



**SAN BENITO ECONOMIC DEVELOPMENT CORPORATION
REGULAR MEETING
September 20, 2018**

On September 20, 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, Place 6
Julian Rios	Vice President, Place 7
Priscilla Guajardo	Secretary/Treasurer, Place 4
Mary Bolado	Board Member, Place 1
Encarnacion Lopez	Board Member, Place 2
Ramiro Guerra	Board Member, Place 3
Benjamin Gomez	Ex-Officio Member

ADMINISTRATIVE STAFF

Rachel Siller	Coordinator
Fred Bell	Assistant to the City Manager
Belen Pena	Finance Director
Antonio Torres	Interim EDC Attorney

ABSENT

Jeremy Maya	Board Member, Place 5 (arrived Item #5)
Manuel De La Rosa	City Manager

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 US FLAG AND TO THE TEXAS FLAG.

Priscilla Guajardo, Secretary/Treasurer, 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. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE REVISED MINUTES OF THE REGULAR MEETING OF JUNE 21, 2018 AND SPECIAL MEETING OF JULY 2, 2018.

Julian Rios, Vice-President, clarified the reason for the revised minutes is for verbatim minutes, compared to summary minutes. **Julian Rios** moved to approve the verbatim minutes of June 21, 2018. **Priscilla Guajardo, Secretary/Treasurer**, seconded the motion. Voting Aye: **Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, Board Members:**

(CONT.) ITEM 5. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE REVISED MINUTES OF THE REGULAR MEETING OF JUNE 21, 2018 AND SPECIAL MEETING OF JULY 2, 2018.

Ramiro Guerra and Jeremy Maya. Abstaining: Board Members Mary Bolado and Encarnacion Lopez. MOTION CARRIED TO APPROVE THE VERBATIM MINUTES OF THE REGULAR MEETING OF JUNE 21, 2018.

Julian Rios moved to approve the verbatim minutes of July 2, 2018. Ramiro Guerra, Board Member, seconded the motion. Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, Ramiro Guerra, Board Member. Abstaining: Board Members Mary Bolado, Encarnacion Lopez, and Jeremy Maya. MOTION CARRIED TO APPROVE THE VERBATIM MINUTES OF THE SPECIAL MEETING OF JULY 2, 2018.

ITEM 6. PRESENTATION OF THE USDA SMALL BUSINESS LOAN PROGRAM REPORTS FOR PERIOD ENDED JULY 31, 2018 AND AUGUST 31, 2018.

Rachel Siller, Coordinator, presented the Small Business Loan Report for periods ending July 31, 2018 and August 31, 2018. Balances in the report are as of August 31, 2018. Account balance of \$257,491.78 with \$219,096.54 available for loans. The EDC received \$7,965.86 of payments in July and \$9,123.60 of payments in August. Three accounts are delinquent as of August 31, 2018: San Bene Properties #1 - August payment plus late fees, San Bene Properties #2 - August payment plus late fees, and Delia's Daycare - July and August payments plus late fees. The July payment in the amount of \$16,452.00 was made from the EDC to the USDA for Loan #2. There were no loan inquiries. Jose L. Morales, President, inquired how we are pursuing loan applicants. Rachel Siller indicated the program is posted on the website and Facebook. Priscilla Guajardo, Secretary/Treasurer, inquired as to the status of the delinquent accounts. Belen Pena, Finance Director, indicated they are all still delinquent.

ITEM 7. PRESENTATION OF FINANCIAL REPORTS FOR PERIODS ENDED JULY 31, 2018 AND AUGUST 31, 2018.

Belen Pena, Finance Director, presented the financial reports for periods ended July 31, 2018 and August 31, 2018. Clarifications were provided regarding budgeted amounts versus actual expenditures.

ITEM 8. PRESENTATION OF INVESTMENT REPORT FOR APRIL 2018 THROUGH JUNE 2018, INCLUDING AN UPDATE ON THE INVESTMENT POLICY.

