

**MINUTES OF PROCEEDINGS
SPECIAL AND ANNUAL MEETING
LA FERIA INDUSTRIAL DEVELOPMENT CORPORATION (LFIDC)
THURSDAY, DECEMBER 9, 2010**

Be it known that the Board of Directors of the La Feria Industrial Development Corporation (LFIDC) held a special and annual meeting on **Thursday, December 9, 2010, at 6:30 PM**, in the City Commission Meeting Room, 115 East Commercial Avenue, La Feria, Texas 78559. The purpose of said meeting was to consider and take action on such business as was duly posted by agenda in accordance with State Open Meetings Law. The following Board Members were present at said meeting:

Mr. Brad Shields	President
Mr. Arturo Martinez	Vice President
Ms. Norma Alaniz	Secretary/Treasurer
Mr. Ignacio A. Garcia Galvez	Board Member
Mr. Victor Gomez	Board Member
Mr. Steve Brewer	Mayor/Ex-Officio Board Member

Staff present: Mr. Sunny K. Philip	City Manager/Executive Director
Mr. Richard S. Talbert	LFIDC Attorney
Ms. Maria Chavero	Finance Director
Ms. Olga Oberwetter	City Secretary

There were no other persons present at the meeting.

At 6:34 P.M., Board President Mr. Brad Shields led everyone present in reciting the Pledge of Allegiance to the Flag of the United States of America. He then declared that a quorum of the LFIDC Board was present and called the meeting to order.

REVIEW AND APPROVE MINUTES OF PROCEEDINGS OF THE PREVIOUS REGULAR MEETING OF THE LA FERIA INDUSTRIAL DEVELOPMENT CORPORATION (LFIDC) HELD ON THURSDAY, NOVEMBER 4, 2010

After review of the minutes, Ms. Norma Alaniz moved to approve the minutes of proceedings of the previous regular meeting of the La Feria Industrial Development Corporation held on Thursday, November 4, 2010. Mr. Arturo Martinez seconded the motion, and the motion carried by unanimous vote of the LFIDC Board.

MONTHLY FINANCIAL REPORTS FOR THE MONTH OF NOVEMBER 2010

Finance Director Ms. Maria Chavero reviewed the monthly reports for the month of November 2010. She reviewed the budget versus actual figures for the month and then reviewed the year-to-date figures, as well. Ms. Chavero explained that the variance in the actual and budgeted figures for the line item of Miscellaneous Revenues was due to the budgeting of revenues from the sale of property, but the property has not been sold as of yet. Ms. Chavero also reviewed the Analysis of Current IDC Sales Tax Collection and the City's Sales & Use Tax Comparison Summary. After review, Board President Mr. Brad Shields announced that the reports would be filed for audit.

EXECUTIVE (CLOSED) SESSION PURSUANT TO THE PROVISIONS OF THE OPEN MEETING LAWS, CHAPTER 551, GOVERNMENT CODE, VERNON'S TEXAS CODES ANNOTATED, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN SECTION 551.072 TO DISCUSS THE PROPOSED ACQUISITION/SALE/LEASE OF REAL ESTATE BY THE LA FERIA INDUSTRIAL DEVELOPMENT CORPORATION AND SECTION 551.087 TO DISCUSS ECONOMIC DEVELOPMENT NEGOTIATIONS

Board President Mr. Brad Shields declared the meeting in executive session at 6:40 P.M. After executive session deliberation, Mr. Shields declared the meeting back in open session at 7:08 P.M.

CONSIDER AND TAKE ACTION DEEMED NECESSARY AS A RESULT OF EXECUTIVE SESSION DELIBERATIONS

There was no action needed as a result of executive session deliberation.

CONSIDER AND TAKE ACTION TO APPROVE ECONOMIC DEVELOPMENT REVOLVING LOAN TO SOUTH TEXAS EMERGING MARKETS DEVELOPMENT FUND, INC.

Mr. Arturo Martinez moved to approve the economic development Revolving Loan to South Texas Emerging Markets Development Fund, Inc. in the amount of \$150,000.00 at 3% interest for 15 years and requiring first lien on the property. Ms. Norma Alaniz seconded the motion, and the motion carried by unanimous vote of the LFIDC Board.

