

NOTICE OF REGULAR MEETING & PUBLIC HEARING
MISSION ECONOMIC DEVELOPMENT CORPORATION
APRIL 16, 2025 4:00 PM
CENTER FOR EDUCATION AND ECONOMIC DEVELOPMENT

PRESENT:

Richard Hernandez, President
Deborah L. Cordova, Vice President
Estella Saenz Secretary
Julian Alvarez, Treasurer
Jose G. Vargas
Carl Davis
Mayor Norie Gonzalez Garza

ABSENT:

ALSO PRESENT:

Greg Kerr, JGKL LLP
Lee McCormick, President, CDA
David Cepeda, Perez Law Firm
Ricardo Perez, Perez Law Firm
Hector Ronquillo, RGV Padel Club
Victor Parra, RGV Padel Club
Melissa Gerlach, Councilwoman, City of Mission
Mike Fernuik, Director, Shary Municipal Golf. Co.
Martin Flores, Shary Municipal Golf Course
Robert A. Garza, Shary Municipal Golf Course
Thomas Lee, Shary Municipal Golf Course
Javier Barrera, Shary Municipal Golf Course
Joe Salinas, Shary Municipal Golf Course
Isaac Martinez, Shary Municipal Golf Course
Rick Venecia, Director, Mission Boys & Girls Club
Sujei Rodriguez, Mission Boys & Girls Club

STAFF PRESENT:

Tecló J. Garcia, CEO
Belen Guerrero, COO
Judy Vega, Executive Assistant
Joe Salazar, Financial Officer
Stephanie Mendiola, Director of Business Development
Mike Perez, City Manager
Andy Garcia, Asst. City Manager
Brianna Casares, Marketing Manager
Manuel Rodriguez, CEED
Receptionist/Marketing Asst.

1. Call to Order and Establish Quorum

After establishing a quorum of the President Richard Hernandez called the special meeting to order at 4:17 PM.

2. Invocation: Secretary Estella Saenz.

3. Pledge of Allegiance: Mayor Norie Gonzalez Garza.

4. Citizens' Participation: None

5. Approval of Minutes: Special Meeting of March 26, 2025.

There being no corrections or additions, Carl Davis moved for approval of the Special Meeting minutes of March 26, 2025. Motion was seconded by Treasurer Julian Alvarez and approved 7-0.

6. Deliberation and possible action for acceptance of Unadjusted Financial Statement for March 2025.

Financial Officer Joe Salazar presented and recommended approval of the Unadjusted Financial Statement for March 2025.

There being no corrections or additions, Joe Vargas moved for approval. Motion was seconded by Secretary Estella Saenz and approved 7-0.

7. Deliberation and possible action to accept Quarterly Report of Investments for the Quarter ending March 31, 2025 and Interest Earned for Six Months ending March 31, 2025.

Financial Officer Joe Salazar presented and recommended approval of the Quarterly Report of Investments for the Quarter ending March 31, 2025 and Interest Earned for Six Months ending March 31, 2025.

There being no corrections or additions, Vice President Deborah L. Cordova moved for acceptance of the quarterly report. Motion was seconded by Treasurer Julian Alvarez and approved 7-0.

8. Public Hearing – Consideration of a MEDC Fiscal Year 2025 proposed project related to an economic incentive for the construction of a padel club facility, to be located at 1508 E. Expressway 83, Mission, Texas (Project Pickle).

President Richard Hernandez opened the public hearing at **5:36 PM** and called for any public comments in favor of or against this project.

No comments were made.

President Richard Hernandez declared the public hearing closed at **5:37 PM**.

9. Deliberation and possible action concerning an Economic Development Performance Agreement for Project Pickle.

CEO Teclo Garcia welcomed Stephanie Mendiola, Director of Business Development, to present this item. Ms. Mendiola noted that last month a Letter of Intention (LOI) was approved for Project Pickle. The project is a padel club facility with a \$1.5 million capital investment that will create 15-20 jobs with an annual payroll of \$500,000. It will feature an outdoor padel ball club, and an indoor climate-controlled ball court. This facility will create tax revenue not only with their court rentals but also with memberships, food sales, pro-shop and tournaments.

