ECONOMIC DEVELOPMENT
CORPORATION BOARD OF DIRECTORS

Location:
City of Edinburg, City Hall-Council Chambers 415
W. University Drive, Edinburg, Texas
VIA ZOOM

DECEMBER 16, 2020
Regular Board Meeting
4:00 PM

1. **CALL TO ORDER, ESTABLISH A QUORUM**

2. **CERTIFICATION OF PUBLIC NOTICE**

3. **PUBLIC COMMENTS**

   A specific portion of the meeting shall be dedicated to allowing Public Comments which will be limited to three (3) minutes. Because of the state of emergency due to the COVID-19 pandemic, public comment may be provided in-person abiding to the occupancy limits or by telephone. InÂ person requests shall be requested by completing the Public Comment Form available at City Council Chambers. Telephone requests shall be completed by (a) sending an email to publiccomment@cityofedinburg.com or (b) calling 956-388-8204.

   All requests must be received beginning at 9am and end immediately before the start of the meeting. Your request should include your name, address, and telephone number. We ask for everyone's cooperation in following this procedure.

4. **REGULAR AGENDA ITEMS**

   A. Consider approval of minutes for board meeting on November 24, 2020.

   B. Consider approval of financial reports for November 2020.

   C. Consider approval of agreement with Cris Villarreal, PLLC Certified Public Accountant for accounting and tax services.

   D. Discussion and possible action on Economic Development Incentive Application.

5. **EXECUTIVE SESSION**

   The EEDC will convene in Executive Session, in accordance with the Texas Open Meetings Act, Vernon's Texas Statutes and Codes Annotated, Government Code, Chapter 551, Subchapter D, Exceptions to Requirement that Meetings be Open. The EEDC May Elect To Go Into Executive Session On Any Item Whether Or Not Such Item Is Posted As An Executive Session Item At Any Time During The Meeting When Authorized By The Provisions Of The Open Meetings Act.

   A. Discussion and possible action regarding the purchase, exchange, lease, or value of real property. (§551.072. Deliberation Regarding Real Property; Closed Meeting)

6. **OPEN SESSION**

The EEDC will convene in Open Session to take necessary action, if any, in accordance with Chapter 551, Open meetings, Subchapter E, Procedures Relating to Closed Meeting, §551.102, Requirement to Vote or Take Final Action in Open Meeting.

7. **ADJOURNMENT**

I hereby certify this Notice of an EEDC Meeting was posted in accordance with the Open Meetings Act, at the City Offices of the City of Edinburg, located at the 415 West University entrance outside bulletin board visible and accessible to the general public during and after regular working hours.

This notice was posted on December 11, *2020 at* 1:25 *am/pm.*

By:
Signature:
Name: ~~*Ron Garza, City Manager*~~ Brian Kelsey, ACM
City of Edinburg, Texas

Edinburg Economic Development Corporation
Meeting Date:December 16, 2020

Consider approval of minutes for board meeting on November 24, 2020.

1. **Agenda Item:**
   Consider approval of minutes for board meeting on November 24, 2020.
2. **Description/Scope:**
   Board meeting minutes are reviewed and approved on a monthly basis.
3. **Estimated Timeline:**
   Monthly.
4. **Budget:**
   N/A
5. **Procurement/Selection Process:**
   N/A
6. **Staff's Recommendation:**
   N/A
7. **Justification:**
   N/A

/s/ Blanca Davila
Blanca Davila
Director of Economic Development

ATTACHMENTS
Attachment A: November 24, 2020 Board Meeting Minutes

Approved:	________
Not Approved:	________
Tabled:	________
No Action:	

MINUTES OF THE
EDINBURG ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS

LOCATION:
City of Edinburg, City-Hall Council Chambers
415 W. University Drive. Edinburg, Texas
VIA ZOOM

REGULAR MEETING
NOVEMBER 24, 2020
4:00 PM

PRESENT: **Hiren Govind, President**
Roland Gomez, Vice President
Aaron "Ronny" Rivera, Treasurer
Sabrina Walker-Hernandez, Director
Raul Resendez, Director

ABSENT: **Daniel "Dan" Diaz, Secretary**
Veronica Gonzales, Director

STAFF: **Ron Garza, City Manager**
Brian Kelsey, Assistant City Manager/EDD
Blanca Davila, EDD Director
Nidian Elizondo, EDD Coordinator
Leticia Pantoja, EDD Administrative Assistant
Ashley Custer, Director of Communications and Media
Dagoberto Soto, Finance Director
Omar Ochoa, City Attorney
Cris Villarreal, CPA

PUBLIC: **Mark Hanna, Hanna Solutions**

Mark Scimemi, Price Water Coopers LLP
Dan Damon, Property Owner

1. **CALL TO ORDER, ESTABLISH QUORUM**

President, Hiren Govind, called the meeting to order at 4:00 PM.

EDD Director, Blanca Davila, proceeded to roll call and established quorum.

Secretary Dan Diaz and Director Veronica Gonzales were absent.

2. **CERTIFICATION OF PUBLIC NOTICE**

EDD Director, Blanca Davila, confirmed the public notice was posted in accordance with the Texas Open Meetings Act, on November 20, 2020 at 11:05 AM.

3. **PUBLIC COMMENTS**

A specific portion of the meeting shall be dedicated to allow Public Comments which will be limited to three (3) minutes. Because of the State of Emergency due to the COVID-19 Pandemic, public comments may be provided in-person abiding to the occupancy limits or by telephone. InÂ person requests shall be requested by completing the Public Comment Form available at the City Council Chambers. Telephone requests shall be completed by (a) sending an email to publiccomment@cityofedinburg.com or (b) calling (956) 388-8204.

All requests must be received beginning at 9am and end immediately before the start of the meeting. Your request should include your name, address, and telephone number. We ask for everyone's cooperation in following this procedure.

No public comments were submitted.

