

SPECIAL MEETING

Notice is hereby given in accordance with the Texas Open Meetings Act of the following meeting:

The Board of Directors of the
Victoria Sales Tax Development Corporation

City Council Chambers
107 West Juan Linn Street
Victoria, Texas

Tuesday, February 7, 2012
3:00 p.m.

The Board of Directors of the Victoria Sales Tax Development Board will meet, consider, deliberate and may take action on the following items:

A. Opening:

1. Call to Order -- *Lewis Neitsch, President.*
2. Approval of Minutes from Prior Meeting(s).
3. Citizen Communication: *At this time, the public is invited to address the Board and speak on any matter not specifically listed for public hearing below.*
4. Reports:
 - a. Report on Victoria Economic Development Corporation's marketing and research program. *Dale Fowler.*
 - b. Report of the Financial Condition for Fiscal Year 2011-2012. *Andrew K. Jacob.*

B. Resolutions:

1. Resolution of the Board of Directors of The Victoria Sales Tax Development Corporation (VSTDC) approving an amendment to the FY 2011-2012 Budget of the VSTDC. *Andrew K. Jacob.*
2. Resolution of the Board of Directors of the Victoria Sales Tax Development Corporation (VSTDC) to approve the Economic Development Program Agreement between the Victoria Sales Tax Development Corporation (VSTDC) and the Victoria Economic Development Corporation (VEDC) to Determine the Feasibility and Practicability of Acquiring, Cleaning, Constructing, Reconstructing, Improving, and Expanding Economic Development Projects for the Fiscal Year 2011-2012, and authorizing the President of the VSTDC to execute said agreement, in a form to be approved by the Attorney for the VSTDC. *Thomas A. Gwosdz.*
3. Resolution of the Board of Directors of the Victoria Sales Tax Development Corporation (VSTDC) to execute all documents necessary to terminate the Farming Lease between VSTDC and Paul Miksch, in a form to be approved by the Attorney for the VSTDC. *Thomas A. Gwosdz.*
4. Resolution of the Board of Directors of the Victoria Sales Tax Development Corporation (VSTDC) to approve a project for acquisition and development of a business center, and authorizing the President of the VSTDC to execute necessary documents pertaining to the project, in a form to be approved by the Attorney for the VSTDC. *Thomas A. Gwosdz.*

C. Executive Session:*

1. Executive Session in accordance with Texas Government Code § 551.072, to deliberate the purchase, exchange, lease, or value of real property interests due to the fact that deliberation in an open meeting would have a detrimental effect on the position of VSTDC in negotiations with a third party (including, but not limited to property for proposed business park). *Thomas A. Gwosdz.*

2. Executive Session in accordance with Texas Government Code § 551.087, to discuss or deliberate the offer of a financial or other incentive to a business prospect that the VSTDC seeks to have, locate, stay, or expand in or near the territory of the City of Victoria and with which the VSTDC is conducting economic development negotiations. *Thomas A. Gwosdz.*


SCARLET SWOBODA, City Secretary

This facility 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 Secretary's office at (361) 485-3040 or FAX (361) 485-3045 for further information.

*This agenda has been reviewed and approved by the City Attorney's office, and the presence of any subject in the Executive Session portion of this agenda constitutes a written interpretation of Chapter 551 of the Texas Local Government Code by the attorney for the governmental body indicating that said subject may be legally discussed in a closed meeting.

VSTDC RESOLUTION 2012-____TX

Resolution of the Board of Directors of The Victoria Sales Tax Development Corporation (VSTDC) approving an amendment to the FY 2011-2012 Budget of the VSTDC; and declaring an effective date.

WHEREAS in accordance with the Development Corporation Act of 2007, Tx. Local Gov't Code §§ 501.001 et.seq., and Article IV of the VSTDC's Articles of Incorporation, the VSTDC finds that all of the expenditures described in the budget attached hereto as Exhibit "A" are authorized projects or costs related to authorized projects;

THEREFORE, IT IS RESOLVED BY THE BOARD OF DIRECTORS OF THE VICTORIA SALES TAX DEVELOPMENT CORPORATION:

1.

