

**ECONOMIC DEVELOPMENT
CORPORATION BOARD OF DIRECTORS**



Location:

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

**SEPTEMBER 29, 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. In a 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 August 25, 2020 Board Meeting and September 17, 2020 Special Board Meeting Minutes
- B. Report on Fiscal Year 2020 End-of-Year Budget
- C. Consider 2019 Audit Engagement Letter Amendment
- D. Consider Staffing Services and Lease Agreement Fiscal Year 2020 Date Amendment
- E. Consider Fiscal Year 2021 Proposed Budget, Staffing Services and Lease Agreement, and Work Plan
- F. Consider Request from GAMA for \$44,000 in Incentives for a Property located at 4451 S. Jackson Rd. Edinburg, Texas 78541
- G. Consider Renewal of UTRGV Technical Assistance Contract for Fiscal Year 2021
- H. Consider funding for Get Digital with UTRGV Entrepreneurship and Commercialization Center
- I. Presentation of Proposals for 7310 North Liberty Drive
 - 1. Gateway America
 - 2. Primo Trading

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 Real Property at 7310 N Liberty Edinburg, Hidalgo County, Texas (§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 Sept. 25th, 2020 at 9:15 am / pm.

By:

Signature:

Name:

City of Edinburg, Texas

Ron Garza, City Manager



Edinburg Economic Development Corporation

Meeting Date: September 29, 2020

Consider August 25, 2020 Board Meeting and September 17, 2020 Special Board Meeting Minutes

1. Agenda Item:

Consider August 25, 2020 Board Meeting and September 17, 2020 Special Board Meeting Minutes

2. Description/Scope:

Board to review and consider approval of minutes.

3. Estimated Timeline:

Monthly

4. Budget:

N/A

5. Procurement/Selection Process:

N/A

6. Staff's Recommendation:

N/A

7. Justification:

N/A

Blanca Davila
Director of Economic Development

ATTACHMENTS

Attachment A: 9/17/2020 Special Board Meeting Minutes

Attachment B: 8/25/2020 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
AUGUST 25, 2020
4:00 PM

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

ABSENT:

STAFF: Ron Garza, City Manager
Brian Kelsey, Assistant City Manager/EDD
Blanca Davila, EDD Director
Leticia Pantoja, Administrative Assistant
Dagoberto Soto Jr, Finance Director
Omar Ochoa, City Attorney
Aaron Vela, EDC Attorney
Cristian Villarreal, CPA

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. All Board Members were present.

2. CERTIFICATION OF PUBLIC NOTICE

EDD Director, Blanca Davila, confirmed the public notice was posted, in accordance with the Texas Open Meetings Act, on August 21, 2020 at 11:01 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. In-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.

No public comments were submitted.

4. REGULAR AGENDA ITEMS

A. Consider Approval of June 30, 2020 & August 6, 2020 Board Meeting minutes.

**MOTION TO APPROVE JUNE 30, 2020
& AUGUST 6, 2020 BOARD MEETING
MINUTES WAS MADE BY DIRECTOR
VERONICA GONZALES AND
SECONDED BY DIRECTOR SABRINA
WALKER HERNANDEZ. MOTION
CARRIED UNANIMOUSLY.**

- B. Consider Authorizing Administrative Designees; Finance Director, Dagoberto Soto Jr. for EEDC Financial Accounts and other Transactional Documents including but not limited to Plains Capital, Texas National Bank, Lone Star Bank, and Greater State Bank along with removal of former signature card holders as needed.**

**MOTION TO APPROVE
AUTHORIZING FINANCE DIRECTOR,
DAGOBERTO SOTO JR. AS AN
ADMINISTRATIVE DESIGNEE WAS
MADE BY VICE PRESIDENT ROLAND
GOMEZ AND SECONDED BY
SECRETARY DAN DIAZ. MOTION
CARRIED UNANIMOUSLY.**

C. Presentation of July 2020 Financials

Cristian Villarreal, CPA, presented on July 2020 financials for the Edinburg Economic Development Corporation.

A statement of Cash Receipts, Disbursements, and Cash Balances, Statement of Net Assets-Supplemental Information, A/R Aging Summary-Supplemental Information, and A/P Aging Summary-Supplemental Information was presented for the period ended in July 31, 2020.

D. Presentation of FY21 Budget Format

EDD Director, Blanca Davila, presented the budget format of FY21 which will be delivered including the four sections: Revenues, Debt Service, Administrative Services, and EDC programs.

The first section of the budget, Revenues, includes ½ Cent Sales Tax Revenue, Lease Payments, Sale of Property, Investment Interests, among others. The Debt Service section will include the Senior Lien, Second Lien, and Third Lien EDC Bonds. The Administrative Services will include Personnel, Operating, Maintenance, and Contractual services. Lastly, the EDC programs section will include Programs, Projects, and Properties.

E. Update on EDC Projects and Properties

EDD Director, Blanca Davila, presented an excel spreadsheet with an overview and compiled information of EDC projects. The Spreadsheet partially reflects the July 2020 financials and includes the EDC projects, Contract Executed Copy, Amount of Incentives, Balance, Capital Investment, Jobs Created, Project Location, Contact Information, and Terms of Contract.

A second spreadsheet with a list of EDC Properties was presented which includes Property Address, Legal Description, Appraised Value, Google Map, HCAD Map, and Tenants. As well, a google link to EDC projects and properties map was presented to provide the Board with a visual layout of all projects and property locations. The EDC projects and properties living documents will continue to be updated throughout the year.

F. Discussion and Possible Consideration to transfer naming of North Park Project.

As per the Financing/Use Agreement between the Corporation and the City, the EDC will transfer ownership of North Park Project to the City upon project completion, estimated in September 2020. Upon discussion, the Board approved the transfer and provided two name recommendations of: (1) Mary A. Flores, to honor the first person who brought the Boys & Girls Club to the City of Edinburg and (2) A name to serve as a COVID-19 memorial.

The item will be brought for consideration to the City Council on the September 15, 2020 meeting.

MOTION TO TRANSFER AND NAME NORTH PARK PROJECT WITH EITHER MARY A. FLORES OR COVID-19 MEMORIAL WAS MADE BY TREASURER RONNY RIVERA AND SECONDED BY SECRETARY DAN DIAZ. MOTION CARRIED UNANIMOUSLY.

G. Presentation on Get Digital Workshop, with the UTRGV Entrepreneurship & Commercialization Center.

Director, Veronica Gonzales, presented on the Get Digital Workshop, with the UTRGV Entrepreneurship & Commercialization Center. The Get Digital Workshop will offer three trainings: (1) Food and Retail, (2) Google Your Business, and (3) Sell on Etsy, Amazon and Ebay. The trainings are delivered through Zoom and will assist businesses grow, maintain profit margins, keep a positive cash flow, and minimize sales and service disruptions.

Upon further discussion, it was decided for the City of Edinburg to connect trainings to the SPARC program and business roster. The City of Edinburg will reach out to UTRGV Entrepreneurship & Commercialization Center Manager, Linda Ufland, and Edinburg Chamber of Commerce to coordinate trainings.

5. OTHER BUSINESS

Director, Sabrina Walker Hernandez received an email from KRGV Channel 5 News Chief Meteorologist, Tim Smith, regarding the Edinburg downtown and square. Mr. Smith expressed his vision for revitalizing the Edinburg downtown and square.

City Manager, Ron Garza, proposed a Pop Up week, weekend, or month to promote the initiative and recreate the vision, before street construction begins in 2021. The idea proposed is to lease businesses the downtown and square area for a short period of time to engage and leave the community with a vision of what the area can potentially be. The proposed initiative may be scheduled in Fall 2020.

6. EXECUTIVE SESSION

The EDC 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 EDC 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 went into Executive Session at 5:52 pm.

**MOTION TO GO INTO
EXECUTIVE SESSION WAS
MADE BY DIRECTOR SABRINA
WALKER HERNANDEZ AND
SECONDED BY DIRECTOR
VERONICA GONZALES AT 5:52
PM. MOTION CARRIED
UNANIMOUSLY.**

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

A. Discussion and Possible Action regarding property at 506 W. Trenton Rd. Edinburg, TX (§551.072. Deliberation Regarding Real Property; Closed Meeting)

President, Hiren Govind, excused himself from executive session from 6:08 PM to 6:20 PM.

**NO ACTION WAS TAKEN ON THIS
ITEM REGARDING PROPERTY AT
506. W TRENTON RD. EDINBURG, TX.**

7. 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.

MOTION TO RECONVENE TO OPEN SESSION WAS MADE BY VICE PRESIDENT ROLAND GOMEZ AND SECONDED BY DIRECTOR VERONICA GONZALES AT 6:41 PM. MOTION CARRIED UNANIMOUSLY.

8. ADJOURNEMENT

There being no further business to consider, the meeting was adjourned at 6:43 PM.

MOTION TO ADJOURN THE MEETING WAS MADE BY VICE PRESIDENT ROLAND GOMEZ AND SECONDED BY TREASURER RONNY RIVERA AT 6:43 PM. MOTION CARRIED UNANIMOUSLY.

Leticia Pantoja Digitally signed by Leticia Pantoja
Date: 2020.09.25 16:35:36 -05'00'

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 BOARD MEETING
SEPTEMBER 17, 2020
1:00 PM

PRESENT: Hiren Govind, President
Roland Gomez, Vice President
Daniel “Dan” Diaz, Secretary
Veronica Gonzales, Director
Sabrina Walker-Hernandez, Director
Raul Resendez, Director

ABSENT: Aaron “Ronny” Rivera, Treasurer

COUNCIL: Gilbert Enriquez, Councilman

STAFF: Ron Garza, City Manager
Brian Kelsey, Assistant City Manager/EDD
Blanca Davila, EDD Director
Leticia Pantoja, EDD Administrative Assistant
Omar Ochoa, City Attorney

PRESENTER: Carlton Schwab, President & CEO of TEDC

1. CALL TO ORDER, ESTABLISH QUORUM

President, Hiren Govind, called the meeting to order at 1:02 PM.

EDD Director, Blanca Davila, proceeded to Roll Call and established quorum. Treasurer, Aaron River 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 September 14, 2020 at 10:35 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. In-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.

No public comments were submitted.

4. REGULAR AGENDA ITEMS

A. EDC Board Training: Economic Development Sales Tax

President and CEO of the Texas Economic Development Council (TEDC), Carlton Schwab, presented the Economic Development Sales Tax Training, providing a comprehensive review on Economic Development (ED), ED Sales Tax Corporate Requirements, ED Sales Tax Permissible Projects, Observations about Texas EDC's, Commonalities of Excellence among EDC's, ED Sales Tax and the Texas Legislature, and the Economic Impact of the Type A and Type B ED Sales Tax.

Mr. Schwab began the presentation with an overview of TEDC and what the association offers, which includes Education/Career Development, Resources/Publications, Advocacy, Conferences/Networking, and Award Programs.

Mr. Schwab proceeded with explaining how ED functions and identified primary employers of Texas such as American Airlines, Dell, Texas Instruments, to name a few. The primary jobs, which stimulate the flow of money within a community and are foundation of ED, were identified as manufacturing, professional services, and distribution & warehouse. The non-primary jobs, created as a result of certain level of ED, were identified as grocery stores, service stations, and restaurants.

In addition, differences in Type A and Type B sales tax corporation requirements were discussed, and the City of Edinburg Economic Development Corporation (EDC) was identified as a Type A corporation with special authority to use sales tax dollars on Type B projects. The permissible Type A projects were presented, which must create or retain primary jobs. However, certain projects such as job training, career centers, certain targeted infrastructure, general aviation airport, port retaliated facilities, development, improvement, maintenance of computer rail, light rail, or motor buses, may be funded without creating or retaining jobs.

The importance of ED organizations is diversification, seeking high quality primary jobs, and competition for jobs and investment. Key trends or ways and means of ED organizations include finance and incentives, marketing, partnerships, networks and connections, monitoring business climate, analysis and planning, technical assistance, and navigating systems. As well, key factors related to the success of EDC's were identified as those who know their strength and weaknesses, communities placed in the broader regional economy, have vision and goals, strategy to achieve such goals, connections between economic development and city policies, regulatory environment, understand needs of community, economic development message, staff, and stakeholders and partners.

Lastly, Mr. Schwab, provided an overview on the history and origin of the Texas Economic Development Sales Tax and the economic impact of Type A and Type B ED Sales Tax.

5. ADJOURNEMENT

There being no further questions or comments, the meeting was adjourned at 3:05 PM.

**MOTION TO ADJOURN MEETING WAS
MADE BY SECRETARY DAN DIAZ AND
SECONDED BY DIRECTOR VERONICA
GONZALES AT 3:05 PM. MOTION CARRIED
UNANIMOUSLY.**

Leticia Pantoja Digitally signed by Leticia Pantoja
Date: 2020.09.25 16:35:57 -05'00'

Minutes Transcribed by: Leticia Pantoja

Economic Development for Community Leaders



September 17th, 2020

Carlton Schwab
President & CEO
Texas Economic Development Council

About the TEDC...



**Largest state association
of economic developers in
the nation**



**Approximately 850
members representing
over 600 communities**



Established in 1961



**Governed by a 30-member
Board and a 9-member
Executive Committee**

What TEDC Offers...



**EDUCATION/ CAREER
DEVELOPMENT**



**RESOURCES/
PUBLICATIONS**



ADVOCACY



**CONFERENCES /
NETWORKING**

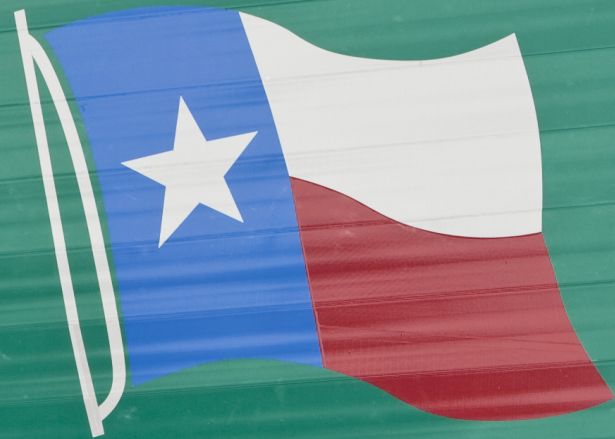


AWARD PROGRAMS

Our Conversation Today Will Focus On...

