DEVELOPMENT CORPORATION OF HARLINGEN, INC.
BOARD OF DIRECTORS’ REGULAR MEETING
April 25, 2017

Notice is hereby given that the above Board of Directors will hold a Regular Meeting on Tuesday, April 25, 2017 at 5:30 p.m. at City Hall, Town Hall, 2nd floor, 118 East Tyler Avenue, Harlingen, Texas.

The Development Corporation of Harlingen, Inc. reserves the right to meet in Executive Session on any agenda item should the need arise, and if applicable, pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code. Development Corporation meetings are available to all persons regardless of disability. If you require special assistance, please contact the HEDC office at (956) 216-5081 or e-mail us at info@harlingenedicom at least 24 hours in advance of the meeting.

AGENDA ITEMS

Call Meeting to Order

Roll Call

Pledge of Allegiance

Recognition of Guests

Public Comment

1. Consent Agenda.

   The following items are of a routine or administrative nature. The Board has been furnished with background material on each item and/or it has been discussed at a previous meeting. All items will be acted upon by one vote, without being discussed separately, unless separate discussion of any item is requested by a Board Member. Items withdrawn from the Consent Agenda for individual consideration will be heard in their normal sequence after the remainder of the Consent Agenda has been acted upon.
   a) Consider and take action to approve the minutes of March 28, 2017 regular meeting
   b) Consider and take action to approve the March 31, 2017 financial statements

2. Consider presentation and approval of proposals from Kyle Schulz, Director, Business Development, USDM for certain marketing services.

3. Consider presentation and approval of financial audit for FY 15-16 by Carr, Riggs, & Ingrum, LLC.

4. Consider presentation from David Watkins, Principal with MPC Studios, and approval of proposal for marketing services for key targeted industries.

5. Consider presentation and discussion of staff reports:

   a) Report on industrial development activities over the past few months including, but not limited to:
      1) Industrial recruitment
      2) Industrial retention activities
      3) Update on HMA activities
      4) Update on Cold Storage Facility

   b) Consider CEO’s report on recent and upcoming economic development activities:
      1) Regional partnerships update
      2) Other trade shows and events
      3) Commercial recruitment/retention activities
6. Executive Session pursuant to Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.072), regarding the purchase, lease or value of real estate, if the deliberation in an open meeting would have a detrimental effect on the position of the Development Corporation of Harlingen Inc. in negotiations with a third person regarding some of the following projects; and/or Executive Session pursuant to Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.087) regarding commercial and financial information from business prospects with which the Board is conducting economic development negotiations and/or to discuss or deliberate financial or other incentives to business prospects known as:
   a) Project Liberty
   b) Project Hay
   c) Project Lodging 2
   d) Project Lodging 3
   e) Project Target 2
   f) Potential land transaction with Harlingen Industrial Foundation, Inc. (HIFI)

7. Action, if needed, on Executive Session items.
   a) Project Liberty
   b) Project Hay
   c) Project Lodging 2
   d) Project Lodging 3
   e) Project Target 2
   f) Harlingen Industrial Foundation, Inc. (HIFI)

The Board may meet in closed executive session on any of the above agenda items if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested of the Attorney on a matter in which the duty of the attorney to the Board under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Act. Section 551.071 of the Texas Open Meetings Act.

2. The purchase, exchange, lease, or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the Harlingen Economic Development Corporation, Inc. in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.

3. A contract for a prospective gift or donation to the Development Corporation of Harlingen, Inc., if the deliberation in an open meeting would have a detrimental effect on the position of the Development Corporation of Harlingen, Inc. in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.

4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.

5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.


I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Board of Directors of the above named Corporation is a true and correct copy of said notice posted on the bulletin board at City Hall of said City of Harlingen, Texas in a place convenient and readily accessible to the general public at all times and on the Corporation’s Internet Website and said Notice was posted on Friday, April 21, 2017 at or before 5:00 p.m. and remained so posted for at least 72 hours preceding the time of said meeting.

[Signature]
Raulde Garza, CEO
Development Corporation of Harlingen, Inc.
Development Corporation
Executive Summary

I. Agenda Item: Consider and take action to approve Financial Reports for period Ending March 31, 2017.

II. Brief Overview:

Reviewing the Balance Sheet (PAGE 1), an analysis of the fund balance indicates a designated reserve of $2,000,000, an unencumbered Fund Balance of $3,779,031 and a non cash Fund Balance of $4,230,164. Total assets are shown at $40,661,328 Liabilities are reported at $30,652,132. During the month the cash NOW Accounts and the TexPool Account earned 0.010% and .6222% interest respectively. From the Statement of Revenues, Expenditures, and Changes in Fund Balance (PAGE 2), revenues are reported at $403,879 and total expenditures (Page 3) at $237,509 generating expenditures over revenues in the amount of $166,370.

