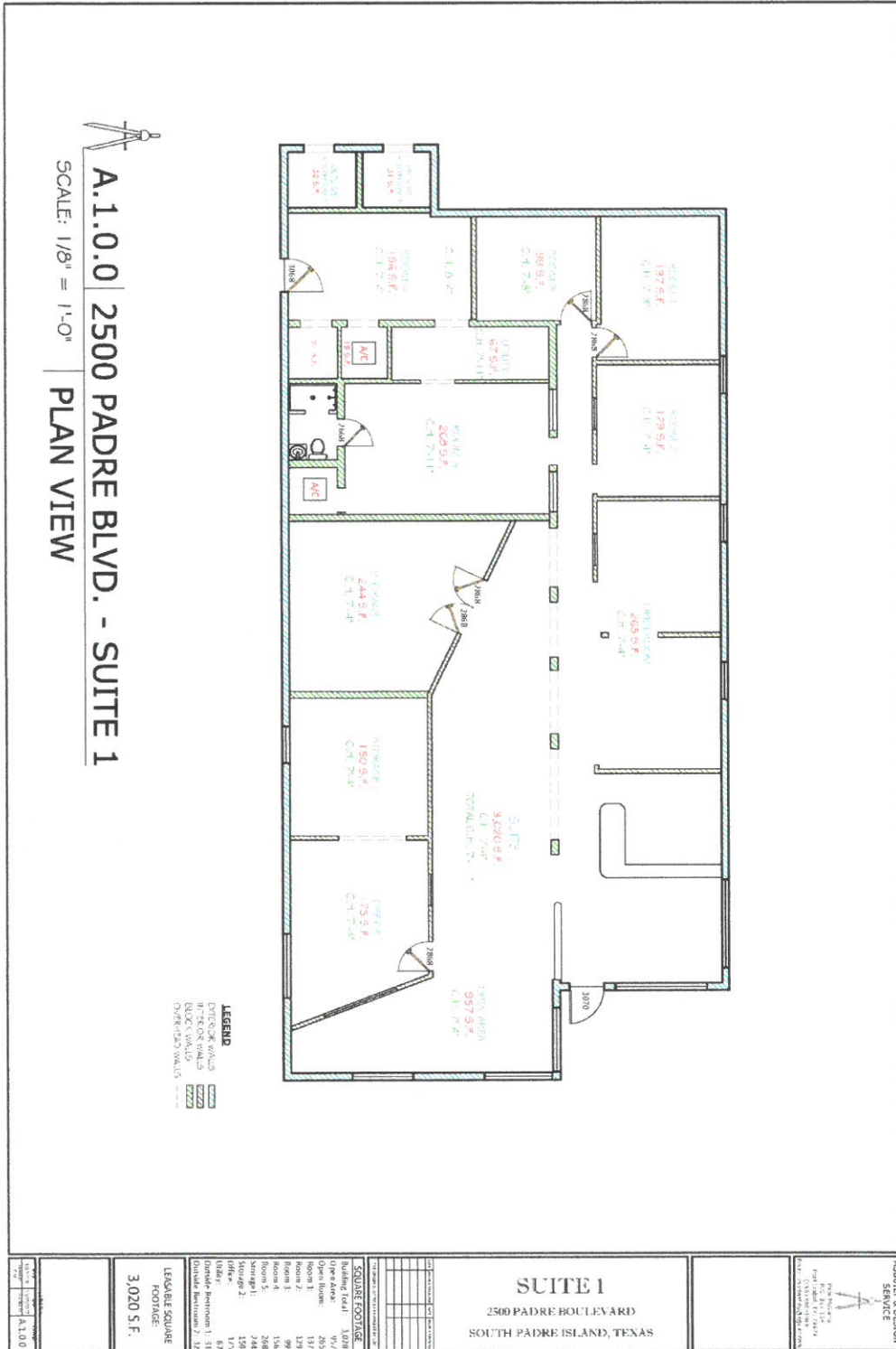


EXHIBIT B

SITE PLAN OF THE SHOPPING CENTER

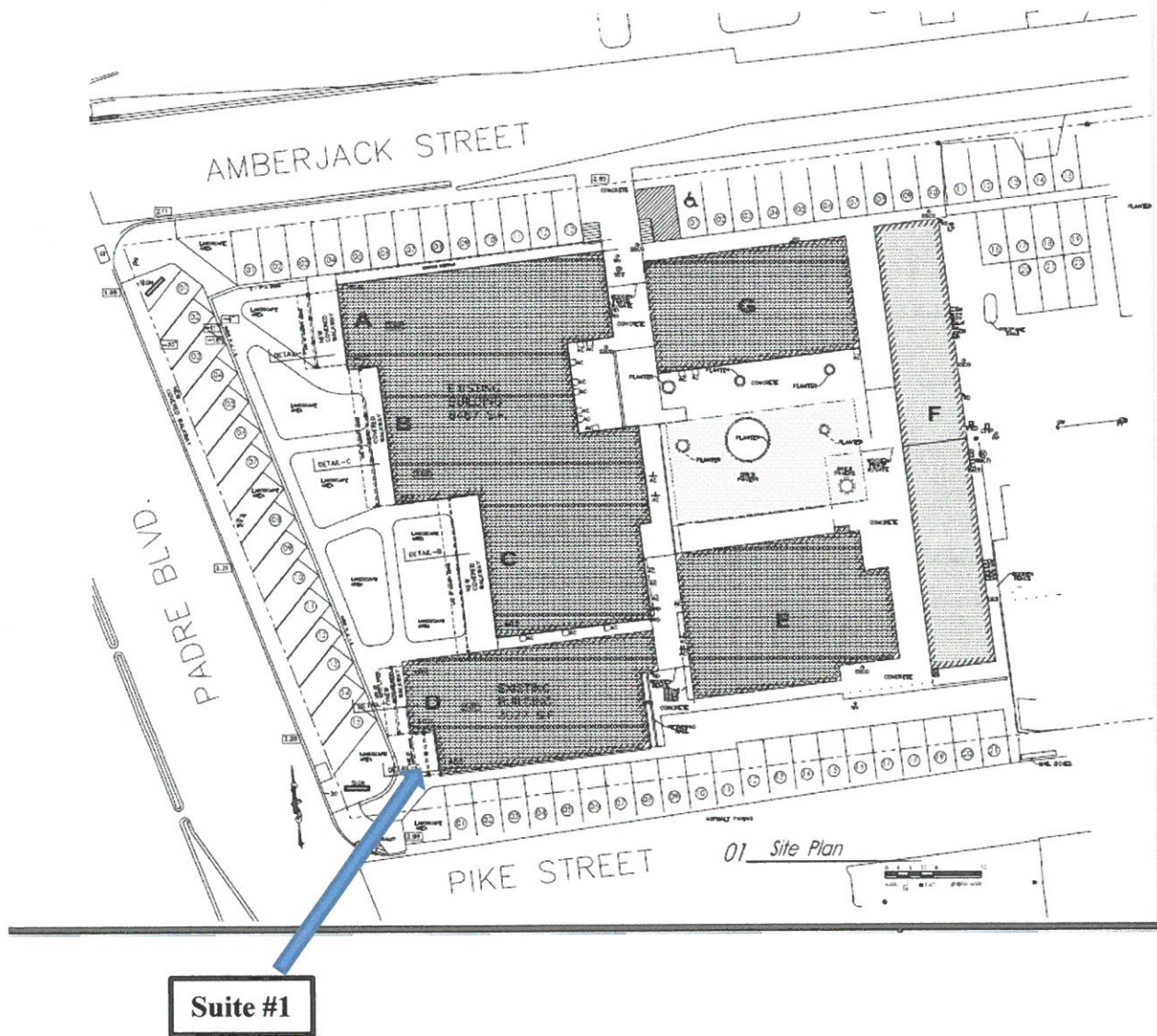


EXHIBIT B-1

LEGAL DESCRIPTION OF THE SHOPPING CENTER

Lots Numbered One (1), Two (2), Three (3), Four (4), Five (5), Six (6), Seven (7), Thirty-One (31), and Lot Number Thirty-Two (32), Block Forty-Two (42), PADRE BEACH SECTION IV, City of South Padre Island, Cameron County, Texas, according to the map recorded in Volume 14, Page 52, of the Map Records, Cameron County, Texas.

EXHIBIT C

EXCLUSIVE AND RESTRICTED USES

A. RESTRICTED USES: Tenant agrees that no portion of the Leased Premises shall be used or operated for any of the following without Landlord's prior written consent:

1. A tavern, bar, nightclub, discotheque or any other establishment selling alcoholic beverages for on-premises consumption; provided, however, the foregoing shall not prohibit the operation of a restaurant in which the sale of alcoholic beverages therein comprises not more than fifty percent (50%) of gross sales of food and beverages;
2. Any fire sale, going out of business sale, bankruptcy sale, auction house operation or similar sale (unless pursuant to a court order);
3. Any living quarters, sleeping apartments, or lodging rooms;
4. Any adult type bookstore or flea market;
5. Any industrial or manufacturing facility;
4. Any establishment renting, selling or exhibiting pornographic materials or narcotics or related paraphernalia;
5. Off track betting facility or gaming establishment, bowling alley, game room, arcade or bingo hall;
6. Gun store or other store that offers guns or ammunition for sale;
7. No sound broadcasting system or amplifying device which can be heard outside of such tenant's space (unless specifically permitted by a lease);
8. No use of sidewalks or other common areas adjacent to any tenant's space without Landlord approval (or as specifically permitted by a lease).