4. REGULAR AGENDA ITEMS

A. Consider approval of minutes for board meetings on October 27, 2020 and November 5, 2020.

MOTION TO APPROVE MINUTES FOR BOARD MEETINGS ON OCTOBER 27, 2020 AND NOVEMBER 5, 2020 WAS MADE BY DIRECTOR SABRINA WALKER HERNANDEZ AND SECONDED BY TREASURER AARON RIVERA. MOTION CARRIED UNANIMOUSLY.

B. Consider approval of financial reports for October 2020.

Cris Villarreal, CPA, presented the Statement of Cash Receipts, Disbursements, and Cash Balances – Unrestricted Cash for the period ending Fiscal Year 2021. The lease payments and investment interest was collected. There was a net decrease in cash of $197,129.00 and a total of $5,240,074.00 remaining in unrestricted cash.

A Statement of Net Assets – Supplemental Information was presented, which included $40,029,069.00 in total assets and $27,839,097.00 in total liabilities, with a net fund balance of $12,189,972.00. The A/R Aging Summary – Supplemental Information as of October 31, 2020 presented included the receivables.

MOTION TO APPROVE FINANCIAL REPORTS FOR OCTOBER 2020 WAS MADE BY DIRECTOR SABRINA WALKER HERNANDEZ AND SECONDED BY VICE PRESIDENT ROLAND GOMEZ. MOTION CARRIED UNANIMOUSLY.

C. Discussion and possible action on Economic Development Incentive Application.

The Economic Development Incentive Application documents the information needed from applicants for the EDC and the City Council to consider incentive requests, establishes criteria for eligibility (including minimum number and types of jobs and level of capital investment), describes the types of incentives available, and describes the process for reviewing applications. The application integrates the policy into the application and will be utilized for transparent and data driven decisions.

Guiding Principles

Assistant City Manager, Brian Kelsey, presented the application framework beginning with the six guiding principles. The first guiding principle states incentives should result in the creation or retention of high-quality jobs that pay a living wage and provide benefits to full-time employees. The second guiding principle states incentives are public interventions into private markets and therefore should achieve specific public purposes or benefits, beyond just growing the tax base.

The third guiding principle states Incentives are also appropriate to consider when Edinburg is competing with other locations for a primary employer engaged in a competitive site selection process. The fourth guiding principle states proposed incentives will be available for public review before deliberations for approval by governing bodies. Although the Texas Open Meetings Act allows a governing body to deliberate proposed incentives in a closed meeting, approved incentives will be available for public review. Similarly, compliance with the terms of an incentive agreement with the City and/or the EDC will be available for public review.

The fifth guiding principle states incentives should be on a reimbursement basis, after performance targets are met according to agreements. In unusual cases where upfront investment of public funds is necessary, agreements will include “clawbacks” if targets are not met. The sixth and final guiding principle states a fiscal impact analysis of proposed incentives, showing the benefits, costs, and return on investment to the city, will be completed and posted for public review before agreements are considered for approval by governing bodies.

Discussion

Treasurer, Aaron Rivera, asked if the board will receive a list of all incentive applications. Staff will review and vet incentive applications to ensure eligibility is met to present to the board for consideration.

On the first guiding principle regarding living wage and benefits, President Hiren Govind suggested considering all job creation including those with lesser wages.

President, Hiren Govind, commented on the fourth guiding principle regarding the proposed incentives available for public review, and suggested caution with public comments as it may become troublesome.

Eligibility

The five eligibility criteria thresholds were presented. The first criteria states applicants must be located in the city limits, or in the extraterritorial jurisdiction (ETJ) with a voluntary annexation agreement. The second eligibility criteria states applicants must create or retain twenty or more jobs and/or add $5 million or more to the city's property tax roll. Assistant City Manager, Brian Kelsey, explained the average hourly wage in the county is $18.24. In terms of the job distribution and capital investment, 16% of businesses in the county have 20 or more employees.

The third eligibility criteria states applicants must certify that they are equal opportunity employers and agree that they shall not discriminate in hiring and employment because of race, color, national origin, religion, sex, age, disability, or marital status and that they shall comply with all federal, state and local equal opportunity policies and laws to insure non-discrimination.

The fourth eligibility criteria states applicants must submit applications before the project has started. The City and the EDC will not award incentives after-the-fact for projects that are imminent or underway. Staff recommends incentives only be considered for projects that need public subsidy.

The fifth and final eligibility criteria states mixed-use developments with office/commercial and residential components may be considered, but projects that are exclusively residential are not eligible for incentives, except for circumstances where the city may consider a reimbursement contract for infrastructure upgrades. Staff recommends not incentivizing residential development projects, unless the City decides to do a cost-share for infrastructure upgrades. Residential development projects only generate temporary job creation and do not produce much tax revenue.

Discussion

Regarding second eligibility criteria, Director, Raul Resendez, mentioned the small businesses in the downtown area will not adhere to the twenty jobs created or retained. Assistant City Manager, Brian Kelsey, indicated small businesses would not adhere to the incentive program criteria however, the EDC can find other mechanisms to fund small businesses. President, Hiren Govind, suggested creating another qualifier that includes the matrix of quantity and quality investment to create a balance.

Vice President, Roland Gomez, mentioned it is clear the EDC wants to target big businesses and with the incentive, the City can potentially bring in businesses with more than 20 employees. City Manager, Ron Garza, indicated the EDC can develop a small business program or include a threshold for small businesses in the incentive application.

Treasurer, Aaron Rivera, suggested budgeting for small business programs for downtown beautification purposes. In enhancing the downtown, the City will attract more businesses.

City Attorney, Omar Ochoa, mentioned the EDC board is not precluded from making a recommendation to the City Council utilizing City funds for a specific program. Treasurer, Aaron Rivera, suggested scheduling workshops with the City Council to discuss future plans.

