

NOTICE OF SPECIAL MEETING
MISSION ECONOMIC DEVELOPMENT CORPORATION
JANUARY 22, 2025 4:00 PM
CENTER FOR EDUCATION AND ECONOMIC DEVELOPMENT

PRESENT:

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

ABSENT:

ALSO PRESENT:

Eugene Vaughan, JGKL LLP
Bobby Villarreal, Estrada Hinojosa Investment
Bankers
Mark Hanna, Hanna Solutions
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
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 Board of Directors, Presiding Officer Richard Hernandez called the special meeting to order at 4:03 PM.

2. Invocation: Carl Davis.

3. Pledge of Allegiance: Julian Alvarez.

4. Swearing in of appointed Board Directors.

Mayor Norie Gonzalez Garza swore in Board Directors: Richard Hernandez, Jose G. Vargas, Deborah L. Cordova, Estella Saenz, Carl Davis, and Julian Alvarez.

5. Election of Officers:

Presiding Officer Richard Hernandez called for nominations from the Board for officer positions of President, Vice President, Secretary, and Treasurer.

Mayor Norie Gonzalez Garza nominated Richard Hernandez for President, Deborah L. Cordova for Vice President, Estella Saenz for Secretary, and Julian Alvarez for Treasurer. Presiding Officer Richard Hernandez called for any other nominations from the Board. No other nominations were made, and everyone nominated accepted the positions.

There being no other nominations, Carl Davis moved to elect Richard Hernandez, President, Deborah L. Cordova, Vice President; Estella Saenz, Secretary; and Julian Alvarez, Treasurer. Motion was seconded by Mayor Norie Gonzalez Garza and approved 7-0.

6. Citizens' Participation: None.

7. Approval of Minutes: Special Meeting of December 11, 2024

Two corrections were noted by President Richard Hernandez: Item 7, Julian Alvarez's title is Executive Vice President and not President of Lone Star National Bank; and on Item 8, the engagement with CPAs Burton McCumber Longoria is for a three-year engagement.

Subject to the corrections, Carl Davis moved for approval of the Special Meeting minutes of December 11, 2024. Motion was seconded by Treasurer Julian Alvarez and approved 7-0.

8. Deliberation and possible action for acceptance of Unadjusted Financial Statement for December 2024.

Financial Officer Joe Salazar presented the Unadjusted Financial Statement for December 2024. A question was asked related to the Reserve Fund Balance for Debt Service amount on page 18 (\$1,540,616) and the Reserve Fund Balance for Debt Service amount on page 19 (\$1,541,615.87) of the meeting packet and as to why the entries did not match. Mr. Salazar said that the \$1,000 difference was due to a liability amount on page 17, but he will verify it.

There being no corrections or additions, Treasurer Julian Alvarez moved for approval. Motion was seconded by Secretary Estella Saenz and approved 7-0.

9. Deliberation & possible action for acceptance of Quarterly Report of Investments for the General Fund and Debt Service Fund, for Quarter ending December 31, 2024 and Interest Earned for Three Months Ending December 31, 2024.

Financial Officer Joe Salazar presented the Unadjusted Financial Statement for December 2024.

There being no corrections or additions, Jose G. Vargas moved for acceptance of the Quarterly Report of Investments for the General Fund and Debt Service Fund, for Quarter ending December 31, 2024 and Interest Earned for Three Months Ending December 31, 2024. Motion was seconded by Vice President Deborah L. Cordova and approved 7-0.

10. Deliberation and possible action for the naming of Investment Officer: Belen Guerrero.

On December 6, 2024, COO Belen Guerrero successfully completed TML's Public Funds Investment Act training and earned the necessary credentials. Mr. Garcia request that she be

named as an additional MEDC Investment Officer, joining Joe Salazar, who serves as both our Financial Officer and an Investment Officer.

Mayor Norie Gonzalez Garza moved to name Belen Guerrero as Investment Officer. Motion was seconded by Carl Davis and approved 7-0.

