

NOTICE OF SPECIAL MEETING
MISSION ECONOMIC DEVELOPMENT CORPORATION
DECEMBER 11, 2024 4:00 PM
CENTER FOR EDUCATION AND ECONOMIC DEVELOPMENT

PRESENT:

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

ABSENT:

ALSO PRESENT:

Eugene Vaughan, JGKL LLP
Lee McCormick, CDA
Alma Santos, Progress Times

STAFF PRESENT:

Teclo J. Garcia, CEO
Belen Guerrero, COO
Judy Vega, Executive Assistant
Joe Salazar, Financial Officer
Stephanie Mendiola, Director of Business Development
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 Board of Directors, President Richard Hernandez called the special meeting to order at 4:12 PM.

2. Invocation: Treasurer Estella Saenz.

3. Pledge of Allegiance: Vice President Jose G. Vargas.

4. Citizen's Participation: None.

5. Approval of Minutes:

A. Approval of Minutes – Regular Meeting & Public Hearing - October 30, 2024

B. Special Meeting – November 13, 2024.

There being no corrections or additions, Vice President Jose G. Vargas moved for approval of the Regular Meeting & Public Hearing of October 30, 2024. Motion was seconded by Julian Alvarez and approved 7-0.

There being no corrections or additions, Carl Davis moved for approval of the Special Meeting minutes of November 13, 2024. Motion was seconded by Mayor Norie Gonzalez Garza and approved 7-0.

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

Financial Officer Joe Salazar presented and recommended acceptance of the Unadjusted Financial Statements for October & November 2024.

There being no corrections or additions, Vice President Jose G. Vargas moved for acceptance of the Unadjusted Financial Statements for October 2024. Motion was seconded by Treasurer Estella Saenz and approved 7-0.

There being no corrections or additions, Vice President Jose G. Vargas moved for acceptance of the Unadjusted Financial Statements for November 2024. Motion was seconded by Carl Davis and approved 7-0.

7. Discussion and possible action regarding the approval of a Corporate Authorization Resolution from Lone Star National Bank.

CEO Tecló J. Garcia mentioned that staff wish to establish a Certificate of Deposit with Lone Star National Bank. To proceed, a Corporate Authorization Resolution from the bank must be approved by the Board. He is seeking approval for this matter.

Secretary Deborah L. Cordova refrained from voting and engaging in any discussions regarding this item due to her position on the Advisory Board of Lone Star National Bank.

Board member Julian Alvarez abstained from voting and discussion on this item because he is President of Lone Star National Bank.

Treasurer Estella Saenz moved for approval of a Corporate Authorization Resolution from Lone Star National Bank. Motion was seconded by Mayor Norie Gonzalez Garza and approved 5-0, with two abstentions from Secretary Deborah L. Cordova and Julian Alvarez.

8. Discussion and possible action related to the engagement of a CPA firm by MEDC for audit services.

Staff is seeking to engage a CPA firm to conduct the corporation's annual financial statements. Proposals for professional services have been requested from three CPA firms and Mr. Garcia is recommending Burton McCumber & Longoria LLP/CPA Firm (BML) for a three engagement. He noted that Carr Riggs & Ingram CPAs was the prior CPA firm conducting audit services and the three firms submitting proposals are reputable firms; however, BML CPAs were the most advantageous with a proposal of \$25,000 and recommends approval. Mr. Garcia also noted that BML is the CPA firm currently conducting the Mission Redevelopment Authority Board's audit and they have been satisfied with their services.

Mayor Norie Gonzalez Garza moved to authorize CEO to engage Burton McCumber & Longoria LLP/CPA Firm for a three-year engagement to conduct MEDC's annual financial statements. Motion was seconded by Treasurer Estella Saenz and approved 7-0.

9. Deliberation and possible action for approval of Resolution No. 2024-12, Resolution of the Mission Economic Development Board of Directors regarding request of Waga Energy 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 was an inducement resolution for Waga Energy LLC (WAGA). WAGA produces Renewable Natural Gas (RNG) by upgrading landfill gas using a patented purification technology called WAGABOX®. The RNG produced is injected directly into the gas distribution networks that supply individuals and businesses, providing a substitute for fossil natural gas. Waga Energy finances, builds and operates its WAGABOX® units under long-term contracts with landfill operators for the supply of raw gas, and generates income by selling the RNG it produces or by offering a purification service. Waga Energy operates 24 RNG production units (owned or

sold) in France, Spain, Canada and the USA, representing an installed capacity of 940 GWh per year (3,207,400 MMBtu). Each project initiated by Waga Energy contributes to the fight against global warming and helps the energy transition. Waga Energy is listed on Euronext Paris.

