DEVELOPMENT CORPORATION OF HARLINGEN, INC.
BOARD OF DIRECTORS’ REGULAR MEETING
May 26, 2015

Notice is hereby given that the above Board of Directors will hold a Regular Meeting on Tuesday, May 26, 2015 at 5:30 p.m. at City of Harlingen, Town Hall, 2nd Floor, 118 East Tyler Avenue, 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 HEDC office at (956) 216-5081 or e-mail us at info@harlingenedc.com at least 24 hours in advance of the meeting.

AGENDA ITEMS

Call Meeting to Order

Roll Call

Pledge of Allegiance

Citizen Communication

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 Items withdrawn from the Consent Agenda for individual consideration will be heard in their normal sequence after the remainder of the Consent Agenda has been acted upon.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) 04.28.15 – Regular Meeting
      2) 05.14.15 – Special Meeting

   b) Consider and take action to approve the Financial Reports of:
      1) April, 2015

   c) Consider and take action to authorize CEO to enter into marketing agreement with Valley International Airport.

2. Discussion and take action to conduct annual election of certain Board positions: President, Vice President, Treasurer, and Secretary.

3. 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 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 Wilson
   b) Project JMC
   c) Project Mountain
4. Action, if needed, on Project Wilson, as discussed in executive session.

5. Action, if needed, on Project JMC, as discussed in executive session.

6. Staff reports:
   a) Update on Commercial development activities – Lyle Garza
   b) Update on Industrial development activities – Ramiro Aleman
   c) Executive Director’s report on economic development activities – Raudel Garza

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, May 22, 2015 at or before 12:00 p.m. and remained so posted for at least 72 hours preceding the time of said meeting.

Raudel Garza, Manager and Chief Executive Officer
Development Corporation of Harlingen, Inc.
Regular Meeting
April 28, 2015

On this 28th day of April 2015 at 5:30 p.m. the Development Corporation of Harlingen, Inc., Board of Directors convened at the University Center, 2424 Boxwood Street, Suite 125, Conference Board Room, Harlingen, Texas. The following board members were present.

Present
Robert B. Dunkin, President
Michael Lamon, Vice President
Rick Ledesma, Secretary
Dr. Gilbert Leal, Board Member

Absent
Lupita Gutierrez-Garza, Treasurer

Staff
Raul Garza, Manager and CEO
Ramiro Aleman, Lyle Garza, and MaryAnn Villarreal

Also present were Mayor Chris Boswell, Commissioner Basilio Sanchez, Assistant City Manager Gabe Gonzalez, Assistant Finance Director Sergio Villasana, and Accountant Raul Sanchez.

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

Roll Call
President Dunkin announced Mr. Lamon, Mr. Ledesma and Dr. Leal were present.

Pledge of Allegiance
President Dunkin led the Pledge of Allegiance.

Citizen Communication
Yolanda Shofflett.

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 the regular meeting of March 31, 2015.

b) Consider and take action to approve the Financial Reports of March 2015.
Motion was made by Dr. Leal and seconded by Mr. Lamon to approve Consent Agenda. Motion carried unanimously.

The March 2015 financials were presented and approved as follows:

Development Corporation of Harlingen, Inc.
Interim Financial Statements
For Month Ending March 31, 2015

**Balance Sheet**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$2,656,101</td>
</tr>
<tr>
<td>Receivables</td>
<td>$1,377,315</td>
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<tr>
<td>Prepaid Expense</td>
<td>$0</td>
</tr>
<tr>
<td>Assets (Land, Building &amp; Parking Lot)</td>
<td></td>
</tr>
<tr>
<td>Less Depreciation</td>
<td>$37,596,440</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$41,629,856</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities &amp; Payables</td>
<td>$1,055,693</td>
</tr>
<tr>
<td>BPS Land Payable</td>
<td>$4,431,205</td>
</tr>
<tr>
<td>Loan</td>
<td>$2,615,000</td>
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<tr>
<td>Bonds Payable</td>
<td>$29,110,000</td>
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<tr>
<td>Total Liabilities</td>
<td>$37,211,898</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Designated Reserve</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Unencumbered Fund Balance</td>
<td>$656,101</td>
</tr>
<tr>
<td>Non-Cash Fund Balance</td>
<td>$1,761,857</td>
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<tr>
<td>Total Fund Balance</td>
<td>$4,417,958</td>
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</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Liabilities &amp; Fund Balance</td>
<td>$41,629,856</td>
</tr>
</tbody>
</table>

