



SAN BENITO ECONOMIC DEVELOPMENT CORPORATION
REGULAR MEETING
January 18, 2018

On January 18, 2018, the San Benito Economic Development Corporation of the City of San Benito held a Regular Meeting at the San Benito Municipal Building (Cesar Gonzales Meeting Hall), 401 N. Sam Houston at 5:30 p.m. A quorum was present including the following:

JOSE L. MORALES WAS THE PRESIDING OFFICER.

EDC BOARD MEMBERS

Jose L. Morales	President
Julian Rios	Vice President
JD Penny	Board Member
Orlando Lopez	Board Member
Benjamin Gomez	Ex-Officio Member

ADMINISTRATIVE STAFF

Manuel De La Rosa	City Manager
Rachel Siller	Coordinator
Belen Pena	Accountant
Ricardo Morado	City/EDC Attorney

ABSENT

Priscilla Guajardo	Secretary/Treasurer
Mary Bolado	Board Member
Jeremy Maya	Board Member
Lupita Pasement	City Secretary

ITEM 1. WELCOME TO VISITORS.

Jose L. Morales, President, welcomed everyone and called the meeting to order at 5:30 p.m. at the Cesar Gonzalez Meeting Hall located at the Municipal Building.

ITEM 2. PLEDGE OF ALLEGIANCE TO THE U S FLAG AND TO THE TEXAS FLAG.

Orlando Lopez, Board Member, led Board Members and audience in reciting the Pledge of Allegiance to the United States flag and to the Texas flag.

ITEM 3. INVOCATION.

Jose L. Morales, President, led the Board Members and audience in prayer.

ITEM 4. PUBLIC COMMENTS.

No public comments.

ITEM 5. CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF NOVEMBER 9, 2017.

Julian Rios, Vice President, moved to approve the minutes. **Orlando Lopez, Board Member**, seconded the motion. Voting Aye: **Jose L. Morales, President, Julian Rios, Vice President, Board Members: Orlando Lopez, JD Penny.** **MOTION CARRIED TO APPROVE THE MINUTES FOR THE REGULAR MEETING OF NOVEMBER 9, 2017.**

ITEM 6. PRESENTATION OF A CERTIFICATION OF APPRECIATION TO THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION FROM THE SAN BENITO POLICE DEPARTMENT.

Michael Galvan, San Benito Chief of Police, presented a Certificate of Appreciation to the Board for continued support of the San Benito Police Department.

ITEM 7. CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF RESOLUTION 2018-02 A RESOLUTION FOR DEPOSITORY / AUTHORIZED SIGNATORIES.

Belen Pena, Finance Director, presented Resolution 2018-02 which provides approval for signature card updates at the designated banking and investment institutions. **Ricardo Morado, Attorney**, identified grammatical errors that must be corrected in the opening paragraph. **JD Penny, Board Member**, moved to approve the resolution with corrections. **Julian Rios, Vice-President**, seconded the motion. Voting Aye: **Jose L. Morales, President, Julian Rios, Vice President, Board Members: Orlando Lopez, JD Penny.** **MOTION CARRIED TO APPROVE RESOLUTION 2018-02 A RESOLUTION FOR DEPOSITORY / AUTHORIZED SIGNATORIES WITH CORRECTIONS.**

ITEM 8. PRESENTATION OF THE FINANCIAL STATEMENTS FOR PERIODS ENDED OCTOBER 31, 2017, NOVEMBER 30, 2017, AND DECEMBER 31, 2017.

Belen Pena, Finance Director, reviewed the financial statements for periods ended October 31, 2017, November 30, 2017, and December 31, 2017.

ITEM 9. CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF THE REQUEST FOR FUNDING FROM THE DOWNTOWN RENT SUBSIDY GRANT PROGRAM BY MS. DONNA BURGESS, TRUNK FULL OF JUNK, IN THE AMOUNT OF \$5,000.00.

