

**MINUTES OF PROCEEDINGS
SPECIAL AND ANNUAL MEETING
LA FERIA INDUSTRIAL DEVELOPMENT CORPORATION (LFIDC)
THURSDAY, DECEMBER 8, 2011**

Be it known that the Board of Directors of the La Feria Industrial Development Corporation (LFIDC) met in special and annual session on **Thursday, December 8, 2011, 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. Ignacio A. Garcia Galvez	President
Mr. Arturo Martinez	Vice President
Mr. Victor Gomez	Board Member
Mr. Brad Shields	Board Member
Ms. Norma Alaniz	Secretary/Treasurer

Absent: 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 this meeting.

At 6:30 P.M., Board President Mr. Ignacio A. Garcia Galvez 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 3, 2011.

After review of the minutes, Mr. Arturo Martinez moved to approve the minutes of proceedings of the previous regular meeting of the La Feria Industrial Development Corporation (LFIDC) held on Thursday, November 3, 2011. Mr. Brad Shields seconded the motion, and the motion carried by unanimous vote of the LFIDC board members present.

MONTHLY FINANCIAL REPORTS FOR THE MONTH OF NOVEMBER 2011

Finance Director Ms. Maria Chavero reviewed the financial reports for the month of November 2011. She reviewed the budget versus actual figures for the month and then reviewed the year-to-date figures, as well. Ms. Chavero also reviewed the Analysis of Current IDC Sales Tax Collection Report and the City's Sales & Use Tax Comparison Summary. After review, Board President Mr. Ignacio A. Garcia Galvez announced that the reports would be filed for audit.

CONSIDER AND TAKE ACTION TO APPROVE A RESOLUTION OF THE LFIDC AUTHORIZING LA FERIA INDUSTRIAL DEVELOPMENT CORPORATION, INC. OFFICIALS TO APPLY FOR A GRANT FROM THE RURAL BUSINESS ENTERPRISE GRANT (RBEG) TO ESTABLISH A REVOLVING LOAN FUND PROGRAM

City Manager/Executive Director Sunny K. Philip explained that this would be grant #3 from the United States Department of Agriculture in the amount of \$99,900.00 with a match of \$51,000.00. He said that previously the City has received two grants in the amount of \$233,000.00 and \$300,000.00 which money has been loaned out to local businesses. Mr. Brad Shields moved to approve LFIDC Resolution 2011-10 authorizing La Feria Industrial Development Corporation, Inc. officials to apply for a grant from the Rural Business Enterprise Grant (RBEG) to establish a Revolving Loan Fund Program. Mr. Arturo Martinez seconded the motion, and the motion carried by unanimous vote of the LFIDC board members present.

CONSIDER AND TAKE ACTION TO APPROVE OR DENY A POLICY ADDENDUM TO THE REVOLVING LOAN FUND POLICY & PROCEDURES MANUAL §5.4 REVIEW PROCESS (1)

City Manager/Executive Director Sunny K. Philip explained that the proposed addendum is to set a limit of 60 days after submission of the application for the applicant to provide all necessary documents to process the application. Discussion followed concerning the specifics about the time period, and the recommendation was to table this item to be brought back at a later date. Mr. Brad Shields moved to table this item until a later date. Mr. Arturo Martinez seconded the motion, and the motion carried by unanimous vote of the LFIDC board members present.

EXECUTIVE (CLOSED) SESSION PURSUANT TO THE PROVISIONS OF THE OPEN MEETING LAWS, CHAPTER 551, GOVERNMENT CODE, 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

City Manager/Executive Director Sunny K. Philip said that there was nothing to discuss in executive session, so that this item could be tabled. Mr. Brad Shields moved to table this item. Ms. Norma Alaniz seconded the motion, and the motion carried by unanimous vote of the LFIDC board members present.

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

Since there was no executive session held, Mr. Brad Shields moved to table this item. Ms. Norma Alaniz seconded the motion, and the motion carried by unanimous vote of the LFIDC board members present.

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 this meeting is a special meeting and also the annual meeting of the LFIDC Corporation and that the bylaws of the Corporation call for the election of a President, Vice President, and Secretary/Treasurer during the annual meeting. He said the current officers are Mr. Ignacio A. Garcia Galvez serving as President, Mr. Arturo Martinez as Vice President, and Ms. Norma Alaniz as Secretary/Treasurer. Mr. Ignacio A. Garcia Galvez nominated Mr. Brad Shields for President. Mr. Brad Shields nominated Mr. Ignacio A. Garcia Galvez as Vice President and Ms. Norma Alaniz as Secretary/Treasurer. Mr. Victor Gomez moved to accept the nominations as presented. Ms. Norma Alaniz seconded the motion, and the motion carried by unanimous vote of the LFIDC board members present. The new officers are Mr. Brad Shields, President; Mr. Ignacio A. Garcia Galvez, Vice President; and Ms. Norma Alaniz, Secretary/Treasurer. Mr. Brad Shields presided over the rest of the meeting.

