

**MINUTES OF PROCEEDINGS
REGULAR AND ANNUAL MEETING
LA FERIA INDUSTRIAL DEVELOPMENT CORPORATION (LFIDC)
THURSDAY, JANUARY 3, 2013**

Be it known that the Board of Directors of the La Feria Industrial Development Corporation (LFIDC) met in regular and annual session on **Thursday, January 3, 2013, 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. Ignacio A. Garcia Galvez	Board Member
	Mr. Steven Salinas	Board Member
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. Irene Szedlmayer	Planning and Comm. Dev. Director
	Ms. Olga Oberwetter	City Secretary

There were no other persons present at this meeting.

At 6:50 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 1, 2012

After review of the minutes, Mr. Steven Salinas moved to approve the minutes of proceedings of the previous regular meeting of the La Feria Industrial Development Corporation (LFIDC) held on Thursday, November 1, 2012. Mr. Ignacio A. Garcia Galvez seconded the motion, and the motion carried by unanimous vote of the LFIDC board members present.

MONTHLY FINANCIAL REPORTS FOR THE MONTHS OF OCTOBER AND NOVEMBER 2012

Finance Director Ms. Maria Chavero reviewed the financial reports for the months of October and November 2012. She reviewed the budget versus actual figures for both months and then reviewed the year-to-date figures for November. 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. 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, 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 no executive session was held.

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

Since there was no executive session held, there was no need for this item.

CONSIDER AND TAKE ACTION TO APPROVE OR DENY A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A LOAN AGREEMENT WITH THE FIRST COMMUNITY BANK CONSOLIDATING EXISTING LOANS WITH BBVA COMPASS BANK

City Manager/Executive Director Sunny K. Philip updated the Board on the proposed consolidation of existing loans which were the result of various properties purchased and financed. Mr. Philip said the First Community Bank would require a lien only on the 26.62 acres of property. Mr. Steven Salinas moved to approve LFIDC Resolution 2013-01 authorizing Executive Director Sunny K. Philip to enter into a loan in the amount of \$303,967.12 with the First Community Bank as the lender and to execute and deliver the LFIDC's promissory note in such amount on such terms and conditions as he shall deem to be in the best interest of the LFIDC to consolidate the existing loans with BBVA Compass Bank. Mr. Ignacio A. Garcia Galvez seconded the motion, and the motion carried by unanimous vote of the 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 regular 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. Mr. Ignacio A. Garcia Galvez nominated Mr. Brad Shields for President, Mr. Steven Salinas as Vice President and himself as Secretary/Treasurer, since there were no other active members on the board, and he moved to accept the nominations as presented. Mr. Steven Salinas 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. Steven Salinas, Vice President; and Mr. Ignacio A. Garcia Galvez, Secretary/Treasurer.

ANNUAL REPORT BY EXECUTIVE DIRECTOR

City Manager/Executive Director Sunny K. Philip reported on the following.

The La Feria Industrial Development Corporation completed another successful year.

New Market Tax Credit Program

The LFIDC retained the services of Debbie Sanchez-Reed and Marsha Krassner during 2011 for the preparation and submission of a New Market Tax Credit application if enough project pipeline could be developed. Based on the economic conditions in the area, it was determined that it was not advisable to submit an application for tax credit during that 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. Only property taxes are dedicated towards this pool. If a big project comes to fruition, then there is a possibility to include sales tax revenue from that project to be included in the TIRZ sources of revenue.

Revolving Loan Fund Program

During the reporting period the La Feria Industrial Development Corporation received a second funding from the United States Department of Agriculture Rural Business Enterprise Grant in the amount of \$233,000 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. The LFIDC also received a \$400,000 IRP Loan commitment from USDA for the Revolving Loan Fund Program.

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 13 lots from Lions Villa to the South Texas Collaborative for Housing Development for the development of an 80-unit multi-family housing development. The LFIDC has also sold two parcels of land from the LFIDC Alpha Subdivision to assist two 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 has been suspended as participation in the program did not materialize as expected.

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 utilizing the information from the study.

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 2013

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.

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, especially businesses that offer high visibility to the community and will be beneficial.

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.

La Feria Chamber of Commerce

A properly organized and well managed chamber of commerce can be an asset to the City of La Feria and the business community. The LFIDC will be able to support the formation and functioning of a chamber of commerce in La Feria.

Economic Development Planning

The City has applied for funds for the development of a Comprehensive Plan that includes economic development. The LFIDC needs to play an active role in facilitating and forming policies for economic development.

Population Growth

Population growth of a community will assist in the economic growth of the area. The LFIDC should promote population growth by offering economic opportunities and housing choices.

Higher Education

Higher education and job opportunities are two key ingredients that will help the community grow enormously. The LFIDC should advocate higher education opportunities and technical training opportunities in the community.

After discussion, Mr. Ignacio A. Garcia Galvez moved to accept the Goals for 2013 as presented. Mr. Steven Salinas 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.

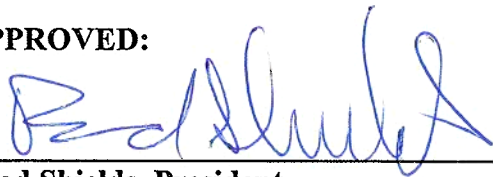
ACTION FOR ADJOURNMENT

There being no further business to conduct, Mr. Ignacio A. Garcia Galvez moved to adjourn the meeting. Mr. Steven Salinas 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 7:33 P.M.

APPROVED:



Brad Shields, President

ATTEST:


Ignacio A. Garcia Galvez, 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 5:30 PM on Tuesday, March 5, 2013.


Sunny K. Philip
City Manager/Executive Director