

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

PRESENT:

Richard Hernandez, President
Deborah L. Cordova, Secretary
Estella Saenz, Treasurer
Julian Alvarez
Mayor Norie Gonzalez Garza

ABSENT:

Jose G. Vargas, Vice President
Carl Davis

ALSO PRESENT:

Gene Vaughan, JGKL LLP
Matt Jones, JGKL LLP
Pilar Gonzalez, Dip-It
Councilwoman Marissa Gerlach
Lee McCormick, Community Dev. Assoc.
S. David Deanda Jr., Lone Star National Bank
Robert Hernandez, PNC Bank
Sam Lopez, PNC Bank

STAFF PRESENT:

Teclo J. Garcia, Chief Executive Officer
Judy Vega, Executive Assistant
Angie Vela, Finance Director
Ezeiza Garcia, Assistant Finance Director
Randy Perez, City Manager
Stephanie Palacios, Financial Officer
Belen Guerrero, Director of Business
Development & Retention
Naxiely Lopez, Director of Communications &
External Affairs
Brianna Casares, Manager of Marketing &
Programs
Cristian Garza, Accountant
Joe Salazar, Accountant

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. President Hernandez recognized and welcomed Mr. S. David Deanda Jr., former MEDC Board President; and newly elected Councilwoman Marissa Gerlach. Councilwoman Gerlach is alternate to the Mayor position on the MEDC Board.

2. Invocation: The invocation was led by President Richard Hernandez.

3. Pledge of Allegiance: The Pledge of Allegiance was led by Treasurer Estella Saenz.

4. Swearing in of appointed Board Director.

Notary Public Judy Vega swore in newly appointed Board Director Julian Alvarez. Mr. Alvarez said that he was thankful for serving on this Board. A former Texas Workforce Commissioner appointed by Gov. Greg Abbott from 2016-2019, Mr. Alvarez is Executive Vice President-Director of Community Relations at Lone Star National Bank.

5. Citizens Participation.

President Hernandez's call for citizens participation yielded no responses.

6. Approval of Minutes: Meeting of November 29, 2023

Mayor Norie Gonzalez Garza moved for approval of the meeting minutes of November 29, 2023 as presented. Motion was seconded by Treasurer Estella Saenz and approved 5-0.

7. Acceptance of Unadjusted Financial Statements:

A. Unadjusted Financial Statement for November 2023

B. Unadjusted Financial Statement for December 2023

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

Secretary Deborah L. Cordova moved for acceptance of the unadjusted Financial Statement for December 2023. Motion was seconded by Julian Alvarez and approved 5-0.

Financial Officer Stephanie Palacios presented and recommended acceptance of the unadjusted Financial Statement for December 2023.

Treasurer Estella Saenz moved to accept the unadjusted Financial Statement for the month of December 2023. Motion was seconded by Julian Alvarez and approved 5-0.

8. Deliberation and possible action for approval of Resolution No. 2024-01, A resolution regarding request of Vinton Steel 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 online platform, Lee McCormick, President of Community Development Associates, introduced this project by saying that this was an inducement resolution for Vinton Steel, LLC. Vinton Steel LLC manufactures and sells specialty steel products for construction use. The company's products include deformed steel bar, structural steel bar, flat steel bar, and angle bar. The company owns a mini mill located in El Paso County that produces steel with EAF technology and uses ferrous scrap as a primary raw material. Operations include scrap processing facilities, a steel mill, rolling mill, and a grinding ball mill. The new facility will be equipped with state-of-the-art manufacturing technology producing a higher quality, lower cost product with 91% less CO₂e/MT using high efficiency electric arc furnaces, fume capture and heat recovery, and other high-performance processes and emissions reduction technologies. Vinton Steel will increase its recycling capacity intake on a wide range of steel scrap from the region and will create the affordable, domestic deeply decarbonized steel. The new plant will be located adjacent to the current facility within Vinton Steel's premises. Environmental permits are ongoing, and selection of equipment supplier and contractor are in process. 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 both 2025 and 2026 to reimburse construction costs. Assuming tax-exempt bond allocation is received, each year at closing, MEDC is expected to receive approximately \$160,000 for serving as issuer of the bonds and an annual fee of \$25,000 until maturity. (For each \$100M transaction.) The MEDC Chief Executive Officer recommends that the MEDC Board of Directors adopt a resolution in the amount not to exceed \$300 million of tax-exempt private activity bonds to finance the proposed Project.