Incentive Request

Assistant City Manager, Brian Kelsey, proceeded to present the different incentives offered. The four incentives offered include: Job Grants, Tax Refunds, Infrastructure, and Other.

Job grants may be offered on a one-time basis or for a set period of time, and paid annually upon EDC and City Council approval of completed compliance documentation. The first threshold offers $500 per qualified job grant states qualified jobs are full-time with benefits paying $15/hour or more. The $15/hour amount was calculated based on the living wage calculation for Hidalgo County.

The second threshold offers $750 per qualified job if filled by a Veteran, disabled worker, person living below the poverty line or experiencing homelessness, or facing some other barrier to employment. The third threshold offers $1,000 pre-qualified job if worker is provided employer-sponsored training that results in an industry-recognized certificate or other credential.

The City and the EDC may consider co-investing with employers in internship opportunities for high school or postsecondary students living in Edinburg, especially for experiences that could lead to an industry-recognized certificate or other credential.

Tax refunds may be offered on a one-time basis or for a set period of time, and paid annually upon EDC and City Council approval of completed compliance documentation. The two types of tax refunds offered include property tax refund and sales tax refund. The City may consider requests for refunds up to 50% of property and/or sales taxes paid to the City. For projects creating or retaining 500 or more jobs, the City may consider refunds up to 80%.

The City and the EDC may consider investing in infrastructure or other improvements on behalf of a project if the investments would improve the competitiveness of the impacted area overall in terms of attracting future development, or result in other benefits to the community.

Discussion

Regarding the second threshold, Director Sabrina Walker Hernandez, suggested cross referencing the CDBG qualifications with the $750 per qualified job if filled by a Veteran, disabled worker, person living below the poverty line or experiencing homelessness, or facing some other barrier to employment.

Staff will email the Board with the incentive application for further comments and feedback. The deadline for board members to submit their comments was set for Friday, December 4, 2020 5:00 PM.

5. **<u>EXECUTIVE SESSION</u>**

The EEDC will convene in Executive Session, in accordance with the Texas Open Meetings Act Vernon's Texas Statutes and Codes Annotated, Government Code, Chapter 551, Subchapter D, Exceptions to Requirement that Meetings Be Open. The EEDC May Elect to Go Into Executive Session On Any Item Whether Or Not Such Item Is Posted As An Executive Session Item At Any Time During The Meeting When Authorized By The Provisions Of The Open Meetings Act.

The EDC Board entered Executive Session at 5:04 PM.

MOTION TO ENTER EXECUTIVE SESSION WAS MADE BY VICE PRESIDENT ROLAND GOMEZ AND SECONDED BY TREASURER AARON RIVERA AT 5:04 PM. MOTION CARRIED UNANIMOUSLY.

During further review of the items in Executive Session, any of the items will be brought back into Open Session if necessary, for open discussion.

6. OPEN SESSION

The EEDC will convene in Open Session to take necessary action, if any, in accordance with Chapter 511, Open meetings, Subchapter E, Procedures Relating to Closed Meeting §551.102, Requirement to Vote or Take Final Action in Open Meeting.

The EDC Board reconvened for open session at 5:35 PM.

For record, President Hiren Govind, excused himself from executive session between 5:08 PM to 5:32 PM.

MOTION TO OPEN SESSION WAS MADE BY VICE PRESIDENT ROLAND GOMEZ AND SECONDED BY TREASURER AARON RIVERA AT 5:35 PM. MOTION CARRIED UNANIMOUSLY.

A. Discussion and possible action regarding an application for designating an enterprise project under the Texas Enterprise Zone Act, Chapter 2203, of the Texas Government Code.

MOTION TO APPROVE A LETTER OF SUPPORT FOR THE TEXAS ENTERPRISE ZONE ACT FOR THE SOUTH TEXAS HEALTH SYSTEM (MCALLEN LLP EDINBURG REGIONAL MEDICAL CENTER) WAS MADE BY TREASURER AARON RIVERA AND SECONDED BY VICE PRESIDENT ROLAND GOMEZ. MOTION CARRIED UNANIMOUSLY.

B. **Discussion and possible action regarding the purchase, exchange, lease, or value of real property. (§ 551.072. Deliberation Regarding Real Property; Closed Meeting)**

President, Hiren Govind, abstained from voting on this action item as he was not present for the executive session.

MOTION TO RECOMMEND STAFF TO CONTINUE CONVERSATIONS WITH MR. DAMON REGARDING CONVERSATION HELD IN EXECUTIVE SESSION WAS MADE BY TREASURER AARON RIVERA AND SECONDED BY DIRECTOR RAUL RESENDEZ. MOTION CARRIED.

7. ADJOURNMENT

Regarding other business, President Hiren Govind, recommended staff to keep Finance in-house at least one more year to better streamline the audit process.

City Manager, Ron Garza, mentioned the City is on the first year of a two year contract with a new auditor. The next fiscal year audit process will begin in January therefore, it is anticipated to be better streamlined.

City Manager, Ron Garza, will relay the recommendation to the City Council.

There being no further business to consider, the meeting was adjourned at 5:40 PM.

MOTION TO ADJOURN MEETING WAS MADE BY VICE PRESIDENT ROLAND GOMEZ AND SECONDED BY DIRECTOR SABRINA WALKER HERNANDEZ AT 5:40 PM. MOTION CARRIED UNANIMOUSLY.

Leticia Pantoja Digitally signed by Leticia Pantoja
Date: 2020.12.14 10:30:14 -06'00'

Minutes Transcribed by: Leticia Pantoja

Edinburg Economic Development Corporation
Meeting Date:December 16, 2020

Consider approval of financial reports for November 2020.