Belen Pena, Finance Director, presented the investment report for the third quarter of April 1, 2018 through June 30, 2018. A copy of the updated City of San Benito Investment Policy was presented. The revisions remove the EDC in accordance with the August 2018 Bylaws update, effective October 1, 2018. The EDC will need to determine what investment firm to use, and develop an Investment Policy in accordance with statutes. Encarnacion Lopez, Board Member, inquired if someone will be on-board to handle the investments. Jose L. Morales, President, indicated an Interlocal Agreement will need to be drafted to retain the City's Finance Director to handle financial activities. Other Interlocal Agreements will also be drafted for other City services once an Executive Director is hired. Mary Bolado, Board Member, indicated Rachel Siller recently provided copies of the current Interlocal Agreements to be considered for renewal or amendments. Mayor Ben Gomez recused himself for the remainder of the meeting.

ITEM 9. CONSIDERATION AND POSSIBLE ACTION TO APPROVE EDC DEBT SERVICE OBLIGATIONS FOR FISCAL YEAR 2018-2019 BUDGET.

Belen Pena, Finance Director, presented the Debt Services portion of the Fiscal Year 2018-2019 Budget for approval to allow the City Commission to approve the Ordinance adopting the City's budget. EDC revenue is estimated at \$1,054,545 and debt services is calculated at \$426,798. Encarnacion Lopez, Board Member, moved to approve. Julian Rios, Vice-President, seconded the motion. Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo,

(CONT.) ITEM 9. CONSIDERATION AND POSSIBLE ACTION TO APPROVE EDC DEBT SERVICE OBLIGATIONS FOR FISCAL YEAR 2018-2019 BUDGET.

Secretary/Treasurer, and Board Members: Mary Bolado, Encarnacion Lopez, Ramiro Guerra, and Jeremy Maya. MOTION CARRIED TO APPROVE EDC DEBT SERVICE OBLIGATIONS FOR FISCAL YEAR 2018-2019 BUDGET.

ITEM 10. CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION EDC2018-001, A RESOLUTION FOR DEPOSITORY/AUTHORIZED SIGNATURES.

Belen Pena, Finance Director, presented Resolution EDC2018-001 to update the bank signature cards reflective of the August 2018 Bylaws update. Discussion ensued among Board Members and staff regarding the inclusion of the Finance Director on the signature card, which authorizes access to financial accounts. Ramiro Guerra, Board Member, motioned to table pending review of the Bylaws. Encarnacion Lopez, Board Member, seconded the motion. Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members: Mary Bolado, Encarnacion Lopez, Ramiro Guerra, and Jeremy Maya. MOTION CARRIED TO TABLE RESOLUTION EDC2018-001, A RESOLUTION FOR DEPOSITORY/AUTHORIZED SIGNATURES PENDING REVIEW OF THE BYLAWS.

ITEM 11. CONSIDERATION AND POSSIBLE ACTION TO ALLOW THE CITY OF SAN BENITO TO UTILIZE THE EDC OWNED BUILDING AND PROPERTY LOCATED AT 701 NORTH BOWIE FOR THE SOUTH TEXAS MUSIC FESTIVAL, SCHEDULED FOR OCTOBER 13, 2018.

Luis Contreras, Museum Director, presented the request from the City to utilize the EDC owned property and building at 701 N Bowie to safeguard monetary transactions and staging area for City personnel and volunteers during the South Texas Music Festival. The request is to utilize the facilities from October 11, 2018 through October 15, 2018. Julian Rios, Vice-President, moved to approve. Mary Bolado, Board Member, seconded the motion. Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members: Mary Bolado, Encarnacion Lopez, Ramiro Guerra, and Jeremy Maya. MOTION CARRIED TO APPROVE THE CITY OF SAN BENITO TO UTILIZE THE EDC OWNED BUILDING AND PROPERTY LOCATED AT 701 NORTH BOWIE FOR THE SOUTH TEXAS MUSIC FESTIVAL, SCHEDULED FOR OCTOBER 13, 2018.

ITEM 12. CONSIDERATION AND POSSIBLE ACTION TO APPROVE PAYMENT OF \$10,000.00 TO MR. DAVID PEREZ, SAN BENE PROPERTIES, PER THE DOWNTOWN COMMERCIAL FAÇADE GRANT PROGRAM GRANT AGREEMENT.