Development Corp. Sales tax receipts received from Texas State Comptrollers for the month of March was $335,637 an increase of $2,824 or .85% (Page 4). In the month of March Brownsville experienced a -.95% decrease and McAllen a -6.95% decrease from the prior year.

III. Budget

Item Budgeted_____Yes______No_____X______N/A. If yes, fund (s) & Amount. If no, Sources of funding, amount requested & funds remaining.

IV. Finance Director Comments: Approved____ Disapproved_______None

VI. Staff Recommendation:

Staff recommends approval of financial reports as presented.

NAME: ELVIA TREVINO
DEPARTMENT: Finance
TITLE: Finance Director
City of Harlingen  
Development Corporation of Harlingen, Inc.  
Balance Sheet  
As of March 31, 2017

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Current Year</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$2,006,461</td>
<td>$1,347,102</td>
</tr>
<tr>
<td>Reserve Cash</td>
<td>-</td>
<td>97,733</td>
</tr>
<tr>
<td>Investments- TexPool</td>
<td>2,008,750</td>
<td>1,500,882</td>
</tr>
<tr>
<td>Receivables, Accounts - State Comptroller/Other</td>
<td>335,837</td>
<td>332,813</td>
</tr>
<tr>
<td>Receivables, Accounts - Other</td>
<td>90,108</td>
<td>105,960</td>
</tr>
<tr>
<td>Receivables - Interfund</td>
<td>9,999</td>
<td>0</td>
</tr>
<tr>
<td>Receivables - Interfund TIFRZ No. 3 (Page 7)</td>
<td>506,416</td>
<td>576,416</td>
</tr>
<tr>
<td>Prepaid Expense</td>
<td>2,111</td>
<td>0</td>
</tr>
<tr>
<td>Loans Receivable (Page 7)</td>
<td>332,959</td>
<td>388,190</td>
</tr>
<tr>
<td>Land - Project Liberty</td>
<td>10,000</td>
<td>0</td>
</tr>
<tr>
<td>Land - Project Wilson</td>
<td>555,686</td>
<td>472,444</td>
</tr>
<tr>
<td>Land - Bass Pro Shops</td>
<td>4,187,758</td>
<td>4,187,758</td>
</tr>
<tr>
<td>Buildings &amp; Improvements - Bass Pro Shops</td>
<td>36,698,765</td>
<td>0</td>
</tr>
<tr>
<td>Less: Depreciation</td>
<td>6,083,324</td>
<td>30,615,442</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$40,651,328</td>
<td>$40,742,035</td>
</tr>
</tbody>
</table>

| gm |

| LIABILITIES AND FUND BALANCE | |

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Current Year</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable - 83/77 Developer</td>
<td>$35,556</td>
<td>$32,458</td>
</tr>
<tr>
<td>Accounts Payable - Other</td>
<td>127</td>
<td>18,786</td>
</tr>
<tr>
<td>Accrued Interest BPS Land Conveyed</td>
<td>533,510</td>
<td>9,445</td>
</tr>
<tr>
<td>- Bonds</td>
<td>183,195</td>
<td>726,150</td>
</tr>
<tr>
<td>Due - General Fund - City Services Reimb.</td>
<td>0</td>
<td>4833</td>
</tr>
<tr>
<td>- Professional Services</td>
<td>0</td>
<td>4,387</td>
</tr>
<tr>
<td>- Other</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Due - In Current Year</td>
<td>8,000</td>
<td>8,000</td>
</tr>
<tr>
<td>- Compensated Absences</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>- Frost Bank Loan</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>- Bonds Payable-BPS</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Long Term Debt</td>
<td>28,855,000</td>
<td>28,005,000</td>
</tr>
<tr>
<td>Bonds Payable - BPS</td>
<td>(241,099)</td>
<td>(259,645)</td>
</tr>
<tr>
<td>BPS Land Conveyed</td>
<td>1,417,986</td>
<td>1,417,986</td>
</tr>
<tr>
<td>Frost Bank Loan</td>
<td>1,815,000</td>
<td>2,225,000</td>
</tr>
<tr>
<td>Accrued Leave (Sick/Vacation)</td>
<td>35,414</td>
<td>35,414</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>30,652,132</td>
<td>32,842,059</td>
</tr>
</tbody>
</table>

| Fund Balance | |

| Designated Reserve | 2,000,000 | 2,000,000 |
| Unencumbered Fund Balance | 3,779,031 | 1,367,822 |
| Non Cash Fund Balance | 4,230,164 | 4,532,154 |
| Total Fund Balance | 10,009,195 | 7,899,976 |

| TOTAL LIABILITIES AND FUND BALANCE | $40,661,328 | $40,742,035 |
Harlingen Economic Development Corporation

