

NOTICE OF REGULAR MEETING & PUBLIC HEARING
MISSION ECONOMIC DEVELOPMENT CORPORATION
JULY 24, 2024 4:00 PM
CENTER FOR EDUCATION AND ECONOMIC DEVELOPMENT

PRESENT:

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

ABSENT:

Estella Saenz, Treasurer

ALSO PRESENT:

Greg Kerr, JGKL LLP

STAFF PRESENT:

Teclo J. Garcia, CEO
Belen Guerrero, COO
Judy Vega, Executive Assistant
Joe Salazar, Financial Officer
Mike Perez, City Manager
Vidal Roman, Finance Director
Andy Garcia, Asst. City Manager
Naxiely Lopez-Puente, Director of
Communications & External Affairs
Brianna Casares, Manager of Marketing &
Programs

1. Call to Order and Establish Quorum

After establishing a quorum of the Board of Directors, President Richard Hernandez called the meeting to order at 4:07 PM.

2. Invocation: Vice President Jose G. Vargas

3. Pledge of Allegiance: Carl Davis

4. Citizen's Participation: None.

5. Approval of Minutes: June 26, 2024

There being no corrections or additions, Mayor Norie Gonzalez Garza moved for approval of the meeting minutes of June 26, 2024. Motion was seconded by Vice President Jose G. Vargas and approved 5-0.

6. Deliberation and possible action for acceptance of adjusted Financial Statement for June 2024.

Financial Officer Joe Salazar presented and recommended acceptance of adjusted Financial Statements for June 2024.

Secretary Deborah L. Cordova joined the meeting at 4:12 PM.

Mr. Garcia briefly discussed sales tax revenues and growth while comparing area cities, highlighting that Mission is experiencing double-digit growth, and noted that we are still four months away from the conclusion of this fiscal year.

There being no corrections or additions, Carl Davis moved for acceptance of the adjusted Financial Statement for June 2024. Motion was seconded by Julian Alvarez and approved 6-0.

7. Deliberation & possible action for acceptance of Quarterly Report of Investments for the General Fund and Debt Service Fund, for Quarter ending June 30, 2024 and Interest Earned for Nine Months Ending June 30, 2024.

Financial Officer Joe Salazar presented and recommended approval of the investment reports. Mr. Salazar informed the Board that MEDC's General Fund is not tied to any CDs or treasury bonds, but it is investing in TexPool. He briefly reported net changes, increases and/or portfolio ending market value earnings for both the General Fund and Debt Service Funds. Mr. Salazar noted that one of the investments related to the Debt Service Fund matured at the beginning of this month, and those funds have already been deposited into MEDC's Debt Service account.

There being no corrections or additions, Vice President Jose G. Vargas moved for approval of the Quarterly Report of Investments for the General Fund and Debt Service Fund, for Quarter ending June 30, 2024 and Interest Earned for Nine Months Ending June 30, 2024. Motion was seconded by Secretary Deborah L. Cordova and approved 6-0.

8. Deliberation and possible action for approval of Amendment to FY 2023-2024 Budget.

Financial Officer Joe Salazar presented and recommended approval of Amendment to FY 2023-2024 Budget. Fund Accounts reflecting changes were as follows:

Fund #21-412-44610: The Repairs and Maintenance Building budget amount was increased by \$220,750.45, increasing the budget from \$95,000.00 to \$315,750.45, for CEED building roof repairs;

Fund #21-415-74880: Land Acquired (new account) in the amount of \$135,090.00, related to the recently purchased Perkins Avenue lots;

Fund 21-415-94598: A decrease in the Incentive Programs account in the amount of \$135,090.00 from \$1,007,124.89; leaving a balance of \$872,034.89;

Fund 21-410-34499: An increase in Other Professional Services from \$10,000 to \$20,000;

Fund 21-410-34400: A decrease in the Auditing & Accounting Services account in the amount of \$2,000 from \$35,000; leaving a balance of \$33,000;

Fund 21-410-54560: A decrease in the General Liability Insurance account in the amount of \$5,000 from \$34,000; leaving a balance of \$29,000; and

Fund 21-410-74950: A decrease in the Machinery & Equipment account in the amount of \$3,000 from \$3,000; leaving a zero balance.

Carl Davis moved for approval of the Amendment to FY 2023-2024 Budget. Motion was seconded by Vice President Jose G. Vargas and approved 6-0.