1. **Agenda Item:**
   Consider approval of financial reports for November 2020.
2. **Description/Scope:**
   Cris Villarreal, CPA, will provide a financial report for November 2020.
3. **Estimated Timeline:**
   Monthly.
4. **Budget:**
   N/A
5. **Procurement/Selection Process:**
   N/A
6. **Staff's Recommendation:**
   N/A
7. **Justification:**
   N/A

/s/ Blanca Davila
Blanca Davila
Director of Economic Development

ATTACHMENTS
Attachment A: November 2020 Financial Report

Approved:	________
Not Approved:	________
Tabled:	________
No Action:	

Management Report

Edinburg Economic Development Corporation
For the period ended November 30, 2020

Prepared on
December 11, 2020

No assurance is provided on these financial statements.

Table of Contents

Edinburg Economic Development Corporation
Statement of Cash Receipts, Disbursements, and Cash Balances - Unrestricted Cash
For the Period Ending Fiscal Year 2021

	October	November	December	January	February	March	April	May	June	July	August	September	Year-to-Date Actual	Annual Budget	% to Date	Remaining Budget Balance
CASH RECEIPTS:																
1/2 Cent Sales Tax Revenue	$ -	$ 1,178,534	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,178,534	$ 6,500,000	18%	$ (5,321,466)
Lease Payments	5,286	8,609	-	-	-	-	-	-	-	-	-	-	13,895	48,000	29%	(34,105)
Sale of Property and Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-
Investment Interest	1,714	1,872	-	-	-	-	-	-	-	-	-	-	3,586	25,000	0%	(21,414)
Transfer in TexStar Bond Projects, net	-	-	-	-	-	-	-	-	-	-	-	-	-	4,139,638	0%	(4,139,638)
Interest Earned in Restricted Funds	(1,714)	(1,505)	-	-	-	-	-	-	-	-	-	-	(3,219)	-	0%	(3,219)
TOTAL CASH RECEIPTS	5,286	1,187,510	-	-	-	-	-	-	-	-	-	-	1,192,796	10,712,638	11%	(9,519,842)
CASH DISBURSEMENTS																
Personnel Expenses																
Salaries, Benefits & Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000	0%	(300,000)
Taxes and Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	80,000	0%	(80,000)
Vehicle Allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000	0%	(5,000)
Total Personnel Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	385,000	0%	(385,000)
Contractual & Maintenance Services																
Profesional Services	-	100	-	-	-	-	-	-	-	-	-	-	100	300,000	0%	299,900
Administrative Services FY20	-	-	-	-	-	-	-	-	-	-	-	-	-	126,582	0%	126,582
Printing	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000	0%	25,000
Travel,Training, Conference	500	-	-	-	-	-	-	-	-	-	-	-	500	80,000	0%	79,500
Membership Dues/Subscriptions	-	32	-	-	-	-	-	-	-	-	-	-	32	30,000	0%	29,968
File Storage Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	20,000	0%	20,000
Equipment Leasing	(323)	1,355	-	-	-	-	-	-	-	-	-	-	1,032	40,000	3%	38,968
Total Contractual & Maintenance Services	177	1,487	-	-	-	-	-	-	-	-	-	-	1,664	621,582	0%	619,918
Supplies																
Office Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	0%	10,000
Computer Software Expense	1,559	-	-	-	-	-	-	-	-	-	-	-	1,559	15,000	10%	13,441
Continuing Education	-	-	-	-	-	-	-	-	-	-	-	-	-	30,000	0%	30,000
Food	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000	0%	15,000
Ofice Equipment & Furniture	-	-	-	-	-	-	-	-	-	-	-	-	-	30,000	0%	30,000
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	20,000	0%	20,000
Total Supplies	1,559	-	-	-	-	-	-	-	-	-	-	-	1,559	120,000	1%	118,441
Programs																
Workforce Training	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	0%	200,000
Marketing	89	178	-	-	-	-	-	-	-	-	-	-	267	200,000	0%	199,733
Sponsorship/Donations	-	1,500	-	-	-	-	-	-	-	-	-	-	1,500	75,000	2%	73,500
Legislative	-	-	-	-	-	-	-	-	-	-	-	-	-	90,000	0%	90,000
Research, Feasibility Studies, Reports	-	-	-	-	-	-	-	-	-	-	-	-	-	100,000	0%	100,000
Small Business Grants Program	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	0%	200,000
Total Programs	89	1,678	-	-	-	-	-	-	-	-	-	-	1,767	865,000	0%	863,233
Properties																
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	100,000	0%	100,000
Purchase of Property	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000	0%	50,000
Utilities	(132)	3,150	-	-	-	-	-	-	-	-	-	-	3,018	25,000	12%	21,982
Existing Buildings - Improvements/Repairs	-	-	-	-	-	-	-	-	-	-	-	-	-	40,000	0%	40,000
Secruity Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000	0%	2,000
Industrial Park & Property Maintenance	722	995	-	-	-	-	-	-	-	-	-	-	1,717	10,000	17%	8,283
Total Properties	590	4,145	-	-	-	-	-	-	-	-	-	-	4,735	227,000	2%	222,265

Edinburg Economic Development Corporation
Statement of Cash Receipts, Disbursements, and Cash Balances - Unrestricted Cash
For the Period Ending Fiscal Year 2021

