

**MINUTES OF PROCEEDINGS
SPECIAL AND ANNUAL MEETING
LA FERIA INDUSTRIAL DEVELOPMENT CORPORATION (LFIDC)
THURSDAY, January 23, 2014**

Be it known that the Board of Directors of the La Feria Industrial Development Corporation (LFIDC) met in special and annual meeting session on **Thursday, January 23, 2014, 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. Steven Salinas	Vice President
Mr. Ignacio A. Garcia Galvez	Secretary/Treasurer
Mr. Lloyd Betts	Board Member
Mr. Steve Brewer	Mayor/Ex-Officio Board Member

Absent: Ms. Candace Y. Guillen Board Member

Staff present:	Mr. Richard S. Talbert	LFIDC Attorney
	Ms. Paula Rodriguez	Planning and Comm. Dev. Director
	Ms. Kin Mendoza	Assistant Finance Director
	Ms. Esmeralda Sanchez	Capital Projects Coordinator
	Ms. Olga Oberwetter	City Secretary

The only other person present at the meeting was Mr. Rafael Tapia.

At 6:35 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, DECEMBER 5, 2013

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, December 5, 2013. Mr. Lloyd Betts seconded the motion, and the motion carried by unanimous vote of the LFIDC board members present.

MONTHLY FINANCIAL REPORTS FOR THE MONTHS OF NOVEMBER AND DECEMBER 2013

Assistant Finance Director Ms. Kin Mendoza reviewed the monthly financial reports for the months of November and December 2013 with the board. She reviewed the Budget vs. Actual Report comparing revenues and expenditures for the month of November and the monthly and year-to date figures for the month of December 2013. Ms. Mendoza

then reviewed the Analysis of Current IDC Sales Tax Collection report which reflected a monthly average sales tax collection of \$20,838. She also reviewed the Comptroller's Report which indicated that for the calendar year of 2013, La Feria ended the year on a slightly positive note. After review the financial reports were 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

There was no need for executive session, so there was no action on this item.

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

There was no action needed on this item since no executive session was held.

CONSIDER AND TAKE ACTION TO APPROVE/DENY ECONOMIC DEVELOPMENT LOAN TO JOSE MORALES FROM THE REVOLVING LOAN FUND PROGRAM

Mr. Rafael Tapia from Petra Reyna and Associates was present at the meeting to present and review an application from Jose Morales for a loan from the Revolving Loan Fund Program in the amount of \$150,000 for the expansion of his business. The Review Committee reviewed the file including income tax returns, personal financial statements and appraisal of the property which was valued between \$150,000 and \$170,000. The Review Committee made an offer to Mr. Morales of 70% of what he was requesting which would be a loan of \$105,000 for a 10 year period of time at 5% interest. Mr. Morales accepted the offer. Mr. Steven Salinas moved to approve the loan in the amount of \$105,000 to Mr. Jose Morales at 5% interest for 10 years. Mr. Lloyd Betts seconded the motion, and the motion carried by unanimous vote of the board.

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

Mr. Steven Salinas nominated Mr. Brad Shields to continue to serve as President and asked that nominations cease. Mr. Ignacio A. Garcia Galvez seconded the motion, and the motion carried by unanimous vote of the LFIDC Board. Mr. Ignacio A. Garcia Galvez nominated Mr. Steven Salinas as Vice President and Mr. Steven Salinas nominated Mr. Ignacio A. Garcia Galvez as Secretary/Treasurer. Mr. Lloyd Betts asked that the nominations for Vice President and Treasurer cease. Mr. Steven Salinas moved to approve the newly elected members to the board. Mr. Lloyd Betts seconded the motion, and the motion carried by unanimous vote of the LFIDC Board. The officers for 2014 are Brad Shields, President; Steven Salinas, Vice President; and Ignacio A. Garcia Galvez, Secretary/Treasurer.

ANNUAL REPORT BY EXECUTIVE DIRECTOR

City Manager/Executive Director Mr. Sunny K. Philip was out of town, so Mayor Steve Brewer reviewed the Annual Report prepared by Mr. Philip which is an attempt to update the Board with a summary of activities which transpired during the year ended December 31, 2013. Following are the topics covered.

New Market Tax Credit Program

The LFIDC established a Community Development Entity to participate in the New Market Tax Credit administered by the Community Development Financial Institution of the Department of the Treasury. The LFIDC is still having conversations with different groups to utilize the program. The tools have been put in place to seize the opportunity when that occurs.

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. The TIRZ Board approved an incentive for the development of a 70 lot residential subdivision. 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. This is another tool in place to deal with potential major development.

Revolving Loan Fund Program

During the last year 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. The LFIDC is currently reviewing a few applications received.

Economic Development Infrastructure

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

Property Sale to Businesses for their Expansion

The LFIDC sold 13 lots from Lions Villa to South Texas Collaborative for Housing Development for the development of an 80-unit multi-family housing development. A 70 unit apartment complex has been completed on the property and is fully occupied. The goal of promoting high density development has been accomplished. The Board approved the sale of 18 acres of property to the city for various developments. The Board also approved the purchase of several pieces of properties to facilitate and direct

growth in certain parts of the community. One of the goals was to promote growth towards the south of town. As a result of having control/ownership of the property, the City was able to secure grants for a DOME facility and a 10,000 sq. ft. Technology and Success center totaling \$2,800,000.

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. A few significant projects are under consideration.

Job Training Facility

The LFIDC is working with certain non profits in the area to provide job training to residents of La Feria. This is an amended approach after our failed attempt to secure funds from USDA for the construction of a Job Training Facility on LFIDC owned property.

There was no action needed on this item.

CONSIDER AND TAKE ACTION TO ESTABLISH GOALS FOR 2014

Mayor Steve Brewer also reviewed the list of goals for 2014 prepared by City Manager/Executive Director Mr. Sunny K. Philip for the LFIDC. The list was as follows:

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. This effort is actually helping the LFIDC to receive utility service to IDC owned properties.

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. Staff and our consultants have talked to several businesses regarding loan funds available and is processing a few applications to determine whether it meets the requirements for funding.

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. The City also received funding for the construction of a Technology and success center which will assist with job training and business assistance.

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. Now it is a reality. 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. Our Lady of the Lake University location in La Feria is truly an outcome of the strategy developed by the IDC. Now the challenge is to take it to the next level. The City is also working on attracting the administration offices of the newly formed University.

Mr. Steven Salinas moved to accept the goals for 2014. Mr. Lloyd Betts 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. Lloyd Betts 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 7:00 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 8:27 PM on Wednesday, February 5, 2014.



Sunny K. Philip, City Manager/Executive Director

