



**MINUTES OF THE MEETING OF THE
LEON VALLEY ECONOMIC DEVELOPMENT CORPORATION**

February 22, 2012

The regular meeting of the Leon Valley Economic Development Corporation (LVEDC) convened at 6:38 p.m. on **Wednesday, February 22, 2012**, in City Council Chambers at 6400 El Verde Road, Leon Valley, Texas.

I. ROLL CALL & DETERMINATION OF QUORUM

Present were Board President Mike Davis, Vice-President Abraham Diaz, Treasurer Michael McCarley, Secretary Nancy Marin, Board Members Dr. Georgia Zannaras, Claude Guerra III and Stephen Ynostrosa. Also present were Attorneys Steven Pena and Lisa Gonzales and Director of Community Development and Interim Supervisor of Economic Development Kristie Flores, acting as staff support and recording secretary.

Also present were Honorable Judge Lawrence Morales and City Secretary Janie Willman.

The Board proceeded to Item IV. Consideration of the Minutes of January 25, 2012, to allow additional time for Mr. Segovia to arrive at the meeting.

IV. CONSIDER THE MINUTES OF THE JANUARY 25, 2012 MEETING

The Board requested a revision to the minutes to include Mayor Chris Riley and City Manager Manuel Longoria, Jr. as present at the January 25th meeting. There was also a revision to the motion regarding Porky J's to include both breach of contract and attorney fees. Being no further discussion of the meeting minutes, Vice-President Abraham Diaz made a motion to approve the minutes as amended and Board Member Claude Guerra III seconded the motion. The motion passed unanimously by voice vote, 6-0.

After consideration of the minutes, staff made contact by phone with Mr. Segovia and he indicated that he had not received the information staff sent him and would be absent. Newest member Mr. Herman Segovia was noted as absent from the meeting and the Board proceeded to Item II. Installation of Board Members.

II. INSTALLATION OF BOARD MEMBERS

Board President Davis began the second order of business with the installation of City Council appointed Board Members. Staff noted that all of the Board members new, returning and existing would be taking the oath of office to begin the new year.

The Honorable Judge Lawrence Morales administered the oath to all Leon Valley Economic Development Board Members as one unit including: Mr. Abraham Diaz, Mr. Claude Guerra III, Mr. Michael McCarley, Ms. Nancy Marin, Mr. Stephen Ynostrosa, and Ms. Georgia Zannaras.

Mr. Davis noted that he had chosen not to continue on the Board due to health issues and work. He thanked the Board for their work and support. Board Vice-President Abraham Diaz then presided over the meeting.

Mr. Davis was recognized by the Board for his two (2) years of service and was presented a plaque of appreciation and a letter was read aloud from the Mayor and City Council thanking Mr. Davis for his service. Each Board member noted their verbal appreciation.

III. CONDUCT OFFICER ELECTIONS

Absent a Board Member, the Board entertained discussion in regard to tabling the Officer Elections to the next regular meeting of the Board. Board Member Nancy Marin made a motion to table the elections, and Board Member Georgia Zannaras seconded the motion and the motion passed unanimously by voice vote, 6-0.

V. FINANCIAL REPORT BY LVEDC TREASURER (MICHAEL MCCARLEY)

Board Member Michael McCarley noted the following in the financial report: three (3) months of sales tax generation being \$54,277.40, the money market balance being \$327,808.74 and the bank checking balance of \$19,472.80 for a combined total \$347,281.42. He also noted a transfer on February 2nd of \$7,500 to cover outstanding accounts payable. He explained that there were new outstanding checks as of that evening in the amount of approximately \$5,694.86.

Board Member Michael McCarley noted that there had been an Executive Session with City Council on February 7th to discuss the capability of the Board to support a long term arrangement for potential business of the Board. He explained that the sales tax generation figure was presently estimated at \$16,500 per month with the proposed total of \$200,000 for the year. He also noted however, that the Board had other expenses such as attorney's fees, potential hiring of an executive director, advertising, membership, seminars, liability insurance, and the Documation contract. To conclude, he explained that the Council was given a thorough overall picture of the Board's finances.

