

**NOTICE OF REGULAR MEETING
MISSION ECONOMIC DEVELOPMENT CORPORATION
NOVEMBER 29, 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

ABSENT:

ALSO PRESENT:

Eugene Vaughan, JGKL LLP
Pilar Gonzalez, Habib LLC

STAFF PRESENT:

Teclo J. Garcia, Chief Executive Officer
Joel Garza, Chief Operating Officer
Judy Vega, Executive Assistant
Stepanie Palacios, Financial Officer
Belen Guerrero-Aguirre, Director of Strategic
Partnerships & Program Development
Naxiely Lopez, Director of Marketing &
Communications
Randy Perez, City Manager
Angie Vela, Finance Director
Ezeiza Garcia, Assistant Finance Director

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 4:03 PM.

2. Citizens Participation

President Richard Hernandez's call for citizens to participate did not yield any responses.

3. Approval of Minutes: October 25, 2023

There being no corrections or additions, Carl Davis moved for approval of the meeting minutes of October 25, 2023. Motion was seconded by Vice President Jose G. Vargas and approved 6-0.

Mayor Norie Gonzalez Garza joined the meeting at 4:08 PM.

4. Deliberation and possible action for the approval of Resolution No. 2023-08, Resolution regarding request of Graphic Packaging International 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

Joining via Zoom platform, Lee McCormick, President of Community Development Associates, explained that this was an inducement resolution for Packaging International, LLC, a company investing \$1 billion to build a new Coated Recycled Board Mill in Waco, Texas. This mill will manufacture coated recycled board (“CRB”) which will be used to manufacture packaging cartons for food, beverage, foodservice, and other consumer products companies. Construction on the new mill began in 2023. Machine commissioning is expected in 2025 and full start-up of the mill is expected in 2026. The new mill will result in the creation of 230 new jobs. Mr. McCormick mentioned that the federal government gives each state a certain amount of tax-exempt bond allocations each year on a per capita basis. The bond allocation is nothing other than permission to issue bonds for projects that qualify for tax-exempt bonds. After the permission is granted, then some bonds are placed in a pool in which some go to housing, small manufacturing companies, student loans, or other categories. The category that the MEDC falls into is assigned about \$1.1 billion in bond allocations. In order to participate in allocations, basically, bond applications are placed in a lottery. Approval of this resolution does not impose any obligation on MEDC, or the City of Mission and the borrower is responsible for repayment of the bond. There is potential “reputational risk” if the borrower defaults since the MEDC name is included on the bonds. The company anticipates issuing \$100 million of tax-exempt bonds in 2025 and 2026 to reimburse construction costs. Assuming tax-exempt bond allocation is received, each year at closing, the MEDC is expected to receive approximately \$160,000 for serving as Issuer of the bonds and an annual fee of \$25,000 until maturity. He is requesting the adoption of this resolution in the amount not to exceed \$200 million of tax-exempt private activity bonds to finance the proposed project.

Vice President Jose G. Vargas moved to approve Resolution No. 2023-08. Motion was seconded by Treasurer Estella Saenz and approved 7-0.

Resolution No. 2023-08

Resolution regarding request of Graphic Packaging International 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. Acceptance of Unadjusted Financial Statements for October 2023

Financial Officer Stephanie Palacios presented and recommended acceptance of the unadjusted financial statements for October 2023.

There being no corrections or additions, Secretary Deborah L. Cordova moved for acceptance of the unadjusted Financial Statement for October 2023. Motion was seconded by Carl Davis and approved 7-0.

6. Deliberation and possible action to approve Invoice #14 from the City of Mission in the amount of \$626,856.77, related to an EDA grant project.

Assistant Finance Director Ezeiza Garcia presented and recommended approval of Invoice #14 from the City of Mission for Shary improvements. Ms. Garcia mentioned that total paid was \$4,697,153.82. Total reimbursed to date is \$4,030,297.05, a difference of \$626,856.77. This invoice is a reimbursement to the City of Mission as payment for work performed by Melden & Hunt related to the Shary Village Industrial Park. The City of Mission oversaw the project's procurement process and Melden & Hunt was awarded the contract in December 2020. CEO Teclo Garcia asked Ms. Garcia for an update on the project's completion. Ms. Garcia said she was informed by the Project Administrator Thelma Gonzalez with The Reyna Group, that the project should be completed within 3 to 4 weeks. She said delays have been due to weather conditions as well as delivery of materials. Mr. Garcia said that he spoke to Killam Development representatives a few weeks ago and they mentioned that the lots at the park have all been sold out.