B. EXCLUSIVE USES: Tenant acknowledges the following exclusive uses in the Shopping Center and agrees that no portion of the Leased Premises shall be used or operated in a manner that would violate such uses:

N/A



**ECONOMIC DEVELOPMENT  
CORPORATION  
AGENDA ITEM COVER PAGE**

**MEETING DATE:** July 16, 2019

**ITEM**

**Discussion and possible action to approve a resolution in support of the Cameron County Regional Mobility Authority completing the environmental phase for the SPI 2<sup>nd</sup> Access Project and the Outer Parkway project**

**BACKGROUND**

Pete Sepulveda from the CCRMA was at our last Board meeting and reported on the status of the 2<sup>nd</sup> Access Project. The Board asked how they could help and offered to do a resolution of support to request TXDOT allow the CCRMA to complete the environmental studies on the project.

**RECOMMENDATIONS/COMMENTS**

Recommend approval.



**RESOLUTION # 2019-07**

A RESOLUTION OF THE CITY OF SOUTH PADRE ISLAND ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS TO FORMALLY REQUEST TxDOT RELEASE THE CAMERON COUNTY REGIONAL MOBILITY AUTHORITY TO PROCEED WITH THE COMPLETION OF THE ENVIRONMENTAL PHASE OF THE SOUTH PADRE ISLAND 2<sup>ND</sup> ACCESS PROJECT AND OUTER PARKWAY PROJECT

WHEREAS, the Cameron County Regional Mobility Authority's mission since its inception in 2005 is to promote safe and effective mobility, improve the quality of life for area residents, and to create economic development to attract job growth all through a sustainable transportation network; and

WHEREAS, in 2005 the Cameron County Regional Mobility Authority became the lead project sponsor for the South Padre Island 2<sup>nd</sup> Access Project; and

WHEREAS, the CCRMA worked in conjunction with TxDOT to complete a Draft Environmental Impact Study and determine a preferred location for the 2<sup>nd</sup> Access Project; and

WHEREAS, the benefits of this 2<sup>nd</sup> Access Project include improved safety conditions, facilitating mobility and access for the traveling public during emergencies, and promoting tourism and economic development opportunities for our region; and

WHEREAS, the 2<sup>nd</sup> Access Project coupled with the Outer Parkway will provide a much needed east-west corridor for Rio Grande Valley citizens to access the 2<sup>nd</sup> Access Project; and

WHEREAS, toll equity loan funds were being used for the environmental phase for the projects and the Texas Department of Transportation has placed all toll projects on hold, jeopardizing the projects moving forward; and

NOW, THEREFORE, BE IT RESOLVED that the South Padre Island Economic Development Corporation Board of Directors hereby expresses unequivocal support for the State of Texas to allow the CCRMA to proceed with the completion of the environmental phase of the SPI 2<sup>nd</sup> Access Project

PASSED AND ADOPTED by the Board of Directors on this 16<sup>th</sup> day of July 2019.

BY:

ATTEST:

\_\_\_\_\_  
Mickey Furcron, President

\_\_\_\_\_  
Darla Lapeyre, Executive Director

**ECONOMIC DEVELOPMENT  
CORPORATION  
AGENDA ITEM COVER PAGE**

**MEETING DATE:** July 16, 2019

**ITEM**

**Executive Director's Activity Report**

**BACKGROUND**

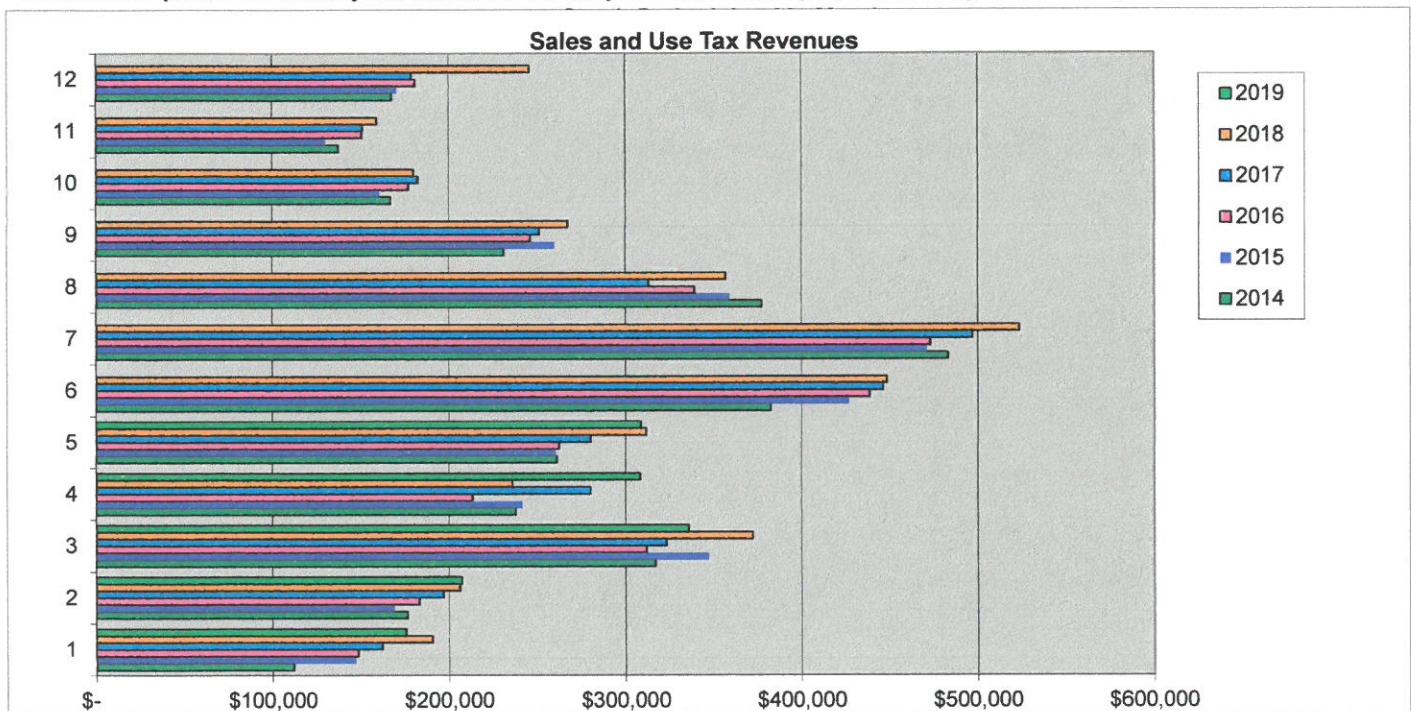
Monthly report includes economic indicators and loan fund account

**RECOMMENDATIONS/COMMENTS**

### South Padre Island Sales and Use Tax Revenues

	2014	2015	2016	2017	2018	2019	
							%
January	\$ 111,837	\$ 147,033	\$ 148,673	\$ 162,359	\$ 190,422	\$ 175,596	(7.79)
February	176,331	168,939	183,246	196,705	206,130	207,214	0.53
March	316,834	346,948	311,867	323,169	372,025	335,634	(9.78)
April	237,624	241,179	213,305	279,898	235,839	308,112	30.65
May	261,170	260,265	262,341	280,107	311,590	308,505	(0.99)
June	382,481	426,572	438,459	446,128	448,195		
July	483,156	471,196	473,223	496,833	523,677		
August	377,267	359,029	339,074	313,046	356,980		
September	231,042	259,809	245,959	251,213	267,254		
October	167,179	161,032	177,265	182,611	180,060		
November	137,595	130,352	151,043	151,463	159,287		
December	167,830	170,488	180,991	178,991	245,571		
<b>Total</b>	<b>\$ 3,050,346</b>	<b>\$ 3,142,842</b>	<b>\$ 3,125,446</b>	<b>\$ 3,262,523</b>	<b>\$ 3,497,030</b>		

