

NOTICE OF REGULAR MEETING & PUBLIC HEARING
MISSION ECONOMIC DEVELOPMENT CORPORATION
MAY 31, 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

ABSENT:

Mayor Norie Gonzalez Garza

ALSO PRESENT:

Eugene Vaughan, JGKL LLP
Tony Barrera, Progress Times
Austin Arnold, Ryan LLC
Marty Wilson, Darden Restaurants
Lee McCormick, CDA
Juan Garza, Pieology

STAFF PRESENT:

Tecló J. Garcia, Chief Executive Officer
Joel Garza, Chief Operating Officer
Judy Vega, Executive Assistant
Stephanie Palacios, Financial Officer
Naxiely Lopez-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
Stephanie Palacios, Financial Officer
Ezeiza Garcia, Assistant Finance Director
Joe Salazar, Accountant

1. Call to Order and Establish Quorum

With a quorum being present, President Richard Hernandez called the meeting to order at 4:04 PM. President Hernandez asked for a moment of silence in memory of the recent passing of former City of Mission Mayor Norberto “Beto” Salinas, who passed away on May 26, 2023.

2. Approval of Minutes: Meeting of April 26, 2023

Vice Chairman Jose G. Vargas moved for approval of the meeting minutes of April 26, 2023. Motion was seconded by Carl Davis and approved 6-0.

3. Deliberation & possible action to accept Adjusted Financial Statements for March 2023

Financial Officer Stephanie Palacios presented and recommended approval of the adjusted financial statement for March 2023.

Secretary Deborah L. Cordova moved for acceptance of the Adjusted Financial Statements for March 2023. Motion was seconded by Treasurer Estella Saenz and approved 6-0.

4. Deliberation & possible action for approval of Resolution No. 2023-04, Resolution of the Mission Economic Development Corporation regarding request of Precision Wire Products, Inc., 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 Precision Wire Products, Inc. is a California wire company that manufactures shopping carts and racks used at stores like Walmart, Costco, and Target. The company plans to relocate part of their company to Texas near Dallas into an existing building. The bond amount requested today in this resolution is an amount not to exceed \$10 million. This is an inducement resolution meaning the legal documents are being prepared and once they are ready to close on the bond, a final resolution will be presented to the Board for approval. Bond counsel for this transaction is Bracewell LLP. Mr. McCormick said that the Texas Bond Review Board is not approving applications for bonds at this time, but that for this type of transaction, they have \$60 million available on a first come first served basis.

As with the previous resolutions related to bonds, this is 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 \$10 million, at closing the MEDC is expected to receive approximately \$32,500 for serving as issuer of the bonds and an annual fee of \$5,000 until maturity. The MEDC CEO recommends the adoption of this resolution in the amount not to exceed \$10 million of tax-exempt private activity bonds to finance the proposed Project.

Vice President Jose G. Vargas moved for approval of Resolution No. 2023-04 as presented. Motion was seconded by Noel Salinas and approved 6-0.

Resolution No. 2023-04

Resolution of the Mission Economic Development Corporation regarding request of Precision Wire Products, Inc., 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

5. Public Hearing: MEDC FY 2022-2023 proposed project consideration concerning an economic incentive for a restaurant to be located at New Quest Mission Gateway Lot 3, located at the northeast corner of east Expressway 83 and south Bryan Road, Mission, Texas

At 4:27 PM President Richard Hernandez opened the public hearing for MEDC FY 2022-2023 proposed project consideration concerning an economic incentive for a restaurant to be located at New Quest Mission Gateway Lot 3, located at the northeast corner of east Expressway 83 and south Bryan Road, Mission, Texas.

There being no comments, President Richard Hernandez closed the public hearing at 4:29 PM.

6. Deliberation & possible action related to an Economic Development Performance Agreement between the City of Mission, Mission Economic Development Corporation, and Olive Garden Holdings, LLC

CEO Teclo J. Garcia introduced this item by saying that this performance agreement is for a new Olive Garden Italian restaurant in Mission, a project that staff has been working on for several months. President Hernandez mentioned that the agreement has been signed by City Manager Randy Perez, as well as representatives of Olive Garden Holdings, LLC. Mr. Garcia said that it was because it is a joint agreement between MEDC, the City of Mission, and Olive Garden and that they have approved the agreement separately. Legal counsel Gene Vaughn mentioned that if this agreement is approved, the MEDC is required by Local Government Code, Section 505.160, to publish a notice of intention and notice of public hearing in a newspaper and then wait 60 days before paying out any funds. Mr. Garcia said that the restaurant does not need funding now and that this incentive is based on a sales tax rebate. Being that they are not here yet, the 60-day comment period would have passed by the time they are due funding.

Carl Davis moved to approve an Economic Development Performance Agreement between the City of Mission, Mission Economic Development Corporation, and Olive Garden Holdings, LLC, subject to publishing the required notices in the newspaper and waiting 60 days to release any funds. Motion was seconded by Secretary Deborah L. Cordova and approved 6-0.