- 
- What is Economic Development?
 - The ED Sales Tax Corporate Requirements
 - The ED Sales Tax Permissible Projects
 - Observations About Texas EDCs
 - Commonalities of Excellence Among EDCs
 - The ED Sales Tax and the Texas Legislature
 - Economic Impact of the Type A and Type B ED Sales Tax

Welcome to



ECONOMIC DEVELOPMENT- THE TEXAS WAY

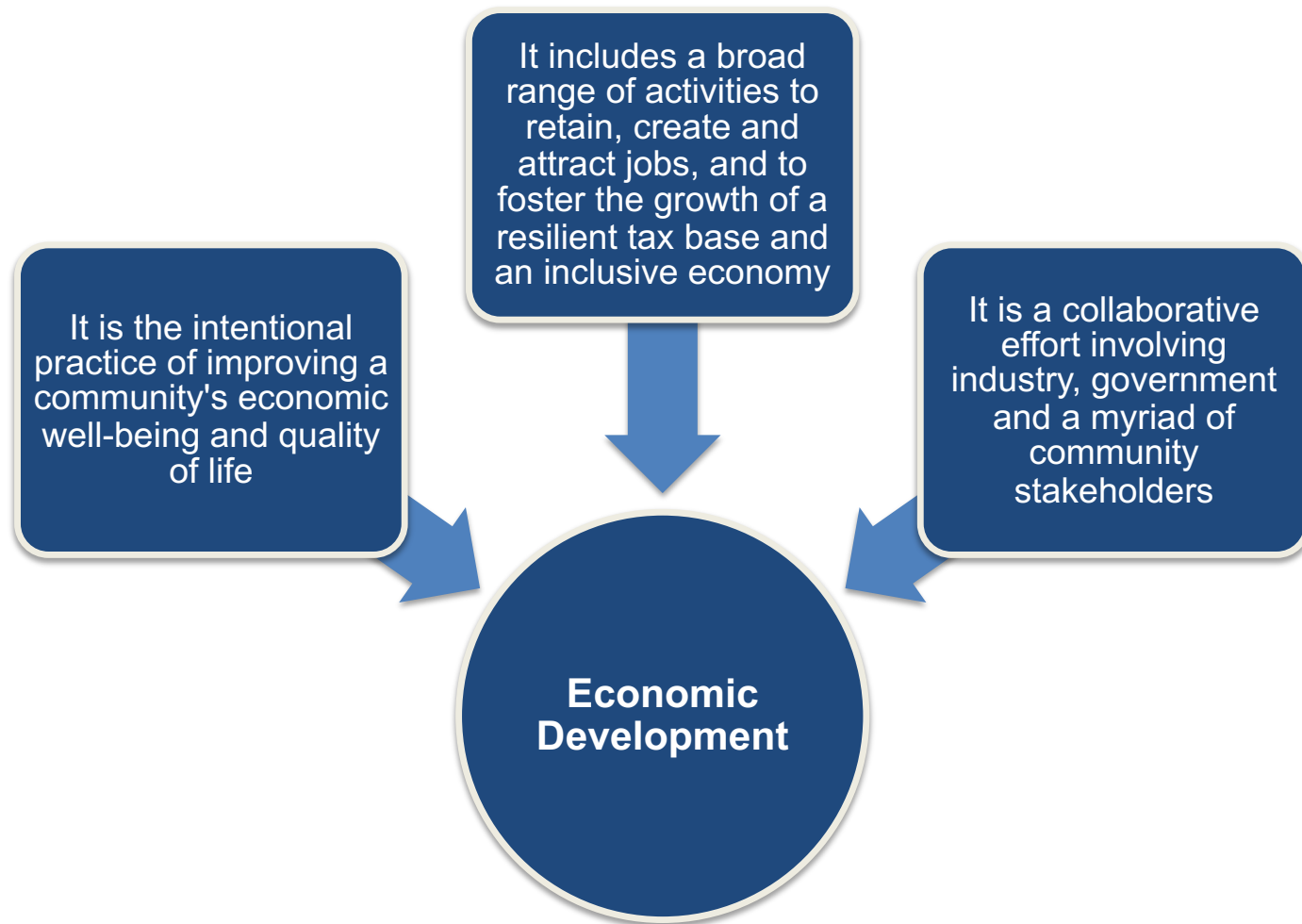


A Texan's Perspective on the United States of America

What is Economic Development?

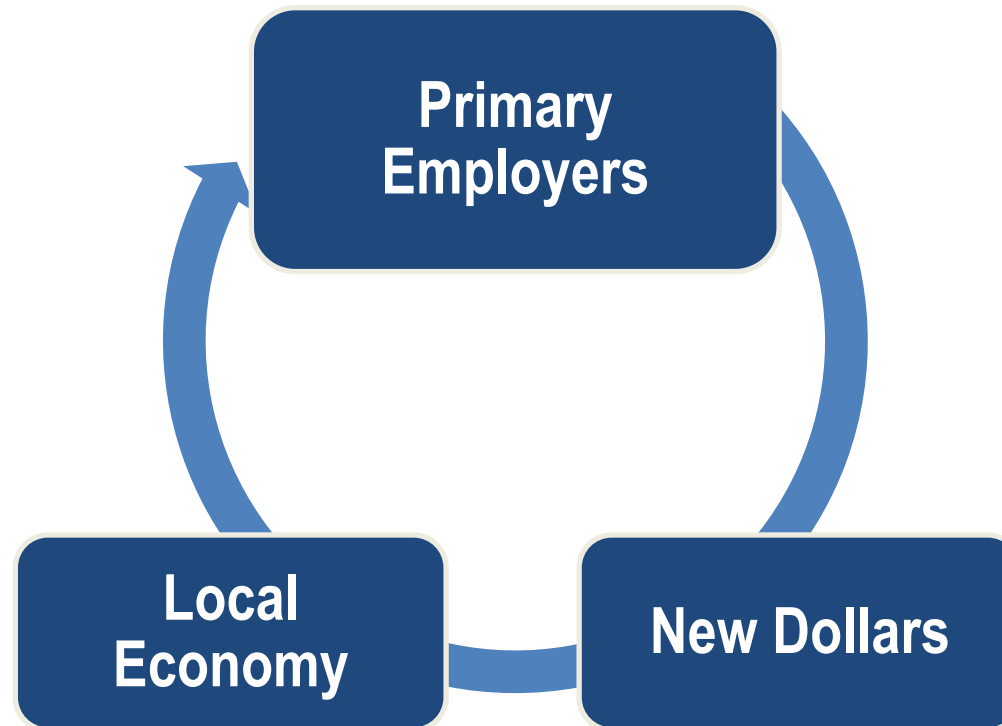


What is Economic Development?



How Does Economic Development Work?

...it is the process by which new dollars are infused into a local economy by primary employers...



Examples of Texas Primary Employers



What are Primary Jobs?

Primary jobs produce or sell their products or services on a regional, state, national or international basis.

Manufacturing



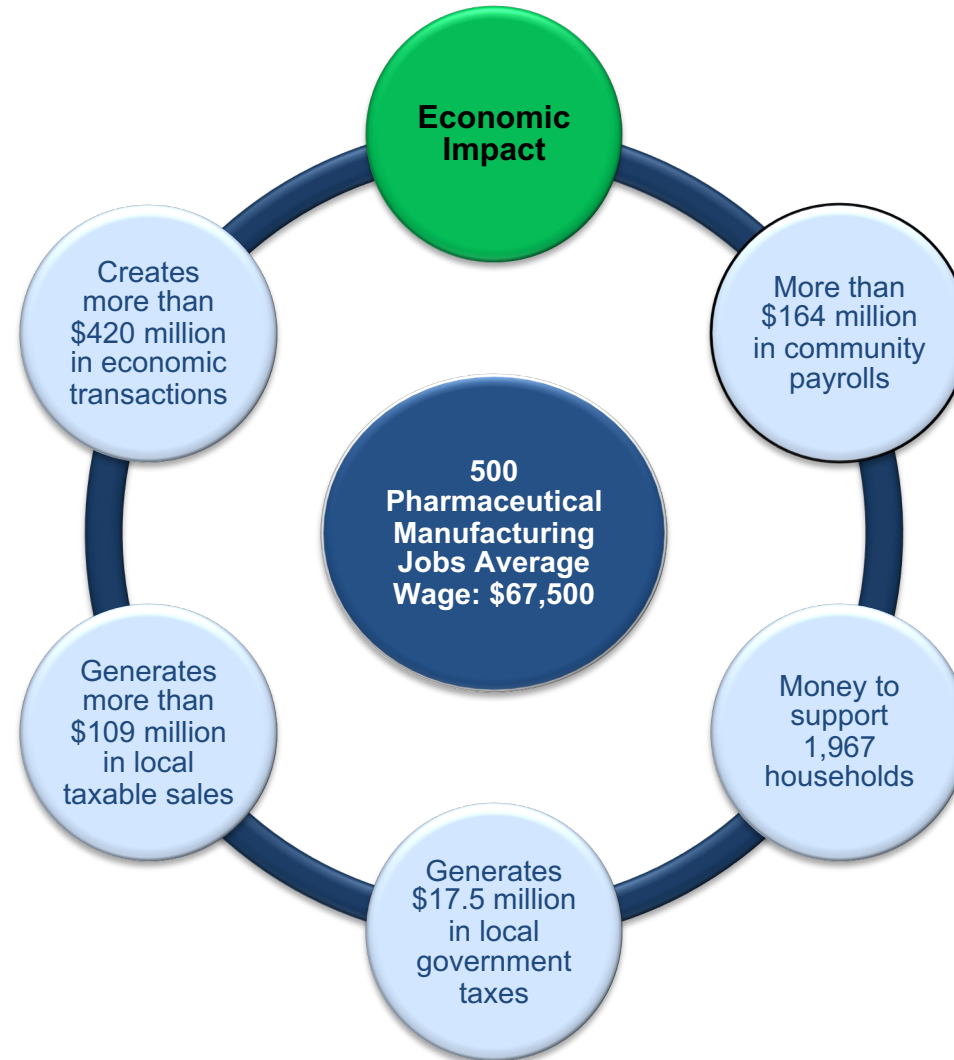
Professional Services



Distribution & Warehouse



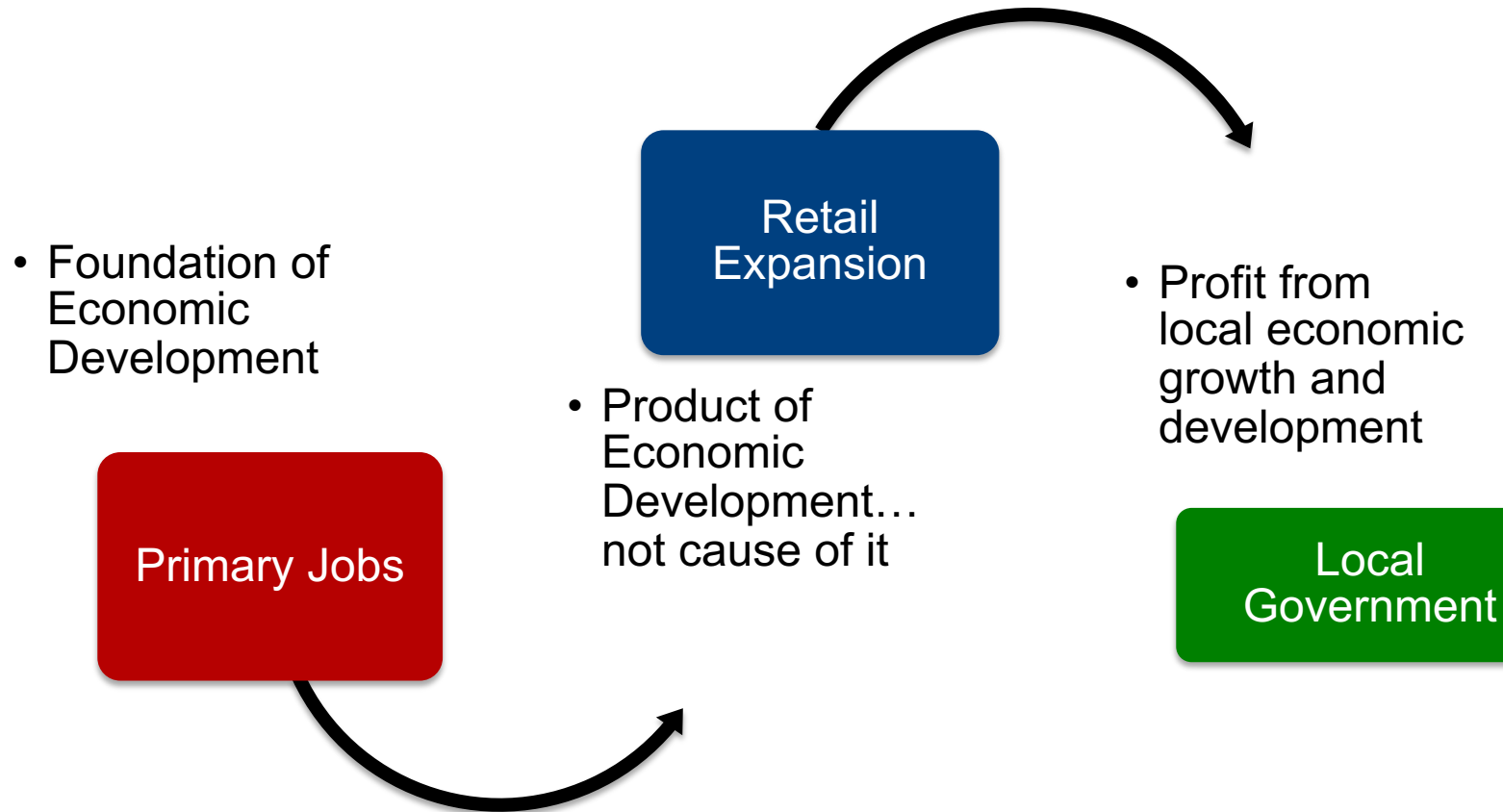
Primary Jobs Drive the Multiplier Effect



Primary Jobs Drive the Multiplier Effect



Primary Jobs stimulate the flow of money within a community



What are Non-Primary Jobs?