Mayor Norie Gonzalez Garza moved for approval of Resolution No. 2024-01. Motion was seconded by Secretary Deborah Cordova and approved 5-0.

Resolution No. 2024-01

Resolution regarding request of Vinton Steel 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.

After the conclusion of the last agenda item, CEO Teclo J. Garcia made an announcement regarding the presence of PNC Bank representatives. Mr. Garcia said that MEDC was very thankful to PNC Bank for their support during past years for funding MEDC's programs. PNC Bank, formerly BBVA Compass Bank, had funded programs in the past and now as PNC Bank, they asked to participate in the Ruby Red Ventures re-launch program so they will be funding that as well. Representatives from PNC Bank were present at this meeting. Board Treasurer Estella Saenz, who represents PNC Bank, said she was excited that PNC Bank was contributing to the community through MEDC's programs.

Following Mr. Garcia's announcement, President Richard Hernandez called for a meeting recess at 4:34 PM for a Board photograph with PNC Bank representatives.

At 4:45 PM, President Richard Hernandez called the meeting to order with quorum present.

9. Deliberation and possible action for the acceptance of Quarterly Report of Investments for the Quarter ending September 30, 2023 and Interest Earned for Twelve Months Ending September 30, 2023.

Finance Director Angie Vela presented and recommended acceptance of the Quarterly Report of Investments for the Quarter ending September 30, 2023 and Interest Earned for Twelve Months Ending September 30, 2023.

Mayor Norie Gonzalez Garza moved for acceptance of the Quarterly Report of Investments for the Quarter ending September 30, 2023 and Interest Earned for Twelve Months Ending September 30, 2023. Motion was seconded by Secretary Deborah L. Cordova and approved 5-0.

CEO Teclo J. Garcia mentioned that he will be coordinating an investment strategy, which he is discussing with Treasurer Estella Saenz on some options.

10. Public Hearing: Project consideration for FY 2023-2024 related to an economic incentive for a food processing facility located at 106 International Blvd., Suite 1-B, Mission, in an amount not to exceed a total of \$62,500 to be paid over a period of two (2) years.

CANCELLED: The public hearing was cancelled subject to an error on the project's economic incentive amount. MEDC's legal counsel Gene Vaughan said the correct economic incentive amount, as discussed in executive session when first presented to the Board, should be an amount not to exceed \$125,000 to be paid over a period of two years. Another notice will be published, and a public hearing will be scheduled in February. Once a performance agreement is approved, the date for disbursement of funds will not be affected since the notice of intention to undertake the project was published in early December 2023.

11. Deliberation and possible action to approve Invoice #15 from the City of Mission in the amount of \$535,336.10 related to an EDA grant.

Assistant Finance Director Ezeiza Garcia presented and recommended approval of Invoice #15 from the City of Mission in the amount of \$535,336.10. This invoice is related to a \$3 million grant being used for drainage improvements related to property being developed by Killam Development. Ms. E. Garcia briefly explained that total paid to date is \$5,192,489.92. Total reimbursed was \$4,657,153.892, leaving a balance of \$535,336.10. She is requesting approval of the invoice.

CEO Teclo Garcia briefly introduced this project to new Board member Julian Alvarez and Councilwoman Marissa Gerlach. The project, a 175-acre light industrial and residential project, is being developed by Killam Development and is located north west of the Anzalduas Bridge.

