

CITY OF DEL RIO, TEXAS
DEL RIO ECONOMIC DEVELOPMENT CORP. MEETING/ SALES TAX WORKSHOP
COUNCIL CHAMBERS - CITY HALL
109 W. BROADWAY ST.
MARCH 2, 2017 -
9:00 A.M.

SALES TAX WORKSHOP (Conducted by the Texas Economic Development Council)
9:00 a.m. - 12:00 p.m.

*The regular EDC monthly meeting will commence immediately after the workshop.

AGENDA

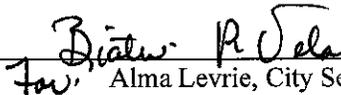
1. CALL TO ORDER
2. ROLL CALL
3. INVOCATION
4. PLEDGE OF ALLEGIANCE
5. APPROVAL OF MINUTES

OTHER BUSINESS

(ACTION MAY BE TAKEN ON THESE MATTERS)

- a. Adoption and/or Approval of Bylaws
 - b. Discussion of Funding and/or Incentive Guidelines
 - c. Projected Operational Expenses
 - d. Confirm April 2017 Meeting Date
 - e. Financial Report
7. ADJOURNMENT

I, Alma Levrie, City Secretary, hereby certify that the above agenda was posted on the bulletin board in the Municipal Building and on the bulletin board immediately outside the Municipal Building on or before 9:00 a.m. on the 27th day of February 2017.



Alma Levrie, City Secretary

DR ECONOMIC DEVELOPMENT CORP

6.a.

Meeting Date: 03/02/2017

Submitted By: Oriana Fernandez, Economic Development Director, Economic Development

SUBJECT:

Adoption and/or Approval of Bylaws

SUMMARY:

Since the first EDC meeting in January, the EDC Board has made recommendations to finalize the initial adoption of bylaws. Since the last meeting on February 2, the EDC Board requested guidance from City Council on how to allocate contracts for services. Council directed the City Manager to meet with staff before the Council meeting on February 28 to make a recommendation on the aforementioned. The recommendation is as follows:

City Manager: 1%

Finance Director: 1%

City Attorney: 5%

Eco. Development Director: 33%

BACKGROUND:

During the February 2 Board of Directors meeting, the EDC Board made a motion asking for City staff to request direction from Council on how to allocate for contracts for services from City staff that will be used to aid the EDC. Staff will recommend the aforementioned rates in the "Summary" above.

DISCUSSION:

Per EDC Board of Directors' request.

PROS:

Approving the bylaws with the approved "rates" for services contracts from Council was the missing link to adopting the initial bylaws for the Del Rio EDC. Approving these bylaws will allow City staff to formally ask Council to approve the EDC's adoption of bylaws at the next Council meeting.

CONS:

None at this time.

RECOMMENDATION:

Staff recommends formally approving these bylaws for adoption.

Fiscal Impact

FISCAL IMPACT:

Fiscal Impact is estimated at about \$50,000 for total allocation for EDC Contracts for Services. The Finance Director can explain more in detail. The recommendation to Council on February 28 was as follows:

City Manager: 1%

Finance Director: 1%

City Attorney: 5%

Economic Development Director: 33%

These percentages indicate the total of each position's base salary plus fringe benefits.

Attachments

Draft of Bylaws for EDC

**BYLAWS
OF
DEL RIO ECONOMIC DEVELOPMENT CORPORATION**

ARTICLE I. OFFICES

Section 1.01 LOCATION, REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Corporation is City Hall, 109 West Broadway Street, Del Rio, Texas 78840, and the name of the initial registered agent as such address is Oriana A. Fernandez, Executive Director of the Corporation, who may be served with process at the present registered office of the Corporation.

ARTICLE II. DIRECTORS

Section 2.01 NUMBER APPOINTMENT, AND TERM OF OFFICE

The affairs of the Corporation shall be managed by a Board of Directors (the “Board”) consisting of nine (9) directors. Each of the directors shall reside within Val Verde County. Each director shall meet at least one of the following qualifications:

- (a) Serve, or have served, as Chief Executive Officer of a company; or
- (b) Serve, or have served, in a position of executive management of a company; or
- (c) Serve, or have served, in a professional capacity; or
- (d) Have experience equivalent to any of the above qualifications.

No individual shall, while either serving on the board of a city council, county commissioners’ court, hospital district, or school district, or while acting in the capacity of a chief executive or administrative officer for any of those governing bodies, be appointed to the Board of Directors.

Directors are appointed by and serve at the pleasure of the City Council of the City of Del Rio (the “City Council”), and may be removed by the City Council at any time without cause. The directors shall serve as such without compensation except that they shall be reimbursed for their reasonable actual expenses incurred in the performance of their duties as directors.

