Notice is hereby given that the above Board of Directors will hold a Regular Meeting on Tuesday, March 25, 2014 at 5:30 p.m. at the City of Harlingen, 118 East Tyler Avenue, Town Hall, 2nd Floor, Harlingen, Texas 78550.

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 City Secretary’s office at (956) 216-5001 or write Post Office Box 2207, Harlingen, Texas at least 72 hours in advance of the meeting.

AGENDA ITEMS

Call Meeting to Order

Roll Call

Pledge of Allegiance

Citizen Communication

1. Presentation by Rebecca Castillo, Harlingen-San Benito MPO Director, on the 2015-2040 Metropolitan Transportation Plan

2. 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 Items withdrawn from the Consent Agenda for individual consideration will be heard in their normal sequence after the remainder of the Consent Agenda has been acted upon.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:
   1) 02.25.14 – Regular Meeting
   2) 03.04.14 – Special Meeting
   3) 03.10.14 – Special Meeting

b) Consider and take action to approve the Financial Reports:
   1) February 2014

3. Staff reports:

   a) Update on Commercial development activities – Lyle Garza
   b) Update on Industrial development activities – Ramiro Aleman
   c) Executive Director’s update on – Raul Garza

4. 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 LG
   b) Project Shelby
   c) Project Student
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 said Notice was posted on Friday, March 21, 2014 at 5:00 pm and remained so posted for at least 72 hours preceding the time of said meeting.

Raudel Garza, Manager and Chief Executive Officer
Objectives

- Quick MPO Overview
- Snapshot of project accomplishments during the 2010-2035 Metropolitan Transportation Plan (MTP)
- Overview of the 2015-2040 MTP update process & timeline
- Preliminary Financial Plan & Funding Status
The Harlingen-San Benito MPO

- The Harlingen-San Benito MPO has been in existence since 1988;
- It is among 25 other MPOs in the state of Texas that has been designated by the state’s governor;
- The MPO has been charged with the responsibility to work with local, state, & federal governments, the private sector, and the general public (citizens) to plan a coordinated transportation system that is designed to move people, goods, & services affordably, efficiently, and safely throughout the MPO area;

The Harlingen-San Benito MPO

- Study area consist of 346.12 square miles;
- Serving a total population of 160,729 within the whole study area & of which 135,663 reside within the Harlingen Urbanized area (high density areas);
- 9 cities along the Harlingen Urbanized area;
- 1 TxDOT District
  - Pharr District
Representation
Transportation Policy Committee Ex-Officio Members

- Harlingen City Engineer
- Harlingen Planning Director
- San Benito Planning Director
- Cameron County Engineer
- HCISD Superintendent
- SBCISD Superintendent
- Port of Harlingen Director
- Valley International Airport Director
- CCRMA Chairman

(Continued)

What has been completed in the past 5 years?

A SNAPSHOT of project accomplishments
Upcoming Infrastructure Projects

**General Brandt (FM 106)**
- Reconstruct Roadway & Add Shoulders from FM 1847 (Paredes Ln Rd) to FM 510
- Latest Cost Estimate: 14.5 Million
- Scheduled to be let: August 2014

**South Parallel Corridor (Phase I)**
- New Location 2 lane rural roadway from FM 1479 to FM 509 (Paso Real)
- Latest Cost Estimate: 4.8 Million
- Scheduled to be let: August 2014

**Border Safety Inspection Facility**
- @ Los Indios Free Trade Bridge
- Latest Cost Estimate: 7.5 Million
- Scheduled to be let: July 2014

Metropolitan Transportation Plan (MTP)
Update Process & timeline
Metropolitan Transportation Plan (MTP)

- Draft document will be complete by the end of September 2014 & it will be available for review in October 2014 for a 45 day public comment period;
- Final Draft document with public comments incorporated will be presented for adoption to the Transportation Policy Committee on November 2014;
- Final draft document is due to Federal Highway Administration by December 14, 2014;
- Upon receipt of approval letter from FHWA the MPO will proceed with the printing and distribution of the final document and officially release the 2015-2040 Metropolitan Transportation Plan.

Metropolitan Transportation Plan (MTP)
Preliminary Financial Plan
HSBMPO Staff
Contact Information

Rebeca Castillo
MPO Director
(956) 216-5242
rcastillo@myharlingen.us

Joel Garza
GIS Analyst/Transportation Planner
(956) 216-5240
jjgarza@myharlingen.us

Kara Alcocer
GIS Analyst/Transportation Planner
(956) 216-5241
kalcocer@myharlingen.us

Estela Alvarado
Office Assistant III
(956) 216-5240
ealvarado@myharlingen.us

Harlingen-San Benito MPO
General Contact Information

Inside Lon C. Hill Building
502 E. Tyler Street
Harlingen, TX 78550
Phone: (956) 216-5240
Email: hsbmpo@myharlingen.us
Website: http://www.hsbmpo.com
Facebook: https://www.facebook.com/HSBMPO
Development Corporation of Harlingen, Inc.
Regular Meeting
February 25, 2014

On this 25th day of February 2014 at 5:30 p.m., the Development Corporation of Harlingen, Inc., Board of Directors convened at City Hall, 118 East Tyler, Town Hall, 2nd floor, Harlingen, Texas, 78550. The following board members were present.