Non-Primary jobs are jobs created in the local area and are the result of a certain level of economic development.

Grocery
Stores



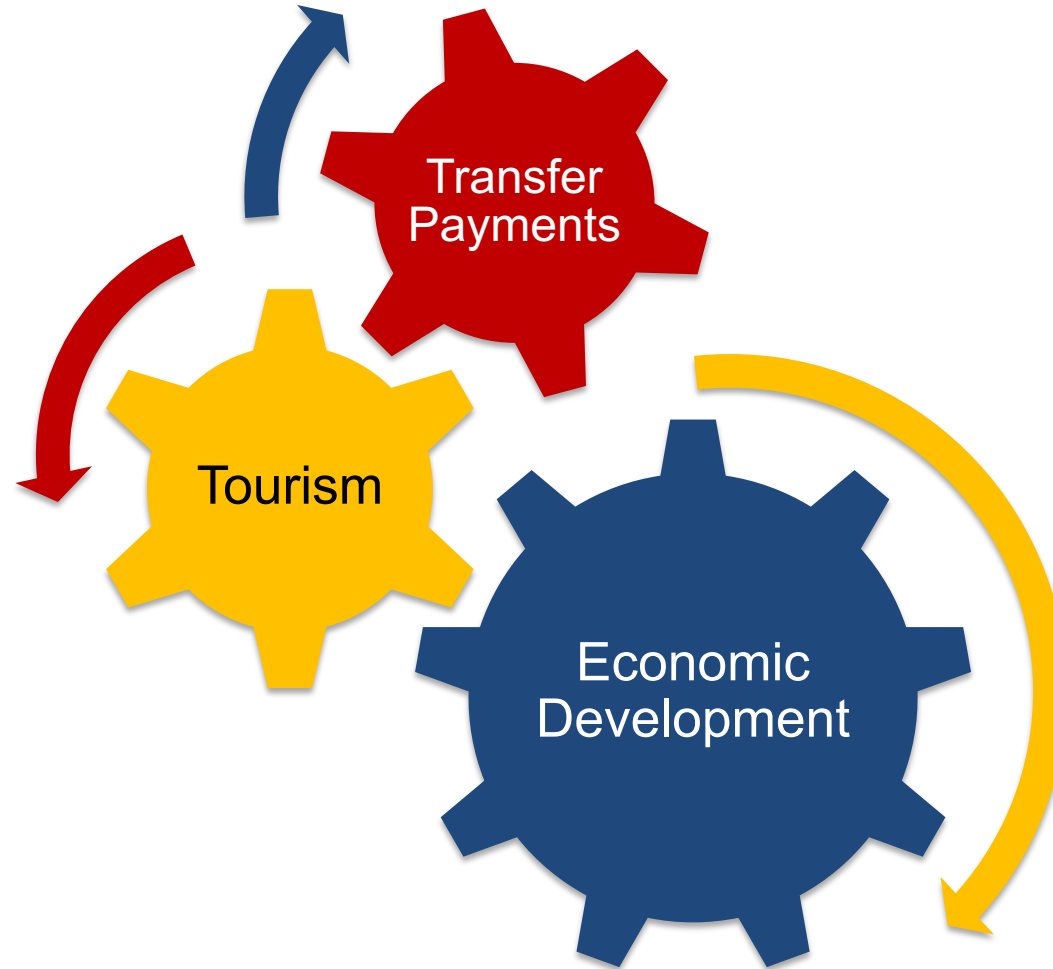
Service
Stations



Restaurants



In addition to Primary Employers, local economic development activity can also be generated by....



Economic Development Sales Tax Corporate Requirements

An Overview



Type A and Type B Sales Tax: Corporate Requirements

What is a Type A and B Sales Tax?

- Cities must hold a sales tax election to implement the tax
- If adopted the city could not exceed the two (2) percent local sales tax limit
 - ♦ State sales tax rate 6.25%
 - ♦ Local sales tax cannot exceed 2.00%

When Must a Type A or Type B Sales Tax Election be Held?

- Type A or Type B sales tax election must be held on a uniform election date
- The uniform election dates are:
 - ♦ the first Saturday in May in odd-numbered years
 - ♦ the first Saturday in May in even-numbered years
 - ♦ the first Tuesday after the first Monday in November

Type A and Type B Sales Tax: Corporate Requirements

What is the Tax Rate for a Type A or Type B Sales Tax?

- The sales tax rate for either a Type A or Type B sales tax is in increments of $1/8^{\text{th}}$ of one-percent
- The total rate for all local sales and use taxes may not exceed two (2) percent
 - ♦ Tex. Loc. Gov't Code Ann. §§ 504.252(b) and 505.252(b)

Can Type A or Type B Corporations grant proceeds to a business entity without a performance agreement?

- Must have a performance agreement.
- Performance agreement must contain the following:
 - ♦ schedule of additional payroll or jobs to be created or retained
 - ♦ schedule of a capital investment to be made
 - ♦ specify the terms for any repayment (Tex. Loc. Gov't Code § 501.158)

Type A and Type B Sales Tax: Corporate Requirements

Can Type A and Type B Corporations Hire an Independent Third Party to Conduct Business Recruitment or Development?

- The Act requires a written contract approved by the board of directors for third party business recruitment efforts.
- The penalty is:
 - ♦ Up to \$10,000 fine
 - ♦ Texas Attorney General's Office may bring an action to recover the penalty in Travis County District Court or the district court in which the violation occurred.

Can Type A or Type B corporations undertake projects which are located outside the city limits of the eligible city?

- May undertake projects outside city limits with permission of the governing body that has jurisdiction over the property (§ 501.159(a))
- Best practice tip:
 - ♦ Completely within ETJ – get county commissioners court approval
 - ♦ Completely within unincorporated area – get county commissioners court approval

Type A and Type B Sales Tax: Corporate Requirements

Who Administers or Oversees a Type A or Type B Sales Tax?

- Type A or Type B sales tax are administered by non-profit corporations
- The corporations through a board of directors determine which projects to fund
- City Council retains approval authority over all expenditures of the corporation § 501.073(a) and 501.054(b)(2)

Does City Council have to Approve Expenditures for Permissible Type A and Type B Projects?

- The Type A and Type B corporation has the power to expend the sales tax revenue
- Yet, city council retains authority to “approve all programs and expenditures of a corporation” § 501.073(a)
- City council’s oversight includes the authority to approve promotional expenditures as well [Op. Tex. Att’y Gen. No. GA-0086 (2003)]

Type A and Type B Sales Tax: Corporate Requirements

Does City Council Appoint the Directors of the Type A and Type B Corporation?

- Type A board of directors consists of at least five (5) directors
- Type B board of directors consists of seven (7) directors
- Both Type A and Type B board members are appointed by City Council and can be removed with or without cause.

How Long a Term do Type A and Type B Board of Directors Serve?

- Type A board members serve a term not to exceed six (6) years § 504.051(c)
- Type B board members serve a two (2) year term § 505.051(b)

Type A and Type B Sales Tax: Corporate Requirements

Can a Type A or Type B Director be Reappointed to a subsequent term?

- The Attorney General concluded Type A board members could be reappointed to a subsequent term, absent any contrary provision in the articles of incorporation or bylaws, or in a city charter, ordinance or resolution of the city.
[Op. Tex. Att'y Gen. no. JC-0349 (2001)]

Who Determines which Board Members Serve as President, Secretary and Other Officers of the Corporation?

- The board of directors appoint the officers to serve as President, Secretary, and other Officers
[Tex. Loc. Gov't Code §§ 504.052 and 505.0553]

Type A and Type B Sales Tax: Corporate Requirements

How Long of a Term Do the President, Secretary and Other Officers Serve as an Officer?

- One term as officer is the term provided for in the certificate of formation or bylaws
- But, one term cannot exceed three (3) years.
- If the certificate of formation or bylaws do not address the term of office, the officers are elected annually
[Tex. Loc. Gov't Code § 501.065(b)]

Must a Type A Board Member be a Resident of the City?

- The Development Corporation Act does not require a Type A director to be a resident of the city

Type A and Type B Sales Tax: Corporate Requirements

Must a Type B Board Member be a Resident of the City?

- City with a population of 20,000 or more, must be a resident of the city
 - City with a population less than 20,000, must be
 - ♦ a resident of the eligible city
 - ♦ a resident of the county in which the major part of the area of the eligible city is located; or
 - ♦ reside at a place that is within 10 miles of the eligible city's boundaries and is in a county bordering the county in which the major part of the area of the eligible city is located
- [Tex. Loc. Gov't Code § 505.052]

What Constitutes a Quorum of the Type A or Type B Board of Directors?

- A majority of the board constitutes a quorum
- Type A: Generally, three (3) members of a five (5) member board § 504.053
- Type B: Generally, four (4) members of the seven (7) member board § 505.054

Type A and Type B Sales Tax: Corporate Requirements

Are Type A or Type B Board of Directors Paid?

- The directors serve without compensation but must be reimbursed for actual expenses § 501.062(d)

Can a Type A or Type B Corporation Amend its Bylaws?

- Are authorized to adopt and amend bylaws not inconsistent with:
 - ♦ certificate of formation; or
 - ♦ state law
- Amendments to the bylaws must be approved by resolution of the City Council
 - ♦ Tex. Loc. Gov't Code ■■ 501.064(c)

Type A and Type B Sales Tax: Corporate Requirements

Are Type A or Type B Board of Directors Paid?

- The directors serve without compensation but must be reimbursed for actual expenses § 501.062(d)

Can a Type A or Type B Corporation Amend its Bylaws?

- Are authorized to adopt and amend bylaws not inconsistent with:
 - ♦certificate of formation; or
 - ♦state law
- Amendments to the bylaws must be approved by resolution of the City Council
 - ♦Tex. Loc. Gov't Code ■■ 501.064(c)

Type A and Type B Sales Tax: Corporate Requirements

Must Type A Corporations Conduct Public Hearings Prior to Funding Type A Projects?

- Type A corporations are required to obtain city council approval of a project
- Type A corporations generally do not have additional public notice and public hearings requirements on individual projects
- Two exceptions:
 - ◆ sports venue project, or
 - ◆ Type B project § 504.152 and 504.153

Must Type A Corporations Publish Notice of any Hearings on Proposed Projects?

- Generally, Type A corporations are not required to publish notices of proposed projects
- When a Type A board pursues a particular project, city council must approve the project
- Three exceptions:
 - ◆ sports venue projects,
 - ◆ pursuing Type b projects
 - ◆ maintenance and operating costs of a project

Type A and Type B Sales Tax: Corporate Requirements

Are Type a and Type B Corporations required to file a form 990 with the IRS?

- Form 990 is a form used by tax-exempt organizations to file annual informational returns
- The IRS in Revenue Procedure 95-48, I.R.B. 1995-47, 13., (Nov. 20, 1 995) concluded governmental units and affiliates of governmental units are exempt from the form 990 filing requirements
- The form for filing with the IRS to receive an exemption from the Form 990 filing requirements is IRS Form 8940. There is a fee for filing this form.

Type A and Type B Sales Tax: Corporate Requirements

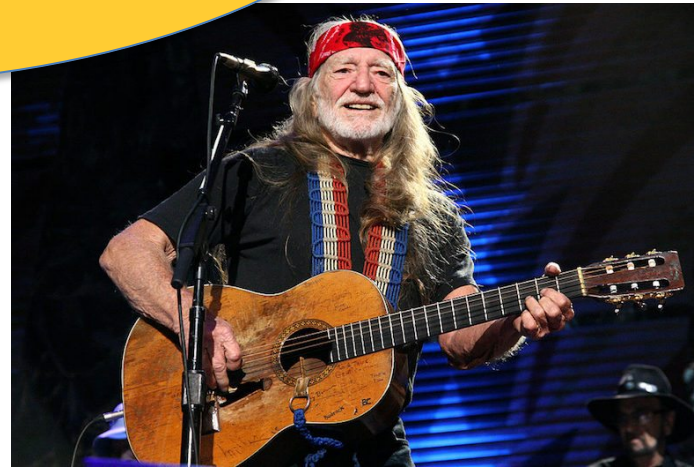
Economic Development Corporation Report

Section 502.151 Texas Local Government Code

- Requires all Type A and Type B corporations to submit an annual report to the State Comptroller's Office
- The report must be submitted by February 1 each year
- \$200 penalty failure to file
- Comptroller must report to Legislature in even-numbered years

I'm from Texas, and one of the reasons I like Texas is because there's no one in control.

Willie Nelson



The Economic Development Sales Tax Permissible Projects

An Overview



What are Permissible Type A Projects?

Currently, Type A corporations may fund the following projects which must create or retain primary jobs



Manufacturing and industrial facilities



Distribution centers



Research and development facilities



Small warehouse facilities



Military facilities



Primary job training by institutions of higher education



Recycling facilities



Regional and national corporate headquarters
[Tex. Loc. Gov't Code §§ 501.101 and 504.103.]

What are Permissible Type A Projects (cont'd)?

Additionally, Type A corporations may fund the following projects without creating or retaining primary jobs:



Job training classes



A general aviation business airport which is an integral part of an industrial park



Certain targeted infrastructure



Port related facilities



Career center not located within taxing jurisdiction or a junior college district



Development, improvement, maintenance commuter rail, light rail, or motor buses

What are Permissible Type A Projects (cont'd)?

Sec. 501.103. Certain Infrastructure Improvement Projects.

In this subtitle, “project” includes expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to:



1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements;



(2) telecommunications and Internet improvements; or



(3) beach remediation along the Gulf of Mexico. [Tex. Loc. Gov't Code § 501.103.]

What are Permissible Type A Projects (cont'd)?

Type A corporation created by a city located within 25 miles of an international border, may provide land, buildings, facilities, infrastructure, and improvements:



Required or suitable for the development or promotion of new or expanded business enterprises through transportation facilities including airports, hangars, rail ports, rail switching facilities, maintenance and repair facilities, cargo facilities, marine ports, inland ports, mass commuting facilities, parking facilities, and related infrastructure located on or adjacent to an airport or rail port facility; OR



Other projects if -

population of less than 50,000 or
average rate of unemployment that is greater than the state average rate of unemployment during the most recent 12-month period.

