ECONOMIC DEVELOPMENT
CORPORATION BOARD OF DIRECTORS

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

NOVEMBER 24, 2020
REGULAR MEETING AGENDA
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 meetings on October 27, 2020 and November 5, 2020.

   B. Consider approval of financial reports for October 2020.

   C. 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 an application for designating an enterprise project under the Texas Enterprise Zone Act, Chapter 2303, of the Texas Government Code.

   B. 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 ___________, 2020 at ______ am / pm.

By:
Signature: ________________________
Name: *Ron Garza, City Manager*
City of Edinburg, Texas

Edinburgh Economic Development Corporation

Meeting Date:November 24, 2020

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

1. **Agenda Item:**
   Consider approval of minutes for board meetings on October 27, 2020 and November 5, 2020.
2. **Description/Scope:**
   Board meeting minutes are reviewed and approved on a monthly basis.
3. **Estimated Timeline:**
   Monthly.
4. **Budget:**
5. **Procurement/Selection Process:**
6. **Staff's Recommendation:**
7. **Justification:**

____

Blanca Davila
Director of Economic Development

ATTACHMENTS

Attachment A: October 27, 2020 Minutes
Attachment B: November 5, 2020 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
OCTOBER 27, 2020
4:00 PM

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

ABSENT: **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
Dagoberto Soto, Finance Director
Omar Ochoa, City Attorney
Cris Villarreal, CPA

PUBLIC: **Luis Orozco, Luis C. Orozco CPA Firm**
Jesus Moncayo, Luis C. Orozco CPA Firm
Brian Demers, Buxton Co.
Caleb Reid, Buxton Co.
Ramiro Garza, Rio Grande Economic Advisors

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.

Director Veronica Gonzales was 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 October 23, 2020 at 11:11 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. <u>REGULAR AGENDA ITEMS</u>

A. Consider approval of minutes for board meetings on September 29, 2020, and October 15, 2020.

MOTION TO APPROVE MINUTES FOR BOARD MEETINGS ON SEPTEMBER 29, 2020 AND OCTOBER 15, 2020 WAS MADE BY DIRECTOR SABRINA WALKER HERNANDEZ AND SECONDED BY TREASURER AARON RIVERA. MOTION CARRIED UNANIMOUSLY.

B. Consider approval of financial reports for August 2020 and September 2020.

Cris Villarreal, CPA, began presenting on the September 2020 financials since the Statement of Cash Receipts, Disbursements, and Cash Balances provides a month to month basis overview and August 2020 financials were included.

A Statement of Cash Receipts, Disbursements, and Cash Balances – Unrestricted Cash for the Period Ending Fiscal Year 2020; Statement of Net Assets – Supplemental Information; and A/R Aging Summary – Supplemental Information was presented. The September 2020 fiscal year end financials presented were unaudited.

The EDC Note Receivable with Santana Textiles was discussed and it was stated that the EDC continues to invoice, accruing interest and late fees. The EDC is a second lien holder of the Santana Textiles note receivable and the Bank is the first lien holder. For everyone's reference, City Manager Ron Garza, mentioned the compliance period that ends the subordination agreement on April 24, 2022. Once compliance period ends, the EDC can move forward legally and become the first lien holder and possibly be reimbursed.

MOTION TO APPROVE UNAUDITED FINANCIAL REPORTS FOR AUGUST 2020 AND SEPTEMBER 2020 WAS MADE BY SECRETARY DAN DIAZ AND SECONDED BY DIRECTOR SABRINA WALKER HERNANDEZ. MOTION CARRIED UNANIMOUSLY.

C. Consider approval of End-of-Year Amended FY 2020 Budget.

MOTION TO APPROVE END-OF-YEAR AMENDED FY 2020 BUDGET WAS MADE BY DIRECTOR SABRINA WALKER HERNANDEZ AND SECONDED BY TREASURER AARON RIVERA. MOTION CARRIED UNANIMOUSLY.

D. Update on 2019 Audit.

During the EDC Board Meeting on September 29, 2020, the EDC Board approved a 30 day extension for Luis C. Orozco, CPA firm to complete the EDC 2019 audit report. The audit report was not completed as the City of Edinburg Finance Department was working through pension adjustments needed for the EDC 2019 audit (GASB 68 & GASB 75 adjustments).

