



**TAKE NOTICE THAT A MEETING
OF THE PHARR PUBLIC FACILITIES CORPORATION #1
WILL BE HELD AT CITY HALL, COMMISSIONERS' ROOM,
118 S. CAGE BLVD., 2ND FLOOR, PHARR, TEXAS
COMMENCING AT 4:50 PM ON
MONDAY, JUNE 20, 2016**

The City of Pharr has called this meeting as allowed pursuant to Texas law, city charter, and Ordinance O-2015-28. The board may recess from day to day when it does not complete consideration of a particularly long subject as authorized by law. All persons desiring to address the governing body must register with the presiding city clerk prior to the scheduled meeting.

1. Roll call and possible action on the excusing of any absent member of the board.
2. PUBLIC COMMENTS: (Ordinance No. O-2015-28) A registered speaker may speak on several items or topics of public concern; however, a speaker may not exceed three (3) minutes as a whole when addressing the board. A registered speaker may not donate time to another speaker. No more than five (5) registered persons may speak at a scheduled meeting. A sign-in form must be filled out prior to the meeting to allow the registered speaker to address the governing body.
3. Election of Officers – President, Vice-President, Secretary, and Treasurer.
4. Consideration and action, if any, on Resolution authorizing bank signatories for the Pharr Public Facilities Corporation #1.
5. Consideration and action, if any, on waiver and consent letter to Frost Bank regarding loan.

CLOSED SESSION: In accordance with Chapter 551 of the Texas Gov't. Code, the Pharr Public Facilities Corporation #1 hereby gives notice that it may meet in a closed (non-public) executive session to discuss the items listed on the public portion of the meeting agenda, including item(s) 3-5 in accordance with the following below:

Pursuant to Section 551.071, the City may convene in a closed, non-public meeting with its attorney and discuss any matters related to **legal advice on pending or contemplated litigation, settlement offer, and/or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter.** The City and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

Pursuant to Section 551.072, the City may convene in a closed, non-public meeting to discuss any matters related to **real property and deliberate the purchase, exchange, lease, or value of real property as such would be detrimental to negotiations between the City and a third party in an open meeting.** The City and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

Pursuant to Section 551.074, the City may convene in a closed, non-public meeting to discuss any matters related to **appointment, employment, evaluation, reassignment, duties and discipline or dismissal of a public officer or employee and to hear any complaints or charges against an officer or employee.** The City and its attorney may also discuss such issues with the appropriate staff including members so as to obtain necessary and relevant information so that such discussion is informative and developed.

Pursuant to Section 551.075, the City may convene in a closed, non-public meeting to discuss any matters with any and all **employees to receive information or question the employees.** The City and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

Pursuant to Section 551.076, the City may convene in a closed, non-public meeting to discuss any matters on the **deployment, or specific occasions for implementation, of security personnel or devices.** The City and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

Pursuant to Section 551.084, the City may convene in a closed, non-public meeting to discuss any matters involving an **investigation and may exclude a witness from hearing during the examination of another witness in the investigation.** The City and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

Pursuant to Section 551.086, the City may convene in a closed, non-public meeting to discuss any matters regarding **economic development issues.** The City and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

6. **RECONVENE** into Regular Session, and consider action, if necessary on any item(s) discussed in closed session.
7. Adjournment.

NOTICE OF ASSISTANCE AT THE PUBLIC MEETING

City Hall is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Clerk's Office at 956/702-5335 ext 1003/1007 or FAX 956/702-5313 or E-mail hilda.pedraza@pharr-tx.gov or imelda.barrera@pharr-tx.gov for further information. Braille is not available.

AGENDA –PPFC#1
JUNE 20, 2016

I, the undersigned authority, do hereby certify that the above notice of said Regular Meeting of the Pharr Public Facilities Corporation #1 of the City of Pharr was posted on the bulletin board at City Hall and on the City's web page at www.pharr-tx.gov This Notice was posted on the 17th day of June, 2016 at 3:30 P.M. and will remain posted continuously for at least 72 hours preceding the scheduled time of said Meeting, in compliance with Chapter 551 of the Government Code, Vernon's Texas Codes, Annotated (Open Meetings Act).

WITNESS MY HAND AND SEAL, this 17th DAY OF JUNE 2016.