11. Discussion and possible action related to the approval of a vehicle purchase to be used for Mission EDC business.

COO Belen Guerrero provided a recap from a previous Board meeting where an agenda item was presented regarding the authorization to lease a vehicle. However, during this meeting, the Board reached a consensus to purchase a vehicle instead of leasing one. She is now seeking Board approval to acquire a vehicle for Mission EDC business, with a budget not to exceed \$92,000 for a Chevrolet Suburban. Although the vehicle is currently out of stock, the plan is to proceed with the purchase as soon as it becomes available, withing the specified amount.

Carl Davis moved for approval of a vehicle purchase in an amount not to exceed \$92,000 to be used for Mission EDC business. Motion was seconded by Treasurer Julian Alvarez and approved 7-0.

12. Presentation from Estrada Hinojosa Investment Bankers concerning the finance plan for the issuance of Revenue Bonds.

CEO Teclo J. Garcia announced that the Mission EDC is exploring an initiative involving the use of \$10 million in bond funds for various upcoming projects. He introduced Financial Advisor Bobby Villarreal with Estrada Hinojosa Investment Bankers who was tasked with presenting the financial plan for the issuance of Revenue Bonds.

During his presentation, Mr. Villarreal outlined MEDC's outstanding debts with BBVA and Frost Bank, which together total approximately \$7 million. He noted that the debt with BBVA, incurred in 2018, has an interest rate of about 4.8%, while the 2016 debt to Fost Bank stands at 7% (from a 2.85% initial rate). Secretary Estella Saenz pointed out that PNC Bank has taken over from BBVA Bank and requested an update to reflect that the note is now with PNC Bank.

Mr. Villarreal explained the annual debt service for BBVA/PNC is around \$600,000, while the debt service for Frost Bank is \$544,000 this year. Both of these amounts are expected to decrease over time. He also mentioned that he and the MEDC staff are considering a \$10.3 million sales tax revenue bond, which would allocate approximately \$7.3 million for various projects and about \$2.3 million to pay off Frost Bank's debt.

He emphasized that the projections discussed should be adjusted based on market values at the time of the Board's next presentation, depending on the decisions made today. Since the bond is taxable, the annual percentage rate (APR) may increase to 6%, compared to a potential 4.3% for tax-exempt bonds, a rate he successfully negotiated for another city.

Once the Board grants authorization, Mr. Villarreal plans to send out requests for bids to various banks. He will await any questions they may have and expects to receive the bids by February 24, 2025, allowing him time to present the proposals to the Board at their next Board

meeting on February 26, 2025.

President Richard Hernandez mentioned that there had been discussion about moving the MEDC Board meetings to the third Wednesday of each month; therefore, the meeting in February would be on February 19, 2024. However, since that date conflicts with Mission Day at the Capital February 18-19, 2025, the MEDC Board meeting is rescheduled to February 26, 2025. No action was taken.

13. Discussion and possible action to authorize the CEO to commence the process of the issuance of Revenue Bonds in accordance with the provisions of Texas Local Government Code Chapter 501, Subchapter E, and Texas Local Government Code Chapter 505, Subchapter C.

In light of the presentation presented in Item 12, Treasurer Julian Alvarez moved to authorize the CEO to commence the process of the issuance of Revenue Bonds in accordance with the provisions of Texas Local Government Code Chapter 501, Subchapter E, and Texas Local Government Code Chapter 505, Subchapter C. Motion was seconded by Carl Davis and approved 7-0.

At **4:44 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):**

- A. Project Orange**
- B. Project ATL**
- C. Project Noodle**
- 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:

- A. M.E.D.C. Land**
- B. Project Austin**

Consultation with Attorney and possible action (as permitted under Texas Government Code Section 551.071).

- A. Project Austin**
- B. MOU with City of Mission**
- C. Lot 6A, M.E.D.C. Subdivision**
- D. Perkins Lots Update**

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

Vice President Deborah L. Cordova and Treasurer Julian Alvarez exited the meeting at 5:05 PM.

At **5:40 PM**, President Richard Hernandez announced that the Mission Economic Development Board of Directors were reconvening in open session.

Vice President Deborah L. Cordova and Treasurer Julian Alvarez joined the meeting at 5:40 PM.