An Economic Development Performance Agreement to assist Project Pickle with a one installment of \$30,000 is being presented for Board approval consideration.

Carl Davis moved for approval of the Economic Development Performance Agreement as presented. Motion was seconded by Joe Vargas and approved 7-0.

10. Deliberation and possible action to authorize staff to publish a Notice of Intention to Undertake a Project or Projects for Fiscal Year 2025 for Project Pickle.

Vice President Deborah Cordova moved to authorize staff to publish a Notice of Intention to Undertake a Project or Projects for Fiscal Year 2025 for Project Pickle. Motion was seconded by Secretary Estella Saenz and approved 7-0.

11. Discussion and possible action for approval of First Amendment to Economic Development Performance Agreement between Mission Economic Development Corporation and RGV Padel Club LLC.

CEO Tecló J. Garcia stated that last year the MEDC board approved an incentive for RGV Padel Club in the amount of \$141,000 to be paid in three annual installments upon meeting certain requirements.

Mr. Garcia stated that on May 6, 2024, Mission EDC entered into an Economic Development Performance Agreement with RGV Padel Club, LLC. Under the agreement, the company was to receive \$141,000, distributed in three annual installments of \$47,000 each, contingent upon meeting specific requirements. These requirements include the provision of a Certificate of Occupancy for their new facility, which spans 18,000 sq. ft., within 12 months from the date of the agreement. Additionally, RGV Padel Club must create 20 jobs, contribute \$5,000 to a non-profit organization located within the City of Mission, and secure a premium membership with the Greater Mission Chamber of Commerce.

Mr. Garcia introduced Hector Ronquillo and Victor Parra with RGV Padel Club to the Board to talk about their project. Mr. Ronquillo briefly explained that due to increasing prices in construction materials, he was requesting an advancement of \$50,281.69 from the \$141,000 committed to help cover construction costs. The remaining balance of \$90,718.31 will be disbursed in two installments of \$45,359.15 each year 2026 and 2027. The compliance requirements will remain unchanged.

Mr. Garcia recommends approval of the First Amendment to the Economic Development Performance Agreement.

Mayor Norie Gonzalez Garza moved for approval of a First Amendment to Economic Development Performance Agreement between Mission Economic Development Corporation and RGV Padel Club LLC. Motion was seconded by Joe Vargas and approved 7-0.

12. Deliberation and possible action regarding Resolution No. 2025-04 concerning the proposed Resolution of Mission Economic Development Corporation authorizing the issuance of one or more series of revenue bonds and the loan of the proceeds thereof to Natgasoline LLC, approving documents relating thereto, and approving other matters in connection therewith.

Lee McCormick, President of Community Development Associates, introduced this item by highlighting that Natgasoline LLC owns and operates a methanol production facility in Beaumont. The facility was financed, in part, with approximately \$253 million of tax-exempt and taxable debt issued by MEDC in 2016. The MEDC refinanced the bonds with \$336,430,000 of Senior Lien Revenue Bonds (Natgasoline Project) Series 2018. The construction of the methanol facility is complete and in production, and the company has the opportunity to refinance their debt and extend the maturity of the bonds. The proceeds of the bonds will be loaned to Natgasoline, and/or any related person.

Natgasoline has requested the MEDC issue its revenue bonds in one or more series as hereinafter described, and loan the proceeds of the sale thereof to the borrower, to be used to refund all or a portion of the refunded bonds and to thereby refinance a portion of the costs of the acquisition, construction, improvement, development, equipping, and furnishing of a methanol production facility in Beaumont, located at or about 2366 Sulphur Plant Road, Beaumont, Texas and/or to pay capitalized interest and costs of issuance of such bonds.