9. Deliberation and possible action for the adoption of MEDC Investment Policy.

Mr. Garcia said that MEDC does not have an investment policy in place and that discussions have taken place for the creation of one. The MEDC Finance Committee met recently to discuss the investment policy being presented today, which is up for adoption at the Board's discretion. Financial Officer Joe Salazar said that at this time, the City of Mission handles investments for MEDC accounts since they are the custodial of the accounts and they also have Investment Officers. Since MEDC is in the process of transitioning MEDC bank accounts, we would like to adopt our own investment policy. Mr. Salazar mentioned a few of the banks the City of Mission banks with or uses as vendors for investments such as Texas National Bank, Multi-Bank Securities, and TexPool, but more may be added. Mr. Garcia said that if not adopted today, Mr. Garcia plans on bringing the investment policy back to the Board next month for approval consideration. Secretary Deborah L. Cordova said she would like to review the investment policy further before adopting it. President Richard Hernandez recommended that this item is tabled.

Secretary Deborah L. Cordova moved to table this item. Motion was seconded by Vice President Jose G. Vargas and approved 6-0.

10. Naming of MEDC Investment Officer.

Mr. Garcia said MEDC currently does not have an Investment Officer, and it is crucial to fulfill this role. Financial Officer Joe Salazar recently received training in Waco to become a Certified Investment Officer and Mr. Garcia is recommending that he is named Investment Officer for MEDC. Mr. Garcia said that it is beneficial to have several Investment Officers and said that he and COO Belen Guerrero plan on attending the certification course in December.

Mayor Norie Gonzalez Garza moved to name Jose "Joe" Salazar MEDC's Investment Officer. Motion was seconded by Carl Davis and approved 6-0.

11. Deliberation and possible action related to the approval of an Interlocal Cooperation Agreement between Mission Economic Development Corporation and City of Mission.

Mr. Garcia said that this agreement was created to assist the City of Mission with certain projects by making MEDC funds in the maximum amount of \$2 million available to the City of Mission. City Manager Mike Perez said that this agreement had been presented to Mission City Council and approved on June 24, 2024. Mr. Perez said that this is a loan the City of Mission is requesting from MEDC and that it will be paid back with interest. The agreement stipulates that the agreement shall remain in effect until March 31, 2025 and recommends approval.

Vice President Jose Vargas moved to approve an Interlocal Cooperation Agreement between Mission Economic Development Corporation and City of Mission. Motion was seconded by Deborah L. Cordova and approved 5-0 with one abstention from Mayor Norie Gonzalez Garza.

12. Public Hearing - MEDC FY 2023-2024 proposed project consideration related to an alleyway improvement to be located at 1229 E. Griffin Parkway, Mission, Texas. (Project Alley Cat).

At 4:46 PM, President Richard Hernandez opened the public hearing related to an alleyway improvement to be located at 1229 E. Griffin Parkway, Mission, Texas. (Project Alley Cat).

There being no comments, President Richard Hernandez closed the public hearing at 4:47 PM.

13. Deliberation and possible action related to the approval of an Economic Performance Agreement for Project Alley Cat.

Mr. Garcia said that on May 29, 2024, the MEDC Board authorized staff to negotiate an incentive agreement for Project Alley Cat, in an amount not to exceed \$35,000 for the improvement of an alleyway, with the incentive to be paid in one installment, and to bring the proposed Economic Development Performance Agreement back before the Board for approval. The Economic Development Performance Agreement has been created and is now being presented for approval consideration. Mr. Garcia recommends approval.

Julian Alvarez moved for approval of an Economic Development Performance Agreement for Project Alley Cat. Motion was seconded by Vice President Jose G. Vargas and approved 6-0.

14. Deliberation and possible action to authorize staff to publish a Notice of Intention to Undertake a Project or Projects for FY 2023-2024 for Project Alley Cat.

Mr. Garcia said that this notice is routine as is with every project MEDC funds and that it is a required notice for the undertaking of every project, in this case, Project Alley Cat. He said that no funds will be expensed until 60 days after the publication. He requests authorization to publish the notice.

Vice President Jose G. Vargas moved to authorize the Notice of Intention to Undertake a Project or Projects for FY 2023-2024 for Project Alley Cat. Motion was seconded by Secretary Deborah L. Cordova and approved 6-0.