Present
Dr. Gilbert Leal, President
Michael Lamon, Treasurer
Lupita Gutierrez-Garza,

Absent
Robert B. Dunkin, Vice President
Rick Ledesma, Board Member

Staff
Raul Garza, Manager and CEO
Brendan Hall, EDC Attorney
Ramiro Aleman, Lyle Garza, and MaryAnn Villarreal

Also Present: Mayor Chris Boswell, Commissioner Victor Leal, Accountant Raul Sanchez and Assistant Finance Director Sergio Villasana.

Call to Order
Dr. Leal called the meeting to order; a quorum was established and the following proceedings were held:

Roll Call
Dr. Leal announced Mr. Lamon and Ms. Gutierrez-Garza were present.

Please note: The following person joined the meeting at this time.
5:50 p.m. Mr. Ledesma

Comments
Former EDC board member Heriberto “Eddie” Medrano.

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:
   1) 01.28.14 – Regular Meeting

b) Consider and take action to approve the Financial Reports:
   1) January, 2014
Development Corporation of Harlingen, Inc.
Interim Financial Statements
For Month Ending January 31, 2014

**BALANCE SHEET**

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$4,542,229</td>
</tr>
<tr>
<td>BPS Trust Account</td>
<td>$9,509</td>
</tr>
<tr>
<td>Receivables – Sales Tax</td>
<td>$421,086</td>
</tr>
<tr>
<td>Receivables – Other &amp; TIFRZ No. 3</td>
<td>$771,782</td>
</tr>
<tr>
<td>Receivables – Loans</td>
<td>$490,060</td>
</tr>
<tr>
<td>Assets (Land, Building &amp; Parking Lot)</td>
<td>$40,824,933</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$47,059,599</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities &amp; Payables</td>
<td>$17,971</td>
</tr>
<tr>
<td>Due in Current Year</td>
<td>$1,395,000</td>
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<tr>
<td>Deferred Revenues-Loans</td>
<td>$490,060</td>
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<tr>
<td>Deferred Revenues-TIFRZ No. 3</td>
<td>$716,416</td>
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<tr>
<td>BPS Land Payable</td>
<td>$4,431,205</td>
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<tr>
<td>Loan</td>
<td>$2,990,000</td>
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<tr>
<td>Bonds Payable</td>
<td>$30,180,000</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$40,220,651</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designated Reserve</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Unencumbered Fund Balance</td>
<td>$2,542,228</td>
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<tr>
<td>Non-Cash Fund Balance</td>
<td>$2,296,719</td>
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<tr>
<td><strong>Total Fund Balance</strong></td>
<td><strong>$6,838,947</strong></td>
</tr>
</tbody>
</table>

**Total Liabilities & Fund Balance** $47,059,599

**STATEMENT OF REVENUES AND EXPENDITURES**

<table>
<thead>
<tr>
<th>Account</th>
<th>Current Month</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax</td>
<td>$419,104</td>
<td>$1,371,256</td>
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<tr>
<td>BPS Sales Tax-380 - City &amp; EDC</td>
<td>$16,886</td>
<td>$91,091</td>
</tr>
<tr>
<td>BPS Rental</td>
<td>$43,085</td>
<td>$233,895</td>
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<tr>
<td>Miscellaneous Revenue</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$7,238</td>
<td>$26,477</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>$486,313</td>
<td>$1,722,718</td>
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</table>

**EXPENDITURES**

<table>
<thead>
<tr>
<th>Account</th>
<th>Current Month</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Emp. Benefits</td>
<td>$43,617</td>
<td>$126,879</td>
</tr>
<tr>
<td>City Reimbursement</td>
<td>$4,833</td>
<td>$19,333</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$791</td>
<td>$12,198</td>
</tr>
<tr>
<td>Services &amp; Charges</td>
<td>$507</td>
<td>$10,379</td>
</tr>
<tr>
<td>Marketing</td>
<td>$5,328</td>
<td>$37,862</td>
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<tr>
<td>Other</td>
<td>$4,303</td>
<td>$24,968</td>
</tr>
<tr>
<td><strong>Total Operations</strong></td>
<td>$59,379</td>
<td>$231,618</td>
</tr>
<tr>
<td>Contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>Rio South Texas EDC</td>
<td>$ 0</td>
<td>$ 17,500</td>
</tr>
<tr>
<td>I-69 Alliance</td>
<td>$ 8,500</td>
<td>$ 8,500</td>
</tr>
<tr>
<td>Other</td>
<td>$ 20,000</td>
<td>$ 64,884</td>
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<tr>
<td><strong>Total Contracts</strong></td>
<td><strong>$ 28,500</strong></td>
<td><strong>$ 90,884</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Projects</th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardone Industries</td>
<td>$ 0</td>
<td>$ 125,000</td>
</tr>
<tr>
<td>BPS Construction Other</td>
<td>$ 1,147</td>
<td>$ 30,730</td>
</tr>
<tr>
<td>BPS Bond Payment</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Loan Debt Service-$4M</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Other</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td><strong>Total Projects</strong></td>
<td><strong>$ 1,147</strong></td>
<td><strong>$ 155,730</strong></td>
</tr>
</tbody>
</table>