CONSIDER AND TAKE ACTION TO APPROVE OR DENY RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE LFIDC TO NEGOTIATE THE TERMS AND EXECUTE A PROMISSORY NOTE IN FAVOR OF BBVA COMPASS BANK FOR THE CONTINUED FINANCING OF LOTS WITHIN THE LIONS VILLA SUBDIVISION

City Manager/Executive Director Sunny K. Philip explained that the LFIDC owns the majority of the lots at the Lions Villa Subdivision, and the note is owed to BBVA Compass. The LFIDC is making monthly payments and the bank has agreed to continue the loan. Mr. Philip asked that the Board approve the resolution with the authority to complete the amount of the renewal and make some corrections on the legal description noted on the resolution. Mr. Ignacio A. Garcia Galvez moved to approve LFIDC Resolution 2010-03 granting the authority to complete the blanks on the resolution as to the members making the motions, the amount of the principal owed, and the modification of the legal description. Mr. Victor Gomez seconded the motion, and the motion passed by unanimous vote of the LFIDC Board.

ELECTION OF NEW PRESIDENT, VICE PRESIDENT AND SECRETARY/TREASURER OF THE CORPORATION FOR THE NEW YEAR

City Manager/Executive Director Sunny K. Philip explained that the bylaws of the LFIDC stipulate that the Board elect officers for the new year at the annual meeting. He said the current officers are Brad Shields, President; Arturo Martinez, Vice President; and Norma Alaniz, Secretary/Treasurer. Mr. Brad Shields nominated Mr. Arturo Martinez as

President, but Mr. Martinez declined due to health reasons. Mr. Martinez nominated Mr. Ignacio A. Garcia Galvez as President, and he accepted the nomination. Mr. Brad Shields then nominated Mr. Arturo Martinez as Vice President and Ms. Norma Alaniz as Secretary/Treasurer. Mr. Ignacio A. Garcia Galvez moved that the nominations cease and that the members be elected by acclamation. Mr. Arturo Martinez seconded the motion, and the motion carried by unanimous vote of the LFIDC Board. The new officers are Mr. Ignacio A. Garcia Galvez, President; Mr. Arturo Martinez, Vice President; and Ms. Norma Alaniz, Secretary/Treasurer.

Incoming Board President Mr. Ignacio A. Garcia Galvez assumed the duties of presiding officer for the meeting at this point.

ANNUAL REPORT BY EXECUTIVE DIRECTOR

City Manager/Executive Director Sunny K. Philip said that the LFIDC has done a marvelous job in promoting economic development in the community. He said the LFIDC pays the City a small amount for use of City staff for administering the program and that the LFIDC Board has worked very well together. Mr. Philip said the LFIDC has completed another successful year despite of the economic downturn experienced during recent years, and he then reported on the following.

New Market Tax Credit Program

The LFIDC retained the services of Debbie Sanchez-Reed and Marsha Krassner for the preparation and submission of a New Market Tax Credit application. The project readiness was not to the comfort level needed and the decision was made not to submit the application for 2010.

Tax Increment Reinvestment Zone

The Tax Increment Reinvestment Zone was established by the City to be used as a tool to promote economic development and community development in the community. The increment value increase is not to the level we anticipated because of the economic slowdown and lack of development.

Revolving Loan Fund Program

The La Feria Industrial Development Corporation received funding from the United States Department of Agriculture from the first Rural Business Enterprise Grant in the amount of \$233,300 and those funds were loaned to a business in the Community along with the \$100,000.00 matched by the LFIDC. The business sold the property to accommodate the need of another business, and the full amount of the loan was recaptured. The LFIDC is working with prospective businesses to place the loan.

A second grant commitment in the amount of \$300,000.00 was made by USDA to the LFIDC. The LFIDC conducted a workshop for business to facilitate loan options to the business community. The LFIDC is in the process of closing a loan which will use up at least half of this funding.

Economic Development Infrastructure

The City has completed the construction of wastewater utilities by using Economic Development Administration grant funds, North American Development Bank funded loan proceeds, and LFIDC contributed capital.

Property Sale to Businesses for their Expansion

The LFIDC sold one lot from Lions Villa to the City for the development of a four unit multi-family housing development. The LFIDC also has an active contract for the sale of 13 lots in Lions Villa Subdivision, and it is anticipated to close by June 2011.