**STATEMENT OF REVENUES AND EXPENDITURES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Month</th>
<th>Year to Date</th>
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</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>$378,744</td>
<td>$2,492,780</td>
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<tr>
<td>Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>$80,905</td>
<td>$430,504</td>
</tr>
<tr>
<td>Contracts</td>
<td>$28,000</td>
<td>$120,040</td>
</tr>
<tr>
<td>Projects</td>
<td>$1,290</td>
<td>$2,547,155</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$110,195</td>
<td>$3,097,700</td>
</tr>
<tr>
<td>Revenues Less Expenditures</td>
<td>$268,639</td>
<td>($604,920)</td>
</tr>
</tbody>
</table>

2. **Consider request from the University Center to approve three proposed programs brought forward by Wayland Baptist University.**

University Articulation Career Center Director Yvette Garcia reviewed the proposal to add a Bachelor of Applied Science in Computer Science, a Bachelor of Applied Science in Banking and Finance, and a Master of Business Administration. After some discussion about the programs, accreditation and the questions of the need for us to have to approve courses of study, a motion was made by Dr. Leal and seconded by Mr. Ledesma to approve the request from University Center approving the new programs from Wayland Baptist University. Motion carried unanimously.
3. Discussion and take action on Alliance for I-69 Texas membership.

Alan Johnson commissioner with the Port of Harlingen is the Alliance for I-69 Texas Board Member representing Harlingen and has been the representative for several years. Mr. Lamon questioned the fiscal impact and made a motion to approve the membership for $8,620.00. Motion was seconded by Mr. Ledesma. Motion carried unanimously.

4. Consider and take action to adopt Resolution #15R-01 supporting the Port of Harlingen’s efforts to gain an overweight corridor from the Free Trade International Bridge at Los Indios to the Port of Harlingen and surrounding industrial areas.

Motion was made by Mr. Lamon and seconded by Mr. Ledesma to approve Resolution #15R-01. Motion carried unanimously.

The resolution is as follows:

RESOLUTION NO. 15R-01

A RESOLUTION IN SUPPORT OF THE PORT OF HARLINGEN’S EFFORTS TO DESIGNATE FARM-TO-MARKET ROAD 509 AS AN OVERWEIGHT CORRIDOR FROM I-69E TO THE PORT OF HARLINGEN, THE HARLINGEN INDUSTRIAL PARK AND THE HARLINGEN AEROTROPOLIS AT VALLEY INTERNATIONAL AIRPORT.

WHEREAS, The Development Corporation of Harlingen, Inc. wishes to encourage economic ventures in Harlingen, within Cameron County and the Rio Grande Valley, Texas,

WHEREAS, on February 20, 2015, State Representative Eddie Lucio Jr. filed House Bill 1741 for the route designation for the issuance of a permit for the movement oversized and overweight vehicles along Farm-to-Market Road 509 and Farm-to-Market Road 108, and;

WHEREAS, on March 13, 2015, State Senator Eddie Lucio Jr. file Senate Bill 1803 for the route designation for the issuance of a permit for the movement oversized and overweight vehicles along Farm-to-Market Road 509 and Farm-to-Market Road 108, and;

WHEREAS, the purpose of the Development Corporation of Harlingen, Inc. is to promote economic and industrial development in the Harlingen area, and;

WHEREAS, the Development Corporation of Harlingen, Inc. leads in creating an environment in which companies can thrive and create jobs and capital investment in the Harlingen area;

WHEREAS, the Development Corporation of Harlingen, Inc. believes the designation of an overweight corridor from the Free Trade Bridge at Los Indios to the Harlingen Industrial Park and the Harlingen Aerotropolis at Valley International Airport along Farm-to-Market Road 509 and along Farm-to-Market Road 108 to the Port of Harlingen contributes to a pro-business environment;

NOW THEREFORE BE IT RESOLVED BY THE DEVELOPMENT CORPORATION OF HARLINGEN, INC. OF THE CITY OF HARLINGEN, TEXAS:

Section 1. That the Development Corporation of Harlingen, Inc. wishes to lend its support for The Port of Harlingen to establish an overweight corridor from I-69E to the Port of Harlingen, Harlingen Industrial Park and the Harlingen Aerotropolis.

Section 2. That the Development Corporation of Harlingen, Inc. encourages its citizens and businesses to support and encourage The State of Texas to establish an overweight corridor from I-69E to the Port of Harlingen, Harlingen Industrial Park and the Aerotropolis Harlingen.

