



SAN BENITO ECONOMIC DEVELOPMENT CORPORATION
REGULAR MEETING
April 20, 2017

On April 20, 2017, 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:

ESTEBAN M. RODRIGUEZ WAS THE PRESIDING OFFICER.

EDC BOARD MEMBERS

Esteban M. Rodriguez	President
Mary Bolado	Vice President
Bill Elliott	Board Member
Mark Moody	Board Member
Orlando Lopez	Board Member

ADMINISTRATIVE STAFF

Manuel De La Rosa	City Manager
Lupita Passemment	City Secretary
Rachel Siller	EDD Administrative Assistant
Belen Pena	Finance Director
Ricardo Morado	City/EDC Attorney

ABSENT

Alfredo Garcia, Jr.	Secretary/Treasurer
J.D. Penny	Board Member
Mayor Celeste Sanchez	Ex-Officio Member

ITEM 1. WELCOME TO VISITORS.

Esteban M. Rodriguez, 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.

Mark Moody, Board Member, led Board Members and audience in reciting the Pledge of Allegiance to the United States and to the Texas Flag.

ITEM 3. INVOCATION.

Mary Bolado, Vice President, led the Board Members and audience in prayer.

ITEM 4. PUBLIC COMMENTS.

No one was registered for public comments.

ITEM 5. CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF THE MINUTES FOR THE REGULAR MEETING OF MARCH 16, 2017.

Bill Elliott, Board Member, moved to approve the minutes. Mary Bolado, Vice President, seconded the motion. Voting Aye: Esteban M. Rodriguez, President, Mary Bolado, Vice President, Board Member Bill Elliott. Abstaining: Board Members Mark Moody and Orlando Lopez. **MOTION CARRIED TO APPROVE THE MINUTES FOR THE REGULAR MEETING OF MARCH 16, 2017.**

ITEM 6. PRESENTATION OF THE 2017 TEXAS INDEPENDENCE DAY CELEBRATION EXPENDITURES SPONSORED BY THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION.

Rachel Siller, Administrative Assistant, presented a report detailing how the \$10,000 of EDC funding was utilized to market the 2017 event.

ITEM 7. PRESENTATION OF THE POST-EVENT REPORT FROM TEXAS HERITAGE INDEPENDENCE CELEBRATION ASSOCIATION, INC (THICA) ON THE 2017 TEXAS INDEPENDENCE DAY CELEBRATION.

Bruce Kidd, THICA, presented a post-event report for the 2017 event. The cook-off was held on March 11, 2017, and the remainder of the events were rescheduled to March 18, 2017 due to rain. Attendance was lower than last year, with total attendance for all events at approximately 3,500. Additions to the city-scape were completed by the Boy Scouts. Additional improvements will be completed before next year. Rachel Siller, Administrative Assistant, requested clarification to be included in the income and expense sheet regarding the Boswell-Elliff donation and noted anomalies in parking money and attendance. Bruce Kidd will ensure THICA provides updated documentation. Mary Bolado, Vice President, also voiced concern over attendance numbers.

ITEM 8. UPDATE FROM REYNA NETWORK ON THE USDA SMALL BUSINESS LOAN PROGRAM.

Thelma Gonzalez, Project Manager with Reyna Network, briefed the board on the activity report which covers March 13, 2017 through April 13, 2017. Currently the EDC has \$144,000 of IRP funds remaining. The EDC received \$9,735.49 of payments in March. The EDC is estimated to have a fund balance of \$295,160.25 (\$150,974.78 and \$144,185.47). Ms. Veronica Aguilar's loan paperwork is in process for her closing. Mr. Patricio Oseguera, owner of Queso San Miguel, is working on documentation for his application. Mark Moody, Board Member, inquired as to location of Queso San Miguel. Thelma Gonzalez informed him that the business is located in the San Benito Industrial Park. Mary Bolado, Vice President, questioned the notation in the report for Ms. Ornelas. Thelma Gonzalez indicated that Ms. Ornelas loan is the next agenda item.

ITEM 9. CONSIDERATION AND POSSIBLE ACTION ON REQUEST FROM MS. GRISELDA ORNELAS TO SUB-LEASE PROPERTY USED AS COLLATERAL ON USDA SMALL BUSINESS LOAN NUMBER 98658140 AND 98658148.