	October	November	December	January	February	March	April	May	June	July	August	September	Year-to-Date Actual	Annual Budget	% to Date	Remaining Budget Balance
Projects																
Economic Development Incentives	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000	0%	300,000
Burns Brothers (La Sienna) 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-
Vantage Ventures (DPS Facility) 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	102,000	0%	102,000
Fiesta Nissan 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	500,000	0%	500,000
GRH Investments 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000	0%	25,000
Oceangate Investments (Hilton Hotels) 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	250,000	0%	250,000
Haidar Properties (Walk-Ons) 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000	0%	50,000
Auriel Investments (Shops @Tru) 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000	0%	50,000
TP UT RGV (Taco Palenque/Palenque Grill) 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000	0%	50,000
Los Pinos Hardware 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000	0%	25,000
First Hartford (The Shoppes at RGV) 2019	200,000	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000	100%	-
Bond Projects																
North Park Project	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-
El Tule Center	-	-	-	-	-	-	-	-	-	-	-	-	-	2,487,155	0%	2,487,155
Resource Center	-	-	-	-	-	-	-	-	-	-	-	-	-	370,966	0%	370,966
Capable Kids	-	-	-	-	-	-	-	-	-	-	-	-	-	1,281,517	0%	1,281,517
Total Projects	200,000	-	-	-	-	-	-	-	-	-	-	-	200,000	5,691,638	4%	5,491,638
Debt Service																
Ebony Hills/BBVA	-	-	-	-	-	-	-	-	-	-	-	-	-	267,612	0%	267,612
Parks & Rec Bond/BBVA	-	-	-	-	-	-	-	-	-	-	-	-	-	528,428	0%	528,428
Santana Refund Bond/NY Mellon	-	-	-	-	-	-	-	-	-	-	-	-	-	671,264	0%	671,264
Arena Bond Shortage/Wells Fargo	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000	0%	1,000,000
New Series 2019 Bonds/NY Mellon	-	-	-	-	-	-	-	-	-	-	-	-	-	757,175	0%	757,175
Total Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	3,224,479	0%	3,224,479
TOTAL CASH DISBURSEMENTS	202,415	7,310	-	-	-	-	-	-	-	-	-	-	209,725	11,134,699	2%	10,539,974
INCREASE (DECREASE) IN UNRESTRICTED CASH	(197,129)	1,180,200	-	-	-	-	-	-	-	-	-	-	983,071	(422,061)		
Unrestricted Cash, beginning of period	5,437,203	5,240,074	6,420,274	6,420,274	6,420,274	6,420,274	6,420,274	6,420,274	6,420,274	6,420,274	6,420,274	6,420,274	5,437,203			
Unrestricted Cash, end of period	$ 5,240,074	$ 6,420,274	$ 6,420,274	$ 6,420,274	$ 6,420,274	$ 6,420,274	$ 6,420,274	$ 6,420,274	$ 6,420,274	$ 6,420,274	$ 6,420,274	$ 6,420,274	$ 6,420,274			

SUPPLEMENTARY

	October	November	December	January	February	March	April	May	June	July	August	September
Cash - Unrestricted												
PCB-Operating: Non-Interest Bearing	$ 1,000,000	$ 2,178,534	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
PCB-Sweep: Interest Bearing	4,240,074	4,241,740	-	-	-	-	-	-	-	-	-	-
Annual Yield Rate	*0.00049%*	*0.00049%*	*0.0000%*	*0.0000%*	*0.0000%*	*0.0000%*	*0.0000%*	*0.0000%*	*0.0000%*	*0.0000%*	*0.0000%*	*0.0000%*
Cash - Restricted												
Non Interest Bearing:												
PCB-New Series 19 Bond Debt Svc Fund	184,958	184,958	-	-	-	-	-	-	-	-	-	-
PCB-Debt Service	1,276,473	1,276,473	-	-	-	-	-	-	-	-	-	-
PCB-Revenue Account	549,402	549,402	-	-	-	-	-	-	-	-	-	-
TX National Bank	800,000	800,000	-	-	-	-	-	-	-	-	-	-
Interest Bearing:												
Greater State Bank-Construction	1,493,238	1,494,036	-	-	-	-	-	-	-	-	-	-
Annual Yield Rate	*0.65%*	*0.65%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
TexSTAR New Series 2019 Debt Srvc Rsrv Fund	774,877	774,937	-	-	-	-	-	-	-	-	-	-
Annual Yield Rate	*1.3800%*	*1.1328%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
TexSTAR 19 Construction Fund	8,342,447	8,343,094	-	-	-	-	-	-	-	-	-	-
Annual Yield Rate	*1.3800%*	*1.1328%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
Total Cash - Restricted & Unrestricted	$18,661,469	$19,843,174	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Statement of Net Assets-Supplemental Information

As of November 30, 2020

	Total
ASSETS	
Current Assets	
Bank Accounts	
1000 Operating	
1001 4899-PCB-Operating	2,178,534.00
1002 8602-PCB-Sweep Account-Int Bearing	4,241,740.13
Total 1000 Operating	**6,420,274.13**
1005 Restricted	
1004 4700-PCB-New Series 2019 Bond Debt Service Fund	184,957.95
1007 2281-PCB-Debt Service Account	1,276,473.28
1008 9056-PCB-Revenue Account	549,402.12
1010 TX National Bank	800,000.05
1013 Greater State Bank Money Market	1,494,035.56
1019 TexSTAR New Series 2019 Debt Service Reserve Fund	774,937.42
1020 TexSTAR New Series 2019 Construction Fund	8,343,093.75
Total 1005 Restricted	**13,422,900.13**
Total Bank Accounts	**19,843,174.26**
Accounts Receivable	
1200 Accounts Receivable	1,703,734.09
Total Accounts Receivable	**1,703,734.09**
Total Current Assets	**21,546,908.35**
Fixed Assets	
1505 Buildings	2,602,371.06
1525 Furniture & Equipment	176,260.96
1545 Land	5,309,764.56
1595 Accumulated Depreciation	-999,599.96
Total Fixed Assets	**7,088,796.62**
Other Assets	
1610 N/R - Santana $5MM	4,205,592.73
1620 N/R - Santana $10MM	9,434,410.73
1630 Allowance for Uncollectibles	-1,176,347.91
1980 Deferred Outflow with Pension	167,952.00
Total Other Assets	**12,631,607.55**
TOTAL ASSETS	**$41,267,312.52**

