



**Economic  
Development  
Corporation**

**REGULAR MEETING MINUTES OF THE  
SAN BENITO EDC BOARD OF DIRECTORS  
By In Person, Videoconference or Telephone Call,  
on Monday, January 31, 2022 AT 5:30 PM**

**APPROVED MEETING MINUTES** of a Regular Meeting of the San Benito Economic Development Corporation held By In Person, Videoconference or Telephone Call, on Monday, January 31, 2022 AT 5:30 PM.

**Board Meeting Presided by Mr. Julian Rios, President**

**Board Members Present**

Mr. Julian Rios, President  
Mr. Encarnacion Lopez, Vice President  
Mr. Jeremy Maya, Member  
Mrs. Deborah Morales, Member

Mr. Mario Silva, Member  
Mayor Ricardo Guerra  
Commissioner Rene Garcia

**Board Members Absent**

Adrian Gonzalez, Member

**EDC Staff Present**

Mrs. Rebeca Castillo, EDC Executive Director  
Ms. Katarina Guerra, Business & Downtown Development/Marketing Coordinator

**Others Present**

Mr. Mark Sossi, EDC Attorney  
Mr. Manuel De La Rosa, City Manager  
Mr. Fred Bell, Assistant City Manager

**Meeting-5:30 PM**

**1. Determination of a quorum**

Mr. Julian Rios made welcoming remarks and determined quorum.

**2. Call to Order**

Mr. Julian Rios called the meeting to order at 5:32 PM

**3. Pledge of Allegiance and Texas Flag Pledge**

Mrs. Rebeca Castillo led the pledge of allegiance and Texas flag pledge.

**4. Invocation**

Mrs. Rebeca Castillo led the invocation.

**5. Public Comments**

No public comments.

**6. Presentation and Acknowledgement of the San Benito EDC Financial Statements for the period ending November 30, 2021 (B. Peña)**

Mrs. Belen Peña, City of San Benito Finance Department presented the San Benito EDC Financial Statements for the period ending November 30, 2021.

A motion to approve the San Benito EDC Financials was made by Mr. Mario Silva. The motion was seconded by Mr. Encarnacion Lopez. Upon a unanimous vote the motion carried.

**7. Presentation and Acknowledgement of the San Benito EDC USDA IRP Reports for the periods ending December 31, 2021 (B. Peña)**

Mrs. Belen Peña presented the San Benito EDC USDA IRP Reports for the period ending December 31, 2021.

Mr. Encarnacion Lopez asked if there were any new applicants. Mrs. Rebeca Castillo responded that only an inquiry about the loan was made in December, but not applications have been submitted.

A motion to approve the San Benito USDA IRP Report for the period ending on December 31, 2021 was made by Mrs. Deborah Morales. The motion was seconded by Mr. Mario Silva. Upon a unanimous vote the motion carried.

**8. Consideration and Possible Action on the Accounting Services provided by the City of San Benito and Check Signatures (Peña)**

Mrs. Rebeca Castillo explained that the City has brought up to the EDC's attention that there two items relating to the accounting services agreement. One item is that the accounting services that the EDC has with the City of San Benito is based City accounting procedures and practices. City noticed that multiple invoices for one (1) vendor are being processed and one (1) check per invoice is being produced. The EDC staff has been advised that it's the city of San Benito's Accounting process for one (1) check to be produced for multiple invoices rather than one (1) check per invoice. The second item is that the City's accounting procedures is that checks get signed digitally and the EDC is to do the same, meaning that EDC checks will also be signed digitally.

That the EDC will set up a procedure/mechanism to ensure that invoices are reviewed and authorized by an EDC Board Officer. Commissioner Rene Garcia asked Mrs. Rebeca Castillo what were is her recommendation. Mrs. Rebeca Castillo responded that for consistency purposes it was good to follow the city accounting procedures and practices. Board members expressed concerns about how they may not be able to review the invoices and payments being made if there were not being signed by the two EDC Board Officers. Mrs. Rebeca Castillo suggested that the check requisition can be updated to include a signature for an EDC Board Officer, by EDC Executive Director, and by Finance. The check requisitions and invoices will be reviewed and signed by an EDC Board Officer prior to being submitted to City Finance Department for processing. Mr. Julian Rios also expressed concern about setting a control mechanism to avoid an officer sign a check that may be related to their place of business. Sometimes the EDC reimburses to awardees for activities that includes purchases of goods



that might have been purchased from a board members place of employment. Officers like [Mr. Julian Rios](#) and [Mr. Jeremy Maya](#) always make a good faith effort to not sign those checks, and have a different officer sign those checks. [Mrs. Rebeca Castillo](#) suggested to include on the check requisition a section to select which two digital signatures could be used to sign the checks, so that the City's Finance Department will know who's signatures to include in the checks and who should not be signing a particular check.