VI. DISCUSS AND CONSIDER ACTION ON A GRANT APPLICATION BY NORA PEREZ, APPLICANT, GDA INSURANCE – REQUEST AMOUNT \$9,400 FOR TWO (2) NEW BUSINESS SIGNS

Acting President Abraham Diaz opened the discussion of the request for a grant by Nora Perez, of GDA Insurance. Staff clarified that the amount was originally \$9,400 and the new request was \$9,663. Ms. Perez addressed the Board and noted that GDA Insurance moved into Leon Valley in April of 2009. She explained that her decision to locate her small, woman-owned business in the City due to the location and City slogan. She further noted that her business was thriving. Ms. Perez noted that Code Compliance removed a sign that she was utilizing for her business that she believed should have been grandfathered and as a result her business production decreased 90%. She explained that she was requesting the grant for the signage to regain her walk-in traffic. Ms. Perez noted that she had read in the previous meeting minutes that her business did not provide sales tax revenue to the City. She explained that she may not be a retail business but does provide professional services, property tax, and indirect sales tax generation through clients that visit her location and ask for referrals to local retail, restaurants, and other businesses. Ms. Perez noted, that by granting the money, a business would be retained and reinforced her point by noting that the 4B sales tax language encouraged retention, job creation and expansion, all of which she felt her business accomplished.

Acting President Abraham Diaz asked Ms. Perez if she had data which demonstrated that her referrals to City businesses were generating indirect sales tax to the area. Ms. Perez noted that she had tried to obtain a report from the UTSA Business Development Center but they were unable to provide that data.

Board Attorney Steven Pena noted that he reviewed the new and previous grant packet applications and explained that the Board had historically granted funds to sales tax generating businesses such as Porky J's and Bush's Chicken. Ms. Perez noted that Porky J's was no longer in business in the City and she had a financially stable business that had a 20-year history with the owner before her.

Mr. Pena noted that ultimately it was the Board's decision but with the EDC Boards he represented in other cities there were no outright grants. He explained that what is normally provided is a portion of the cost and at times monies are obtained through a loan application process.

The Board asked Ms. Perez if she had looked into other alternatives to compensate for the cost of the sign such as talking to the property owner since the betterment of the signage would benefit the property owner's shopping center as well. They also asked if Ms. Perez had considered a loan. Ms. Perez noted that she needed to re-evaluate because she had not come in with the idea of obtaining a loan and she had a new employee and needed to consider the overhead costs.

Acting Board President Abraham Diaz asked if any other bids had been obtained. Ms. Perez noted that she had selected a local business to keep the revenue in Leon Valley and had not investigated other sources.

Board Member Claude Guerra III noted that he liked the idea of shared costs with the owner since improvement of the multi-tenant sign would benefit the other businesses in the Center. He also noted to Ms. Perez that he would like her to keep her business in Leon Valley and encouraged her to look into a loan that may be a workable option for her.

Being no further discussion, acting Board President Abraham Diaz recommended tabling the discussion so that Ms. Perez could: 1) speak to the property owner regarding sharing the sign cost, 2) investigate loan alternatives, and 3) obtain additional signage bids from at least two (2) other companies.

Board Member Nancy Marin made a motion to table the discussion to the next meeting. Board Member Claude Guerra III seconded the motion and the motion passed unanimously by voice vote, 6-0.

The Board decided to change the order of business and go into Executive Session before discussion and consideration of Items VI. and VII.

IX. Executive Sessions in Accordance with the Texas Government Code.

The City of Leon Valley Economic Development Corporation Board Convened in Executive Session at 7:51 p.m.:

- A.) Pursuant to Section 551.071, (1)(2)
Consultation with Attorney, Regarding Pending or Contemplated Litigation Regarding:
 - i.) Larry Little vs. City of Leon Valley Economic Development Corporation
 - ii.) Porky J's
- B.) Pursuant to Section 551.072, Deliberations about Real Property, Discussion and Consideration of Conditional Offer to Purchase Lots 67, 68, 70, 71, 72, and 73, Leon Valley Addition (Glass Service Subdivision), City of Leon, Valley, Bexar County, Texas.

