



# THE WOODLANDS

## CONVENTION & VISITORS BUREAU

### **Special Board Meeting**

**October 19, 2010**

8:30 a.m.

MINUTES OF MEETING

BOARD OF DIRECTORS

THE WOODLANDS CONVENTION & VISITORS BUREAU

The Board of Directors for The Woodlands Convention & Visitors Bureau (TWCVB) of Montgomery County, Texas held a special Meeting on October 19, 2010 in The Woodlands Township Chambers Board Room at 10001 Woodloch Forest Drive, Suite 600, The Woodlands, Montgomery County, Texas. The roll was called and those in attendance were:

Nelda Blair, Chairman

Lloyd Matthews, Treasurer/Secretary

Claude Hunter, Vice Chairman

Kent Johnson, Director

Fred Domenick, Director

Karen Hoylman, Director

Nick Wolda, TWCVB President

Director Don Norrell was out of town and not present at this meeting. Also in attendance were Bret Strong, Legal Counsel for the TWCVB, The Strong Firm; Casey Snyder, TWCVB General Manager; Kelly Overbeck, TWCVB Business Development Specialist; and Julie DeGuerre, TWCVB Event Specialist.

Agenda Item No. 1 Adoption of Agenda: Chairman Blair called the meeting to order at 8:31 a.m. and called for the Adoption of the Agenda for this meeting that was developed and duly posted as required by law. A Motion was made by Director Hunter to adopt the Agenda and seconded by Director Domenick and carried by a unanimous vote.

Agenda Item No. 2 Public Comment: None

Next Agenda Item No. 3 Consider and discuss Water Taxi Operation Services

Agreement: Chairman Blair reminded the Board members that the process to finalize the Water Taxi Agreements was a multi-year endeavor with the involvement of many from TWCVB as well as The Woodlands Township, Brazos Transit District and TWCVB Legal Counsel, Bret Strong. Each of these Agreements will be presented to TWCVB Board and presented to The Woodlands Township Board for approval.

No Board action needed.

Next Agenda Item No. 4 Consider and act upon entering into an Agreement with The Woodlands Land Development Company, L.P. in the Waterway Cruisers Bill of Sale, Assignment, and Assumption with Limited Reversionary Rights: Chairman Blair called on Legal Counsel, Bret Strong, to briefly explain this agreement. Mr. Strong explained this Agreement the first in five Agreements in which the Waterway Cruisers will be given to TWCVB by The Woodlands Land Development Company (TWLDC).

The Cruisers are being given to TWCVB by TWLDC with a Limited Right of Reversion which states that if the Cruisers are not operated for a period of five years, they go back to TWLDC based on a graduated scale of reimbursement of funds that TWCVB has invested in the Waterway Cruisers. After they have been operated for five years, they belong to TWCVB with no reversionary rights.

Director Domenick asked if the Cruisers were going to be listed on TWCVB books as a depreciable asset. Legal Counsel responded they do have to be listed as an asset and that a determination will need to be made as how to record them in TWCVB books.

Legal Counsel also pointed out that the Waterway Cruiser VIN numbers and the titles are needed and they are being secured before this agreement can be finalized. President Wolda confirmed that there are six boats and a plan for refurbishment/renovation will be discussed at a later date. Director Hunter asked about the \$10 amount that is being paid by TWCVB for the boats and asked was there anything else included in the \$10. Chairman Blair responded there is not anything else included.

A Motion was made to approve the Agreement with The Woodlands Land Development Company, L.P. in the Waterway Cruisers Bill of Sale, Assignment, and Assumption with Limited Reversionary Rights and authorize the President of TWCVB to sign the Agreement. Motion seconded by Director Johnson. Motion carried by unanimous vote.

Chairman called for any further discussion or questions:

Director Hoylman asked what the TWCVB Board of Director's liabilities are for the Cruisers as well as what is the condition of the Cruisers. Chairman Blair responded that this matter will be discussed later in the meeting.

