

Special Joint Meeting of the Harlingen City Commission  
AND  
Economic Development Corporation of Harlingen, Inc.

August 20, 2012

A Special Joint Meeting of the Harlingen Elective Commission and the Economic Development Corporation of Harlingen, Inc was held on Monday, August 20, 2012 at 5:30 P.M. in Town Hall, City Hall 118 E. Tyler Street, Harlingen, Texas. Those in attendance were:

Mayor and City Commissioners

Mayor Chris Boswell  
Mayor Pro-Tem Robert Leftwich, District 2  
Danny Castillo, District 1  
Mike Mezmar, District 3  
Jerry Prepejchal, District 4  
Joey Castillo, District 5

Staff

Carlos Yerena, City Manager  
Amanda C. Elizondo, City Secretary  
Richard Bilbie, Assistant City Attorney  
Dan Serna, Assistant City Manager  
Gabe Gonzalez, Assistant City Manager  
Elvia Trevino, Interim Finance Director

Economic Development Corporation of Harlingen, Inc.

Rick Ledesma, President  
Desi Martinez, Vice President  
Dr. Gilbert Leal, Secretary  
Ernesto Silva, Board Member

Absent

Terry Gray, Treasurer

Mayor Boswell and President Rick Ledesma both announced that a quorum was established for the Harlingen City Commission and the Economic Development Corporation of Harlingen, Inc. A notice of the meeting was duly posted according to state law and the following proceedings were held.

At 5:30 p.m., Mayor Boswell called the meeting to the order for the Harlingen City Commission and President Ledesma called the meeting to order for the Economic Development Corporation of Harlingen, Inc.

Mayor Boswell recessed the Special Joint Meeting and called the Special City Commission meeting to order and proceeded with the following items.

- 1) Public hearing on the City of Harlingen's Proposed Annual Budget for Fiscal Year 2012-2013.

Elvia Trevino, Interim Finance Director stated this was the first public hearing to solicit comments from the public on the proposed City of Harlingen 2012-2013 Budget. A seconded public hearing was scheduled for August 24, 2012. As per state law a copy of the proposed budget would be filed in the City Secretary's Office for public inspection. The proposed budget was also posted on the City's website.

Public Hearing

Mayor Boswell announced this was a public hearing and anyone wishing to speak for or against this item could do so.

Ron Lozano, 2410 Riverside Drive stated it was hard for him to digest that Bass Pro Shops was probably the benefit that balanced the budget.

Mayor Boswell responded that anything associated with the Bass Pro Shops Project had absolutely no effect on the City's General Fund.

There being no other comments, Mayor Boswell declared the public hearing closed.

2) Public hearing on the City of Harlingen's Proposed Tax Rate for Fiscal Year 2012-2013

Elvia Trevino, Interim Finance Director stated the proposed tax rate was .58827. The proposed rate was the same as the last three years. This tax rate was used to balance the proposed 2012-2013 city's budget. The Tax Code did not require two public hearings; however, the city had published the notice in the newspaper for two hearings. This was the first hearing and the second public hearing was scheduled for Friday, August 24, 2012. The budget and tax rate ordinances required two readings; the first reading was scheduled for Wednesday, September 5, 2012 and the second reading would be Wednesday, September 19, 2012.

Public Hearing

Mayor Boswell announced this was a public hearing and anyone wishing to speak for or against the item could do so.

Desi Martinez, Vice President of the Economic Development Corporation of Harlingen, Inc. thanked the City Commission for maintaining the same tax rate during the past few years of the recession. The proposed tax rate was one of the lowest in the valley and this was a positive sign for the City of Harlingen.

There being no other comments, Mayor Boswell declared the public hearing closed.

Mayor Boswell recessed the Special Meeting of the Harlingen City Commission.

Mayor Boswell and President Ledesma announced the Harlingen City Commission and the Economic Development Corporation of Harlingen, Inc. would reconvene the Joint Special Meeting and proceeded with the following items.

- 1) Executive Session pursuant to Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.071) attorney-client consultation regarding the Reyna Family Development LTD First Amendment to Agreement and the original Agreement with the Development Corporation, and pursuant to Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.087) regarding commercial and financial information from a business prospect with which the Board is conducting economic development negotiations an/or to discuss or deliberate financial or other incentives to a business prospect know as Reyna Family Development, LTD.

At 5:38 p.m., Mayor Boswell and President Ledesma announced the Harlingen City Commission and the Economic Development Corporation of Harlingen, Inc. would convene into executive session to discuss Item No. 1.

Harlingen City Commission

Motion was made by Commissioner Castillo and seconded by Commissioner Mezmar to convene into executive session to discuss Item No. 1. Motion carried unanimously.

Economic Development Corporation of Harlingen, Inc.

Motion was made by Mr. Martinez and seconded by Dr. Leal to convene into executive session to discuss Item No. 1 Motion carried unanimously.

At 6:33 p.m., Mayor Boswell and President Ledesma announced the Harlingen City Commission and the Economic Development of Harlingen, Inc had completed its executive session and declared the meeting open to the public.

- 2) Consider and take action to approve proposed revisions to the First Amendment to Agreement between the Development Corporation of Harlingen, Inc. and Reyna Family Development, LTD and the original Agreement between the Development Corporation of Harlingen, Inc. and Reyna Family Development, LTD.

Motion was made by Mr. Silva and seconded by Dr. Leal to void the original agreement along with any amendments to the agreements between the Economic Development Corporation of Harlingen, Inc. and Reyna Family Development, LTD and approve a new agreement between the Economic Development Corporation of Harlingen, Inc. and Reyna Family Development, LTD, that incorporated all conditions of the new agreement to have one new agreement. Motion carried unanimously.

Motion was made Mayor Pro-tem Leftwich and seconded by Commissioner Castillo to approve the agreement between the Economic Development Corporation of Harlingen, Inc. and Reyna Family Development, LTD. Motion carried as followed: FOR: Mayor Pro-Tem Leftwich, Commissioners: Castillo, Prepejchal. AGAINST: Commissioner Mezmar

Mayor Boswell and President Ledesma adjourned the Joint Special Meeting.

Mayor Boswell then reconvened the Special City Commission Meeting.

Commissioner Mezmar requested to convene into executive session because he had some questions.

At 6:38 p.m., Mayor Boswell announced the City Commission would convene into executive session to discuss Item No. 3.

- 3) Closed/Executive Session pursuant to Chapter 551, Subchapter D, V.T.C.A. Government Code, Section 551.087 and 551.071 regarding commercial and financial information from business prospect with which the City Commission is conducting economic development negotiations and/or to discuss or deliberate financial or other incentives with the business prospect know as Project Uncle and to seek legal advice from the City Attorney regarding this subject.

Motion was made by Commissioner Castillo and seconded by Mayor Pro-Tem Leftwich to convene into executive session to discuss Item No. 3. Motion carried unanimously.

At 7:05 p.m., Mayor Boswell announced the City Commission had completed its executive session and declared the meeting open to the public.

- 4) Consider and take action to approve proposed revisions to the development agreement between The City of Harlingen and Reyna Family Development, LTD. for an economic development project know as Project Uncle.

Motion was made by Mayor Pro-Tem Leftwich and seconded by Commissioner Mezmar to approve revisions of the development agreement between the City of Harlingen and Reyna Family Development, LTD. as recommended by staff. Motion carried unanimously.

There being no further business to discuss, the meeting adjourned at 7:07 p.m.

CITY OF HARLINGEN



Chris Boswell, Mayor

Economic Development Corporation  
of Harlingen, Inc.

Rick Ledesma, President

ATTEST:



Amanda C. Elizondo, City Secretary