Rachel Siller, Coordinator, presented the Downtown Rent Subsidy Grant Application from Ms. Donna Burgess, Trunk Full of Junk, in the amount of \$5,000.00. Discussion ensued between the Board and Staff regarding the special condition request to allow Trunk Full of Junk to have closed or reduced hours on Monday which would allow them to be open on Sunday for weekend customers. This agenda item was temporarily suspended so the attorney could review the Downtown Rent Subsidy Grant Agreement. The meeting continued to Item 10.

ITEM 10. CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF THE REQUEST FOR FUNDING FROM THE DOWNTOWN COMMERCIAL FAÇADE GRANT PROGRAM BY MR. ALBERT SALINAS, SALINAS PHARMACY, IN THE AMOUNT OF \$7,225.00.

Rachel Siller, Coordinator, presented the Downtown Commercial Façade Grant Application from Mr. Albert Salinas, Salinas Pharmacy, in the amount of \$7,225.00. Confirmation was provided regarding the process of evaluating the application against the program guidelines. **Joe Roa, representative of Salinas Pharmacy**, indicated the grant monies will allow them to freshen up the building by performing repairs and providing signage on the building. **Julian Rios, Vice-President**, moved to approve the façade grant. **Orlando Lopez, Board Member**, seconded the motion. Voting Aye: **Jose L. Morales, President, Julian Rios, Vice President, Board Members: Orlando Lopez, JD Penny.** **MOTION CARRIED TO APPROVE THE REQUEST FOR FUNDING FROM THE DOWNTOWN COMMERCIAL FAÇADE GRANT PROGRAM BY MR. ALBERT SALINAS, SALINAS PHARMACY, IN THE AMOUNT OF \$7,225.00.**

(CONT.) ITEM 9. CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF THE REQUEST FOR FUNDING FROM THE DOWNTOWN RENT SUBSIDY GRANT PROGRAM BY MS. DONNA BURGESS, TRUNK FULL OF JUNK, IN THE AMOUNT OF \$5,000.00.

After review of the Grant Agreement, **Ricardo Morado, Attorney**, indicated the Grant Agreement does not allow changes to the grant conditions, therefore, the Grant Agreement must be modified to accommodate the special condition with approval by the City Commission. **Orlando Lopez, Board Member**, moved to approve the rent subsidy grant pending City Commission approval of

(CONT.) ITEM 9. CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF THE REQUEST FOR FUNDING FROM THE DOWNTOWN RENT SUBSIDY GRANT PROGRAM BY MS. DONNA BURGESS, TRUNK FULL OF JUNK, IN THE AMOUNT OF \$5,000.00.

the special condition and modification to the Grant Agreement. **Julian Rios, Vice-President**, seconded the motion. Voting Aye: **Jose L. Morales, President, Julian Rios, Vice President, Board Members: Orlando Lopez, JD Penny.** MOTION CARRIED TO APPROVE THE REQUEST FOR FUNDING FROM THE DOWNTOWN RENT SUBSIDY GRANT PROGRAM BY MS. DONNA BURGESS, TRUNK FULL OF JUNK, IN THE AMOUNT OF \$5,000.00 PENDING CITY COMMISSION APPROVAL OF THE SPECIAL CONDITION AND MODIFICATION TO THE GRANT AGREEMENT.

ITEM 11. CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF FUNDING REQUEST IN AN AMOUNT NOT TO EXCEED \$10,000.00 FROM THE CITY OF SAN BENITO TO MARKET THE HOG WADDLE COUNTRY CONCERT AND COOK-OFF SCHEDULED FOR MAY 19, 2018.

