

MCALLEN DEVELOPMENT CORPORATION, INC.
JULY 24, 2017

The McAllen Development Corporation convened in a Special Meeting on Monday, July 24, 2017 at 3:00 p.m. at McAllen City Hall, City Commission room, with the following present:

	Tony Sanchez	Vice-President
	Robert P. Garcia	Director
	Jim Darling	Director
	Olivia Tamez	Director
	Miles J. Mullin	Director
Absent:	Veronica Whitacre	Director
	Jose Gonzalez	Director
Staff:	Roel Rodriguez	City Manager
	Michelle Leftwich	Assistant City Manager
	Victor Flores	Assistant City Attorney
	Angie Rodriguez	Budget Director
	Susan Lozano	Finance Director
	Carla Rodriguez	Grant Administration Director
	Piedad Martinez	Community Development Director
	Yvette Balderas	Community Development Asst. Dir.
	Amy Sepulveda	Grant Coordinator
	Araceli Salas	Administrative Assistant

Vice-President Tony Sanchez called the meeting to order at 3:04 PM

1. Review and Approve Budget Recommendations for Funding of Outside Agencies for FY 2017-2018

Mayor Darling stated that all outside agencies would be getting a 6% reduction in all budgets, on top of the reductions that the agencies made themselves, in comparison with the 2016-2017 fiscal year budgets.

Mr. Mullin commented that when funding for an agency that builds revenue, and funding for agency that serves citizens of McAllen, he would prefer funding to serve citizens.

Mr. Sanchez asked if there weré any other comments from anyone.

Mr. Garcia asked what kind of cuts the board was willing to make. He recommended that all new applications be denied at this time, including those for McAllen Heritage Center, two for Easter Seals, and four for Comfort House.

Mr. Mullin suggested that some agencies should get all the funding they are requesting. He stated that he was not aware of what exact jobs MEDC creates, how many, and what community they create jobs for. He posed some questions relating to taxes from

businesses located within the McAllen Trade Zone, including how much property tax the City of McAllen collects, and if the Hotel Taxes collected actually go to the City of McAllen or the Chamber of Commerce.

Mayor Darling and City Manager Rodriguez clarified how some funds were obtained what they are used for.

At this time, a discussion ensued regarding several of the agencies, VIDA being first, questions were posed and Ms. Pricilla Alvarez, Executive Director of VIDA, addressed the board and advised about funding for the agency. She stated that one of the grants they receive from the state requires a dollar for dollar match and that the Development Corporation allocation provides for that match.

Mr. Sanchez asked that of the \$800,000 requested from the City of McAllen, how much is being allotted from the State.

Ms. Alvarez stated \$275,000.

Mayor Darling stated that VIDA also received contributions from other cities that are served.

Ms. Alvarez stated that this fiscal year, 97.29% of monies have been spent to serve McAllen residents and 2.71 % have been spent on non-McAllen residents, or \$4,000.

Mr. Sanchez asked if there were any other comments. There were no further comments.

Mr. Garcia moved to deny all new applications that were not funded last year, to include one application for McAllen Heritage Center, two applications for Easter Seals, and one application for Comfort House. No second motion was presented, motion failed.

Mr. Mullin moved to approve funding for Affordable Homes of South Texas. A second motion was not granted. The motion failed.

Mr. Garcia motioned to deny funding for LRGV Community Health/EI Milagro Clinic. A second motion was not granted. The motion failed.

Mr. Garcia motioned to deny funding for Comfort House. A second motion was not granted. The motion failed.

Mr. Garcia motioned to deny funding for LiftFund, Inc. Ms. Tamez stated that at the July 17, 2017 meeting, the agency was asked to provide a revenue report showing businesses they assist, yet no report was submitted. A second motion was not granted. The motion failed.

Mr. Garcia motioned to deny funding for Easter Seals. A second motion was not granted. The motion failed.

Mr. Mullin moved to approve funding in the amount of \$250,000 for South Texas College. A second motion was granted. The motion carried for funding in the amount of \$250,000.

Mr. Garcia moved to have the amount of \$164,300 approved for the Boys and Girls Club of McAllen. The motion was seconded and also denied. A vote was taken. The motion passed in favor of funding in the amount of \$164,300 with three in favor, and two against.

Mr. Garcia moved that the entire amount be denied for Easter Seals. A second motion was not granted. The motion failed.

Mr. Garcia moved that VIDA be funded at \$500,000. A second motion was not granted. The motion failed.

Mr. Mullin moved that MEDC be funded at \$750,000. A second motion was not granted. The motion failed.

Ms. Tamez motioned to have the McAllen Heritage Center funded at the full amount requested. A second motion was not granted. Mr. Mullin motioned to deny funding, and was seconded. The motion for no funding passed.

At this time Mr. Mullin had some questions regarding the McAllen Foreign Trade Zone.

Mr. Keith Partridge, Executive Director for MEDC, addressed the questions for Mr. Mullin. Mr. Partridge explained that the property within the McAllen Foreign Trade Zone (MFTZ) has various tenants who are not property owners yet pay property taxes on buildings they use. He added that there were exceptions to this rule, with the majority of them outside of the MFTZ. He explained how new construction within the MFTZ creates a tax base as long as the buildings are in McAllen. The MFTZ has almost 800,000 square feet of space that it pays taxes on, along with 17 other individuals with private funds. In conclusion, Mr. Partridge informed the board that MEDC allows for the free use of the Parade Warehouse for the City of McAllen, provided \$37,000 for the Madero Bridge, and \$100,000 in Mexico promotional materials.

Once discussion was concluded regarding the MFTZ, Ms. Karen Valdez, Chairperson of the Community Development Council, advised that she wanted to remind the Development Corporation Board of some discrepancies regarding VIDA that were unresolved. She reported the amount spent on salaries was \$99,500, for part time positions, \$65,000 for consulting fees, \$75,000 for contract labor, and fringe benefits for employees was inconsistent.

Ms. Alvarez, Executive Director for VIDA, addressed the Development Corporation Board and advised that the agency had a met with Ms. Piedad Martinez, CDBG Director, and staff and the misunderstanding was resolved.

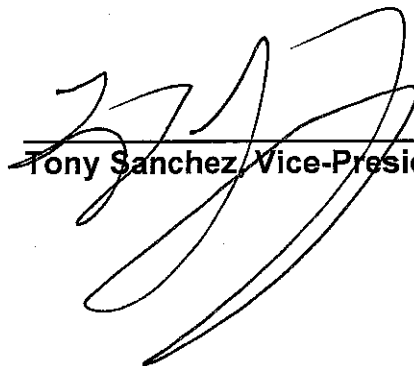
City Attorney Victor Flores addressed the Development Corporation Board mentioning that South Texas College, and Boys and Girls Club of McAllen were approved for

funding, yet the McAllen Heritage Center was denied funding. All other agencies funding remained unresolved.


City Manager Rodriguez stated that all other agencies will be forwarded to City Commission.

ADJOURNMENT

There being no other business to come before the board, the meeting was unanimously adjourned at 3:51 p.m.



Tony Sanchez, Vice-President



Araceli Salas
Administrative Assistant