

NOTICE OF REGULAR MEETING & PUBLIC HEARING
MISSION ECONOMIC DEVELOPMENT CORPORATION
OCTOBER 30, 2024 4:00 PM
CENTER FOR EDUCATION AND ECONOMIC DEVELOPMENT

PRESENT:

Richard Hernandez, President
Jose G. Vargas, Vice President
Estella Saenz, Treasurer
Julian Alvarez
Mayor Norie Gonzalez Garza

ABSENT:

Deborah Cordova, Secretary
Carl Davis

ALSO PRESENT:

Eugene Vaughan, JGKL LLP
Lee McCormick, CDA

STAFF PRESENT:

Tecló J. Garcia, CEO
Judy Vega, Executive Assistant
Joe Salazar, Financial Officer
Stephanie Mendiola, Project Manager
Mike Perez, City Manager
Andy Garcia, Asst. City Manager
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 regular meeting to order at 4:09 PM.

2. Invocation: President Richard Hernandez.

3. Pledge of Allegiance: Treasurer Estella Saenz.

4. Citizens Participation: None.

5. Approval of Minutes: Regular Meeting & Public Hearing of September 25, 2024

There being no corrections or additions, Julian Alvarez moved for approval of the minutes for the Regular Meeting and Public Hearing of September 25, 2024. Motion was seconded by Vice President Jose G. Vargas and approved 5-0.

6. Deliberation and possible action for acceptance of Unadjusted Financial Statement for September 2024.

Financial Officer Joe Salazar presented the Unadjusted Financial Statement for September 2024. Mr. Salazar reported that Total Revenues were \$611,240.23. Total Expenses were \$318,917.07, therefore leaving an unrestricted unadjusted fund balance of \$15,883,706.14. Total Assets, Liabilities, and Fund Balance matched at \$16,912,922.39. Long Term Debt Total

Balance of \$7,522,800.56. Mr. Salazar reported that MEDC does meet the two-month fund balance requirement of \$1,113,064.00. On the Statement of Net Position, Mr. Salazar noted a Total Fund Balance of \$15,883,706.14.

There being no corrections or additions, Treasurer Estella Saenz moved for acceptance of the Unadjusted Financial Statement for September 2024. Motion was seconded by Julian Alvarez and approved 5-0.

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

Financial Officer Joe Salazar presented the Quarterly Report of Investments for the General Fund and Debt Service Fund, for Quarter ending September 30, 2024 and Interest Earned for Twelve Months Ending September 30, 2024. The Debt Service Fund balance as of June 30, 2024, was \$492,857.91. One of the CD's matured at \$249,000.00; therefore, the ending market value's balance as of September 30, 2024 was \$246,898.00. Interest earned was \$4,067.56. On the General Fund Investment schedule, Mr. Salazar reported that there was no investment activity this quarter other than in TexPool and as of June 30, 2024, the balance is \$4,584,418.63. Year-to-date interest earned for these investments was \$84,418.63. Moving forward, Mr. Salazar said that MEDC will have investments with local banks.

There being no corrections or additions, Vice President Jose G. Vargas moved for approval of the quarterly report. Motion was seconded by Treasurer Estella Saenz and approved 5-0.

8. Deliberation and possible action for approval of Resolution No. 2024-11, Resolution of the Mission Economic Development Board of Directors regarding request of Permian Basin Water Resources, LLC, for the issuance of one or more series of revenue bonds, authorizing the filing of an application for allocation of volume cap for private activity bonds with the Texas Bond Review Board, authorizing public hearings regarding the bonds, and authorizing other action related thereto.

Lee McCormick noted that this resolution was an inducement resolution for Permian Basin Water Resources LLC, for the filing of an application for a \$35 million bond with the Texas Bond Review Board. Permian Basin Water Resources, LLC is a company designed to provide regulated utility services, including water, wastewater and reclaimed water, in certain unincorporated areas of Midland County, Texas. The bonds will be used to finance and refinance certain infrastructure and capital improvements to its water and wastewater treatment infrastructure operations in Midland, Texas. The project includes the construction of a water reclamation facility, a lift station, an irrigation plant, and a recycled water retention structure.

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 the MEDC or the City of Mission in connection with the financing. There is potential "reputational risk" if the borrower defaults since the Mission Economic Development Corporation name is included on the bonds. Based on an initial transaction of \$35 million, MEDC is expected to receive approximately \$96,250 for serving as the Issuer of the bonds and an annual fee of \$8,750 until maturity. Mr. McCormick and MEDC CEO Tecló J. Garcia recommend approval.

Vice President Jose G. Vargas moved for approval of Resolution No. 2024-11. Motion was seconded by Mayor Norie Gonzalez Garza and approved 5-0.

Resolution No. 2024-11

Resolution regarding request of Permian Basin Water Resources, LLC, for the issuance of one or more series of revenue bonds, authorizing the filing of an application for allocation of volume cap for private activity bonds with the Texas Bond Review Board, authorizing public hearings regarding the bonds, and authorizing other action related thereto.