| Total Expenditures | **$ 89,026** | **$ 478,232** |

| Revenues Less Expenditures | **$ 397,287** | **$ 1,244,486** |

Motion was made by Mr. Lamon and seconded by Ms. Gutierrez-Garza to approve Item 1 Consent Agenda. Motion carried unanimously.

Dr. Leal moved Item 3, Staff Reports, next on the agenda.

3) **Staff reports:**

   a) Update on Commercial development activities – Lyle Garza
   b) Update on Industrial development activities – Ramiro Aleman
   c) Executive Director’s update on:
      a. International marketing efforts such as BiNED
      b. Upcoming trip – the Academies of Nashville Study visit
      c. TEDC’s Site Consultant Day

Mr. L. Garza spoke about the construction Sam’s Wholesale Club and Grand Opening scheduled Thursday, March 20th.

The Blue Wave Express Car Wash is also on track to open in March. The fully-automated car wash offers high quality cleaning using an advanced system by which to do it. They will also have free unlimited self-service vacuum bays. The contractor is the same one that is building the Sam’s.

Popeye’s Chicken received final plat approval by the City Commission this week and is scheduled to begin construction next month. They will be located across the Valle Vista Mall, in front of the Conn’s Home Plus Appliances store on South Dixieland Rd. A second location has been identified on Ed Carey, however, there are right of way and other issues causing current delays.

A new Sonic Drive Inn opened this week at the old Boogedy Boos Restaurant location on the corner of Morgan Blvd and Grimes. It is expected to employ up to 20 employees and will replace the old Sonic Drive Inn across the street.
We are advertising in a number of local and national magazines over the next month including Valley Business Report, Shopping Center Business Magazine, and Expansion Solutions Magazine. We are also finalizing the Harlingen EDC’s Annual Report. It is scheduled to go to print in two weeks. The 20-page annual report will document Harlingen’s 2013 highlights and be used as marketing tool to attract prospective developers, investors and retail, commercial and industrial clients to our area.

In addition, the EDC has committed to partner with local organizations to maximize marketing efforts. These include the Rio Grande Valley WhiteWings, the Convention and Visitor’s Bureau and a few local retailers.

Next month, there are schedule of conferences and trade shows including the America Trades Produce Conference in Tubac, AZ, the TEDC Spring Conference in Dallas, and the I AMC Local Program, also in Dallas.

Chamber of Commerce Prime Time Expo – the EDC exhibited a booth at the Chamber of Commerce’s Prime Time Expo this past week. Over 100 local businesses and several hundred guests were on hand to meet, greet and exchange business ideas with each other. Over twenty business owners and prospective investors stopped by our booth and met with us at this evening event at the Casa de Amistad.

EDC staff were the guest speakers at the Center for Creative Retirement group meeting earlier this week. Staff discussed the EDC’s role in the community, past projects, and future plans for growing our community. Over twenty past and present business owners and community leaders attended and engaged in the session with staff.

As reported last month, there are two hotels currently under construction that will bring approximately 164 additional rooms to Harlingen. Candlewood Suites, located behind the Best Western Hotel, has completed the majority of exterior construction and is now working on interior design and finish outs. It is expected to open in late spring 2014. Once finished, the Residence Inn by Marriott will be a premier flagship for the Marriott hotel family in South Texas. It is located adjacent to Bass Pro Shop and is expected to open in early 2015.

Mr. Aleman spoke about the meeting with the State of Tamaulipas, Mexico, regarding the future increase in traffic at Los Indios Bridge. Next meeting will be at the US Customs office in Los Indios to discuss refrigerated space and other topics.

Mr. Aleman met with CODEM, the economic development organization for Matamoros to form joint marketing strategies in order to promote industry in west Matamoros and Harlingen.

Mr. Aleman made a presentation to Angel Ortiz with the Office of the Secretary of Economic Development for Tamaulipas, Juan Villafructe, Director of SOJIM (the largest labor union in Matamoros) and Guillermo Lash, Vice President of Canacintra Mexico (national manufacturer’s association) to familiarize them on the assets located in Harlingen. They were very pleasantly surprised at the Port of Harlingen.

