

NOTICE OF REGULAR MEETING & PUBLIC HEARING
MISSION ECONOMIC DEVELOPMENT CORPORATION
AUGUST 30, 2023 4:00 PM
CENTER FOR EDUCATION AND ECONOMIC DEVELOPMENT

PRESENT:

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

ALSO PRESENT:

Eugene Vaughan, JGKL LLP
Phil Rimes, CEO, Bettcher Manufacturing
John Wenker, CFO, Bettcher Manufacturing
Melayne Martin, Director of Sales & Marketing,
Bettcher Manufacturing
Eddie Silva, Domain Development
Sebastian Arizola, RGV Padel Club
Hector Ronquillo, RGV Padel Club

ABSENT:

STAFF PRESENT:

Teclo J. Garcia, Chief Executive Officer
Joel Garza, Chief Operating Officer
Stepanie Palacios, Financial Officer
Judy Vega, Executive Assistant
Randy Perez, City Manager
Angie Vela, Finance Director
Ezeiza Garcia, Assistant Finance Director
Victor A. Flores, City Attorney
Joe Salazar, Accountant
Cristian Garza, Accountant
Brianna Caceres, CEED Receptionist/Marketing
Assistant

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 4:02 PM.

2. Approval of Minutes: A) July 26, 2023 & B) August 14, 2023

Mayor Norie Gonzalez Garza moved for approval of the meeting minutes of July 26, 2023 as presented. Motion was seconded by Treasurer Estella Saenz and approved 5-0.

Secretary Deborah L. Cordova moved for approval of the meeting minutes of August 14, 2023 as presented. Motion was seconded by Treasurer Estella Saenz and approved 5-0.

Vice President Jose G. Vargas joined the meeting at 4:06 PM.

Carl Davis joined the meeting at 4:09 PM.

3. Deliberation and possible action regarding the approval of adjusted Financial Statements for June 2023

Financial Officer Stephanie Palacios presented and recommended approval of the adjusted financial statements for June 2023.

Mayor Norie Gonzalez Garza moved for approval of the adjusted Financial Statement for June 2023 as presented. Motion was seconded by Noel Salinas and approved 7-0.

4. Deliberation and possible action regarding the approval of Resolution No. 2023-05, a resolution regarding the request of UW CMC 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, President of Community Development Associates presented this item by saying that this was an inducement resolution for UW CMC LLC. A final resolution will be presented to the Board once the bond paperwork is finalized for closing. The project consists of new construction and upgrades to Upwell Water treatment's facility located in El Paso, Texas. The plant is a state-of-the-art, near-zero liquid discharge treatment facility with a long-term contract with El Paso Water Utilities to treat effluent wastewater from the Kay Bailey Hutchinson facility next door and sell return water, as well as other sales contracts for recovered minerals. The facility will annually recycle approximately 1 billion gallons of wastewater into potable water for El Paso. Mr. McCormick mentioned that this is a conduit transaction for MEDC. The borrower 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. There is potential "reputational risk" if the borrower defaults since MEDC's name is included on the bonds. Assuming a bond issuance of \$50 million, at closing the MEDC is expected to receive approximately \$110,000 for serving as issuer of the bonds and an annual fee of \$12,500 until maturity. He is requesting approval of the resolution in the cap amount not to exceed \$60 million of tax-exempt private activity bonds.

Vice President Jose G. Vargas moved for approval of Resolution No. 2023-05 as presented. Motion was seconded by Noel Salinas and approved 7-0.

Resolution No. 2023-05

Resolution regarding the request of UW CMC 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.

5. Public Hearing: MEDC FY 2023-2024 proposed project consideration:

A) An economic incentive for a commercial development facility to be located at 301 North Shary Road, Mission and to be paid between the City of Mission and Mission Economic Development Corporation, in an amount not to exceed a total of \$280,000 to be paid over a period of four (4) years;

B) A sales tax rebate economic incentive for a retail facility to be located at 203 West Expressway 83, Mission, Texas, to be paid between the City of Mission and Mission Economic Development Corporation, in an amount not to exceed a total of \$150,000 to be paid over a period of three (3) years; and

C) An economic incentive for a manufacturing company to be located at 805 Trinity Street, Mission, Texas, to be paid between the City of Mission and Mission Economic Development Corporation, in an amount not to exceed a total of \$174,000, with \$74,000 of the incentive to be paid by the Mission Economic Development Corporation.

At 4:19 PM President Richard Hernandez opened the public hearing for MEDC's FY 2023-2024 proposed project consideration concerning economic incentives for Projects A, B, & C.

Project A: Eddie Silva with Domain Development spoke in favor of his project by saying that over the last 10 years, Domain Development has developed and sold over 200 residential lots and approximately 20 retail shopping centers. The location on Shary Road is a location that has already secured high-end users, which is their goal, while focusing on aesthetics that will attract business. No further comments were made.

Project B: No comments were made.

Project C: No comments were made.

There being no further comments, President Richard Hernandez closed the public hearing at 4:28 PM.