The terms of office for each of the initial directors shall be as provided by the City Council with three (3) directors to have three (3) year terms (expiring October 1, 2019), three (3) directors to have two (2) year terms (expiring October 1, 2018), and three (3) directors to have a one (1) year term (expiring October 1, 2017). After the initial terms of office all directors shall serve for three (3) years.

A director holds office until their successor is appointed and qualified.

Section 2.02 VACANCIES

In case of a vacancy on the Board, the City Council shall appoint a successor to serve the remainder of the term. Any Director or officer may at any time resign. Resignations shall be made in writing to the Executive Director or General Manager and shall take effect at the time specified in the resignation, or, if no time be specified, at the time of its receipt by the president or the secretary of the Board. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 2.03 REGULAR MEETING; PLACE OF MEETING

The Board shall meet on a regular basis, at a specified time, day, and location as approved annually by the Board. Scheduled meeting times will be properly posted for public notification for regular and special called meetings as necessary. The president of the Board may cancel the meeting if there is no business to be conducted.

Section 2.04 SPECIAL MEETINGS

Special meetings of the Board shall be held whenever called by the Board president, General Manager, or upon written request to the secretary of the Board by two Directors.

Section 2.05 NOTICE OF MEETINGS

The secretary shall cause notice of the time and place of holding each meeting of the Board to be given to each Director. The notice may be in writing, in person, or in person by telephone. Notice of each meeting shall also be given to the public in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Government Code, as amended.

Section 2.06 QUORUM

A majority of the membership of the Board including vacancies (a total of five members) shall constitute a quorum for the transaction of business. A supermajority of the membership of the Board shall be defined as a majority plus one (a total of six members).

Section 2.07 ATTENDANCE

Board members are required to attend 75% of regularly scheduled Board meetings. Excessive absenteeism will be subject to action under Council policy.

Section 2.08 AGENDA AND ORDER OF BUSINESS

Any Director or the General Manager may place an item on an agenda for future discussion. The order of business shall be determined by the president.

Section 2.09 PRESIDING OFFICER

At all meetings of the Board, the president, or in the president's absence, the vice president, or in the absence of both of these officers, a member of the Board selected by the Directors present shall preside. The secretary of the Corporation shall sit as secretary at all meetings of the Board, and in case of the secretary's absence, the presiding officer shall designate any Board member to act as secretary.

Section 2.10 MANAGEMENT

The property and business of the Corporation shall be managed by the Board which may exercise all powers of the Corporation.

Section 2.11 PURPOSE AND POWERS

The Corporation is a non-profit corporation and is an industrial development corporation organized under TEX. LOC. GOV. CODE Chapters 501, 502 and 504 (the "Code").

The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of the City of Del Rio, Texas, by promoting, encouraging, and enhancing the creation of jobs in Del Rio through projects which assist in retention of existing local business and industry and which attract new business and industries and aid in their development and growth in accordance with these Articles of Incorporation and the Code.

The Corporation shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of Texas to non-profit corporations by the Texas Non-Profit Corporation Act, Texas Business Organizations Code Chapter 22, and the additional powers as provided in the Code, including, but not limited to, the issuance of bonds. In the event of any conflict between any provision of these bylaws and the Code, then the provisions of the Code shall control.

In addition to the powers conferred by these Bylaws, the Board may exercise all powers of the Corporation and do all lawful acts and things that are not prohibited by law, or the election held on May 7, 2016, or these Bylaws including, but not limited to the following:

1. Develop policies and operating procedures that do not conflict with any City policy.
2. Undertake actions and Projects which are determined by the Board to lead to the creation or retention of primary jobs and/or provide significant capital investment and which benefit the community of Del Rio.
3. The Corporation may, in pursuing its purposes as stated in this section:
 - Acquire or lease property (land or buildings) within the City or ETJ
 - Negotiate market-discounted land agreements with developers or landowners
 - Plan, develop, improve, sell or lease land

- Build or rehabilitate buildings
 - Provide funding for or develop infrastructure
 - Make secured or unsecured loans or loan guarantees
 - Provide direct grants to businesses
 - Borrow funds and issue bonds
 - Develop and implement financial/incentive programs to attract or retain business
 - Market and promote the city and amenities consistent with the purposes and duties as set forth in the Bylaws
4. Develop long-range goals and programs for the Corporation.
 5. Appoint standing or ad hoc committees, which may include City staff and/or individuals who are not members of the Board.

ARTICLE III. OFFICERS

Section 3.01 COMPENSATION OF DIRECTORS AND OFFICERS

Directors and officers shall not receive any salary for their services but by resolution of the Board, necessary expenses incurred in the Corporation's business may be reimbursed. Only expenses allowed under the provisions of a travel policy approved by the Board will be paid.