Luis Contreras, Museum Coordinator, presented information on the family friendly event. The event is a follow-up to the music series initiative launched by the Resaca City Music Festival. If granted, the funding will be utilized by the City's Public Relations Department to market the event. **Jose L. Morales, President**, inquired as to the possibility of combining this event with other events. **Manuel De La Rosa, City Manager**, explained that events with different groups and different themes are typically not combined as the different event plans do not go together well. **Julian Rios, Vice-President**, moved to approve the funding request. **Orlando Lopez, Board Member**, seconded the motion. Voting Aye: **Jose L. Morales, President, Julian Rios, Vice President, Board Members: Orlando Lopez, JD Penny.** MOTION CARRIED TO APPROVE THE FUNDING REQUEST IN AN AMOUNT NOT TO EXCEED \$10,000.00 FROM THE CITY OF SAN BENITO TO MARKET THE HOG WADDLE COUNTRY CONCERT AND COOK-OFF SCHEDULED FOR MAY 19, 2018.

ITEM 12. CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF FUNDING REQUEST IN AN AMOUNT NOT TO EXCEED \$10,000.00 FROM THE TEXAS HERITAGE INDEPENDENCE CELEBRATION ASSOCIATION (THICA) FOR THE TEXAS INDEPENDENCE DAY CELEBRATION SCHEDULED FOR MARCH 10, 2018.

Rachel Siller, Coordinator, presented the funding request for the March 10, 2018 event. The application request is for \$10,000.00. The EDC has funded this event for five years in a range of \$1,000.00 to \$12,000.00. This is a budgeted line item, reserving \$5,000.00 toward marketing the event. **Manuel De La Rosa, City Manager**, reviewed the budget process for allocating monies toward marketing annual events hosted by non-profit groups. The City is in partnership of some kind with at least six different self-sustaining non-profit groups, and has assisted other non-profit groups which are not self-sustaining without a partnership. The City desires to have non-profit groups become self-sustaining. The Board may award monies beyond the budgeted amount, and the budget would be addressed via a mid-year budget amendment. THICA is also preparing to enter into an agreement with the City for use of public lands and resources to support the event in a partnership. **Bruce Kidd, THICA Vice President**, discussed the history of the event and plans for this year's event. Discussion ensued regarding the event and facilities. **Orlando Lopez, Board Member**, moved to approve \$7,500.00 of funding to be expensed by the City's Public Relations Department. **JD Penny, Board Member**, seconded the motion. Voting Aye: **Jose L. Morales, President, Julian Rios, Vice President, Board Members: Orlando Lopez, JD Penny.** MOTION CARRIED TO APPROVE THE REQUEST FOR FUNDING FROM THE TEXAS HERITAGE INDEPENDENCE CELEBRATION ASSOCIATION (THICA) IN AN AMOUNT NOT TO EXCEED \$7,500.00 FOR MARKETING THE TEXAS INDEPENDENCE DAY CELEBRATION SCHEDULED FOR MARCH 10, 2018.

ITEM 13. DISCUSSION AND POSSIBLE ACTION ON REBRANDING AND MARKETING THE CITY OF SAN BENITO TO FURTHER ECONOMIC DEVELOPMENT.

Rachel Siller, Coordinator, presented draft logos designed by Pollux Castor three years ago, but were not finalized or presented for approval. Each logo presented has different aspects that provide a streamlined look or provide clean communication. **Manuel De La Rosa, City Manager**, indicated the agenda item is a result of a conversation with Jose L. Morales, President, regarding potential rebranding of the community with a new logo or slogan. The current logo is favorable for marketing regionally, while a more sophisticated look should be considered for marketing state-wide, nationally, or globally. Some of the draft logos represent a more sophisticated look. **Jose L. Morales, President**, reviewed the way the City of Harlingen obtained their new logo, by reaching out to the students and offering a prize. Staff will reach out to the local schools for students to submit ideas. No action was taken.

ITEM 14. UPDATE FROM REYNA NETWORK ON THE USDA SMALL BUSINESS LOAN PROGRAM.