[Mrs. Deborah Morales](#) addressed the language in the service agreement and expressed the need to have the service agreement reflect the bylaws in reference to the Chief Executive Officer Services section. An amendment of the Service agreement will be presented during the next EDC Board meeting.

[Mrs. Deborah Morales](#) expressed concern about the checks not being seen by the board members, because in the past purchases for furniture for the museum have been made by the EDC with out the EDC's permission. [Mr. Encarnacion Lopez](#) did ask for clarification as to when that happened. [Mrs. Rebeca Castillo](#) clarified that not during the past 3 years since she has been here.

After discussion it was agreed that the EDC will follow the City's Accounting procedures and processes as mentioned above and for the check requisition to be updated to include an EDC Board Officer's signature and section to select which Board Officer's digital signatures could be used to sign a particular check.

A motion to approve was made by [Mr. Mario Silva](#). The motion was seconded by [Mr. Encarnacion Lopez](#). Upon a vote of five (5) "I" s by Mr. Julian Rios, Mr. Encarnacion Lopez, Commissioner Rene Garcia, Mr. Mario Silva, Mr. Jeremy Maya and 1 "Nay" by Mrs. Deborah Morales the motion carried.

## **9. Rio Sports Live Sponsorship Update (J. Bowling)**

[Mr. Joe Bowling](#) provided an update on the Marketing efforts and return of investment to date for the Sponsorship for Rio Sports Live.

The renewal of our sponsorship is due in March 2022 so he has been asked to provide an update and discuss what that sponsorship proposal & amount will be.

No Action Taken

## **10. Consideration and Possible Action on the Sponsorship for Switch Up movie sponsorship in the amount of \$5,000 (J. Rios)**

[Mrs. Rebeca Castillo](#) presented this item. She explained that the Switch Up movie is being filmed in Brownsville, South Padre Island and San Benito. Switch Up producers have reach out requesting funding in support of the marketing efforts of the movie during the filming and once it is released. The request for \$5,000 will assist with the promotion of the movie and create an opportunity for San Benito to be included in the end credits, press release, shout out during the final scene of the movie, since it is being filmed in San Benito with a concert scene in the movie takes place in San Benito, TX.

The EDC staff and EDC Board had the opportunity to go behind the scenes and the filming in San Benito included over 100 extras.

[Mrs. Rebeca Castillo](#) mentioned that due to the request she had reach out to Mr. De La Rosa, City Manager to discuss any opportunities as part of the hotel motel tax or other incentive programs that the city might have. This is a great opportunity to participate in the filming efforts to include showcasing our community and providing site locations for future movie filming in the area. [Mrs. Rebeca Castillo](#) recommend the funding of \$5,000 towards the marketing of Switch Up movie. Moving forward there is an opportunity to set up mechanisms and incentives in place so that opportunities like this may be maximized.

A motion to approve the sponsorship of \$5,000 for the Switch Up movie was made by [Commissioner Rene Garcia](#). The motion was seconded by [Mrs. Deborah Morales](#). Upon a unanimous vote the motion carried.

#### **11. Discussion and Possible Action on the payment of 2021 Property Taxes for the EDC Property located at 2550 Expressway 77/83, San Benito, Texas**

The statement for the 2021 property taxes for the property located at 2550 Expressway 77/83 is attached for your review. Paperwork for exemption has been submitted but is still being processed. Last update that the EDC staff was able to receive is that is still processing, but based on the current state of the property, no use, and no connection to utilities the property more than likely will not be granted the exception.

If payment is made and the exemption is granted the 2021 property taxes payment will not be reimbursed to the EDC. If the exemption is not granted and payment is not made soon, then the EDC will be responsible to pay the total amount plus penalties and any applicable legal fees.