Section 3.02 OFFICERS

The officers of the Corporation shall be a president, vice-president and secretary. The Board, at each annual meeting, which shall normally occur in the first meeting in January of each year, shall elect these officers. The Board may appoint such other officers as it deems necessary, who shall have the authority, and shall perform such duties as from time to time may be prescribed by the Board.

Section 3.03 POWERS AND DUTIES OF THE PRESIDENT

The president shall preside at all meetings of the Directors. He or she shall have the power, with City Council approval, to sign and execute all contracts and instruments of conveyance in the name of the Corporation, to sign checks, drafts, notes and orders for the payment of money, and to appoint and discharge agents and employees, subject to the approval of the Board. He or she shall have general and active management of the business of the Corporation, and shall perform all the duties usually incident to the office of president.

Section 3.04 POWERS AND DUTIES OF THE VICE-PRESIDENT

The vice-president shall have such powers and perform such duties as may be delegated to him or her by the Board. In the absence or disability of the president, the vice-president may perform the duties and exercise the powers of the president.

Section 3.05 POWERS AND DUTIES OF THE SECRETARY

The secretary shall review and finalize the official minutes of the Board prior to approval by Board action, may sign with the president, or a vice-president, in the name of the Corporation, all contracts and instruments of conveyance authorized by the Board, and shall in general perform all the duties incident to the office of secretary, subject to the control of the Board. Official records of the Corporation shall be maintained and filed in the office of the City Secretary of the City.

Section 3.06 CONFLICT OF INTEREST

In the event that a Director is aware that he or she has a conflict of interest or potential conflict of interest, as defined by State of Texas conflict of interest statutes and/or the City of Del Rio Ethics Ordinance, with regard to any particular matter or vote coming before the Board, the Director shall bring the same to the attention of the Board and shall abstain from discussion and voting thereof.

If any Director believes that any other Director may have a conflict of interest on a matter before the Board, he/she is obligated to inform the Director of that opinion. It is then the responsibility of the Director with the possible conflict to resolve the situation.

Any questions of possible ethics violations shall be subject to the state conflict of interest statutes and/or the City of Del Rio Ethics Ordinance and be processed accordingly.

Section 3.07 BOARD'S RELATIONSHIP WITH THE CITY

In accordance with state law, the Board shall be responsible for the proper discharge of its duties assigned herein. The Board shall determine its policies and directives within the limitations of the duties herein imposed by applicable laws, the Articles, the Bylaws, contracts entered into with the City, and budget and financial responsibilities. Such policies and directives are subject to approval by the City Council. Any request for services made to the departments of the City shall be made by the Board or its designee to the City Manager. The City Manager may approve such requests for assistance from the Board when he or she finds such requested services are available within the City and that the Board has agreed to reimburse the City for the cost of such services so provided, as provided in Article III, Section 3.08 of these Bylaws.

Section 3.08 CONTRACTS FOR SERVICES

The Corporation may, with approval of the City Council, contract with any qualified and appropriate person, association, corporation or governmental entity to perform and discharge designated tasks which will aid or assist the Board in the performance of its duties. However, no such contract shall ever be approved or entered into which seeks or attempts to divest the Board of its discretion and policy-making functions in discharging the duties herein set forth. An administrative services contract shall be executed between the Board and the City Council for the

services provided by the General Manager, Finance Manager, the City Attorney, and other City services/functions and compensated as provided for herein.

Section 3.09 TRAINING REQUIREMENTS

All members of the Board, the General Manager, the Finance Manager and the Director of the City's Economic Development Department shall be required, at the expense of the Corporation, to comply with all training and educational requirements as specified by state legislation, the Texas Governor's Office of Economic Development, and rulings of the Texas Attorney General and the Texas Comptroller, as amended from time to time.

If a Board member fails to comply with these requirements, the City Council shall consider the specific situation and may remove the member from the Board at its discretion.

ARTICLE IV. CORPORATION SEAL

The Board may obtain a corporate seal which shall be a star with the words Del Rio Economic Development Corporation, but these Bylaws shall not be construed to require the use of the corporate seal.

ARTICLE V. FISCAL YEAR

The fiscal year of the Corporation is October 1 through September 30.

ARTICLE VI. FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

Section 6.01 GENERAL MANAGER

The City Manager of the City of Del Rio, Texas, shall be the General Manager of the Corporation and be in charge of the properties and affairs of the Corporation, shall administer all work orders, requisitions for payment, purchase orders, contract administration/oversight, and other instruments or activities as prescribed by the Board in the name of the Corporation.