	Total
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2113 2014A Ebony Hills Current	240,000.00
2117 2014B Parks & Rec Current	475,000.00
2123 2015 Bonds Current	110,000.00
2135 Series 2019 Bond	130,000.00
2250 Deferred Inflows Related to Pensions	38,957.00
2350 Accrued Payroll & Benefits	10,858.00
Total Other Current Liabilities	**1,004,815.00**
Total Current Liabilities	**1,004,815.00**
Long-Term Liabilities	
2513 2014A Ebony Hills Long Term	765,000.00
2517 2014B Parks & Rec Long Term	1,520,000.00
2523 2015 Bonds Long Term	13,125,000.00
2530 New Series 2019 Bond	10,710,000.00
2595 Net Pension Liability	612,383.00
2597 Net OPEB Liability	101,899.00
Total Long-Term Liabilities	**26,834,282.00**
Total Liabilities	**27,839,097.00**
Equity	
3005 Net Investment & Capital Assets	3,388,796.00
3100 Fund Balance	9,366,606.79
3200 Retained Earnings	749,743.49
Net Income	-76,930.76
Total Equity	**13,428,215.52**
TOTAL LIABILITIES AND EQUITY	**$41,267,312.52**

A/R Aging Summary-Supplemental Information

As of November 30, 2020

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
Dist. de Alemientos		1,400.00				1,400.00
Mercurio Semiconductor		900.00				900.00
Nu-Co Tool					127,633.60	127,633.60
Rogali					4,083.00	4,083.00
Santana Textiles						0.00
Santana 10		36,794.97	36,665.12	36,535.72	881,557.05	991,552.86
Santana 5		16,429.24	16,371.26	16,313.48	400,566.38	449,680.36
Santana Late Fees		4,337.43	4,337.43	4,337.43	115,471.98	128,484.27
Total Santana Textiles		**57,561.64**	**57,373.81**	**57,186.63**	**1,397,595.41**	**1,569,717.49**
TOTAL	**$0.00**	**$59,861.64**	**$57,373.81**	**$57,186.63**	**$1,529,312.01**	**$1,703,734.09**

Edinburg Economic Development Corporation
Meeting Date:December 16, 2020

Consider approval of agreement with Cris Villarreal, PLLC Certified Public Accountant for accounting and tax services.

1. **Agenda Item:**
   Consider approval of agreement with Cris Villarreal, PLLC Certified Public Accountant for accounting and tax services.
2. **Description/Scope:**
   Mr. Villarreal has supported the Edinburg EDC for about two years. He continues to assist staff with the transition to the city by participating in budget planning meetings, monthly reconciliations, and board presentations.

   Services will include:

   - Accounting and Tax Services
   - Consulting Services (planning and meetings)
   - Technology Services

   Standard monthly fees will be value based, fixed fee of $1,500 per month.

   Services will cover the period October 2020 to September 2021.

3. **Estimated Timeline:**
   October 2020 to September 2021.

4. **Budget:**
   Monthly fixed fee of $1,500.00

5. **Procurement/Selection Process:**
   Mr. Villarreal provided an Engagement Letter.

6. **Staff's Recommendation:**
   Staff recommends approval.

7. **Justification:**
   Staff has established a working and efficient relationship with Mr. Villarreal. He is an integral piece for the EDC's transition to the City's Finance Department as he is historically aware of previous years' budgets, expenses, and existing bank accounts.

/s/ Blanca Davila

Blanca Davila
Director of Economic Development

ATTACHMENTS

Attachment A: Cris Villarreal CPA Engagement Letter

Approved:	________
Not Approved:	________
Tabled:	________
No Action:	

ENGAGEMENT LETTER

December 14, 2020

City of Edinburg
Edinburg, TX

Blanca Davila

The purpose of this letter is to confirm the accounting and tax services I will perform, and the scope of our engagement with the City of Edinburg Economic Development. I hope to better meet your expectations of service from our firm by clearly identifying the particular services to be provided and their frequency. My services will cover the period October 2020 to September 2021, and at that time I will review the level of services needed. Accounting services are fluid and levels of services increase or decrease thru the engagement, and some months require more time than others. My fees, as stated below, attempt to average out expected revenues to meet my overhead and costs.

SERVICES TO BE PROVIDED:

- Accounting and Tax Services
  - Review and Reconciliation of bank statements
  - Preparation of monthly financial statements
  - Review schedules of Notes Receivable and Long-Term Liabilities
  - Review Revenues and Expenditures according to Budget
  - Prepare Statement of Cash Receipts, Disbursements and Cash Balances and Compare to Budget
  - Manage Financial Audit requirements including

- Consulting Services
  - Monthly organizational planning with meetings and teleconferences
  - Present Treasury Report to the Board which include Statement of Cash Receipts, Disbursements and Cash Balances with a comparison to the approved budget, schedule of long-term liabilities.

- Technology Services
  - Access to all financial data via the web.
  - Including but not limited to American Express, Plains Capital and Texas National Bank
  - Need login credentials to access online banking. Read only is acceptable.

FEES FOR ABOVE SERVICES

- Standard Monthly Fees will be value based, fixed fee of $1,500 per month. This is the existing current price
- Form 990 Tax Preparation fee for the year ending September 30, 2020 at $2,250. This is the current price.
- If time and fees rise above $1,500 per month, I will alert staff about expectations and increase, if any, particularly in cases for travel and financial audit requirements.
- The City or the Firm may terminate this Agreement upon giving 30 days prior written notice. The Firm's work during the 30-day period shall be at the same terms and conditions as before the notice. Any additional work must be agreed to by the Firm and the City and shall be for a rate of $150 per hour.
- Reimbursement of any software fees, if any, (For Example: QuickBooks Online), at the market price.
- Reimbursement of mileage according to IRS Mileage Rate 2020 and 2021
- Payable upon receipt monthly
- This monthly fee proposal is allowed for revision based upon future unexpected time involvement

PRIVACY POLICY
CPAs, like all providers of personal financial services, are now required by law to inform their clients of their policies regarding privacy of client information. CPAs have been and continue to be bound by professional standards of confidentiality that are even more stringent than those required by law. Therefore, I have always protected your right to privacy.