ANNUAL REPORT BY EXECUTIVE DIRECTOR

City Manager/Executive Director Sunny K. Philip reported that several years ago the LFIDC facilitated the development of two non-profits, the South Texas Collaborative for Housing Development, Inc. and the South Texas Emerging Markets Development Fund, Inc.. He said the two non profits have made some progress, one is going for CDFI certification from the Treasury Department and the other is submitting an application for \$600,000.00.

A TIRZ (Tax Increment Reinvestment Zone) has been establish, and the City contributes the increase in property taxes that is collected from the increase in value of the properties within the TIRZ zone. Cameron County also contributes 50% of the increase in their property taxes for the TIRZ properties.

Mr. Philip also said that a Revolving Loan Fund Program was established several years ago.

(Board Member Ms. Norma Alaniz left the meeting at this point at 6:56 P.M.)

Mr. Philip said the LFIDC has completed another successful year, 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 if enough project pipeline can be developed. Based on the economic conditions in the area, it was determined that it is not advisable to submit an application for tax credit during this year.

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 within the targeted area.

Revolving Loan Fund Program

During the reporting period 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 \$300,000 and those funds were loaned to a business in the Community along with the \$105,000 matched by the LFIDC. The business acquired an existing building and is current on its payment to the LFIDC. All loans from the Revolving Loan Fund Program are current without any delinquencies.

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. The City received an award of approximately \$15,000,000 forgivable loan from the Texas Water Development Board for water and wastewater improvements. The project is anticipated to be completed by the end of 2014.

Property Sale to Businesses for their Expansion

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 February 2012. The LFIDC is also pursuing the sale of three tracts of land for the establishment of three businesses in the Community.

Property Acquisitions

No new purchases of properties were made during this reporting period.

Market Days

The Market Days program sponsored by the City and LFIDC is maintaining a steady pace. The City will explore opportunities to expand and enhance the program in the community.

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 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.

CONSIDER AND TAKE ACTION TO ESTABLISH GOALS FOR 2012

City Manager/Executive Director Sunny K. Philip presented the goals for 2012 as follows and asked for input and/or changes from the Board.

Master Planned Medical Facility.

The LFIDC will continue with its effort to foster medical infrastructure that will assist to develop a Master Planned Medical Campus including a hospital in the community. This will bring a variety of job opportunities for the community.

Tax Increment Reinvestment Zone

The LFIDC will be able to use the TIRZ established by the City of La Fria as an incentive tool to promote economic development in the community.

Market Days

Market days provides job opportunities and entrepreneurship, and the LFIDC will continue its support of the Market Days 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 has secured commitment for funding in the amount of 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. Through borrowed capital from LFIDC, the non profit assisted two businesses in the community.

Revolving Loan Fund Program

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

Board and Staff Training

A better informed Board and trained professional staff can better serve the community, and the LFIDC will continue its effort to facilitate training opportunities for the Board and staff.

Target Marketing

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

Job Training Facility

The City received commitment for funding for the construction of a facility that can be used as an emergency shelter and a Training Facility. The City has raised capital to match the grant funds. The LFIDC owned property has been identified as the site for this new facility.

Hotel

The LFIDC is continuing its negotiation to locate a new hotel in the community.

Use of LFIDC Owned Property As Incentive to Locate Businesses in the Community

The LFIDC will continue with its efforts to use LFIDC owned property as an incentive for a business to locate in the community for economic benefit. The LFIDC will also continue with its efforts to sell properties owned by the LFIDC to reduce the debt and take on new projects of economic development.

Discussion followed regarding the need for a recycling program and a suggestion was made to add that to the goals. Mr. Ignacio A. Garcia Galvez moved to approve the goals for 2012 with the addition of a Recycling Program. Mr. Arturo Martinez seconded the motion, and the motion carried by unanimous vote of the LFIDC board members present.

PUBLIC COMMENTS

Board President Mr. Brad Shields declared the public comment session open. No one signed up to speak before the board, so Mr. Shields declared the public comment session closed.

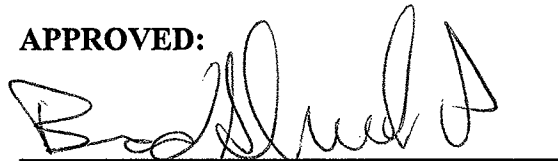
ACTION FOR ADJOURNMENT

There being no further business to conduct, Mr. Ignacio A. Garcia Galvez moved to adjourn the meeting. Mr. Victor Gomez seconded the motion, and the motion carried by unanimous vote of the LFIDC board members present.

ADJOURNMENT

Board President Mr. Brad Shields adjourned the meeting at 7:20 P.M.

APPROVED:



Brad Shields, 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 8:30 AM on Wednesday, January 4, 2012.

A handwritten signature in black ink, appearing to read "Sunny K. Philip", written over a horizontal line.

Sunny K. Philip
City Manager/Executive Director