Approval of this final resolution does not impose any payment or obligation to MEDC or the City of Mission in connection with the financing. Based on a reduced annual fee schedule, at closing MEDC is expected to receive approximately \$498,841 for serving as issuer of the bonds and \$42,054 annually or a similar amount based on the outstanding balance until maturity.

Mr. McCormick recommends that the MEDC Board approves the final resolution in the amount not to exceed \$336,430,000 of tax-exempt private activity bonds to finance the Natgasoline LLC project.

Jose G. Vargas moved for approval of Resolution No. 2025-04 Motion was seconded by MEDC Board Vice President Deborah Cordova and approved 7-0.

13. Deliberation and possible action regarding Resolution No. 2025-05 concerning the proposed Resolution of Mission Economic Development Corporation authorizing the issuance of one or more series of revenue bonds and the loan of the proceeds thereof to Waste Management, Inc.; approving documents relating thereto, and approving other matters in connection therewith.

Lee McCormick, President of Community Development Associates, presented this item and mentioned that Waste Management, Inc., a Delaware corporation, is a leading provider of comprehensive waste management environmental services. Based in Houston, the company is a leading developer, operator, and owner of landfill gas-to-energy facilities in the US.

Waste Management serves to manage and reduce waste at each stage from collection to disposal while recovering valuable resources and creating clean, renewable energy. The company is seeking tax-exempt bond financing for certain infrastructure and capital improvements to its solid waste collection and disposal operations within Texas. The bonds will be used to finance various facilities located throughout Texas.

This is a conduit transaction for the MEDC. The applicant is responsible for repayment of the debt. Approval of this resolution does not impose any payment or obligation on MEDC or the City of Mission in connection with the financing. There is potential “reputational risk” if the borrower defaults since MEDC’s name is included on the bonds.

Based on an initial transaction of \$50 million, at closing the MEDC is expected to receive approximately \$92,500 for serving as the issuer and an annual fee of \$12,500 until maturity.

Mr. McCormick recommends that the MEDC Board adopt the resolution in the amount not to exceed \$50 million of tax-exempt private activity bonds to finance the proposed project.

Treasurer Julian Alvarez moved for approval of Resolution No. 2025-05. Motion was seconded by Mayor Norie Gonzalez Garza and approved 7-0.

14. Deliberation and possible action concerning Resolution No. 2025-06, A resolution authorizing publication of notice of projects and rights to petition and authorizing certain other matters relating thereto.

CEO Tecló J. Garcia introduced and welcomed Legal Counsel Ricardo Perez with the Perez Law Firm and Bobby Hinojosa with Estrada Hinojosa Investment Bankers. He invited Mr. Perez to explain the proposed resolution. Mr. Perez mentioned that this resolution was necessary in order to proceed with the bonds the MEDC is seeking to acquire. Approval of the attached draft resolution will initiate the process to secure the bonds. He briefly explained that the bonds were to be used for the following: The refinancing of a note in the approximate amount of \$3.14 million that was used to purchase land for within the corporate limits of the City, (ii) to purchase approximately 4.5 acres of land in the within the corporate limits of the City for development, for improvements to a municipal golf course, to reimburse the City pursuant to an interlocal agreement for a loan for the purchase of a country club golf course; to pay for the costs associated with the bond issuance. The estimated cost of the projects and refunding will not exceed \$10,500,000.00.

He noted that after the transaction is approved there will be a waiting period of 60 days before funds can be disbursed. This will be a private placement transaction and after it is processed and the closing takes place, the document will be sent to the Attorney General's office for approval consideration.

Subject to final legal counsel review, Deborah Cordova moved for approval of Resolution No. 2025-06. Motion was seconded by Estella Saenz and approved 7-0.

15. Deliberation and possible action regarding acceptance of the conveyance of Cimarron Country Club golf property from the City of Mission.