CONSIDERED AND ADOPTED THIS 28th Day of April, 2015 at a regular meeting of the Development Corporation of Harlingen, Inc. of the City of Harlingen, Texas at which a quorum was present and which was held in accordance with TEXAS GOVERNMENT CODE, TITLE 5 SUBTITLE A, CHAPTER 551, as amended.
5. Consider and take action to adopt Resolution #15R-02 supporting the City of Harlingen’s application for a grant from the Texas Department of Transportation’s Transportation Alternative Program (TAP) allowing for construction of new sidewalks and other enhancements along Harrison and Tyler Avenues.

Motion was made by Mr. Ledesma and seconded by Mr. Lamon to approve Resolution #15R-02. Motion carried unanimously.

The resolution is as follows:

RESOLUTION NO. 15R-02

A RESOLUTION OF DEVELOPMENT CORPORATION OF HARLINGEN, INC. IN SUPPORT OF THE CITY OF HARLINGEN’S SIDEWALK IMPROVEMENT PROJECT APPLICATION TO THE TRANSPORTATION ALTERNATIVES PROGRAM (TAP) FUNDING COMPETITION IN THE TEXAS DEPARTMENT OF TRANSPORTATION 2015 PROGRAM CALL FOR PROJECTS

WHEREAS, the Texas Department of Transportation issued a call for nominations in January 2015 for communities to apply for federal funding assistance made available through the Moving Ahead for Progress in the 21st Century Act (MAP-21); and

WHEREAS, the City of Harlingen’s Sidewalk Improvement Project will provide for sidewalk improvements along Tyler Avenue from ‘F’ Street to Business 77, Harrison Avenue from ‘F’ Street to Business 77, and Commerce Street from Harrison Avenue to East Filmore Street to enhance the aesthetic resources along the City’s transportation corridors; and

WHEREAS, the City of Harlingen has requested from the Development Corporation of Harlingen Inc., a resolution in support of the grant application to the Texas Department of Transportation; and

WHEREAS, the addition of the sidewalks would benefit the area by allowing pedestrians to travel safely to their business destinations, and provide access to the public transportation system; and

WHEREAS, the addition of the sidewalks would benefit the area by allowing for safer walking commutes for the children of our community on their way to and from school; and

WHEREAS, the Development Corporation of Harlingen Inc. supports a healthier quality of life for our community by encouraging the use of sidewalks as a means of promoting exercise and alternative means of transportation in Harlingen,

NOW, THEREFORE, BE IT RESOLVED BY DEVELOPMENT CORPORATION OF HARLINGEN, INC. OF THE CITY OF HARLINGEN, TEXAS:

The Development Corporation of Harlingen, Inc. is providing this resolution in support of the City of Harlingen constructing sidewalks along Harrison and Tyler Avenues, between ‘F’ Street and Business 77 Sunshine Strip, and Commerce Street between Harrison and Filmore Avenue to enhance the resources along the city's major transportation corridors.

CONSIDERED AND ADOPTED THIS 28th day of April, 2015 at a regular meeting of the Development Corporation of Harlingen Inc. of the City of Harlingen, Texas at which a quorum was present and which was held in accordance with TEXAS GOVERNMENT CODE, TITLE 5 SUBTITLE A, CHAPTER 551, as amended.

DEVELOPMENT CORPORATION OF HARLINGEN, INC.
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 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 Mountain  
b) Harlingen Venture No. Two, L.P.  
c) Project Western

At 6:01 p.m., President Dunkin announced the board would convene into executive session under Government Code (Section 551.072, and Government Code (Section 551.087) to discuss Item No 6.

Motion was made by Mr. Lamon and seconded by Dr. Leal to convene into executive session under Government Code (Section 551.072), and Government Code (551.087). Motion carried unanimously.

At 6:35 p.m., Mr. Dunkin announced the board had completed its executive session under Government Code (Section 551.072), and Government Code (Section 551.087), and declared the meeting open to the public.

7. Consider and take action on Development Agreement with Project Mountain.

Motion was made by Michael Lamon to approve the Development Agreement with Project Mountain subject to having the two points discussed in executive session negotiated by the Manager/CEO and EDC attorney. Rick Ledesma seconded the motion. Motion carried unanimously.

8. Consider approval of and take action on the Third Amendment to the Agreement between the Development Corporation of Harlingen, Inc. and Harlingen Venture No. Two, L.P. and authorize execution of Estoppel Certificate.

Discussion on the item included a review of the request from staff and presentation of some background material.