Mr. Aleman attended the Medical Device and Manufacturing West Trade Show in Anaheim, CA. Ramiro met with several plastic injection molding and metal stamping companies that were interested in expanding to Texas. A company showed interest in using shelter operations in Mexico to manufacture immobilizers for children. Staff continues to follow up with these companies. While networking at the show, Ramiro met with Jean-Francois Lichtenstern, Consul General of Switzerland. Opportunities to
reach the Latin American market from Harlingen were discussed. Ramiro will continue to reach out to him.

Mr. Aleman continues to work on the Phase III of the Site Certification.

Mr. R. Garza met with a produce company that is seeking a location in Harlingen. We are moving forward with assisting them with Industrial Revenue Bonds to fund their project. They have been given the application and staff will assist them with the process.

Mr. R. Garza and Mr. Aleman met with a metal recycling company that is planning to purchase a 50 acre site near the Harlingen Industrial Park. Approximately 15-20 new jobs are expected to be created.

Mr. Aleman continues the industrial retention efforts and contacted 5 industrial companies.

Dr. Leal mentioned that we will come back to Item 3 and continued with Item 2, Presentation by Dr. Ozuna of the College of Business Administration, University Texas Pan American.

2) Presentation by University Texas Pan American’s Dean of the College of Business Administration, Dr. Teofilo Ozuna, on the College’s programs and current giving campaign.

Dr. Ozuna spoke about the program that University Texas Pan American (UTPA) is launching called “Dare to Inspire Future Leaders”. This giving campaign is for students to enhance their development in their business careers and leadership. He is asking for community leaders to donate their time and expertise to mentor the students is an opportunity for them to become future leaders.

Dr. Leal continued with Item 3, Staff Reports from the Executive Director.

Mr. R. Garza spoke about the BiNED (Binaional Economic Development Zone) meeting in Brownsville hosted by Congressman Filemon Vela and attended by US Department of Commerce Deputy Assistant Secretary Walter P. Bastian, Mayor Chris Boswell, Mayor Tony Martinez (Brownsville), and Alcaldesa Norma Salazar (Matamoros), and many other local city officials including Commissioner Tudor Uhlhorn and City Manager Carlos Yerena. The meeting’s goal was to provide an opportunity for the three major cities in this region to give the Commerce Department an overview of some of our concerns and challenges.

Later that day, Mr. Aleman, Mr. L. Garza and Mr. R. Garza met with some officials from Matamoros and Cuidad Victoria to discuss marketing efforts and build better relationships.

The following day, Mr. R. Garza joined Cameron County officials (including Commissioner Dan Sanchez, and County Administrator Pete Sepulveda) and Port of Brownsville’s Tony Rodriguez at the Free Trade Bridge in Los Indios for another discussion on the bridge and other cross-border matters with Secretary Bastian. Later that day, Harlingen EDC sponsored a luncheon with Secretary Bastian and some other Commerce Department officials. Judge Cascos, Mayor Boswell, County Commissioner Dan Sanchez, City Commissioner Uhlhorn, CCRMA members David Garza and David Allex, and others were present. It was a good discussion and it lead to a commitment from Secretary Bastian to help us financially with a joint marketing effort with Matamoros. The extent of the commitment will need to be flushed out in the next few weeks.
In other BiNED-related activities, the City Commission passed a resolution in support of BiNED at Wednesday's meeting. The City also agreed to allow use of office space in the Lon C Hill Building to the City of Matamoros for promotional purposes.

The Academies of Nashville Study Visit – March 31 – April 2, 2014:

RGV LEAD (Linking Economic & Academic Development), formerly known as Tech Prep of the Rio Grande Valley, working with the Ford Foundation, has asked several business and educational leaders from throughout the Valley to attend a two and a half day tour of educational facilities in Nashville to explore and learn about the strategies, structures, and tactics that are producing real progress in high school reform in Nashville. Per the event’s website, this agenda is structured to bring a high level view of how Nashville has engaged the business community into educational system to bring about positive change for their future workforce.

As part of the small group, Mr. R. Garza will be able to see firsthand how Nashville’s efforts can be integrated into our community’s efforts to build a better workforce. All expenses for the trip are each attendees’ responsibility.

TEDC Site Consultants Day:
On February 4th, Chairman Leal, and HEDC staff attended a Texas Economic Development Council event known as Site Consultants Day in Austin. Seven of the top site selection consultants in the US gave some instruction on various economic development topics to a group of about 100 economic development professionals throughout Texas. HEDC was among the few sponsors of the event and the only sponsor south of San Antonio.

Robert Hess, from Newmark Grubb Knight Frank, spoke about location criteria development, which essentially means trying to define what his clients want when seeking a new site for a facility. He spoke on the need for site selectors to help their clients to get comfortable with issues associated with making a move to a new location or facility. To economic developers, it means that we need to be ready to get rid of uncertainty about the area we represent. Site selection consultants, along with their clients, establish criteria for their ideal site. Then, they eliminate sites that don't match or don't provide certainty related to that particular company. So, the lesson to learn from him was that we should strive to eliminate any obstacle to development of a new site or relocation into an existing facility. That obstacle could be the lack of certain infrastructure, or unnecessary regulations, or numerous other factors.