Rachel Siller, Administrative Assistant, briefed the board on the correspondence from Ms. Ornelas regarding the closing of her business along with a statement from the USDA representative. The USDA recommends working with Ms. Ornelas to support economic growth and success, while keeping the best interest of the EDC in mind. Ms. Ornelas indicated she has an investor that is interested in sub-leasing the property with intent to purchase in a few months. Manuel De La Rosa, City Manager, highly suggests including both Ms. Ornelas and the lessee as responsible parties on the loan documentation, a lease agreement of no more than six (6) months, and that the EDC attorney review documentation pertaining to the lease with purchase agreement. Further discussion occurred amongst EDC Board members and City Staff regarding the details of the loan documentation and USDA requirements that must be followed, along with costs involved with the transition. Bill Elliott, Board Member, moved to post-pone action on the sub-lease request pending staff research to modify and recommend modifications for the loan agreement be brought

up at a future meeting. [Mark Moody, Board Member](#), seconded the motion. Voting Aye: [Esteban M. Rodriguez, President](#), [Mary Bolado, Vice President](#), [Board Members: Bill Elliott, Mark Moody](#),
ITEM 9. (CONTINUED) CONSIDERATION AND POSSIBLE ACTION ON REQUEST FROM MS. GRISELDA ORNELAS TO SUB-LEASE PROPERTY USED AS COLLATERAL ON USDA SMALL BUSINESS LOAN NUMBER 98658140 AND 98658148.

[and Orlando Lopez](#). MOTION CARRIED TO POST-PONE ACTION ON THE SUB-LEASE REQUEST PENDING STAFF RESEARCH TO MODIFY AND RECOMMEND MODIFICATIONS FOR THE LOAN AGREEMENT BE BROUGHT UP AT A FUTURE MEETING.

ITEM 10. CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF AMENDMENT #1 TO THE GIGNAC & ASSOCIATES CONTRACT ASSOCIATED WITH FEDERAL EDA GRANT 08-01-04891 (SAN BENITO MIX-USE COMMERCIAL PLAZA).

[Rachel Siller, Administrative Assistant](#), presented Amendment #1 to the Gignac & Associates contract. The Amendment resolves Federal EDA grant requirements that were not present in the original contract, and allows the EDC to submit reimbursement request from the grant. [Orlando Lopez, Board Member](#), moved to approve Amendment #1 to the Gignac & Associates contract associated with Federal EDA Grant 08-01-04891 (San Benito Mix-Use Commercial Plaza). [Bill Elliott, Board Member](#), seconded the motion. Voting Aye: [Esteban M. Rodriguez, President](#), [Mary Bolado, Vice President](#), [Board Members: Bill Elliott, Mark Moody, and Orlando Lopez](#). MOTION CARRIED TO APPROVE AMENDMENT #1 TO THE GIGNAC & ASSOCIATES CONTRACT ASSOCIATED WITH FEDERAL EDA GRANT 08-01-04891 (SAN BENITO MIX-USE COMMERCIAL PLAZA).

ITEM 11. UPDATE ON MARKETING CAMPAIGN WITH TEXAS WIDE OPEN FOR BUSINESS MAGAZINE.

[Rachel Siller, Administrative Assistant](#), presented an update on the advertisement placed in Texas Wide Open For Business magazine.

ITEM 12. PRESENTATION OF ORDINANCE # 2497 "AN ORDINANCE BY THE CITY COMMISSION OF THE CITY OF SAN BENITO, TEXAS, IN COMPLIANCE WITH SECTION 8.01 OF THE CITY CHARTER, PROHIBITING THE USE OF PUBLIC OFFICE FOR PRIVATE GAIN, PROVIDING FOR HEARING OF COMPLAINTS, PROVIDING FOR PENALTIES, AND PROVIDING FOR RELATED MATTERS." (SAN BENITO CONFLICT OF INTEREST ORDINANCE) TO BOARD MEMBERS.

[Manuel De La Rosa, City Manager](#), presented the Conflict of Interest Ordinance that is applicable to elected officials, in addition to appointed officials. The Ordinance, also known as the Ethics Ordinance, is a requirement of the City Charter.

ITEM 13. PRESENTATION OF THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017.

[Belen Pena, Finance Director](#), reviewed the financial statement for March 2017.

ITEM 14. UNDER TEAS GOVERNMENT CODE SECTION:

A) §551.087: To deliberate about information received from Business Prospect 2016-06.

B) §551.087: To deliberate about information received from Business Prospect 2016-08.

C) §551.087: To deliberate about information received from Business Prospect 2017-01.

D) §551.087: To deliberate about information received from Business Prospect 2017-02.

The Board convened in executive session at 6:06 pm and adjourned at 6:40 pm.

[Orlando Lopez, Board Member](#), excused himself from the remainder of the meeting at 6:06 pm.

