

DEVELOPMENT CORPORATION OF HARLINGEN, INC.
BOARD OF DIRECTORS' SPECIAL MEETING
November 6, 2017

Notice is hereby given that the above Board of Directors will hold a Special Meeting on Monday, November 6, 2017 at 11:30 a.m., at the **University Center, 2424 Boxwood Street, Room 128, Harlingen, Texas.**

The Development Corporation of Harlingen, Inc., hereinafter "HEDC", 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

Recognition of Guest(s)

Public Comment

1. Consent Agenda.

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 Items withdrawn from the Consent Agenda for individual consideration will be heard in their normal sequence after the remainder of the Consent Agenda has been acted upon.

- a. Consider and take action to approve the October 11, 2017 special meeting minutes.
 - b. Consider and take action to approve the September 30, 2017 financial statements.
2. Discuss and consider approval of revised Development Corporation of Harlingen, Inc. Agreement with Texas State Technical College for Funding for Work Force Training of Building Trades-Persons and For National Center for Construction Education and Research ("NCCER") Certification.
3. Consider and discuss staff reports:
- a) Report on commercial development activities over the past few months including, but not limited to:
 - 1) Construction activities
 - 2) Marketing activities
 - 3) Retention and recruitment activities
 - b) Consider CEO's report on economic development activities:
 - 1) Update on cold storage inspection facility construction
 - 2) Upcoming trade shows and events
 - 3) Consultant's report
4. Executive Session pursuant to Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.072), regarding the purchase, lease or value of real estate, if the deliberation in an open meeting would have a detrimental effect on the position of the Development Corporation of Harlingen Inc. in negotiations with a third person regarding some of the following projects; and/or Executive Session pursuant to Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.087) regarding commercial and financial information from business prospects with which the Board is conducting

economic development negotiations and/or to discuss or deliberate financial or other incentives to business prospects known as:

1. United Launch Alliance
 2. Project Hops
 3. Project Waterside
 4. Project Liberty
 5. Project Hay
 6. Harlingen Industrial Foundation, Inc.
 7. Project Wilson
 8. Pan American Hydrogen
5. Consider and take action, if any, on the following projects:
1. United Launch Alliance
 2. Project Hops
 3. Project Waterside
 4. Project Liberty
 5. Project Hay
 6. Harlingen Industrial Foundation, Inc.
 7. Pan American Hydrogen
6. Consider approval of license agreement between Development Corporation of Harlingen, Inc. and FedEx Freight, Inc.

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.*
6. *Deliberations regarding Economic Development negotiations. Section 551.087 of the Texas Open Meetings Act.*

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Board of Directors of the above named Corporation is a true and correct copy of said notice posted on the bulletin board at City Hall of said City of Harlingen, Texas in a place convenient and readily accessible to the general public at all times and on the Corporation's Internet Website and said Notice was posted on Friday, November 3, 2017, at or before 11:30 a.m. and remained so posted for at least 72 hours preceding the time of said meeting.



Raudel Garza, Manager and Chief Executive Officer

1a).

Development Corporation of Harlingen, Inc.
Special Meeting
October 11, 2017

On the 11th of October 2017, at 12:00 p.m. the Development Corporation of Harlingen, Inc. Board of Directors convened at the University Center, 2424 Boxwood Street, Room 128, Harlingen, Texas. The following board members were present:

Present
Dr. Gilbert Leal
Mickey Boland
Michael Lamon
Lupita Gutierrez-Garza

Absent
Eliseo Gonzales

Staff
Raudel Garza, Manager and CEO
Kayla Thomas, Tania Hernandez and MaryAnn Villarreal

Call Meeting to Order

President Dr. Gilbert Leal called the meeting to order; a quorum was established, and the following proceedings were held.

Roll Call

President Dr. Gilbert Leal announced that he, Mr. Mickey Boland, and Mr. Michael Lamon were present. Ms. Lupita Gutierrez-Garza came in minutes into the meeting.

Recognition of Guests

President Dr. Leal acknowledged Mayor Chris Boswell and Rick Kelley and thanked them for attending the meeting.

Public Comment

None.

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 September 25, 2012 regular meeting minutes.
- b. Consider and take action to approve the September 19, 2017 regular meeting minutes.
- c. Consider and take action to approve the August 30, 2017 financial statements.