The aforementioned findings are adopted by the Board of Directors of the VSTDC.

2.

VSTDC hereby amends its 2011-2012 Budget previously adopted and shall expend funds in accordance with the amended budget attached hereto as Exhibit "A" in addition to funds appropriated in prior fiscal years.

3.

The President of the Victoria Sales Tax Development Corporation is authorized to execute contracts, leases, and other documents between the VSTDC and the City of Victoria or other parties to generate income or effect the expenditures described above for which funds have been allocated and which have been approved by the Treasurer of the VSTDC and the City Attorney of the City of Victoria. The President of the Victoria Sales Tax Development Corporation is further authorized to accept deeds obtained in furtherance of the aforementioned allocated funds, also as approved by the Treasurer of the VSTDC and the City Attorney of the City of Victoria.

4.

Any action taken in this or any previous fiscal year by the VSTDC that might be potentially invalid due to an insufficient number of qualified directorial votes required to lawfully enact said action is hereby ratified.

5.

This resolution shall become effective immediately upon approval by the VSTDC.

PASSED, this the 7th day of February, 2012.

AYES:

NAYS:

ABSTENTIONS:

APPROVED AND ADOPTED, this the 7th day of February, 2012.

Lewis H. Neitsch, President of the Victoria
Sales Tax Development Corporation

ATTEST:

APPROVED AS TO FORM:

SCARLET SWOBODA, Secretary

THOMAS A. GWOSDZ, Attorney for the VSTDC

Available Funds:

Estimated Audited Unallocated Oct. 1, 2011 Fund Balance	\$ 7,138,955 7,136,305
Anticipated Land Lease Revenue	3,728
Anticipated Miscellaneous Revenue (local portion of Sales & Use Tax)	20,000
Anticipated Transfer from General Fund	0
Anticipated Transfer from Water Wastewater Fund	0
Anticipated Interest Income	25,000
Anticipated Sales Tax Income	7,605,900
Transfer from Construction Funds	187,274
De-allocated Funds:	1,169,222
 Total Anticipated Funds Available for Projects	 \$ 14,793,583 16,147,429

Proposed Projects:

Utilities Projects

***Downtown Utility Replacement Phase II Projects 5 & 7 - Construction** – construction costs for replacing water mains & replacing or rehabilitating sewer mains in portions of Bridge Street, South Street, Third Street, Second Street and DeLeon Street – Lynn Short

\$ 1,831,737

***Downtown Utility Replacement Phase III Projects 1 & 2 - Engineering** – engineering services for replacing water mains & replacing or rehabilitating sewer mains in portions of Cameron Street, Navarro Street, Convent Street and Church Street – Lynn Short

428,817 358,817

***Downtown Utility Replacement Phase III Projects 1 & 2 - Construction** – construction costs for replacing water mains & replacing or rehabilitating sewer mains in portions of Cameron Street, Navarro Street, Convent Street and Church Street – Lynn Short

2,858,780

***Downtown Utility Replacement Phase III Project 4 - Engineering** – engineering services for replacing water mains & replacing or rehabilitating sewer mains in portions of Navarro Street and Juan Linn Street – Lynn Short

165,684

***Conti Lane Sewer Extension Project** – construction costs for installing approximately 2,500 linear feet of 12” & 15” sanitary sewer gravity main down Conti Lane from US 87 to Conti Lane Lift Station. This project also includes the rehabilitation and overlay of Conti Lane from the lift station to Main Street – Lynn Short

684,741

***Navarro / Huvar Street Sanitary Sewer Project** – construction costs for replacing a 15” sanitary sewer line at Navarro from the 77 Lift Station to Huvar Street with a 24” sanitary sewer line and also replacing a 8” sanitary sewer line at Huvar Street to Navarro to Dairy Road with a 24” sanitary sewer line and all associated street and sidewalk repairs – Lynn Short

965,000

Economic Development Projects

***2012 VSTDC Business Park 3 Development Project** – acquisition costs to develop a business park for the purpose of inducing business(es) to locate new business enterprises and capital investments in said enterprise in said business park – Thomas Gwosdz