Rachel Siller, Coordinator, presented the reimbursement request of \$10,000 from Mr. David Perez in accordance with his Grant Agreement now that his façade improvement project is complete. Because the amount is \$10,000 is it in good interest to receive Board approval prior to payment. Mary Bolado, Board Member, inquired if this is the same gentleman who is delinquent on USDA loan payments. Rachel Siller confirmed he is the same gentleman. Priscilla Guajardo, Secretary/Treasurer, asked if we could delay payment until his loans are current. Interim Attorney Antonio Torres stated the programs are independent obligations (USDA Loan Program and Downtown Commercial Façade Grant Program). Julian Rios, Vice-President, requests completion photos in future reimbursement request packages. Rachel Siller will forward photos of the completed project. Encarnacion Lopez, Board Member, moved to approve. Julian Rios, Vice-President, seconded the motion. Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members: Mary Bolado, Encarnacion Lopez, Ramiro Guerra, and Jeremy Maya. MOTION CARRIED TO APPROVE THE PAYMENT OF \$10,000.00 TO MR. DAVID PEREZ, SAN BENE PROPERTIES, PER THE DOWNTOWN COMMERCIAL FAÇADE GRANT PROGRAM GRANT AGREEMENT.

ITEM 13. CONSIDERATION AND POSSIBLE ACTION ON REQUEST FOR AN EXTENSION TO THE DOWNTOWN COMMERCIAL FAÇADE GRANT PROGRAM GRANT AGREEMENT SUBMITTED BY MR. SALOME MARTINEZ, VICTORIA'S SEWING BOX.

Rachel Siller, Coordinator, presented the request extension. Mr. Martinez has completed the façade improvement project, however, it was completed after the contractual date of August 16, 2018 per the Grant Agreement. During a conversation with Mr. Martinez the end of July, Rachel Siller asked Mr. Martinez if an extension would be needed as the due date was approaching, and he indicated an extension would not be necessary with a due date of August 16, 2018. The project was incomplete as of the evening of August 16, 2018. Mr. Martinez was in disbelief on August 17, 2018 when arriving to turn in the reimbursement request. The actual completion date is unknown. An extension request letter was presented on August 28, 2018 along with the reimbursement request paperwork. Should the Board approve the extension, the City Commission must also approve the extension as it is an alteration to the Grant Agreement. Salome Martinez, Victoria's Sewing Box, stated it was an honest mistake and dates were confused. Discussion ensued between Board Members, Staff, and Mr. Martinez regarding the project, program requirements, and grant recipient follow-up. Encarnacion Lopez, Board Member, moved to approve the request for extension and forward the request to the City Commission for approval. Priscilla Guajardo, Secretary/Treasurer, seconded the motion. Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members: Mary Bolado, Encarnacion Lopez, and Jeremy Maya. Abstaining: Ramiro Guerra, Board Member. MOTION CARRIED TO APPROVE THE REQUEST FOR AN EXTENSION TO THE DOWNTOWN COMMERCIAL FAÇADE GRANT PROGRAM GRANT AGREEMENT SUBMITTED BY MR. SALOME MARTINEZ, VICTORIA'S SEWING BOX, AND FORWARD THE REQUEST TO THE CITY COMMISSION FOR APPROVAL.

ITEM 14. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FUNDING REQUEST OF \$4,800.00 FROM THE DOWNTOWN RENT SUBSIDY GRANT PROGRAM SUBMITTED BY MS. AURORA RIOS, SWEET DELI & MORE.

Rachel Siller, Coordinator, presented the first of five requests for funding from Fiscal Year 2017-2018 Downtown Commercial Façade Grant and Downtown Rent Subsidy Programs. There is \$12,475.00 remaining in the combined budget for both programs, with today's requests adding up to \$19,746.53. The applicants are listed in the order in which their applications were received. A map is included illustrating the location of each applicant, along with the Grant Application, Business Plan, and all supporting documentation, less banking records and tax returns. Discussion ensued between Board Members, Staff, and all applicants regarding the applications, the business plans, how the funding will affect the financial stability of each business, and consideration as to how the remaining grant monies should be awarded. Rachel Siller provided clarification regarding how the project funding was established. Should the Board desire to award funds beyond the \$12,475.00, a new project would need to be established including new guidelines and applications, a publication notifying the public of proposed expenditures, a sixty-day comment period, and public hearing. Julian Rios, Vice-President, motioned to approve \$3,007.11 Downtown Rent Subsidy Grant to Ms. Aurora Rios, Sweet Deli & More. Mary Bolado, Board Member, seconded the motion. Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members: Mary Bolado, Encarnacion Lopez, Ramiro Guerra, and Jeremy Maya. MOTION CARRIED TO APPROVE FUNDING OF \$3,007.11 FROM THE DOWNTOWN RENT SUBSIDY GRANT PROGRAM TO MS. AURORA RIOS, SWEET DELI & MORE.