The Board reconvened into open session at 9:26 p.m. No action was taken in Executive Session and no action resulted from the Executive Session.

There was **no action taken** on Item A.) Pursuant to Section 551.071, Consultation with Attorney, Regarding Pending or Contemplated Litigation Regarding:

- i.) Larry Little vs. City of Leon Valley Economic Development Corporation

ii.) Porky J's

There was **no action taken** on Item B.) Pursuant to Section 551.072, Deliberations about Real Property, Discussion and Consideration of Conditional Offer to Purchase Lots 67, 68, 70, 71, 72, and 73, Leon Valley Addition (Glass Service Subdivision), City of Leon, Valley, Bexar County, Texas.

VI. Discuss and Consider Action Allowing Staff to Proceed with Reimbursement Based Fund Programs for the LVEDC Utilizing \$100,000 in Sales Tax Dollars to be Programmed into Funding for Business Location or Relocation in Leon Valley and Business Beautification, Enhancement or Capital Improvement Projects (Kristie Flores)

Staff noted that this was an opportunity to proceed with programming up to \$100,000. Staff also noted that the program would be reimbursement-based and designed to protect the LVEDC. Staff explained that the funds could be broken into whatever percentages the Board like 70/30, 80/20, or otherwise but would be used for the purpose of locating or relocating businesses to Leon Valley and for storefront revitalization. Staff noted that there were five (5) businesses waiting to see what type of programming the LVEDC was going to create. Staff explained that the program was reimbursement and performance based and would have a call for projects and after approval/denial by the Board would be forwarded to the City Council for final review and complete transparency. Staff also explained that programming the funds was not intended to give out the \$100,000 to anyone who applied. It was noted that there would be a call for projects and application would have to be made and would be presented to the Board for specific funding amounts.

Acting President Abraham Diaz noted that he would like to show that the Board is moving forward and was interested in allotting funds for the program. He noted that he thought it would show progress but asked that reference not be made to any type of capital improvements programming.

Board Member Claude Guerra III agreed and noted that the application presented by staff had potential but needed revision. Staff agreed to work on the application and send it to the Board for further review, revision and discussion.

Board Member Dr. Georgia Zannaras suggested perhaps not tying an amount to the programming especially since the application was being worked on.

Board Member Nancy Marin noted that she believed there needed to be a strategic plan before any funds were programmed.

The Board collectively agreed that they were not ready to proceed with programming and no action was taken on the item. Staff was directed to continue working on the application and forward it to the Board by email.

VII. Discuss and Consider Action Funding WebQA for GoLocal Program with 1-year Subscription in the amount of \$3,800 (Kristie Flores)

Staff noted that the GovQA subscription was another method by which the Board could show that they are being proactive and promoting economic development in Leon Valley. Staff demonstrated some of the features of the WebQA Program which would create a GO LOCAL or SHOP LOCAL button on the website where all businesses within the City could be cataloged, featured and mapped for a one-time annual fee of \$3,800. Staff further explained that the subscription was managed by WebQA and was completely free to business owners. Staff noted that a presentation could be made by a GovQA representative to further explore the subscription benefits and to answer any additional questions.

The Board took no action on this item but directed staff to arrange for a presentation and demonstration.

VII. FUTURE AGENDA ITEMS

The following items were noted for a future agenda:

- 1) Banking Signature Designees
- 2) Election of Officers
- 3) As previously discussed and Agreed - Strategic Planning Discussion
- 4) Program Application
- 5) Documation Contract

X. ADJOURN

Board Member Dr. Georgia Zannaras made a motion to adjourn, seconded by Board Member Claude Guerra III. The motion carried by voice vote and the meeting was adjourned at 10:23 p.m.



BOARD PRESIDENT


BOARD SECRETARY

Prepared by Staff Liaison: Kristie M. Flores