The General Manger shall employ such full or part-time employees as are needed to carry out the programs of the Board. These employees shall be employees of the City or another city-authorized entity focused on economic development, and they shall perform those duties as are assigned to them. These employees shall be compensated as prescribed in Article III, Section 3.08 of these Bylaws. The General Manager shall have the authority, and subject to provisions of the City Charter and policies and procedures of the City, to hire, fire, direct, and control the work of such employees.

Section 6.02 FINANCE MANAGER

The Finance Manager shall be the City's Director of Finance. The Finance Manager shall have the responsibility to see to the handling, custody, and security of all funds and securities of the

Corporation. When necessary or proper, the Finance Manager, or their designee, shall endorse and sign, on behalf of the Corporation, for collection or issuance, checks, notes and other obligations drawn upon such bank or banks or depositories as shall be designated by the City Council consistent with these Bylaws. The Finance Manager shall see to the entry in the books of the Corporation of full and accurate accounts of all monies received and paid out on account of the Corporation. The Finance Manager shall, at the expense of the Corporation, give such bond for the faithful discharge of the duties in such form and amount as the City Council shall require, by resolution. The Finance Manager shall also coordinate an annual audit of the Corporations Financial Statements by an independent outside audit firm approved by the City Council.

The Finance Manager shall submit a report to the Board each month, in sufficient detail, of all checks or drafts issued on behalf of the Corporation for the previous month. The Finance Manager shall provide a quarterly financial report to the City Council concerning activities of the Corporation in a format consistent with other financial reports of the City.

Section 6.03 EX-OFFICIO MEMBERS

The City Council may appoint Ex-Officio members to the Board as it deems appropriate. These representatives shall have the right to take part in any discussion in open meetings, but shall not have the power to vote in the meetings or the right to attend executive sessions, unless specifically invited to attend by the president. Ex-Officio members shall serve a term of one year.

Ex-Officio members shall be required to take an Oath of Office and abide by, and be subject to, any City Code of Ethics.

Section 6.04 PARTICIPATION IN BOARD MEETINGS

The General Manager and Finance Manger shall have the right to take part in any discussion of the Board, Board committees or subcommittees thereof, including attendance in executive sessions (when invited by the president to the executive session), but shall not have the power to vote in any meetings attended.

Section 6.05 DUTIES OF THE BOARD

The Board shall expend, in accordance with State law and subject to City Council approval, the funds received by it for allowable expenditures approved within the Bylaws Section 2.11. The Board shall make a semi-annual report to the City Council including, but not limited to the following:

- (1) A review of the accomplishments of the Board in the area of economic development; and
- (2) The activities of the Board for the budget year addressed in the annual financial report, together with any proposed change in the activity as it may relate to economic development.

The Board shall be accountable to the City Council for all activities undertaken by it or on its behalf, and shall report on all activities of the Board, whether discharged directly by the Board or by any person, firm, corporation, agency, association or other entity on behalf of the Board.

Section 6.06 ANNUAL CORPORATE BUDGET

At least thirty (30) days prior to September 1st, the Board shall prepare and adopt a proposed budget of expected revenues and proposed expenditures for the next ensuing fiscal year. The fiscal year of the Corporation shall be the same as the fiscal year of the City of Del Rio. The budget shall be in such form as may be prescribed from time to time by the City Council or directed by the Corporation's Board of Directors. The budget proposed for adoption shall include the projected operating expenses, administrative expenses, debt servicing, cash reserves, contingency funds, and such other budgetary information as shall be required by the City Council for its approval and adoption. The budget shall be considered adopted upon formal approval by the City Council. In establishing its budget and in responding to unanticipated Projects during the year, the Board shall fairly and equally consider Projects in the following categories:

1. Industrial development
2. Commercial development (including, but not limited to, Projects with the Downtown District and redevelopment areas designated by the City Council)

Each approved request from the Board for Project funding must be made in the form of a Resolution to formally expend and approve Projects, and accompanied by a specific determination of eligibility of the Project for Type A funding under the Act.

Section 6.07 FISCAL POLICY

The Corporation will adhere to the City's Fiscal & Budgetary Policy as amended annually to guide the overall financial condition and operations of the Corporation. In addition to these policies, the Corporation will:

1. Balance the Corporation's funding capacity between the various types of opportunities described in Section 6.06 1 & 2 above, with none of these categories receiving more than 50% of the total bonding capacity in any fiscal year of the Corporation. Exceptions to this rule may be approved by the Board by a supermajority vote of the members of the Board. Exceptions shall also be approved by the City Council.
2. The Corporation must enter into a Performance Agreement for any "Project", incentive or expenditure made on behalf of a business per Section 40 of the Act.