ITEM 15. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FUNDING REQUEST OF \$5,000.00 FROM THE DOWNTOWN RENT SUBSIDY GRANT PROGRAM SUBMITTED BY MS. AURORA RIOS, FANTASTIC PARTY PLACE.

Discussion occurred during Item 14. Mary Bolado, Board Member, motioned to approve \$3,007.11 Downtown Rent Subsidy Grant to Ms. Aurora Rios, Fantastic Party Place. Priscilla Guajardo,

(CONT.) ITEM 15. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FUNDING REQUEST OF \$5,000.00 FROM THE DOWNTOWN RENT SUBSIDY GRANT PROGRAM SUBMITTED BY MS. AURORA RIOS, FANTASTIC PARTY PLACE.

Secretary/Treasurer, seconded the motion. Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members: Mary Bolado, Encarnacion Lopez, Ramiro Guerra, and Jeremy Maya. MOTION CARRIED TO APPROVE FUNDING OF \$3,007.11 FROM THE DOWNTOWN RENT SUBSIDY GRANT PROGRAM TO MS. AURORA RIOS, FANTASTIC PARTY PLACE.

ITEM 16. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FUNDING REQUEST OF \$5,000.00 FROM THE DOWNTOWN RENT SUBSIDY GRANT PROGRAM SUBMITTED BY MS. ELIZA NAVARRO, NOTORIO CELEBRE.

Discussion occurred during Item 14. Encarnacion Lopez, Board Member, motioned to approve \$3,007.11 Downtown Rent Subsidy Grant to Ms. Eliza Navarro, Notorio Celebre. Julian Rios, Vice-President, seconded the motion. Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members: Mary Bolado, Encarnacion Lopez, Ramiro Guerra, and Jeremy Maya. MOTION CARRIED TO APPROVE FUNDING OF \$3,007.11 FROM THE DOWNTOWN RENT SUBSIDY GRANT PROGRAM TO MS. ELIZA NAVARRO, NOTORIO CELEBRE.

ITEM 17. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FUNDING REQUEST OF \$446.53 FROM THE DOWNTOWN COMMERCIAL FAÇADE GRANT PROGRAM SUBMITTED BY MR. GABRIEL LEAL, NOTORIOUS CUTZ.

Discussion occurred during Item 14. Julian Rios, Vice-President, motioned to approve \$446.53 Downtown Commercial Façade Grant to Mr. Gabriel Leal, Notorious Cutz. Priscilla Guajardo, Secretary/Treasurer, seconded the motion. Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members: Mary Bolado, Encarnacion Lopez, and Ramiro Guerra. Abstaining: Jeremy Maya, Board Member. MOTION CARRIED TO APPROVE FUNDING OF \$446.53 FROM THE DOWNTOWN COMMERCIAL FAÇADE GRANT PROGRAM TO MR. GABRIEL LEAL, NOTORIOUS CUTZ.

ITEM 18. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FUNDING REQUEST OF \$4,500.00 FROM THE DOWNTOWN COMMERCIAL FAÇADE GRANT PROGRAM SUBMITTED BY MS. CLAUDIA RODRIGUEZ, RODRIGUEZ & SANTES SALES.

Discussion occurred during Item 14. Priscilla Guajardo, Secretary/Treasurer, motioned to approve \$3,007.11 Downtown Commercial Façade Grant to Ms. Claudia Rodriguez, Rodriguez & Santes Sales. Ramiro Guerra, Board Member, seconded the motion. Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members: Mary Bolado, Encarnacion Lopez, Ramiro Guerra, and Jeremy Maya. MOTION CARRIED TO APPROVE FUNDING OF \$3,007.11 FROM THE DOWNTOWN COMMERCIAL FAÇADE GRANT PROGRAM TO MS. CLAUDIA RODRIGUEZ, RODRIGUEZ & SANTES SALES. Rachel Siller, Coordinator, noted a typo on the Agenda. This item should be Downtown Rent Subsidy Grant. Interim Attorney Antonio Torres stated it is acceptable to correct the Agenda language. A new vote was conducted using the updated Agenda language. Priscilla Guajardo, Secretary/Treasurer, motioned to approve \$3,007.11 Downtown Rent Subsidy Grant to Ms. Claudia Rodriguez, Rodriguez & Santes Sales. Jeremy Maya, Board Member, seconded the motion. Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members: Mary Bolado, Encarnacion Lopez, Ramiro Guerra, and Jeremy Maya. MOTION CARRIED TO APPROVE FUNDING OF \$3,007.11 FROM THE DOWNTOWN RENT SUBSIDY GRANT PROGRAM TO MS. CLAUDIA RODRIGUEZ, RODRIGUEZ & SANTES SALES.