Next Agenda Item No. 5 Consider and act upon entering into an Agreement with Brazos Transit District in the Waterway Cruisers Operation Services Agreement: Chairman Blair called on Legal Counsel, Bret Strong, to discuss. Mr. Strong explained this Agreement is between TWCVB and Brazos Transit District allowing The District to operate the Cruisers. In order to get the capital cost of contracting associated with a nonprofit organization operating for the betterment of the community, the relationship needs to be with a nonprofit 501(c)(6), which the TWCVB is and an organization that can operate them as a transit which is Brazos Transit District. Please refer to the Exhibits for this Agreement:

Exhibit "A" outlines all the services to be provided by Brazos Transit:

- Services
- Maintenance/inspections
- Personnel

Exhibit "C" is Compensation Terms: The District shall be compensated at a rate of \$58 per boat per hour operated for the calendar year 2011, with such rate to be set annually beginning on each January 1.

Director Hoylman asked if the \$58 per hour rate would be charged whether they are operating or not in operation? Mr. Strong responded that if the boat is not operating (sitting at the dock) there is no operating cost being charged to TWCVB.

Mr. Strong pointed out in Exhibit "C", Item No. 3 does state that if there are any extraordinary and unforeseen costs that may arise due to federal and/or state regulations related to security mandates that the hourly rate could be increased.

Director Hunter asked why the continuation of the involvement of Brazos Transit in the operation of the boats? President Wolda responded Brazos Transit has the operations rights on The Waterway. Under certain conditions as stated in the Agreement, another company could be considered but very careful research would need to be done to make sure TWCVB did not lose the federal funding by going with a different company.

Director Domenick asked if the \$58 was a reasonable price to charge and is there a check and balance system for determining this? Chairman Blair responded that extensive discussion and research was done in the Ad Hoc Waterway Taxi Committee regarding this \$58 amount and it was determined it was a good price.

Director Domenick asked if Exhibit “B” was a forecast for 2010? President Wolda responded this was a forecast. Director Domenick asked for an update. President Wolda responded that they were on track for about 45,000 riders so far this year. Director Domenick also asked if the financials had been audited? Legal Counsel, Bret Strong, responded they were not but facilities and other items were given a close review and Barry Goodman with the Goodman Corporation presented the numbers for 2009 as a public document to TWCVB.

Chairman Blair called for a Motion to enter into an Agreement with Brazos Transit District in the Waterway Cruisers Operation Services Agreement and authorize the President of TWCVB to execute the contract. A Motion was made by Director Matthews and seconded by Director Hoylman.

Further discussion: Director Hoylman asked for further explanation on the closure of the water corridor. Mr. Strong explained this could occur from time to time for various reasons as stated in the Agreement. Brazos has to give adequate notice and coordination has to be given to TWCVB.

Director Domenick asked how the maintaining of a 90 percent on-time performance record would be done and audited. President Wolda responded it would be a management function of TWCVB.

Director Hoylman asked if the personnel of Brazos who are involved with money exchange were bonded and, if not, can they be bonded. Chairman Blair responded that an answer to this question would be need to be determined.

Director Hoylman also asked if there was security at the boat storage/docking area. Legal Counsel, Mr. Strong responded this is an issue that will need determination.

Director Hoylman also expressed a need to keep the boat operators well informed on all current events and news about the community. Chairman Blair expressed total agreement. Consideration and thought is being given to this issue as well.

Director Johnson asked how will the catering/chartering/booking of beverage licenses be handled? Chairman Blair responded it would be handled by TWCVB. Details are still being worked through.

President Wolda offered that after all agreements are approved there may be a need to have either the Marketing Committee or a sub-committee take a look at all these concerns and issues being raised today.

Director Hunter asked if any of these agreements allowed for the possibility of a sub-lesser, such as a frequent user, having a boat docked at their place of business thus having a longer use time instead of just one per-use agreement. Mr. Strong answered that this is possible. A business can even pay to have their name on a boat. All of these type items are being studied and determinations will be made as how to handle.