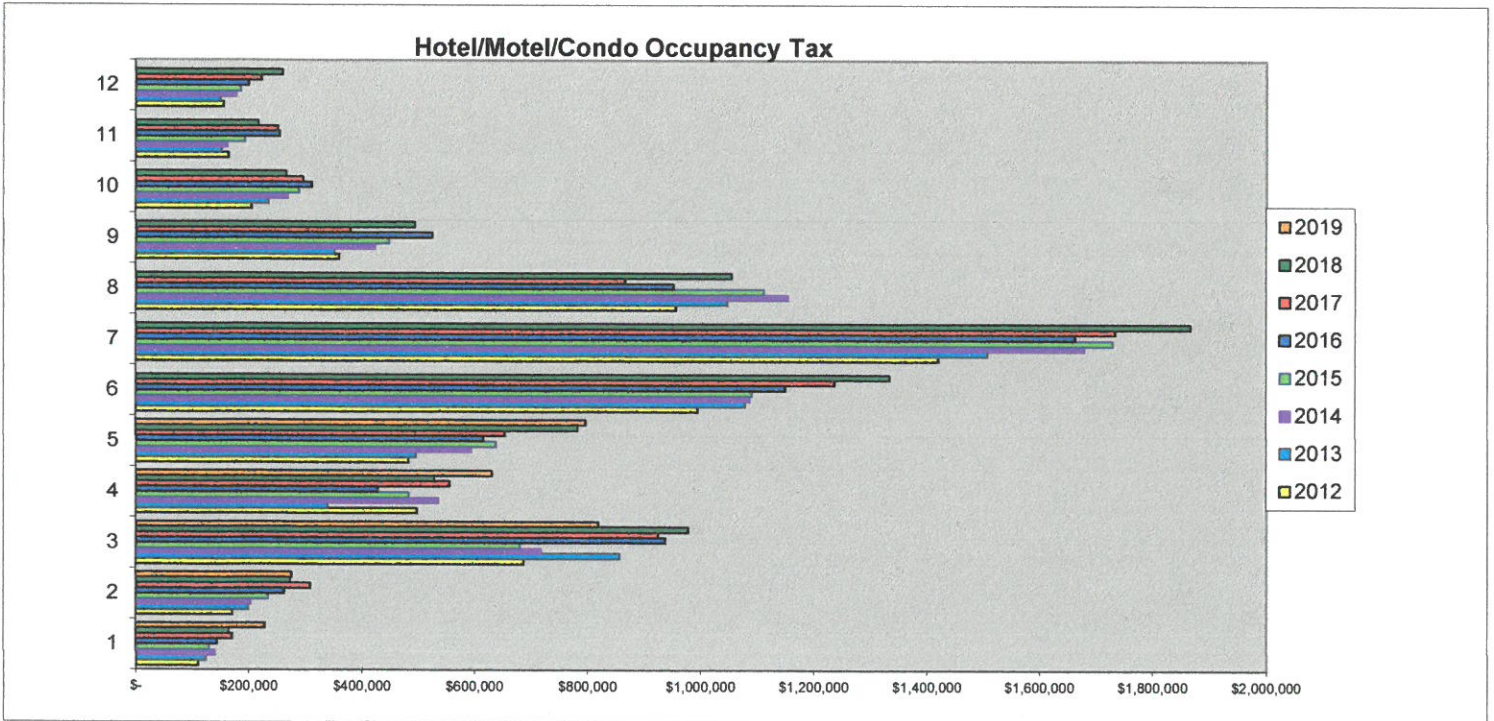
**NOTE:** Percentages of change March vs. April each year are principally the result of the month in which Easter falls. Amounts reported in January are based on January sales, for example, even though reported by the State and received by



### South Padre Island Hotel/Motel/Condo Occupancy Tax

	2012	2013	2014	2015	2016	2017	2018	2019	% change
January	\$ 109,774	\$ 123,289	\$ 140,192	\$ 130,054	\$ 144,395	\$ 171,097	\$ 164,700	\$ 228,657	38.83
February	171,451	199,626	204,078	234,729	262,332	307,996	272,536	274,976	0.90
March	687,275	855,873	718,514	680,389	936,915	925,001	978,343	819,446	(16.24)
April	497,202	338,337	535,518	482,346	428,171	554,854	527,203	630,240	19.54
May	482,275	494,883	593,135	637,343	614,276	653,664	782,548	796,574	1.79
June	994,101	1,078,509	1,086,514	1,090,245	1,149,624	1,236,747	1,333,234		
July	1,420,513	1,507,657	1,679,092	1,728,733	1,662,906	1,734,025	1,866,364		
August	955,899	1,046,929	1,153,488	1,111,051	951,521	865,453	1,054,553		
September	359,467	350,530	422,559	447,169	524,272	379,134	492,714		
October	205,150	234,719	268,955	288,878	311,226	295,670	265,913		
November	163,655	152,042	161,516	193,079	254,499	251,333	216,520		
December	155,338	149,820	177,192	185,416	199,886	221,956	259,784		
<b>Total</b>	<b>\$ 6,202,100</b>	<b>\$ 6,532,214</b>	<b>\$7,135,926</b>	<b>\$7,209,432</b>	<b>\$7,440,023</b>	<b>\$7,596,930</b>	<b>\$8,214,412</b>		

Occupancy tax is 17% as of January 2017. 10.5% is collected by the City of South Padre Island monthly, .5% by the County, 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.