ITEM 19. 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.

Jose L. Morales, President, indicated he will abstain from discussion and voting on this item due to a conflict of interest, and turned the meeting over to Julian Rios, Vice-President. Rachel Siller, Coordinator, indicated this item was tabled at the last meeting. Ms. Ornelas received correspondence from the City indicating a bar and grille is not an approved use of land at her location. Ms. Ornelas provided a revised workplan for operation of a drive-thru convenience store with an assortment of take-out foods. Should the Board approve the workplan, the USDA must approve the workplan as well. Julian Rios reminded the Board of the history of the request and the past actions taken by Ms. Ornelas. Interim Attorney Antonio Torres indicated an updated loan agreement must be executed to incorporate the updated workplan to Resaca Quick Mart. Priscilla Guajardo, Secretary/Treasurer, motioned to approve Ms. Ornelas updated work plan to Resaca Quick Mart, and to authorize the EDC Vice-President to execute changes to the associated loan agreements. Ramiro Guerra, Board Member, seconded the motion. Voting Aye: Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members Mary Bolado, Encarnacion Lopez, Ramiro Guerra, and Jeremy Maya. Abstaining: Jose L. Morales, President. MOTION CARRIED TO APPROVE THE REQUEST FROM MS. GRISELDA ORNELAS TO APPROVE HER REVISED USDA APPROVED WORKPLAN TO RESACA QUICK MART, AND AUTHORIZE THE VICE-PRESIDENT TO EXECUTE CHANGES TO THE ASSOCIATED LOAN AGREEMENTS. Julian Rios, Vice-President, turned the meeting back over to Jose L. Morales, President.

ITEM 20. DISCUSSION AND POSSIBLE ACTION TO APPROVE PUBLICATION FOR EXECUTIVE DIRECTOR.

Jose L. Morales, President, presented the item and requested a template for the publication from legal counsel. Interim Attorney Antonio Torres gathered examples of other publications for EDC Executive Directors, and will forward to each Board Member. Board Members may provide feedback on an individual basis to the Interim Attorney prior to publication. Ramiro Guerra, Board Member, motioned to approve the publication as provided by legal counsel. Encarnacion Lopez, Board Member, seconded the motion. Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members Mary Bolado, Encarnacion Lopez, Ramiro Guerra, and Jeremy Maya. MOTION CARRIED TO APPROVE THE PUBLICATION FOR EXECUTIVE DIRECTOR AS PROVIDED FROM LEGAL COUNSEL.

ITEM 21. DISCUSSION AND POSSIBLE ACTION TO APPROVE PUBLICATION FOR ADMINISTRATIVE ASSISTANT AND/OR COORDINATOR.

Jose L. Morales, President, presented the item. Rachel Siller is transferring to Community Grants & Programs effective October 1, 2018. Fred Bell, Assistant to the City Manager, indicated Mrs. Siller will continue to provide assistance to the EDC until an Executive Director is hired, in addition to performing CDBG activities, as she is currently doing. Julian Rios, Vice-President, and Encarnacion Lopez, Board Member, expressed concern by highlighting the time burden for staff to create verbatim minutes. Interim Attorney Antonio Torres indicated the consideration of reverting back to summary minutes from verbatim minutes must be placed on the agenda. Encarnacion Lopez suggested the Executive Director should hire the Administrative Assistant and/or Coordinator. Interim Attorney Antonio Torres stated the Board may move to publish the position after the Executive Director establishes the activities of the position. Julian Rios, Vice-President, motioned to approve the future publication for an Administrative Assistant and/or Coordinator. Priscilla Guajardo, Secretary/Treasurer, seconded the motion. Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members Mary Bolado, Encarnacion Lopez, Ramiro Guerra, and Jeremy Maya. MOTION CARRIED TO APPROVE THE FUTURE PUBLICATION FOR ADMINISTRATIVE ASSISTANT AND/OR COORDINATOR.