Motion was made by Dr. Leal and seconded by Mr. Ledesma to approve the Third Amendment to the Agreement between the Development Corporation of Harlingen, Inc. and Harlingen Venture No. Two, L.P. and to authorize President to execute such documents necessary. Motion carried unanimously.
9. Consider and take action on request from Project Western.

No Action was taken on Project Western.

10. Staff reports:

   a) **Update on Commercial development activities – Lyle Garza**
   b) **Update on Industrial development activities – Ramiro Aleman**
   c) **Executive Director’s report on economic development activities – Raudel Garza**

Mr. L. Garza gave an oral report on the commercial development activities and supplied the board with a written report as follows:

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MEMORANDUM

TO:       Board of Directors
          Harlingen Economic Development Corporation

FROM:     Lyle Garza

SUBJECT:  Staff Report

DATE:     April 28, 2015

CONSTRUCTION
Palms Behavioral Hospital received their construction permit from the city last month. Their general contractor has hired local crews (J Closser and Sons) to work on site work, foundation preparation, and the new street entrance for the 40-acre development. The 94-bed hospital is expected to open by the end of the year.

The new $2.9 million Bert Ogden Toyota dealership on Tamm Lane is also under construction. Crews from Johnson Brothers Construction are working on completing the interior framework and the utility site work. They expect the dealership to be fully enclosed by the end of next week. This week, the glass for the facia is being delivered, and the new Toyota pylon sign is being installed. Rain in February and March prevented them from a May opening, however, according to General Manager Adrian Burone, the 54,000 square foot showroom and service center will be ready for a Fourth of July grand opening.

MARKETING and BUSINESS ATTRACTION
In March, the EDC continued its marketing campaign with ads in the Valley Business Report and Business Xpansion Journal. We also worked closely with MPC Studios to create new ads for the rest of the fiscal year. The new ads may highlight items such as our business parks, our airport, new commercial properties and available land. In addition to the new ads, we worked with Gabriel Puente-RGVision, Beverly Ticer-Digital Aim and David Watkins with MPC Studios to discuss improving our EDC website via a mobile application, better content management, and improved navigation and relevant information.

COMMERCIAL DEVELOPMENT
The new Italian restaurant – Stefano’s, opened on Business 83 and Palm Drive this month. Owner Steve Mohamed purchased the Lonestar Restaurant last summer, and to date, has invested over $1 million to renovate the restaurant. He currently employs 110 full and part time employees. They have a full selection of Italian cuisine and cater to private parties as well.

Staff also had several meetings with potential investors looking to open new businesses in Harlingen. Mr. J. Trevino hopes to open a new gym. There were also meetings with a potential restaurant owner, and continued meetings with a rental equipment owner, and two health-related facilities.
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Last month, we mentioned that several national franchise restaurants have expressed interest in Harlingen. Those talks continue and have been expanded due to several of the real estate directors that we stay in contact with have expressed interest in various locations across town.

During conversations with Mr. Barone with Toyota, he expressed the high volume of units that are being sold out of the downtown location. He stated that last month over 150 vehicles were sold, and he expects to do as much again this month.

Finally, Qualfon received their permanent certificate of occupancy from the City and are now operational. They have hired over 140 employees and will be having a ribbon cutting May 28th. They will be operating out of the first floor, but once the second floor is finished, as many as 600 employees could be working at the site per shift. Invitations to the ribbon cutting will be sent out very soon.

Bert Ogden Toyota Dealership

Palms Behavioral Hospital

Mr. L. Garza ended the report.
Mr. R. Aleman gave an oral report on the industrial development activities and supplied the board with a written report as follows:

MEMORANDUM

TO: Board of Directors
Harlingen Economic Development Corporation

FROM: Ramiro Aleman

SUBJECT: Staff Report

DATE: April 23, 2015

Site Certification
After an approximately year long process of obtaining engineered plans, environmental studies, and researching site characteristics, staff can now report the completion of the Site Certification Process. As of 4/20/15, the Harlingen Aerotropolis at Valley International Airport is designated as a “Certified Site” in the Large Park category by McCallum Sweeney, a world renowned site location and economic development consultant, under AEP’s Qualified Sites Program. This site is the first in the entire state of Texas to qualify.

Cameron County Logistics Alliance
Staff continues to meet with representatives from the Port of Brownsville, Cameron County and San Benito to develop a program of work in order to increase traffic at the Los Indios International Bridge and market the available sites in the region. A preliminary feasibility study has been completed on the viability of infrastructure improvements at the bridge. Also, an MOU was drafted where the State of Tamaulipas and the Cameron County Logistics Alliance agree to jointly market the bridge and surrounding area on both sides.