Scope of Work: *Website Configuration and Conversion Assessment*

**Proposal Overview:**

The Harlingen Economic Development Corp., ("EDC") has made Harlingen, Texas into one of the most appealing destinations for doing business in Texas. During a conversation on March 24th, the EDC indicated a need for a *Website Configuration and Conversion Assessment* to ensure that the newly launched website is configured to best practices and converting users.

This *Scope of Work* proposes a one-time assessment. The EDC would like to leverage USDM’s expertise as a digital consultancy for this engagement to provide an independent assessment of the Harlingen EDC website’s Google Analytics and potential opportunities to increase conversion of prospects/visitors on the website.

**Stakeholders:**

- Harlingen Economic Development Corporation –
  - Raudel Garza, Manager and Chief Executive Officer
- USDM –
  - Kyle Schulz, Director of Business Development

**USDM Deliverables:**

[Price]

**Google Analytics Evaluation**

USDM will provide an evaluation of the current Google Analytics configuration to guarantee that website is set-up to best practice standards and is accurately measuring the data of the website. Within this independent evaluation USDM will:

1. **Provide a Google Analytic Interface and Admin Review**
   - Make sure that data and performance analytics are set to best practices and providing accurate information
2. **Website Review**
   - Analyze the website to ensure that all sections are properly configured and are reporting activity.

**User Experience Assessment**

USDM will review the Harlingen EDC website and make recommendations to improve user/visitor conversion. USDM will perform the following:

1. Review current site for missed opportunities for conversion and call-to-action placement
2. Review Harlingen EDC’s goals for digital to align website with prospect/visitors
3. Make strategic recommendations that will increase conversion and ease of conversion the website.
 TERMS & CONDITIONS

1. Total costs include all fees. Any costs associated with travel and accommodations will be billed separately based on client approval.

2. Program fee of $4,759 (half of total payment) due immediately upon signature.

3. Final program fee installment of $4,759 (remainder of total) due 30 days from this Scope of Work signing.

4. No additional work will be performed without prior written approval from client including but not limited to implementation and development.

5. No termination will affect or limit Client's obligation to pay for Services provided prior to the effective date of termination.

6. All terms and conditions of the General Services Agreement, of which this SOW is an integral part, are expressly incorporated herein by reference.

Universal Standards for Digital Marketing, LLC (USDM)

By: ________________________________

Name (printed): ________________________

Title: ________________________________

Date: ________________________________

Harlingen Economic Development Corporation (Client)

By: ________________________________

Name (printed): ________________________

Title: ________________________________

Date: ________________________________
Harlingen Economic Development Corporation
Scope of Work: **On-Going Content (Digital) Marketing**

Proposal Overview:
The Harlingen Economic Development Corp., ("EDC") has made Harlingen, Texas into one of the most appealing destinations for doing business in Texas. During a conversation on March 24th, the EDC indicated a needed for **On-Going Content Marketing** services to optimize new content produced by the Harlingen EDC staff.

This **Scope of Work** proposes a 12-month (1 year) **On-Going Content Marketing**. The EDC would like to leverage USDM's expertise as a digital consultancy for this engagement to support content development and promotion of the EDC website to and to maximize the content development to make the new Harlingen EDC's website effective in achieving qualified visitors.

**Stakeholders:**
- Harlingen Economic Development Corporation –
  - Raudel Garza, Manager and Chief Executive Officer
- USDM –
  - Kyle Schulz, Director of Business Development

**USDM Deliverables: $60,528**

**On-Going Content (Digital) Marketing**
This 12-month (1 year) agreement is to support the EDC’s content development efforts in-conjunction with their newly website launch by delivering expert digital marketing consulting services to achieve best outcome.

