

**NOTICE OF SPECIAL MEETING
MISSION ECONOMIC DEVELOPMENT CORPORATION
OCTOBER 23, 2018 5:30 P.M.
CENTER FOR EDUCATION AND ECONOMIC DEVELOPMENT**

PRESENT:

Richard Hernandez, Vice President
Pete Jaramillo, Secretary
Dr. Sonia Treviño, Treasurer
Mario Garza
Mayor Armando O'Cana served in the Mayor Position

ABSENT:

S. David Deanda, Jr., President
Catherine Garcia

ALSO PRESENT:

Sam Lopez, BBVA Compass

STAFF PRESENT:

Alex Meade, Chief Executive Office
Angie Vela, Finance Director
Daniel Silva, COO
Judy Vega, Executive Assistant
David Gonzales, Accountant
Janette Molina, MEDC Receptionist
Joel Garza, Director of Technology
Teclo Garcia, Director of Strategic Partnerships and Program Development
Shaine Mata, Facility Manager
James Love, Cyber Security Specialist

1. Call to order

With a quorum being present Vice President Richard Hernandez called the meeting to order at 5:32 p.m. He welcomed the Board of Directors to the meeting and thanked them for their service.

2. Swearing In of Appointed Board of Director.

Notary Public Judy Vega swore in Appointed Board of Director Dr. Sonia Treviño. She will be fulfilling Treasurer Linda Requenez's term which expires December 31, 2018.

3. Election of Officer.

Vice President Hernandez called for nominations for the position of Treasurer, which was held by Linda Requenez. Ms. Requenez resigned from the Board effective October 6, 2018. Mayor Armando O'Cana nominated Dr. Sonia Treviño for the position of Treasurer. Mario Garza moved to elect Dr. Sonia Treviño for the position of Treasurer of the Board. Motion was seconded by Mayor Armando O'Cana. There being no other nominations, Dr. Sonia Treviño was elected Treasurer of the Board by acclamation.

4. Approval of Minutes:

- A. Regular Meeting – September 18, 2018.**
- B. Special Meeting – October 4, 2018.**

- A. There being no corrections or additions Pete Jaramillo moved for approval of the regular board meeting minutes of September 18, 2018. Motion was seconded by Mario Garza and approved 5-0.
- B. There being no corrections or additions Mayor Armando O'Cana moved for approval of the special board meeting minutes of October 4, 2018. Motion was seconded by Mario Garza and approved 5-0.

5. Approval of Resolution No. 2018-06, Resolution of the Board of Directors of City of Mission Economic Development Corporation Authorizing and Approving the Purchase of Real Property and Improvements Thereon, as More Fully Described in Exhibit "A" Attached Hereto; Authorizing and Approving a Project and a Loan (and Terms Thereof) in the Amount of Seven Million Nine Hundred Nineteen Thousand One Hundred Thirty-One Dollars to Finance the Purchase of the Real Property and Improvements Thereon, Approving the Execution and Delivery of Loan Documents Relating Thereto, Delegating Authority to the Chief Executive Officer to Consummate the Loan and Containing Other Matters Related Thereto.

CEO Alex Meade introduced this item by saying that it was related to the acquisition of the CEED building, which we have been leasing from a private developer. We signed a 20-year lease with the option of purchasing it within two. Those two years have expired and the Board has decided to exercise the option of purchasing it. Mr. Meade recapped from a few months ago by saying that the Board had already authorized him to move forward with financing options; however, the selected bank, BBVA Compass, requested that we go through a 60-day public hearing process, which ends today. Due to timing constraints, City Council approved the transaction proactively yesterday, subject to today's Board approval. He reported that the terms offered by BBVA Compass also expire today, so time is of the essence. Mr. Meade said that BBVA Compass offered the best option for the \$7.9 million loan with a 20-year fixed 4.82% interest rate, no lien on the building, and we will only pledge our sales tax revenues. Other banks offered a 5 year balloon or 10 year balloon with interest rates from 5% to 6%, a lien on the building, and a pledge on sales taxes. He is requesting approval of Resolution No. 2018-06. Closing on the loan is planned for tomorrow, October 24, 2018.

Mario Garza moved for approval of Resolution No. 2018-06. Motion was seconded by Pete Jaramillo and approved 5-0.