Chairman Blair called for a vote on the Motion previously made (see above). Motion passed with unanimous vote.

Next Agenda Item No. 6 Consider and act upon entering into an Agreement with Brazos Transit District in the Waterway Cruisers funding Agreement: Chairman Blair called on Legal Counsel, Bret Strong, to explain. This agreement is among TWCVB, The Woodlands Township and Brazos Transit District as related to funding. The Woodlands Township will provide TWCVB with \$500,000 on or before January 31, 2011 for two main purposes. These funds are to offset any operating debt of the system and to fund renovation of the equipment. These monies will come from the general fund of The Woodlands Township and then the general fund will be reimbursed from the collection of Supplemental Room Tax during the calendar year of 2011.

After discussion, a Motion to approve the Agreement with Brazos Transit District in the Waterway Cruisers Funding Agreement and have the President of TWCVB to execute the contract was made by Director Hoylman and the Motion was seconded by Director Domenick. Motion passed by unanimous vote.

Agenda Item No. 7 Consider and act upon entering into an Agreement with The Woodlands Land Development Company in the Assignment of Service Mark: Chairman Blair explained that the TWCVB is recommending changing the current name, Water Taxis to Waterway Cruisers and she called upon Legal Counsel, Bret Strong to explain. Mr. Strong stated that TWLDC holds the rights to the name "Waterway Cruisers" and is willing to give assignment of the service mark, subject to the reversionary right, Waterway Cruiser®, to TWCVB under this Agreement.

A Motion was made to enter into an Agreement with The Woodlands Land Development Company in the Assignment of Service Mark and have the President of TWCVB execute the contract by Director Hunter. Motion was seconded by Chairman Blair. Motion passed by unanimous vote.

Agenda Item No. 8 Discuss Launch Plan of the Waterway Cruisers including renovation, marketing and public relations, and catering/special events: Chairman Blair called on President Wolda to discuss. President Wolda explained that TWCVB marketing staff had a meeting with Brazos Transit District and a local marketing firm GoThink regarding these various issues and to begin the development of a Launch Plan for marketing and advertising the Waterway Cruisers.

Those in attendance from Brazos were:

- John McBeth, CEO
- Margie Lucas, Assistant GM
- Bill Coulter, Head of Maintenance
- Wendy Dickey, Marketing and Quality Assurance Specialist

Also, in attendance was GoThink, a local marketing group very strong in launching new product concepts. They were involved in Hubbell and Hudson's launch plan and it was very successful. They have produced some incredible campaigns and have outstanding experience.

The first step will be to do market research on the Waterway Cruisers in November and December regarding who is riding, what people are looking for and why are they are riding the boats. GoThink will develop this survey and conduct the market research.

As a result of this meeting the following items were identified as needing to be a part of the Launch Plan:

- Market Research
- Refurbishing of Waterway Cruisers
- Scheduling of Waterway Cruisers
- Pricing of Waterway Cruisers
- Event Programming on Waterway Cruisers
- Development of Sponsorship Program for Waterway Cruisers

TWCVB marketing staff will be working diligently on developing a Launch Plan and will have this completed and presented at the November 3, 2010 Board meeting. No Board action needed.

Agenda Item No. 9 President's Report: Received an email and will send out to Board members from a visitor who would like to see a "No Smoking" ordinance enactment in all public facilities and restaurants in The Woodlands. The Woodlands Township cannot make ordinances and cannot regulate whether a business can be a smoking or nonsmoking facility.

Chairman Blair asked President Wolda to provide a list of the smoking/nonsmoking restaurants in The Woodlands Township for the Board.

Agenda Item No. 10 Board Announcements: None

Agenda Item No. 11 Agenda items for next meeting: None

Agenda Item No. 12: Chairman Blair called for Adjournment. Motion to adjourn made by Director Hunter and seconded by Director Hoylman and carried by unanimous vote. Meeting adjourned at 9:45 a.m.