The EDC staff is requesting direction by the EDC Board of Directors as to how to proceed.

[Commissioner Rene Garcia](#) during discussion asked Mr. Sossi for legal advice. Mr. Sossi didn't see why the exception should not be granted. He mentioned generally under the tax code an EDC owns that because the EDC is public sector there is no reason why the exception should be granted. Mr. Sossi will follow up as well as Mr. Castillo.

[Mrs. Deborah Morales](#) mentioned that in the past the exception has not been granted. She will rather pay late fees that make a \$30,000 payment and not get that money reimbursed if the exception is not to be granted. [Commissioner Rene Garcia](#) expressed that Mr. Sossi is giving us some hope that the exception might be granted.

[Mr. Encarnacion Lopez](#) asked when the property was purchased and commented about how probably more than likely the EDC has paid more in taxes than the amount the property was purchased for.

Action will be to continue the exception effort and not pay taxes at this moment. A motion was made by Commissioner Rene Garcia and seconded by [Mrs. Deborah Morales](#). Upon a unanimous vote, the motion carried.



Action to consider item #16 out of order was taken.

A motion to consider item #16 out of order was made by **Commissioner Rene Garcia**. The motion was seconded by **Mr. Mario Silva**.

#### **16. Consideration and Possible Action on the award of the Small Business Investment Program-Rent Subsidy Grant for Ice Monkeys**

**Mrs. Rebeca Castillo** presented this item. She mentioned the amount of the request. They are an ice cream shop. That they have a 3-year lease. The application has been reviewed and meets all grant application guidelines and requirements. If approved along with the other 2 applications in the meeting packet it will leave a balance of \$38,250. The applicant was present and mentioned that they recently opened in mid-January 2022. They did a soft opening on 1/27/2022. Location has a drive thru and will be taking advantage of that. Aside from the ice cream they will be having snacks too. Mr. Julian Rios express the need for the applicant to understand and follow the guidelines and the opening hours past 6 PM and minimum of 6 days. wanted to make sure that they understood that the guidelines are followed as to the hours.

**Mr. Encarnacion Lopez** asked where the business location was at? They are located on Business 77 in the same plaza where the Medicine Shoppe is located at.

**Mr. Encarnacion Lopez** asked if the guidelines information is included in the agreement. **Mrs. Rebeca Castillo** responded that yes, the guidelines and requirements are included.

The motion to approve the Ice Monkeys SBIP-Rent Subsidy Grant application was made by **Commissioner Rene Garcia**. The motion was seconded by **Mr. Julian Rios**. Upon a unanimous vote, the motion carried.

#### **12. Discussion & Possible Action on City of San Benito providing mowing, trimming, and cleaning services at the EDC properties located at 701 N. Bowie Street and 2550 Expressway 77/83, San Benito, Texas**

**Mr. Rebeca Castillo** presented this item. The EDC staff has met with Mr. De La Rosa, City Manager to potentially identify an opportunity for having the City of San Benito provide the mowing, trimming, and cleaning of the EDC properties located at 701 N. Bowie Street and 2550 77/83. The EDC considers that there is opportunity for consistency and savings on these services.

Currently services are being provided by a private vendor at a minimum cost of \$400 once a month service. The expressway property usually can be maintained with one time a month service, but the 701 Bowie Street property is needing more frequent service with twice a month on for about 6 months a year and even weekly for the rest of the 6 months.

The EDC staff approached the City as a first step before releasing a request for quotes. Based on the preliminary conversations with Mr. De La Rosa, the City of San Benito, can possibly provide lower flat rate for both properties.

The EDC staff is requesting your consideration to proceed further conversations and put an agreement/proposal together for the EDC Board of Directors to consider during the February 2022 Regular EDC Board of Directors meeting.

A motion to proceed discussions and reach an agreement with the City and present in a future meeting and to continue with the current vendor until an agreement with the City is reached was made by [Mr. Mario Silva](#). The motion was seconded by [Mrs. Deborah Morales](#). Upon a unanimous vote the motion carried.