25,000

Street, Sidewalk, Drainage & Other Infrastructure Projects

***Huvar Street Overlay Project** – construction costs to install approximately 500 feet of curb and gutter and sidewalk on Huvar Street and reconstruct the roadway following the utility replacement project – Lynn Short

365,000

* John Stockbauer Reconstruction Project – construction costs to reconstruct John Stockbauer Drive between US 59 Business and US Hwy 59 in a four lane concrete section with curb and gutter– Lynn Short	2,187,509
* Lone Tree Industrial Park # 2 Project – Consists of constructing a 30’ wide concrete street section with utilities to serve a proposed 10 lot industrial development on 106 acres off of Lone Tree Road – Lynn Short	1,245,520
* Red River Street - Park Entrance Project – construction costs to reconstruct Red River Street from Memorial Drive to Vine Street in a two-lane, open ditch, asphalt section with bike lane, sidewalk and utilities- – Lynn Short	945,000
* Ball Airport Road (Tuscany to Highland Hills) Project – construction costs to build a new section of Ball Airport Road from Highland Hills Subdivision to Tuscany Subdivision in a two lane concrete section with curb and gutter and no utilities – Lynn Short	759,688

Administrative and Maintenance Costs

* Debt Service Costs attributable to Youth Sports Complex Project – including principal and interest payments payable on debt issued to finance the Youth Sports Complex Project (year five of ten year amortization) – Andrew K. Jacob	1,066,700
* Administrative & engineering fees ---payable to City of Victoria pursuant to Interlocal Agreement at time projects expenses are incurred, including fees for engineering and contract administration for all projects as well as services provided by Finance, Legal and City Secretary for daily administration of the VSTDC operations – Andrew K. Jacob	300,000
* VEDC (Victoria Economic Development Corporation) Programs - including maintenance costs, operating costs, administration, research & development, determination of feasibility & practicability, and other expenses incident to other projects listed in VSTDC budget – Dale Fowler	362,000
* Maintenance and Operating Costs of the Loop 463 Business and Industrial Park Project – maintenance & operating costs of business park at intersection of Loop 463 & Lone Tree Road in Victoria, Texas – Doug Cochran	12,000

Total Allocated Expenditures	\$ 9,040,459 14,133,176
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Planned, but Unallocated Expenditures
 (These expenditures will NOT be made UNLESS the VSTDC takes further action on them)

Future Capital Improvements Programs	4,753,124 1,014,253
Business Incentive Project(s)	0
Designated Operating Fund Balance	1,000,000

Proposed Total Expenditures (includes allocated and planned expenditures)	\$14,793,583 16,147,429
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Budget Surplus (Deficit) =	\$ 0
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VSTDC RESOLUTION 2012-____TX

Resolution of the Board of Directors of the Victoria Sales Tax Development Corporation (VSTDC) to approve the Economic Development Program Agreement between the Victoria Sales Tax Development Corporation (VSTDC) and the Victoria Economic Development Corporation (VEDC) to Determine the Feasibility and Practicability of Acquiring, Cleaning, Constructing, Reconstructing, Improving, and Expanding Economic Development Projects for the Fiscal Year 2011-2012, and authorizing the President of the VSTDC to execute said agreement, in a form to be approved by the Attorney for the VSTDC; and declaring an effective date.

WHEREAS the Board of Directors of the VSTDC hereby finds that the posting of the agenda for this meeting on February 7, 2012, constitutes publication for purposes of Tex. Rev. Civ. Stat. art. 5190.6, Section 4B(a-1);

THEREFORE, IT IS RESOLVED BY THE BOARD OF DIRECTORS OF THE VICTORIA SALES TAX DEVELOPMENT CORPORATION:

1.

VSTDC does hereby approve and authorize the President of the VSTDC to execute the Economic Development Program Agreement between the Victoria Sales Tax Development Corporation (VSTDC) and the Victoria Economic Development Corporation (VEDC) to Determine the Feasibility and Practicability of Acquiring, Cleaning, Constructing, Reconstructing, Improving, and Expanding Economic Development Projects for the Fiscal Year 2011-2012, which is attached hereto as Exhibit "A", in a form to be approved by the attorney for the VSTDC.