I collect nonpublic personal information about you that is provided to me by you or obtained by me with your authorization. For current and former clients, I do not disclose any nonpublic personal information obtained in the course of my practice except as required or permitted by law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know that information to assist me in providing services to you. In all such situations, I stress the confidential nature of information being shared.

ELECTRONIC COMMUNICATION
In the interest of facilitating our services to you, I may communicate by facsimile transmission or send electronic mail over the internet. Such communications may include information that is confidential to you. While I will use my best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that I have no control over the unauthorized interception of these communications once they have been sent, and you consent to our use of these electronic devices.

CLIENT RESPONSIBILITIES
You are responsible for management decisions and functions, which include but are not limited to; adequate insurance coverage, calculation of amounts for employee payroll deductions for health insurance and, administration of pension eligibility, and verification of accounts payable amounts, and will designate a competent employee to oversee any services outlined below. You are responsible for evaluating the adequacy and results of and accept responsibility for such services. You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities. I will not audit or otherwise verify the data you submit, although I may ask for some clarification. This engagement is limited solely to accounting and tax services as listed above.

None of the services can be relied on to detect errors, fraud, or illegal acts that may exist. However, I will inform the appropriate level of management of any material errors that come to our attention and any fraud or illegal acts that come to our attention, unless they are clearly inconsequential. In addition, I have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement. I have marked the frequency of the services that I expect to provide. Please review the information below and make any changes necessary.

I appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Agreed to and Accepted by:

________________________________ Date: ____________________
City of Edinburg Economic Development

Agreed to and Accepted by:

________________________________ Date: 12/14/2020
Firm

Edinburg Economic Development Corporation
Meeting Date:December 16, 2020

Discussion and possible action on Economic Development Incentive Application.

1. **Agenda Item:**
   Discussion and possible action on Economic Development Incentive Application.
2. **Description/Scope:**
   The Edinburg EDC is a Type A sales tax corporation authorized to invest in certain types of economic development projects as outlined in Chapters 501, 504, and 505 of the Texas Local Government Code. Eligible expenditures include acquisition of land, machinery and equipment, construction, planning and professional services related to the project, financial transactions and reserve funds, and administrative and other necessary expenditures.

   According to state statutes, the EDC "must enter into a written performance agreement with any business enterprise that it funds directly or makes expenditures that benefit an eligible project. At a minimum, the performance agreement must contain a schedule of additional payroll or jobs to be created or retained; the capital investment to be made by the business enterprise; and the terms for repayment of the EDC's investment if the business fails to meet the performance requirements specified in the agreement."

   Texas Comptroller, https://comptroller.texas.gov/economy/local/type-ab/

   Chapter 380 of the Local Government Code authorizes cities to offer "incentives designed to promote economic development such as commercial and retail projects. Specifically, it provides for offering loans and grants of city funds or services at little or no cost to promote state and local economic development and to stimulate business and commercial activity."

   Texas Comptroller, https://comptroller.texas.gov/economy/local/ch380-381/index.php

   The Edinburg City Council established a Chapter 380 program effective February 20, 2007 (Resolution No. 1876).

   This application documents the information needed from applicants for the EDC and the City Council to consider incentive requests, establishes criteria for eligibility (including minimum number (15) and types of jobs and level of capital investment), describes the types of incentives available, and describes the process for reviewing applications. Draft application is attached.

3. **Estimated Timeline:**
   If approved by the EDC and City Council, staff will implement this application immediately.

4. **Budget:**

   No budgetary impact for implementing the application. UTRGV is under contract for completing the fiscal impact analysis as described in the application and staff is prepared to process applications internally with no additional resources required.

5. **Procurement/Selection Process:**
   N/A

6. **Staff's Recommendation:**
   Staff recommends approval.

7. **Justification:**
   Staff needs the information requested in the application in order to accurately evaluate incentive requests and make sound recommendations to the EDC. The proposed eligibility criteria and types of incentives available are competitive with what other communities are offering and will position Edinburg to compete effectively. Further, the outlined process demonstrates a commitment to transparency, accountability, and attention to return on investment for the community.

   *Update under Eligibility: Applicants must create or retain fifteen or more jobs.

/s/ Blanca Davila

Blanca Davila
Director of Economic Development

ATTACHMENTS
Attachment A: Economic Development Incentive Application DRAFT

Approved:	________
Not Approved:	________
Tabled:	________
No Action:	

Economic Development

Incentive Application

Guiding Principles

The City of Edinburg (City) and the Edinburg Economic Development Corporation (EDC) are authorized by state and local statutes to offer incentives for economic development. Incentives are considered on a case-by-case basis, and decisions are made according to guiding principles outlined below. Please review them carefully before submitting an application.

- Incentives should result in the creation or retention of high-quality jobs that pay a living wage and provide benefits to full-time employees.

- Incentives are public interventions into private markets and therefore should achieve specific public purposes or benefits, beyond just growing the tax base.

- Incentives are also appropriate to consider when Edinburg is competing with other locations for a primary employer engaged in a competitive site selection process. In that case, incentives should be offered on a "but for" basis, meaning Edinburg would not be competitive without incentives.

- Economic development should be transparent, just like other city business. Proposed incentives will be available for public review before deliberations for approval by governing bodies. Although the Texas Open Meetings Act allows a governing body to deliberate proposed incentives in a closed meeting, approved incentives will be available for public review. Similarly, compliance with the terms of an incentive agreement with the City and/or the EDC will be available for public review.

- In most cases, incentives should be on a reimbursement basis, after performance targets are met according to agreements. In unusual cases where upfront investment of public funds is necessary, agreements will include "clawbacks" if targets are not met.

