

**NOTICE OF SPECIAL MEETING**  
**MISSION ECONOMIC DEVELOPMENT CORPORATION**  
**MARCH 31, 2020            5:00 P.M.**  
**CENTER FOR EDUCATION AND ECONOMIC DEVELOPMENT**

Mission Economic Development Corporation is inviting you to a scheduled Zoom meeting.

Time: Mar 31, 2020 5:00 p.m. (Central Time)

Join Zoom Meeting (by computer or Mobile App)

<https://zoom.us/j/415250020?pwd=cGt5ejRmR0NSRjFqbUdCU1NDUlgvQT09>

Meeting ID: 415 250 020

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Dial by telephone

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**PRESENT:**

S. David Deanda, Jr., President  
Pete Jaramillo, Vice President  
Dr. Sonia Treviño, Treasurer  
Balde Morales  
Mario Garza  
Mayor Armando O’Cana served in the Mayor Position

**ABSENT:**

Aissa I. Garza, Secretary

**ALSO PRESENT:**

Lee McCormick, President, CDA  
Ruben Moreno, CPA, Carr Riggs & Ingram, CPAs  
Patsy Davila, CPA, Carr Riggs & Ingram, CPAs

**STAFF PRESENT:**

Daniel Silva, Chief Executive Officer  
Joel A. Garza, Chief Operating Officer  
Judy Vega, Executive Assistant  
Daniel Rivera, Director of Programs & Marketing  
James Francis Love, Network Support Specialist  
David Flores, Deputy City Manager  
Angie Vela, Finance Director  
Ezeiza Garcia, Assistant Finance Director

**1. Call to order**

With a quorum being present, President S. David Deanda Jr., called the meeting to order at 5:07 p.m.

**2. Approval of Minutes – Regular Meeting of February 18, 2020.**

There being no corrections or additions Vice President Pete Jaramillo moved for approval. Motion was seconded by Treasurer Dr. Sonia Treviño and approved 6-0.

**3. Approval of Financial Statement for January 2020.**

CEO Daniel Silva presented and recommended approval of the financial report for January 2020. President S. David Deanda Jr., made a question regarding the financial statement report for February as to why it was not presented at

this meeting. Deputy City Manager David Flores mentioned that due to the city working with the audit, they were a little behind; however, they will get caught up and it will be presented later.

There being no corrections or additions, Vice President Pete Jaramillo moved for approval of the financial statements for January 2020 as presented. Motion was seconded by Mario Garza and approved 6-0.

#### **4. Approval of Financial Statements and Independent Auditor's Report for Fiscal Year ending September 30, 2019.**

CPAs Patsy Davila and Ruben Moreno, representing Carr Riggs & Ingram, CPAs, presented the audit report. Mr. Moreno reported that the firm did have an exit meeting with management to discuss the report where some comments, observations, and improvement points were made. He and Ms. Davila briefly went over the opinion, some schedules, comments, and notes to financial statements. They also addressed the Required Communications Letter to the Board and went over internal control findings. Mr. Moreno stated that CRI, CPAs gave the audit a clean opinion.

Vice President Pete Jaramillo moved for approval of the Financial Statements and Independent Auditor's Report for Fiscal Year ending September 30, 2019. Motion was seconded by Balde Morales and approved 6-0.

#### **5. Review and Approval of a Development Agreement between Mission Economic Development Corporation and Cantu Bungalows, LLC.**

CEO Daniel Silva introduced this item by saying that this project is the remodeling of an existing hotel, the Clarion Inn & Suites, off of south Shary Road. A \$5 million investment, this project will create 20 new jobs. The developer, Alonzo Cantu, also has plans for a second development on an adjacent parcel to the hotel. The second development will be the addition of 15 more hotel suites, an events center, and a sports practice facility dedicated to local sport teams. To receive the incentive, Mr. Cantu needs to meet two requirements in the form of Certificates of Occupancy. Once the first development's Certificate of Occupancy is received, a payment of \$100,000 will be made which will cover for two years of a 10-year commitment of \$50,000 each year. The rest of the payments will be subject to a Certificate of Occupancy on his second development. Questions were made regarding whether the numbers would change depending on the current economy, and on whether the funds were available in MEDC's budget. CEO Daniel Silva explained that funds were available in the budget because some incentive funds have not been expensed as well as some administrative fees related to bond projects that will be received. On the question related to the economy, he said that we do expect to recoup from the current economy's downfall, but that we wouldn't exactly know when. Mayor Armando O'Caña suggested that a modification is made to the development agreement so that it can be monitored and adjusted as needed. The notice of intention to undertake this project was published on January 24, 2020. The public hearing was held on February 18, 2020, and the 60-day comment period ended on March 24, 2020.

Subject to the suggested change on the development agreement, that it is monitored and modified as needed by the MEDC Board of Directors, Mayor Armando O'Caña moved for approval of a Development Agreement between Mission Economic Development Corporation and Cantu Bungalows, LLC. Motion was seconded by Treasurer Dr. Sonia Treviño and approved 4-0. President S. David Deanda Jr., and Balde Morales abstained from voting. Each signed a Conflict of Substantial Interest Affidavit and did not deliberate on this item.

