

NOTICE OF SPECIAL MEETING & PUBLIC HEARING
MISSION ECONOMIC DEVELOPMENT CORPORATION
FEBRUARY 26, 2025 4:00 PM
CENTER FOR EDUCATION AND ECONOMIC DEVELOPMENT

PRESENT:

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

ABSENT:

Deborah L. Cordova, Vice President

ALSO PRESENT:

Eugene Vaughan, JGKL LLP
Michael Fernuik, Shary Municipal Golf Course
Pilar Gonzalez, Habibi LLC

STAFF PRESENT:

Tecló J. Garcia, CEO (via Teams call)
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
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 President Richard Hernandez called the special meeting to order at 4:08 PM.

2. Invocation: Jose G. Vargas.

3. Pledge of Allegiance: Secretary Estella Saenz

4. Citizens' Participation: None.

5. Approval of Minutes: Special Meeting of January 22, 2025

There being no corrections or additions, Treasurer Julian Alvarez moved for approval of the Special Meeting minutes of January 22, 2025. Motion was seconded by Secretary Estella Saenz and approved 6-0.

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

Mr. Salazar recapped the last month's Board meeting, during which a reference was noted regarding a Reserve Balance for Debt Service of \$1,540,616, while \$1,541,615 was reported in another. He clarified that the \$1,000 difference was due to a correct liability amount reflected in the first figure.

There being no corrections or additions, Treasurer Julian Alvarez moved for approval. Motion was seconded by Carl Davis and approved 6-0.

7. Deliberation and possible action to approve Invoice #16 from the City of Mission in the amount of \$354,752.04 related to an EDA grant project.

Financial Officer Joe Salazar presented Invoice #16 from the City of Mission, recommending its approval for the amount of \$354,752.04. This invoice is related to a \$3 million EDA grant allocated for drainage improvements related to property being developed by Killam Development. Mr. Salazar noted that a meeting was held between Killam Development representatives, and City and MEDC staff a week ago to review the figures. After reviewing and reconciling figures, they confirmed the due amount of \$354,752.04 to the City of Mission. The project is anticipated to be completed in March, and he is seeking approval of the invoice.

Secretary Estella Saenz moved for approval of Invoice #16 from the City of Mission in the amount of \$354,752.04 related to an EDA grant project. Motion was seconded by Treasurer Julian Alvarez and approved 6-0.

8. Public Hearing – MEDC Fiscal Year 2025 proposed project consideration related to an economic incentive for the construction of a warehouse and parking lot, to be located at 821 Keralum, Mission, Texas (Project Aloe).

President Richard Hernandez opened the public hearing at 4:20 PM and called for any public comments in favor of or against this project.

Comments: None.

President Richard Hernandez declared the public hearing closed at 4:21 PM.

9. Deliberation and possible action related to the approval of an Economic Development Performance Agreement for Project Aloe.

CEO Tecló J. Garcia stated that this project, previously presented as a Letter of Intent approved on January 22, 2025, involves the construction of a warehouse and parking lot at 821 Keralum Street, Mission. Legal counsel has prepared an Economic Development Performance Agreement for consideration and approval. The company is seeking financial support in an amount not exceeding \$25,000, to be paid in one installment, contingent upon specific conditions. The company requests an incentive of about 2% of their investment of \$500,000, which will also create 20 new jobs. Director of Business Development Stephanie Mendiola added that the construction will encompass 10,000 sq. ft. including parking and landscaping improvements. Ms. Mendiola noted that this company owns Valley Herbal Products in McAllen, a manufacturing company for Aloe Vera and plan on expanding their McAllen location to Mission. The company plans on completing the project by December 2025.

Carl Davis moved for approval of an Economic Development Performance Agreement for Project Aloe. Motion was seconded by Treasurer Julian Alvarez and approved 6-0.

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 Aloe.

Mayor Norie Gonzalez Garza moved to authorize staff to publish a Notice of Intention to Undertake a Project or Projects for Fiscal Year 2025 for Project Aloe. Motion was seconded by Secretary Estella Saenz and approved 6-0.

11. Discussion and possible action for approval of First Amendment to Economic Development Performance Agreement between Mission Economic Development Corporation and Habibi Gourmet LLC dba Dip it.

CEO Tecló J. Garcia reported that Habibi Gourmet LLC, operating as Dip It, received assistance from MEDC on March 22, 2024, through an Economic Development Performance Agreement which included two annual installments of \$62,500 for a total of \$125,000, contingent upon meeting certain requirements. The company met all the requirements in the first year, allowing President Pilar Gonzalez to purchase necessary equipment. Ms. Gonzalez requested an amendment to reduce the hiring commitment from 10 to three employees due to operational challenges. She expressed gratitude for the Board's support, announced a contract with H-E-B for her own chamoy product, and revealed that she will achieve Safe Quality Food Training Certification in the next three months, the highest certification in food safety certification.