JUAN G. GUERRA, EXECUTIVE DIRECTOR
Pharr Public Facilities Corp. #1



**CITY COMMISSION
AGENDA MEMORANDUM**

DATE: June 20, 2016

TO: Juan G. Guerra, City Manager

FROM: Hilda Pedraza, TRMC City Clerk

SUBJECT: ELECTION OF OFFICERS – PPFC#1

In accordance with Article 9 of the Articles of Incorporation, the board of directors shall elect a President, Vice-President, Secretary, and a Treasurer, and any other officers that the Corporation considers necessary, to serve as executive officers of the Corporation, as more specifically provided in the Corporation By-Laws.

Current PPFC#1 officers are as follows:
Former Mayor Leo Palacios, President
Former Mayor Pro Tem Adan Farias, Vice-President
Comm. Oscar Elizondo, Secretary and
Juan Guerra, Treasurer

Some directors are no longer members of the governing body; therefore, election of new officers needs to be made at this time.

STAFF RECOMMENDATION

Staff recommends appointing officers as follows:

Mayor Ambrosio Hernandez as President
Mayor Pro Tem Oscar Elizondo as Vice-President
Comm. Eleazar Guajardo as Secretary
Karla Moya as Treasurer

Please feel free to contact me with any questions.

THANK YOU

RESOLUTION R- 2016-_____

**A RESOLUTION AUTHORIZING
SIGNATORIES FOR ALL PHARR PUBLIC FACILITIES CORPORATION #1 ACCOUNTS**

WHEREAS, The Pharr Public Facilities Corporation (PPFC) #1 has bank accounts of the operation and general business of the PPFC#1; and

WHEREAS, The PPFC#1 will require that all bank transactions and checks must be signed by two separate persons authorized by the Board of Directors.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PHARR PUBLIC FACILITIES CORPORATION #1, THAT:

SECTION 1. The following persons are hereby authorized as official signatories for checks and other bank documents required for the regular conduct of business for PPFC#1 in keeping with our policy of requiring two signatures.

Juan G. Guerra, City Manager

Karla Moya, Finance Director

Edward Wylie, Assistant City Manager

SECTION 2: SAVINGS CLAUSE.

Directives or actions of the board of directors, not in conflict with this Resolution, shall remain in full force and effect, unimpaired hereby.

SECTION 3: SEVERABILITY CLAUSE.

The invalidity of any section, clause, sentence or provision of this Resolution shall not affect the validity of any other part thereof. The effects of this Resolution shall at all times be in compliance with state, federal, and other guidelines as directed.

SECTION 4: EFFECTIVE DATE.

This Resolution shall take effect immediately upon passage by the members of the board of directors.

PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE PHARR
PUBLIC FACILITIES CORPORATION #1 on this the 20th day of June, 2016.

PRESIDENT

ATTEST:

SECRETARY



AGENDA ITEM SUMMARY

BOARD OF COMISSIONERS

DATE SUBMITTED: 6/15/16

C.C. MEETING DATE: 6/20/16

SUBMITTED BY: Sergio Contreras

DEPARTMENT: PEDC

DIRECTOR: Sergio Contreras

AGENDA ITEM: Consideration and action, if any on waiver and consent letter to Frost Bank regarding loan. This Agenda Request is for PPFC 1

CLASSIFICATION: Public Hearing Consent Regular Closed Session
(*If closed session, City Attorney must review and approve.)

EXCLUDE MATERIAL FROM PUBLIC PACKET: Yes No
Reason?

ROUTING:

CITY ATTORNEY: _____ DATE: _____

ASSISTANT CITY MANAGER: [Signature] DATE: 6-16-16

CITY MANAGER: _____ DATE: _____

MEMORANDUM

DATE: June 15th, 2016

TO: Juan Guerra, City Manager

FROM: Sergio Contreras, PEDC II Executive Director



SUBJECT: 5,000,000 LSNB Loan (This Item is for PPFC 1 Agenda)

ISSUE

Waiver and consent letter to Frost Bank regarding loan.

