Notice is hereby given that the above Board of Directors will hold a Regular Meeting on Tuesday, August 25, 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 Items withdrawn from the Consent Agenda for individual consideration will be heard in their normal sequence after the remainder of the Consent Agenda has been acted upon.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) 07.28.15 – Regular Meeting
      2) 08.11.15 – Special Meeting (Workshop)

   b) Consider and take action to approve the Financial Reports of July 31, 2015.

2. Presentation of annual report by Texas State Technical College detailing the use of the University Articulation and Career Center and discussion and approval of the report.

3. Consider, discuss and take action to approve the Development Corporation of Harlingen, Inc.’s Program of Work and 2015-2016 Fiscal-Year Budget.

4. Executive session pursuant to Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.071), contemplated litigation or matters where legal advice is requested of the Attorney on a matter in which the duty of the attorney of 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; regarding:

   a) Best Catering Agreement
   b) ES United Properties, LLC. Agreement
   c) Valley International Cold Storage & South Texas Shrimp Processors, Inc. Agreement

5. Consider, discuss and take action if needed on:

   a) Best Catering Agreement
   b) ES United Properties, LLC. Agreement
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, August 21, 2015 at or before 5:00 p.m. and remained so posted for at least 72 hours preceding the time of said meeting.

[Signature]
Raudel Garza, Manager and Chief Executive Officer
Development Corporation of Harlingen, Inc.
Regular Meeting
July 28, 2015

On this 28th day of July 28, 2015 at 5:30 p.m. the Development Corporation of Harlingen, Inc. Board of Directors convened at the City of Harlingen Town hall, 118 E. Tyler Avenue, 2nd floor, Harlingen, Texas 78550. The following are the minutes of the meeting.

Present
Michael Lamon
Lupita Gutierrez-Garza
Robert B. Dunkin
Dr. Gilbert Leal

Absent
Rick Ledesma

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

Also present was Mayor Boswell, Commissioner Victor Leal, Commissioner Michael Mezmar, Assistant City Manager Gabriel Gonzalez and Senior Accountant Raul Sanchez.

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

Roll Call
Mr. Lamon announced Ms. Lupita Gutierrez-Garza, Mr. Robert B. Dunkin and Dr. Gilbert Leal were present.

Pledge of Allegiance
Mr. Lamon led the Pledge of Allegiance.

Citizen Communication
None.

1) Consider and take action to approve the minutes of June 30, 2015 regular meeting.

Motion was made by Mr. Dunkin and seconded by Dr. Leal to approve June 30, 2015 minutes. Motion carried unanimously.

2) Consider and take action to approve the Financial Reports of June 30, 2015.

Motion was made by Dr. Leal and seconded by Ms. Gutierrez-Garza to approve the Financial Reports of June 30, 2015. Motion carried unanimously.
The June 30, 2015 financials were presented and approved as follows:

Development Corporation of Harlingen, Inc.
Interim Financial Statements
For Month Ending June 30, 2015

**Balance Sheet**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$3,433,410</td>
</tr>
<tr>
<td>Receivables</td>
<td>$1,584,702</td>
</tr>
<tr>
<td>Prepaid Expense</td>
<td>$0</td>
</tr>
<tr>
<td>Assets (Land, Building &amp; Parking Lot)</td>
<td>$37,596,440</td>
</tr>
<tr>
<td>Less Depreciation</td>
<td>$37,596,440</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$42,614,552</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities &amp; Payables</td>
<td>$1,208,168</td>
</tr>
<tr>
<td>BPS Land Payable</td>
<td>$4,431,205</td>
</tr>
<tr>
<td>Loan</td>
<td>$2,615,000</td>
</tr>
<tr>
<td>Bonds Payable</td>
<td>$29,110,000</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$37,364,372</td>
</tr>
</tbody>
</table>