Motion was made by Mr. Boland and seconded by Mr. Lamon to approve consent agenda #1.
Motion carried unanimously.

2. Consider, review and take action on payment of job creation grant per Performance Agreement for Palms Behavioral Health.

Ms. Kayla Thomas reviewed background information for the Board Members.

Motion was made by Mr. Lamon and seconded by Mr. Boland to approve the payment of job creation grant per Performance Agreement for Palms Behavior Health. Motion carried unanimously.

At 12:08 p.m., Ms. Lupita Gutierrez-Garza joined the meeting.

3. Consider approval of Development Corporation of Harlingen, Inc. Agreement with Texas State Technical College for Funding for Work Force Training of Building Trades-Persons and For National Center for Construction Education and Research (“NCCER”) Accreditation.

Mr. Raudel Garza presented proposal and agreement for training by Texas State Technical College, TSTC. Discussion ensued.

Motion was made by Mr. Boland and seconded by Ms. Gutierrez-Garza to approve the Agreement with Texas State Technical College for Funding for Work Force Training of Building Trades-Persons and for National Center for Construction Education and Research (“NCCER”) certification, subject to edits to the agreement. Motion carried unanimously.

4. a. Executive Session pursuant to Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.072), regarding the purchase, lease or value of real estate, if the deliberation in an open meeting would have a detrimental effect on the position of the Development Corporation of Harlingen Inc. in negotiations with a third person regarding some of the following projects; and/or Executive Session pursuant to Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.087) regarding commercial and financial information from business prospects with which the Board is conducting economic development negotiations and/or to discuss or deliberate financial or other incentives to business prospects known as:

1. Project Waterside
2. Project Runway
3. Project Rebuild
4. Project Big Dream
5. United Launch Alliance
6. Project Hops
7. Project Polar

b. Executive Session pursuant to Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.074), personnel, involving the appointments, employment, evaluations, reassignments, or duties of the positions of Manager/CEO, Office Manager, Manager Industrial Development, Manager Commercial Development and Marketing, Administrative Assistant.

At 12:12 p.m., motion was made by Mr. Lamon and seconded by Ms. Gutierrez-Garza to convene into executive session under Government Code (Section 551.072), and (Section 551.087). Motion carried unanimously.

At 1:03 p.m., President Dr. Leal announced the board had completed its executive session under Government Code (Section 551.072), and (Section 551.087) declared the meeting open to the public.

5. Consider and take action, if any, on the following projects:

1. Project Waterside
2. Project Runway
3. Project Rebuild
4. Project Big Dream
5. United Launch Alliance
6. Project Hops
7. Project Polar

No Action Taken on Agenda 5)1, 2, 3, 5, 6, and 7.

Motion was made by Mr. Boland and seconded by Ms. Gutierrez-Garza to hire the consultant for Project Big Dream as discussed in Executive Session. Motion carried unanimously.

6. Consider and discuss staff reports:

- a) Report on commercial development activities over the past few months including, but not limited to:
 - 1) Construction activities
 - 2) Marketing activities
 - 3) Business retention and recruitment activities

Ms. K. Thomas gave an update on the commercial development activities.

- b) Consider CEO's report on recent and upcoming economic development activities:
 - 1) Regional partnerships update
 - 2) Other upcoming trade shows and events
 - 3) Recruitment activities
 - 4) Consultant's report

Mr. R. Garza gave an update on the upcoming conferences and trade shows. He mentioned attending International Council of Shopping Centers Texas Deal Making Event, in Dallas. He also mentioned that Ms. Thomas and Ms. Gutierrez-Garza will be attending Texas Economic Development Council's fall conference in Houston.

There being no further business to discuss, motion was made by Mr. Lamon and seconded by Ms. Gutierrez-Garza to adjourn the meeting at 1:13 p.m.

Development Corporation of Harlingen, Inc.

Dr. Gilbert Leal, President

ATTEST:

Raudel Garza, Manager and CEO

16).