- The Performance Agreement must provide a schedule of additional payroll of jobs to be created or retained and/or capital investment to be made as consideration made by the Corporation under the agreement.
- The Performance Agreement, at a minimum, must specify the terms under which repayment must be made to the City if the business enterprise fails to meet the performance requirements as specified in the agreement.

Section 6.08 FINANCIAL BOOKS, RECORDS, AND AUDITS

The Finance Manager shall keep and properly maintain, in accordance with generally accepted accounting principles, complete financial books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs.

The City shall cause the Corporation’s financial books, records, accounts, and financial statements to be audited at least once each fiscal year by an outside, independent auditing and accounting firm selected by the City Council. Such audit shall be at the expense of the Corporation.

The Board shall, no later than February 1st of each year, submit to the Texas Comptroller a financial report in the form required by the Comptroller, as required by the Act. The City shall, at all times, have access to the books and records of the Corporation. The Corporation shall be subject to the Public Information Act (Chapter 552, Government Code).

Section 6.09 DEBT, DEPOSIT AND INVESTMENT OF CORPORATE FUNDS

All proceeds from the issuance of bonds, notes or other debt instruments (the “Bonds”) issued by the Corporation shall be deposited and invested as provided in the resolution, order, indenture, or other documents authorizing or relating to their execution or issuance and handled in accordance with the statute governing the Corporation, but no bonds shall be issued, including refunding bonds, by the Corporation without the approval of the City Council.

All monies of the Corporation shall be deposited, secured, and/or invested in the manner provided for the deposit, security, and/or investment of the public funds of the City, as authorized by the City Investment Policy. The Finance Manager shall designate the accounts and depositories to be created and designed for such purposes, and methods of withdrawal of funds for use by and for the purposes of the Corporation. The accounts, reconciliation, and investment of such funds and accounts shall be performed by the Department of Finance of the City. The Corporation shall pay reasonable compensation for such services as prescribed in Article III, Section 3.08, of these Bylaws.

Section 6.10 EXPENDITURES OF CORPORATE MONEY

The monies of the Corporation, including sales and use taxes collected pursuant to the Act, the proceeds from the investment of funds of the Corporation, the proceeds from the sale of

property, monies derived from the repayment of loans, rents received from the lease or use of property, the proceeds derived from the sale of Bonds, and other proceeds may be expended by the Corporation for any of the purposes authorized by the Act, subject to Section 6.06 of these Bylaws and the following limitations:

1. Expenditures that may be made from a fund created from the proceeds of Bonds, and expenditures of monies derived from sources other than the proceeds of Bonds may be used for the purposes of financing or otherwise providing one or more Projects, as defined in the Act. The specific expenditures shall be described in a resolution or order of the Board and shall be made only after the approval thereof by the City Council.
2. All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget required by these Bylaws or in contracts meeting the requirements of the Act.

No Bonds, including refunding bonds, shall be authorized or sold and delivered by the Corporation unless the City Council shall approve such bonds.

Section 6.11 CONTRACTS

As provided herein, the president and secretary, with approval of the City Council, shall enter into any contracts or other instruments which the Board has approved and authorized in the name and on behalf of the Corporation. Such authority may be confined to specific instances or defined in general terms. When appropriate, the Board may grant a specific or general power of attorney to carry out some action on behalf of the Board, provided, however, that no such power of attorney may be granted unless an appropriate resolution of the Board authorizes the same to be done. Once approved by the City Council, all Corporation contracts will then be signed by either the president or secretary.

ARTICLE VII. MISCELLANEOUS

Section 7.01 NOTICES AND WAIVERS

Whenever under the provisions of these Bylaws notice is required to be given to any Director or officer, unless otherwise provided, the notice may be given personally, or it may be given in writing by depositing it in the post office or letter box in a post-paid envelope or postal card addressed to the Director or officer, at the address as it appears on the books of the Corporation, and the notice shall be deemed to be given at the time when it is mailed. Whenever any notice to Director or officers is required to be given by law, or by these Bylaws, a waiver in writing signed by the person or persons entitled to the notice, whether before or after the time stated shall be deemed the equivalent of notice. This paragraph does not eliminate the requirement to comply with the Open Meetings Act.

Section 7.02 APPROVAL OF THE CITY COUNCIL

To the extent these Bylaws refer to any approval or other action to be taken by the City, that approval or action shall be evidenced by a certified copy of a resolution, ordinance, or motion duly adopted by the City Council.

