



**SAN BENITO ECONOMIC DEVELOPMENT CORPORATION
REGULAR MEETING
August 16, 2018**

On August 16, 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:

JULIAN RIOS WAS THE PRESIDING OFFICER.

EDC BOARD MEMBERS

Julian Rios	Vice President, Place 7
Mary Bolado	Board Member, Place 1
Encarnacion Lopez	Board Member, Place 2
Jeremy Maya	Board Member, Place 5
Benjamin Gomez	Ex-Officio Member

ADMINISTRATIVE STAFF

Rachel Siller	Coordinator
Fred Bell	Assistant to the City Manager

ABSENT

Jose L. Morales	President, Place 6
Priscilla Guajardo	Secretary/Treasurer, Place 4
Ramiro Guerra	Board Member, Place 3
Manuel De La Rosa	City Manager
Belen Pena	Finance Director
Ricardo Morado	City/EDC Attorney

ITEM 1. WELCOME TO VISITORS.

Julian Rios, Vice-President, welcomed everyone and called the meeting to order at 5:52 p.m. at the Cesar Gonzalez Meeting Hall located at the Municipal Building.

ITEM 2. PLEDGE OF ALLEGIANCE TO THE US FLAG AND TO THE TEXAS FLAG.

Jeremy Maya, 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.

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

ITEM 4. PUBLIC COMMENTS.

No public comments.

ITEM 5. DISCUSSION AND POSSIBLE ACTION ON REQUEST FROM MS. GRISELDA ORNELAS TO REVISE HER USDA APPROVED WORK PLAN AND/OR SUB-LEASE THE PROPERTY USED AS COLLATERAL ON USDA SMALL BUSINESS LOAN NUMBERS 901573 AND 904588.

Rachel Siller, Coordinator, presented the request from Ms. Griselda Ornelas to revise her USDA approved work plan. Ms. Ornelas approached the Board a year ago for approval of a work plan revision. The USDA supported Ms. Ornelas' April 2017 proposal, however, Ms. Ornelas did not revise the work plan, nor proceed with the proposed changes. She has stayed current on her loan payments. The proposed revision includes two options: 1) lease to a bar and grille without requiring an additional business plan, or 2) re-open and perhaps eventually have someone else manage the business for her. Mayor Ben Gomez asked if the USDA had already approved her to sub-lease. Rachel Siller indicated the USDA did not approve her to sub-lease, they approved the theory. Mayor Ben Gomez stated that the building was being rented out. Griselda Ornelas agreed that the building was rented for about three months. Mayor Ben Gomez asked if she obtained Board approval. Griselda Ornelas replied she did not obtain Board approval. Mayor Ben Gomez asked why she is requesting Board approval for this revision, and not previously. Griselda Ornelas indicated she did not know she could not sub-lease after consulting with Thelma (Gonzalez from Reyna Network) who consulted with the USDA and Attorney (Rick) Schell. She was under the misconception that she could sub-lease without Board approval so long as she stayed current with her loan payments. Julian Rios, Vice-President, suggested tabling the item so legal counsel could review the documents prior to the Board making a decision to ensure compliance with USDA requirements. Rachel Siller clarified that the Loan Agreements between the EDC and Griselda Ornelas indicates revisions to the approved work plan must be presented to the Board for approved. Mary Bolado, Board Member, indicated that the current work plan indicates a bakery business which matches the loan application and agreement, which is the reason for re-evaluation due to the change in work plan. Griselda Ornelas requested her options that the Board would consider, so she can determine which option best suits her vision, compared to declaring bankruptcy, because she is a responsible citizen, and would like to work with the Board. She is speaking with an established restaurateur to potentially sub-lease as a bar and grille. Julian Rios indicated the flexibility must be established for the Board to consider, including the USDA agreeing to allow the plan to change from bakery to bar and grille. Mary Bolado indicated we need to review all the documentation against the loan application. The Board is more than willing to work with her, but we need to know exactly what is being requested. The Board could have addressed the topic a year ago if a revised work plan would have been provided. Mayor Ben Gomez stated the Board isn't trying to be difficult. We just want to protect the best interest of the Board and protect her best interest to make sure no one gets in trouble. Fred Bell, Assistant to the City Manager, stated City Ordinances must be reviewed to verify the desired business is allowed at the location. Mary Bolado stated Griselda Ornelas went through a lot of difficult times when she first opened, and feels the Board's hands are tied with the language in the current documentation. Julian Rios guided Griselda Ornelas to meet with Planning and Zoning to determine the types of businesses allowed at this location, and update the work plan based on that information. Mary Bolado indicated the work plan currently matches the loan agreement, but if the business plan changes, it must be reviewed and approved, as Federal money was used for the loan. If a bakery is opened, she can reopen with no problems. Fred Bell reviewed the land use and City Ordinance information, specifically businesses classified as a bar. City staff will assist to determine allowable businesses in accordance with the land use chart and City Ordinances. Encarnacion Lopez emphasized meeting with Planning and Zoning to avoid future issues if subleasing to a business that is not allowed per the City Ordinances. Julian Rios motioned to table to allow Griselda Ornelas to meet with City staff and revise her work plan. Encarnacion Lopez, Board Member, seconded the motion. Voting Aye: Julian Rios, Vice-President, and Board Members Mary Bolado, Encarnacion Lopez, and Jeremy Maya. MOTION CARRIED TO TABLE TO ALLOW GRISELDA ORNELAS TO MEET WITH CITY STAFF AND REVISE HER WORK PLAN.

ITEM 6. ADJOURNMENT

Mary Bolado, Board Member, moved to adjourn. Encarnacion Lopez, Board Member, seconded the motion. Julian Rios, Vice-President, announced the meeting adjourned at 6:17 pm.

Mayor Ben Gomez adjourned the Special City Commission at 5:42 pm.

SAN BENITO ECONOMIC DEVELOPMENT CORPORATION



JULIAN RIOS, PRESIDENT

ATTEST:



ENCARNACION LOPEZ, SECRETARY / TREASURER

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