Thelma Gonzalez, Project Manager from Reyna Network, briefed the Board on the activity report which covers November 6, 2017 through January 12, 2018. The EDC is estimated to have a revolving fund balance of \$203,199.15 as of December 31, 2017. Mr. Orlando Garza is delayed with finishing the canopy to submit his final permit application to obtain his occupancy permit to open his car wash. Mr. Trevino is working on his business plan to complete his application. Ms. Aguilar is one month behind on loan payments, and indicated she will submit her payment tomorrow.

ITEM 15. DISCUSSION AND POSSIBLE ACTION TO TERMINATE THE MONTH-TO-MONTH CONTRACT WITH REYNA NETWORK FOR MANAGEMENT SERVICES ASSOCIATED WITH THE USDA INTERMEDIARY RELENDING PROGRAM.

Rachel Siller, Coordinator, presented the Reyna Network contract which was executed in 2011, and extended on a month to month basis starting in June 2012. The financial impact of the contract is \$2,500.00 monthly, \$30,000.00 annually. If the Board terminates the contract, no new applications will be started with Reyna Network, and they will have a certain amount of time to close pending loan applications. The City Commission expressed support for termination of the contract at the November 21, 2017 City Commission meeting. **Manuel De La Rosa, City Manager**, explained the plan for incorporating the loan management activities into the City's departments. **Orlando Lopez, Board Member**, moved to approve termination of the Reyna Network contract. **Julian Rios, Vice President**, seconded the motion. Voting Aye: **Jose L. Morales, President, Julian Rios, Vice President, Board Member Orlando Lopez**. Voting Nay: **Board Member JD Penny**. **MOTION CARRIED TO APPROVE THE TERMINATION THE MONTH-TO-MONTH CONTRACT WITH REYNA NETWORK FOR MANAGEMENT SERVICES ASSOCIATED WITH THE USDA INTERMEDIARY RELENDING PROGRAM.**

ITEM 16. EXECUTIVE SESSION.

A) Under Texas Government Code, Section 551.087: To deliberate about information received from Business Prospect 2016-08, and to consider potential financial incentives to be offered to the business prospect.

B) Under Texas Government Code, Section 551.071: To consult with EDC Attorney pertaining to the contractual obligations associated with Reyna Network and the USDA Intermediary Relending Program.

The Board entered Executive Session at 6:37 pm, and convened at 7:13 pm.

ITEM 17. ACTION, IF ANY, TO BE TAKEN ON ITEMS DISCUSSED IN EXECUTIVE SESSION.

A) **Ricardo Morado, Attorney**, recommended the Board pass a motion to authorize the City Manager and Attorney to continue to work with the developer on the project, approving the form and general content of the documents discussed, but subject to further revision as may best serve the interest of the EDC. **JD Penny, Board Member**, moved to approve the City Manager and Attorney to continue to negotiate with the developer on the project, approving the form and general content of the documents discussed, but subject to further revision as may best serve the interest of the EDC. **Orlando Lopez, Board Member**, seconded the motion. Voting Aye: **Julian Rios, Vice President, Board Members Orlando Lopez and JD Penny**. Voting Nay: **Jose L. Morales, President**. **MOTION CARRIED TO APPROVE THE CITY MANAGER AND ATTORNEY TO CONTINUE TO NEGOTIATE WITH THE DEVELOPER ON THE PROJECT, APPROVING THE FORM AND GENERAL CONTENT OF THE DOCUMENTS DISCUSSED, BUT SUBJECT TO FURTHER REVISION AS MAY BEST SERVE THE INTEREST OF THE EDC.**

B) No action required, reference Agenda Item 15.

ITEM 18. ADJOURNMENT

JD Penny, Board Member, moved to adjourn. **Orlando Lopez, Board Member**, seconded the motion. **Jose L. Morales, President**, announced the meeting adjourned at 7:14 pm.

SAN BENITO ECONOMIC DEVELOPMENT CORPORATION



JOSE L. MORALES, PRESIDENT

ATTEST:



RUTH MCGINNIS, DEPUTY CITY SECRETARY