Resolution No. 2018-06

Resolution of the Board of Directors of City of Mission Economic Development Corporation Authorizing and Approving the Purchase of Real Property and Improvements Thereon, as More Fully Described in Exhibit "A" Attached Hereto; Authorizing and Approving a Project and a Loan (and Terms Thereof) in the Amount of Seven Million Nine Hundred Nineteen Thousand One Hundred Thirty-One Dollars to Finance the Purchase of the Real Property and Improvements Thereon, Approving the Execution and Delivery of Loan Documents Relating Thereto, Delegating Authority to the Chief Executive Officer to Consummate the Loan and Containing Other Matters Related Thereto.

6. Approval of Budget Amendments to FY 2018-2019 Budget - Administrative.

CEO Alex Meade presented and recommended approval of Budget Amendments to FY 2018-2019 Budget – Administrative. The first amendment is to accept the revenues that we will be generating once

we close on the \$7.9 million loan. The second amendment is related to the hiring of custodians for the CEED building, which is the next item on the agenda. Mr. Meade said that when we first moved into the CEED building, we had outsourced janitorial services but that we have now decided to hire custodians in house. The next item on the agenda is actually to authorize him to hire four custodians, three full time and one-part-time. The reason is due to the company we had hired for janitorial services has had a high turnover. We would like to have control of who has access to the building. Some instances had occurred to where front doors were left unlocked because the cleaning crew forgot to lock them. Tenants have access to doors around the building, but through the front door, anyone can gain access to the entire building if left unlocked. We were spending \$109,000 for contractual janitorial service, but with the new hires we will now be spending \$103,000. We do expect to spend a little more because we need to buy janitorial equipment, but those expenses will be a one-time expense. The contract with the current janitorial company, Green Cleaning Services will expire Nov. 14, 2018. Vice President Hernandez asked who will be in charge of the hiring. Mr. Meade said he, COO Daniel Silva and Facility Director Shaine Mata will conduct the interviews. The custodians will be under the supervision of Mr. Mata. Finance Director Angie Vela briefly presented the numbers for the amendments. Mr. Meade is requesting approval of the budget amendments to FY 2018-2019 Budget – Administrative.

There being no corrections or additions, Mayor Armando O’Cana moved to approved Budget Amendments to FY 2018-2019 Budget – Administrative. Motion was seconded by Mario Garza and approved 5-0.

7. Authorize CEO to hire four custodians for the CEED Building.

Pete Jaramillo moved to authorize CEO to hire four custodians for the CEED building. Motion was seconded by Mario Garza and approved 5-0.

8. Vice President’s Comments.

Vice President Hernandez said he didn’t think there was a building south of Dallas that can compete with a building like CEED. CEO Alex Meade mentioned that almost every mayor and council members of surrounding communities have visited the building trying to mimic what we have. He said that we didn’t put any money upfront to remodel the building, but that the developer had spent \$6 million to acquire and remodel it for us. Mayor Armando O’Cana said he admired this building and echoed what Vice President Hernandez said. He also said his plan is to duplicate this endeavor and bring it to downtown Mission. He would like to also spearhead a commercial kitchen in downtown Mission where the Bob Howell Furniture store used to be and reported that a new seafood restaurant was opening in downtown Mission. Mayor O’Cana hopes that a steakhouse may open in the future in downtown Mission as well and mentioned that he would like more business variety in downtown Mission other than loan companies. CEO Alex Meade said that we do have a Rent Subsidy Program that will pay for six month’s rent to anyone that opens coffee shops, bistros, art galleries, book stores, music stores, or specialty grocery stores. Mayor O’Cana mentioned that he made an ordinance recommendation to City Council about loan companies to where if they want to renew their permits they need to be at least 1,500 feet from each other. He also said that this weekend, Debbie’s Modeling of McAllen brought an international model as guest speaker at a fashion show in Mission and he had the honor of welcoming the model into Mission; however, to his disappointment, he could not find a parking space. The next

project in Mission will be a family evening “Bicycle Enjoyment Day” in November that will start from Leo Peña Plaza, go all the way to 1st Street, then do a U Turn and come back all the way to 20th Street, then do another U Turn and come back. Food vendors will be available and it’ll be an evening of fun for the kids as well as a way to promote downtown Mission.

9. Adjournment.

Pete Jaramillo moved to adjourn the meeting. Motion was seconded by Mario Garza and approved 5-0. Meeting was adjourned at 6:00 p.m.

S. David Deanda, Jr., President

ATTEST:

Pete Jaramillo, Secretary