6. Deliberation & possible action to ratify the Mission City Council's action of July 24, 2023 approving the following projects:

A) An economic incentive for a commercial development facility to be located at 301 North Shary Road, Mission and to be paid between the City of Mission and Mission Economic Development Corporation, in an amount not to exceed a total of \$280,000 to be paid over a period of four (4) years;

B) A sales tax rebate economic incentive for a retail facility to be located at 203 West Expressway 83, Mission, Texas, to be paid between the City of Mission and Mission Economic Development Corporation, in an amount not to exceed a total of \$150,000 to be paid over a period of three (3) years; and

C) An economic incentive for a manufacturing company to be located at 805 Trinity Street, Mission, Texas, to be paid between the City of Mission and Mission Economic Development Corporation, in an amount not to exceed a total of \$174,000, with \$74,000 of the incentive to be paid by the Mission Economic Development Corporation.

CEO Tecló J. Garcia introduced this item by saying that these three projects were in partnership with the City of Mission. The City of Mission approved their portion of the shared projects at their July 24, 2023 City Council meeting, and now we need to formally endorse the same projects on our end. He is requesting ratification of the city of Mission's action of July 24, 2023, as well as approval of our portion in the shared projects.

Carl Davis moved for approval of ratification of Mission City Council's action of July 24, 2023, approving Projects A, B, & C, as well as MEDC's approval of our portion in the same projects since they involve the City of Mission and MEDC. Motion was seconded by Treasurer Estella Saenz and approved 7-0.

7. Deliberation & possible action to authorize staff to publish a Notice of Intention to Undertake a Project or Projects for FY 2023-2024 regarding the following projects:

- A) An economic incentive for a commercial development facility to be located at 301 North Shary Road, Mission and to be paid between the City of Mission and Mission Economic Development Corporation, in an amount not to exceed a total of \$280,000 to be paid over a period of four (4) years;**
- B) A sales tax rebate economic incentive for a retail facility to be located at 203 West Expressway 83, Mission, Texas, to be paid between the City of Mission and Mission Economic Development Corporation, in an amount not to exceed a total of \$150,000 to be paid over a period of three (3) years; and**
- C) An economic incentive for a manufacturing company to be located at 805 Trinity Street, Mission, Texas, to be paid between the City of Mission and Mission Economic Development Corporation, in an amount not to exceed a total of \$174,000, with \$74,000 of the incentive to be paid by the Mission Economic Development Corporation.**

Secretary Deborah L. Cordova moved for approval. Motion was seconded by Vice President Jose G. Vargas and approved 7-0.

8. Presentation by Bettcher Manufacturing Company

CEO Teclo J. Garcia welcomed Phil Rimes, President/CEO with Bettcher Manufacturing Company, who introduced his team, Ms. Melayne Martin, Sales & Marketing Manager; and John Wenker, CFO. Mr. Rimes said that he has lived in Mission for the past 25 years and is happy to have opened a facility in Mission at the former Frito Lay location on Trinity Street. He shared a short presentation with the Board related to the company's history. Bettcher Manufacturing was established in Cleveland, OH 1894. In 2002, they opened a facility in McAllen and in 2009 they relocated their headquarters there as well. In 2015, Bettcher Manufacturing moved their headquarters' office and distribution center to a 32,000 sq. ft. facility in McAllen. In 2023 they relocated their headquarters and distribution center to a 70,000 sq. ft. facility in Mission. The company makes metal stamping and metal fabricating, among other products. They also have locations in Reynosa, Mexico where their largest facility is a 130,000 sq. ft. building with over 600 employees. The company made \$100 million in sales last year and has had significant progress. He thanked the Board for the opportunity to introduce his company. End of presentation.

President Richard Hernandez called for a recess at 4:43 PM.

President Richard Hernandez called the meeting to order with a quorum present at 4:53 PM.

9. Presentation by Harbor Freight

No presentation was made.

10. Deliberation & possible action for approval of Resolution No. 2023-06, Adopting the Mission Economic Development Corporation's FY 2023-2024 Budget

CEO Tecló Garcia introduced this item by saying that this was the same Mission EDC's Fiscal Year 2023-2024 Budget that the Board reviewed last month, but that minor changes have been made; however, nothing of significant consequence. Last month, Mr. Garcia presented Revenues of \$7.1 million, and Expenses of \$6.3 million, which included Debt Service. This final Budget changed its Expenses from \$6.3 million to \$6.4 million due to additional items such as the MEDC website and other minor items. Mr. Garcia reviewed some components of the Operations line item and mentioned that the CEED building needed funds for technology maintenance such as security cameras and other related network upgrades, for which funds have been allocated. Financial Officer Stephanie Palacios noted a correction on the resolution. Section 2, Total Appropriations should be \$6,419,191 and not \$6,359,191.

Subject to the noted correction on Section 2 of the Resolution, that Total Appropriations of \$6,359,191 is changed to \$6,419,191, Carl Davis moved for approval of Resolution No. 2023-06. Motion was seconded by Treasurer Estella Saenz and approved 7-0.