### **13. Discussion & Possible Action on the City of San Benito installing bollards at the EDC property located at 2550 Expressway 77/83, San Benito, Texas (R. Castillo)**

[Mrs. Rebeca Castillo](#) presented this item. The EDC staff has met with Mr. De La Rosa, City Manager to potentially identify an opportunity for having the City of San Benito provide the mowing, trimming, and cleaning of the EDC properties located at 701 N. Bowie Street and 2550 Expressway 77/83 property. Along that conversation we discussed the need to set up some type of barrier that will secure the property and limit the access and illegal dumping at the 2550 Expressway 77/83 property.

The EDC is requesting your consideration to proceed with further conversations to discuss the city installing bollards and cable at the 2550 Expressway 77/83 property. The EDC will pay for the supplies and labor to the City. This will expedite the installation of the bollards and cable in comparison to have an outside vendor install them.

[Commissioner Rene Garcia](#) asked if this would work for the staff to go into the property. [Mrs. Rebeca Castillo](#) mentioned that the bollards with cable will also include access via a gate.

Motion to approve the item was made by [Commissioner Rene Garcia](#). The motion was seconded by [Mr. Encarnacion Lopez](#). Upon a unanimous vote the motion carried.

### **14. Consideration and Possible Action on the award of the Small Business Investment Program-Rent Subsidy Grant for Glam Spot**

[Mr. Julian Rios](#) mentioned if both item 14 and 15 could be addressed together.

[Mr. Jeremy Maya](#) asked that the application has a 1-year lease, but the lease reflected a 2-year lease. Discussion included the location, meeting the guidelines, helping them with marketing.

[Mr. Jeremy Maya](#) asked that on page 132. Application reads that the applicant will have to remain open for a period of 6 months. Response was yes that the extend of the guidelines is for the business to at least remain open for the period of the grant award.

[Mr. Encarnacion Lopez](#) mentioned that he has suggested for the coordinator to be visiting monthly with the grantees. [Mr. Julian Rios](#) mentioned specially to ensure that they are continuing to meet the guidelines.



A motion to approve the SBIP-Rent Subsidy Grant applications for the Glam Spot and Ana's Snacks was made by [Mrs. Deborah Morales](#). The motion was seconded by [Mr. Encarnacion Lopez](#).

#### **15. Consideration and Possible Action on the award of the Small Business Investment Program-Rent Subsidy Grant for Ana's Snacks**

A motion to approve the SBIP-Rent Subsidy Grant applications for the Glam Spot and Ana's Snacks was made by Mrs. Deborah Morales on item #14. The motion was seconded by Mr. Encarnacion Lopez. Upon a unanimous vote, the motion carried.

#### **17. Consideration and Possible Action on the December 13, 2021 EDC Board of Directors Meeting Minutes**

[Mr. Katarina Guerra](#) presented the December 13, 2021 EDC Board of Director Meeting Minutes for the board's review and consideration.

[Mrs. RebecaCastillo](#) mentioned that Mrs. Morales reviewed the draft and had provided feedback that mentioned that it was her instead of Commissioner Garcia that had requested the change from "Mayor" to "major on page 250 of the meeting packet.

[Commissioner Rene Garcia](#) mentioned that the marketing phrase that he had mentioned should read We're San Benito We're Open for Business. He also mentioned that he read on the minutes that someone had mentioned about having a float during the Christmas parade. He asked who had made that suggestion. [Mrs. Rebeca Castillo](#) responded that she had mentioned it during the December 13 meeting as a result from a side conversation that she had had with [Mr. Julian Rios](#). Comments reflected that the board is receptive to the idea.

A motion to approve the December 13, 2021 Meeting Minutes was made by [Commissioner Rene Garcia](#). The motion was seconded by [Mrs. Deborah Morales](#). There were 4 votes in favor and 2 members abstained.

Votes in favor were by Commissioner Rene Garcia, Mr. Encarnacion Lopez, Mr. Jeremy Maya, Mrs. Deborah Morales.

Mr. Julian Rios and Mr. Mario Silva abstained since they were not in attendance during the December 13, 2021 Board of Directors Meeting.

#### **18. Discussion and Possible Action on participating and attending the International Council of Shopping Centers scheduled from May 22-24, 2022 in Las Vegas, Nevada**

[Mrs. Rebeca Castillo](#) presented this item. She mentioned some prior discussions about attending the Dallas event, but due to the omicron wave it was considered prudent not attend. [Mrs. Rebeca Castillo](#) mentioned that she participated on a webinar on Friday 1/26/2022 that provided more information as to the exhibit booth availability and upcoming opening of the exhibit application. She mentioned the estimated cost for all board and staff to attend, exhibit needs, from banner, promotional items, set up fees, manning the exhibit logistics, etc....