7. Olive Garden Recognition

CEO Teclo J. Garcia introduced Marty Wilson with Darden Restaurants, who did a short power point presentation to the Board to introduce Olive Garden, one of their eight restaurant brands. Ms. Wilson's presentation contained information related to the new Olive Garden, to be located in Mission (north/east corner of Bryan Rd & Frontage Rd), including the restaurants' renderings, economic impact, and overall, the logistics of the restaurant. An investment of \$5 million, this location will create 50 full-time positions and up to 80 soon after. Average wages will be \$17+ per hour with an annual payroll of \$1.8 million. Permits for construction will be in place by October 2023 and construction should be completed in May 2024. Darden Restaurants expect to announce an opening in June 2024. After her presentation, Ms. Wilson thanked the Board and the City of Mission for their support. No action was taken or required.

8. IHOP Recognition

Mr. Garcia introduced and welcomed Isaac Garza, Director of Operation, with IHOP Restaurant. Mr. Garza said he and franchiser Walid Haidar were excited to bring a second IHOP location to the City of Mission with the first restaurant located on Shary Road. The second location will be Conway Street and the new building, of approximately 5,000 sq. ft., will be a new IHOP prototype building. The new location will create 90 jobs, with 50 overall once established. The building is about 95% complete and an opening is expected in the third week of June 2023.

At 4:54 PM President Richard Hernandez called for a recess. At 5:06 PM, President Hernandez called the meeting to order with quorum present.

9. Deliberation & possible action for the approval of an Economic Development Performance Agreement between Mission Economic Development Corporation and Brand Geniuz

Mr. Garcia mentioned that this item was brought before the Board about two months ago when the Board acted on a preliminary approval of this project. He mentioned that a notice of intention and notice of public hearing were published with no opposition voiced at the public hearing. He is recommending approval of the performance agreement. Vice President Jose G. Vargas asked a question related to the agreement. On the agenda item it reads the amount is \$55,000 over a period of three years, but on the agreement, it reads \$85,000 to be paid in two installments. The \$55,000 to be paid in two installments was determined to be correct.

Subject to a correction on the amount of the incentive from \$85,000 to \$55,000, Secretary Deborah L. Cordova moved to approve an Economic Development Performance Agreement between the City of Mission, Mission Economic Development Corp., and Brand Geniuz. Motion was seconded by and approved Treasurer Estella Saenz and approved 6-0.

10. Deliberation & possible action for approval of Invoice #12 from the City of Mission related to an EDA grant project, in the amount of \$157,407.72

Accountant Joe Salazar presented and recommended approval.

Carl Davis moved for approval of Invoice #12 from the City of Mission related to an EDA grant project, in the amount of \$157,407.72. Motion was seconded by Vice President Jose G. Vargas and approved 6-0.

11. Deliberation & possible action for the approval of an Amendment to MEDC's Purchasing Policy

Mr. Garcia said that he was requesting an amendment to MEDC's Purchasing Policy to align with the City of Mission's purchasing policy in relation to services provided for procurement and amend the threshold amount from \$10,000 to \$25,000.

Vice President Jose G. Vargas moved for approval of an Amendment to MEDC's Purchasing Policy. Motion was seconded by Treasurer Estella Saenz and approved 6-0.

At 6:06 PM, President Richard Hernandez announced that the MEDC Board of Directors would be convening in executive session.

12. 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:

- A. Report from CEO as to potential prospects**
- B. Mission Food Park**

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 6:20 PM, President Richard Hernandez announced the MEDC Board was convening in open session.

No action was taken.

13. CEO Report on Economic Activity

Mr. Garcia briefly reported the following: He and Blanca Davila, Director of Economic Development, attended the ICSC Retail Convention in Las Vegas from May 20-23, 2023; Brand Geniuz had a ribbon cutting on May 25, 2023; MEDC visited South Texas College Tech Campus, where MEDC's Naxiely Lopez and Belen Guerrero visited with the dean at the college. Mr. Garcia met with Texas Governor Greg Abbott's new regional representative, Mallory McCoy, who came to introduce herself and visit the MEDC office. He also mentioned that that MEDC had sponsored the Small Business Association "Small Business of the Year" Luncheon recently hosted by the RGV Partnership. UTRGV had their ribbon cutting on May 3, 2023 at the CEED building and that MEDC had marked Small Business Development Week and Economic Development Week with Proclamations presented at a City Council meeting recently. Both proclamations are framed and will be displayed at the CEED building. MEDC was invited to participate in STC's Workforce Summit. On CEED news, Mr. Garcia reported that Wayland Baptist University celebrates moving into the CEED building, and CineSol will soon hold their 24-hour film dash competition at CEED. Staff is also preparing to present a Memorandum of Understanding between CineSol and MEDC since they would like to hold their annual film festivals here moving forward. Various events that staff is focusing on are

follows: A Tesla Takeover on July 1st; a CEED tenant mixer is being planned on June 1st, and a Welcoming event for the City of Mission's Grants' Department into our building on June 13th. MEDC staff will be attending Mexico's Nearshoring Auto Industry Summit in San Luis Potosi, Mexico July 20-21, 2023. McAllen EDC will be joining MEDC on this trip. The RGV Partnership has a legislative trip scheduled next week, June 6-8, 2023, in which Mr. Garcia will be participating. Nothing further was reported.

14. President Comments

President Richard Hernandez thanked the Board of Directors for their participation at this meeting, Mr. Garcia, and MEDC staff for the preparation of this meeting.

15. Adjournment

At 6:21 PM, Carl Davis moved to adjourn the meeting. Motion was seconded by Treasurer Estella Saenz and approved 6-0.

Richard Hernandez, President

ATTEST

Deborah L. Cordova, Secretary