Luis C. Orozco, CPA, presented the latest draft of the financial statements for the year ended September 30, 2019. The financial statements were converted into a governmental format as the financials presented will be incorporated in the City's final audit report.

A balance sheet of governmental funds as of September 30, 2019 was presented, which included the total assets of $33,408,877; total liabilities of $10,858; and total fund balance of $33,398,019. The fixed assets and long-term debt were not included in this balance sheet.

A statement of revenues, expenditures, and changes in fund balances of governmental funds for the year ended September 30, 2019 was presented. This included total revenues of $6,684,275; total expenditures of $5,986,040; and total other financing sources of $11,940,862.

The statement of net position as of September 30, 2019 was presented including the total assets of $40,497,673; total deferred outflows of resources of $167,953; total liabilities of $28,600,140; total deferred inflows of resources of $38,957; and total net position of $12,026,529. The total net position reflects the total equity of the EDC as of September 30, 2019.

Mr. Luis Orozco stated that no additional adjustments will be made to the financial portion of the audit report. Because the Santana Textile note receivable is the primary concern, the auditors will meet with Mr. Sutherland, the consultant for the Santana Textiles note receivable. Once connecting with Mr. Sutherland for clarification and additional information, the auditor's opinion letter will be included in the final audit report.

Jesus Moncayo, auditor assistant, presented on the management advisory comments for the EDC. The advisory comments include having lease agreements with all leases. Regarding capital assets, it was recommended the EDC review the depreciation schedule and remove obsolete assets no longer owned by the EDC, as most of the items are fully depreciated.

A special board meeting was scheduled for November 5, 2020 to discuss and accept the final EDC 2019 audit report.

No action was taken on this item.

E. Presentation of Buxton study findings related to retail matching and marketing.

In September 2019, the EDC contracted with Buxton, a provider of data and analytics for retail marketing solutions, to research the Edinburg market and recommend a list of retail businesses for target marketing purposes. Buxton analyzed the three retail trade areas in Edinburg: (1) Downtown/University area; (2) the McColl/Trenton area; and (3) the Shoppes at RGV.

Brian Demers, Buxton Co., presented the study findings related to retail matching and marketing in the City of Edinburg. The presentation began with engagement objectives including Edinburg's objectives of: (1) understanding the retail economic condition and seek actionable program to recruit new retailers; (2) understand the profile of consumers who visit the study area, how that profile changes over time, and how the profile compares to the profile of consumers visiting other locations, and (3) visualize consumer traffic volumes by business type to answer evolving business questions.

Buxton Co. identified up to 40 specific retailer matches based on purchasing habits for three different sites in the City of Edinburg. A few examples of retail matching for the first site, the Shoppes at Rio Grande Valley, include Home Goods, Cinergy, Yard House, Panda Express, and Bath & Body Works. Retail matches for the second site, the McColl/Trenton area, include Golden Corral, Red Robin, Dick's Sporting Goods, Michael's, and Urban Air. Retail matches for the third site, the Downtown/University area include the Home Depot, Olive Garden, Target, Costco, and DD's Discounts.

Buxton Co. will continue to assist Edinburg's recruitment program with the following: introductory letters, contact information, professionals in-residence support, scout – results tracking, account management support & technical assistance, and ICSC RECON/Trade Show.

Mr. Brian Demers proceeded to present on the scout platform of mobilytics, which analyzes mobile foot-traffic data with extreme precision. This platform analyzes observed visits at any location over time by providing information on where people visit and where they come from. The consumer impact dashboard, provides real-time mobile GPS data to benchmark consumer traffic volume, empower decision makers with daily data updates, inform your tax revenue projections and budgeting process, and keep a pulse on the health of your local economy.

F. Consider approval of amendment to Buxton contract for retail market data and analytics.

Buxton is under contract with the EDC for three years (2019-2022) to provide access to data and analytics on Edinburg's retail market. The original contract was in the amount of $50,000 annually. Upon reviewing the scope of work in context of the EDC's current research needs and capabilities, staff worked with Buxton to amend the contract to $36,500 for Year 2 and Year 3. The amended contract provides staff with enhances tools and greater control of in-house research capabilities. The agreement expires September 30, 2022.

