

**NOTICE OF SPECIAL MEETING & PUBLIC HEARING
MISSION ECONOMIC DEVELOPMENT CORPORATION
JULY 24, 2018 5:30 P.M.
CENTER FOR EDUCATION AND ECONOMIC DEVELOPMENT**

PRESENT:

Richard Hernandez, Vice President
Pete Jaramillo, Secretary
Linda Requenez, Treasurer
Mario Garza
Dr. Armando O'Cana
Councilman Ruben D. Plata served in the Mayor Position

ABSENT:

S. David Deanda, Jr., President
Catherine Garcia

ALSO PRESENT:

Dr. Norma Salaiz, RGV Lead
Janie Lopez, RGV Lead
Bill Filut, Texas Citrus Fiesta
Carlos Garcia, Texas Citrus Fiesta
Ruben Ramos, BBVA Compass Bank
Sam Lopez, BBVA Compass Bank
Estella Saenz, BBVA Compass Bank
Ricardo A. Perez, Pathfinder Public Affairs
Jose De Leon, Progress Times

STAFF PRESENT:

Alex Meade, Chief Executive Office
Angie Vela, Finance Director
Daniel Silva, COO
Ezeiza Garcia, Assistant Finance Director
Judy Vega, Executive Assistant
Bertha Ramirez, Administrative Assistant
Edel Garza, Accountant
David Gonzales, Accountant
Martin Garza Jr., City Manager
Janette Molina, MEDC Receptionist
Joel Garza, Director of Technology

1. Call to order

With a quorum being present Vice President Richard Hernandez called the meeting to order at 5:41 p.m.

2. Approval of Minutes

- A. Regular Meeting - June 19, 2018**
- B. Special Meeting - June 28, 2018.**

Linda Requenez called attention to a correction that needed to be made on both sets of minutes. The year on each meeting date is incorrect. The year read "2019" when it should read "2018".

Subject to the correction, Linda Requenez moved for approval of the regular meeting minutes of June 19, 2018, and special meeting minutes of June 28, 2018. Motion was seconded by Councilman Ruben Plata and approved 5-0.

3. Approval of Financial Statements for June 2018.

Accountant David Gonzales presented and recommended approval of the Financial Statement for June 2018. Questions were made related to miscellaneous fees, a negative balance, and fund balances. CEO Alex Meade said that the negative balance being referred to in the revenue section of the financial statement was actually showing that Mission EDC generated more CEED miscellaneous fees than

expected. In regards to the required fund balance, that was a self-imposed practice many years ago when the organization was less active. They are not balances that are required by statute, but they do help us keep track of our operating expenses. He stated that some properties under contract have not closed, but once they do, those required fund balances will be remedied. Mr. Meade mentioned that we had an estimated revenue of about \$10 million in the real property adjacent to the Mission Event Center, and a revenue of about \$3.5 million in real property belonging to the Mission Economic Development Authority. Mr. Meade also mentioned that once all Mission EDA property is sold, the entity will be dissolved and those assets will be transferred to the Mission EDC. Vice President Richard Hernandez asked Angie Vela, City of Mission Finance Director, or Accountant David Gonzales to explain the sales tax report numbers in the meeting packet. Finance Director Angie Vela said that the report showed differences from prior years to the present year and in comparison with other cities. As of now, we are 1.5% higher than the previous year in sales tax revenues. Collections were higher for the months of January and March with 10% increase respectively. The increases were the result of spring break, the holidays, and after-Christmas sales. The last page of the report shows the comparison with other cities as reported by the Texas Comptroller of Public Accounts. Mr. Meade reported that this fiscal year and the next, we will have close to half a million square feet of retail coming in to Mission, and more likely the largest retail growth in the past 10 years, which will also increase the sales tax revenues.

There being no corrections or additions Mario Garza moved for approval. Motion was seconded by Pete Jaramillo and approved 5-0.