- 9. Public Hearing – MEDC Fiscal Year 2025 proposed project consideration related to: (a) an economic incentive for infrastructure improvements related to the construction of a restaurant to be located on Victoria Drive, Lot 6A, M.E.D.C. Subdivision, Mission, Texas; and (b) a development loan (Project Noodles).**

At **4:28 PM**, President Richard Hernandez opened the public hearing for any comments.

There were no comments.

At **4:29 PM**, President Richard Hernandez closed the public hearing.

- 10. Deliberation and possible action related to the approval of an Economic Development Performance Agreement for Project Noodles.**

CEO Teclo J. Garcia noted that on September 25, 2024, the MEDC Board authorized a Letter of Intention for Project Noodles (Kahn’s Grill). The restaurant is currently in discussions to acquire Lot 6A, MEDC Land, for their latest Mongolian stir fry restaurant. MEDC intends to support the developer with an \$80,000 incentive and a loan of \$200,000. This \$3 million investment is expected to generate 30 jobs at their new location in Mission, with an annual payroll of \$500,000.00. The Economic Development Performance Agreement has been drafted and is now being presented for approval consideration. Mr. Garcia mentioned that after owner Rick Caballero gets funding, 60 days after the publication of the Notice of Intention to Undertake the Project (next agenda item), he has six months to break ground. Mr. Garcia recommends approval.

Julian Alvarez moved for the approval of an Economic Development Performance Agreement for Project Noodles (Kahn’s Grill). Motion was seconded by Vice President Jose G. Vargas and approved 5-0.

- 11. 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 Noodles.**

Vice President Jose G. Vargas moved to authorize staff to publish a Notice of Intention to Undertake a Project or Projects for Fiscal Year 2025 for Project Noodles. Motion was seconded by Treasurer Estella Saenz and approved 5-0.

At **4.38 PM**, President Richard Hernandez announced that the Mission Economic Development Board of Directors were convening in closed session.

- 12. 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):**

- A. Project Orange**
- B. Project ATL**
- C. Project Javelina**

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).

Perkins Lots Update

Deliberation and Possible Action regarding the appointment, employment, evaluation, reassignment, duties, or resignation of public officers (as permitted under Tex. Gov't Code Section 551.074 and 551.071).

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

At **5:31 PM**, President Richard Hernandez announced that the Mission Economic Development Board of Directors were convening in open session.

Motions are as follows:

Regarding Projects: Project Orange: No action
Project ATL: No action.
Project Javalina: No action.

Regarding Real Property:
M.E.D.C. Land: No action
Perkins Lots Update: No action.

Personnel Matters: President Jose G. Vargas moved for the approval to the CEO's pay as discussed in executive session. Motion was seconded by Julian Alvarez and approved 5-0.

- 13. CEO Report on Economic Development.**

CEO Tecló J. Garcia mentioned his role on the Alliance for I-69-Board, where he represents MEDC. Mr. Garcia presented a map highlighting the highways that the Alliance for I-69 has enhanced. This organization is committed to improving highways as part of the National Interstate Highway System and has been active for approximately 20 years. The Board

includes local elected officials and community leaders from the Rio Grande Valley to Texarkana. Mr. Garcia has been a member of this Board for about 15 years and has participated in planning meetings. He sought to update the Board on the Alliance for I-69 and his involvement. Mr. Garcia emphasized that MEDC, like other supporters, provides funding for the Alliance, which is allocated to cover three paid positions, marketing and public relations efforts, and lobbying initiatives. Mr. Garcia also said that the Alliance for I-69 Board works closely with TxDOT and leaders in Mexico.

The Border Trade Alliance is an organization that promotes increased uninterrupted trade between the US and Mexico. It's members hail from California, Texas and Canada, and the Board primarily concentrates on produce and commodities. They collaborate closely with US Representatives and trade officers. Mr. Garcia shared that he appreciates his involvement with this Board, noting that they currently have two trade plans ready to advance based on the results of the Primary Election. The Board hosts an annual conference in Washington in June, in which they will be merging with another trade group from D.C., and they have a Board meeting scheduled in November 2024.

14. President Comments.

President Richard Hernandez sought to adjourn the Board meeting with a song after expressing gratitude to Mr. Garcia and the MEDC team for their efforts in organizing this meeting.

He thanked the Board of Directors for their service and reminded them of the upcoming Primary Election on Nov. 5, 2024, encouraging them to vote. Reflecting on the current divisions in the country, he reminisced about simpler times when children played outside, and neighbors helped one another. He emphasized that leadership starts here in our cities, our homes, and our neighborhoods. President Hernandez invited the Board to join him in singing "God Bless America", a song by Irving Berlin that gained popularity in 1938.

Mayor Norie Gonzalez Garza expressed appreciation for CEO Teclo J. Garcia's leadership and the outstanding MEDC team.

President Hernandez announced that there will be no Board meeting in November, with the next one scheduled for December 11, 2024.

15. Adjournment.

Vice President Jose G. Vargas moved to adjourn the meeting. Motion was seconded by Treasurer Estella Saenz and approved 5-0. The meeting was adjourned at 5:58 PM.

Richard Hernandez, President

ATTEST

Deborah L. Cordova, Secretary