Treasurer Julian Alvarez moved for the approval of First Amendment to Economic Development Performance Agreement between Mission Economic Development Corporation and Habibi Gourmet LLC dba Dip it. Motion was seconded by Carl Davis and approved 6-0.

12. Discussion and possible action for approval of a Reimbursement Agreement between the City of Mission and Mission Economic Development Corporation related to the Shary Municipal Golf Course.

Financial Officer Joe Salazar mentioned that when the FY 2025 Budget was approved, the Board allocated \$250,000 for equipment and improvements at Shary Municipal Golf Course. He explained that a Reimbursement Agreement is required to pay back the City of Mission for these improvements. Michael Fernuik, Director of the Shary Municipal Golf Course was present to provide details on the enhancements. During his presentation, Mr. Fernuik showcased a slideshow outlining the necessary improvements and equipment for the golf course. He detailed a list of items needed, including the construction of a water well, sod repairs for Greens 1-18 and Hole 1 Fairway, repairs to the driving range, peat moss mix for greens, sand for aerification, repairs to a pump station, and other miscellaneous items. He concluded his presentation by thanking the Board for their consideration.

Carl Davis moved for approval of a Reimbursement Agreement between the City of Mission and Mission Economic Development Corporation related to the Shary Municipal Golf Course. Motion was seconded by Secretary Estella Saenz and approved 6-0.

13. Deliberation and possible action for approval of Resolution No. 2025-01 and Resolution No. 2025-02, Resolutions declaring expectation to reimburse for project expenditures with proceeds of future debt.

CEO Tecló J. Garcia noted that these resolutions are related to the bond issuance that Mission EDC is working on securing for the purpose of funding four projects: Two involving the Cimarron Country Club property (\$5,000,000), another for a 5.13-acre tract (3,250,000) on Expressway 83, and a fourth for Shary Golf Municipal Golf Course night lighting. In order to repay those funds back to MEDC, the reimbursement resolutions need to be in place.

MEDC Legal Counsel Gene Vaughan noted a correction on Resolution No. 2025-02 related to the Cimarron Country Club. He said that on the first paragraph, third line where it reads "Country Club property of land" the words "of land" should be deleted. Correction noted.

President Richard Hernandez suggested a change on both resolutions as follows: On the second paragraph, second line where it reads "with proceeds of tax-exempt obligations". He proposed the following revision: "with proceeds of tax-exempt or non-tax-exempt obligations". The revision was noted.

Subject to the revisions noted by President Hernandez, Mayor Norie Gonzalez Garza moved for the approval of Resolution No. 2025-01 and Resolution No. 2025-02, Resolutions declaring expectation to reimburse for project expenditures with proceeds of future debt. Motion was seconded by Carl Davis and approved 5-0 with one abstention by Treasurer Julian Alvarez.

At 5:00 PM, President Richard Hernandez announced that the Mission EDC would be convening in closed session.

14. 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:

- 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 5:13 PM, President Richard Hernandez announced that the Mission Economic Development Board of Directors were convening in open session. Motions:

Regarding real property:

M.E.D.C. Land: No Action

Perkins Lots Update: No Action

15. CEO Report on Economic Development:

CEO Tecló J. Garcia delivered a report on sales tax revenues for the City of Mission and neighboring cities. He highlighted that in December (reported in February 2025), Mission sales tax revenues reached \$3,319,352, making this is the highest Mission has had in one month. Mr. Garcia reported that this figure represents a 27.6% increase (or \$719,629) more than last year in February 2024, which was \$2,599,723. Mr. Garcia noted that Mission's taxable retail sales revenues from sales for the month of December in Mission were \$165,967,600, with Mission EDC's share being \$719,629. He stated that Mission's 27.6 growth in sales tax revenue was the highest in the Rio Grande Valley for February. In January 2025 (or November 2024) revenue increased by 9.5% compared to January 2024. Over the first five months of FY25, sales tax revenue increased by 10.6%, exceeding the budgeted 6%. Notably, this is the first time in a decade that Mission December revenue surpassed Pharr's revenue. Other cities reported the following growth rates: San Juan 25%, Weslaco 19.3%, Harlingen 16.2%, Edinburg 14%, McAllen 12.3%, and Brownsville 0%.

16. President Comments.

President Richard Hernandez highlighted the positive developments occurring in our City. He noted the recent Mission Day event in Austin where MEDC staff as well as Board members participated. He expressed gratitude to MEDC's Team for their effective coordination of meetings and pointed out that while several cities were recognized, Mission had the largest representation. He also thanked our community leaders for their commitment to serving the best interests of the community.

17. Adjournment.

Treasurer Julian Alvarez moved to adjourn the meeting. Motion was seconded by Secretary Estella Saenz and approved 6-0. The meeting was adjourned at 5:28 PM.

Richard Hernandez, President

ATTEST

Estella Saenz, Secretary