Agenda Date: October 24, 2017

**Development Corporation
Executive Summary**

I. Agenda Item: Consider and take action to approve Financial Reports for period Ending September 30, 2017.

II. Brief Overview:

Reviewing the Balance Sheet (PAGE 1), an analysis of the fund balance indicates a designated reserve of \$2,000,000, an unencumbered Fund Balance of \$3,564,372 and a non cash Fund Balance of \$4,397,666. Total assets are shown at \$40,702,002 Liabilities are reported at \$30,739,964. During the month the cash NOW Accounts and the TexPool Account earned 0.68% and 1.0151 % interest respectively. From the Statement of Revenues, Expenditures, and Changes in Fund Balance (PAGE 2), revenues are reported at \$427,142 and total expenditures (Page 3) at \$119,846 - generating revenues over expenditures in the amount of \$307,296.

Development Corp. Sales tax receipts received from Texas State Comptrollers for the month of September was \$367,366 an increase of \$28,271 or 8.33% (Page 4). In the month of September, Brownsville experienced a 6.69 % increase and McAllen a 1% decrease from the prior year.

III. Budget

Item Budgeted _____ Yes _____ No X N/A. If yes, fund (s) & Amount. If no, Sources of funding, amount requested & funds remaining.

IV. Finance Director Comments: _____ Approved _____ Disapproved _____ None

VI. Staff Recommendation:

Staff recommends approval of financial reports as presented.

NAME: ELVIA TREVINO
DEPARTMENT: Finance
TITLE: Finance Director

Development Corporation of Harlingen, Inc.
 Summary- Interim Financial Statements
 For Month Ending September 30, 2017

<u>Balance Sheet</u>		<u>STATEMENT OF REVENUES AND EXPENDITURES</u>		
<u>Assets</u>			<u>Current Month</u>	<u>Year to Date</u>
Cash & Investments	\$4,709,588	<u>Revenues</u>		
Receivables- Sales Tax	\$367,366	Sales Tax	\$369,749	\$4,440,649
Receivables- Other & TIFRZ No. 3	\$480,916	Investment & Interest	\$3,526	\$25,568
Receivables- Loans	\$331,782	Rentals	\$36,854	\$459,954
Prepaid Expense	\$2,111	Inter-Fund Reimb.& Miscell Revenue	\$17,013	\$893,775
Assets(Land, Bldg & Improvmts)-Deprec	\$34,810,238	Transfer From Fund Balance	\$0	\$0
Total Assets	\$40,702,002	Total Revenues	\$427,142	\$5,819,946
 <u>LIABILITIES AND FUND BALANCE</u>		 <u>Expenditures</u>		
Liabilities & Payables	\$56,813	<u>Operations</u>		
Bonds Payable Less Issue Discount	\$26,814,057	Salaries & Employee Benefits	\$55,458	\$419,592
Long Term Payable-BPS Land	\$2,008,216	City Reimbursement	\$4,833	\$58,000
Frost Bank Loan	\$1,815,000	Professional Services	\$7,951	\$100,721
Accrued Leave (Sick/Vacation)	\$45,880	Services & Charges	\$2,949	\$40,418
 Total Liabilities	 \$30,739,964	Marketing	\$21,147	\$125,950
		Other	\$11,954	\$131,405
		Total Operations	\$104,292	\$876,086
 <u>FUND BALANCE</u>		<u>Contracts</u>		
Designated Reserve	\$2,000,000	Regional EDC-TIPA	\$0	\$17,500
Unencumbered Fund Balance	\$3,564,372	I-69 Alliance	\$0	\$8,620
Non-Cash Fund Balance	\$4,397,666	Other	\$10,000	\$122,300
Total Fund Balance	\$9,962,038	Total Contracts	\$10,000	\$148,420
 Total Liabilities & Fund Balance	 \$40,702,003	<u>Projects</u>		
		Fox Valley Molding	\$0	\$21,083
		Qualfon Data Services Group, LLC	\$0	\$0
		Strategic Behavioral Health, LLC	\$0	\$0
		Space Exploration Technologies	\$0	\$0
		United Launch Alliance	\$0	\$150,000
		El Clavo Lumber	\$0	\$0
		Texas State Rentals	\$0	\$17,500
		Free Trade Bridge- Cold Storage	\$0	\$220,770
		BPS Bond Payment & Fees	\$0	\$2,713,224
		BPS Land -380 Agreement	\$5,554	\$65,652
		Loan Debt Service-\$4M	\$0	\$494,813
		Other	\$0	\$459,431
		Total Projects	\$5,554	\$4,142,473
		Total Expenditures	\$119,846	\$5,166,980
		Revenues Less Expenditures	\$307,296	\$652,966