

NOTICE OF REGULAR MEETING
MISSION ECONOMIC DEVELOPMENT CORPORATION
APRIL 26, 2023 4:00 PM
CENTER FOR EDUCATION AND ECONOMIC DEVELOPMENT

PRESENT:

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

ABSENT:

ALSO PRESENT:

Eugene Vaughan, JGKL LLP
Jonathan Stephens, Teach for America
Tony Barrera, Progress Times

STAFF PRESENT:

Joel Garza, Chief Operating Officer
Judy Vega, Executive Assistant
Stepanie Palacios, Financial Officer
Naxiely López-Puente, Director of Marketing & Communications
Blanca Davila, Director of Economic Development
Belen Guerrero-Aguirre, Director of Strategic Partnership & Program Development
Randy Perez, City Manager
Angie Vela, Finance Director
Ezeiza Garcia, Assistant Finance Director

1. Call to Order and Establish Quorum

With a quorum being present, President Richard Hernandez called the meeting to order at 4:02 PM and announced that CEO Teclo J. Garcia was not attending this meeting, but COO Joel Garza was present in his place.

2. Approval of Minutes: Special Meeting & Public Hearing of April 5, 2023

Subject to a minor typographical correction, Secretary Deborah L. Cordova moved for approval of the special meeting and public hearing minutes of April 5, 2023. Motion was seconded by Treasurer Estella Saenz and approved 7-0.

3. Teach for America Recognition & Check Presentation

COO Joel Garza welcomed Naxiely Lopez, Director of Marketing and Communications, to introduce Teach for America (TFA) representatives. Ms. Lopez introduced Ana Gonzalez, Executive Director for TFA and Jonathan Stephens, Senior Managing Director for Network & Strategy with TFA. A short video was presented to the Board related to TFA and their purpose. After the video presentation, Ms. Gonzalez thanked the Board for their support and

mentioned that TFA works toward ensuring that students receive the best education possible. She mentioned that the organization now has 200+ educators and continues to work jointly with Mission EDC and area front-runners, to continue bringing a new generation of leaders in the Rio Grande Valley.

President Richard Hernandez called for a recess at 4:09 to take a check (\$5,000) presentation picture with TFA executives. President Richard Hernandez called the meeting back to order with a quorum present at 4:20 PM.

4. Deliberation & possible action to accept Adjusted Financial Statements for February 2023

Financial Office Stephanie Palacios presented and recommended approval of the adjusted financial statement for February 2023.

Vice President Jose G. Vargas moved for acceptance of the Adjusted Financial Statement for February 2023. Motion was seconded by Carl Davis and approved 7-0.

5. Deliberation & possible action for approval of Resolution No. 2023-02, Resolution of the Mission Economic Development Corporation authorizing the issuance of one or more series of revenue bonds and the loan of the proceeds thereof to Waste Management, Inc.; approving documents relating thereto; and approving other matters in connection therewith

Lee McCormick, President with Community Development Associates, briefly informed the Board on how the bond process works. He said that that MEDC's private bond activity program allows companies like Waste Management Inc., and other companies, to access the tax-exempt bond market by going through a governmental bond agency, but must meet certain state requirements to qualify. By applying for tax-exempt bonds, the companies save a quarter or half percent by soliciting bonds vs. going to the normal bondable tax market. Waste Management Inc.'s initial resolution was approved by the Board in September 2022 in an amount not to exceed \$100 million. In October 2022, the project owner decided to increase the project to \$200 million as well as add new locations for it. Now the project is ready to move forward. They have the paperwork ready, and the good news is that they have received notification from the Texas Bond Review Board that \$50 million has been allocated for this project; therefore, a final resolution is necessary in order to close. Although the request was higher, the Texas Bond Review Board will allocate bonds at their discretion. The company plans to close on June 1, 2023. This project is related to the refinancing of the construction costs for eight (8) proposed landfill locations in Texas. Mr. McCormick said this is a conduit transaction for MEDC. The borrower is responsible for the repayment of the debt. Approval of this resolution does not impose any payment or obligation on MEDC or the City of Mission. There is potential "reputational risk" if the borrower defaults since the Mission Economic Development Corporation name is included on the bonds. Fiscal impact benefits: Based on an initial transaction of \$50 million, at closing the MEDC is expected to receive approximately \$92,500 for serving as the issuer of the bonds and an annual fee of \$12,500 until maturity. Bracewell LLP is bond counsel and has been for most bond transactions with MEDC.

Mayor Norie Gonzalez Garza moved for approval of Resolution No. 2023-02 as presented. Motion was seconded by Vice Chairman Jose G. Vargas and approved 7-0.

Resolution No. 2023-02

Resolution of the Mission Economic Development Corporation authorizing the issuance of one or more series of revenue bonds and the loan of the proceeds thereof to Waste Management, Inc.; approving documents relating thereto; and approving other matters in connection therewith

6. Deliberation & possible action for approval of Resolution No. 2023-03, Resolution of the Mission Economic Development Corporation regarding request of Chaparral Steel Midlothian, LP 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 related thereto

Lee McCormick, President with Community Development Associates, presented this item by saying that was an inducement resolution that will be brought back to the Board at a later date once final allocation notice is received. This transaction is for a steel recycling and manufacturing facility in Dallas. The company currently operates in 10 countries with over 300 employees. The bond proceeds will be used to finance and refinance the acquisition, improvements, equipment, and installation of materials used for recycling of waste materials.