**South Padre Island Property Tax Revenue**

	2013	2014	2015	2016	2017	2018	2019
<b>January</b>	\$ 768,980	\$ 774,747	\$ 775,106	\$ 842,301	\$ 809,677	\$ 889,250	\$ 921,496
<b>February</b>	587,833	697,644	643,376	851,485	779,513	906,895	605,288
<b>March</b>	154,633	129,345	126,429	133,534	245,531	243,804	172,025
<b>April</b>	85,060	97,865	108,299	108,879	164,361	178,924	95,987
<b>May</b>	100,790	74,555	68,063	54,257	88,915	67,485	152,987
<b>June</b>	77,075	98,131	84,304	94,716	78,442	78,199	110,719
<b>July</b>	135,249	125,279	111,522	85,053	70,064	121,814	
<b>August</b>	58,877	35,643	30,635	35,618	33,474	35,950	
<b>September</b>	44,457	41,480	25,557	13,612	95,148	127,921	
<b>October</b>	1,953,119	2,035,083	1,344,874	1,699,349	522,220	3,258,610	
<b>November</b>	1,925,829	1,828,594	2,797,154	2,639,129	3,863,902	1,645,455	
<b>December</b>	462,976	645,800	584,920	802,241	793,295	650,276	
<b>TOTAL</b>	\$ 6,354,878	\$ 6,584,166	\$ 6,700,239	\$ 7,360,174	\$ 7,544,542	\$ 8,204,583	
As of October 1:							
Tax rate per \$100	0.254384	0.262754	0.28564	0.30564	0.31564	0.31564	
Taxable value	\$ 2,583,563,287	\$ 2,516,386,826	\$ 2,478,519,198	\$ 2,495,811,088	\$ 2,523,614,600	\$ 2,558,588,118	

# How Opportunity Zones Work

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**Opportunity Zones**, created as a result of the passage of the Tax Cuts and Jobs Act, are low-income census tracts eligible to use tax incentives to encourage long-term investments in Zone assets and property. Opportunity Zones are designated as such by the governor or chief executive of a given state, district, or territory. All 50 states, the District of Columbia, and U.S. territories are eligible to designate Opportunity Zones.

Opportunity Zones must be created within "low-income communities," as defined by Section 45D(e) of the Internal Revenue Code (the New Markets Tax Credits Program uses the same definition). In Section 45D(e), "low income communities" are any census tract that have a poverty rate of at least 20 percent, or the median family income does not exceed 80 percent of statewide median family income. If in a metropolitan area, the median family area for such tract must not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income.

As of December 22, 2017, state governors or territory chief executives had 90 days to designate their state or territories' Opportunity Zones. A maximum of 25 percent of a state or territories' low-income census tracts may be designated as Opportunity Zones. If a given state or territory has less than 100 low-income census tracts, it may still designate 25 state Opportunity Zones.

## Tax Benefits to Investing in Opportunity Zones

For an investor to realize the tax benefits of investing in Opportunity Zones, an investor's capital gains must be invested in a Qualified Opportunity Fund with 180 days of the sale or exchange that generated the gains. Investors are then eligible to defer the tax on their capital gains until the earlier of: the date the Opportunity Fund investment is sold or December 31, 2026.

The capital gains invested in a Qualified Opportunity Fund are eligible for partial tax forgiveness if the investment is held in a Qualified Opportunity Fund for at least 5 years. After 5 years, only 90 percent of the original gain is taxed. If the investment is held for 7 years, only 85 percent of the original gain is taxed.

If an investment in a Qualified Opportunity Fund is held for 10 years, any tax on the appreciation of that investment is forgiven.

## What are Opportunity Funds?

Opportunity Funds are Treasury-certified investment vehicles, that deploy capital into Opportunity Zones. Opportunity Funds are required to hold at least 90 percent of their assets in an Opportunity Zone, or face penalty for each month it fails to meet the investment requirement. The penalty equals the amount of the investment shortfall, multiplied by the underpayment rate as defined in Section 6621(a)(2) of the Internal Revenue Code.

### Example 1: Investor holds the O-Fund stake for 10 years

Susie has \$100 of unrealized capital gains in her stock portfolio. She decides in 2018 to reinvest those gains into an O-Fund that invests in distressed areas of her home state, and she holds that investment for 10 years. Susie is able to defer the tax she owes on her original \$100 of capital gains until 2026. Further, the basis is increased by 15% (effectively reducing her \$100 of taxable capital gains to \$85). Thus, she will owe \$20 (23.8% of \$85) of tax on her original capital gains when the bill finally comes due. In addition, since she holds her O-Fund investment for at least 10 years, she owes no capital gains tax on its appreciation. Assuming that her O-Fund investment grows 7% annually, the after-tax value of her original \$100 investment in 2028 is \$176. Susie has enjoyed a 5.8% effective annual return, compared to the 2.8% an equivalent non-O-Fund investment would have delivered.

*Total tax bill in 2028: \$20*

*After-tax value of investment in 2028: \$176*

*Effective after-tax annual return on \$100 capital gain in 2018: 5.8%*

### Example 2: Investor holds the O-Fund stake for 7 years

As in Example 1, in 2018 Susie rolls over \$100 of capital gains into an O-Fund. She holds the investment for 7 years, selling in 2025. As in Example 1, she temporarily defers the tax she owes on her original capital gains and steps-up her basis by 15%, so that in 2025 she will owe \$20 (23.8% of \$85) of tax on her original capital gains. Unlike Example 1, however, Susie will owe capital gains tax on the appreciation of her O-Fund investment, since she holds the investment for less than 10 years. Assuming that her O-Fund investment grows 7% annually, in 2025 Susie will owe \$15 (23.8% of \$61) of tax on the O-Fund investment's capital gain. Susie did not take full advantage of the Opportunity Zone program but nevertheless received a 3.3% effective annual return compared to the 1.5% an equivalent non-O-Fund investment would have delivered.