[Mrs. Rebeca Castillo](#) is requesting direction as to how to proceed.

After discussion a motion was made by [Mr. Julian Rios](#) to proceed with registration and seconded by [Mr. Jeremy Maya](#) for all 8 to attend and to include the setup of a booth.

### **19. Discussion and Possible Action on the San Benito EDC Economic Development Corporation Annual Budget Amendment #1 (R. Castillo)**

[Mrs. Rebeca Castillo](#) presented the San Benito EDC Economic Development Corporation Annual Budget Amendment #1. She explained the line items and amounts that had increased amounts and reasoning. Most of the items revised were to incorporate the following:

Under Professional Services we are adding the Strategic Plan Services- \$10,000 (once every 5 years).

Under Building Expenses we are adding the payment of Year 2021 Property Taxes for the expressway property \$33,000

Travel for Board Line Item \$25,000 increase of \$21,000 for Vegas if every member attends, we are looking at travel approximately (air fare, registration, lodging, and meal) of  $\$2,660 \times 8 = \$21,280$

Travel for Staff Line Item \$15,000 increase of \$5,000

Meeting/Prospects Related- \$20,000 increase of \$15,000 to include preparation and purchase of items for trade shows, EDC tours and mixers. Exhibit at Las Vegas is an additional cost beyond attendance registration and will vary on size and prime location within the exhibit hall.

Advertising/Marketing Line Item add \$15,000 Magazines, TV, and Radio advertising (some board member during the December meeting expressed that they would like staff to incorporate ad space specially on tv, but we don't have it budgeted for it, since in the past it has not an expense being considered.

Rio Sports Live will considered into the budget after the update that Joe Bowling will provide on item #10. Last year he said the \$12,000 membership is more comparable to a \$37,000 value. The board needs to determine if this will be something that we will continue sponsoring.

Total budget will increase by \$99,000 of which \$126,300 of the total budget is Marketing Related and will account to 9.4% of the total budget. Note that \$60,000 of this is for the Community Partnership Grant, which is already 4.5% out of the 10% capped amount that we are allowed towards marketing.

A motion to approve including \$12,000 for Rios Sports Live was made by [Mr. Julian Rios](#). The motion was seconded by [Commissioner Rene Garcia](#). Upon a vote there were 6 votes in favor and one "nay".

If board is in support to consider a renewal, then \$12,000 will be included.

10% of Marketing cap amount was mentioned by [Mrs. Rebeca Castillo](#).

[Mr. Julian Rios](#) made a motion to include Rio Sports Live. The motion was seconded by [Commissioner Rene Garcia](#). Upon a vote there were 6 votes in favor and 1 nay. The votes for were by Mr. Julian Rios, Mr. Encarnacion Lopez, Mr. Mario Silva, Mr. Jeremy Maya, Commissioner Rene Garcia. There was 1 nay by Mrs. Deborah Morales. The motion passed.

### **20. EXECUTIVE SESSION:**



- i. Under Texas Government Code, Section 551.071: consultation with attorney regarding the following: Expressway property; (R. Castillo)
- ii. Deliberation pursuant to Texas Government Code 551.074 to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the Executive Director, or to hear a complaint against the Executive Director;

Convened into executive session at 7:58 PM

**21. Action, if any to be taken on items discussed in Executive Session (J. Rios)**

Reconvened into public session at 9:11 PM

**22. EDC Executive Director’s Report**

Mrs. Rebeca Castillo presented the Executive Director’s Report.

No Action Taken.

**23. Board Comments**

No Comments

**24. Determination of Date and Time for the next San Benito EDC Board of Directors Meeting**

It was determined that meetings will be scheduled for the 2<sup>nd</sup> Wednesday of the month. The next meeting will be scheduled for February 9, 2022.

**25. Meeting Adjournment.**

Meeting adjourned at 9:20 PM

Approved this 23<sup>rd</sup> day of February 2022.

	
<b>Julian Rios, President</b>	<b>Adrian Gonzalez, Secretary/Treasurer</b>