MOTION TO APPROVE AMENDMENT TO BUXTON CONTRACT FOR RETAIL MARKET DATA AND ANALYTICS WAS MADE BY VICE PRESIDENT ROLAND GOMEZ AND SECONDED BY TREASURER AARON RIVERA. MOTION CARRIED UNANIMOUSLY.

G. Consider approval of contract to sell real property at 1710-1714 S 28th Street to Frima, LLC, for an amount of $625,000.

On the August 6, 2020 EDC Board meeting, the board voted to approve a letter of intent from JOPA Inc. for the sale of real property at 1710-1714 S 28th Street, and directed staff to work with buyer on a contract.

Under the proposed contract, Frima LLC will purchase the property for $625,000. JOPA Inc., (business holdings) and Frima LLC (real estate holdings) are under the same ownership.

Assistant City Manager, Brian Kelsey, mentioned that in lieu of major repairs needed to the property, the final sale price was reduced from $650,000 in the letter of intent to $625,000 in the contract.

Secretary Dan Diaz proposed moving agenda items G and H into executive session.

Board deliberation was held in executive session.

H. Consider approval of contract to sell real property at 7310 N. Liberty Drive to Roberto Antonio Martinez (Primo Trading) for an amount of $1,100,000.00.

Board deliberation was held in executive session.

MOTION TO MOVE AGENDA ITEMS G AND H INTO EXECUTIVE SESSION FOR BOARD DELIBERATION WAS MADE BY SECRETARY DAN DIAZ AND SECONDED BY DIRECTOR RAUL RESENDEZ. MOTION CARRIED UNANIMOUSLY.

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.

The EDC Board entered Executive Session at 5:42 PM.

MOTION TO ENTER EXECUTIVE SESSION WAS MADE BY VICE PRESIDENT ROLAND GOMEZ AND SECONDED BY DIRECTOR SABRINA WALKER HERNANDEZ AT 5:42 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. **<u>OPEN SESSION</u>**

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 6:38 PM.

MOTION TO OPEN SESSION WAS MADE BY SECRETARY DAN DIAZ AND SECONDED BY VICE PRESIDENT ROLAND GOMEZ AT 6:38 PM. MOTION CARRIED UNANIMOUSLY.

A. Consider approval of contract to sell real property at 1710-1714 S 28th Street to Frima, LLC, for an amount of $625,000.

MOTION TO APPROVE CONTRACT TO SELL PROPERTY AT 1710-1714 S 28TH STREET TO FRIMA LLC, FOR AN AMOUNT OF $625,000 WAS MADE BY DIRECTOR SABRINA WALKER HERNANDEZ AND SECONDED BY VICE PRESIDENT ROLAND GOMEZ. MOTION CARRIED UNANIMOUSLY.

B. Consider approval of contract to sell real property at 7310 N. Liberty Drive to Roberto Antonio Martinez (Primo Trading) for an amount of $1,100,000.00.

No action was taken on this agenda item.

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

No action was taken on this agenda item.

D. 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 FOR LETTER OF SUPPORT FOR THE TEXAS ENTERPRISE ZONE PROJECT WAS MADE BY VICE PRESIDENT ROLAND GOMEZ AND SECONDED BY DIRECTOR SABRINA WALKER HERNANDEZ. MOTION CARRIED UNANIMOUSLY.

7. ADJOURNEMENT

There being no further business to consider, the meeting was adjourned at 6:39 PM.

MOTION TO ADJOURN MEETING WAS MADE BY VICE PRESIDENT ROLAND GOMEZ AND SECONDED BY DIRECTOR SABRINA WALKER HERNANDEZ AT 6:39 PM. MOTION CARRIED UNANIMOUSLY.

Leticia Pantoja Digitally signed by Leticia Pantoja Date: 2020.11.19 17:17:17 -06'00'

Minutes Transcribed by: Leticia Pantoja

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

SPECIAL MEETING
NOVEMBER 5, 2020
4:00 PM

PRESENT: Hiren Govind, President
Daniel "Dan" Diaz, Secretary
Aaron "Ronny" Rivera, Treasurer
Veronica Gonzales, Director
Sabrina Walker-Hernandez, Director
Raul Resendez, Director

ABSENT: Roland Gomez, Vice President

STAFF: Ron Garza, City Manager
Brian Kelsey, Assistant City Manager/EDD
Blanca Davila, EDD Director
Nidian Elizondo, EDD Coordinator
Leticia Pantoja, EDD Administrative Assistant
Dagoberto Soto, Finance Director
Omar Ochoa, City Attorney

PUBLIC: Luis Orozco, Luis C. Orozco CPA Firm
Jesus Moncayo, Luis C. Orozco CPA Firm
Roberto Antonio Martinez, Primo Trading
John Rigney, Primo Trading Attorney

1. **<u>CALL TO ORDER, ESTABLISH QUORUM</u>**

   President, Hiren Govind, called the meeting to order at 4:07 PM.