CEO Tecló J. Garcia mentioned that the Mission EDC purchased the Cimarron, a 13-acre tract, with funds from the City of Mission. The property includes a tennis club, a pro-shop and the country club. In addition, the 18-hole golf course was donated to the City of Mission and the city would like to convey the property to MEDC. He is requesting Board acceptance of the conveyance.

Carl Davis moved for acceptance of the conveyance of Cimarron Country Club golf property from the City of Mission. Motion was seconded by Secretary Estella Saenz and approved 6-0, with one abstention from Treasurer Julian Alvarez.

16. Deliberation and possible action concerning a Professional Services Agreement under Texas Local Government Code 2254 with VM Golf Services for the renovation of greens and tees on the back 9 of the Shary Municipal Golf Course in the amount of \$1,585,235.

Assistant City Manager Andy Garcia led a presentation with Mike Fernuik, Director of Shary Municipal Golf Course, and Isaac Martinez. During the PowerPoint presentation, Mr. Garcia presented a description of the golf course's much-needed improvements. VM Golf services has been selected to work on the improvements of greens and tees on the back 9 of the golf course. Mr. Fernuik and Mr. Martinez thanked the Board for their support and said they're excited to move forward with it.

Included in the necessary improvements are a new tee box, cart paths, the removal or relocation of ponds including repairs that contain water hazards, to improve game experience for golfers.

After the presentation and subject to legal counsel review, Carl Davis moved for approval of a Professional Services Agreement under Texas Local Government Code 2254 with VM Golf Services for the renovation of greens and tees on the back 9 of the Shary Municipal Golf Course in the amount of \$1,585,235. Motion was seconded by Secretary Estella Saenz and approved 7-0.

17. Deliberation and possible action concerning a Professional Services Agreement with Musco Sports Lighting, LLC for the purchase and installation of a light structure system on the back 9 of the Shary Municipal Golf Course in the amount of \$1,475,000, via Buy Board Contract # 677-22.

Assistant City Manager Andy Garcia presented a video from "Musco Sports Lighting LLC". The video showcased how an LED lighting system would track the entire path of golf balls at night versus other lighting systems on the market. In addition, a 25-year warranty will be provided in the lighting services agreement for the golf course.

The goal is to provide golfers with state-of-the-art experience with different play times. This will be the only 27-hole golf course with specialized night-time lighting in the Rio Grande Valley. The estimated time of completion is October 6, 2025.

Subject to review by legal counsel, Jose G. Vargas moved to approve a Professional Services Agreement with Musco Sports Lighting LLC for the purchase and installation of a light structure system on the back 9 of the Shary Municipal Golf Course in the amount of \$1,475,000, via Buy Board Contract # 677-22. Motion was seconded by Vice President Deborah L. Cordova and approved 7-0.

18. Deliberation and possible action to authorize CEO to negotiate and execute a financing agreement to finance the purchase and installation of the light structure system with Musco Sports Lighting LLC.

Assistant City Manager Andy Garcia noted that this agreement is connected to the earlier agenda item (Item 17) concerning the lighting structure. After evaluating the proposal, KS State Baystone Government Finance was the most suitable choice, as their funding would be accessible in less than 90 days. Delaying any further could jeopardize the quoted price for the lighting project.

Out of all the options that were provided for payment, monthly financing over a 5-year term was chosen with a payment of \$28,250 per month so that the project could commence construction and be completed by October 6, 2025.

Subject to legal counsel, City of Mission Mayor Norie Gonzalez Garza moved for approval. This motion was seconded by MEDC Board Secretary Estella Saenz and approved 7-0.

19. Deliberation and possible action concerning an Amendment to MEDC's Fiscal Year 2025 Budget, in the amount of \$1,585,235 for the green renovation services with VM Golf Services and the amount of debt service and closing costs required for the financing of the light structure system from Musco Sports Lighting, LLC.