**Designated Reserve**

- $2,000,000

**Uncumbered Fund Balance**

- $1,433,410

**Non-Cash Fund Balance**

- $1,816,770

**Total Fund Balance**

- $5,250,180

**Total Liabilities & Fund Balance**

- $42,614,552

**STATEMENT OF REVENUES AND EXPENDITURES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Month</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>$399,468</td>
<td>$3,753,965</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>$63,954</td>
<td>$590,047</td>
</tr>
<tr>
<td>Contracts</td>
<td>$20,000</td>
<td>$188,660</td>
</tr>
<tr>
<td>Projects</td>
<td>$325</td>
<td>$2,747,955</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$74,279</td>
<td>$3,526,663</td>
</tr>
</tbody>
</table>

**Revenues Less Expenditures**

- $325,188

- $227,302

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 Liberty
- b) Project Wilson
- c) Project Waterfall
At 6:03 p.m., President Lamon announced the board would convene into executive session under Government Code (Section 551.072, and Government Code (Section 551.087) to discuss Item No 3.

Motion was made by Gutierrez-Garza 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 6:33 p.m., President Lamon 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.

4) **Action, if needed, on the following projects, as discussed in executive session.**

   a) Project Liberty
   b) Project Wilson
   c) Project Waterfall

No action was taken on agenda 4a, b and c.

5) **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. Lyle Garza gave an oral report on the commercial development activities and supplied the board with a written report as follows:

---

**Memorandum**

To: Board of Directors
   Harlingen Economic Development Corporation

From: Lyle Garza

Subject: Staff Report

Date: July 30, 2015

---

Construction

Palms Behavioral Health continues to move forward on their construction. Due to weather and other design delays, the opening of the new medical facility is expected to be in early summer.

Cameron Crossing developers have begun to move dirt unto property across the street from AT&T for a new restaurant to be announced soon.

Marketing and Business Attraction

This month, the EDC received notification that Harlingen was selected as #1 in the “Cost of Living” rankings for locating businesses the US in *Business Facilities Magazine*. We will receive a positive write up in the July/August issue, which is their largest and most circulated issue of the year.

We have also been working closely with staff from the Rio Grande Partnership on their *Snapshot of Progress* magazine that will be run next month. Over 50,000 prints will be distributed locally. The magazine represents an opportunity for communities from South Texas to display their “bragging rights” to their readers. Nearly every city in the valley will be included. We will be joined in the Harlingen section by Valley Baptist Medical Center, Harlingen Medical Center, VIA, HCISD and TSTC. It will also have a feature story on ULA, Cardone and other major industries in Harlingen.
As a reminder, the new Annual Report is available on the EDC’s website along with a short video that includes testimonials from local business management.

Mr. Ramiro Aleman 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** : July 24, 2015

Site Certification – Harlingen Aerotropolis  
Staff met with representatives from VIA and their consultant, Western LLC, regarding their efforts at recruiting new business area. Western has developed conceptual designs and layouts of the Aerotropolis site and created brochures. VIA has designed new marketing materials including banners to display. HEDC, VIA and Western have joined together to participate in Mexico’s Aerospace Summit to be held in Queretaro in September.

**Industrial Recruitment Activities**  
Staff received a lead from the South Texas Manufacturer’s Association regarding a company in the energy sector that is seeking 20 acres with rail access. Provided information on available sites and will continue to work with the client.

**Industrial Retention Activities**  
HEDC and Chamber staff met with Qualfon and one of their potential clients. Their client was interested in learning more about the area and local labor force. Staff also provided annual report.

**Harlingen Industrial Foundation**  
HIFI received an offer from an existing tenant at the Industrial Park. The tenant inquired about purchasing 10 acres. The Executive Committee met and decided to make a counter offer. HIFI held its regularly scheduled monthly meeting at the HEDC offices. The rest of the board was updated on the offer. Also, Aloe Laboratories made a presentation to the board on their operations at the Industrial Park.

Met with South Texas Region Skills Development Fund Representative

Mr. R. Garza gave an update on the LNG plant and the investment, housing and jobs. He spoke of the job training programs that are offered by Texas State Technical College and the partnership between us.

