Notice is hereby given that the above Board of Directors will hold a Special Meeting on Thursday, September 11, 2014 at 12:00 Noon at the University Center, Room #126, 2424 Boxwood Street, 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 write to 2424 Boxwood Street, Suite 125, 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. Consider and take action to approve the following minutes.
   a) July 29, 2014
   b) August 12, 2014
   c) August 26, 2014

2. Executive session pursuant to Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.074) regarding personnel matters involving the employment terms, evaluation, or duties of the Manager and Chief Executive Officer.

3. Consider and take any action regarding the Manager’s and Chief Executive Officer’s employment terms, evaluation, duties or compensation and contract of employment.


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, September 5, 2014 at or before 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
Development Corporation of Harlingen, Inc.
Special Meeting
July 29, 2014

On this 29th day of July, 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
Robert B. Dunkin, President
Michael Lamon, Vice President
Lupita Gutierrez-Garza, Treasurer
Rick Ledesma, Secretary

Absent
Dr. Gilbert Leal, Board Member

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

Also City Manager Carlos Yerena and Senior 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. Ledesma, Mr. Lamon and Ms. Gutierrez-Garza were present.

Comments
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:
   1) 04.29.14 – Regular Meeting
   2) 05.20.14 – Special Meeting
   3) 07.10.14 – Special Meeting (Workshop)

b) Consider and take action to approve the Financial Reports of:
   1) May 2014
   2) June 2014

Ms. Gutierrez-Garza made a motion to approve Consent Agenda 1a) and 1b) and Mr. Ledesma seconded the motion. The motion carried unanimously.
Financials for May, June 2014

Development Corporation of Harlingen, Inc.
Interim Financial Statements
For Month Ending May 31, 2014

**Balance Sheet**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$3,102,532</td>
</tr>
<tr>
<td>Receivables</td>
<td>$1,567,203</td>
</tr>
<tr>
<td>Prepaid Expense</td>
<td>$1,850</td>
</tr>
<tr>
<td>Assets (Land, Building &amp; Parking Lot)</td>
<td>$40,825,588</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$45,497,174</td>
</tr>
<tr>
<td>Liabilities &amp; Payables</td>
<td>$1,219,217</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>$38,820,423</td>
</tr>
<tr>
<td>Designated Reserve</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Unencumbered Fund Balance</td>
<td>$1,102,532</td>
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<tr>
<td>Non-Cash Fund Balance</td>
<td>$3,574,219</td>
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<tr>
<td><strong>Total Fund Balance</strong></td>
<td>$6,676,751</td>
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</tbody>
</table>

**Total Liabilities & Fund Balance** $45,497,174

**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>$381,124</td>
<td>$3,329,502</td>
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<tr>
<td>Expenditures</td>
<td></td>
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<tr>
<td>Operations</td>
<td>$73,939</td>
<td>$538,200</td>
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<td>Contracts</td>
<td>$16,000</td>
<td>$168,884</td>
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<td>Projects</td>
<td>$470,000</td>
<td>$2,935,783</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
<td>$559,939</td>
<td>$3,642,867</td>
</tr>
<tr>
<td>Revenues Less Expenditures</td>
<td>($178,815)</td>
<td>($313,365)</td>
</tr>
</tbody>
</table>
Development Corporation of Harlingen, Inc.
Interim Financial Statements
For Month Ending June 30, 2014

Balance Sheet

Cash $3,367,046
Receivables $1,564,111
Prepaid Expense $0
Assets (Land, Building & Parking Lot) $40,825,588
Total Assets $45,756,745

Liabilities & Payables $1,227,796
BPS Land Payable $4,431,205
Loan $2,990,000
Bonds Payable $30,180,000
Total Liabilities $38,829,001

Designated Reserve $2,000,000
Unencumbered Fund Balance $1,367,046
Non-Cash Fund Balance $3,560,698
Total Fund Balance $6,927,744

Total Liabilities & Fund Balance $45,756,745

STATEMENT OF REVENUES AND EXPENDITURES

<table>
<thead>
<tr>
<th></th>
<th>Current Month</th>
<th>Year to Date</th>
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<tbody>
<tr>
<td>Total Revenues</td>
<td>$377,812</td>
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Expenditures

<table>
<thead>
<tr>
<th></th>
<th>Current Month</th>
<th>Year to Date</th>
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</thead>
<tbody>
<tr>
<td>Operations</td>
<td>$80,339</td>
<td>$618,539</td>
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<tr>
<td>Contracts</td>
<td>$34,000</td>
<td>$202,884</td>
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<tr>
<td>Projects</td>
<td>$12,480</td>
<td>$2,948,263</td>
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<tr>
<td>Total Expenditures</td>
<td>$126,819</td>
<td>$3,769,686</td>
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</tbody>
</table>

