

NOTICE OF REGULAR MEETING
MISSION ECONOMIC DEVELOPMENT CORPORATION
MARCH 15, 2022 5:30 PM
CENTER FOR EDUCATION AND ECONOMIC DEVELOPMENT

PRESENT:

Pete Jaramillo, Vice President
Dr. Sonia Treviño, Treasurer
Balde Morales
José G. Vargas
Mayor Armando O'Caña served in the Mayor
Position

ABSENT:

S. David Deanda, Jr., President
Aissa I. Garza, Secretary

ALSO PRESENT:

Michael McGurk, Walsh McGurk Cordova Nixon,
PLLC
Lee McCormick, Community Development
Associates (CDA)
John Stoecker, CDA
Jorge A. Garza, Mission Edu. Dev. Council Board
Jessica K. Garcia, Mission Edu. Dev. Council Board
Veronica Peña, Mission Edu. Dev. Council Board
Mario Garza, Mission Edu. Dev. Council Board

STAFF PRESENT:

Daniel Silva, Chief Executive Officer
Joel A. Garza, Chief Operating Officer
Judy Vega, Executive Assistant
Randy Perez, City Manager
Angie Vela, Finance Director
Ezeiza Garcia, Assistant Finance Director
Jasmine Ramos, MEDC Receptionist
Joe Salazar, Accountant

1. Call to order

With a quorum being present Vice President Pete Jaramillo called the meeting to order at 5:48 p.m.

2. Approval of Minutes: Regular meeting of February 15, 2022

There being no corrections or additions Treasurer Dr. Sonia Treviño moved for approval of the regular Board meeting minutes of February 15, 2022. Motion was seconded by Jose G. Vargas and approved 5-0.

3. Approval of Adjusted Financial Statement for January 2022

Finance Director Angie Vela presented, and recommended approval of the Financial Statement for January 2022.

There being no corrections or additions Jose G. Vargas moved for approval. was seconded by Treasurer Dr. Sonia Treviño and approved 5-0.

4. Approval of Resolution No. 2022-02, A Resolution of the Board of Directors of Mission Economic Development Corporation Regarding Request of Fulcrum Trinity Fuels, 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 Relating Thereto

Lee McCormick, President with Community Development Associates, introduced this item by saying that this resolution was an inducement resolution for conduit tax exempt bond financing in an amount not to exceed \$600 million for Fulcrum Trinity Fuels, LLC. Fulcrum Trinity Fuels, LLC is a pioneer in making low-carbon, low-cost, transportation fuels from one of our nation's most abundant resources – household garbage. Mr. McCormick said that once a better understanding on the structure and placing of the bonds is known, he will bring it back to the Board for a final resolution. Total cost for this project is \$800 million with \$200 million placed in equity. The financing will be for three bio-energy facilities. The approval of this resolution does not impose any obligation for payment of the bonds on MEDC nor the City of Mission other than a reputation risk since the MEDC is on the bonds. Issuance fees paid at closing would be between \$185,000 to \$935,000 and the annual fee would be between \$25,000 to \$150,000. He is requesting approval of the proposed resolution. Mr. McCormick had an inquiry from the borrower, they are asking on whether the MEDC would consider an ownership structure to where MEDC may own one or more of the facilities in issued government tax exempt bonds to finance a portion of the project that is not covered by either in equity or the government tax exempt bond portion. MEDC would also make additional fees aside of the conduit fees, but on the governmental side as well. If the Board is interested, he will present something at the Board meeting in April. Mayor Armando O'Caña asked Mr. McCormick to elaborate on MEDC's risk with the issuing of bonds. Has it happened before, and can he report on any examples, or on whether MEDC has reached that kind of level before? Mr. McCormick said that MEDC has participated in many conduit bonds, and that although the borrower's name is on the bonds, so is MEDC's as the issuer, so if the borrower defaults it can affect MEDC's reputation. He did say that if this happens, MEDC's bond rating nor credit rating will not be affected. A request was made for Mr. McCormick to do a presentation on the ownership structure related to government bonds and how they are structured.

Balde Morales moved for approval of Resolution No. 2022-02 as presented. Motion was seconded by Jose G. Vargas and approved 5-0.

Resolution No. 2022-02

Resolution of the Board of Directors of Mission Economic Development Corporation Regarding Request of Fulcrum Trinity Fuels, 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 Relating Thereto

5. Approval of Invoice #4 from the City of Mission in the amount of \$38,035

CEO Daniel Silva said presented and recommended approval of Invoice #4 from the City of Mission in the amount of \$38,035. The invoice is for engineering services provided by Melden & Hunt, Inc., the contracted engineering firm for the Shary Village Industrial Park Roadway and Drainage Improvements. Total invoiced is \$263,836.87. Total budgeted for engineering services is \$432,430.00.

Treasurer Dr. Sonia Treviño moved for approval. Motion was seconded by Jose G. Vargas and approved 5-0.

At 6:15 p.m., Vice President Pete Jaramillo announced that the MEDC Board would be convening into executive session. Treasurer Dr. Sonia Treviño moved to go into executive session. Motion was seconded by Jose G. Vargas and approved 5-0.

6. Executive Session Pursuant to V.T.C.A. Gov. Code Sec. 551.001

Deliberation Regarding Economic Development Negotiations Sec. 551.087

- A. Project Moon**
- B. Project Pool**
- C. Project Doors**
- D. Project Boxing**

Consultation with Attorney Sec. 551.071

Personnel Matters Sec. 551.074

- A. Employee Lease Agreement between the City of Mission and Mission Economic Development Corporation**
- B. CEO Employment Agreement**

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

Michael McGurk, Attorney at Law, joined the meeting at 6:42 p.m.

At 7:25 p.m., Vice President Pete Jaramillo announced that the MEDC Board would be reconvening in open session. Mayor Armando O’Caña moved to reconvene in open session. Motion was seconded by Treasurer Dr. Sonia Treviño and approved 5-0.

Treasurer Dr. Sonia Treviño moved to authorize CEO Daniel Silva, to continue with economic development negotiations related to the following projects:

A. Project Moon; and C. Project Door

Motion was seconded by Jose G. Vargas and approved 5-0.

On Personnel Matters Sec. 551.074

A. Treasurer Dr. Sonia Treviño moved to approve an Employee Lease Agreement between the City of Mission and Mission Economic Development Corporation as presented. Motion was seconded by Jose G. Vargas and approved 5-0.

B. No action.

7. Vice President Comments

None.

8. Adjournment.

Mayor Armando O’Caña moved to adjourn the meeting. Motion was seconded by Jose G. Vargas and approved 5-0. Meeting was adjourned at 7:29 p.m.

S. David Deanda, Jr., President

ATTEST:

Aissa I. Garza, Secretary