2.

This resolution shall become effective immediately upon approval by the VSTDC.

PASSED, this the 7th day of February, 2012.

AYES:

NAYS:

ABSTENTIONS:

APPROVED AND ADOPTED, this the 7th day of February, 2012.

Lewis Neitsch, President of the Victoria
Sales Tax Development Corporation

ATTEST:

APPROVED AS TO FORM:

Scarlet Swoboda, Secretary

Thomas A. Gwosdz, Attorney for VSTDC

(seal)

Exhibit "A"

Economic Development Program Agreement between the Victoria Sales Tax Development Corporation and the Victoria Economic Development Corporation to Determine the Feasibility and Practicability of Acquiring, Cleaning, Constructing, Reconstructing, Improving, and Expanding Economic Development Projects

FY 2011-2012 --- \$362,000

Whereas this Agreement ("Agreement") is entered into on the _____ day of _____, 2012, between Victoria Sales Tax Development Corporation, ("VSTDC"), a Texas development corporation, acting by and through its duly authorized President and the Victoria Economic Development Corporation ("VEDC"), a Texas nonprofit corporation, acting by and through its duly authorized President.

Whereas the VSTDC is a Texas development corporation that is governed by Chapter 505 of the Texas Local Government Code, that funds and develops "projects" that are "owned, used, and held for public purposes for and on behalf of the" the City of Victoria, a Texas municipal corporation.

Whereas VEDC was incorporated under the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq., V.A.C.S., in order to stimulate, promote and develop business, industrial and manufacturing enterprises, and to promote and encourage adequate employment opportunities for the anticipated population growth in Victoria County;

Whereas the Texas Local Government Code, Section 505.102, authorizes the VSTDC to contract with a corporation to assist with the development or operation of an economic development program, and the Board of Directors of the VSTDC has appropriated \$362,000 to be used for maintenance costs, operating costs, research and development, determination of the feasibility and practicality, and other costs necessary or incident to acquiring, cleaning, constructing, reconstructing, improving, and expanding the projects of the VSTDC;

Whereas VEDC is willing, in exchange for the consideration herein provided, to provide, or cause to be provided, the economic development services desired by the VSTDC which are intended to expand the tax base and the employment base of the City of Victoria; and

Whereas the VSTDC and VEDC recognize that the VEDC's economic duties to the VSTDC will include obligations of regularly reporting to the City of Victoria in the provision of economic development services, as well as the frequent need for confidentiality regarding economic development activities being coordinated with certain commercial and industrial prospects interested in possibly locating in the Victoria area;

Now therefore, in consideration of the premises and covenants herein contained, the VSTDC and VEDC agree as follows:

1. Formation. VSTDC engages VEDC to determine the feasibility and practicability of acquiring, cleaning, constructing, reconstructing, improving, and expanding existing and future projects of the VSTDC.
2. Independent Contractor. VEDC is engaged as an independent contractor and is not an officer, agent or employee of the VSTDC or the City of Victoria in regard to the operations and actions of VEDC. VEDC shall select and employ such persons as it may deem necessary to fulfill its obligations and responsibilities under this Agreement. Said persons shall be at all times employees of VEDC and shall not be officers, agents or employees of the VSTDC or the City of Victoria. The power to hire, manage, supervise, direct, and discharge such employees shall be vested solely and exclusively with VEDC. The VSTDC shall not manage, direct, supervise or discharge said persons or direct them in the performance of

their duties for VEDC under this Agreement.

3. Indemnification. VEDC agrees to indemnify, hold harmless and defend the VSTDC and the City of Victoria from any and all claims, causes of action and damages of every kind arising from the operations of VEDC, its officers, agents and employees carried out in furtherance of this Agreement, regardless of the acts or omissions, including negligence, of the VSTDC.