- A fiscal impact analysis of proposed incentives, showing the benefits, costs, and return on investment to the city, will be completed and posted for public review before agreements are considered for approval by governing bodies.

Eligibility

To be eligible to apply for incentives, a business must meet the following criteria:

- Applicants must be located in the city limits, or in the extraterritorial jurisdiction (ETJ) with a voluntary annexation agreement.

- Applicants must create or retain fifteen or more jobs and/or add $5 million or more to the city's property tax roll.

- Applicants must certify that they are equal opportunity employers and agree that they shall not discriminate in hiring and employment because of race, color, national origin, religion, sex, age, disability, or marital status and that they shall comply with all federal, state and local equal opportunity policies and laws to insure non-discrimination.

- Applicants must submit applications before projects are started. The City and the EDC will not award incentives after-the-fact for projects that are imminent or underway (i.e. will clearly happen without incentives).

- Mixed-use developments with office/commercial and residential components may be considered, but projects that are exclusively residential are not eligible for incentives, except for circumstances where the City may consider a reimbursement contract for infrastructure upgrades (e.g., water line upsizing) that would benefit the community.

Application Process

1. Complete and submit this application. Meet with economic development staff to answer questions and provide any additional data needed.

2. An objective third-party (currently UTRGV under a technical assistance contract) will complete a fiscal impact analysis of the proposed project.

3. Staff will determine if the project is recommended to the EDC Board. For projects that are not recommended, staff will provide feedback on the proposal. For recommended projects, work with staff to develop an incentive agreement.

4. Present the proposed project at an EDC board meeting. The agenda packet will include the incentive application, agreement, and fiscal impact analysis.

5. If approved by the EDC Board, deliver the same presentation at an Edinburg city council meeting. If approved, execute the agreement, and then work with staff to create a project profile on the City's Dashboard, where the application, compliance documentation, and payment information will be posted.

Application Instructions

Accurate and complete information will assist in the timely processing and response to your request. Applications are accepted the first week of every month to ensure ample time for staff to review and possibly include in the EDC board meeting agenda for consideration. EDC board meetings are held the last Tuesday of every month. Should additional clarification be needed, Economic Development staff will contact you with inquiries.

INCENTIVE APPLICATION

General Information

Business name:

Industry classification code (NAICS):

Business address:

City:

State:

Zip code:

Point of contact:

Title:

Phone number:

Email:

Total number of employees:

Approximate annual sales:

Minority-owned business: ☐ Yes ☐ No Percentage:

Woman-owned business: ☐ Yes ☐ No Percentage:

Veteran-owned business: ☐ Yes ☐ No Percentage:

Project Information

Project address or description of location:

Brief description (purpose, timeline, etc.):

Number of jobs created:

Number of jobs retained:

Estimated number of jobs created or retained filled by Edinburg residents:

Total capital investment:

Is the proposed project located in a Texas Enterprise Zone? ☐ Yes ☐ No

Cost Breakdown

Land:

Infrastructure:

Building:

Machinery:

Equipment:

Other:

Total:

Incentive Request

Please indicate which incentive(s) you are applying for:

☐ **Job Grants**

Job grants may be offered on a one-time basis or for a set period of time, and paid annually upon EDC and City Council approval of completed compliance documentation.

☐ $500 per qualified job. Qualified jobs are full-time with benefits paying $15/hour or more.

Estimated number of jobs:

☐ $750 per qualified job if filled by a Veteran, disabled worker, person living below the poverty line or experiencing homelessness, or facing some other barrier to employment.

Estimated number of jobs:

☐ $1,000 per qualified job if worker is provided employer-sponsored training that results in an industry-recognized certificate or other credential.

Estimated number of jobs:

The City and the EDC may consider co-investing with employers in internship opportunities for high school or postsecondary students living in Edinburg, especially for experiences that could lead to an industry-recognized certificate or other credential.

☐ I would like to discuss internship opportunities with Economic Development staff.

☐ **Tax Refunds**

Tax refunds may be offered on a one-time basis or for a set period of time, and paid annually upon EDC and City Council approval of completed compliance documentation. The City may consider requests for refunds up to 50% of property and/or sales taxes paid to the City. For projects creating or retaining 500 or more jobs, the City may consider refunds up to 80%.

☐ Property tax refund

Total estimated property value subject to city property tax upon project completion:

Percentage refund requested:

☐ Sales tax refund

Total estimated annual sales subject to city sales tax:

Percentage refund requested:

☐ **Infrastructure**

The City and the EDC may consider investing in infrastructure or other improvements on behalf of a project if the investments would improve the competitiveness of the impacted area overall in terms of attracting future development, or result in other benefits to the community.

☐ I am requesting EDC and/or City participation in infrastructure costs.

Please describe and provide a cost estimate for the requested investment:

Please explain how the investment will benefit the community. Be specific and quantify the city's return on investment, if possible (250 words).

☐ **<u>Other</u>**

☐ I am requesting another type of incentive.

Please describe:

Contact Information

Economic Development Department
415 W. University Dr.
Edinburg, TX 78540

Blanca Davila
bdavila@cityofedinburg.com
Economic Development Director

Nidian Elizondo
nelizondo@cityofedinburg.com
Economic Development Coordinator

Brian Kelsey
bkelsey@cityofedinburg.com
Assistant City Manager - Economic Development

Edinburg Economic Development Corporation
Meeting Date:December 16, 2020

Discussion and possible action regarding the purchase, exchange, lease, or value of real property. (§551.072. Deliberation Regarding Real Property; Closed Meeting)

1. **Agenda Item:**

2. **Description/Scope:**

3. **Estimated Timeline:**

4. **Budget:**

5. **Procurement/Selection Process:**

6. **Staff's Recommendation:**

7. **Justification:**

____
Blanca Davila
Director of Economic Development

ATTACHMENTS

Approved:	_________
Not Approved:	_________
Tabled:	_________
No Action:	