

WEST GALVESTON ISLAND PROPERTY OWNER'S ASSOCIATION

MINUTES OF THE BOARD OF DIRECTORS MEETING

November 17, 2007

Jerry Mohn, President, called the Board of Directors meeting for the West Galveston Island POA to order at 9:00 a.m. Directors making up the quorum were, Mike McCully – Pointe San Luis, Sidney McClendon – Pirates Beach/Cove, Peggy Zahler – Spanish Grant Beach; David Boyd as the designee for James DeFord – Spanish Grant Bay; Mike McCully – Pointe San Luis; Ed Nadalin – Terramar Beach; and, Marty Bilek – Dunes of the West. Susan Gonzales – CKM Property Management and Recording Secretary.

In attendance were Galveston District 6 City Council member, Dianna Puccetti, Galveston Parks Board of Trustee Chair Jeri Kinnear; Lt. Henry Poretto – also running for Galveston County Sheriff Department. Corporate sponsor recognized was Peggy Zahler - Johnson Space Center Credit Union.

MINUTES: Minutes of the October 20 meeting were sent by email and reviewed by the Board. Upon motion duly made by Peggy Zahler and seconded by Marty Bilek, the following resolution was adopted by unanimous vote.

RESOLVED THAT, the minutes of October meeting were approved as presented.

FINANCIAL REPORT Marty Bilek gave the financial report. Total cash on hand as of October 31, 2007 is \$22,820 and total assets were \$24,205. Upon motion duly made by Mike McCully and seconded by David Boyd, the following resolution was adopted by unanimous vote.

RESOLVED THAT, the financial report was approved as presented.

West End Real Estate Statistics

Alice Melott stated that it is a buyers market. Twenty percent of properties will sell in six (6) months. The twenty percent will be priced at the lowest and be in the best conditions. The eighty percent need to price in the twenty percent price ranges and do the repairs, to improve the prospect for selling.

City Council Dianna Puccetti stated:

- Jerry Patterson, Commissioner of the Texas General Land Office project is for \$13.5 million beach project is a reality and will start end of 2008.
- On golf cart use the GLO has been enforcing the no golf carts on the beach since it is considered a vehicle. City of Galveston will pass an ordinance to allow handicapped on the beach, the drivers must be licensed and the carts must be registered. The goal for the future is that anyone (licensed driver) be allowed on the beach with a golf cart.
- A new commuter rail line will be installed and will have two segments; one on the existing Pacific Union track (south segment) will go 75 miles/hour along I-45 south from League City, through Dickinson to Galveston and will off load at UTMB. During the weekend the train will travel from the Sante Fe terminal and off load at the museum. There will be six cars in each train and will travel at intervals of 30 minutes. The north section will go from League City to Downtown Houston. To show support for the new rail system contact Ron Paul or Nick Lampson.
- A container facility is planned on Pelican Island with the Port of Houston as the partner. Currently, 95% of all the containers in the Gulf go through Houston and when the expansion of the Panama Canal is complete in 2014, Pelican Island should be ready. Currently there are 1.8 million containers

per year going through Galveston. The Pelican Island Bridge will have to be rebuilt but traffic will be a problem since they estimate 3-4,000 containers per day coming through the port. Ms Puccetti would like to see a bridge built from Pelican Island to Texas City.

- The Port of Houston and Galveston would like the Parks Board to re-locate Seawolf Park, and Ms Puccetti and the Parks Board are against it.

CEPRA V & CIAP

- Jerry Mohn stated \$13.5 million work of sand would be placed on the west end with help from Marquette. The State will contribute funds and take the sand to 11 Mile Road. Pirates Beach could take the sand to 13 Mile Road with fund raising. Ultimately the goal is to take the sand to Pointe San Luis. This project can take 2 –4 years. The Project to cost \$50 million, the GLO is looking for partners. There will be a presentation at the December meeting on the CEPRA V program.
- A group is being put together to educate voters on the importance of the 4B Sales Tax.
- Phase II of CIAP program to start and will be larger.

OTHER

- The 10% max appraisal property tax increase will now occur once over a three years period rather than 10% a year.
- ASBPA/GLO Conference: October 21-24 largest ever held and a great success. A lot of new technology for shoreline restoration can be tested to help keep the sand on the beach.
- Height/Density Study: Next public meeting 12/4 Ball High Cafeteria, results of the first meeting on the city website. Expect to be finalized in 2/08.
- Marquette: 4 amendments to be considered by City Council starting at 3:00 PM, Wednesday November 28 meeting at 3:00 pm. Each speaker will be allowed 5 minutes to speak on the development agreement, re-zoning, SUP, and tall building (hotel)
- WGIPOA - Mini retreat – Board members – recycling of the Board was discussed, but since all who are on the Board enjoy being on, additional Board positions will be added. For the future the Board will meet earlier to discuss certain issues and then have the open member session. On the Marquette – WGIPOA has no position.
- GLO asked to make a presentation at the December meeting.
- Recommendations from the Board on the Comprehensive Plan.

West Galveston Bay Marsh Restoration

It takes 3 to 4 years to put all the funding necessary for a property owner association dredging of their canals. The dredge material will be used as beneficial use material in building terraces and restoring marshes. Funds are available for this type of project. A meeting was held November 15 with all interested poa's and another one will be held in December. The Coastal Beach & Bay Foundation is involved in these projects. The CBBF provides all a write-off to donations.

PROGRAM:

Parks Board of Trustees – Jeri Kinnear Chair – "Parks Board 101"

- The Park Board of Trustees of the City of Galveston was created in 1962 under the Enabling Statute of the State Legislature. By the authority of the Galveston City Council the Park Board operates, maintains, and improves parks placed under its jurisdiction as well as manages the Island's 32 miles of Gulf beaches.
- The Park Board is a 9 member volunteer board appointed by Galveston City Council Members. Staggered terms are for two years.