[Tex. Loc. Gov't Code § 501.106.]

What is a Primary Job Defined by the Local Government Code?

In 2003, the Texas Legislature required most Type A or Type B projects create or retain primary jobs.

The term **primary job** means



- a job that is... available at a company for which a majority of the products or services of that company are ultimately exported to regional, statewide, national, or international markets infusing new dollars into the local economy; and
- is included in one of nearly sixteen (16) NAICS sector codes

What is a Primary Job Defined by the Local Government Code?

The NAICS sector code categories include:

- crop production;
 - animal production;
 - forestry and logging;
 - commercial fishing;
 - support activities for agriculture and forestry;
 - mining;
 - utilities;
 - manufacturing;
 - wholesale trade;
 - transportation and warehousing;
- information
securities, commodity contracts, and other
financial
investments and related activities;
scientific research and development services;
management of companies and enterprises;
Telephone call centers;
correctional institutions; and
A job included within National Security sector
number 928110.

Sales Tax Proceeds for Promotional Purposes

Both Type A and Type B corporations may spend no more than 10% of the corporate revenues for promotional purposes

Texas Attorney General Opinion GA-0086 (2003)

- Promotional purpose is a question of fact for the board of directors to resolve in the first instance
- The City Council could approve or disapprove of a particular promotional expenditure
- The Attorney General noted a corporation may not spend more than 10% of its current annual revenues for promotional purposes in any given year. Yet, unexpended revenues specifically set aside for promotional purposes in past years may be expended for such purposes.

Can Type A or Type B Corporations Expend Sales Tax Proceeds for Job Training Classes?

A corporation may spend tax revenue received under this Act for job training offered through a business enterprise only if the business enterprise has committed in writing to:

- create new jobs that pay wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market area; or
- increase its payroll to pay wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market area [Tex. Loc. Gov't Code Ann. § 501.162.]

Streets and Sewers....

Could a Type A or Type B Corporation fund street and/or sewer projects?



- Section 501.103 “Project” includes expenditures found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: streets and roads, ..., water and sewer utilities, ...drainage,.
- Section 505.152 ‘Project’ includes land, buildings equipment, facilities, and improvements found by the board of directors to be required or suitable for use for professional and amateur sports, including children’s sports, , including . . .related roads, streets, and water and sewer facilities, and other related improvements that enhance any of the items described by this section.

Streets and Sewers....

Could a Type A or Type B Corporation fund street and/or sewer projects?



- **Attorney General Opinion LO-95-072 (1995)** Section 4B (now Type B) authorizes the board of directors to determine whether the construction of sanitary sewer lines in an existing residential subdivision would promote or develop new or expanded business enterprises, although it seems unlikely to promote or develop new or expanded business.
- **Attorney General Opinion GA-320 (2005)** “An expenditure for road construction may qualify as a “project” under section 2(11)(A) [now 501.103] of the Development Corporation Act...provided the board of directors of an industrial development corporation finds that the expenditure is “required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises.”
- **Attorney General Opinion JC-488 (2002)** Lake Jackson’s Type B corporation may fund the construction of the access road to service undeveloped commercially zoned property, provided that the access road will “promote new or expanded business enterprises.”

Definition of "Cost" – Section 501.152

Cost" with respect to a project, means the cost of the acquisition, cleanup, construction, reconstruction, improvement, or expansion of a project, including:



The cost of acquiring all land, rights-of-way, property rights, easements, and interests; . .



The cost of engineering or legal services;

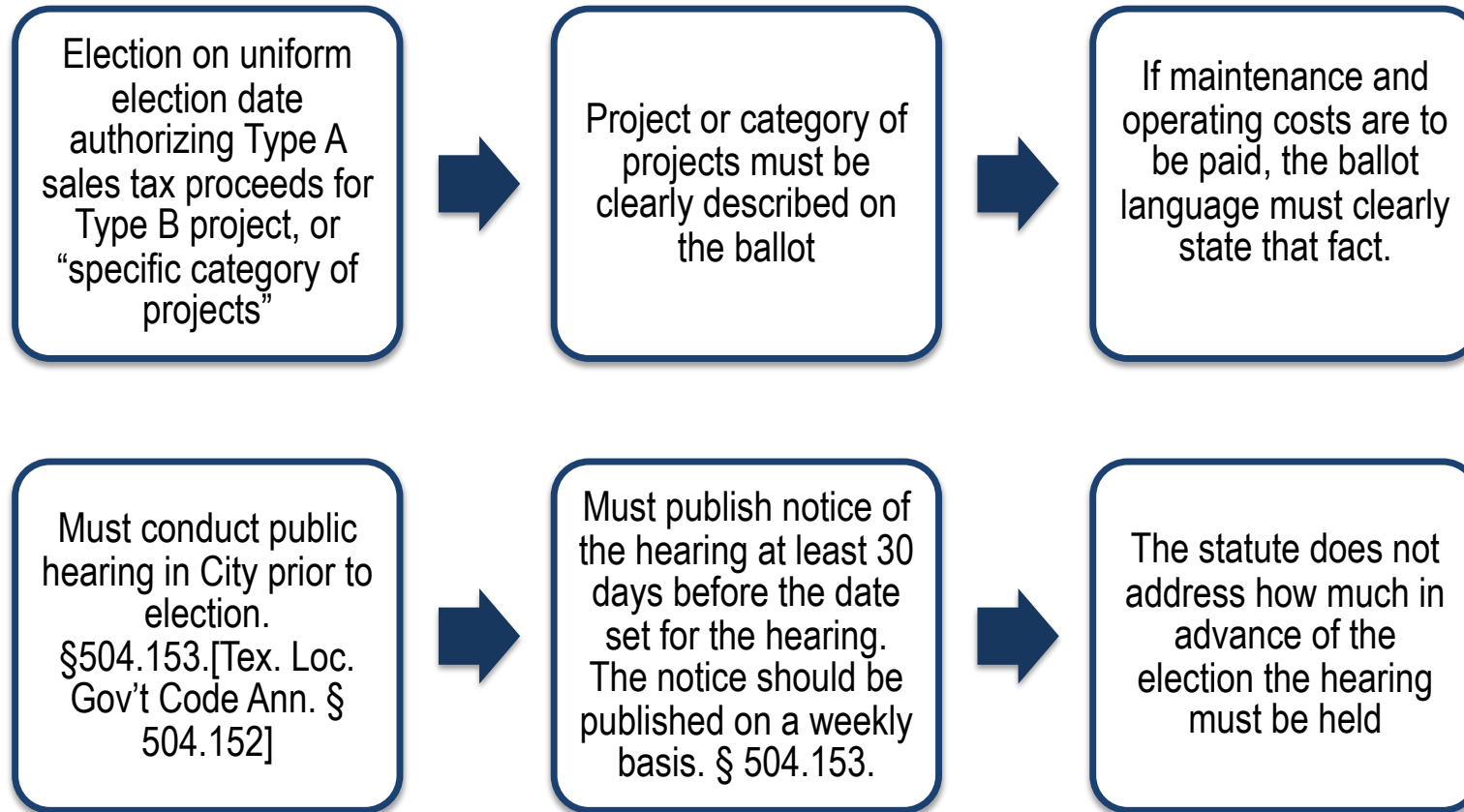


The cost of plans, specifications, or surveys;



Other expenses necessary or incident to determining the feasibility and practicability . .

Type A Pursuing a Type B Project



Type A and Retail....

If a Type A corporation wishes to assist with retail development, the Type A corporation may provide economic development assistance in the follow areas:

- Section 501.103 – targeted infrastructure
- Section 504.105 – promotional expenditures
- Section 501.162 – job training classes



Some Observations About Texas EDCs



What Do Economic Development Organizations Do?

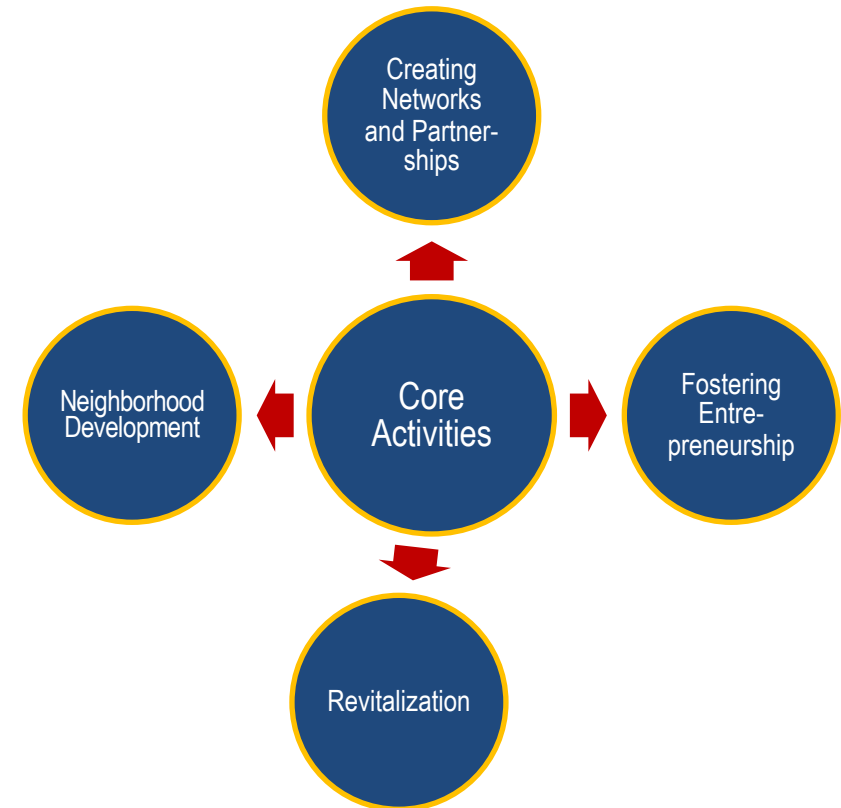


Organize and implement a plan of action to improve the economic well-being and quality of life of residents of a given geographic area/region.



Lead a team of players committed to creating and maintaining good jobs and a high quality of life.

What Do Economic Development Organizations Do?



Source: IEDC

Who Are the Key Players in Economic Development?



Source: IEDC

Why are Economic Development Organizations Important?

Diversification

- Recruiting new industries diversifying the tax base
- Less vulnerable to fluctuations in the economy
- Better equipped to rebound from a relocation or closure of an existing major employer.

Control Ones Own Destiny

- Having a comprehensive economic development program that focuses on seeking high-quality, primary jobs,
- Creating the economy and environment it envisions for its citizens.

Competition

- Competition for jobs and investment is global, not just neighboring cities, regions or states
- No economies are static....that is they are either expanding or contracting.

Key Trends Among Economic Development Organizations...



The field of Economic Development is a viable, much in demand profession.



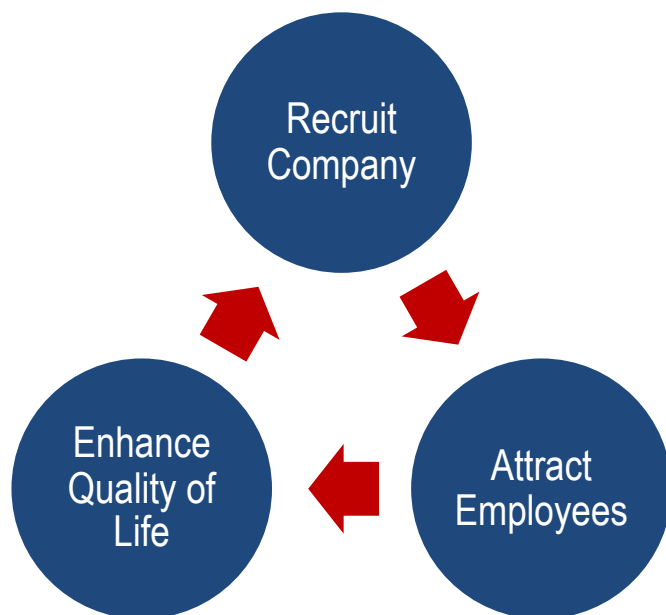
The market for good professionals is tight and the very best professionals are well-compensated.



Benchmarking is now a standard practice and much can be learned from other great organizations.

Key Trends Among Economic Development Organizations...

Economic Development THEN



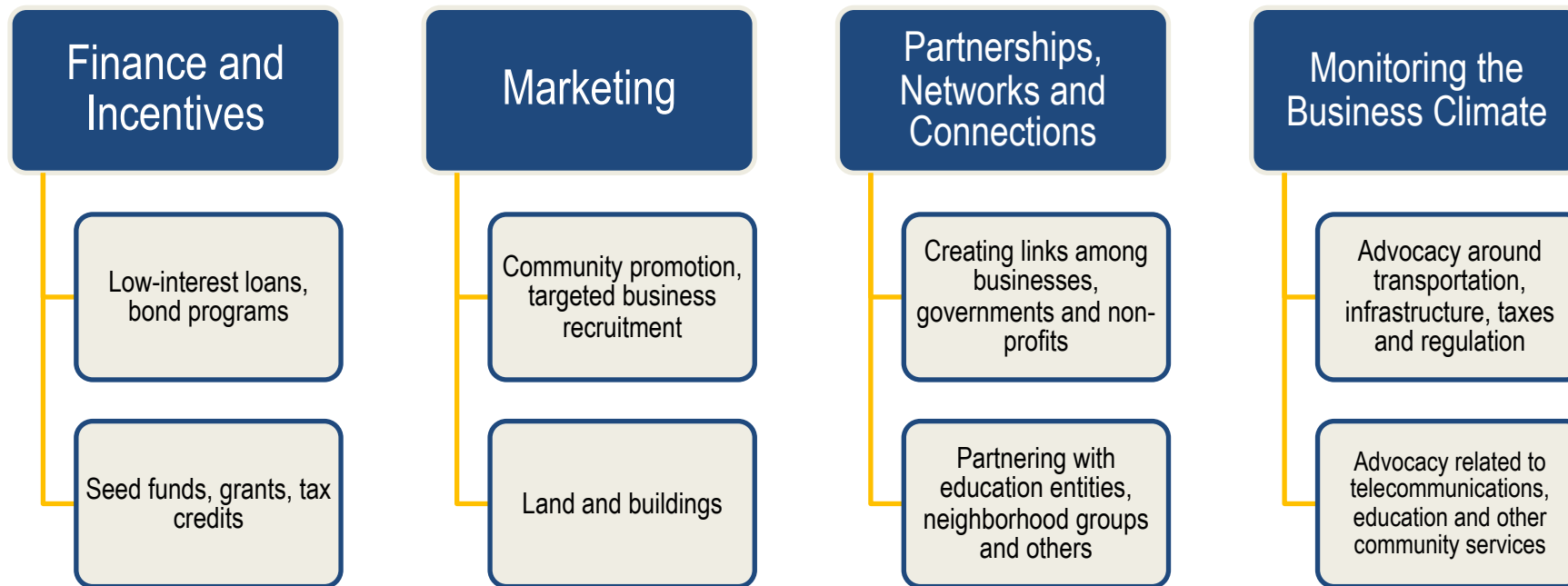
Economic Development NOW



Source: IEDC

Key Trends Among Economic Development Organizations...