1. **Search Engine Optimization (SEO)**
   - Provide monthly SEO optimization for website, and EDC content to achieve goals of content marketing program.
   - Keep the website up-to-date with Google and other SEO standards to maintain a high search engine ranking
   - Advise on newly produced content to account for digital marketing standards

2. **Content Keyword**
   - Provide on-going analysis of content keywords to make sure the new website is remaining relevant and compelling
   - Evaluate website content to identify potential missed keyword opportunities to increase digital marketing engagement
   - Track keyword phrases with high search volumes to promote content
3. **Overall Content Strategy and Planning**
   - On-going, senior level, subject matter expert providing best practice recommendations for content that is being developed to achieve desired engagement and goals
   - Share strategic insight gained from work with clients across the county to leverage best outcomes and results
   - Participate and advice in the content development process with Harlingen EDC staff

**Recommended Addition:** $24,816

**On-Going Reporting Analytics**

USDM will provide comprehensive Data and Performance Analytics reporting during the course of one (1) year for the Harlingen EDC. This service will ensure that Harlingen EDC has
- Properly configured Google Analytics to accurate capture each month's digital activity
- Track the impact of the content marketing effort based on the data
- Provide monthly reports with recommendations based on the Google Analytics

**TERMS & CONDITIONS**

**Limited Warranty and Support**

To the extent any of the deliverables listed above constitutes a website or software program ("Software"), USDM warrants the software and site will perform the functions described in the most current and mutually agreed upon specifications when properly used and is free from errors affecting business operations. "Error" refers to a verifiable and reproducible failure of the software to materially conform to the specifications, and was not caused by improper use, a modification not performed by USDM, or the failure to incorporate or use any updates or bug fixes after such are made available to Client by USDM. Notwithstanding anything to the contrary in the Agreement, USDM will fix errors in the software only for duration of 30 days after launch of the initial release of the site.

Any enhancement to the software such as development of new functionality, maintenance due to OS/platorm updates, architecture, and/or visual layouts will not be part of the maintenance agreement or limited warranty.
Change Management

Both parties agree to adhere to the scope and budget as outlined in this document. Either party may request a change in services or deliverables by submitting to the other a formal Change Order request reasonably detailing the scope of such change. These can be deliverables or services such as new site functionality, additional campaigns, additional robust reports or unexpected media buys not outlined herein.

USDM shall evaluate each change requested and provide Client with an impact assessment which shall address all relevant factors, including, without limitation, the necessity for a change in price, delivery schedules, or substitution of deliverables from SOW.

USDM shall provide to Client a written Change Order detailing the impact and cost, if any, based upon a reasonable estimation by USDM. If Client agrees to make such changes to the Statement of Work, USDM shall make every effort to affect the changes diligently, providing the necessary planning, execution and successful delivery.

All correspondence regarding changes shall be in writing. All approved Change Order requests shall be in writing and shall be considered as amendments to this Agreement or the applicable Statement of Work.

- Payments due as follows:
  - Deposit of 25% on $60,528 - $15,132
  - 12 monthly payments (in advance) of - $3,783

- No additional work will be performed without prior written approval from Client including, but not limited to, Implementation and Development.

- If either party wishes to terminate this agreement, they must notify the other party in writing 60 days prior to termination.

- No termination will affect or limit Client’s obligation to pay for Services provided prior to the effective date of termination.

- Fees quoted throughout this agreement do not include travel and accommodations cost for USDM professional staff. Client will approve all travel expenses in writing before any expense is incurred.
• Third-party vendor and technologies costs will be determined by mutual written agreement, and all expenses will be pre-approved by the Client. Subject to this advance written approval by the Client, licenses and fees for third party costs shall be billed as they occur; provided, however, that no such fees shall be incurred as a result of USDM subcontracting its obligations under this Scope of Work.

All terms and conditions of the General Services Agreement, of which this SOW is an integral part, are expressly incorporated herein by reference.

By signing this ACCEPTANCE OF SOW you have the legal authority to bind your organization.

<table>
<thead>
<tr>
<th>Universal Standards for Digital Marketing, LLC (USDM)</th>
<th>Harlingen Economic Development Corporation (Client)</th>
</tr>
</thead>
<tbody>
<tr>
<td>By: ____________________________</td>
<td>By: ____________________________</td>
</tr>
<tr>
<td>Name (printed): ________________________________</td>
<td>Name (printed): ______________________________</td>
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<tr>
<td>Title: ___________________________</td>
<td>Title: ___________________________</td>
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<td>Date: ___________________________</td>
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