Mr. R. Garza mentioned his last trips to Austin and San Antonio and the meetings with Developers regarding our projects for additional funding sources. Mr. Alan Johnson asked that someone be present in
Houston for the Alliance for I-69 Texas – Federal Investment in Transportation: What the Future Holds Luncheon. Mr. R. Garza stated that he might be attending that meeting.

Mr. R. Garza reminded the board of the budget workshop on August 11, 2015 and the next regular board meeting on August 25, 2015.

There being no further business to discuss, motion was made by Ms. Gutierrez-Garza and seconded by Dr. Leal to adjourn the meeting at 6:48 p.m.

Development Corporation of Harlingen, Inc.

__________________________
Mr. Michael Lamon, President

ATTEST:

__________________________
Raudel Garza, Manager and CEO
Development Corporation of Harlingen, Inc.
Special Meeting
Budget Workshop
August 11, 2015

On this 11th day of August 11, 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 78550. The following are the minutes of the meeting.

Present
Michael Lamon
Lupita Gutierrez-Garza
Robert B. Dunkin
Dr. Gilbert Leal

Absent
Rick Ledesma

Staff
Raul Garza, Manager and CEO
Lyle Garza, MaryAnn Villarreal and Tania Duron

Also present was Commissioner Tudor Uhlhorn, Commissioner Michael Mezmar, Assistant Finance Director Sergio Villasana and Senior Accountant Raul Sanchez.

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

Mr. Lamon noted that Ms. Gutierrez-Garza joined the meeting at 11:32 a.m.

Roll Call
Mr. Lamon announced Ms. Lupita Gutierrez-Garza, Mr. Robert B. Dunkin and Dr. Gilbert Leal were present.

Pledge of Allegiance
Mr. Lamon led the Pledge of Allegiance.

Citizen Communication
None.

1) 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 JMC
b) Project Liberty

c) Project Toddler

d) Project Wilson

e) Project Dixie

f) Project Orphan

g) Project Waterfall

h) Project Bridge 1

i) Project Henhouse

j) Project Texas4U

k) Project Rental

l) Project Dive

m) Project CC

n) Project ANA

o) Project ER

p) Project Green Bay

At 11:33 a.m., President Lamon announced the board would convene into executive session under Government Code (Section 551.072, and Government Code (Section 551.087) to discuss Item No 1.

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

At 12:29 p.m., President Lamon 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.

Mr. Lamon noted that Mr. Dunkin left the meeting at 12:20 p.m. A quorum was still established.

2) Discussion and review of proposed Fiscal Year 2015-2016 Budget and Program of Work.

Mr. R. Garza highlighted the proposed Fiscal Year 2015-2016.

No action was taken.

There being no further business to discuss, motion was made by Dr. Leal and seconded by Ms. Gutierrez-Garza to adjourn the meeting at 2:26 p.m.

Development Corporation of Harlingen, Inc.

Mr. Michael Lamon, President

ATTEST:

Raudel Garza, Manager and CEO
Agenda Date: August 25, 2015

Development Corporation
Executive Summary

I. Agenda Item: Consider and take action to approve Financial Reports for period Ending July 31, 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 $1,504,857 and a non cash Fund Balance of $2,113,938. Total assets are shown at $42,979,417 Liabilities are reported at $37,360,621. 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 $4,204,466 and total expenditures (Page 3) at $3,857,773 - generating revenues over expenditures in the amount of $346,693.

