



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

**July 25, 2012**

The regular meeting of the Leon Valley Economic Development Corporation (LVEDC) convened at 6:30 p.m. on **Wednesday, July 25, 2012** in City Council Chambers at 6400 El Verde Road, Leon Valley, Texas.

**I. ROLL CALL**

Present were President Abraham Diaz, Treasurer Michael McCarley, Secretary Nancy Marin, Board Member Dr. Georgia Zannaras, and Board Member Herman Segovia. Vice President Stephen Ynostrosa and Board Member Claude Guerra, III were absent. President Diaz expressed condolences on the passing of Board Member Guerra's mother earlier in the week. Also present were Board Attorney Steven Peña and LVEDC Executive Director Claudia Mora acting as staff support and recording secretary.

President Diaz welcomed Mayor Chris Riley and City Manager Manuel Longoria to the meeting.

**II. CITIZENS TO BE HEARD**

Tony Flores, President of the Leon Valley Area Chamber of Commerce, presented a Chamber of Commerce membership plaque to the LVEDC Board. He stated his interest in developing a partnership with the Board to promote business development in Leon Valley.

**III. CONSIDER LVEDC MINUTES – Special Joint Meeting of the City Council and LVEDC of June 19, 2012**

President Diaz asked for a motion to approve the minutes. Board Member Segovia moved to accept the minutes. Board Member Zannaras seconded the motion. The motion carried.

**IV. CONSIDER LVEDC MINUTES – June 27, 2012**

President Diaz asked for a motion to approve the minutes. Board Member Segovia moved to accept the minutes. Board Member Zannaras seconded the motion. The motion carried.

**V. FINANCIAL REPORT BY LVEDC TREASURER (MICHAEL MCCARLEY)**

Treasurer McCarley reported the balance in the money market account at \$346,868.23 and the checking account at \$35,923.89, for a total of \$382,792.12. The Board obligations were reported as being \$3,511.31, representing the monthly payment to the City of Leon Valley and the ICSC reimbursement for President Diaz. The Board still has approximately \$12,000 in outstanding legal fees. Treasurer McCarley also reported the July economic development sales tax figure to be \$17,780.61. Also reported was the transfer of \$50,000 from the money market account to the checking account during the first week of July. President Diaz asked for a motion to accept the Treasurer's Financial Report. Board Member Segovia moved to accept the Treasurer's Financial Report. Board Member Marin seconded the motion. The motion carried.

**VI. DISCUSSION OF THE LVEDC APPLICATION FOR \$80,000 SUBMITTED BY EL SOL BAKERY**

President Diaz proposed removing this item from the agenda, reporting that the scoring of the application had not been completed. Board members and City Manager Longoria had questions, comments and other information that they wished to remark on related to this line item. This item was not removed from the agenda.

Board Member Segovia asked Board Attorney Peña whether the Board can make a contribution directly to the City to make improvements to a City facility.

City Manager Longoria addressed the Board to clarify some information regarding the funding request. He provided information on the proposed structure for funding the El Sol Bakery project: \$10,000 in an LVEDC grant, \$37,000 in the form of a loan from the LVEDC, and the balance of the funding for the project coming from the personal financing of the applicant.

Board Attorney Peña stated that he needed to know what the Board planned to do before he could render an opinion. He mentioned that there needs to be some type of promissory note and collateral. In addition, the Board should have a recapture provision. Finally, the money granted or loaned should be tied to the project.

Board Member Marin informed the Board that she requested additional information about the business. She indicated that documentation is needed stating El Sol's eligibility for a bank loan that includes both the amount that El Sol is looking to finance personally and the amount that LVEDC may be considering to loan.

Board Attorney Peña recommended that there be no direct grants to the applicant. Instead, he recommended that the grant money go to the contractor doing the work on the improvements to the facility.

Board Member Zannaras recommended that the changes made to the facility be such that they are able to be used by another business should the applicant's business venture fail.

President Diaz stated that the scoring should be completed before the next meeting.

**VII. DISCUSSION AND CONSIDERATION OF ACTION WITH ATTACHED RESOLUTION 2012-010, A RESOLUTION OF THE LEON VALLEY ECONOMIC DEVELOPMENT CORPORATION (LVEDC) APPROVING THE PROPOSED BUDGET FOR FISCAL YEAR 2013**

Executive Director Mora presented the proposed budget for fiscal year 2013. The Board made changes: Professional Services was increased to \$40,000; Contractual Services was reduced to \$41,153; EDC Project Funding was reduced to \$108,147. The Travel and Membership line items remained at \$10,000 and \$700, respectively. The total proposed budget for fiscal year 2013 is \$200,000.

Board Member Segovia moved to accept the proposed budget as changed. Board Member Marin seconded the motion. The motion carried.

The LVEDC Proposed Budget for Fiscal Year 2013 will be presented to the City Council at their next meeting on August 7, 2012.

**VIII. REPORT ON BOARD APPOINTMENTS**

Board Attorney Peña informed the Board that the terms for Board places 2, 4 and 6 expire in September 2012. When the Board members were last appointed, they were appointed so that their terms would be staggered. The terms for Board places 1, 3, 5 and 7 would expire in September 2013. City Council would need to either reappoint the current Board members or appoint new Board members. Board Attorney Peña also commented that should Board President Diaz, who currently occupies Board place 2, be reappointed then he would continue serving as Board President until the term for President expires. Mr. Peña suggested that the Board amend the bylaws, as they pertain to officer terms, so that officers are elected each year. This would help clarify the bylaws.

**IX. FUTURE AGENDA ITEMS**

The LVEDC Program Guidelines and a strategic plan were mentioned. Board President Diaz mentioned that Executive Director Mora would be providing draft guidelines, and other items requested, to the Board. Board Member Marin requested that staff be directed to look into the pros and cons of changing the current 501(c) status of the LVEDC to 501(c)3 so that the Board could take advantage of other funding opportunities. Staff was directed to do so.

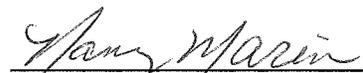
**X. ANNOUNCEMENTS**

Executive Director Mora announced that there would be a groundbreaking ceremony for Raising Cane's Chicken Fingers on Friday, August 10, at 10 a.m. Ms. Mora also reminded the Board members that the City of Leon Valley volunteer applications and LVEDC Board applications were in the Board meeting packets. Ms. Mora stated she would like to have the applications for the three Board members by August 15.

**XI. ADJOURN**

Board Member Marin moved to adjourn, seconded by Board Member McCarley. The motion carried by voice vote and the meeting was adjourned at 7:48 p.m.

  
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**ABRAHAM DIAZ**  
**BOARD PRESIDENT**

  
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**NANCY MARIN**  
**BOARD SECRETARY**

Prepared by Staff Liaison: Claudia Mora