Kate McEnroe, with McEnroe Consulting, discussed the need for economic developers to establish good databases and research. As an example, an economic developer should know how much CNC operators in the automotive industry in our area earn. Knowing the average county wage for manufacturing workers isn't enough. Specific information is necessary in order for companies to make decisions. She also discussed the necessity of having current information on our websites. Any information found to be inaccurate can be a sign that the community isn't prepared to eliminate uncertainty for the prospective company.

Don Schjeldahl, with the Don Schjeldahl Group, talked about corporate sustainability. He challenged us to look 50 years out. He mentioned that companies now look at a balanced approach to growth; addressing social, economic, and environmental issues at the same time. He mentioned that there is a push to look beyond profits, to consider societal and environmental impacts. He mentioned that Texas is now 38% Hispanic, and that the Hispanic student population is growing by a much larger percentage than any other ethnic group. He questioned whether we were preparing ourselves for that shift. He also mentioned the importance of a vibrant downtown. "A healthy downtown district is a good indication that a particular community is a good place for business," he said. It was implied that a downtown district with blight and empty storefronts showed a weak local economy.
Phil Schneider, Schneider Consulting, LLC, stated that workforce is nearly always the primary driver in site selection. He spoke on the aging workforce and the gap created as baby boomers retire that Gen X and Y populations won't be able to fill. He also quipped about the lack of soft skills among younger workers and the need to improve our education system.

Continuing on the workforce development issue, Jerry Szatan, Szatan & Associates, stated that the fastest growing group in the workforce is the 55+ year olds. Jerry also spoke on the value of training. There was a lively discussion on whether Texas can be competitive in providing training assistance to prospective companies. He and others mentioned that although Texas is good at attracting companies through financial incentives, the lack of good training programs could hurt us in the future. He urged us to "get into the high schools" to prepare our future workforce for advanced manufacturing opportunities.

Finally, Deane Foote, Foote Consultant Group, spoke about the importance of rail and transportation infrastructure to develop opportunities to take advantage of the shale oil boom in the US. Deane discussed the characteristics of good intermodal sites. He also mentioned the need to provide accurate data on workforce and on logistics costs.

This event served as both a professional development opportunity and a networking opportunity.

4) 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 and Executive session pursuant to Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.072) regarding 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 business prospects known as:

1) Project Straus

At 6:22 p.m., Dr. Leal announced the board would convene into executive session under Government Code (Section 551.087) and (Section 551.072) to discuss Item No. 4.

Motion was made by Mr. Ledesma and seconded by Mr. Lamon to convene into executive session under Government Code (Section 551.087) and (Section 551.072) to discuss Item No. 4. Motion carried unanimously.

At 6:29 p.m., Dr. Leal announced the board had completed its executive session under Government Code (Section 551.087) and declared the meeting open to the public.

No action taken.

5) 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:

1) Project Harvest
2) Project Ring
At 6:30 p.m., Dr. Leal announced the board would convene into executive session under Government Code (Section 551.087) to discuss Item No. 5.

Motion was made by Mr. Ledesma and seconded by Mr. Lamon to convene into executive session under Government Code (Section 551.087) to discuss Item No. 5. Motion carried unanimously.

At 7:07 p.m., Dr. Leal announced the board had completed its executive session under Government Code (Section 551.087) and declared the meeting open to the public.

6) Consider approval of incentive proposals outlined by staff for Project Ring call center and CRP 2200 Haine, Ltd.

At 7:07 p.m. Mr. Lamon motioned to table Item 6 and Mr. Ledesma seconded the motion. Motion carried unanimously.

There being no further business to discuss, motion was made by Mr. Ledesma and seconded by Ms. Gutierrez-Garza to adjourn the meeting at 7:08 p.m.

Development Corporation of Harlingen, Inc.

Dr. Gilbert Leal, President

ATTEST:

Raudel Garza, Manager and CEO
Development Corporation of Harlingen, Inc.
Special Meeting
March 4, 2014

On this 4th day of March 2014 at 12:00 noon, the Development Corporation of Harlingen, Inc., Board of Directors convened at University Center, 2424 Boxwood Street, Suite 126, Harlingen, Texas. The following board members were present.

Present
Robert B. Dunkin, Vice President
Michael Lamon, Treasurer
Lupita Gutierrez-Garza, Secretary
Rick Ledesma, Board Member

Absent
Dr. Gilbert Leal, President

Staff
Raudel Garza, Manager and CEO
Brendan Hall, EDC Attorney
Ramiro Aleman, Lyle Garza, and MaryAnn Villarreal

Also Present: Mayor Chris Boswell, City Manager Carlos Yerena, Commissioner Victor Leal, Commissioner Michael Mezmar, and Commissioner Basilio Sanchez.

Call to Order
Mr. Dunkin called the meeting to order; a quorum was established and the following proceedings were held:

Roll Call
Mr. Dunkin announced Mr. Lamon, Mr. Ledesma and Ms. Gutierrez-Garza were present.