4. Acceptance of Quarterly Report for Investments for the Quarter ending June 30, 2018 and Interest Earned for Nine Months ending June 30, 2018.

Accountant David Gonzales presented and recommended approval of the Quarterly Report for Investments for the Quarter ending June 30, 2018 and Interest Earned for Nine Months ending June 30, 2018.

There being no corrections or additions Pete Jaramillo moved for approval. Motion was seconded by Linda Requenez and approved 5-0.

5. Public Hearing – MEDC FY 2018-2019 Proposed Budget

Vice President Richard Hernandez opened the public hearing at 5:55 p.m. and asked for comments on the MEDC FY 2018-2019 proposed budget.

There being no comments, Vice President Richard Hernandez declared the public hearing closed at 5:56 p.m. The notice of public hearing and notice of intention to undertake projects was published on June 22, 2018 and the 60-day comment period will end on August 21, 2018.

6. Workshop – discussion of proposed budget for FY 2018-2019:

- A. City of Mission**
- B. Texas Citrus Fiesta**
- C. RGV Lead**
- D. Small Business Fund Programs**
- E. Downtown Façade Improvement Fund**

F. Rent Subsidy Program

Representatives of each agency appeared before the Board and explained their requests.

- A. **City of Mission** – CEO Alex Meade said that the Mission EDC supports the City of Mission with their request of **\$1,000,000**. The funds will be used to pay for the Mission Event Center's debt service until it matures.
- B. **Texas Citrus Fiesta** – Bill Filut, President of Texas Citrus Fiesta, thanked the Board for their past support and said that their requested amount of **\$75,000** will be used for the continuance of promoting their activities throughout the state. He said that the organization travels all over the state promoting not only the City of Mission, but our citrus industry as well.
- C. **RGV Lead** – Dr. Norma Salaiz, Ph.D. and RGV Lead Director, said that this will be the sixth year the Mission EDC has funded them. Their main goal is to ensure that high school students from Mission CISD, Sharyland ISD, and La Joya ISD school districts are aware of the targeted occupations in this area and the region. Approximately 75% of these students stay in the Rio Grande Valley after high school, and they either go straight into the workforce or to college. RGV Lead has developed a brochure that lists jobs that have been identified by leaders of Mission EDC as some of the jobs available in Mission and surrounding areas, along with the qualification requirements for those occupations and the colleges and/or universities where they can prepare for those opportunities. They are requesting **\$75,000**, which will help in the continuance of this initiative.

Mayor Armando O'Cana joined the meeting at 5:59 p.m.

- D. **Small Business Fund Programs** – CEO Alex Meade mentioned that the request of **\$500,000** was for the purpose of supporting programs at Mission EDC. He mentioned that over the past year programs like Ruby Red Ventures and Code the Town have been the most active programs. Last year, new programs were introduced to see how they would work with a budget available to support them. Throughout the year, we have found that not all the funding was expensed for programs like Enginuity and an Arts program, thus we streamlined the budget and have come up with more realistic numbers. Those programs will continue to be pursued but funding for them will be obtained through partnerships. He plans on requesting **\$276,000** of the \$500,000 to continue supporting Ruby Red Ventures and Code the Town. A question was made regarding the cuts being made to the budget, were those cuts due to the concerns on the fund balance? Mr. Meade said yes, and that we will be operating on a leaner budget because some of the properties have not closed as expected; however, they will be closing next fiscal year. As a result of incentives not being paid or projects coming in under budget, \$1.2 million were cut from the budget next fiscal year.
- E. **Downtown Façade Improvements Fund - \$100,000** – CEO Alex Meade mentioned that the amount for this program will be decreased from \$100,000 to **\$75,000** because last year the budgeted amount of \$100,000 was not expensed. Mayor Armando O'Cana asked Mr. Meade if perhaps we could leave the amount at \$100,000 since he plans on starting a Downtown Revitalization Program at the City. Mr. Meade said that if more funds were needed, we can always come back with a budget amendment.