*Total tax bill in 2025: \$35*

*After-tax value of investment in 2025: \$126*

*Effective after-tax annual return on \$100 capital gain in 2018: 3.3%*

### Example 3: Investor holds the O-Fund stake for 5 years

As in Example 1, in 2018 Susie rolls over \$100 of capital gains into an O-Fund. She holds the investment for 5 years, selling in 2023. As in Example 1, she can temporarily defer the tax she owes on her original capital gains, but her step-up in basis is only 10%, so that in 2023 she will owe \$21 (23.8% of \$90) of tax on her original capital gains. As in Example 2, Susie enjoys no exemption from capital gains tax on the appreciation of her O-Fund investment, since she holds the investment for less than 10 years. Assuming that her O-Fund investment grows 7% annually, in 2023 Susie will owe \$10 (23.8% of \$40) of tax on the O-Fund investment's capital gain. Susie did not take full advantage of the Opportunity Zone program but nevertheless received a 1.8% effective annual return on her initial capital gains compared to the -0.1% effective annual return an equivalent non-O-Fund investment would have delivered.

*Total tax bill in 2023: \$31*

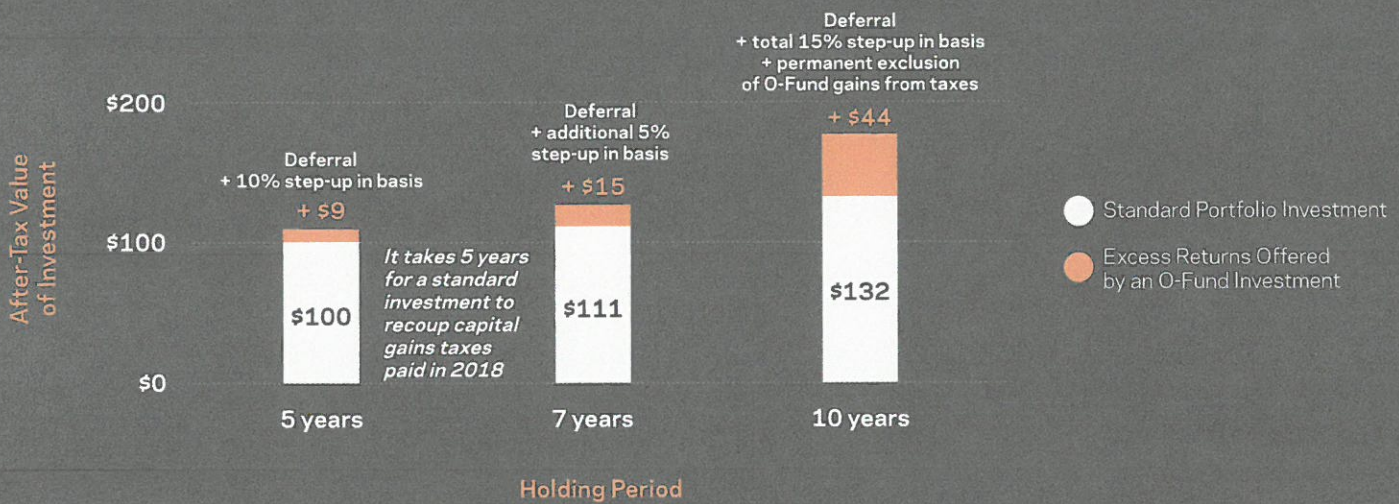
*After-tax value of investment in 2023: \$109*

*Effective after-tax annual return on \$100 capital gain in 2018: 1.8%*



Figure 1. Incentives Offered by the Opportunity Zones Program

How does a capital gain of \$100 reinvested in 2018 perform over time?



\* Note: Assumes long-term federal capital gains tax rate of 23.8%, no state income tax, and annual appreciation of 7% for both the O-Fund and alternative investment.

The Opportunity Zones program is designed to incentivize patient capital investments in low-income communities nationwide. All of the underlying incentives relate to the tax treatment of capital gains, and all are tied to the longevity of an investor’s stake in a qualified Opportunity Fund, providing the most upside to those who hold their investment for 10 years or more.

The figure above and table below illustrate how an investor’s available after-tax funds compare under different scenarios, assuming various holding periods, annual investment appreciation of 7%, and a long-term capital gains tax rate of 23.8% (federal capital gains tax of 20% and net investment income tax of 3.8%). For example, after 10 years an investor will see an additional \$44 for every \$100 of capital gains reinvested into an Opportunity Fund in 2018 compared to an equivalent investment in a more traditional stock portfolio generating the same annual appreciation. Table 1 and the examples that follow provide additional information on the tax liabilities and differences in the after-tax annual rates of return.