   EDD Director, Blanca Davila, proceeded to Roll Call and established quorum.

   For record, Director Sabrina Walker Hernandez was present and joined the meeting at 4:13 PM.

2. **<u>CERTIFICATION OF PUBLIC NOTICE</u>**

   EDD Director, Blanca Davila, confirmed the public notice was posted in accordance with the Texas Open Meetings Act, on November 2, 2020 at 10:20 AM.

3. **<u>PUBLIC COMMENTS</u>**

   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 accepting Edinburg Economic Development Corporation 2019 Audit.

On the October 27, 2020 Board Meeting, Luis Orozco, CPA, provided an update on the EDC 2019 audit report. Therefore, Mr. Orozco only presented the new additions made to the audit report since the previous board meeting update. There were no modifications made to the financials previously presented.

Mr. Orozco began presenting the independent auditor's report, which included an unmodified opinion on the financial statements and emphasis of matter. Mr. Orozco explained the primary concern is the Santana Textile note receivable, as the EDC has a pending receivable in net amount of $13,340,004. The note receivable (Santana Textiles) net account is comprised of two notes: (1) the first note originated on April 16, 2010, in the net amount of $5,000,000 and (2) the second note originated on August 30, 2011, in the amount of $10,000,000.

The $5,000,000 note receivable from Santana Textiles, LLC has payments of $23,167 monthly, including principal and interest (4.25%) beginning November 21, 2017, and ending upon maturity on October 21, 2022. The $10,000,000 note receivable from Santana Textiles, LLC has payments of $52,658 monthly, including principal and interest (4.25%) beginning November 21, 2017, and ending upon maturity on October 21, 2022.

Auditor assistant, Jesus Moncayo, explained that the only difference between the report update presented in the previous board meeting and the finalized report is the opinion letter and the management discussion analysis. The management discussion analysis includes a summary of the financial information previously presented.

MOTION TO ACCEPT THE EDINBURG ECONOMIC DEVELOPMENT CORPORATION 2019 AUDIT WAS MADE BY SECRETARY DAN DIAZ AND SECONDED BY DIRECTOR VERONICA GONZALES. MOTION CARRIED UNANIMOUSLY.

B. Consider approval of the City of Edinburg Parks and Recreation 'Edinburg Cares Food Drive 2020' sponsorship of $1,500.00.

EDD Director, Blanca Davila, explained the 'Edinburg Cares Food Drive 2020' will be hosted Monday, November 25, 2020. Under the direction of the City of Edinburg Parks & Recreation Department, the event provides disadvantaged families in the community and surrounding areas with a turkey and canned food for the Thanksgiving holiday.

MOTION TO APPROVE CITY OF EDINBURG PARKS AND RECREATION 'EDINBURG CARES FOOD DRIVE 2020' SPONSORSHIP OF $1,500.00 WAS MADE BY TREASURER AARON RIVERA AND SECONDED BY DIRECTOR SABRINA WALKER HERNANDEZ. MOTION CARRIED UNANIMOUSLY.

C. Consider approval of contract to sell real property at 7310 N. Liberty Drive to Roberto Antonio Martinez (Primo Trading) for an amount of $1,100,000.00.

Roberto Antonio Martinez, Primo Trading, provided a brief overview of his business, growth plans, and future goals. Mr. Martinez explained Primo Trading grows and imports their own product and specializes in citrus and tropical based produce. Primo Trading's customer base is Mexico, Canada, and Puerto Rico. Their supply base is 70% Mexico and 30% Domestic, primarily the Rio Grande Valley.

Primo Trading operates in three facilities: one in Edinburg, Pharr, and Weslaco. Mr. Martinez employs 15-20 employees in Edinburg, 50 in Pharr, and 50-75 in Weslaco.