4. Operation. VEDC shall encourage and promote economic development within Victoria County. VEDC shall perform, among others, the following economic development services:

- a. Develop an overall plan and policy for an economic development program;
- b. Administer and conduct such a program in order to encourage and stimulate primary industry
- c. Present to the VSTDC Board of Directors for its consideration projects and programs which aggressively promote and encourage economic development;
- d. Coordinate and maintain the Enterprise Zone, Reinvestment Zone, and Tax Abatement programs of the VSTDC and the City of Victoria;
- e. Prepare an annual budget for the administration of an economic development program;
- f. Develop incentives and programs designed to assist and promote the efforts of local businesses and entrepreneurs to form new business ventures or to expand existing business markets;
- g. Organize and conduct a coordinated marketing and sales plan to favorably influence attitudes among local, national, and international business decision makers by drawing attention to the region's strengths, targeting groups and senior executives most likely to effectuate business relocations to and expansions within the region served by VSTDC;
- h. Design specific programs to disseminate on all levels, local, national, and international, accurate and detailed information as to the business opportunities in the region served by VSTDC, its economic future, and its favorable business climate;
- i. Implement public policy and programs for interaction among the State of Texas, Victoria County, the City of Victoria, the VSTDC, and other agencies that would facilitate greater economic growth, providing advice on public policy and budgetary priorities, tax abatement incentives, and desirable regulatory changes likely to achieve more business relocations and expansions in the region served by VSTDC; and
- j. Supply appropriate information to any other local economic development organization or business enterprise.

5. Budget. VEDC shall submit to the VSTDC and the City Manager of the City of Victoria an annual operating budget for VEDC for the 2011-2012 VSTDC fiscal year based upon all estimated revenues. Said budget shall reflect VEDC's proposed expenditures of funds derived from VSTDC during said fiscal year and the purposes for which these expenditures are to be made. This budget shall also reflect an accurate projection of beginning and ending fiscal year fund balance, for revenue derived from VSTDC. Budgets shall be prepared and approved by VEDC and submitted to the VSTDC President and the City of Victoria City Manager for submission to the VSTDC Board of Directors for review and approval of expenditures of VSTDC funds. Expenditures of VSTDC funds shall be made only in accordance with the budget approved by the VSTDC Board of Directors.

6. Revenue. VSTDC agrees to pay VEDC the sum of \$362,000 for providing the services described in this agreement. The sum shall be paid in full on or after the date this document is executed, upon written request from the President of VEDC to the VSTDC provided this Agreement has been executed by all parties.

7. Separate Budget Account. VEDC shall maintain all revenue provided by VSTDC under the terms of this Agreement in a separately budgeted line item account established for the purpose of fulfilling this Agreement and may not commingle such revenue with any other money or maintain it in any other budgeted accounts except as approved by the VSTDC.

8. Use of Funds. It is expressly understood and agreed by the VSTDC and VEDC that all funds shall be used solely for the public purposes of developing and diversifying the local economy by paying for "costs" as such term is defined in Tex. Local Gov't Code § 501.152.

9. Fund Balance. Should this Agreement be renewed, VEDC shall be authorized to carry forward its remaining balance of VSTDC or City funds provided to VEDC for economic development purposes, if any, including interest, from this fiscal year and to use these funds for municipal public purposes that satisfy the terms of all agreements for which funding was received. However, should this agreement be terminated, the remaining VSTDC fund balance, if any, including interest, shall be paid to the VSTDC. For purposes of this clause, or a similar clause in last year's agreement, execution of this agreement shall be considered renewal of the Economic Development Program Agreement for the previous fiscal year.

10. Allocated Funds. Payments from the VSTDC to VEDC are subject to funds being appropriated by the VSTDC for the purpose of purchasing the services provided for in this Agreement.

11. Financial Records. VEDC shall maintain complete and accurate financial records of each expenditure made by VEDC of the VSTDC funds provided for in this agreement. Prior to the earlier of (a) the conclusion of VEDC's fiscal year, or (b) the VSTDC's approval of VEDC's budget for any subsequent fiscal year, VEDC shall report to VSTDC in writing the amount of VSTDC funds spent within each line or or category of VEDC's previously approved budget. Upon request of the VSTDC's Board of Directors, the City Manager of the City of Victoria, the Victoria City Council or the City of Victoria's Director of Finance, the VEDC shall make records of such expenditures available for inspection and review by such requesting party. VEDC shall be required to keep such records available for such purpose at least two years after the expiration of this Agreement. The general method of financial record keeping and reporting proposed by VEDC to be used in complying with the requirements of this Agreement shall be submitted to and approved by the VSTDC's Finance Director prior to VSTDC's approval of any fiscal year's budget. The sufficiency of detail of any activity or financial report required by this Agreement shall be determined by the VSTDC Board of Directors.