Industrial Recruitment Activities
Met with several companies interested in opening a manufacturing business in Harlingen including Project Slate. Provided land, labor cost along with permitting information to a Mexican based company interested in a location on the US side of the Mexican border.

Industrial Retention Activities
Met with Gary Mason, the new President of Valley International Cold Storage in the Industrial Park. They have future plans for expansion. Staff offered to host a job fair and set up meetings for programs for which they may qualify for hiring more people.

Also, Staff continues to follow up with Space X as per our Development Agreement.

Harlingen Manufacturer’s Association
HMA held its monthly meeting at HEDC offices. A presentation was made by Environmental Energy Improvements. With the summer months approaching, it is a good idea to listen to what can be done in order to reduce the electricity bill to a home or business. A total of five new and renewed yearly memberships were received during the month.

Harlingen Industrial Foundation
HIFI held its monthly meeting at the HEDC offices. The guest speaker was Ray Henry, Environmental Energy Improvements. Mr. Henry spoke about ways the average person can reduce the amount of energy used to cool a home or business.

Mr. Aleman ended the report.
Mr. R. Garza mentioned the 31st Space Symposium in Colorado Springs that he attended along with Marv Esterly and the many industry leaders he met while promoting Harlingen. Mr. R. Garza made two trips to Austin in support of the overweight corridor efforts. He spoke about the BiNED Group that is growing and the meetings to continue the structure of the organization.

There being no further business to discuss, motion was made by Ms. Gutierrez-Garza and seconded by Dr. Leal to adjourn the meeting at 7:02 p.m.

Development Corporation of Harlingen, Inc.

______________________________
Mr. Robert B. Dunkin, President

ATTEST:

______________________________
Raudel Garza, Manager and CEO
Development Corporation of Harlingen, Inc.
Special Meeting (Workshop)
May 14, 2015

On this 14th day of May, 2015 at 11:30 a.m. the Development Corporation of Harlingen, Inc., Board of Directors convened at the University Center, 2424 Boxwood Street, Suite 125, Conference Board Room, Harlingen, Texas. The following board members were present.

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

Staff
Raul Garza, Manager and CEO
Lyle Garza, Ramiro Aleman and MaryAnn Villarreal

Also present were Mayor Chris Boswell, Commissioner Victor Leal, Commissioner Mike Mezmar, Finance Director Elvia Trevino, Assistant Finance Director Sergio Villasana, and Senior Accountant Raul Sanchez.

Call to Order
President Dunkin called the meeting to order at 11:37 a.m.; a quorum was established and the following proceedings were held.

Roll Call
President Dunkin, Mr. Lamon, Mr. Ledesma and Dr. Leal were present. Ms. Gutierrez-Garza joined the meeting at 11:46 a.m.

1) Consider and take action to approve revised financials for period ending September 30, 2014.

Mr. Sanchez gave an update on the revised financials for period ending September 30, 2014. The biggest change was that we are now adding depreciation to the balance sheet. Motion was made by Dr. Leal and seconded by Mr. Ledesma to approve the revised financials for the period ending September 30, 2014.

2) Consider and take action to accept offer from Jose Jaime Cano to purchase certain equipment acquired by HEDC through bankruptcy proceeding from Best Catering.

Mr. R. Garza asked Mr. L. Garza to give a brief update to the Board. Frances De Leon had been going through the bankruptcy process. The court finally allowed us to repossess the kitchen equipment and other fixtures. Lyle informed the Board of several proposals to buy the equipment. Staff recommended that the Board accept the proposal from Jose Jaime Cano to purchase most of the equipment for $4,000.00.

Motion was made by Mr. Lamon and seconded by Mr. Ledesma to accept Jose Jaime Cano’s offer to purchase the following equipment for $4,000.00.
Equipment list:

1 36" Gas Range oven, Model No. AR-6
1 Maxx Cold Refrigerator, Model No. MCR48MS
1 Beverage Aid Refrigerator, Model No. MP-10
1 Maxx Cold Refrigerator, with Sneeze Guard
1 4' electric steam table, with Sneeze Guard

3) Discussion on fiscal year 2014-2015 budget, including potential amendments and review of projections for future budgets.

Mr. Garza discussed and gave a detailed outline of the fiscal year 2014-2015 budget.