#### **6. Review and Approval of a Development Agreement between Mission Economic Development Corporation and A-S 135 Hwy 83-Bryan Rd., L.P.**

CEO Daniel Silva introduced this item by saying that this is another project that has gone through a public hearing process. Newquest Developers will be developing the old K-Mart building on Highway 83 and Bryan Road. The 104,000 sq. ft. retail development will be anchored by Burlington Coat Factory and will also house other retail stores and two restaurants. The developer requested a reimbursement from the Mission EDC of sales taxes in an amount not to exceed \$1.75 million over a period of 30 years. This commitment would only be on sales tax generated by the

tenants that occupy the development and not the EDC's sales tax as a whole. The City of Mission has already had their development agreement approved by City Council. He is requesting approval of our portion of the sales tax reimbursement by means of this development agreement.

Treasurer Dr. Sonia Treviño moved for approval of a Development Agreement between Mission Economic Development Corporation and A-S 135 Hwy 83-Bryan Rd., L.P. Motion was seconded by Vice President Pete Jaramillo and approved 6-0.

Finance Director Angie Vela joined the teleconference meeting at 5:28 p.m.

#### **7. Approval of Budget Amendment to FY 2019-2020 Budget.**

Finance Director Angie Vela said that this item is for approval of a budget amendment involving the increase of the incentive line item on the FY 2019-2020 Budget by \$50,000 each year for the Cantu Bungalows, LLC, the project that just got approved. She explained a budget amendment for the second project, A-S 135 Hwy 83-Bryan Rd., L.P., was not included because it is not expected to be completed by of FY 2020 and will be presented at a later date.

Mayor Armando O'Caña moved for approval of a Budget Amendment to FY 2019-2020 Budget. Motion was seconded by Mario Garza and approved 6-0.

#### **8. Approval of Title Change to the Director of Social Impact, from Director of Social Impact to Director of Programs & Marketing.**

Vice President Pete Jaramillo moved for the approval of Title Change to the Director of Social Impact, from Director of Social Impact to Director of Programs & Marketing. Motion was seconded by Balde Morales and approved 6-0.

#### **9. Approval of Resolution No. 2020-04, A Resolution of Mission Economic Development Corporation Regarding Request of Panda Biotech, LLC for the Issuance of One or More Series of Revenue Bonds; Authorizing the Filing of an Application for Allocation of Private Activity Bonds with the Texas Bond Review Board; Authorizing Public Hearings Regarding the Bonds; and Authorizing Other Action Related Thereto.**

Lee McCormick, President of Community Development Associates stated that this inducement resolution was being presented on behalf of Panda Biotech, LLC. Prior to the bonds being issued, a final resolution will be brought back to the Board for approval. Based in Dallas, Texas, Panda Biotech is a first-mover in the emerging U.S. industrial hemp fiber and cellulose industry. Panda Biotech's first processing facility will be one of the largest in in the world. Mr. McCormick also said that the resolution the Board received by email had two potential locations for this project, but that he had received notice of a third potential location. The third potential location is in Electric, Texas in Wichita County by Wichita Falls, Texas, and has been added to the exhibit in the resolution being presented today. This is a conduit transaction for the MEDC and the borrower/applicant is responsible for repayment of the debt. Approval of the resolution does not impose any payment or obligation on MEDC or the City of Mission in connection with the financing. Assuming an \$80 million transaction, at closing the MEDC is expected to receive approximately \$155,000 for serving as Issuer of the bonds and \$20,000 annually until maturity. Mr. McCormick is requesting approval of the inducement resolution.

Mario Garza moved for the approval of Resolution No. 2020-04. Motion was seconded by Mayor Armando O'Caña and approved 6-0.

Resolution No. 2020-04

Resolution of Mission Economic Development Corporation Regarding Request of Panda Biotech, LLC for the Issuance of One or More Series of Revenue Bonds; Authorizing the Filing of an Application for Allocation of Private Activity Bonds with the Texas Bond Review Board; Authorizing Public Hearings Regarding the Bonds; and Authorizing Other Action Related Thereto.

**10. Approval of Resolution No. \_\_\_\_\_, A Resolution of Mission Economic Development Corporation Regarding Request of Arbor Renewable Gas, LLC for the Issuance of One or More Series of Revenue Bonds; Authorizing the Filing of an Application for Allocation of Private Activity Bonds with the Texas Bond Review Board; Authorizing Public Hearings Regarding the Bonds; and Authorizing Other Action Related Thereto.**

No action was taken.

**11. President's Comments.**

CDA President Lee McCormick provided updates on some of the bond projects he facilitates. Waste Management, Inc. is planning on closing in early May 2020, on a refinancing bond of \$58 million, a project that will generate \$200,000 for MEDC this year. Republic Services, Inc. was approved by all 29 counties and are far along with their closing document preparation; however, due to the economy, their project is on hold for a few months.

President S. David Deanda Jr., thanked the Board for their availability to meet by teleconference. Under the COVID-19 current circumstances it is much safer to meet this way and more likely we will be holding our next meeting in April by teleconference as well. Mayor Armando O'Caña said that the City of Mission is mirroring county and state recommendations in relation to COVID-19. CEO Daniel Silva said that he has asked MEDC staff that can, to work from home for safety concerns.

**12. Adjournment.**

Treasurer Dr. Sonia Treviño moved to adjourn the meeting. Motion was seconded by Balde Morales and approved 6-0. Meeting was adjourned at 6:06 p.m.

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S. David Deanda, Jr., President

ATTEST:

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Aissa I. Garza, Secretary