12. Coded Financial Information. Where determined necessary by VEDC in order to avoid prejudicing the opportunity to attract new and additional industry to Victoria or to accomplish the expansion of existing industry, it shall be acceptable to use a coding system in connection with the records and reports required under this agreement in order to temporarily keep confidential the identity of such industrial enterprises. In this connection, however, details and specific information regarding all activities under the economic development program, including the identity of all enterprises involved, shall be maintained by VEDC and shall be available to the auditors in performing the audit described hereinafter of the funds involved in the economic development program. The identification of the names of these enterprises to the auditor shall not waive the confidentiality of those enterprises or otherwise allow or require disclosure.

13. Reporting. If requested by the City Manager or the President of the VSTDC, the VEDC shall report to the VSTDC's Board of Directors and/or the Victoria City Council as follows:

- a. a report of VEDC's expenditures of economic development funds it has received

pursuant to this agreement;

- b. the exact nature and scope of the programs designed by VEDC to enhance the economic development of the local economy;
- c. the nature of assistance made to existing firms and the number of existing firms that participated in assistance programs. An appropriate follow-up on all such firms shall be kept to determine if such assistance produced any real financial benefit to either the firm or the local community. Reporting of the financial outcome of these efforts should result in providing quantitative evidence that this program does indeed create and retain jobs in the local economy;
- d. the number of new business start-ups that were the product of some VEDC effort. VEDC shall track those businesses it assists and, upon request, report on the status of those businesses one year after start up.
- e. the number of relocation contacts made; the number of relocation contacts received; the approximate dollar amount, if known, that each firm represents in potential increased local payroll; and the number of successful relocations to Victoria. The identity of any individual firm need not be disclosed; however, the nature of each firm's industry will be reported, if known.

14. Audit. In addition to the hereinabove required reports covering activities and expenditures of VEDC, if requested, a certified audit by an auditor selected by VEDC of VEDC funds and expenditures shall be provided to the VSTDC within 180 days of the closing of VEDC's fiscal year. The auditors performing the above described audit shall have access to and the right to examine all records and accounts directly related to the program and such other VEDC records and accounts as may be reasonably necessary to conduct and complete its audit. The audit report will not report the sources of contribution other than the general category of private contributors; however, any irregularity in private contributions may be reported. Should either the independent audit or, if appealed, a decision of any court of competent jurisdiction in the State of Texas determine that funds provided to VEDC by VSTDC under this Agreement have been spent improperly, VEDC shall immediately return all said funds, plus a reasonable rate of interest that shall accrue from the time of original disbursement to the time of return to the VSTDC. Any such misuse of funds shall be considered a material breach of this Agreement and the VSTDC, at its sole option, may immediately declare this Agreement null and void.

15. Parties in Interest. This agreement shall bind and benefit the VSTDC and VEDC. The City of Victoria is an intended beneficiary of this agreement. This agreement shall not bestow any rights upon any third parties, other than those parties listed in this paragraph.

16. Mutual Cooperation. VSTDC and VEDC agree to cooperate fully with one another and to coordinate their efforts in order to ensure that the conditions of this Agreement are fulfilled and to obtain optimal economic development within the VSTDC. In order to expedite the conditions of the Agreement and to effect economies of scale, the parties agree to keep each other fully informed of their plans, operations, and activities and wherever possible to coordinate fully their efforts to promote and otherwise undertake economic development within the VSTDC.

17. No Obligation for Additional Funds. Nothing in this Agreement shall in any way place any obligation on any other funds or sources of revenue of the VSTDC and nothing herein shall create any lien or other obligation on any other sources of income, revenues or funds of the VSTDC. The obligations of the VSTDC provided by this Agreement are payable only from the general fund. The VSTDC, at its sole option, may further subordinate the obligations of the VSTDC hereunder to other current or future obligations of the VSTDC.