There being no further business to discuss, motion was made by Mr. Ledesma, and seconded by Mr. Lamon to adjourn the meeting at 1:03 p.m.

Development Corporation of Harlingen, Inc.

ATTEST:

Robert B. Dunkin, President

Raudel Garza, Manager and CEO
I. Agenda Item: Consider and take action to approve Financial Reports for period Ending April 30, 2015.

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 $937,971 and a non cash Fund Balance of $1,864,974. Total assets are shown at $41,886,173 Liabilities are reported at $37,183,228. The amount reported under cash, which represents NOW Accounts, earned 0.010% interest during the month on the collected balance. From the Statement of Revenues, Expenditures, and Changes in Fund Balance (PAGE 2), revenues are reported at $2,954,207 and total expenditures (Page 3) at $3,174,139 - generating expenditures over revenues in the amount of $219,932.

Development Corp. Sales tax receipts received from Texas State Comptrollers for the month of April was $401,501 an increase of $18,724 or 4.89% (Page 4). In the month of April Brownsville experienced a 5.34% increase and McAllen a 4.91% increase from the prior year. During the month $1,799 was paid on the Bales Mold Service, Inc. Note, $1,128 was paid on the Dollar Save Energy Note.

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
TITLE: Finance Director

DEPARTMENT: Finance
DEVELOPMENT CORPORATION OF HARLINGEN, INC.

Interim Financial Statements

For Month Ending April 30, 2015
City of Harlingen  
Development Corporation of Harlingen, Inc.  
Balance Sheet  
As of April 30, 2015

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Current Year</th>
<th>Prior Year</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>April 30, 2015</td>
<td>April 30, 2014</td>
</tr>
<tr>
<td>Cash</td>
<td>$2,840,246</td>
<td>$2,789,527</td>
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<tr>
<td>Reserve Cash</td>
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<td>97,880</td>
</tr>
<tr>
<td>Investments - BPS Escrow Trust</td>
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<td>0</td>
</tr>
<tr>
<td>Receivables, accounts - State Comptroller/Other</td>
<td>401,501</td>
<td>325,076</td>
</tr>
<tr>
<td>Receivables, accounts - Other</td>
<td>53,797</td>
<td>76,047</td>
</tr>
<tr>
<td>Receivables - Interfund</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Receivables - Interfund TIFRZ No. 3 (Page 7)</td>
<td>646,416</td>
<td>716,416</td>
</tr>
<tr>
<td>Prepaid Expense</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Loans Receivable (Page 7)</td>
<td>350,049</td>
<td>484,210</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>36,637,705</td>
</tr>
<tr>
<td>Less: Depreciation</td>
<td>3,290,084</td>
<td>33,408,882</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$41,986,173</strong></td>
<td><strong>$45,314,419</strong></td>
</tr>
</tbody>
</table>

**LIABILITIES AND FUND BALANCE**

**Liabilities**
- Accounts Payable - Other | $4,198 | $4,335 |
- Due - General Fund - City Services Reimb. | 4,833 | 4,833 |
- Professional Services | 4,485 | 0 |
- Other | 17,042 | 16,179 |
- Due - In Current Year |
  - Frost Bank Loan | 0 | 0 |
  - Bonds Payable-BPS | 0 | 0 |
- Deferred Revenues |
  - Loans | 350,049 | 484,210 |
  - Other - TIFRZ No. 3 | 646,416 | 716,416 |
  - Long Term Payble - BPS Land | 4,431,205 | 4,431,205 |
  - Frost Bank Loan | 2,615,000 | 2,990,000 |
- Bonds Payable - BPS | 29,110,000 | 30,180,000 |
- Total Liabilities | 37,183,228 | 38,827,179 |

**Fund Balance**
- Designated Reserve | 2,000,000 | 2,000,000 |
- Unencumbered Fund Balance | 937,971 | 887,207 |
- Non Cash Fund Balance | 1,864,974 | 3,600,033 |
- Total Fund Balance | 4,802,945 | 6,487,240 |

**TOTAL LIABILITIES AND FUND BALANCE**

<table>
<thead>
<tr>
<th></th>
<th>Current Year</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 30, 2015</td>
<td>April 30, 2014</td>
</tr>
<tr>
<td></td>
<td><strong>$41,986,173</strong></td>
<td><strong>$45,314,419</strong></td>
</tr>
</tbody>
</table>
MARKETING SERVICES AGREEMENT

On this the ______ day of May, 2015 the Development Corporation of Harlingen, Inc. (HEDC) and Valley International Airport (VIA) enter into this Marketing Services Agreement (Agreement) on the following terms and conditions.