15. Deliberation and possible action related to approval of a First Amendment to Economic Development Performance Agreement between Mission Economic Development Corporation and 7-Beans LLC dba Scooter's Coffee.

Mr. Garcia said that on June 26, 2024 the MEDC Board approved an amendment to Economic Development Performance Agreement between Mission Economic Development Corporation and 7 Beans LLC dba Scooter's Coffee, pending confirmation of a rescinded performance agreement, for which there is no documented evidence or record of minutes. MEDC's legal counsel Gene Vaughan prepared the amendment, and it is now being presented for approval. 7-Beans LLC has an existing agreement with Mission EDC (effective May 15, 2023), for a \$100,000 incentive over five years to open two coffee shops, contingent on obtaining two Certificates of Occupancy. The company has opened one coffee shop and is requesting performance agreement change to receive the first installment for their second location. Such location must be open for business within the City of Mission no later than 24 months following June 26, 2024. Mr. Garcia recommends approval.

Carl Davis moved for approval of First Amendment to Economic Development Performance Agreement between Mission Economic Development Corporation and 7-Beans LLC dba Scooter's Coffee. Motion was seconded by Vice President Jose G. Vargas and approved 6-0.

16. Discussion of preliminary Fiscal Year 2024-2025 Budget.

Mr. Garcia presented the preliminary Fiscal Year 2025 Budget, starting Oct. 1, 2024. He, COO Belen Guerrero-Aguirre, Financial Officer Joe Salazar, and the MEDC Finance Committee have reviewed the budget conservatively, with further adjustments needed. He anticipates revenues from land sales and sales taxes, emphasizing that that the Budget operates within current means without tapping into reserves. Secretary Deborah L. Cordova asked if the \$2 million loan to the City of Mission was factored in this Budget. Mr. Garcia said those funds will be a transfer from a TexPool investment account. President Richard Hernandez asked a question related to the CEED building's air condition units, 30 units that may be due for replacement. The Facilities & Maintenance Building budgeted amount will increase by \$100,000 from what just got approved earlier on this agenda, for unforeseen needs. The final Budget will be presented next month in a Power Point for review and approval.

No action was taken.

17. Deliberation and possible action related to acceptance of a Memorandum of Understanding between the City of San Luis Potosi, Mexico, the City of Mission, and Mission Economic Development Corporation.

Mr. Garcia reported that a delegation of MEDC employees and representatives from other organizations recently visited San Luis Potosi, Mexico, to promote the Anzalduas International Bridge as a cargo crossing and highlight Mission as an investment location. They signed a non-binding Memorandum of Understanding (MOU) between Mayor Norie Gonzalez Garza and the Mayor of San Luis Potosi to promote mutual trade and educational collaboration. Mr. Garcia noted that the Secretary of State of San Luis Potosi expressed interest in visiting

Mission, along with the Governor of San Luis Potosi. A confirmed visit has been scheduled for July 31, 2024 with an agenda to be shared with the Board soon. He recommends accepting the MOU.

Vice President Jose G. Vargas moved to accept a Memorandum of Understanding between the City of San Luis Potosi, Mexico, the City of Mission, and Mission Economic Development Corporation. Motion was seconded by Mayor Norie Gonzalez Garza and approved 6-0.

18. Deliberation and possible action to accept the conveyance of 800 Perkins Avenue and 802 Perkins Avenue to the MEDC.

On July 12, 2024, two properties located at 800 Perkins Avenue and 802 Perkins Avenue, were officially conveyed to MEDC. Staff is requesting acceptance of the conveyance of the properties to MEDC. Legal Counsel Greg Kerr said that once MEDC accepts the conveyance of the two properties, then the next item requests authorization for MEDC Board staff convey the properties to the City of Mission.

Vice President Jose G. Vargas moved to accept the conveyance of 800 Perkins Avenue and 802 Perkins Avenue to the MEDC. Motion was seconded by Mayor Norie Gonzalez Garza and approved 6-0.

19. Deliberation and possible action to convey 800 Perkins Avenue and 802 Perkins Avenue to the City of Mission.

On July 12, 2024, two properties located at 800 Perkins Avenue, and 802 Perkins Avenue, were officially conveyed to MEDC. Staff requests authorization to convey both properties to the City of Mission.

Carl Davis moved to convey 800 Perkins Avenue and 802 Perkins Avenue to the City of Mission. Motion was seconded by Vice President Jose G. Vargas and approved 6-0.