1. 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:
   1) Project Ring
   2) Project Shelby

At 12:02 p.m., Mr. Dunkin announced the board would convene into executive session under Government Code (Section 551.087) to discuss Item No. 1.

Motion was made by Mr. Ledesma and seconded by Ms. Gutierrez-Garza to convene into executive session under Government Code (Section 551.087) to discuss Item No. 1. Motion carried unanimously.

At 12:54 p.m., Mr. Dunkin announced the board had completed its executive session under Government Code (Section 551.087) and declared the meeting open to the public.

2. Consider approval of incentive proposals outlined by staff for Project Ring call center.
At 12:54 p.m. Mr. Ledesma motioned to table Item 2 and Ms. Gutierrez-Garza seconded the motion. Motion carried unanimously.

There being no further business to discuss, motion was made by Mr. Ledesma and seconded by Ms. Gutierrez-Garza to adjourn the meeting at 12:55 p.m.

Development Corporation of Harlingen, Inc.

Mr. Robert B. Dunkin, Vice President

ATTEST:

Raudel Garza, Manager and CEO
Development Corporation of Harlingen, Inc.
Special Meeting
March 10, 2014

On this 10th day of March 2014 at 5:30 p.m., the Development Corporation of Harlingen, Inc., Board of Directors convened at University Center, 2424 Boxwood Street, Suite 126, Harlingen, Texas. The following board members were present.

Present
Dr. Gilbert Leal, President
Robert B. Dunkin, Vice President
Michael Lamon, Treasurer
Lupita Gutierrez-Garza, Secretary
Rick Ledesma, Board Member

Staff
Raudel Garza, Manager and CEO
Brendan Hall, EDC Attorney
Ramiro Aleman, Lyle Garza, and MaryAnn Villarreal

Also Present: Mayor Chris Boswell, Assistant City Manager Gabe Gonzalez, Commissioner Victor Leal,

Call to Order
Dr. Leal called the meeting to order; a quorum was established and the following proceedings were held:

Roll Call
Dr. Leal announced Mr. Lamon, Mr. Ledesma, Mr. Dunkin and Ms. Gutierrez-Garza were present.

1. 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:
   1) Project Ring
   2) Project Shelby

At 5:34 p.m., Dr. Leal announced the board would convene into executive session under Government Code (Section 551.087) to discuss Item No. 1.

Motion was made by Mr. Lamon and seconded by Mr. Ledesma to convene into executive session under Government Code (Section 551.087) to discuss Item No. 1. Motion carried unanimously.

At 6:12 p.m., Dr. Leal announced the board had completed its executive session under Government Code (Section 551.087) and declared the meeting open to the public.

2. Consider approval of incentive proposals outlined by staff for Project Ring call center.
At 6:12 p.m. Mr. Ledesma motioned to approve Item 2 and Ms. Gutierrez-Garza seconded the motion. Motion carried unanimously.

There being no further business to discuss, motion was made by Mr. Dunkin and seconded by Mr. Ledesma to adjourn the meeting at 6:13 p.m.

Development Corporation of Harlingen, Inc.

Dr. Gilbert Leal, President

ATTEST:

Raudel Garza, Manager and CEO
Development Corporation of Harlingen, Inc.
Interim Financials Statements
For Month Ending February 28, 2014

**BALANCE SHEET**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 2,618,408</td>
</tr>
<tr>
<td>Receivables - Sales Tax</td>
<td>$ 293,712</td>
</tr>
<tr>
<td>Receivables - Other &amp; TIFRZ No. 3</td>
<td>$ 773,092</td>
</tr>
<tr>
<td>Receivables - Loans</td>
<td>$ 487,297</td>
</tr>
<tr>
<td>Assets (Land, Building &amp; Parking Lot)</td>
<td>$40,825,058</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$44,997,567</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities &amp; Payables</td>
<td>$ 22,573</td>
</tr>
<tr>
<td>Deferred Revenues-Loans</td>
<td>$ 487,297</td>
</tr>
<tr>
<td>Deferred Revenues-TIFRZ No. 3</td>
<td>$ 716,416</td>
</tr>
<tr>
<td>BPS Land Payable</td>
<td>$ 4,431,205</td>
</tr>
<tr>
<td>Loan</td>
<td>$ 2,990,000</td>
</tr>
<tr>
<td>Bonds Payable</td>
<td>$30,180,000</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$38,827,491</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designated Reserve</td>
<td>$ 2,000,000</td>
</tr>
<tr>
<td>Unencumbered Fund Balance</td>
<td>$ 618,408</td>
</tr>
<tr>
<td>Non-Cash Fund Balance</td>
<td>$ 3,551,666</td>
</tr>
<tr>
<td><strong>Total Fund Balance</strong></td>
<td><strong>$ 6,170,076</strong></td>
</tr>
</tbody>
</table>