Mr. Martinez plans to retrofit the facility and undergo major renovations to fully transition and operate in Edinburg. The short-term and long-term goal is to shut down facilities in Pharr and Weslaco to relocate and solely operate in Edinburg within the next 3-5 years.

Agenda item was moved into executive session for further board discussion.

MOTION TO MOVE AGENDA ITEM INTO EXECUTIVE SESSION FOR FURTHER DISCUSSION WAS MADE BY SECRETARY DAN DIAZ AND SECONDED BY DIRECTOR VERONICA GONZALES. MOTION CARRIED UNANIMOUSLY.

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.

The EDC Board entered Executive Session at 4:40 PM.

MOTION TO ENTER EXECUTIVE SESSION WAS MADE BY DIRECTOR VERONICA GONZALES AND SECONDED BY SECRETARY DAN DIAZ AT 4:40 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. <u>OPEN SESSION</u>

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 5:20 PM.

MOTION TO OPEN SESSION WAS MADE BY TREASURER AARON RIVERA AND SECONDED BY DIRECTOR SABRINA WALKER HERNANDEZ AT 5:20 PM. MOTION CARRIED UNANIMOUSLY.

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

MOTION TO APPROVE CONTRACT TO SELL REAL PROPERTY AT 7310 N. LIBERTY DRIVE TO ROBERTO ANTONIO MARTINEZ (PRIMO TRADING) FOR AN AMOUNT OF $1,100,000.00 WAS MADE BY SECRETARY DAN DIAZ AND SECONDED BY TREASURER AARON RIVERA. MOTION CARRIED UNANIMOUSLY.

7. ADJOURNEMENT

There being no further business to consider, the meeting was adjourned at 5:21 PM.

MOTION TO ADJOURN MEETING WAS MADE BY DIRECTOR SABRINA WALKER HERNANDEZ AND SECONDED BY DIRECTOR VERONICA GONZALES AT 5:21 PM. MOTION CARRIED UNANIMOUSLY.

Leticia Pantoja Digitally signed by Leticia Pantoja
Date: 2020.11.19 17:03:11 -06'00'

Minutes Transcribed by: Leticia Pantoja

Edinburgh Economic Development Corporation
Meeting Date:November 24, 2020

Consider approval of financial reports for October 2020.

1. **Agenda Item:**
   Consider approval of financial reports for October 2020.
2. **Description/Scope:**
   Cris Villarreal, CPA, will provide a financial report for October 2020.

3. **Estimated Timeline:**

4. **Budget:**

5. **Procurement/Selection Process:**

6. **Staff's Recommendation:**

7. **Justification:**

____
Blanca Davila
Director of Economic Development

ATTACHMENTS
Attachment A: Financial Report: October 2020

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

Management Report

Edinburg Economic Development Corporation
For the period ended October 31, 2020

Prepared on
November 20, 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	Year-to-Date Actual	Annual Budget	% to Date	Remaining Budget Balance
CASH RECEIPTS:					
1/2 Cent Sales Tax Revenue	$ -	$ -	$ 6,500,000	0%	$ (6,500,000)
Lease Payments	5,286	5,286	48,000	11%	(42,714)
Sale of Property and Other Revenue	-	-	-	0%	-
Investment Interest	1,714	1,714	25,000	0%	(23,286)
Transfer in TexStar Bond Projects, net	-	-	4,139,638	0%	(4,139,638)
Interest Earned in Restricted Funds	(1,714)	(1,714)	-	0%	(1,714)
TOTAL CASH RECEIPTS	5,286	5,286	10,712,638	0%	(10,707,352)
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	-	-	300,000	0%	300,000
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	-	-	30,000	0%	30,000
File Storage Expense	-	-	20,000	0%	20,000
Equipment Leasing	(323)	(323)	40,000	-1%	40,323
Total Contractual & Maintenance Services	177	177	621,582	0%	621,405
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	89	200,000	0%	199,911
Sponsorship/Donations	-	-	75,000	0%	75,000
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	89	865,000	0%	864,911
Properties					
Property Taxes	-	-	100,000	0%	100,000
Purchase of Property	-	-	50,000	0%	50,000
Utilities	(132)	(132)	25,000	-1%	25,132
Existing Buildings - Improvements/Repairs	-	-	40,000	0%	40,000
Secruity Expense	-	-	2,000	0%	2,000
Industrial Park & Property Maintenance	722	722	10,000	7%	9,278
Total Properties	590	590	227,000	0%	226,410