AN OVERVIEW OF THE PARK BOARD FOR 2005-2006

- Receives No Local Property Tax Support
- \$11.9 Million Operating Budget
- Park Board Employees
 - 56 Full-Time
 - 196 Part Time/Seasonal

THE PARK BOARD CLEANS AND MANAGES THE BEACHES

- Picked up 1.5 million pounds of garbage and debris from Galveston beaches in 2006
- Rakes beachfront from East Beach to San Luis Pass
- Assists all beach parks with construction projects

THE PARK BOARD PROMOTES TOURISM AND CONVENION BUSINESS

- Booked 41,521 rooms for group business resulting in \$11,542,838 in economic impact for Galveston in 2006
- Hosted 31,049 visitors at our two Visitor Information Centers in 2006
- Advertises and sells Galveston Island as a tourist and meeting destination
- Promotes Galveston locally, regionally, nationally and internationally

THE PARK BOARD OPERATES SEAWOLF PARK

- Visited by 130,000 tourists in 2006
- Features the USS CAVALLA submarine and USS STEWART destroyer escort
- Memorial to Lost Sailors
- Provides islanders and tourists with one of the best fishing spots
- An important historical landmark, it once served as a quarantine station for immigrants

THE PARK BOARD MANAGES SPECIAL PROMOTIONS & EVENTS

- Promotes 35+ events each year tourism
- Coordinates public relations, advertising, graphic design, logistics and on-site support
- Works with locals to make events as beneficial as possible
- Events include the AIA Sandcastle competition, Galveston Uncorked and Yaga's Wild Game Cook-off

THE PARK BOARD OPERATES GALVESTON BEACH PATROL

- Protects more than 5 million visitors per year
- Patrols Galveston's beaches from East Beach to 61st Street
- Responds to emergencies from Big Reef to San Luis Pass
- Provides assistance to the families of drowning victims via The Jesse Tree Outreach Program

HOW IS THE PARK BOARD FUNDED?

- Hotel Occupancy Tax - \$4.0 M
- HOT State Rebate - \$2.0 M
- Beach User Fees - \$1.5 M
- Parks/Other - \$4.4 M+

HOTEL OCCUPANCY TAX (HOT)

- Brimer City State Total
- **State of Texas** 4.00000 4.0000
- **Convention Center** 2.0000 2.1250 4.1250
- **Beach Cleaning** 0.5000 0.76660* 1.2666
- **Beach Patrol** 0.5000 0.66660* 1.1667
- **Arts Funding** 0.8750 0.8750
- **Advertising/Promotion** 3.0000 3.0000
- **Nourished Beach** 0.56680* 0.5667
- 2.0000 7.0000 6.00000 15.000

Note: * Received from the State of Texas in the form of a rebate.

HOT TAX USES ARE VERY RESTRICTED

- Every expenditure must:
 1. Directly enhance and promote tourism
 2. Directly promote the convention and hotel industry.

THE PARK BOARD QUALIFIES FOR A HOT TAX REBATE FROM THE STATE!

- In 1995, the Texas Legislature passed a special statute that dedicated 2% of the State's HOT Tax for public beaches in Galveston.

WHY DOES THE PARK BOARD QUALIFY FOR THE STATE REBATE?

- In order to receive the 2% State HOT Tax (worth \$2,000,000 in 2006) the city must:
 1. border on the Gulf of Mexico
 2. have a population of less than 80,000
 3. have a Park Board of Trustees.

HOW CAN THE STATE REBATE BE SPENT?

- It can fund Beach Patrol
- It can fund Beach Clean-up
- It **may not** be used for capital expenditures.

FUNDING SOURCE: BEACH USER FEES

1. Stewart Beach
2. East Beach
3. Pocket Parks
4. Dellanera RV Park

LITTLE KNOWN FACTS ABOUT THE PARK BOARD

1. The Park Board receives no property or sales taxes.
2. The Park Board voluntarily cleans beaches that are out of its jurisdiction.
3. The Galveston Island Convention Center at The San Luis Resort hosted 327 events in 2007.
4. Mardi Gras has an average \$22 Million annual economic impact on Galveston Island

OTHER FACTS

- Travel and tourism is the largest industry in the United States and the world.
- Contributing \$5.4 trillion to world's Gross Domestic Product and \$1.9 trillion to U.S.
- Travel and tourism is the largest employer in the United States and the world.
- Travel and tourism employs about 15 million people in the USA versus 14 million employed in manufacturing.
- Beaches are the leading tourist attraction in the world, the U.S. and in Galveston.
- The United States receives \$320 in taxes from beach tourists for every \$1 it spends on beach nourishment.
- Beach erosion is the number one concern that beach tourists have about beaches

BEACH RE-NOURISHMENT

- In 2006, the Park Board dedicated \$1.00 from the \$8.00 Beach User Fee to be dedicated to Beach Re-nourishment. Since this change, \$317,000 has been raised to protect Galveston's beaches.

THE PARK BOARD OF TRUSTEES:

FROM RED TO BLACK

2003	2007
(\$1,285,740)	\$1,423,882

MARDI GRAS 2008

- Parks Board and City working together to make it more family friendly. It will be held January 25 – February 5th, there will be no admission both weekends. There will be no vendors and no strolling vendors and no large stage. The business will provide the food, drinks and retail. There will be an increase in the number of parades and parties.

There being no further business to come before the Board the meeting was adjourned.

Susan Gonzales

Acting Secretary