Section 7.03 ORGANIZATIONAL CONTROL

The City Council at its sole discretion, and at any time, may alter or change the structure, organization or activities of the Corporation (including the termination of the Corporation), subject to any limitation on the impairment of contracts entered into by such Corporation. The foregoing notwithstanding, the City, at all times during which any indebtedness of the Corporation, the interest on which is exempt from federal income taxation, remains outstanding, will maintain a beneficial interest in the Corporation.

Section 7.04 INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

As provided in the Act and in the Articles of Incorporation, the Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions.

The Corporation shall indemnify each and every member of the Board, its officers and its employees, and each member of the City Council and each employee or representative of the City, to the fullest extent permitted by law against any and all liability or expense, including attorneys' fees, incurred by any of such persons by reason of any actions or omissions that may arise out of the functions and activities of the Corporation. This indemnity shall apply even if one or more of those to be indemnified was negligent or caused or contributed to cause any loss, claim, action or suit. Specifically, it is the intent of these Bylaws and the Corporation to require the Corporation to indemnify those named for indemnification, even for the consequences of the negligence of those to be indemnified which caused or contributed to cause any liability.

The Corporation must purchase and maintain insurance on behalf of any Director, officer, employee, or agent of the Corporation, or on behalf of any person serving at the request of the Corporation as a Board member, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against that person and incurred by that person in any such capacity or arising out of any such status with regard to the Corporation, whether or not the Corporation has the power to indemnify that person against liability for any of those acts.

ARTICLE VIII. PROVISIONS REGARDING BYLAWS

These Bylaws shall become effective only upon the occurrences of the following events:

- (1) The adoption of these Bylaws by the Board; and
- (2) The approval of these Bylaws by the City Council.

These Bylaws may be amended at any time and from time to time either by majority vote of the Directors then in office with the approval of the City Council or by the City Council itself, at its sole discretion.

These Bylaws shall be liberally construed to effectuate their purposes. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstances, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

ARTICLE IX. DISSOLUTION OF CORPORATION

If the Corporation ever should be dissolved while it has, or is entitled to, any interest in any funds or property of any kind, real, personal, or mixed, such funds or property or rights thereto shall not be transferred to private ownership, but shall be transferred and delivered to the City after satisfaction or provision for satisfaction of debts and claims.

I hereby certify that the foregoing Bylaws are the true and correct Bylaws of the Corporation as approved and adopted by the City Council on the _____ day of _____, 2017.

THE CITY OF DEL RIO

ATTEST:

By: _____
ROBERT GARZA
Mayor

ALMA LEVRIE
City Secretary

STATE OF TEXAS §
 §
COUNTY OF VAL VERDE §

Before me, a notary public, on this day personally appeared Robert Garza, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn declared that the statements therein are true and correct.

Given under my hand and seal of office on this _____ day of _____, 2017.

Notary Public, State of Texas

My Commission Expires: _____

I hereby certify that the foregoing Bylaws are the true and correct Bylaws of the Corporation as adopted by the Corporation on the ____ day of _____, 2017.

DEL RIO ECONOMIC DEVELOPMENT CORPORATION

By: _____

President

STATE OF TEXAS §
 §
COUNTY OF VAL VERDE §

Before me, a notary public, on this day personally appeared Robert Garza, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn declared that the statements therein are true and correct.

Given under my hand and seal of office on this ____ day of _____, 2017.

Notary Public, State of Texas

My Commission Expires: _____

DR ECONOMIC DEVELOPMENT CORP

6.b.

Meeting Date: 03/02/2017

Subject

Discussion of Funding and/or Incentive Guidelines

Attachments

Draft of Funding Guidelines

Del Rio Economic Development Corporation (DREDC) Funding Guidelines

On May 7, 2016, the citizens of Del Rio, Texas approved the 1/8 cent sales tax for community and economic development projects. Provisions governing the DREDC are found in Chapters 501, 502, and 504 of the Local Government Code.

I. ELIGIBLE PROJECTS

A. Company projects must first fall within the approved NAICS codes established by the Texas Legislature, and may be amended in future legislative sessions. In general, these companies will typically be manufacturing, warehousing/distribution, data processing, telecommunications services, home/regional office operations, certain financial services, research and development, information services, correctional institutions, water supply development, and other codes that result from subsequent amendments to the original House Bill 2912. Also included are projects in the mining, forestry, and agricultural occupations (see NAICS sector codes in Chapter 501.002). DREDC members may prioritize their job creation category preferences from time to time.

B. The Texas Legislature created a second threshold used to determine eligibility for sales tax funding—the jobs must be “primary” in nature. The definition given is the following:

“Primary Job means a job that is available at a company for which a majority of products or services of that company are ultimately exported to regional, statewide, national, or international markets infusing new dollars into the local economy.” For the most part, this definition eliminates retail and services from funding under the sales tax program for economic development.

