

JOINT SPECIAL MEETING OF THE HARLINGEN CITY COMMISSION &
HARLINGEN COMMUNITY IMPROVEMENT BOARD

March 18, 2015

A Joint Special Meeting of the Harlingen City Commission and Harlingen Community Improvement Board (4B) was held Wednesday, March 18, 2015 at 11:30 a.m., Town Hall, City Hall, 118 E. Tyler, Harlingen, Texas. Those in attendance were:

Mayor and Commissioners

Mayor Chris Boswell
Victor Leal, Mayor Pro-Tem, District 5
Danny Castillo, Commissioner District 1
Tudor Uhlhorn, Commissioner District 2
Basilio "Chino" Sanchez, Commissioner District 4

Absent

Michael Mezmar, Commissioner District 3

Harlingen Community Improvement Board

Jesse Robles
Gina Cano-Monreal
Joe Rubio Jr.
John Guevara

Absent

Danny Villarreal
Daniel Arazia
Paul Durant

Staff Present

Carlos Yerena, City Manager
Amanda C. Elizondo, City Secretary
Richard Bilbie, City Attorney

Mayor Boswell called the joint meeting to order and stated a notice of the meeting had been duly posted accordingly to state law.

President Robles called the joint meeting to order and also stated the notice of the meeting was properly posted accordingly to state law.

- 1) Executive/Closed Session pursuant to Chapter 551, Subchapter D, V.T.C.A. Government Code, Sections 551.071 and 551.072 regarding the negotiations for the purchase and redevelopment of the Baxter Building in downtown Harlingen and possibly seek legal advice from counsel regarding said negotiations between the City of Harlingen and Flint Hills Development Group, LLC.

At 11:42 a.m., Mayor Boswell announced the City Commission would convene into executive session to discuss Item No. 1.

Motion was made by Mayor Pro-Tem Leal and seconded by Commissioner Uhlhorn to convene into executive session to discuss Item No. 1. Motion carried unanimously.

At 11:44 a.m., President Robles announced the Harlingen Community Improvement Board would convene into executive session to discuss Item No. 1.

Motion was made by Joe Rubio and seconded by John Guevara to convene into executive session to discuss Item No. 1. Motion carried unanimously.

At 12:00 noon, Mayor Boswell announced the City Commission had completed its executive session and declared the meeting open to the public.

At 12:02 p.m., President Robles announced the Harlingen Community Improvement Board had completed its executive session and declared the meeting open to the public.

2) Presentation by the Flint Hills Development Group, LLC regarding the development of the Baxter Building.

Tait Coates with Flint Hills Holdings Company stated their real estate development company was based out of Lawrence, Kansas and their main focus was on the preservation of historic assets. The proposed project would consist of a multi family conversion consisting of 32 apartments. The first floor would consist of retail businesses. Another option would be a boutique hotel. Both options would bring people and business to the downtown area. The boutique hotel would be more challenging from a financial stand point, but would be a great opportunity, but with the new state tax credit program the project was within reach of being feasible. It would take creativity, due diligence and time, but they were looking forward to the opportunity.

A brief discussion was held in regarding to the building that was acquired in Dallas, Texas, the length of time to complete the project, if any rendering of the project had been done.

Mr. Coates stated they purchased the building from a private investor in Downtown Dallas, Texas with local financial partners with the support of the Tax Increment District of Dallas. There were some economic incentives for historic preservation along with county and city historic tax abatements, economic development grants, and Chapter 380 Programs throughout the State of Texas.

The real hurdles of the project were the pre-development financing stages and once this process was completed, the project would move faster. Mr. Coates stated they had a general layout based on the square footage of the building.

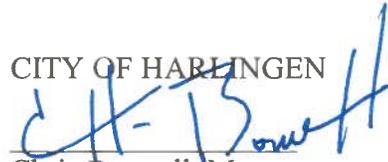
Most of the funding would come from private partnerships and sometime through local vendors. The first step would be for everyone involved to understand the timeline and required steps to move forward with the project along with all the hurdles involved to get to Phase I. They would be applying for multi-family components tax credits. The tax credits would be awarded around July of 2016. The project would start after the tax credits were awarded, but it would depend on how competitive the process would be in qualifying the project for the tax credits and would also depend on a backup plan if the tax credits were denied.

Another major question was the availability of parking. This would be another creativity component to the project. Parking could be away from the building and it would still be manageable. This type of development was done in the Cities of Dallas and Fort Worth with a downtown safety patrol and funded through a public private entity. These officers would help maintain the downtown areas clean throughout the day.

Mayor Boswell stated the next step would be for Mr. Bill Rountree to draft an agreement. During the negotiation process the creative parking component should be included in the agreement on how to address the parking issues. He thanked Mr. Coates for the presentation.

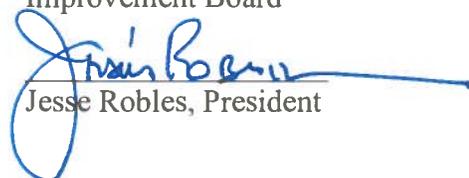
There being no further business to discuss, Mayor Boswell and President Robles adjourned the meeting at 12:30 p.m.

CITY OF HARLINGEN



Chris Boswell, Mayor

Harlingen Community
Improvement Board



Jesse Robles, President

ATTEST:



Amanda C. Elizondo, City Secretary