Revenues Less Expenditures $250,993 ($62,372)
2. **Presentation from Cameron County Regional Mobility Authority Executive Director, Pete Sepulveda, Jr.**

   Mr. R. Garza introduced Pete Sepulveda. Mr. Sepulveda gave a presentation and outlined the goals and gave a brief description on each of the following:
   - Improve Economic Development
   - A Better Quality of Life for All
   - Improve Mobility
   - Relieve Congestion
   - Ensure Efficient Trade Corridors

3. **Consider and take action to approve three year extension of the $15,000 Note from HIFI (Harlingen Industrial Foundation, Inc.) to the Development Corporation of Harlingen, Inc.**

   Mr. Lamon made a motion to approve Agenda Item 3 and Mr. Ledesma seconded the motion. The motion carried unanimously.

4. **Discussion and action to approve budget amendments for FY 2013-2014.**

   Mr. Garza presented a spreadsheet and highlighted the amendments to the FY 2013-2014.

   Mr. Ledesma made a motion to approve Agenda Item 4 and Ms. Gutierrez-Garza seconded the motion. The motion carried unanimously.

5. **Discussion on future implementation/adoptions of a speculative industrial building program.**

   Mr. R. Garza spoke about the need for a Class “A” Building in Harlingen and the many options to cover the cost.

   No vote on Agenda Item 5.

6. **Update from Executive Director on marketing, recruitment, and other economic development activities - Rauldel Garza**

   Mr. R. Garza mentioned that the groundbreaking for Strategic Behavioral Health is scheduled for August 28, 2014 and everyone was invited. Mr. R. Garza spoke about the BiNED meeting in Brownsville that Norwood Fedie and Merced Perez-Trevino attended. He also mentioned the update on the Bass Pro Shops’ road and the landscaping along with the sidewalks. Mr. R. Garza talked about the efforts that Rio South Texas Economic Council is working on in order to communicate a positive campaign for the region. He also mentioned the one thousand border patrol officers coming to the region and the impact that it might have in our region to make us lose business. Mr. R. Garza explained the Site Certification at the Valley International Airport and the Certified Site status at the Industrial Air Park would be beneficial to the City of Harlingen as a whole, but especially to Valley International Airport. This is a major step toward achieving this goal is to have the Harlingen Industrial Air Park as a McCallum Sweeney Certified Site.

7. **Executive session pursuant to Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.071) attorney client privilege, to consult with and seek legal advice from its attorney(s) regarding the following pending litigation:**

   Cause No. 2013-DCL-00285-B, Donald Hubbard vs. City of Harlingen A/K/A Harlingen Economic Development Corporation, Inc. in the 138th District Court of Cameron County, Texas.
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:

- Best Catering
- J. Chandra Groups, LTD
- Reyna Family Development, LTD
- Project TMI
- Project Wilson

At 6:46 p.m., President Dunkin announced the board would convene into executive session under Government Code (Section 551.071) to discuss Item No. 7.

Motion was made by Mr. Lamon and seconded by Mr. Ledesma to convene into executive session under Government Code (Section 551.071) to discuss Item No. 7. Motion carried unanimously.

At 7:52 p.m., President Dunkin announced the board had completed its executive session under Government Code (Section 551.071) and declared the meeting open to the public.

8. a) Action, if needed, on Best Catering loan, as discussed in executive session
b) Action, if needed, on J. Chandra Groups, LTD. Agreement, as discussed in executive session
c) Action, if needed, on Reyna Family Development, LTD. Agreement, as discussed in executive session
d) Action, if needed, on Project TMI, as discussed in executive session
e) Action, if needed, on Project Wilson, as discussed in executive session

No action on Item No. 8a).

Motion was made by Mr. Ledesma and seconded by Mr. Lamon to clear default in 90 days or collect funds as discussed in Executive Session for Item No. 8b). Motion carried unanimously.

No action on Item No. 8c).

No action on Item No. 8d).

No action on Item No. 8e).

There being no further business to discuss, motion was made by Mr. Lamon and seconded by Ms. Gutierrez-Garza to adjourn the meeting at 7:54 p.m.

Development Corporation of Harlingen, Inc.