18. Ability to Contract with Others. Nothing in this agreement shall in any way limit either

party from contracting with any other persons or organizations for economic development within the local area.

19. Termination. It is understood and agreed that either party may terminate this Agreement by giving to the other party notice in writing at least 30 days in advance of the first day of a calendar quarterly period. Such termination shall become effective at the end of the calendar quarterly period following such notice.

20. Notices. All written notices must be made by certified mail, return receipt requested, and shall be addressed to the applicable parties, or their successors in office, at the following addresses:

D. Dale Fowler President Victoria Economic Development Corporation 700 N. Main, Suite 104 Victoria, Texas 77901	Victoria Sales Tax Development Corporation c/o Legal Department City of Victoria P.O. Box 1758 Victoria, Texas 77902
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21. Term. The term of this Agreement shall be from October 1, 2011 to October 1, 2012 unless sooner terminated or extended in writing by VSTDC on an annual basis during VSTDC's budget process.


22. Conflict of Interest. No member of the VSTDC Board of Directors, the VEDC Board of Directors, the City Council of the City of Victoria, nor any appointive officer or employee of the VSTDC, VEDC or City of Victoria shall ever be pecuniarily interested, directly or indirectly, in this agreement except on behalf of the VSTDC, VEDC or City of Victoria as an officer or employee of such entity. Any violation of this Section with the knowledge, express or implied, of the person involved shall render this agreement voidable by the other party(ies) to this agreement.

Executed, this the _____ day of _____, 2012, in Victoria County, Texas.

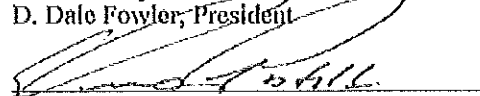
Victoria Sales Tax Development Corporation

Victoria Economic Development Corporation

Lewis Neitsch, President



D. Dale Fowler, President



Dennis Patillo, Chair

(seal)

ATTEST:

Scarlet Swoboda, Secretary

_____, Secretary

APPROVED AS TO LEGAL FORM:

Thomas A. Gwosdz, Attorney for the VSTDC

VSTDC RESOLUTION 2012-_____TX

Resolution of the Board of Directors of the Victoria Sales Tax Development Corporation (VSTDC) to execute all documents necessary to terminate the Farming Lease between VSTDC and Paul Miksch, in a form to be approved by the Attorney for the VSTDC; and declaring an effective date.

WHEREAS the Farming Lease provides that the Tenant may terminate the Agreement upon 60 days written notice before the automatic renewal date; and

WHEREAS the Tenant provided notice to the Landlord on January 16, 2012 that the Tenant will terminate the Farming Lease agreement.

THEREFORE, IT IS RESOLVED BY THE BOARD OF DIRECTORS OF THE VICTORIA SALES TAX DEVELOPMENT CORPORATION:

1.

The recitals set forth above are hereby incorporated for all purposes.

2.

The President of the VSTDC is authorized to execute any documents necessary, in a form to be approved by the attorney for the VSTDC to terminate the Farming Lease.

3.

This resolution shall become effective immediately upon approval by the VSTDC.

PASSED, this the 7th day of February, 2012.

AYES:

NAYS:

ABSTENTIONS:

APPROVED AND ADOPTED, this the 7th day of February, 2012.

Lewis Neitsch, President of the Victoria
Sales Tax Development Corporation

ATTEST:

APPROVED AS TO FORM:

Scarlet Swoboda, Secretary

Thomas A. Gwosdz, Attorney for VSTDC

(seal)

RECEIVED 1-16-12-mpd
Legal Department



CITY OF VICTORIA Established 1824, Founded by Congress, Republic of Texas, 1839
Legal Department, City Hall, 105 W. Juan Linn
P.O. Box 1758, Victoria, Texas 77902-1758
(361) 485-3520, Fax (361) 485-3534

Thomas A. Gwosdz
City Attorney

Linda M. Champion
Assistant City Attorney

December 20, 2011

Paul Miksch
9320 Slate Creek Trail
Austin, Texas 78717-2973

RE: Termination of Farming Lease

Mr. Miksch:

Thanks for the phone call this morning. As we discussed on the phone, the Victoria Sales Tax Development Corporation is interested in terminating your farming lease of 106 acres adjacent to Lone Tree Road in Victoria, Texas.