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

	October	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	202,415	11,134,699	2%	10,547,284
INCREASE (DECREASE) IN UNRESTRICTED CASH	(197,129)	(197,129)	(422,061)		
Unrestricted Cash, beginning of period	5,437,203	5,437,203			
Unrestricted Cash, end of period	$ 5,240,074	$ 5,240,074			

SUPPLEMENTARY	
Cash - Unrestricted	
PCB-Operating: Non-Interest Bearing	$ 1,000,000
PCB-Sweep: Interest Bearing	4,240,074
Statement Period Yield	*0.0000%*
Cash - Restricted	
Non Interest Bearing:	
PCB-New Series 19 Bond Debt Svc Fund	184,958
PCB-Debt Service	1,276,473
PCB-Revenue Account	549,402
TX National Bank	800,000
Interest Bearing:	
Greater State Bank-Construction	1,493,238
Statement Period Yield	*0.65%*
TexSTAR New Series 2019 Debt Srvc Rsrv Fund	774,877
Statement Period Yield	*1.85%*
TexSTAR 19 Construction Fund	8,342,447
Statement Period Yield	*1.85%*
Total Cash - Restricted & Unrestricted	$18,661,469

Statement of Net Assets-Supplemental Information

As of October 31, 2020

	Total
ASSETS	
Current Assets	
Bank Accounts	
1000 Operating	
1001 4899-PCB-Operating	1,000,000.00
1002 8602-PCB-Sweep Account-Int Bearing	4,240,074.37
Total 1000 Operating	**5,240,074.37**
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	1,493,237.80
1019 TexSTAR New Series 2019 Debt Service Reserve Fund	774,877.29
1020 TexSTAR New Series 2019 Construction Fund	8,342,446.52
Total 1005 Restricted	**13,421,395.01**
Total Bank Accounts	**18,661,469.38**
Accounts Receivable	
1200 Accounts Receivable	1,647,195.45
Total Accounts Receivable	**1,647,195.45**
Total Current Assets	**20,308,664.83**
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	**$40,029,069.00**

	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	-428,790.99
Net Income	-136,639.80
Total Equity	**12,189,972.00**
TOTAL LIABILITIES AND EQUITY	**$40,029,069.00**

A/R Aging Summary-Supplemental Information

As of October 31, 2020

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
Ariel Martinez	1,023.00					1,023.00
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		36,665.12	36,535.72	36,406.78	845,150.27	954,757.89
Santana 5		16,371.26	16,313.48	16,255.91	384,310.47	433,251.12
Santana Late Fees		4,337.43	4,337.43	4,337.43	111,134.55	124,146.84
Total Santana Textiles		**57,373.81**	**57,186.63**	**57,000.12**	**1,340,595.29**	**1,512,155.85**
TOTAL	**$2,423.00**	**$57,373.81**	**$58,086.63**	**$57,000.12**	**$1,472,311.89**	**$1,647,195.45**

Edinburg Economic Development Corporation
Meeting Date:November 24, 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 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 already 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.

____
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 twenty 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).

☐ **Other**

☐ I am requesting another type of incentive.

Please describe:

Contact Information

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Edinburg, TX 78540

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Economic Development Director

Nidian Elizondo
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Economic Development Coordinator

Brian Kelsey
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Assistant City Manager - Economic Development

Edinburg Economic Development Corporation
Meeting Date:November 24, 2020

Discussion and possible action regarding an application for designating an enterprise project under the Texas Enterprise Zone Act, Chapter 2303, of the Texas Government Code.

1. **Agenda Item:**

2. **Description/Scope:**

3. **Estimated Timeline:**

4. **Budget:**

5. **Procurement/Selection Process:**

6. **Staff's Recommendation:**

7. **Justification:**

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Blanca Davila
Director of Economic Development

ATTACHMENTS

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

Edinburg Economic Development Corporation
Meeting Date:November 24, 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:**

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Blanca Davila
Director of Economic Development

ATTACHMENTS

Approved:	__________
Not Approved:	__________
Tabled:	__________
No Action:	