Resolution No. 2023-06

A Resolution of the City of Mission Economic Development Corporation (MEDC) of the City of Mission, Texas making appropriations for the support of the corporation for the for the Fiscal Year beginning October 1, 2023, and ending September 30, 2024; and adopting the annual budget for the 2023-2024 Fiscal Year.

11. Deliberation & possible action to authorize CEO to execute a professional services contract with ARES Services Inc. for legislative consulting services

Mr. Garcia said this is a firm the Mission EDC engaged last year for legislative consulting services. This contract is for \$6,500, a lower fee than last year's contract at \$8,000 per month for 12 months. Although legislative sessions are over, the firm will continue to work with MEDC during special sessions on interests not only for MEDC but also for the City of Mission. Secretary Deborah L. Cordova noted minor changes to the contract that did not affect the contract's value but suggested that the approval is subject to final review by legal counsel.

Subject to final review by legal counsel, Vice President Jose G. Vargas moved to authorize the CEO to execute a professional services contract with ARES Services, Inc. for legislative consulting services in the amount of \$6,500 per month for 12 months. Motion was seconded by Noel Salinas and approved 7-0.

12. Deliberation & possible action to authorize CEO, or designated representative, to participate in the City of San Luis Potosi Logistics Cluster meetings and operations

Mr. Garcia mentioned that the City of San Luis Potosi plans to hold Logistics Cluster meetings on a quarterly basis and he would like to represent Mission at these meetings by either traveling himself or a representative from MEDC. The meetings will include discussions related to transportation challenges and solutions that truck drivers face during the transportation of goods to the USA and other destinations. During a recent visit to the City of San Luis Potosi, MEDC staff was invited to join an esteemed advisory group so they can have

an opportunity to actively engage in discussions at their quarterly meetings. These meetings will not always be in person, but through teleconference; however, at least one meeting will be in person. MEDC is the only group from Texas that will be invited to join. He recommends authorization to participate.

Mayor Norie Gonzalez Garza moved to authorize the CEO, or designated representative, to participate in the City of San Luis Potosi Logistics Cluster meetings and operations. Motion was seconded by Secretary Deborah L. Cordova and approved 7-0.

At 5:13 PM. President Richard Hernandez announced that the MEDC Board will be convening in closed session.

13. Closed Session Pursuant to V.T.C.A. Gov. Code Sec. 551.001

Deliberation and possible action regarding commercial or financial information received the Mission EDC from a business prospect with which the Mission EDC is conducting economic development negotiations or with which the Mission EDC seeks to have to locate, stay, or expand operations in or near the City of Mission (as permitted under Tex. Gov't Code Sec. 551.087), including, but not limited to the following:

Report from CEO as to potential prospects: Project Club Court

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

M.E.D.C. Land

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

At 5:53 PM, President Richard Hernandez announced that the MEDC Board of Directors will be convening in open session.

Secretary Deborah L. Cordova moved to approve Project Club Court as discussed in Executive Session. Motion was seconded by Vice President Jose G. Vargas and approved 7-0.

14. CEO Report on Economic Activity

CEO Teclo Garcia shared a brief power point presentation on economic activity and reported the following:

- The Mission Food Park has three full-time food trucks with two more on the way. Shade structures and other enhancements will be made soon;
- Employment report: As of July 2023, 34,941 jobs have been created (1,000+ over July 2022);
- Unemployment report: 6.2%. Same as in 2022 and 2019;
- Retail Sales Taxes increased by 18% over August 2022;

- Real Estate: June median home prices are now \$253k, up 5%;
- Bridge crossings: Traffic has increased by 70%; 4,343 southbound empties in July. Passenger car traffic is up 22%
- Mission EDC was invited to present at the Pharr Industrial Warehouse Summit where Mr. Garcia participated on a panel discussion with about 100 people in attendance that included brokers, bankers, and business leaders;
- Mission EDC was invited to participate on a panel discussion at the Governor's Small Business Summit in the RGV. Governor Abbot attended with an audience of about 200 business leaders;
- Senator Juan "Chuy" Hinojosa recently visited the CEED building where discussions related to infrastructure projects essential to Mission's growth took place;
- Upcoming events: Sept. 6 – Community check presentation; Sept. 13 – STC/MEDA Scholarship Press Conference; Sept. 20 – Mission Investment Tour; Sept. 27 – MEDC Board Meeting; and Sept. 28 – Business Over Breakfast (at CEED). More information will be provided to the Board as soon as it becomes available.

15. President Comments

President Richard Hernandez thanked the MEDC staff and Board for their time and participation. He also mentioned that the MEDC workshop held on August 26, 2023 was a great success and thanked the Board for their participation.

16. Adjournment

Treasurer Estella Saenz moved to adjourn the meeting. Motion was seconded by Mayor Norie Gonzalez Garza and approved 7-0. The meeting was adjourned at 6:12 PM.

Richard Hernandez, President

ATTEST

Deborah L. Cordova, Secretary