As with the previous agenda item, this is also a conduit transaction for the MEDC. The borrower is responsible for repayment of the debt. Approval of this resolution does not impose any payment or obligation on MEDC or the City of Mission. There is potential “reputational risk” if the borrower defaults since the MEDC name is included on the bonds. Assuming a bond issuance of \$85 million, at closing the MEDC is expected to receive approximately \$162,500 for serving as Issuer of the bonds and an annual fee of \$21,250 until maturity. Mr. McCormick recommends that the MEDC Board of Directors adopt this resolution in an amount not to exceed \$175 million of tax-exempt private activity bonds to finance the proposed project.

Secretary Deborah L. Cordova moved for approval of Resolution No. 2023-03 as presented. Motion was seconded by Treasurer Estella Saenz and approved 7-0.

Resolution No. 2023-03

Resolution of the Mission Economic Development Corporation regarding request of Chaparral Steel Midlothian, LP 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 related thereto

7. Deliberation & possible action to approve Quarterly Report of Investments for the Quarter ending March 31, 2023 and Interest Earned for Six Months Ending March 31, 2023

Finance Director Angie Vela presented and recommended approval of the Quarterly Report of Investments for the Quarter ending March 31, 2023 and Interest Earned for Six Months ending March 31, 2023.

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

8. Deliberation & possible action to authorize CEO to negotiate the purchase of shade structures for the Mission Food Park in an amount not to exceed \$95,000.00

City Manager Randy Perez presented this item by saying that with increasing outside temperatures discussions have taken place related to the installation of much needed shade structures for the Mission Food Park. The request has come from food truck vendors and CEED tenants. Mr. Perez shared some images with the Board on shade structure renderings and on what the park will look like once installed. The vendor, Tenzo McAllen LLC of Mission is a BuyBoard vendor who provided a proposal for the structures in an amount not to exceed \$95,000. BuyBoard is a government purchasing cooperative, designed, and created to offer local government entities an opportunity to purchase supplies and equipment online conveniently and easily eliminating the need to follow a procurement process. The City of Mission is a member of BuyBoard. Secretary Deborah L. Cordova asked why the proposal did not have MEDC as the purchaser instead of Mission Parks & Rec.? Mr. Perez said that the purchaser's name can be changed to MEDC. He also reported that the vendor has done several projects with the City of Mission and the city has been pleased with their work. The installation will take about six weeks to complete or by mid-June. If approved, Mr. Perez said that a budget amendment will need to be approved by the Board for the purchase, but that today's approval starts the process. Questions were asked related to the life of the Mission Food Park, on warranty for the structures, and on a definition of "Acts of God" and what that would involve. President Richard Hernandez asked that the Finance Committee composed of Vice President Jose G. Vargas, and Treasurer Estella Saenz, coordinate a meeting to decide on the color of the shades. He is recommending approval of the proposal.

Secretary Deborah L. Cordova moved to authorize the CEO to negotiate the purchase of shade structures for the Mission Food Park in an amount not to exceed \$95,000. Motion was seconded by Vice Chairman Jose G. Vargas and approved 7-0.

At 5:05 PM, President Richard Hernandez announced that the Mission EDC Board of Directors will convene in closed session.

9. Closed Session Pursuant to V.T.C.A. Gov. Code Sec. 551.001

Deliberation and possible action regarding commercial or financial information received the Mission EDC from a business prospect with which the Mission EDC is conducting economic development negotiations or with which the Mission EDC seeks to have to locate, stay, or expand operations in or near the City of Mission (as permitted under Tex. Gov't Code Sec. 551.087), including, but not limited to the following: Report from CEO as to potential prospects.

Deliberation and possible action regarding the purchase, exchange, lease, or value of real property (as permitted under Tex. Gov't Code Sec. 551.072), including, but not limited to the following: M.E.D.C. Land.

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

At 5:13 PM. President Richard Hernandez announced the MEDC Board was convening in open session.

No action was taken.

10. CEO Report on Economic Activity

None.

11. President Comments

President Richard Hernandez recognized Financial Officer Stephanie Palacios, Director of Economic Development Blanca Davila, and Director of Marketing & Communications Naxiely Lopez Puente for their work. He also thanked the Board of Directors for their time and service to this Board.

COO Joel Garza introduced a new member to the MEDC Team, Ms. Belen Guerrero-Aguirre, Director of Strategic Partnerships & Programs. Ms. Guerrero-Aguirre introduced herself by saying she had just moved to McAllen from San Antonio, where she worked for the San Antonio Economic Development Foundation for six years. She graduated from St. Mary's University and is originally from McAllen. She is excited and thankful to have become part of the MEDC Team.

12. Adjournment

At 5:17 PM, Mayor Norie Gonzalez Garza moved to adjourn the meeting. Motion was seconded by Estella Saenz and approved 7-0.

Richard Hernandez, President

ATTEST

Deborah L. Cordova, Secretary