C. Both new and existing companies are eligible for funding under this program.

D. Projects in Del Rio and in the extra-territorial jurisdiction (ETJ) of Del Rio are eligible. However, projects in the ETJ must have the approval of the Val Verde County Commissioner’s Court. As allowed by state law, DREDC may participate in multiple jurisdictional projects of a significant size and nature.

E. The DREDC may provide funding for projects that support the overall economic development business climate. These projects may include, but are not limited to: marketing, educational support/training, business incubation, or special studies related to economic development initiatives. However, the funds expended for the projects above must be to attract or retain primary employers that meet the NAICS designated codes.

F. Under special circumstances, job retention projects may be funded in order to assure the continuation of an existing business. A very compelling case must be made by the company that, without assistance, they would cease operations in Del Rio.

II. WAGE RATES AND BENEFITS

A. DREDC will give priority consideration for projects that provide above-average wages for trained employees. For the purpose of defining “above-average wages,” DREDC will use the Texas Workforce Commission’s Labor Market Information figures for the most recent annual average county wage. Eligible projects creating or retaining existing jobs paying less than the average county wage may be funded, but at a lower rate of reimbursement per job. (As an example, a company introducing a new employment sector may be given special consideration for a lower “trained” wage level to help advance this new economic sector.) Wage levels will be evaluated on a per job basis.

B. DREDC will consider whether the company provides a benefit package—particularly health insurance for employees—when determining the value of proposed jobs being created.

III. FUNDING FOR THE 1/8 CENT SALES TAX DOLLARS

The allocation of funds for business development projects may be for grants or loans. The method of payment for the incentive—loan or grant—will depend on various factors including the company’s financial stability, available working capital, cost/benefit analysis and economic benefit to the community.

IV. LEVEL OF JOB CREATION OR RETENTION ASSISTANCE

A. Grants: The DREDC may assist in the form of a direct cash grant for performance-based job creation, equipment or personnel moving expenses, lease subsidies, building remodeling, building purchase/lease-back, new construction for a client, site improvements, the establishment of a training program, or any other form of assistance that makes Del Rio more competitive for job creation or retention. Grants are typically in a range of \$2,000 to \$5,000 per new job created or retained. DREDC may provide grants up to \$10,000 per job in circumstances when companies move headquarter operations to Del Rio, offer highly paid positions for skilled employees, or introduce a new skill-set opportunity with high pay/benefits to our labor market.

B. Loan Participation: The DREDC may purchase a participation in a financial institution’s loan. Collateral securing the loan may be shared on a pro-rata basis with the private lender and DREDC, or the private lender may be given a superior lien in the collateral. The DREDC may accept a lower interest rate on its participation balance provided the financial institution agrees to lower the overall interest rate charged to the borrower on a pro-rata basis.

A financial institution requesting loan assistance from the DREDC shall submit their request in the form of a written commitment letter to the DREDC staff for review and provide required financial information.

V. JOB CREATION THRESHOLDS

Projects that meet the NAICS codes and provide “primary” jobs, should also meet the minimum job creation and investment thresholds established by DREDC. They are the creation of at least five (5) new full-time jobs at or above the average county wage and new infrastructure

investment of at least \$125,000. DREDC members may waive one or both of these thresholds when designing a performance-based incentive that is expected to be paid out at some future date when the thresholds are met. DREDC may also waive these thresholds in the case of job retention projects, or when the assistance of DREDC would help fund a new equipment purchase for a company that would increase their productivity and their competitiveness in the marketplace.

VI. PERFORMANCE REQUIREMENT

DREDC and the City of Del Rio require that a written contract agreement be signed with the company receiving assistance/incentives. This agreement will stipulate the terms and conditions under which incentives/loans will be paid, including specific performance criteria. The company will agree to refund any incentives that were accepted for jobs and investment that were not created or conditions of the incentive offer, including performance criteria that were not met as outlined in the written agreement. Repayment of incentives under the above circumstances is required by the State of Texas.

VII. FINANCIAL DUE DILIGENCE

DREDC will require a business plan to be submitted along with any request for financial assistance. DREDC will require disclosure of company or organization's financial records for inspection by qualified City staff. Such information will remain with company and will not be disclosed to the public unless required by state law.