Development Corp. Sales tax receipts received from Texas State Comptrollers for the month of July was $385,140 an increase of $32,481 or 9.21% (Page 4). In the month of July Brownsville experienced a 13.88% increase and McAllen a 3.30% 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 July 31, 2015
# Development Corporation of Harlingen, Inc.
## Summary - Interim Financial Statements
### For Month Ending July 31, 2015

### Balance Sheet

<table>
<thead>
<tr>
<th>Assets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$3,504,857</td>
</tr>
<tr>
<td>Receivables - Sales Tax</td>
<td>$385,140</td>
</tr>
<tr>
<td>Receivables - Other &amp; TIFRZ No. 3</td>
<td>$795,779</td>
</tr>
<tr>
<td>Receivables - Loans</td>
<td>$537,976</td>
</tr>
<tr>
<td>Prepaid Expense</td>
<td>$0</td>
</tr>
<tr>
<td>Assets (Land, Bldg &amp; Improvmts)-Deprec</td>
<td>$37,845,665</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$42,979,417</td>
</tr>
</tbody>
</table>

### Liabilities and Fund Balance

<table>
<thead>
<tr>
<th>Liabilities &amp; Payables</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Revenues - Loans</td>
<td>$541,976</td>
</tr>
<tr>
<td>Deferred Revenues - TIFRZ No. 3</td>
<td>$646,416</td>
</tr>
<tr>
<td>BPS Land Payable</td>
<td>$4,431,205</td>
</tr>
<tr>
<td>Loan</td>
<td>$2,615,000</td>
</tr>
<tr>
<td>Bonds Payable</td>
<td>$29,110,000</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$37,364,621</td>
</tr>
</tbody>
</table>

### FUND BALANCE

| Designated Reserve                         | $2,000,000 |
| Unencumbered Fund Balance                  | $1,504,857 |
| Non-Cash Fund Balance                      | $2,109,938 |
| **Total Fund Balance**                     | $5,614,796 |

**Total Liabilities & Fund Balance** $42,979,417

### Statement of Revenues and Expenditures

#### Revenues

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Current Month</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax</td>
<td>$382,756</td>
<td>$3,452,984</td>
</tr>
<tr>
<td>BPS Sales Tax - City &amp; EDC</td>
<td>$18,494</td>
<td>$205,862</td>
</tr>
<tr>
<td>BPS Rental</td>
<td>$43,045</td>
<td>$469,256</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>$0</td>
<td>$14,003</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>$6,205</td>
<td>$62,360</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$450,501</td>
<td>$4,204,466</td>
</tr>
</tbody>
</table>

#### Expenditures

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Current Month</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries &amp; Employee Benefits</td>
<td>$48,291</td>
<td>$348,135</td>
</tr>
<tr>
<td>City Reimbursement</td>
<td>$4,833</td>
<td>$48,333</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$1,279</td>
<td>$33,819</td>
</tr>
<tr>
<td>Services &amp; Charges</td>
<td>$4,270</td>
<td>$19,998</td>
</tr>
<tr>
<td>Marketing</td>
<td>$4,242</td>
<td>$88,581</td>
</tr>
<tr>
<td>Other</td>
<td>$2,996</td>
<td>$117,091</td>
</tr>
<tr>
<td><strong>Total Operations</strong></td>
<td>$65,909</td>
<td>$655,597</td>
</tr>
</tbody>
</table>

| Contracts                                   |               |              |
| Regional EDC-TIPA                           | $0            | $20,040      |
| I-69 Alliance                               | $0            | $8,620       |
| Other                                       | $20,000       | $180,000     |
| **Total Contracts**                         | $20,000       | $208,680     |

| Projects                                    |               |              |
| Bert Ogden Motors                           | $0            | $200,000     |
| Qualion Data Services Group                 | $0            | $200,000     |
| Strategic Behavioral Health, LLC            | $0            | $0           |
| Space Explora. Technologies                 | $0            | $0           |
| BPS Construction Other                      | ($4,025)      | $1,540       |
| BPS Bond Payment                            | $0            | $1,901,147   |
| Loan Debt Service-$4M                       | $0            | $438,268     |
| Other                                       | $249,225      | $252,200     |
| **Total Projects**                          | $246,200      | $2,993,166   |

**Total Expenditures** $331,110 $3,857,773

**Revenues Less Expenditures** $119,391 $346,693