Table 1. How Investing in an Opportunity Fund Compares to a Traditional Stock Portfolio

Scenario: A Capital Gain of \$100 is Reinvested in 2018

Holding Period	Appreciation Rate	Investment in a Stock Portfolio		Investment in an Opportunity Fund		Difference in After-Tax Annual Rate of Return
		Total Tax Liability	After-Tax Funds Available	Total Tax Liability	After-Tax Funds Available	
5 Years	7%	\$31	\$100	\$31	\$109	1.9%
7 Years	7%	\$35	\$111	\$35	\$126	1.8%
10 years	7%	\$41	\$132	\$20	\$176	3.0%



# OPPORTUNITY ZONES: A NEW INCENTIVE FOR INVESTING IN LOW-INCOME COMMUNITIES

The Opportunity Zones program offers three tax incentives for investing in low-income communities through a qualified Opportunity Fund <sup>1</sup>:



## Temporary Deferral

A temporary deferral of inclusion in taxable income for capital gains reinvested into an Opportunity Fund. The deferred gain must be recognized on the earlier of the date on which the opportunity zone investment is disposed of or December 31, 2026.



## Step-Up In Basis

A step-up in basis for capital gains reinvested in an Opportunity Fund. The basis is increased by 10% if the investment in the Opportunity Fund is held by the taxpayer for at least 5 years and by an additional 5% if held for at least 7 years, thereby excluding up to 15% of the original gain from taxation.



## Permanent Exclusion

A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years. This exclusion only applies to gains accrued after an investment in an Opportunity Fund.



# Lone Star National Bank

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[www.lonestarnationalbank.com](http://www.lonestarnationalbank.com)



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Toll-Free Customer Service ..... (800) 580-0322  
24-Hour Phone Banking ..... (956) 984-2444  
Lost or Stolen Debit Card ..... (800) 580-0322

Date 6/28/19 Page 1  
Primary Account XXXXXXXXXXXX2005  
Enclosures

SOUTH PADRE ISLAND ECONOMIC DEVELOPMENT  
CORPORATION  
6801 PADRE BLVD  
SOUTH PADRE ISLAND TX 78597

The LSNB Card Manager functions are now available within your LSNB Mobile app. One app with all of the banking features you need at your fingertips to help you monitor your daily account activity. Enroll now to enjoy the features!

CLOSED ACCOUNT

CHECKING ACCOUNTS

NOW Checking Commercial		Number of Enclosures	0
Account Number	XXXXXXXXXXXX2005	Statement Dates	6/03/19 thru 6/30/19
Previous Balance	124,349.71	Days in the statement period	28
Deposits/Credits	.00	Average Ledger	8,882.12
1 Checks/Debits	124,349.71	Average Collected	8,882.12
Service Charge	.00		
Interest Paid	.00		
Current Balance	.00	2019 Interest Paid	126.34

Debits and Other Withdrawals

Date	Description	Amount
6/05	Closing entry - zero balance	124,349.71-

Daily Balance Information

Date	Balance	Date	Balance
6/03	124,349.71	6/05	.00

If you have overdrawn your account, be advised we have other less expensive methods to handle NSF item payments. Presenting transactions against NSF's is an expensive practice. To discuss other alternatives, call us at 1(800)580-0322 ext. 2440.

First Community Bank  
P.O. Box 2030  
1151 W. Hwy 77  
San Benito, TX 78586  
(956) 399-3331

Account Snapshot

07/08/2019  
ST052000

Branch: 4 - South Padre Island  
Phone: (956) 428-4100  
Fax: (956) 425-3100

Date: 07/08/2019  
Period: 06/05/2019 to 06/21/2019  
17 (Days)

South Padre Island Economic Development Coporation  
4601 Padre Blvd  
S Padre Isle, TX 78597-7325

Personal Banker: John C Reed

ACCOUNT #: CD - 1000089233 Public Funds Jumbo- 11 mths

Transaction Information

Effective Date	Entered Date	CK #	Description	Withdrawals/ Other Debits	Deposits/ Other Credits	Balance
6/5/2019	6/5/2019		Opening Deposit			\$0.00
6/5/2019	6/5/2019		Original Cr Rate: 2.290 %			\$0.00
6/5/2019	6/5/2019		Online Class Change From 812 To 813			\$0.00
6/5/2019	6/5/2019		CR Rate Change: 2.290 To 2.290 %			\$0.00
6/5/2019	6/5/2019		Deposit		\$124,349.71	\$124,349.71
6/21/2019	6/21/2019		Deposit		\$1,064.59	\$125,414.30