Carl Davis moved to approve Invoice #14 from the City of Mission in the amount of \$626,856.77, related to an EDA grant project. Motion was seconded by Treasurer Estella Saenz and approved 7-0.

7. Deliberation and possible action for ratification of City Council's action of November 13, 2023 related to Noble Texas Builders LLC's Change Order No. 001 for roof repairs.

CEO Teclo Garcia presented this item by saying that there was additional damage found to the CEED roof by Noble Texas Builders workers when they began repairs on the building. The workers found holes on the roof that were not included in the original work order; however, they informed MEDC that they could not proceed with repairs until those holes were also repaired and a change order was approved. A quote for the additional work was provided by Noble Texas Builders LLC and Mr. Garcia said that due to the amount of the quote, the item had to be approved by Mission City Council. Since time was of the essence, the item was presented to Mission City Council on November 13, 2023 and approved. He is requesting ratification of that action from the MEDC Board.

Vice President Jose G. Vargas moved to approve the ratification of City Council's action of November 13, 2023 related to Noble Texas Builders LLC's Change Order No. 001 for CEED roof repairs. Motion was seconded by Treasurer Estella Saenz and approved 7-0.

At 4:33 PM., President Richard Hernandez announced that the MEDC Board of Directors would be convening in executive session.

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

Deliberation and possible action regarding commercial or financial information received 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 prospect(s): Project Scoop 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

Consultation with Attorney and possible action regarding: (1) pending or contemplated litigation; (2) a settlement offer; or (3) a matter in which the duty of the Attorney to Mission Economic Development Corporation under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code (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 MEDC Board of Directors would be reconvening in open session.

Project Scoop: Secretary Deborah L. Cordova moved to approve a Letter of Intent for an economic incentive for Project Scoop, and to move forward in drafting and executing a Performance Agreement as discussed in closed session. Motion was seconded by Vice President Jose G. Vargas and approved 7-0.

M.E.D.C. Land: No action was taken

9. Report on Economic Development Activity.

The CEO reported that the best sales tax revenue has been the months of May, October, and December. In calendar year 2023, City of Mission sales tax revenues were reported at \$24.1 million so far, but those are numbers from two months prior since it takes time to calculate. So, on what he was presenting, it seemed February 2023 was the best number, but those are December 2022 numbers at \$24.3 million. In fiscal year 2022-2023, October through September, the number was \$25.3 million. Mr. Garcia believes sales tax revenues will reach a high of \$26 million for the calendar year. The City of Mission has been doing well, and of course other larger cities are ahead of us; but for a city of our size, we are doing good. On another matter, Mr. Garcia mentioned that 70 applications have been received for the Ruby Red Ventures Re-Launch Program and asked Board members if they'd like to participate in a seven-member committee to review the applications. President Richard Hernandez encouraged Board members to call Mr. Garcia if they wished to participate; however, no more than three members may participate.

10. Presidents' Comments.

President Richard Hernandez thanked CEO Tecló J. Garcia and the MEDC staff for their hard work. Mr. Garcia reminded the Board about the Texas Economic Development Council's upcoming sales tax workshop on Dec. 1, 2023 and asked the Board if they needed any assistance with anything, to please reach out to our office. President Hernandez also thanked the Board for their professionalism, service, and commitment to this Board, and said he was looking forward to another successful year. He invited Vice President Jose Vargas and Secretary Deborah L. Cordova, to serve in the Ruby Red Re-Launch Committee, as well as himself. President Hernandez mentioned he'd like to conduct an evaluation of the MEDC CEO, with Secretary Deborah L. Cordova coordinating it. No further comments were made.

11. Adjournment

Treasurer Estella Saenz moved to adjourn the meeting. Motion was seconded by Noel Salinas and approved 7-0. The meeting was adjourned at 5:34 PM.

Richard Hernandez, President

ATTEST

Deborah L. Cordova, Secretary