FINANCIAL CONSIDERATION

See attached consent letter

STAFF RECOMMENDATION

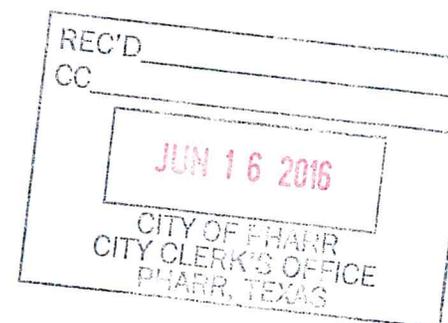
Staff recommends approval.

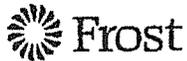
ALTERNATIVES

N/A

Please feel free to contact me should the need arise, I am at extension 1304.

THANK YOU





Post Office Box 2678
McAllen, Texas 78502

June 08, 2016

Pharr Public Facilities Corporation #1
Pharr Economic Development Corporation II
118 S. Cage Blvd.
Pharr, Texas 78577

Re: Waiver and Consent by Frost and Lone Star

Ladies and Gentlemen:

Frost Waiver

Pharr Economic Development Corporation II ("EDC") is a guarantor to a \$15,000,000 loan ("PFC Loan") from Frost Bank, formerly The Frost National Bank ("Frost") to Pharr Public Facilities Corporation #1 ("PFC") pursuant to the Sales Tax Pledge and Guaranty Agreement dated as of October 18, 2011 ("Guaranty Agreement") between EDC and Frost.

EDC has advised Frost that EDC proposes to enter into a Loan Agreement with Lone Star National Bank ("Lone Star") and City of Pharr ("City") for a loan in the maximum principal amount of \$5,000,000 ("Lone Star Loan") to finance working capital which loan will be secured by a lien on the EDC's sales tax.

Frost waives noncompliance by EDC of Section 2.1 of the Guaranty Agreement solely for the purpose of permitting the Lone Star Loan. EDC and Lone Star agree that the principal amount of the Lone Star Loan will not be increased and the maturity date of such loan will not be extended without the prior written consent of Frost. Frost acknowledges that the Lone Star Loan may be extended for up to five (5) consecutive years beyond its initial annual maturity date in 2017.

The foregoing waiver shall not be deemed to be a waiver by Frost of any other covenant, condition or obligation of EDC under the Guaranty Agreement. In addition, the foregoing waiver shall in no respect evidence any commitment by Frost to grant any future consents or waivers. Any future waivers or consents must be expressly agreed to by Frost in writing. EDC acknowledges that the Guaranty Agreement continues to be legal, valid, binding and enforceable obligations against EDC in accordance with its terms.

Lone Star Consent

Frost proposes to make a loan to PFC in the maximum principal amount of \$10,000,000 to refinance the PFC Loan which loan may include an interest rate swap between Frost and PFC (such transactions are collectively "New PFC Loan"). In consideration of the above waiver by Frost, notwithstanding anything to the contrary contained in the documents pertaining to the Lone Star Loan ("Lone Star Loan Documents"), Lone Star consents to the New PFC Loan, the pledge of the EDC's sales tax to secure the New PFC Loan and the guaranty of the New PFC Loan by EDC and City. PFC and Frost agree that the principal amount of the New PFC Loan will not be increased and the maturity date of such loan will not be extended without the prior written consent of Lone Star.

The foregoing waiver shall not be deemed to be a waiver by Lone Star of any other covenant, condition or obligation of EDC under the Lone Star Loan Documents. In addition, the foregoing waiver shall in no respect evidence any commitment by Lone Star to grant any future consents or waivers. Any future waivers or consents must be expressly agreed to by Lone Star in writing.

Frost and Lone Star agree that the pledge of the EDC's sales tax to the PFC Loan, the New PFC Loan and the Lone Star Loan is a parity pledge of such sales tax to such loans.

By its execution below, EDC, PFC and Lone Star agree to the terms of this letter.

Very truly yours,

FROST BANK

By: _____
Rick Ramirez, Assistant Vice President

Acknowledged and agreed to by:

PHARR ECONOMIC DEVELOPMENT CORPORATION II

By: _____
Name: _____
President

PHARR PUBLIC FACILITIES CORPORATION #1

By: _____
Name: _____
President

LONE STAR NATIONAL BANK

By: _____
Name: _____
Title: _____