F. Rent Subsidy Program - \$50,000 – CEO Alex Meade mentioned that last year, only \$22,000 was used for this program, so this year, he is requesting **\$25,000** instead of \$50,000.

Mr. Meade mentioned that last year we did not know what to expect because some of the programs were new, but now we have a better idea as to how much to request for each.

7. Authorize CEO to Determine the best Loan Proposal for the Mission Economic Development Corporation and to Approve and Consummate Said Loan Related to the Acquisition of the Property described as Lot One (1) Tamkin Subdivision, an Addition to the City of Mission, Hidalgo County, Texas, as per map recorded in Volume 29, Page 187 B, Map Records of Hidalgo County, Texas, and approval of any matters incident thereto.

CEO Alex Meade recapped from last month's Board meeting where he mentioned that when we first moved into the CEED building, one of the conditions from the Board was that we have the option to purchase it. Prior to moving here, MEDC had been leasing an office at TexaSweet for about 20 years without the option of purchasing the building. On the CEED building, the option to purchase expired after 20 months and we now have the option to buy the building. At the last meeting, the Board also gave him authorization to start requesting proposals from banks. MEDC Board President S. David Deanda Jr., also named a Loan Committee that included Vice President Richard Hernandez, Pete Jaramillo, and Councilman Ruben Plata. Mr. Meade mentioned that the Loan Committee met last week to review the proposals submitted by three banks, Texas National Bank, Lone Star National Bank, and BBVA Compass Bank. The Loan Committee recommended that we commit to a loan with BBVA Compass Bank because they offered the best option. The other banks not only asked for us to pledge sales taxes, but also that we put the building up as collateral. BBVA Compass Bank only asked that we pledge sales tax which allows us to own the building outright. Mr. Meade provided a spreadsheet that described each of the banks' proposals for the Board's review and introduced Sam Lopez, Estella Saenz, and Ruben Ramos with BBVA Compass Bank, who were present at the meeting. He mentioned that they came to the CEED Building not only to see the building, but to learn about the Mission EDC and to truly understand our operations. Vice President Richard Hernandez commended BBVA Compass Bank for their willingness to work with us and for their proposal, which stood out from the rest with the fact that they did not put the CEED building as collateral in their proposal. Sam Lopez, Vice President, Commercial Relationship Manager, said that he was happy to have provided the proposal because he feels the Mission EDC is the cutting edge in education and is very fortunate to be part of the effort, and because everyone knows that Mission is "the place to be." Mr. Meade said that he would like authorization from the Board to move forward with the best option, which is BBVA Compass Bank, with a note of \$7,919,131 at a 4.82 % fixed interest rate payable in 20 years from sales tax revenues to purchase the property.

Pete Jaramillo moved to authorize CEO to Determine the best Loan Proposal for the Mission Economic Development Corporation and to Approve and Consummate Said Loan Related to the Acquisition of the Property described as Lot One (1) Tamkin Subdivision, an Addition to the City of Mission, Hidalgo County, Texas, as per map recorded in Volume 29, Page 187 B, Map Records of Hidalgo County, Texas, and approval of any matters incident thereto. Motion was seconded by Mario Garza and approved 6-0.

8. Vice President's Comments.

Vice Chairman Hernandez said that these are exciting times. We have new leadership in the City of Mission and we all love the community we live in, worship, raise our children, and provide opportunities for them. He thanked the MEDC Board and staff for all they do. Mayor Armando O'Cana echoed the Vice President's words and thanked everyone for having that vision to "work out of the box" and move forward.

9. Adjournment.

Mario Garza moved to adjourn the meeting. Motion was seconded by Linda Requenez and approved 6-0. Meeting was adjourned at 6:22 p.m.

S. David Deanda, Jr., President

ATTEST:

Pete Jaramillo, Secretary