20. Discussion and approval of Resolution No. 2024-05, recognizing the necessity of acquiring fee title in connection with the construction of the Leo Pena Placita Park Improvement Project in the City of Mission, Hidalgo County, Texas and authorizing the acquisition of fee title to real property described in Resolution No. 2024-05 and exhibits thereto by condemnation (eminent domain) or otherwise. Single vote shall apply to all units of property described in Resolution No. 2024-05.

Legal Counsel Greg Kerr mentioned that this item is related to the previous two regarding properties that the MEDC did not acquire voluntarily. He indicated that it initiates eminent domain process for the properties listed in the exhibit of this resolution and is recommends approval of Resolution No. 2024-05. Mr. Kerr said that once approved, he will initiate the eminent domain process.

Vice President Jose G. Vargas moved to empower the Mission Economic Development Corporation to use eminent domain to acquire the following properties for the Leo Peña Placita improvements project: 808 Perkins, 809 Perkins, 801 Perkins; and 1 Perkins Avenue, in the City of Mission, Hidalgo County, Texas; as detailed in Exhibit A of Resolution No. 2024-05,

for the construction of the Leo Pena Placita Park improvement project. The initial vote applies to all properties collectively. Motion was seconded by Julian Alvarez and approved 6-0.

21. MEDC Committee Briefings: Finance Committee & Downtown Assistance Program

Finance Committee – Mr. Garcia said that most of the briefing that was to be shared by the Finance Committee was already discussed during the investment policy agenda item and the preliminary budget. Finance Committee Chair Jose G. Vargas commended the MEDC staff and Mr. Salazar for being diligent with their discussions and support during the Finance Committee meeting of July 17, 2024. Committee members include Mr. Vargas, Estella Saenz, Richard Hernandez, Teclo Garcia and Joe Salazar.

Downtown Assistance Program – Downtown Assistance Program Chair Debora L. Cordova reported that the Finance Committee team met on July 23, 2024, for pre-qualification of the 24 submissions for assistance to ensure that they met requirements. Thirteen of the 24 met requirements and selected were six recipients. What's needed now is for the landlords to sign off on the recommended renovations. Once the landlords approve, recipients will be announced. Committee members include Ms. Cordova, Carl Davis, Estella Saenz, Belen Guerrero, Teclo Garcia, and Bri Casares.

At **5:36 PM**, President Richard Hernandez announced that the Mission Economic Development Corporation Board will convene in closed session.

22. 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:

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:

M.E.D.C. Land.

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 **5:47 PM**, President Richard Hernandez announced that the Mission Economic Development Corporation Board will reconvene in open session.

Real Estate Property: No action.

Report from CEO as to potential prospects: Vice President Jose G. Vargas moved to accept a proposed closing deadline request from Project Noodle in exchange for \$5,000 consideration in earnest money. Motion was seconded by Secretary Deborah L. Cordova and approved 6-0.

23. CEO Report on Economic Activity

CEO Teclo J. Garcia showcased three short videos highlighting significant recent events. The first featured the ribbon cutting ceremony for South Texas College, followed by the Grand Opening of the Olive Garden Italian Bistro in the second video, and the third showcased RGV Healthy Vending. COO Belen Guerrero-Aguirre noted that MEDC has a three-month contract with RGV Photo & Video, the creators of these videos. They also hold multiple economic development contracts in the area and consistently deliver excellent work.

24. President Comments

President Richard Hernandez acknowledged MEDC's Financial Officer Joe Salazar for earning his Investment Officer Certification, and expressed appreciation for the video presentation shared with the Board by Director of Communications & External Affairs Naxiely Lopez-Puente. CEO Teclo J. Garcia noted that the Board President proposed holding meetings in December for both the Mission EDC Board and the Mission RA/TIRZ #1 Board, specifically on Tuesday, December 3, 2024 for the Mission RA/TIRZ #1 and on Wednesday, December 4, 2024 for the Mission EDC Board. Traditionally, no meetings are scheduled in November due to the holiday season. President Richard Hernandez concluded by thanking Board members for their time and dedication.

25. Adjournment

Secretary Deborah L. Cordova moved to adjourn the meeting. Motion was seconded by Julian Alvarez and approved 6-0. The meeting was adjourned at 6:06 PM.

Richard Hernandez, President

ATTEST

Deborah L. Cordova, Secretary