ITEM 15. ACTION, IF ANY, TO BE TAKEN ON ITEMS DISCUSSED IN EXECUTIVE SESSION.
See Agenda Items 16, 17, 18, and 19.

ITEM 16. CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF PURCHASE AND SALE AGREEMENT WITH THE CITY OF SAN BENITO FOR THE PURCHASE OF APPROXIMATELY 40 ACRES OF REAL PROPERTY.

Bill Elliott, Board Member, moved to approve the Purchase and Sale Agreement with the City of San Benito for the purchase of approximately 40 acres of real property, subject to final presentation from counsel and staff for final approval. Ricardo Morado, Attorney, indicated the document is subject to further revision, which will be brought back to the Board for approval. Mary Bolado, Vice President, seconded the motion. Voting Aye: Esteban M. Rodriguez, President, Mary Bolado, Vice President, Board Members: Bill Elliott and Mark Moody. **MOTION CARRIED TO APPROVE THE PURCHASE AND SALE AGREEMENT WITH THE CITY OF SAN BENITO FOR THE PURCHASE OF APPROXIMATELY 40 ACRES OF REAL PROPERTY, SUBJECT TO FINAL PRESENTATION FROM COUNSEL AND STAFF FOR FINAL APPROVAL.**

ITEM 17. CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF PROMISSORY NOTE FROM SAN BENITO ECONOMIC DEVELOPMENT CORPORATION, INC., PAYABLE TO THE CITY OF SAN BENITO IN THE SUM OF \$500,000.00.

Mark Moody, Board Member, moved to approve a promissory note from San Benito Economic Development Corporation, Inc., payable to the City of San Benito in the sum of \$500,000.00, subject to final revision. Ricardo Morado, Attorney, indicated the item is contingent on the entire project moving forward. Mary Bolado, Vice President, seconded the motion. Voting Aye: Esteban M. Rodriguez, President, Mary Bolado, Vice President, Board Members: Bill Elliott and Mark Moody. **MOTION CARRIED TO APPROVE PROMISSORY NOTE FROM SAN BENITO ECONOMIC DEVELOPMENT CORPORATION, INC., PAYABLE TO THE CITY OF SAN BENITO IN THE SUM OF \$500,000.00, SUBJECT TO FINAL REVISION.**

ITEM 18. CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF PERFORMANCE AGREEMENT BETWEEN AEP TEXAS INC AND THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION, INC.

Mary Bolado, Vice President, moved to approve the Performance Agreement between AEP Texas Inc and the San Benito Economic Development Corporation, Inc. Ricardo Morado, Attorney, requested the motion be contingent upon the finalization of the draft Performance Agreement that has been submitted to AEP for consideration and comments. Mark Moody, Board Member, seconded the motion. Voting Aye: Esteban M. Rodriguez, President, Mary Bolado, Vice President, Board Members: Bill Elliott and Mark Moody. **MOTION CARRIED TO APPROVE THE PERFORMANCE AGREEMENT BETWEEN AEP TEXAS INC AND THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION, INC., CONTINGENT UPON FINALIZATION OF THE DRAFT PERFORMANCE AGREEMENT THAT HAS BEEN SUBMITTED TO AEP FOR CONSIDERATION AND COMMENTS.**

ITEM 19. CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF CONTRACT FOR THE EXCHANGE OF REAL ESTATE BETWEEN AEP TEXAS INC., THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION, INC., AND THE CITY OF SAN BENITO.


Bill Elliott, Board Member, moved to approve the contract for the exchange of real estate between AEP Texas Inc., the San Benito Economic Development Corporation, Inc., and the City of San Benito, contingent upon presentation of final documents for review and final action. Mary Bolado, Vice President, seconded the motion. Voting Aye: Esteban M. Rodriguez, President, Mary Bolado, Vice President, Board Members: Bill Elliott and Mark Moody. **MOTION CARRIED TO APPROVE THE CONTRACT FOR THE EXCHANGE OF REAL ESTATE BETWEEN AEP TEXAS INC., THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION, INC., AND THE CITY**

OF SAN BENITO, CONTINGENT UPON PRESENTATION OF FINAL DOCUMENTS FOR REVIEW AND FINAL ACTION.

ITEM 20. ADJOURNMENT

Bill Elliott, Board Member, moved to adjourn. Mary Bolado, Vice President, seconded the motion. Esteban M. Rodriguez, President, announced the meeting adjourned at 6:42 pm.

SAN BENITO ECONOMIC DEVELOPMENT CORPORATION


ESTEBAN M. RODRIGUEZ, PRESIDENT

ATTEST:


LUPITA PASSEMENT, CITY SECRETARY