Property Acquisitions

The LFIDC purchased the Masonic Lodge Building located on Main Street for the purpose of refurbishment. The Board has decided to sell the property to the La Feria Economic Development Corporation.

Market Days

During the year, the Market Days program was developed and is held once a month on the LFIDC property. The program has sustained financially and with continued vendor participation.

Governmental Service Agency Lease

The LFIDC entered into a lease agreement with the GSA for a 7,300 sq. ft office space used by the Census Bureau. The facility employed 54 people, and has been a boom for the local economy. The lease ended in November 2010. Staff is actively working to lease the facility.

Retail Study

The LFIDC participated with the City to develop a Retail Study to help the City to target the efforts on best suited retail businesses. The study was completed a few months ago. The City is actively working to recruit businesses to the community.

Job Training Facility

The LFIDC applied for funds from the USDA for the construction of a Job Training Facility on LFIDC owned property. No funding announcements have been made yet.

There was no action needed on this item.

CONSIDER AND TAKE ACTION TO ESTABLISH GOALS FOR 2011

City Manager/Executive Director Sunny K. Philip presented the goals for 2011 as follows and asked for input and/or changes from the Board.

Master Planned Medical Facility.

The LFIDC should continue the effort to see whether a Master Planned Medical Campus can be developed to promote quality jobs and benefit the community with economic development.

Tax Increment Reinvestment Zone

The LFIDC will be able to use the TIRZ option as an incentive to promote economic development in the community.

Market Days

Market days provides job opportunities and entrepreneurship, and the LFIDC needs to offer assistance for the continued operation of the program.

New Market Tax Credit (NMTC)

The NMTC program can be used to facilitate major projects, and the LFIDC needs to continue the effort to be successful in the program. The LFIDC is trying to partner with the National Development Council, a national non-profit entity to assist with the New Market Tax Credit application and projects.

Infrastructure Improvement

Infrastructure improvements are key to economic development, and the LFIDC needs to work with the City and the Utilities Board to proactively develop infrastructure for targeted areas. The City is currently working to secure \$15,000,000 for additional water and wastewater system improvements.

Business Assistance

The non-profit entity for economic development is planning to facilitate training opportunities and loans to businesses in the community, and the LFIDC needs to assist in ways possible for the benefit of the business community.

Revolving Loan Fund Program

The LFIDC needs to continue to search for sources of loan capital including grant funds from USDA for the benefit of businesses in the community.

Board and Staff Training

A better informed Board and trained professional staff can better serve the community, and the LFIDC needs to search for training opportunities for the Board and staff.

Target Marketing

Using the tools identified in the retail strategy study, the LFIDC needs to develop target businesses to recruit into the community and target market to those businesses.

Job Training Facility

The LFIDC should work with the City and other parties to facilitate the construction of a Training Facility in La Feria.

Hotel

The LFIDC should assist the City to locate new hotels in the community.

LFIDC Owned Property As Incentive

The LFIDC Board needs to evaluate business prospects on a case by case basis to determine whether any LFIDC owned property can be used as an incentive to attract businesses or industries to the community.

After review of the goals, Mr. Brad Shields moved to approve the Goals for 2011 as presented. Ms. Norma Alaniz seconded the motion, and the motion carried by unanimous vote of the LFIDC Board.

PUBLIC COMMENTS

Board President Mr. Ignacio A. Garcia Galvez declared the public comment session open. No one signed up to address the board, so Mr. Galvez declared the public comment session closed.


ACTION FOR ADJOURNMENT

There being no further business to conduct, Mr. Brad Shields moved to adjourn the meeting. Mr. Arturo Martinez seconded the motion, and the motion carried by unanimous vote of the LFIDC Board.

ADJOURNMENT

Board President Mr. Ignacio A. Garcia Galvez adjourned the meeting at 7:45 P.M.

APPROVED:




 Ignacio A. Garcia Galvez, President

ATTEST:



 Norma Alaniz, Secretary/Treasurer

These minutes were prepared and filed with the City of La Feria as official record of the City of La Feria and the La Feria Industrial Development Corporation at 6:18 PM on Tuesday, January 4, 2011.



 Sunny K. Philip
 City Manager/Executive Director