**Total Liabilities & Fund Balance** $44,997,567
# Statement of Revenues and Expenditures

## Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Month</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax</td>
<td>$291,301</td>
<td>$1,662,557</td>
</tr>
<tr>
<td>BPS Sales Tax-380 -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City &amp; EDC</td>
<td>$17,015</td>
<td>$108,105</td>
</tr>
<tr>
<td>BPS Rental</td>
<td>$44,301</td>
<td>$278,196</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$6,748</td>
<td>$33,225</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$359,365</strong></td>
<td><strong>$2,082,083</strong></td>
</tr>
</tbody>
</table>

## Expenditures

### Operations

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Month</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Emp.Benefits</td>
<td>$30,416</td>
<td>$157,294</td>
</tr>
<tr>
<td>City Reimbursement</td>
<td>$4,833</td>
<td>$24,167</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$1,475</td>
<td>$13,673</td>
</tr>
<tr>
<td>Services &amp; Charges</td>
<td>$(2,015)</td>
<td>$8,364</td>
</tr>
<tr>
<td>Marketing</td>
<td>$8,068</td>
<td>$45,930</td>
</tr>
<tr>
<td>Other</td>
<td>$53,556</td>
<td>$78,528</td>
</tr>
<tr>
<td><strong>Total Operations</strong></td>
<td><strong>$96,334</strong></td>
<td><strong>$327,956</strong></td>
</tr>
</tbody>
</table>

### Contracts

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Month</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rio South Texas EDC</td>
<td>$2,000</td>
<td>$19,500</td>
</tr>
<tr>
<td>I-69 Alliance</td>
<td>$0</td>
<td>$8,500</td>
</tr>
<tr>
<td>Other</td>
<td>$16,000</td>
<td>$80,884</td>
</tr>
<tr>
<td><strong>Total Contracts</strong></td>
<td><strong>$18,000</strong></td>
<td><strong>$108,884</strong></td>
</tr>
</tbody>
</table>

### Projects

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Month</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardone Industries</td>
<td>$0</td>
<td>$125,000</td>
</tr>
<tr>
<td>BPS Construction Other</td>
<td>$125</td>
<td>$30,855</td>
</tr>
<tr>
<td>BPS Bond Payment</td>
<td>$1,878,013</td>
<td>$1,878,013</td>
</tr>
<tr>
<td>Loan Debt Service-$4M</td>
<td>$430,886</td>
<td>$430,886</td>
</tr>
<tr>
<td>Other</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Projects</strong></td>
<td><strong>$2,309,024</strong></td>
<td><strong>$2,464,753</strong></td>
</tr>
</tbody>
</table>

**Total Expenditures**

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Month</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$2,423,357</strong></td>
<td><strong>$2,901,593</strong></td>
</tr>
</tbody>
</table>

**Revenues Less Expenditures**

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Month</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues Less Expenditures</td>
<td>$(2,063,992)</td>
<td>$(819,510)</td>
</tr>
</tbody>
</table>
MEMORANDUM

TO : Board of Directors
    Harlingen Economic Development Corporation

FROM : Lyle Garza

SUBJECT : Staff Report

DATE : March 25, 2014

Construction

Cracker Barrel – The newest restaurant on Bass Pro Drive is currently under construction. Venture Construction Company is building the approximately 9,000SF eatery and general store. The contractor is expected to turn over the building within ten (10) weeks weather permitting, and the restaurant should be open one month after that. The superintendent had high praise for not only all of the local subs hired, but also the city inspectors, police department and other city staff.

Ulta Cosmetics & Salon and Melrose- The new Ulta Cosmetics & Salon and Melrose retail stores are already under construction in between the Kohl’s and Burlington Coat Factory. Each store is approximately 10,000SF and will blend in with the two existing bookend structures. LSI General Contractors expect a June finish and a July opening.

Vantage Apartments - These are the new 250+ apartment units going up on the corner of Palm Court Drive and Lincoln Street. These high end apartments will include over 20 structures, carports, a club house, a dog run and other facilities. Construction is expected to continue until 2015.

Bass Pro Drive – The city recently awarded the extension of Bass Pro Drive to SJW. They have received a notice to proceed and official start date was yesterday, Monday March 24th. It is a quick construction period of only 70 days. A traffic study is being performed to research traffic counts, usage etc.

Hotels - As reported last month, there are two hotels currently under construction that will bring approximately 164 additional rooms to Harlingen. Candlewood Suites, located behind the Best Western Hotel, has completed the majority of exterior construction and is now working on interior design including sheet rock, painting and flooring. Parking lot construction was delayed due to weather and will start up again as the soils dry. Once finished, the Residence Inn by Marriott will be a premier flagship for the Marriott hotel family in South Texas. It is located adjacent to Bass Pro Shop and is expected to open in early 2015. As stated previously, the hotel will have full amenities including swimming pool, tennis courts and work out facilities.
**Marketing**  
Staff has engaged in a number of marketing meetings since our last board report. We have met with CVB, local and international associations in order to maximize advertising dollars and have a uniform marketing program.