The company intends to install facilities to upgrade the landfill gas to RNG through its patented purification technology. The project includes the construction, acquisition, and installation of facilities for the conversion of landfill gasses into RNG, including the development and expansion of the landfill gas collection wells and other related infrastructure. The initial project will be located at 5895 Lafin Drive, Beaumont, Texas with additional locations throughout Texas at a later date. The company anticipates the project will qualify for a solid waste disposal facility.

In order for the bonds to qualify as tax-exempt, certain federal and state tax law requirements must be met, including having a governmental entity/agency issue such bonds for the benefit of the Company. Therefore, the Company has requested the Mission Economic Development Corporation (“MEDC”) in Mission, Texas to serve as the governmental issuer of these bonds.

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, 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 \$70 million, at closing the MEDC is expected to receive approximately \$122,500 for serving as the Issuer of the bonds and an annual fee of \$17,500 until maturity. He is requesting approval of the inducement resolution.

Mayor Norie Gonzalez Garza moved for approval of Resolution No. 2024-12 as presented. Motion was seconded by Treasurer Estella Saenz and approved 7-0.

Resolution No. 2024-12

Resolution of Mission Economic Development Board of Directors regarding request of Waga Energy 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.

10. Discussion and possible action related to approval of a vehicle lease for a vehicle to be used for Mission EDC daily business.

COO Belen Guerrero mentioned that staff is looking to lease a vehicle for both staff and Board members to facilitate daily MEDC operations. She is seeking approval to negotiate a lease for a 2025 Chevrolet Suburban from Bert Ogden of Mission, with a proposed monthly payment of \$1,560.00 over a period of 48 months. This proposal may be adjusted based on availability and market conditions. During the discussion, questions arose regarding warranties, repairs, maintenance, insurance coverage, and leasing versus purchasing. Ms. Guerrero clarified that insurance would be provided by TML and that the new vehicle would be under warranty. Purchase price was quoted at \$82,850.00. Ultimately, the Board reached a consensus to favor purchasing the vehicle rather than leasing. This matter will be revisited for consideration at next month’s Board meeting.

No action was taken.

At **4:20 PM**, President Richard Hernandez announced that the MEDC Board would convene in closed session.

11. 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**
- D. Project Aloe**

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.

Secretary Deborah L. Cordova left the meeting at 4:30 PM

Julian Alvarez left the meeting at 5:00 PM.

At **5:16 PM**, President Richard Hernandez announced that the Mission Economic Development Board of Directors were convening in open session. Motions are as follows:

Regarding potential projects:

- A. Project Orange: No action.
- B. Project ATL: No action.
- C. Project Javalina: No action.
- D. Project Aloe: No action.

Regarding real property:

- M.E.D.C. Land: No action.

Perkins Lots Update: Vice President Jose G. Vargas moved to authorize legal counsel to obtain appraisals using Appraiser Leonel Garza Jr. for the following properties: 1 Perkins, 801 Perkins, 808 Perkins, and 809 Perkins, Mission, Texas, so offer letters are sent to property owners. Motion was seconded by Treasurer Estella Saenz and approved 5-0.

12. CEO Report on Economic Development.

CEO Teclo J. Garcia informed the Board that staff has successfully prepared and finalized MEDC's 2024 annual report for their review. Mr. Garcia expressed his enthusiasm, noting that this report has been a goal of his for the past two years, and he is thrilled to see it come to fruition. He emphasized the importance of keeping both the Board and the public informed about MEDC's achievements and ongoing efforts. Recognizing that many businesses and municipalities embrace this practice, Mr. Garcia is eager to establish a consistent tradition of transparency through annual reporting.

The report showcases an array of highlights, including new projects, job creation, capital investments, advocacy marketing trips, business assistance, relocations and expansions, partnerships, initiatives, and MEDC's Small Business Programs. These accomplishments will be prominently shared via social media and on MEDC's website. Additional highlights include the CEED co-working space, impacts on the private sector, and workforce development. Mr. Garcia extended his gratitude to the MEDC team for their dedication and hard work in compiling the annual report.

The MEDC Board is first to receive and review the Annual Report, which is set to be unveiled at our MEDC Open House event at CEED on December 11, 2024, before being made accessible on MEDC's website and social media.

13. President Comments.

None.

14. 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 5:38 PM.

Richard Hernandez, President

ATTEST

Deborah L. Cordova, Secretary