

Minutes

City of Dickinson

**Dickinson Economic
Development Corporation
REGULAR MEETING**

July 8, 2019

NOTICE that a **REGULAR MEETING** of the Dickinson Economic Development Corporation of the City of Dickinson, County of Galveston, State of Texas, was held on **Monday, July 8, 2019**, at **6:00 p.m.** at Dickinson City Hall, 4403 Highway 3, Dickinson, Texas 77539 in the Council Chambers for the purpose of considering the following numbered items. The Dickinson Economic Development Corporation of the City of Dickinson, Texas reserved the right to meet in a closed session on any of the below items should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

ITEM 1.) CALL TO ORDER AND CERTIFICATION OF A QUORUM: The meeting was called to order by President Robert Donley at 6:02 p.m. A quorum was present as the following members were in attendance: Jessie Brantley, Robert Donley, Chris Heard, Dawn King, Mark Martelli, Chad Rankin and Bill Schick. Also in attendance: Alison Benton, Interim Economic Development Executive Director, Mayor Julie Masters and Councilman Wally Deats. Not in attendance: DEDC Attorney Habib Erkan.

ITEM 2.) PUBLIC COMMENT: No comments were made.

ITEM 3.) CONSIDERATION AND POSSIBLE ACTION CONCERNING: Approval of the minutes of the Dickinson Economic Development Corporation's June 10, 2019 Regular Board Meeting. There was a question from Kathy Thomas, Community Strategies, regarding Item 10 allowing a 90-day Ad Hoc rather than her request of 60 days. Chris Heard explained that the additional 30 days was approved by the Board allowing Ms. Thomas to begin reaching out to potential Board of Advisors, while the Feasibility Study was being completed. Chris Heard motioned to accept the minutes as written, seconded by Mark Martelli, passing unanimously.

ITEM 4.) BRIEFING, DISCUSSION AND POSSIBLE ACTION CONCERNING: Update on Dickinson Public Market's Feasibility Study: Alison Benton presented an updated study which supports the following:

The majority of residential shoppers at the Public Market will come from between 4-12 miles away. The 385,487 residents within 12 miles of the Public Market is more than enough to support it. The industry standard finds that 20 minutes is the average time that customers will drive to a favorite retail location to do weekly shopping which falls into those customer trade

areas. The additional 2,500,000 outlying residents plus visitors leaves a significant potential customer base to market as a regional destination.

Customer Source and Financial Assumption Calculations:

Demographics are favorable for the potential customer base, but the following calculations are a conservative estimate of where the customers would be drawn on average from regional residents, domestic and international tourists, traffic counts on major thoroughfares and special events. Visitor spend is estimated to be \$30 on average, therefore generating more than \$400,000 a year in local taxes and rental revenues of nearly \$4.7M for the Public Market for operations and debt service.

1. Potential Customer Base:

- a. Regional residents within a 12 mile radius/19 minute drive time = 385,487 population
 - Therefore, assume one-half of 1% of the population (0.5% or 1 in every 200 people) within 12 miles would visit the Market = 1,927 daily visitor average
- b. Tourist visits:
 - Houston domestic visitors: 19M in 2018, 72% or 13.7M people came for leisure activities, 75% or 14.25M came for overnight visits. Assume 14M-leisure/overnight visitors average/yr or 47,397 daily visitors.
 - Houston international visitors: 3.3M in 2018 or 9041 daily visitor average.
 - Galveston travelers: 7.2M in 2018 or 19,726 daily visitor average.
 - Therefore, assume one-half of 1% of the traveler population (0.5% or 1 in every 200 people) of the 56,438 Houston domestic & international daily visitors with the 19,726 Galveston daily visitors would visit the Market = $76,164 \times 0.5\% = 381$ daily visitor average
- c. Traffic Counts:
 - 124,758 cars/day on I45 between FM 517 & FM 518, 95,326 cars/day on I45 between Texas City & FM 517, 76,752 cars/day on I45 at Galveston Island
 - Therefore, assume one-half of 1% of the population (0.5% or 1 in every 200 people) from the 110,000 average cars daily on I45 would visit the Market = 550 daily visitor average
- d. Event Activities (festivals, concerts, summer films, art shows, local talent showcases, etc):
 - 500 to 3,000 attendees (125 to 750 families of 4, assume average of 2,000 people or 500 families) x 45 events/yr = 90,000 visitors/365 days = 247 average customers per day
 - Therefore, assume 247 daily visitor average
- e. Therefore, assume 3105 average daily visitors

2. Financial Assumptions:

- a. Average spending per visit:
 - Day-tripper visitors to Galveston spend an average of \$49 per person per day, while overnight visitors spend \$115 per person per day.
 - Therefore, assume an average spend of \$30 per person per day at the Market or 3,105 daily average visitors x \$30 = \$93,150 daily sales.
- b. Tax Revenue Generation:
 - Estimated 60% taxable goods on non-food items sold:
 - Therefore, assume \$33,999,750 yearly revenue x 60% taxable = \$20,399,850 taxable sales
- c. Taxing Entities & Rates:
 - Texas: 6.25% or \$1,274,991
 - City of Dickinson: 1% or \$203,999
 - Dickinson Management District: 0.5% or \$101,999
 - Dickinson Economic Development Corporation: 0.25% or \$51,000
 - City of Dickinson Streets: 0.25% or \$51,000

- d. Building Rental Revenue:
- 27,500 square feet of rentable retail/restaurant space. Depending on use and location in the building, commercial space would be \$10 to \$30 square foot per month
 - Therefore, assume average \$15 square foot x 27,500 square feet x 90% occupancy/30 days = \$12,375/daily rent revenue
 - Adding a commercial kitchen that would enhance the viability of the Market could be available 24/7 to accommodate vendor production and competitive rates are \$30 to \$60/hr in Houston.
 - Therefore, for a commercial kitchen operation, assume \$30/hr x 15 hrs/day = \$450/day revenue.
 - Therefore, assume \$12,825 daily rent revenue
- e. Therefore, assume \$4,681,125 yearly rental revenue for the Market

Chris Heard motioned, seconded by Bill Schick to adopt the Feasibility Study as written, allowing edits/omissions and recommendations from the Board of Advisors to be brought back to the DEDC Board for consideration upon final adoption of the combined Feasibility Study & Business Plan. The vote passed unanimously.

ITEM 5.) EXECUTIVE SESSION: The board convened into Executive Session at 7:29 PM. Under Texas Government Code 551.074 to deliberate the appointment and employment of an Executive Director.

ITEM 6.) RECONVENE IN OPEN SESSION: The board reconvened at 9:12 PM.

ITEM 7.) ADJOURN: There was a motion by Chris Heard, seconded by Bill Schick to adjourn the meeting. The meeting was adjourned at 9:13 p.m.

PASSED, APPROVED AND ADOPTED this the 22nd day of July, 2019



Robert Donley
DEDC Board President