MEDC Financial Officer Joe Salazar presented the amendment to MEDC's Fiscal Year 2025 Budget, concerning the \$1,585,235 proposed for renovations of the golf course greens. While the funds have not yet been allocated, they are intended to come from the General Fund. Once MEDC secures and matures its bonds, the corporation plans to reimburse the \$1,585,235 back to MEDC.

Carl Davis moved for approval of an Amendment to MEDC's Fiscal Year 2025 Budget, in the amount of \$1,585,235 for the green renovation services with VM Golf Services and the amount of debt service and closing costs required for the financing of the light structure system from Musco Sports Lighting, LLC. Motion was seconded by Joe Vargas and approved 7-0.

At **5:45 PM**, President Richard Hernandez announced that the Mission Economic Development Board of Directors were convening in closed session.

**20. Closed Session Pursuant to V.T.C.A. Gov. Code Sec. 551.001
Deliberation and possible action regarding economic development negotiations or prospects (as permitted under Tex. Gov't Code Sec. 551.087), including, but not limited to the following:**

A. Report from CEO as to potential prospect(s).

Deliberation and possible action regarding real property (as permitted under Tex. Gov't Code Sec. 551.072), including, but not limited to the following:

- A. M.E.D.C. Land**
- B. Perkins Lots Update**

Consultation with Attorney and possible action (as permitted under Texas Government Code Section 551.071).

The Mission Economic Development Corporation Board of Directors will reconvene in open session to take any actions necessary.

At **6:11 PM**, President Richard Hernandez announced that the Mission Economic Development Board of Directors were convening in open session. Motions are follows:

A. Report from CEO as to potential prospect(s): No action was taken.

Regarding real property:

A. M.E.D.C. Land: No action.

B. Perkins Lots Update: No action.

21. CEO Report on Economic Development:

Mr. Garcia reported on the following:

- CEO Teclo Garcia reported on Ruby Red Ventures “The Competition” program. The application process opened on March 25th and will run until April 25th. He then invited Brianna Casares, Manager of Programs, to provide a brief update on past participant and winner Joesph Meyers. Mr. Meyers’ business, “Through My Eyes Apparel” focuses on creating sensory friendly clothes for the visually impaired. Ms. Casares mentioned that Joesph used his winnings from last year to build a website, purchase a t-shirt printing machine, apply and receive his LLC and build his customer base within Mission.
- CEO Teclo Garcia reported about his trip to the VIVA Fresh Conference in Houston, Texas, where he participated with Stephanie Mendiola, Director of Business Development. This conference was hosted by the Texas International Produce Association (TIPA). Multiple produce distributors participated at the conference such as Wonderful Citrus, La Bonanza Avocados and Grande Produce.
- Mission EDC hosted multiple AI for small businesses such as the “Business Over Breakfast” event that was held on April 9th which featured speaker Mr. Andrew Davis and some in collaboration with South Texas College.
- CEO Teclo Gacia attended the NASCO (North American Strategic Competitive Organization) conference in Dallas in March. He participated in a tour of the Alliance Airport in Fort Worth and was impressed with the logistics of the facility.
- Ubiquity recently celebrated their first-year anniversary in Mission. Mr. Garcia met with CEO Matt Nyren and Vice President Mark Montgomery. The site, located on South Shary Rd., is their only location within the United States. Currently they have 300 employees but are aiming to hire 350 in the near future.

22. President Comments.

CEO Teclo Garcia reported that Imelda Cantu, MEDC Office Coordinator, was recently recognized as “Employee of the Month” for January 2025, at the Mission City Council meeting of April 14, 2025. In addition, President Richard Hernandez thanked Carl Davis for his efforts in reviewing all associated items related to the Shary Municipal Golf Course’s project ahead of the board meeting. He also thanked the Board of Directors for their time and service to this Board.

23. Adjournment.

Treasurer Julian Alvarez moved to adjourn the meeting. Motion was seconded by Carl Davis and approved 7-0. The meeting was adjourned at 6:28 PM.

Richard Hernandez, President

ATTEST

Estella Saenz, Secretary