1. **Term.** This Agreement will be for a term of five (5) years, commencing on January 1, 2015 and ending on December 31, 2019.

2. **Marketing Services.** During the term of this Agreement, HEDC will provide the following marketing and promotional services to VIA:

   - HEDC will attend a minimum of 4 trade shows per year to assist in targeting commercial, industrial and aviation related companies to VIA. The HEDC will be responsible for the production of associated marketing materials necessary for the promotion of VIA during these events.
   - HEDC will produce marketing collateral materials that will be used to promote VIA and associated VIA owned properties at all trade shows and other venues it attends.
   - HEDC will include VIA either through the placement of photos of VIA, the mentioning of VIA in written text and/or the VIA approved logo in a minimum of five (5) different on-line and printed trade publications each year this agreement remain in effect.
   - Subject to VIA providing all relevant information, HEDC will host all available VIA properties for lease or sale on the HEDC property database.
• HEDC will design, construct and maintain a new webpage devoted to the promotion of Harlingen Aerotropolis at VIA, on the HEDC website, and a section in the HEDC annual report.

3. **Approval.** VIA shall have the right to review and provide feedback on proposed presentations, designs, ads and uses of VIA logos and trademarks by HEDC in carrying out its marketing and promotional services under this Agreement.

4. **Payment.** As consideration for these marketing and promotional services, VIA will pay HEDC the sum of $100,000 per year payable upon presentation of an invoice, but not more often than once per quarter for no more than $25,000 per quarter. The first two quarterly installments will be due on July 31, 2015, and quarterly installments will be due on the last day of each October, January, April, and July thereafter.

5. **No Assignment.** Neither party may assign its interest in this Agreement without the written consent of the other party.

6. **Termination With Cause.** Both parties shall have the right to terminate this Agreement upon default by the other party which has not been cured within ninety (90) days of written notice.

7. **Partial Invalidity.** If any term or provision of this Agreement shall be held to be unconstitutional or deemed in violation of federal, state or local laws the remaining terms and provisions shall remain in full force and effect.

8. **Entire Agreement.** This document contains the entire agreement between the parties and supersedes all prior terms, conditions and agreements of the parties.
Development Corporation
of Harlingen, Inc.

By: __________________________
    Raulel Garza

Its: Chief Executive Officer

Valley International Airport

By: __________________________
    Marvin Esterly

Its: Director of Aviation
**DEVELOPMENT CORPORATION OF HARLINGEN, INC.**  
**AGENDA ITEM**  
**EXECUTIVE SUMMARY**

**Meeting Date:** May 26, 2015 – 5:30PM

**Agenda Item:**
Discussion and take action to conduct annual election of certain Board positions: President, Vice President, Treasurer, and Secretary.

**Prepared By (Print Name):** Raudel Garza  
**Title:** Manager & Chief Executive Officer  
**Signature:** [Signature]

**Brief Summary:**
Section 5.01 of the Bylaws provides for the annual election of officers:

“Elections shall be held at the May meeting of the Board or as soon as possible thereafter.”  
(Amended 9/98)

**Funding (if applicable):**
Are funds specifically designated in the current budget for the full amount for this purpose?  
*If no, specify source of funding and amount requested:

Finance Director’s approval: [ ] Yes [ ] No [ ] N/A

**Staff Recommendation:**
Staff recommends proceeding with annual election of Board Officers per the Bylaws. Per tradition and based on current board positions, staff recommends that the new officers shall be as follows: Michael Lamon, President; Lupita Gutierrez-Garza, Vice President; Rick Ledesma, Treasurer; Gilbert Leal, Secretary.

**Staff Member:** Raudel Garza  
**Title:** Manager/CEO  
**Signature:** [Signature]

**Comments:**

North American Industry Classification System (NAICS) Code:

HEDC Attorney’s approval: [ ] Yes [ ] No [ ] N/A

*Form revised June 2012*
MEMORANDUM

TO : Board of Directors
Harlingen Economic Development Corporation

FROM : Lyle Garza

SUBJECT : Staff Report

DATE : May 26, 2015

CONSTRUCTION
As reported last month, Palms Behavioral Health has begun construction of their 94-bed hospital. According to their general contractor, Thomas Construction Group, they have progressed smoothly with ground utility work and pad site improvements over the last 30 days. There are crews working on the parking lot and street aprons as well.