ITEM 22. DISCUSSION AND POSSIBLE ACTION ON REQUEST FOR STATEMENTS OF QUALIFICATIONS FOR EDC ATTORNEY.

Jose L. Morales, President, presented the item and requested a template from the attorney. Interim Attorney Antonio Torres indicated the Board should develop the qualifications and required experience for the attorney. Encarnacion Lopez, Board Member, inquired if the Board could retain his services for about three months until qualifications are established and the Board is able to publish for qualifications. Interim Attorney Antonio Torres stated that the Board is not required to publish for qualifications for attorney services, as per the Professional Services Procurement Act. A letter of agreement will be presented for Board consideration to retain services. **NO ACTION TAKEN.**

ITEM 23. EXECUTIVE SESSION.

A) Under Texas Government Code, Section 551.087: To deliberate about information received from Business Prospect EDC2018-01.

B) Under Texas Government Code, Section 551.072: To deliberate regarding possible Lease Agreement with Option to Purchase for Business Prospect EDC2018-02.

C) Under Texas Government Code, Section 551.087: Consultation with attorney regarding updated on status of negotiations and legal issues relating to Project 2016-08.

Jose L. Morales stated he will abstain from discussion and voting pertaining to Item B, Business Prospect EDC2018-02 due to conflict of interest.

The Board entered Executive Session at 7:29 pm, and convened at 8:17 pm.

Action to be taken on items discussed in Executive Session per Agenda Item 24.

ITEM 24. ACTION, IF ANY, TO BE TAKEN ON ITEMS DISCUSSED IN EXECUTIVE SESSION.

A) No action.

B) No action.

C) Action to be taken per Agenda Item 25 and 26.

ITEM 25. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE GROUND LEASE AGREEMENT WITH EXTENSION OPTION BETWEEN THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION, INC. AND VARCO REAL ESTATE SAN BENITO, LLC, FOR THE 9.87 ACRES OF EDC OWNED PROPERTY LOCATED AT 500 BUSINESS 77.

Julian Rios, Vice-President, motioned to approve the Ground Lease Agreement subject to the authorized revisions provided to legal counsel, as discussed in Executive Session. Priscilla Guajardo, Secretary/Treasurer, seconded the motion. Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members Mary Bolado, Encarnacion Lopez, Ramiro Guerra, and Jeremy Maya. **MOTION CARRIED TO APPROVE THE GROUND LEASE AGREEMENT SUBJECT TO THE AUTHORIZED REVISIONS PROVIDED TO LEGAL COUNSEL, AS DISCUSSED IN EXECUTIVE SESSION.**

ITEM 26. CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE PERFORMANCE AGREEMENT BETWEEN THE SAN BENITO ECONOMIC DEVELOPMENT CORPORATION, INC. AND VARCO REAL ESTATE SAN BENITO, LLC, ASSOCIATED WITH THE 9.87 ACRES OF EDC OWNED PROPERTY LOCATED AT 500 BUSINESS 77.

Priscilla Guajardo, Secretary/Treasurer, motioned to approve Performance Agreement subject to the authorized revisions provided to legal counsel, as discussed in Executive Session. Julian Rios, Vice-President, seconded the motion. Voting Aye: Jose L. Morales, President, Julian Rios, Vice-President, Priscilla Guajardo, Secretary/Treasurer, and Board Members Mary Bolado, Encarnacion Lopez, Ramiro Guerra, and Jeremy Maya. MOTION CARRIED TO APPROVE THE PERFORMANCE AGREEMENT SUBJECT TO THE AUTHORIZED REVISIONS PROVIDED TO LEGAL COUNSEL, AS DISCUSSED IN EXECUTIVE SESSION.

ITEM 27. ADJOURNMENT

Julian Rios, Vice-President, moved to adjourn. Mary Bolado, Board Member, seconded the motion. Jose L. Morales, President, announced the meeting adjourned at 8:20 pm.

SAN BENITO ECONOMIC DEVELOPMENT CORPORATION


JULIAN RIOS, VICE-PRESIDENT

ATTEST:


ENCARNACION LOPEZ, SECRETARY / TREASURER

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