Mayor Norie Gonzalez Garza moved for the approval of Invoice #15 from the City of Mission in the amount of \$535,336.10. Motion was seconded by Treasurer Estella Saenz and approved 5-0.

12. Deliberation and possible action to form a Downtown Assistance Program Committee and to designate its members, or authorize the President to do so.

Mayor Norie Gonzalez Garza mentioned that the City of Mission has had a Downtown Revitalization Committee for many years. Since that committee was funded by Mission EDC, she is proposing that it is now managed by Mission EDC. Mission EDC previously managed a Downtown Façade Improvements Program which was exclusive to façade improvements of downtown buildings only, but she is proposing that this new program is extended to other areas and businesses, with other building improvement needs.

Mayor Norie Gonzalez Garza moved to authorize President Richard Hernandez to form a Downtown Assistance Program Committee and to designate its members, or authorize him to do so. Motion was seconded by Julian Alvarez and approved 5-0.

President Richard Hernandez appointed Carl Davis, Treasurer Estella Saenz, and Secretary Deborah L. Cordova as Chair, to the new Downtown Assistance Program Committee. Other members of the public at large may be invited to participate on the committee.

At 4:57 PM, President Richard Hernandez announced that the Mission Economic Development Corporation Board of Directors would 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 Titan

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 5:24 PM, President Richard Hernandez announced that the Mission Economic Development Corporation Board of Directors would be reconvening in open session.

Project Titan: Mayor Norie Gonzalez Garza moved to approve an economic incentive in the amount of \$200,000 for equipment to be paid in two annual installments; and an incentive for jobs in an amount not to exceed \$201,600 to be paid in four annual installments.

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

14. CEO Report on Economic Activity.

CEO Teclo J. Garcia welcomed Naxiely Lopez-Puente, MEDC's Director of Communications & External Affairs, to present a report on MEDC's social media activity. Mr. Garcia said that although we are not on all online platforms, we do focus on platforms that have the most audience. Ms. Lopez-Puente began her presentation by saying that MEDC is on LinkedIn and Facebook. Facebook provides tracking records for three years prior, 2021-2023. On Facebook we connect with the community; on LinkedIn we connect with businesses and networking. Significant traffic was reported on Facebook. In 2022, we had 48,900 interactions; but in 2023 we had almost 500,000 interactions, an increase of 917% year over year. In 2022,

MEDC had 293 followers but in 2023 we added 1,254, an increase of 30% year over year. On LinkedIn, almost 70% of followers are senior followers, while 20% are entries and 10% others. Senior followers are decision makers, community leaders, directors, CFOs & CEOs, the audience we want to reach. Ms. Lopez-Puente concluded her presentation by saying that social media platform growth is a key aspect of the MEDC's messaging strategy to meet goals and raise brand awareness among key audiences. 2023's growth was strategic and exponential. Nearly half a million unique visitors witnessed MEDC's efforts and accomplishments, which elevated our overall standing in the business community.

Belen Guerrero, Director of Business Development & Retention announced that a Ruby Red Ventures Awards Ceremony will be held tomorrow, January 25, 2024, at 10:30 AM at the CEED building and invited the Board of Directors to participate. Fifteen business-owners will be awarded grants for different types of businesses in various amounts.

15. President Comments.

President Richard Hernandez thanked the Board of Directors for their time and for accepting to serve on this Board. City Manager Randy Perez reported that MEDC had a 60% increase in sales tax revenues and on December 8, 2023, January 6 and January 12, 2024, transfers had been made to MEDC's bank account. He reported that all expenditures were made, and all commitments were met.

16. Adjournment

Treasurer Estella Saenz moved to adjourn the meeting. Motion was seconded by Secretary Deborah L. Cordova and approved 5-0. The meeting was adjourned at 5:47 PM.

Richard Hernandez, President

ATTEST:

Deborah L. Cordova, Secretary