The new Bert Ogden Toyota dealership on Tamm Lane is also under construction. Crews from a local construction company - Johnson Brothers Construction are working on finishing the interior framework and the parking lot. The showroom is now fully enclosed. According to General Manager Adrian Burone, the 54,000 square foot showroom and service center is still projected to be open in time for a Fourth of July grand opening.

MARKETING and BUSINESS ATTRACTION
Since our last meeting, the EDC has sent out two press releases – the Site Certification by McCallum Sweeney of the 479 acres at the Harlingen Aerotropolis at Valley International Airport; and the announcement of the job fair put on by the EDC and Valley International Cold Storage Job Fair at the University Center.

Aerotropolis press release was picked up by different media outlets including Due North Media, Texas Border Business magazine and the Rio Grande Guardian website. Craig McIntosh with Texas Real Estate Business and France Media sent us notice that we were being featured on their website www.rebusnessonline.com and their daily and national newsletter.

Staff finalized a five-page spread with Viva Texas Magazine and it will be going to print this week. We have advertised with the magazine in the past, but this month we are being featured on the cover and in the inserts. It will be distributed in Monterrey, northern Mexico and South Texas.

Staff also met with several other media outlets including Rick Gonzalez with Business Adviser Magazine, Fawn Fouldray-Golich with the Rio Grande Valley Partnership/A Snapshot In Progress, and a television advertising company regarding television spots during pay-per-view events.
This month we were also invited to a hospitality/hotel managers meeting where we gave an update on economic development, sales tax and new businesses in town.

**COMMERCIAL DEVELOPMENT**
This past month, we met with Cathy Pool with Miramar Real Estate and Peter and Stephen Wasserman with Alliance Fund Management to discuss multi-family housing and the possible purchase and rehabilitation of an apartment complex in town.

We also had meetings with business owners and developers looking to either open or expand their businesses in town. One is health related, one is construction related and one is education related.

We also met with several business owners to discuss business retention and expansion opportunities. They included Doug Snyder, new general manager for Valle Vista Mall, Corina Cordova with API Real Estate and Christian Gutierrez with Southern Commercial Real Estate Group.

Finally, we have completed the transaction with Mr. Jaime Cano on the sale of the kitchen equipment that was discussed in our Special Meeting from two weeks ago.

**Reminder:** Qualfon Ribbon Cutting Thursday May 28\textsuperscript{th} 2:00 pm (2200 Haine Drive) and Grand Opening Dinner Reception at 6:30 pm, Dinner at 7:00 pm, (Pearl South Padre Hotel- 310 Padre Blvd., SPI)
MEMORANDUM

TO: Board of Directors
    Harlingen Economic Development Corporation

FROM: Ramiro Aleman

SUBJECT: Staff Report

DATE: May 21, 2015

Site Certification
Since the Harlingen Aerotropolis at Valley International Airport is designated as a “Certified Site” in the Large Park category by McCallum Sweeney, staff has been working with VIA and AEP to develop a marketing plan to promote the site.

Los Indios Bridge Promotion
Staff attended the Texas International Produce Association meeting with USDA and CBP in Pharr. The purpose of the meeting was to discuss agricultural inspections and identification services at South Texas Ports of Entry. Washington D.C. based, Senior level executives from both USDA APHIS and CBP including Ms. Rebecca Bech, Associate Deputy Administrator for Plant Protection and Quarantine and Mr. Kevin Harriger, Executive Director CBP Agriculture Programs Trade and Liaison. Main topics discussed are the need for more Certified Cargo Release staff and more technology. The private sector is even willing to pay for overtime for two years. The City of Pharr announced that in addition to the six cold rooms for inspections already in place, they are willing to build additional cold rooms.

Industrial Recruitment Activities
Developed a proposal for State Lead Project Antelope out of two that were sent to HEDC. Also working with a consultant from the Houston area that has two clients interested in manufacturing their products in the area. They plan on touring Harlingen in June.

Industrial Retention Activities
Assisted in coordinating a Job Fair for Valley International Cold Storage. Over 100 job seekers attended. Visited with 3 local companies in the Wilson Rd. industrial area.

Harlingen Manufacturer’s Association
HMA held its monthly meeting at HEDC offices. A presentation was made by Harlingen Water Works Systems. Mr. Gunn described how the system works, what areas the system is responsible for and how they are funded.

Harlingen Industrial Foundation
HIFI held its monthly meeting at the HEDC offices. Staff discussed the potential development of an area at the industrial park. The HIFI board is interested in pursuing the opportunity.