____________
Mr. Robert B. Dunkin, President

ATTEST:

____________
Raul Garza, Manager and CEO
Development Corporation of Harlingen, Inc.
Special Meeting
August 12, 2014

On this 12th day of August, 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
Robert B. Dunkin, President
Michael Lamon, Vice President
Lupita Gutierrez-Garza, Treasurer
Rick Ledesma, Secretary
Dr. Gilbert Leal, Board Member

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

Also Mayor Chris Boswell, Commissioner Victor Leal, Commission Tudor Uhlhorn, Commission Basilio Sanchez, City Manager Carlos Yerena, Assistant City Manager Gabe Gonzales, Assistant City Manager Dan Serna and Senior 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. Ledesma, Mr. Lamon, Dr. Leal and Ms. Gutierrez-Garza were present.

Comments
Yolanda Shofflett

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 for business prospects known as:

   1. Project TMI
   2. Project Wilson
   3. Best Catering

b. 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 property owners and/or for business prospects known as:

   1. Project Wilson
At 11:35 a.m., President Dunkin announced the board would convene into executive session under Government Code (Section 551.087) and (Section 551.072) to discuss Item No. 1a) and 1b).

Motion was made by Mr. Lamon and seconded by Dr. Leal to convene into executive session under Government Code (Section 551.087) and (Section 551.072) to discuss Item No. 1a) and 1b). Motion carried unanimously.

At 12:16 p.m., President Dunkin announced the board had completed its executive session under Government Code (Section 551.087) and (Section 551.072) and declared the meeting open to the public

2) **Action on executive session items.**
   a. **Action, if needed, on Project TMI, as discussed in executive session.**
   b. **Action, if needed, on Project Wilson, as discussed in executive session.**
   c. **Action, if needed, on Best Catering loan, as discussed in executive session**

Motion was made by Dr. Leal and seconded by Ms. Gutierrez Garza to approve Item No. 2a) as discussed in executive session. Motion carried unanimously.

Motion was made by Mr. Lamon and seconded by Dr. Leal to approve Item No. 2b) as discussed in executive session. Motion carried unanimously.

No action taken on Item 2c).

3) **Discussion and review of proposed Fiscal Year 2014-2015 Budget.**

Mr. R. Garza gave an overview presentation and review on the proposed Fiscal Year 2014-2015 Budget.

There being no further business to discuss, motion was made by Dr. Leal and seconded by Ms. Gutierrez Garza to adjourn the meeting at 12:36 p.m.

Development Corporation of Harlingen, Inc.

Mr. Robert B. Dunkin, President

ATTEST:

Raudel Garza, Manager and CEO
Development Corporation of Harlingen, Inc.
Regular Meeting
August 26, 2014

On this 26th day of August, 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
Robert B. Dunkin, President
Michael Lamon, Vice President
Lupita Gutierrez-Garza, Treasurer
Dr. Gilbert Leal, Board Member

Absent
Rick Ledesma, Secretary

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

Also Commissioner Basilio Sanchez, Commissioner Michael Mezmar, Assistant City Manager Gabe Gonzales, Finance Director Elvia Trevino, Assistant Finance Director Sergio Villasana and Senior 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 Dr. Leal, Mr. Lamon and Ms. Gutierrez-Garza were present.

Comments
Yolanda Shoffett
Jose Rubio

1. Consider and take action to approve the Financials Reports of July 2014.

Financial Reports July 2014
Development Corporation of Harlingen, Inc.
Interim Financial Statements
For Month Ending June 31, 2014

Balance Sheet
Cash $3,391,934
Receivables $1,609,645
Prepaid Expense $0
Assets (Land, Building & Parking Lot) $40,825,738
Total Assets $45,827,317
Liabilities & Payables $1,197,842
BPS Land Payable $4,431,205
Loan $2,990,000
Bonds Payable $30,180,000
Total Liabilities $38,799,047

Designated Reserve $2,000,000
Unencumbered Fund Balance $1,391,934
Non-Cash Fund Balance $3,636,336
Total Fund Balance $7,028,270

Total Liabilities & Fund Balance $45,827,317

STATEMENT OF REVENUES AND EXPENDITURES

<table>
<thead>
<tr>
<th></th>
<th>Current Month</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
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<td>$4,129,179</td>
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<tr>
<td>Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>$61,339</td>
<td>$679,878</td>
</tr>
<tr>
<td>Contracts</td>
<td>$10,000</td>
<td>$212,884</td>
</tr>
<tr>
<td>Projects</td>
<td>$250,150</td>
<td>$3,198,413</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$321,489</td>
<td>$4,091,175</td>
</tr>
<tr>
<td>Revenues Less Expenditures</td>
<td>$100,376</td>
<td>$38,004</td>
</tr>
</tbody>
</table>

Motion was made by Dr. Leal and seconded by Ms. Gutierrez-Garza to approve Item No. 1 with a correction on the top of Page 2, Line one, changing the percentage from 67% to 83%. Motion carried unanimously.