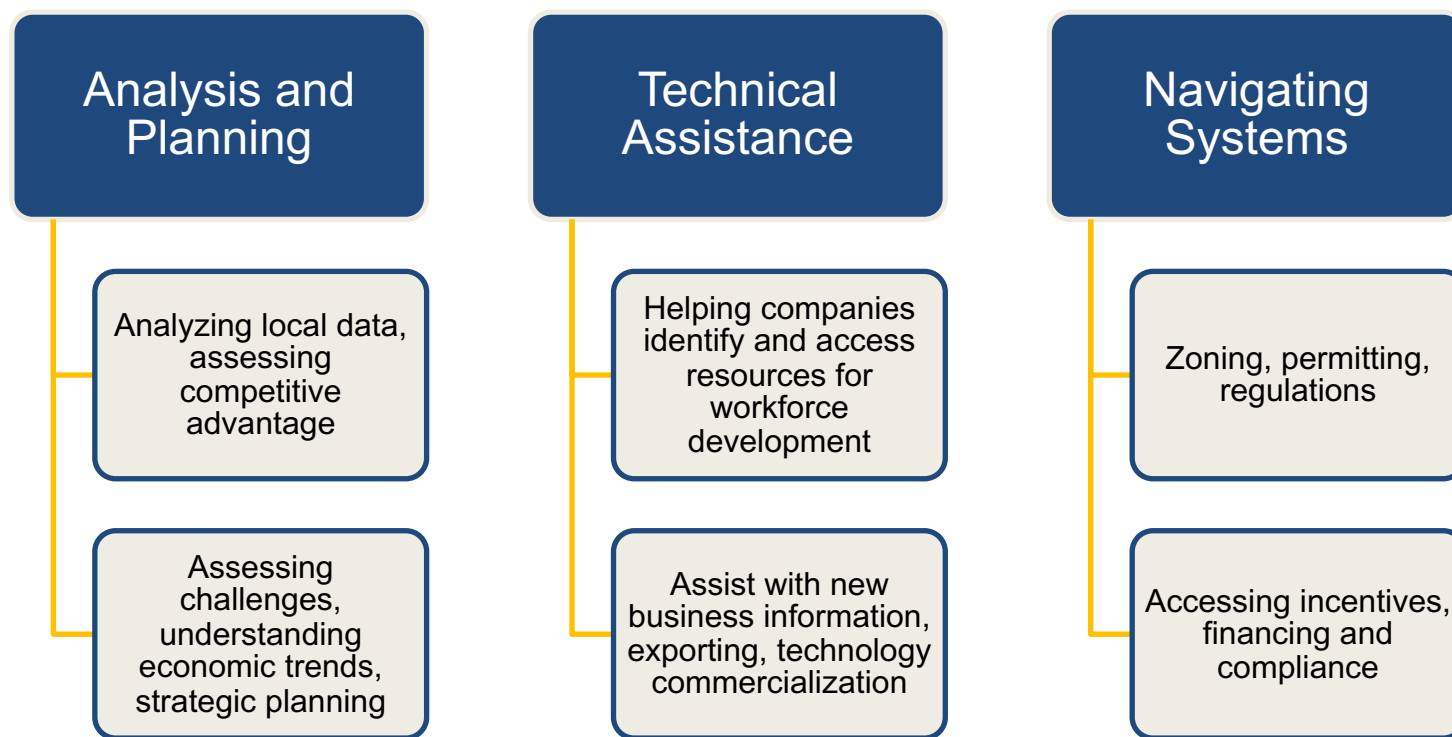
Ways and Means



Source: IEDC

Key Trends Among Economic Development Organizations...

Ways and Means



Source: IEDC

Key Trends Among Economic Development Organizations...

Keys to success for any economic development program are...



Source: IEDC

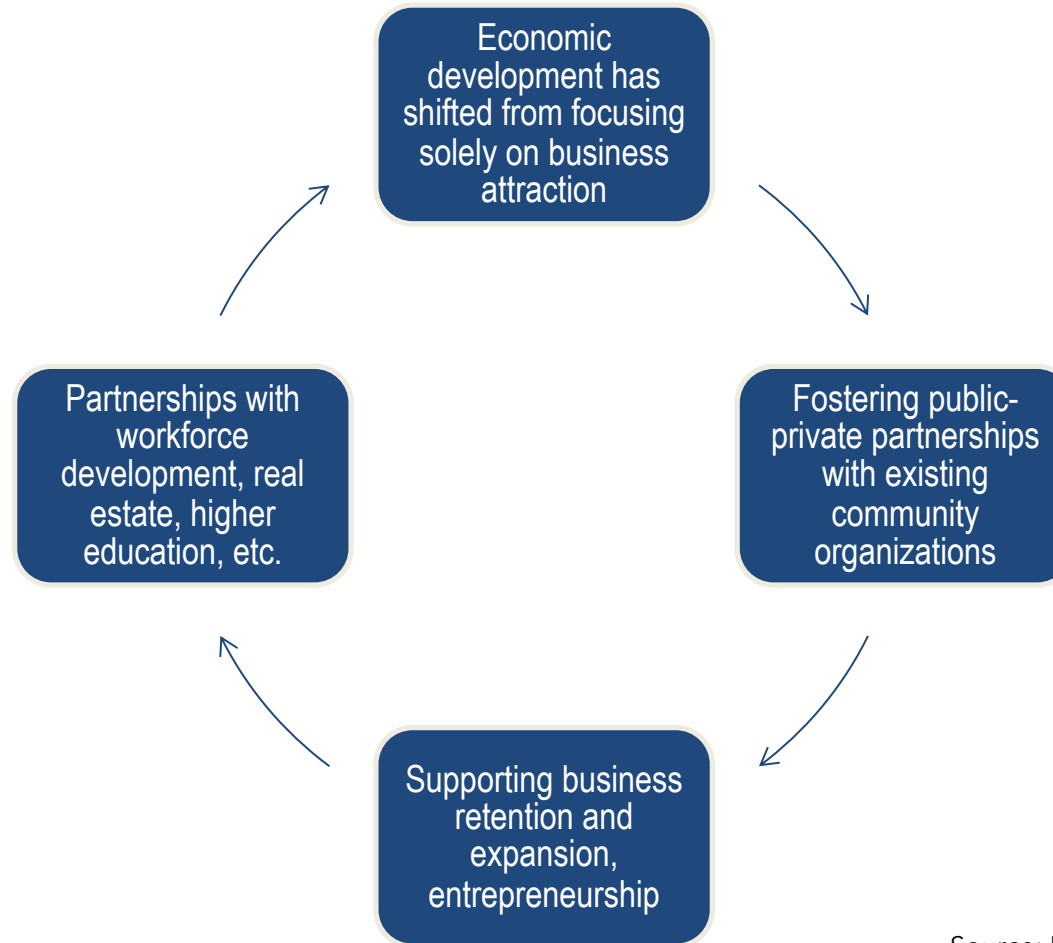
Key Trends Among Economic Development Organizations...

Keys to success for any economic development program are...



Source: IEDC

Key Trends Among Economic Development Organizations...



Fostering Relationships

Source: IEDC

Commonalities of Excellence Among EDCs...



The Very Best Economic Development Organizations...**DEVELOP AN ACTION PLAN**

ACTION PLAN

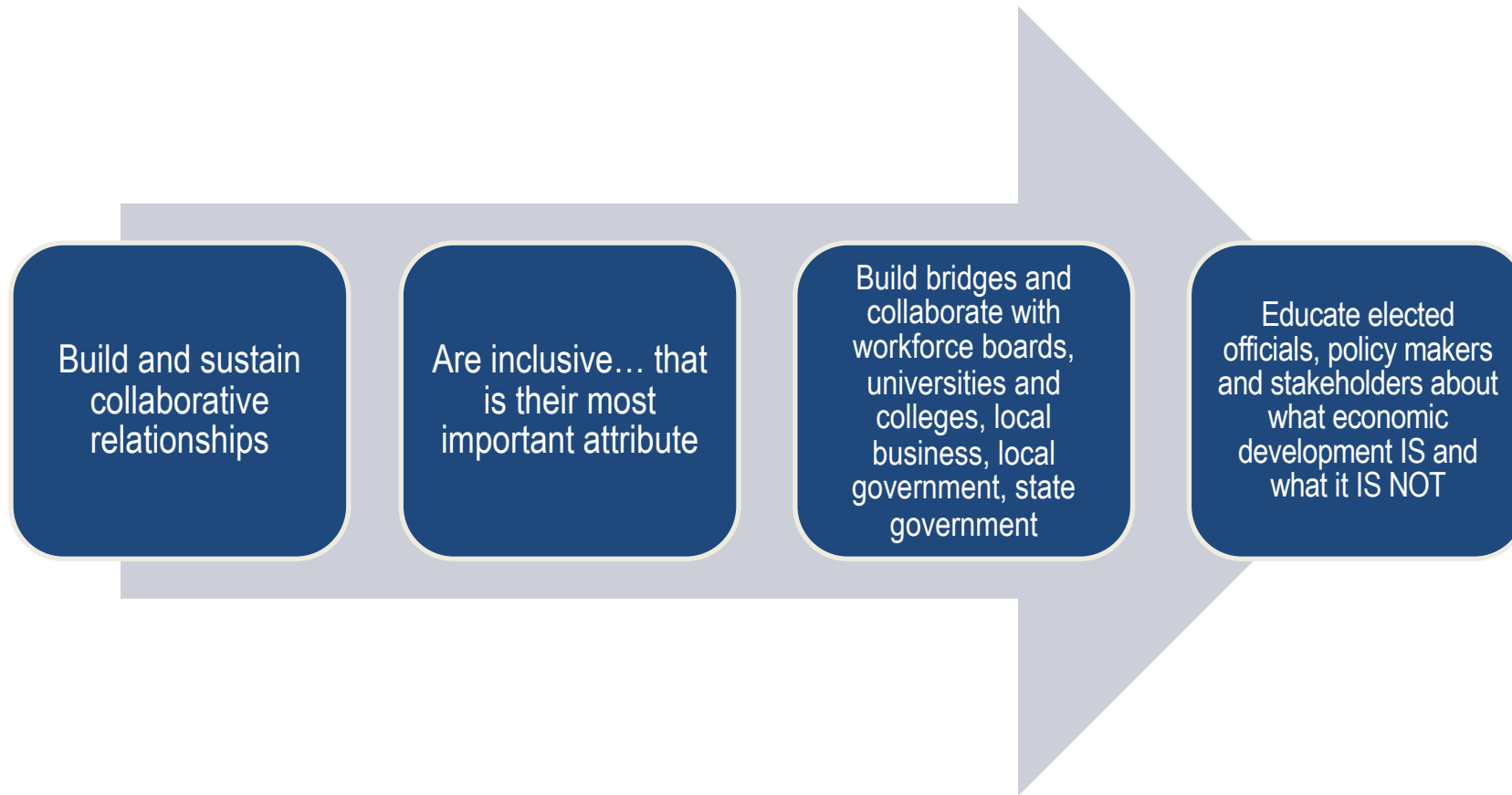


- ☐ Inclusive Strategic Plan
- ☐ Defined Goals, Objectives & Priorities
- ☐ Know their Assets and Resources
- ☐ Follow and Annual Work Plan

The Very Best Economic Development Organizations...**ARE GREAT AT GOVERNANCE**



The Very Best Economic Development Organizations...**ARE GREAT AT GOVERNANCE**



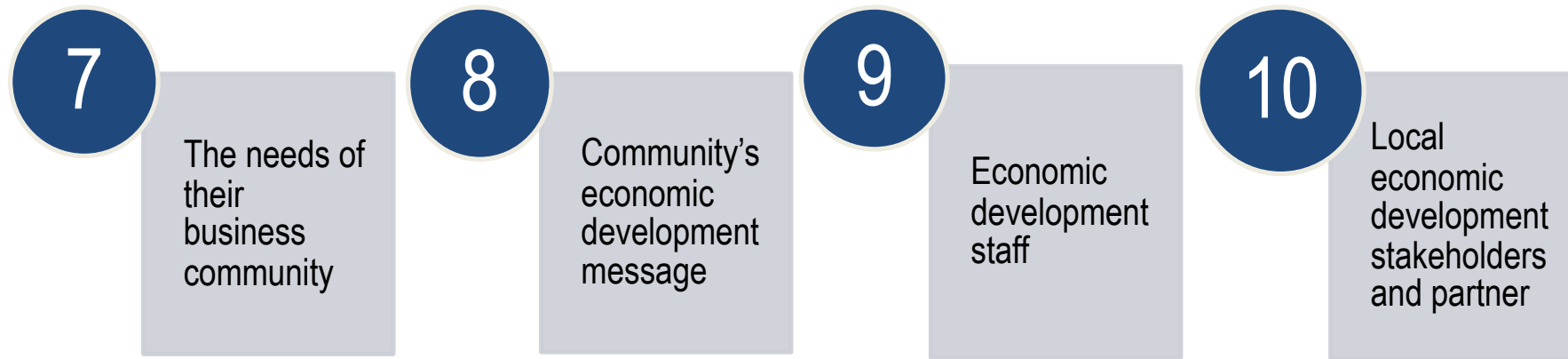
The Very Best EDC Boards and Elected Officials Know These 10 Factors Related to the Success of their Programs