The termination date of the lease would be January 1, 2012. VSTDC would pay you one additional quarterly payment of \$932.05, currently scheduled for March 31, 2012, in exchange for you disking the property to remove rows and furrows, to return the property to a developable state.

If these terms are acceptable to you, please sign below. I will take this arrangement to the VSTDC Board of Directors for approval after the holidays. Until their approval, this arrangement cannot be considered final.

Thank you for your cooperation in this matter.

Thomas A. Gwosdz
Attorney for VSTDC

TAG/mdp

AGREED:
Paul Miksch

Date: 1-15-12

VSTDC RESOLUTION 2012-____TX

Resolution of the Board of Directors of the Victoria Sales Tax Development Corporation (VSTDC) to approve a project for acquisition and development of a business center, and authorizing the President of the VSTDC to execute necessary documents pertaining to the project, in a form to be approved by the Attorney for the VSTDC; and declaring an effective date.

WHEREAS the Board of Directors of the VSTDC hereby finds, in accordance with Tex. Local Gov't Code § 505.302 and Article IV of the VSTDC's Articles of Incorporation, that the expenditures of funds for this project, which will be known as the "2012 VSTDC Business Park Development Project" are for "costs of the project," as that term is defined by Tex. Local Gov't Code § 501.152;

WHEREAS the Board of Directors of the VSTDC hereby finds that development of the business park may include but is not limited to acquisition of real estate or interests therein, subdivision, drainage improvements, construction of infrastructure, executing inducement agreements with potential or existing tenants or purchasers, or other acts reasonably designed to meet the purpose of inducing business(es) to locate new business enterprises and capital investments in said enterprises in said business park;

WHEREAS the Board of Directors of the VSTDC hereby finds that the posting of the agenda for this meeting on February 3, 2012, constitutes publication for purposes of Tex. Local Gov't Code § 505.160;

WHEREAS the Board of Directors of the VSTDC hereby finds that a public hearing in accordance with Tx. Local Gov't Code § 505.159(a) was held on the date of this resolution's adoption; and

WHEREAS the Board of Directors of the VSTDC finds that the expenditure of VSTDC funds for this project is not in violation of the Bylaws or Articles of Incorporation of the VSTDC.

THEREFORE, IT IS RESOLVED BY THE BOARD OF DIRECTORS OF THE VICTORIA SALES TAX DEVELOPMENT CORPORATION:

1.

The recitals set forth above are hereby incorporated for all purposes.

2.

VSTDC hereby adopts the 2012 VSTDC Business Park 3 Development Project, for VSTDC to develop a business park for the purpose of inducing business(es) to locate new business enterprises and capital investments in said enterprises in said business park.

3.

The President of the VSTDC is authorized to execute any documents necessary, in a form to be approved by the attorney for the VSTDC to effectuate this project.

4.

Any funds allocated for the expenditures described in this resolution are to be expended no earlier than 60 days following the posting of public notice of the 2012 VSTDC Business Park 3 Development Project and are subject to City Council approval and the City of Victoria not receiving a petition from more than 10% of the City's registered voters requesting an election be held before said project may be undertaken, with said allocation to be effective at the time unencumbered funds are received by the VSTDC.

5.

This resolution shall become effective immediately upon approval by the VSTDC.

PASSED, this the 7th day of February, 2012.

AYES:

NAYS:

ABSTENTIONS:

APPROVED AND ADOPTED, this the 7th day of February, 2012.

Lewis Neitsch, President of the Victoria
Sales Tax Development Corporation

ATTEST:

APPROVED AS TO FORM:

Scarlet Swoboda, Secretary

Thomas A. Gwosdz, Attorney for VSTDC

(seal)