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

Mr. L. Garza gave an update on the Qualfon project. He explained it was near completion and they were awaiting the certificate of occupancy. Qualfon is in the process of hiring the first round of employees, twelve, and their global employees. HEDC is helping set up a job fair. He mentioned the opening of Cracker Barrel, Ulta Cosmetics, Melrose and Popeye’s restaurant. There is a second Popeye’s restaurant starting construction within the next 60 days. Also, an Italian restaurant, Stefano’s, on Business 83, opening in 30 days. We continue monitoring the housing market. D. Horton has built about 25 homes off of Wilson Road from 1,600 sq.ft. to 2,400 sq. ft. total. On the engineering side, Bass Pro Shops’ road is completed and a ribbon cutting may possibly follow. This should spur more retail economy. The landscaping will be completed by the end of September for the Orphan land. On the
marketing side, we are looking at the overall budget and activity for the past year, international, national, and local. Mr. L. Garza finished with the ground breaking for Strategic Behavioral Health scheduled this Thursday and mentioned the one year construction ready to begin.

Mr. R. Aleman mentioned a job fair for civil jobs on September 12th and September 13th with Betchel for jobs in Bay City and Corpus Christi. The hiring of employees helps them prepare for the hiring for Harlingen’s location in the first quarter of next year. We met with the businesses in the Spur, Fairpark and Industrial Park, keeping in touch with our existing businesses. Mr. R. Aleman spoke about seeing more activity and developing state leads. The Industrial Park in looking better as we have a local farmer cleaning up the area. Site Certification at the Valley International Airport is on the last study, Cultural Resource Study, should be completed on time in December. Working with the County to bring in the commerce and produce industry. We had an industrial prospect visit Harlingen and toured the Harlingen Port, Rail, Airport, Los Indios Bridge and other local industrial companies in the area for a familiarization tour. Mr. R. Aleman thanks President Dunkin for meeting the prospect.

Mr. R. Garza spoke about the University Center’s new Director, Yvette Garza-Garcia, and meeting with her and Dr. Stella Garcia, interim President at TSTC on the concerns of utilizing the University Center. The enrollment has not increased and former and current board members have expressed concerns. Mr. R. Garza gave some ideas and we hope they will take some back for review. An update from TSTC will be scheduled soon for the board.

Mr. R. Garza mentioned the Space X project media attention and how the HEDC did not participate in as large of an incentive as others, but received as much media attention as everyone else. At the City Commission meeting, Mr. R. Garza had a chance to speak with Space X officials and was happy to report that Space X was staying in Harlingen, eating, and spending their time and money in our city.

Mr. R. Garza updated the board on speaking in front of a group on a realtors at the Lions Club meeting. He also, met with some industrial clients, and the reminded everyone to attend the ground breaking at 1 p.m. for Strategic Behavioral Health. Also, he mentioned the Rio South Texas Economic Council’s contract with RGVnewswire.com a new website that they hired to create a more united front and change the perception of the RGV to a positive one.

3. 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 Wilson
b) Project Mountain

At 5:51 p.m., President Dunkin announced the board would convene into executive session under Government Code (Section 551.087) to discuss Item No. 3.

Motion was made by Mr. Lamon and seconded by Dr. Leal to convene into executive session under Government Code (Section 551.087) to discuss Item No. 3. Motion carried unanimously.

At 6:10 p.m., President Dunkin announced the board had completed its executive session under Government Code (Section 551.087) and declared the meeting open to the public.

4. a) Action, if needed, on Project Wilson
b) Action, if needed, on Project Mountain

No action taken on Item No. 4a).
No action taken on Item No. 4b).

5. **Workshop – Discussion and review of proposed Fiscal Year 2014-2015 Budget.**

Mr. R. Garza highlighted and reviewed the proposed Fiscal Year 2014-2015 Budget.

There being no further business to discuss, motion was made by Ms. Gutierrez Garza and seconded by Mr. Lamon to adjourn the meeting at 6:46 p.m.

Development Corporation of Harlingen, Inc.

________________________
Mr. Robert B. Dunkin, President

ATTEST:

________________________
Raudel Garza, Manager and CEO