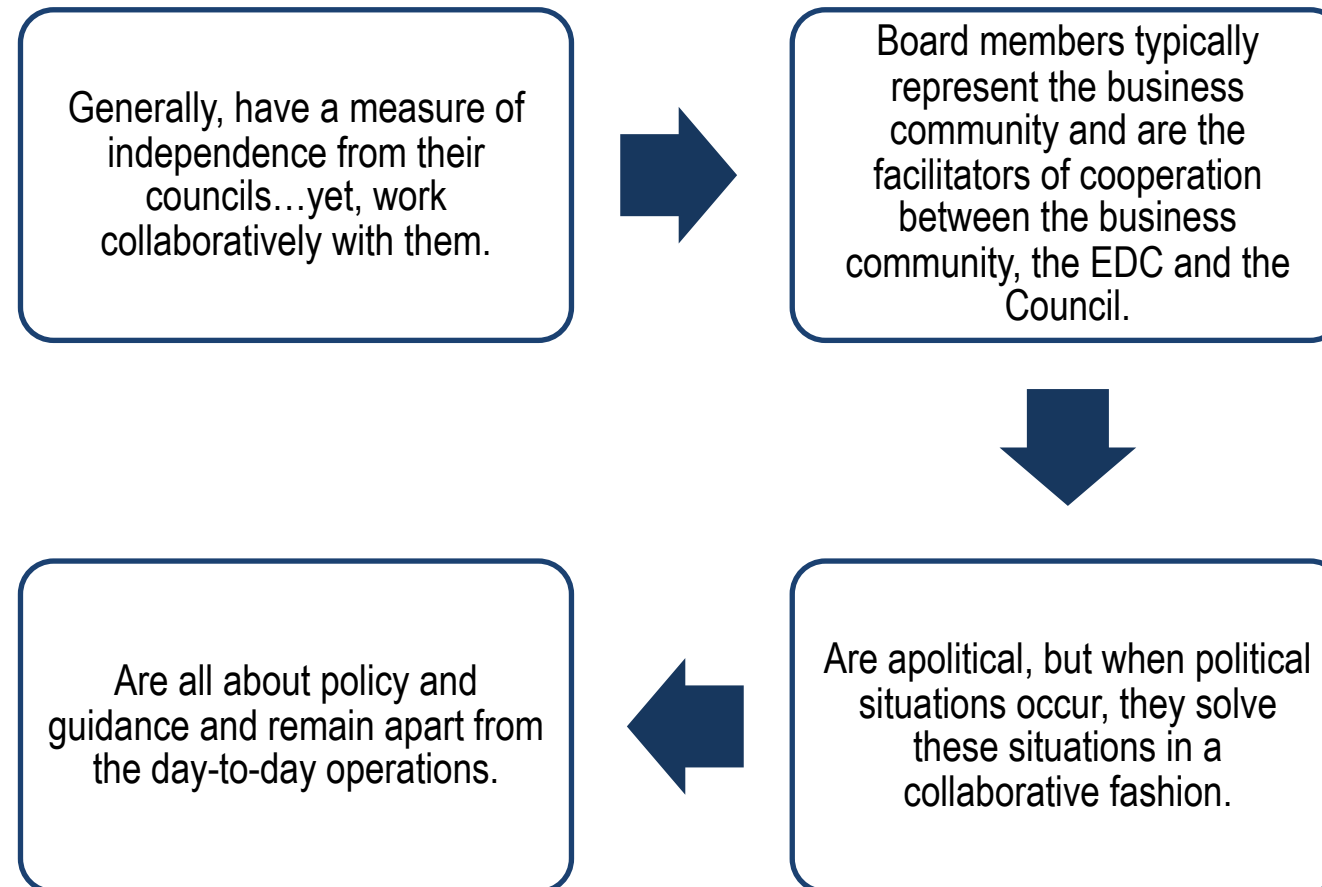
The Very Best EDC Boards and Elected Officials Know These 10 Factors Related to the Success of their Programs



The Very Best EDC Boards and Elected Officials Know These 10 Factors Related to the Success of their Programs



In Texas, the Very Best EDCs....



The Economic Development Sales Tax and the Texas Legislature



The Texas Legislature meets 140
days every 2 years....
Wouldn't it be nice if they met 2
days every 140 years?

-Anonymous

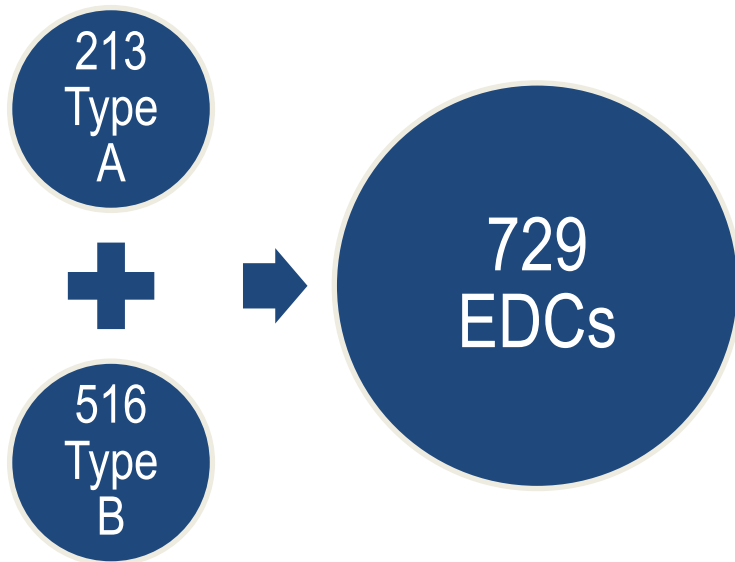
History and Origin of the Texas Economic Development Sales Tax

More than 30 years ago, legislative leaders envisioned a tax that would help Texas communities ramp-up their economic development efforts.

1989

- Originally, the tax was intended to help small to medium-sized Texas cities compete for new business investment
- The advent of 4B (now Type B) in 1991 broadened the scope beyond traditional economic development approaches to community development purposes
- The economic development sales tax has been the single most important tool for economic development purposes in Texas

In Texas, Economic Development is a decidedly public enterprise



- In 2017, All Type A & Type B EDCs reported a total of **\$1,050,388,077** in sales tax revenue



- In 2017, All Type A & Type B EDCs reported spending **\$304,764,384** on infrastructure improvements

Over the years the EDST law has been changed many times and subject to misinterpretation and misuse...

The ED Sales Tax has been amended more than 70 times over the past 30 years.



Cities have used ED sales tax proceeds to build city hall, fire stations, buy police radios, build single family homes – ALL in violation of the Act

The TEDC's position on the expansion of the law has been the same for more than a quarter of a century...

We oppose expansion into areas with existing tax funding support, such as...



Public Hospitals



Community Colleges



Colleges & Universities



Libraries



Public Schools

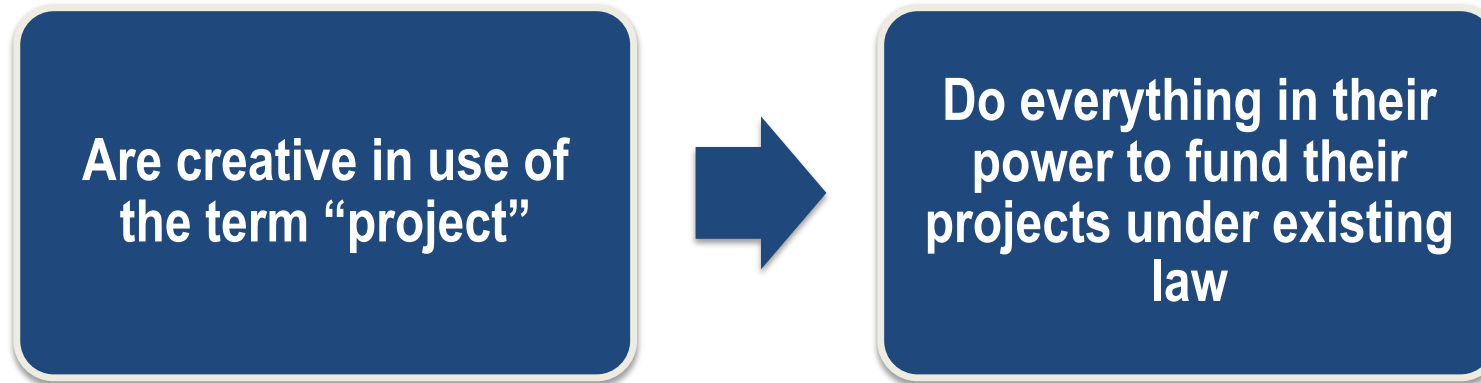
The TEDC's position on the expansion of the law has been the same for more than a quarter of a century...

The TEDC opposes any kind of carve-out that changes the playing field among communities.



We believe strongly in local control and the flexibility the law provides in meeting local economic development needs. Likewise we believe the law should be left alone... because it is working.

The most successful EDCs follow the spirit of the law and implement programs to foster economic and community development...



The Economic Impact of the Type A and Type B ED Sales Tax

\$

The Economic Impact of the ED Sales Tax, Type A & Type B

In 2014, the TEDC commissioned the first study on the economic impact of 25 years of the economic development sales tax.

The TEDC recently commissioned an update to that report to show the economic impact of three decades of the Type A and Type B Economic Development Sales Tax.

Three Decades of Growth and Prosperity:

The Impact of Projects Facilitated by the Texas Sales
Tax for Economic Development

June 2020



The Economic Impact of the ED Sales Tax (Type A & Type B)

For more than 30 years, the economic development sales tax has helped bring billions of dollars of new investment to Texas... the most important difference-maker in the history of economic development in our state.

Over 20% of the net new jobs generated in Texas over the past 30 years have involved efforts funded by the economic development sales tax.

A primary reason for Texas' economic success is tireless efforts by local economic development professionals across the state who rely on funds provided by the sales tax for economic development to compete for quality corporate locations, expansions, and retentions.

The Perryman Group estimates that the fiscal benefits to the State of Texas from projects facilitated by the sales tax by economic development include **\$7.1 billion** per year, with **\$4.9 billion** per year to local taxing entities across the state.

Every dollar in economic development sale taxes paid by taxpayers yields **\$131.84** in output and **\$82.42** in income.

Examples of EDC Programs to Support Business During the COVID-19 Crisis

Many EDCs, both Type A & Type B, found creative ways to comply with the law's requirements while still being able to support local businesses through grant and loan programs during this unprecedented event.

- ❑ Bastrop EDC (Type B) offered grants to local businesses that met the criteria they established. The grants were awarded to businesses as “projects” and kept under \$10,000.00.
- ❑ Lubbock EDA (Type A) established a low-interest loan program for qualified businesses based on annual gross revenue. The loans are to cover working capital and inventory. The loan program included loan forgiveness options.
- ❑ Kilgore EDC (Type A) partnered with the City of Kilgore and the Kilgore Chamber of Commerce to create the “Kilgore Cares Crisis Fund”. Elements of the program include a one-year term forgivable loan and a \$2,000 grant. Performance agreements between the business and the Kilgore EDC were required.



Links to these programs and many more are available on the TEDC's COVID-19 Resource Page
<https://texasedc.org/resources/covid-19-resources-updates-and-links>

Examples of EDC Programs to Support Business During the COVID-19 Crisis

Many EDCs, both Type A & Type B, found creative ways to comply with the law's requirements while still being able to support local businesses through grant and loan programs during this unprecedented event.

- ❑ Cuero EDC (Type B) created a Rental Assistance Grant Program for grants up to \$6,000.00 to qualified businesses.
- ❑ City of Georgetown (Type A) contributed \$100,000 to a Small Business Grant Program, partnering with the Georgetown Chamber of Commerce. The allocation of funds was identified as “promotional expense”.
- ❑ New Braunfels EDC (Type B) established a Small Business Grant Program for qualified businesses up to \$10,000.00 or 15% of the prior year's operating expenses to be used for working capital and inventory expenses. The grants required a 380 Agreement with the city.

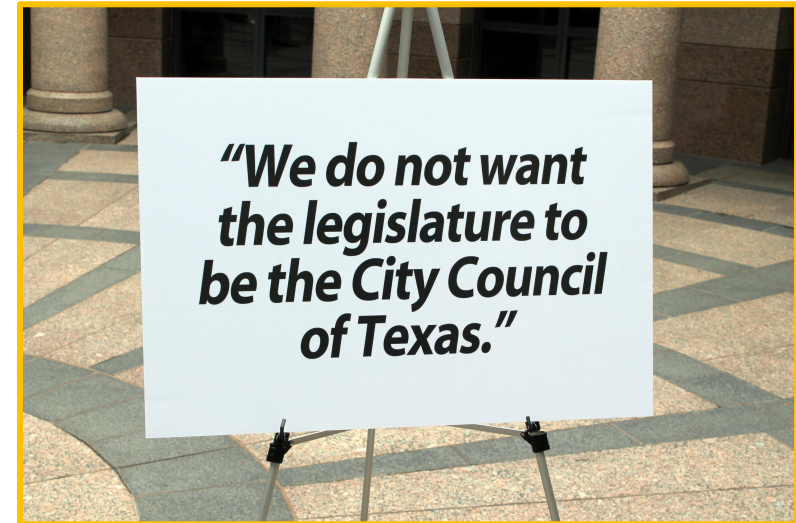


Links to these programs and many more are available on the TEDC's COVID-19 Resource Page
<https://texasedc.org/resources/covid-19-resources-updates-and-links>

Local Control is a Hallmark of Texas Government tradition and a key ingredient to the success of the ED Sales Tax

The degree to which local leaders, institutions, and governing bodies can make independent or autonomous decisions about the governance and operation of their community and its citizens.

- The lawmakers behind restricting local control policy proposals say they are simply trying to enforce certainty and conformity
- Critics state the debate over local control is partisan and appears hypocritical as those same lawmakers seek less federal oversight and enforcement of “state’s rights.”



When it Comes to the Economic Development Sales Tax...Our Philosophy is...