Motions:

Regarding economic development negotiations:

Project Orange: No action.

Project ATL: No action

Project Noodle: No action.

Project Aloe: Jose G. Vargas moved to approve the Letter of Intent for Project Aloe that was presented in closed session, subject to review by legal counsel for Mission EDC. Motion was seconded by Vice President Deborah L. Cordova and approved 7-0.

Regarding real property:

M.E.D.C. Land: Secretary Estella Saenz moved to accept an assignment of a Real Estate Contract to Mission EDC and to authorize CEO to execute such assignment and execute closing documents as discussed in closed session. Motion was seconded by Carl Davis and approved 7-0.

Project Austin: No action.

Consultation with Attorney:

Project Austin: No action.

MOU with City of Mission: Carl Davis moved to authorize the CEO to execute a Memorandum of Understanding (MOU) with the City of Mission and to execute applicable real estate closing documents flowing from that MOU as discussed in closed session. Motion was seconded by Secretary Estella Saenz and approved 5-0, with two abstentions from Vice President Deborah L. Cordova and Treasurer Julian Alvarez.

Lot 6A, MEDC Land: No action.

Perkins Lots Update: No action.

15. CEO Report on Economic Development:

A. Business Survey – CEO Tecló J. Garcia mentioned that he had tasked staff with driving around the City of Mission to tally all businesses encountered. The team split into pairs and spent several hours gathering this information. Mr. Garcia noted that not every business could be accounted for due to time limitations, but the staff returned with data from various area corridors, including Conway Ave., Business 83/FM 495, Bryan Road, Los Ebanos Road, Mayberry Road, Shary Road, and Expressway Hwy. 83. The businesses were categorized as Commercial (925), Retail (543), and Industrial (53). This initiative served as a valuable opportunity for staff to familiarize themselves with the local business landscape.

B. Ruby Red Winners – Mr. Garcia expressed his gratitude to the Ruby Red Ventures Program Committee members, including Chair Jose G. Vargas, Estella Saenz, Deborah Cordova, and Financial Officer Joe Salazar and Brianna Casares, Manager of Programs & Marketing, for their involvement in the recent applicant evaluation meeting for Ruby Red Ventures. He invited Ms. Casares to provide a brief report on the meeting. Ms. Casares noted that this year, 16 out of 90 businesses were selected for awards, an increase from last year’s 15, and expressed appreciation for Texas Regional Bank’s sponsorship of the prizes. The recipients include businesses in sectors such as restaurants, marketing, and technology. She highlighted two notable businesses: a beef jerky manufacturing company and Yum Yum’s Restaurant, a well-known establishment in Mission. The awards will be presented at a ceremony on February 7, 2024 at CEED.

Mr. Garcia also mentioned the RGV Legislative Tour scheduled for January 23, 2024 at CEED, organized by the RGV Partnership. Sixteen legislators and their staff will be present for a panel discussion focused on water resources. Following the discussion, a reception will take place outside CEED. Showcasing some of their products and services will be Ana Liz Taqueria (providing the catering), 5x5 Brewery, Jitterz Coffee, RGV Healthy Vending, Dip It, and Loretto Bistro. The RGV Legislative tour will span three days and will include visits to various counties.

16. President Comments.

President Richard Hernandez expressed his gratitude to the MEDC Team for their work as well as the MEDC Board for their time and dedication to the organization. He mentioned that he had recently returned from President Donald Trump’s Inauguration and encouraged everyone to visit Washington DC at some point, highlighting it as a beautiful city. He praised the city’s metro system, noting that he felt safe while navigating it. Additionally, President Hernandez observed a diverse crowd of people from across the country and remarked about the impressive security presence during the event. He noted that President Trump had declared a “golden age” and with the Board’s permission, he wanted to make a similar declaration as the President of the MEDC.

Jose G. Vargas left the meeting at 5:46 PM.

17. Adjournment.

Carl Davis moved to adjourn the meeting. Motion was seconded by Secretary Estella Saenz and approved 6-0. The meeting was adjourned at 6:15 PM.

Richard Hernandez, President

ATTEST

Estella Saenz, Secretary