VIII. NAICS CODES GOVERNING ELIGIBILITY FOR SALES TAX FUNDING

111:	Crop Production
112:	Animal Production
113:	Forestry and Logging
11411:	Commercial Fishing
115:	Support Activities for Agriculture and Forestry
211 through 213:	Mining
221:	Utilities
311 through 339:	Manufacturing
42:	Wholesale Trade
48 through 49:	Transportation and Warehousing
51:	Information (Excluding 512131 and 512132—movie theaters and drive-in theaters)
523 through 525:	Securities, Commodity Contracts and Other Financial investments and Related Activities; Insurance Carriers and Related Activities; Funds, Trusts, and Other Financial Vehicles.
5413, 5415, 5416, 5417, and 5419:	Architectural, Engineering, and Related Services; Computer System Design and Related Services; Management, Scientific, and Technical Consulting

551:	Services; Scientific Research and Development Services;
56142:	Other Professional, Scientific, and Technical Services
922140:	Management of Companies and Enterprises
928110:	Telephone Call Centers
	Correctional Institutions
	National Security (for the corresponding index entries for Armed Forces, Army, Navy, Air Force, Marine Corps, and Military Bases)

IX. PROCEDURES FOR SALES TAX ASSISTANCE APPLICATION

1. The Company is encouraged to approach DREDC staff representatives expressing their interest in locating/expanding in Del Rio and their desire to have economic incentives to do so. Staff will perform a financial review and cost/benefit analysis. Staff will then present to the DREDC board the request and a staff recommendation.

To determine an applicant's financial viability, each applicant must provide the appropriate financial information, project description, and any additional information requested by the DREDC. All guarantors must also submit the same information; owners of 20% or more will be required to provide a personal guaranty to the DREDC.

For each request, staff will make an assessment of public benefit and return, amount of assistance requested compared to total project cost, and the applicant's financial viability. Staff may request the assistance of various local businesspersons, commercial bankers, and/or consultants when making the appropriate assessment. Based upon a recommendation from staff, the DREDC Board will decide whether or not to recommend assistance.

2. DREDC will deliberate regarding the request in open and/or executive session, depending on the circumstances and need. DREDC is also required by law to hold a public hearing on requests for economic incentives. The DREDC holds its regular meetings on the first Thursday of every month. Requests approved by DREDC then go to the City Council for their consideration. City Council meets the 2nd and 4th Tuesday of each month. The incentive requires their approval, and approval can be obtained in one meeting.

3. If approved by the City Council, there is a 60-day comment period from the date notice was first published in the local newspaper for the DREDC public hearing. This period allows citizens the opportunity to initiate a process to stop the action through a referendum if there is wide opposition to the funding. It is important that the company start the process well before an expansion is undertaken. The primary purpose of the sales tax program is to provide an incentive for a company to expand (locally) or locate in Del Rio. A company already under construction is not a good candidate for an incentive, but may be helped with training costs.

4. Projects that would not locate or expand in the City of Del Rio, but for the incentive, generally have a greater likelihood of approval by the DREDC Board and City Council.

X. APPLICATON FOR DREDC ASSISTANCE

Applicants requesting assistance, whether through a financial institution or directly, may be required to present the following documents as part of DREDC's Due Diligence:

1. The last three (3) fiscal year-end financial statements and tax returns on the business (if applicable).
2. The most current interim financial statement of the business (dated less than 90 days from the date of application).
3. A current financial statement on all owners of more than 20% of the business.
4. A current financial statement on all guarantors.
5. A short business plan detailing the project and a description of the business.
6. A list of the jobs to be created/retained by the business during the agreed upon time frame, and the anticipated salary and benefits for each job classification.

If assistance is requested in the form of a loan, the following documents would also be required:

7. The financial institution loan officer's analysis and recommendation of the applicant for loan assistance (if applicable).
8. The financial institution's credit history on the borrower and credit reports on cosigners and guarantors.
9. The financial institution's description of the loan's terms and conditions.
10. A list of collateral offered with an estimate of its current market value.

For additional information contact:

Del Rio Economic Development Corporation
109 W. Broadway St.
Del Rio, TX 78840

Telephone: (830) 774-8638

Fax: (830) 774-8542

E-mail: oferandez@cityofdelrio.com

Note: Proprietary information will be kept confidential to the fullest extent allowed by law. Applicants may request to enter into a Confidentiality Agreement with DREDC staff and/or agents of DREDC.

DR ECONOMIC DEVELOPMENT CORP

6.c.

Meeting Date: 03/02/2017

Subject

Projected Operational Expenses

Attachments

No file(s) attached.

DR ECONOMIC DEVELOPMENT CORP

6.d.

Meeting Date: 03/02/2017

Subject

Confirm April 2017 Meeting Date

Attachments

No file(s) attached.

DR ECONOMIC DEVELOPMENT CORP

6.e.

Meeting Date: 03/02/2017

Submitted For: Oriana Fernandez, Economic Development

Submitted By: Oriana Fernandez, Economic Development

Subject

Financial Report

Attachments

No file(s) attached.