We support the law's original intent...economic and community development. Otherwise, the ED Sales Tax could be threatened. The law may deteriorate into a special interest/project or local municipal services tax.

**At that point,
who.....**

- Works to retain existing businesses in the community
- Works with new business prospects and entrepreneurs
- Plans and builds the business parks
- Markets your community for new business investment

Checkout the TEDC's website for resources, upcoming events, news, job board, ...and much more



www.texasedc.org



Office Phone: 512-480-8432



Email: carlton@texasedc.org



The Texas Economic Development Council is PRO...



BUSINESS



**PUBLIC
INVESTMENT**



**LOCAL
CONTROL**

**Questions?
Comments...**

Thank you!!



Edinburg Economic Development Corporation

Meeting Date: September 29, 2020

Report on Fiscal Year 2020 End-of-Year Budget

1. Agenda Item:

Report on Fiscal Year 2020 End-of-Year Budget

2. Description/Scope:

End-of-year budget will be reported by Cris Villarreal, CPA to review actual expenses for Fiscal Year 2020.

3. Estimated Timeline:

N/A

4. Budget:

N/A

5. Procurement/Selection Process:

N/A

6. Staff's Recommendation:

N/A

7. Justification:

N/A

Blanca Davila
Director of Economic Development

ATTACHMENTS

Attachment A: FY2020 End-of-Year Budget

Approved:	_____
Not Approved:	_____
Tabled:	_____
No Action:	_____

Edinburg Economic Development Corporation		
Estimated Budgeted Statement of Cash Receipts, Disbursements and Operating Cash Balances		
Through the Fiscal Year Ended September 30, 2020		
	Fiscal Year 2020	Fiscal Year 2020
	Budget	End of Year Budget 9/25/2020
REVENUES		
1/2 Cent Sales Tax Revenue	\$ 5,950,000	\$ 6,483,300
Interest on Investments	-	132,624
Lease Payments	46,170	98,161
Sale of Property	-	1,156
Transfer Out Interest in Restricted Accts	-	(113,316)
Notes Receivables: Santana Textiles	-	-
Revenues for Debt Service**	-	-
New Series 2019 Bond Issuance	9,780,000.00	-
Transfer Out to TexSTAR Construction Account	(9,780,000.00)	-
Transfer In for Construction Costs	1,500,000.00	1,600,000.00
Reserves Used for Debt Service: GSB Construction Account	-	-
Reserves Used for Debt Service: GSB Sinking & Interest	-	-
Reserves Used for Debt Service: TX National Arena Shortfall***	800,000	-
TOTAL REVENUES	8,296,170	8,201,925
DISBURSEMENTS		
Personnel Expenses		
Salaries	374,000	270,043
Taxes and Benefits	106,154	-
Total Personnel Expenses	480,154	270,043
Operating Expense		
Board Expenses	3,000	2,477
Communications/Telephone	7,200	6,415
Conference Fees	10,000	2,125
Continuing Education	5,000	1,204
Equipment Leasing	4,000	5,405
Membership Dues/Subscriptions	5,000	16,625
Miscellaneous Expense	2,000	-
Furniture, Fixtures, and Equipment	11,000	-
Insurance & Bond Expense	800	-
Computer Software Expense	4,000	1,559
Security Expense	5,000	733
Copy Expense	1,800	4,752
File Storage Expense	4,500	7,433
Office Supplies	5,000	10,214
Postage	500	383
Utilities	5,000	27,744
Travel/Meals & Entertainment	75,000	3,467

	Total Operating Expense	148,800	90,536
Maintenance Expense			
	Renaissance Industrial Park	6,500	4,976
	North Industrial Park	15,000	19,493
	EEDC Property Maintenance	5,000	21,250
	Total Maintenance Expense	26,500	45,719
Marketing Expense			
	Marketing Activities	300,000	156,989
	Sponsorships	100,000	43,100
	Total Marketing Expense	400,000	200,089
Contractual Services			
	Legislative Coordinator	100,000	-
	News Media Services	60,000	-
	Accounting	50,000	21,634
	Legal	200,000	32,474
	Architectural and Engineering Services	50,000	2,260
	Feasibility Studies & Reports	250,000	54,632
	UTRGV/CEED-Technical Assistance	30,000	-
	Total Contractual Services	740,000	111,000
Developmental Expenditures			
	Small Business Program	120,000	922
	<i>Job Training Programs:</i>	-	-
	High Demand Grant Match (STC)	150,000	-
	DHR Grant Match	50,000	-
	Economic Development Incentives	500,000	8,333
	<i>Other Capital Improvements</i>		
	GRH Investments	25,000	-
	Safil Group		65,000
	Qube Hotel/Mariott Signage	-	50,500
	Binning Hospitality/Mainstay	-	-
	Vantage Ventures/DPS	102,000	102,000
	Durga Properties	-	-
	Closer Properties	43,000	43,000
	Transit Facility	200,000	200,000
	Oceangate/Hilton Hotels	250,000	-
	Haidar/Walk-Ons	50,000	50,000
	Auriel Investments/Plaza	50,000	50,000
	Taco Palenque/Palenque Grill	50,000	50,000
	First Hartford Realty-Restaurant Plaza	200,000	-
	Los Pinos Hardware	25,000	25,000
	RBR Development & Investments	31,500	31,500
	Total Other Capital Improvements	1,026,500	667,000
	Total Developmental Expense	1,846,500	676,255
Capital Outlay			
	Purchase of Property	-	169,530
	Bicentennial Park		525,832
	Existing Buildings	5,000	-

	Bond Projects: North Park Project	500,000	2,121,860
	Bond Projects: El Tule Center	500,000	226,500
	Bond Projects: Resource Center	500,000	-
	Total Capital Outlay	1,505,000	3,043,722
	EEDC Properties and Debt Service		
	Property Taxes	80,000	102,624
	Debt Service		
	<i>From Restricted Debt Service Accounts</i>		
	Ebony Hills	270,022	270,348
	Parks & Rec	532,716	533,344
	Santana	665,023	665,322
	Arena Shortage	821,242	569,759
	TX Comptroller	-	-
	New Series 2019 Bonds	759,597	760,346
	Total Debt Service	3,048,600	2,799,119
	Total EEDC Properties	3,128,600	2,901,743
	TOTAL DISBURSEMENTS	8,275,554	7,339,107
	Total Receipts Over Disbursements	\$ 20,616	\$ 862,818
	Actual and Estimated Change in Cash, Beginning of Year	2,508,158	4,648,154
	Estimated Operating Cash, End of Year	\$ 2,528,774	5,510,972



Edinburg Economic Development Corporation

Meeting Date: September 29, 2020

Consider 2019 Audit Engagement Letter Amendment

1. Agenda Item:

Consider 2019 Audit Engagement Letter Amendment

2. Description/Scope:

The 2019 Audit Engagement Letter with Luis Orozco, Certified Accountant needs to be amended to include 30 more days for the completion of the audit. No extra cost will be incurred.

3. Estimated Timeline:

The timeline for the 2019 Audit completion is October 31, 2020.

4. Budget:

Fee for services will remain the same: \$13,075.

5. Procurement/Selection Process:

A Request for Proposals was posted mid FY 2020 to select auditor.

6. Staff's Recommendation:

Staff recommends approval of 30 day extension to complete the 2019 audit.

7. Justification:

The EDC is required to complete an audit for the previous fiscal year.

Blanca Davila
Director of Economic Development

ATTACHMENTS

Attachment A: 2019 Audit Engagement Letter - Luis Orozco, CPA

Approved:	_____
Not Approved:	_____
Tabled:	_____
No Action:	_____

LUIS C OROZCO

CERTIFIED PUBLIC ACCOUNTANT

808 Del Oro Lane
Pharr, TX 78577
lcocpa@lcocpa.com

January 23, 2020

To the President and Board of Directors of the
Edinburg Economic Development Corporation
415 W. University Drive
Edinburg, Texas 78541

The following represents our understanding of the services we will provide the Edinburg Economic Development Corporation.

You have requested that we audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Edinburg Economic Development Corporation (EDC), as of September 30, 2019, and for the year then ended and the related notes to the financial statements, which collectively comprise the EDC's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the EDC's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the EDC's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedule-General Fund
- 3) Schedule of changes in Net Position Liability and Related Ratios- Texas Municipal Retirement System (TMRS)
- 4) Schedule of Employer Contributions- Texas Municipal Retirement System (TMRS)
- 5) Schedule of Changes in Total OPEB Obligation and Related Ratios- Post Retirement Medical Plan

- 6) Schedule of Changes in Total OPEB Obligation and Related Ratios- Post Retirement Supplemental Death Benefits
- 7) Notes to Required Supplementary Information

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Introductory Section of the Audit Report
- 2) Other Supplementary Information

The Objective of an Audit

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in accordance with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements. The objective also includes reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. Our reports will be addressed to the Board of Directors and management of the EDC. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

General Audit Procedures

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements,

whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and in accordance with Government Auditing Standards. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Internal Control Audit Procedures

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for expressing an opinion on the effectiveness of the entity's internal control. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

Compliance with Laws and Regulations

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the EDC's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Other Services

We will also assist in preparing the financial statements and related notes of the EDC in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud

could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they

have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2017 peer review report accompanies this letter.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

During the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We will provide 10 hard copies and one electronic copy of our reports to the EDC; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Luis C. Orozco, CPA and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Luis C. Orozco, CPA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the oversight or cognizant audit agency (or its designee). If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately two weeks after financial statements and relevant financial data have been provided and to issue our reports no later than March 31, 2020. Luis C. Orozco is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be \$13,075 for the general-purpose financial statements. If a Single Audit, then an additional fee of \$2,500.00 will be assessed for a total of \$15,575 based on our standard hourly rates plus additional unanticipated costs, if any, (such as electronic confirmation fees, internet fees on surveys, etc.). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation

from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

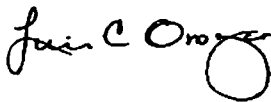
At the conclusion of our audit engagement, we will communicate to the Edinburg Economic Development Corporation directors the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,



Luis C. Orozco,
Certified Public Accountant

RESPONSE:

This letter correctly sets forth our understanding.

The Edinburg Economic Development Corporation

Acknowledged and agreed on behalf of the Edinburg Economic Development Corporation by:

Title: EDC President

Date: 1/30/2020



Edinburg Economic Development Corporation

Meeting Date: September 29, 2020

Consider Staffing Services and Lease Agreement Fiscal Year 2020 Date Amendment

1. Agenda Item:

Consider Staffing Services and Lease Agreement Fiscal Year 2020 Date Amendment

2. Description/Scope:

The term for the FY 2020 Services and Lease Agreement between the City and the EDC ends on October 30, 2020. This amendment to the FY 2020 agreement changes the end date to September 30, 2020. The proposed FY 2021 Services and Lease Agreement term starts on October 1, 2020.

3. Estimated Timeline:

N/A

4. Budget:

N/A

5. Procurement/Selection Process:

N/A

6. Staff's Recommendation:

Staff recommends approval of date amendment from October 30, 2020, to September 30, 2020, in the FY 2020 Services and Lease Agreement.

7. Justification:

Blanca Davila
Director of Economic Development

ATTACHMENTS

Attachment A: COE-EEDC FY 2020 Staffing Services and Lease Agreement

Approved:	_____
Not Approved:	_____
Tabled:	_____
No Action:	_____

**STAFFING SERVICES AND LEASE AGREEMENT
EDINBURG ECONOMIC DEVELOPMENT CORPORATION
AND CITY OF EDINBURG, TEXAS FY 2019-20**

THE STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

This Staffing Services Agreement (“Agreement”) is made and entered into by and between the City of Edinburg, Texas (the “City”) and the Edinburg Economic Development Corporation (“EDC”).

WHEREAS, pursuant to The Texas Development Corporation Act, Texas Local Government Code Chapters 501, 502 and 505 (the “Act”), the City created the EDC and collects, on behalf of the EDC, an additional sales and use tax of which a portion may be used by the EDC to pay certain administrative costs; and

WHEREAS, the EDC desires to utilize the services and support of City staff in furtherance of its work and the projects it undertakes to eliminate duplication and to promote economy and efficiency in the use of the additional sales tax revenues it receives; and

WHEREAS, the City has determined that providing personnel and services to the EDC will be mutually beneficial to the City and the EDC, will promote local economic development, and stimulate business and commercial activity within the City, all in furtherance of the purposes of the EDC; now, therefore,

FOR AND IN CONSIDERATION of the mutual covenants, agreements, and benefits accruing herein to each party, the City and the EDC hereby agree as follows:

1. **Services**

The EDC will utilize City employees to perform the following services for and on behalf of the EDC:

- a. Accounting and financial services;
- b. Professional contract administration services;
- c. Administrative/secretarial support;
- d. Construction contract administration services;
- e. Marketing services;
- f. Director – Economic Development;
- g. GIS / Data services;
- h. Legal services;
- i. Any other reasonable services in furtherance of the purposes of the EDC and authorized by the Act.

2. **Responsibility Conflicts**

The City and EDC acknowledge that from time to time conflicts between a city employee's primary responsibilities to the City and requests for services from the EDC may arise. Subject to the authority of the City Manager, the performance of City services shall have priority. The City and the EDC encourage employees to bring conflicts to the attention of the City Manager, who shall consult with the EDC President as necessary to prioritize demands and resolve any conflicts. City employees performing services for the EDC are subject to applicable City policies at all times.

3. Facilities and Equipment

The City shall provide facilities and equipment for the EDC's use, including administrative offices and meeting space. The City Manager shall consult with the EDC President as necessary to assign and schedule such facilities and equipment.

4. Consideration

The EEDC agrees to pay a sum not to exceed \$400,000 for services to be performed for the remaining fiscal year 2019-2020. The actual rate charged shall be based on the City's reasonable estimate of the amount of time City employees are anticipated to spend performing services for and on behalf of the EDC and the EDC's use of City facilities and equipment during the term of this Agreement. Such reimbursement shall be due within 30 days after the City submits an invoice to the EEDC.

5. Term

The term of this Agreement shall be until September 30, 2020.

6. Right to Hire Third Parties

Subject to the Bylaws and approval of the City Council, the EDC may hire third parties to perform any or all of the services described herein.