There are a number of marketing pieces which the EDC will be unveiling in the near future. These include the Annual Report, a 60-second promotional video and new pages and links to our website. Staff also met with various entities to discuss other promotional possibilities including billboards, international bridge ad distribution and television commercial spots.

**Business Retention**  
Staff met with various commercial business owners over the last few weeks to discuss Business Retention and Expansion possibilities. Included in the meetings were business owners and managers from the multi-family/apartment, restaurant, retail and residential development sectors of the local market.

The goal of these meetings is to gain a better understanding of current trends, business expansions, sales, business upswings and downswings. This will help staff better prepare ourselves as we work with outside developers to attract primary jobs to the local community.

Lastly, staff met with management from Valle Vista Mall and Simon Property Group to discuss a concept that the Simon group is looking to introduce to Harlingen.
“This was 20 years in the making so we decided to give the people what they want. Harlingen is the center point of everything. It had to be Harlingen!”

-Gabby Goodwin, Sam's Club Manager Harlingen

Harlingen is one of the fastest developing cities in Texas. More and more people are coming home to Harlingen than ever before. More people means more customers wanting your business. There's a 250+ apartment complex going up in West Harlingen, with at least two new hotels under construction including the new 92-room Residence Inn by Marriott on Bass Pro Drive. New pad development sites are available near the new Sam's Club, in front of Bass Pro Shops, next to the new Cracker Barrel, near the new Burlington Coat Factory and new Ulta Salon and Cosmetics. New developments are growing all along the crossroads of I-2 and I-69 East. Given all the growth going on around here, it's time for you to Come Home...To Harlingen!

Looking for investment, expansion or relocation opportunities?
Call Raudel Garza, CEO at 956.216.5081
www.harlingenedc.com

facebook.com/HarlingenEDC
@TxExRaulGarza
MEMORANDUM

TO : Board of Directors  
     Harlingen Economic Development Corporation

FROM : Ramiro Aleman

SUBJECT : Staff Report

DATE : March 21, 2014

Marketing of Los Indios Bridge

Staff has met with representatives from Cameron County and the Port of Brownsville at CBP's inspection area at the Free Trade Bridge. They are willing to provide an area of their dock to be used as a cold storage area. Ramiro is working on getting a quote for purchase and installation of the unit from a company in Harlingen. Because of the question of maintaining and managing the facility, CBP recommended the group take a tour of the World Trade Bridge in Laredo to see how they operate their cold storage facilities.

Staff attended a meeting with representatives from Cameron County and DPS to address the issue of excessive inspections. Data shows that while inbound traffic in Hidalgo and Webb Counties have increased, inbound traffic in Cameron County has declined. Representatives from the transportation industry say that is because of the perception that the DPS in Cameron County is inspecting and fining too often. Eddie Campriano with the Port of Brownsville says that trucking companies to the north have implemented a premium just to drive into Cameron County. DPS own data shows that even though they inspect a total number more in Hidalgo and Webb, they percentage is disproportionately higher in Cameron. If instance 300,000 more trucks enter the US through Pharr Bridge than Los Tomates Bridge, but only 9,000 more inspections were done. DPS is aware of the “perception” in Cameron and is looking at the possibility of moving inspectors to where there is more traffic.

International Relations

Staff met with the Vice President of CODEM, the economic development organization for Matamoros to begin to form joint marketing strategies in order to promote industry in west Matamoros and Harlingen. We have embarked on a branding campaign to figure out a name for the initiative, a slogan and a logo. Then we will develop a website with all of the advantages of locating a facility in the area.
Site Certification

After sending out an RFP to two more firms, one of the original firms expressed interest in managing phase III. Staff is expecting a budget within the first week in April. The representative said that the time frame to complete the project would be met.

Industrial Recruitment Activities

Staff developed a proposal for State Lead Project Yellow Kiskadee. The client is seeking between 65,000 and 150,000 sf for lease. The proposed site is the available 100,100 sf facility in Los Indios.

Staff wrote a letter of support for Union Steel & Metal Recycling, a metal recycling company that is planning to purchase a 50 acre site near the Harlingen Industrial Park. Approximately 15-20 new jobs are expected to be created.

Staff provided information on different sites to a local broker. They are working with a company out of Monterrey that is interested in 8 acres with rail access.

Industrial Retention Activities

Staff visited 3 industrial companies.

Asphalt Products – Purchase petroleum based product mainly from refineries in Corpus Christi. They make “potting” which they sell to companies that make ballasts which are used in the manufacturing of fluorescent lamps and LED screens. They have 12 employees and have expressed the need for expansion within the next year or two.

Ad Tech – Metal stamping parts for seats and air bags for the automotive industry. They have 30 employees and have expressed the need for expansion in the next 2-3 years. Ad Tech has a plant in Matamoros as well.

Penn Aluminum – Metal extrusion for automotive industry. They have 32 employees and their business is on an upward trend.