7. Notice

All notices and communications regarding the term of this Agreement to any party shall be in writing. If mailed, any notice or communication shall be deemed to have been received three (3) days after the date of its deposit into the United States mail, first class, postage prepaid. Unless otherwise provided in this Agreement, all notices shall be delivered to the following address:

City of Edinburg
Attention: City Manager
415 W. University Drive
Edinburg, Texas 78539

Edinburg Economic Development Corporation
Attention: President, Board of Directors
415 W. University Drive
Edinburg, Texas 78539

8. Parties in Interest

This Agreement shall be for the sole and exclusive benefit of the City and the EDC and shall not be construed to confer any benefit or right upon any other parties.

9. Severability

In the event any clause, phrase, provision, sentence, or part of this Agreement shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Agreement as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional.

10. Entire Agreement

This Agreement contains the entire agreement between the parties and supersedes all other negotiations and agreements with respect to the matters addressed herein, whether written or oral.

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized officers of the City of Edinburg, Texas and the Edinburg Economic Development Corporation, as of _____, 2020.

CITY OF EDINBURG:

BY: _____
Ron Garza, City Manager
City of Edinburg
415 W. University Dr.
P.O. Box 1079
Edinburg, Texas 78540
Phone: (956)383-5661
Fax: (956)383-7111

ATTEST:

BY: _____
Myra L. Ayala, City Secretary

APPROVED AS TO FORM:

OMAR OCHOA LAW FIRM, P.C.

BY: _____
Omar Ochoa, City Attorney

EDINBURG ECONOMIC DEVELOPMENT CORPORATION:

BY: _____
_____, President

ATTEST:

BY: _____
_____, Secretary
Board of Directors



Edinburg Economic Development Corporation

Meeting Date: September 29, 2020

Consider Fiscal Year 2021 Proposed Budget, Staffing Services
and Lease Agreement, and Work Plan

1. Agenda Item:

Consider Fiscal Year 2021 Proposed Budget, Staffing Services and Lease Agreement, and
Work Plan

2. Description/Scope:

The Budget, Staffing Services and Lease Agreement, and Work Plan must be approved annually by the Board and submitted to City Council for consideration. Staff is proposing a balanced budget for FY 2021 with projected sales tax revenue of \$6,500,000 (no change from FY 2020), \$1,000,000 in administrative services under the City-EDC agreement, and sufficient funding to make significant progress on 2019 Bond Projects. The total proposed budget is \$10,834,698.

Other highlights:

- The proposed amount of \$1,000,000 for administrative services under the City-EDC staffing and lease agreement is approximately 15% of projected sales tax revenue. Staff collected data from other Type A sales tax corporations in Texas with similar attributes to Edinburg and 15% is comparable to the benchmark average (13%). It is lower than some other EDCs in the RGV (e.g., Harlingen 22%).
- Proposed programs are similar to FY 2020, with \$200,000 budgeted for marketing, which will include developing a new pitch package (e.g., marketing presentation, video, website pages, etc.).
- Staff is recommending no new incentives for FY 2021. Current commitments for FY 2021 total \$1,252,000.
- The budget includes \$4,139,638 for the three remaining 2019 Bonds projects: El Tule Center, Resource Center, and Capable Kids Park.
- Debt service payments in FY 2021 will total \$3,224,479. The EDC's debt service to sales tax revenue ratio for FY 2021 is estimated at nearly 50%, which is high compared to most of the benchmarked Type A sales tax corporations (average of 21%).
- Projected unrestricted cash at the end of the year is \$5,388,912, which is very healthy compared to operating expenses and expected revenue.

The proposed FY 2021 Work Plan priorities the 2019 Bond Projects, information sharing and transparency improvements (e.g., publishing incentive contracts and performance data on the City's CIP Dashboard), creating an incentive policy, marketing, and small business assistance. Staff will also focus on coordinating with the City's comprehensive plan update, with particular attention paid to pedestrian activity and beautification downtown, as well as other operational improvements, such as a more coordinated approach to real estate management.

3. Estimated Timeline:

N/A

4. Budget:

The proposed FY 2021 Budget is \$10,834,698.

There is a payment due in the amount of \$126,581.82 to the City for administrative services in FY 2020. The EDC will make that payment in October 2020 and therefore it is reflected in the FY 2021 Budget.

5. Procurement/Selection Process:

N/A

6. Staff's Recommendation:

Staff recommends approval.

7. Justification:

Blanca Davila
Director of Economic Development

ATTACHMENTS

Attachment A: FY 2021 Proposed Budget
Attachment B: City-EDC Services Agreement FY2021
Attachment C: Proposed FY 2021 Work Plan

Approved:	_____
Not Approved:	_____
Tabled:	_____
No Action:	_____

Economic Development Corporation Budget Operating Cash		FY2021 Proposed
REVENUES		
1/2 Cent Sales Tax Revenue		\$ 6,500,000
Interest on Investments		25,000
Lease Payments		48,000
Transfer in TexStar Bond Projects FY21 Activity, Net		4,139,638
Sale of Property		-
	Total Revenues	10,712,638
ADMINISTRATIVE SERVICES \$1M		
Personnel Expenses		
	Salaries	300,000
	Taxes and Benefits	80,000
	Vehicle Allowance	5,000
	Total Personnel Expenses	385,000
Contractual & Maintenance Services		
	Professional Services	300,000
	<i>*Administrative Services FY20</i>	<i>126,582</i>
	Printing	25,000
	Travel, Training, Conference	80,000
	Membership Dues/Subscriptions	30,000
	File Storage	20,000
	Equipment Leasing	40,000
	Total Contractual & Maintenance	621,582
Supplies		
	Office Supplies	10,000
	Computer Software Expense	15,000
	Continuing Education	30,000
	Food	15,000
	Office Equipment & Furniture	30,000
	Equipment	20,000
	Total Supplies	120,000
	Total Administrative Services	1,126,582

EDC PROGRAMS, PROPERTIES, PROJECTS	
Programs	
Workforce Training	200,000
Marketing	200,000
Sponsorship / Donations	75,000
Legislative	90,000
Research, Feasibility Studies, Reports	100,000
Small Business Grants Program	200,000
Total Programs	865,000
Properties	
Property Taxes	100,000
Purchase of Property	50,000
Utilities	25,000
Existing Buildings - Improvements & Repairs	40,000
Security Expense	2,000
Industrial Park & Property Maintenance	10,000
Total Properties	227,000
Projects	
Economic Development Incentives	-
Burns Brothers (La Sienna) 2015	TIRZ III
Vantage Ventures (DPS Facility) 2016	102,000
Fiesta Nissan 2017	500,000
GRH Investments 2018	25,000
Oceangate Investments (Hilton Hotels) 2018	250,000
Haidar Properties (Walk-Ons) 2018	50,000
Auriel Investments (Shops @ Tru) 2018	50,000
TP UT RGV, LLC (Taco Palenque & Palenque Grill) 2019	50,000
Los Pinos Hardware 2019	25,000
<i>First Hartford (The Shoppes at RGV) 2019</i>	200,000
Total Projects	1,252,000
Bond Projects	
North Park Project	-
El Tule Center	2,487,155
Resource Center	370,966
Capable Kids	1,281,517
Total Bond Projects	4,139,638
Total EDC Programs, Projects & Properties	6,483,638

DEBT SERVICE	
Ebony Hills Bond /BBVA	267,612
Parks & Rec Bond /BBVA	528,428
Santana Refund Bond / NYMellon	671,264
<i>Arena Bond Shortage / Wells Fargo</i>	<i>1,000,000</i>
New Series 2019 Bonds / NYMellon	757,175
Total Debt Service	3,224,479
Total Disbursements	\$ 10,834,698
Total Receipts Over Disbursements	\$ (122,060)
Unrestricted Cash, Beginning of Year	\$ 5,510,972
Unrestricted Cash, End of Year	\$ 5,388,912
<i>*Carrying over Administrative Services FY20 Payment to October 2020 to the City. FY21 Budget is balanced.</i>	

**STAFFING SERVICES AND LEASE AGREEMENT
EDINBURG ECONOMIC DEVELOPMENT CORPORATION
AND CITY OF EDINBURG, TEXAS FY 2021**

THE STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

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WHEREAS, pursuant to The Texas Development Corporation Act, Texas Local Government Code Chapters 501, 502 and 505 (the “Act”), the City created the EDC and collects, on behalf of the EDC, an additional sales and use tax of which a portion may be used by the EDC to pay certain administrative costs; and

WHEREAS, the EDC desires to utilize the services and support of City staff in furtherance of its work and the projects it undertakes to eliminate duplication and to promote economy and efficiency in the use of the additional sales tax revenues it receives; and

WHEREAS, the City has determined that providing personnel and services to the EDC will be mutually beneficial to the City and the EDC, will promote local economic development, and stimulate business and commercial activity within the City, all in furtherance of the purposes of the EDC; now, therefore,

FOR AND IN CONSIDERATION of the mutual covenants, agreements, and benefits accruing herein to each party, the City and the EDC hereby agree as follows:

1. **Services**

The EDC shall utilize City employees to perform the following services for and on behalf of the EDC:

- a. Accounting and financial services;
- b. Professional contract administration services;
- c. Administrative/secretarial support;
- d. Construction contract administration services;
- e. Marketing services;
- f. Director – Economic Development (1);
- g. Coordinator – Economic Development (2);
- h. Administrative Assistant – Economic Development (1);
- i. GIS / Data services;
- j. Legal services;
- k. Property maintenance;
- l. Information technology and communications services;

- m. Any other reasonable services in furtherance of the purposes of the EDC and authorized by the Act.

2. **Responsibility Conflicts**

The City and EDC acknowledge that from time to time conflicts between a city employee's primary responsibilities to the City and requests for services from the EDC may arise. Subject to the authority of the City Manager, the performance of City services shall have priority. The City and the EDC encourage employees to bring conflicts to the attention of the City Manager, who shall consult with the EDC President as necessary to prioritize demands and resolve any conflicts. City employees performing services for the EDC are subject to applicable City policies at all times.

3. **Facilities and Equipment**

The City shall provide facilities and equipment for the EDC's use, including administrative offices and meeting space. The City Manager shall consult with the EDC President as necessary to assign and schedule such facilities and equipment.

4. **Consideration**

The EDC agrees to pay a sum of \$1,000,000 for services to be performed for FY 2021. This amount is based on the City's reasonable estimate for the amount of time City employees are anticipated to spend performing services on behalf of the EDC and the EDC's use of City facilities and equipment during the term of this Agreement. City shall submit invoices quarterly to the EDC and reimbursement shall be due within 30 days.

5. **Term**

The term of this Agreement shall be October 1, 2020, to September 30, 2021.

6. **Right to Hire Third Parties**

Subject to the Bylaws and approval of the City Council, the EDC may hire third parties to perform any or all of the services described herein.

7. **Notice**

All notices and communications regarding the term of this Agreement to any party shall be in writing. If mailed, any notice or communication shall be deemed to have been received three (3) days after the date of its deposit into the United States mail, first class, postage prepaid. Unless otherwise provided in this Agreement, all notices shall be delivered to the following address:

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Attention: City Manager
415 W. University Drive
Edinburg, Texas 78539

Edinburg Economic Development Corporation
Attention: President, Board of Directors
415 W. University Drive
Edinburg, Texas 78539

8. **Parties in Interest**

This Agreement shall be for the sole and exclusive benefit of the City and the EDC and shall not be construed to confer any benefit or right upon any other parties.

9. Severability

In the event any clause, phrase, provision, sentence, or part of this Agreement shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Agreement as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional.

10. Entire Agreement

This Agreement contains the entire agreement between the parties and supersedes all other negotiations and agreements with respect to the matters addressed herein, whether written or oral.

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized officers of the City of Edinburg, Texas and the Edinburg Economic Development Corporation, as of _____, 2020.

CITY OF EDINBURG:

BY: _____
Ron Garza, City Manager
City of Edinburg
415 W. University Dr.
P.O. Box 1079
Edinburg, Texas 78540
Phone: (956)383-5661
Fax: (956)383-7111

ATTEST:

BY: _____
Myra L. Ayala, City Secretary

APPROVED AS TO FORM:

OMAR OCHOA LAW FIRM, P.C.

BY: _____
Omar Ochoa, City Attorney

EDINBURG ECONOMIC DEVELOPMENT CORPORATION:

BY: _____
_____, President

ATTEST:

BY: _____
_____, Secretary
Board of Directors



Edinburg EDC

Proposed Work Plan FY 2021



Overview FY 2020 – Key Priorities

- Transition
- Organizational development
- Process improvement
- Communication
- Transparency



Overview FY 2020 – Progress Report

- New board members appointed (7)
- Sales tax corporation training provided to Board and staff by Texas Economic Development Council (TEDC)
- Bylaws revised to require Council approval of EDC actions
- City purchasing policies and procedures adopted by EDC
- EDC-City staffing services/lease agreement approved



Overview FY 2020 – Progress Report

- North Park completed (one of four 2019 Bonds financed projects) and donated to the City
- EDC budget format improved and updated for FY 2021 to clearly delineate EDC activity and City commitments
- Inventory of EDC properties and active projects (receiving incentives or sponsorships) created and made available in publicly accessible Google map



Work Plan FY 2021 – Projects

- Capable Kids Park (2019 Bonds) – start construction
- El Tule Center (2019 Bonds) – start construction
- Workforce Training Center (2019 Bonds) – develop plan and submit funding proposal to EDA
- Publish contracts, performance metrics, and payments for incentivized projects on City's CIP Dashboard
- Approve an incentive policy



Work Plan FY 2021 – Programs

- Procure a digital marketing/creative agency to develop a pitch package, including EDC webpages on City's website, marketing video, presentation, etc.
- Implement a small business development program that addresses lessons learned from SPARC and engages the network to stimulate new activity
- Support City's comprehensive plan update, focusing on pedestrian activity/beautification downtown



Work Plan FY 2021 – Properties

- Procure real estate firm(s) to help Board/staff manage portfolio, including sales, purchases, and leases



Edinburg Economic Development Corporation

Meeting Date: September 29, 2020

Consider Request from GAMA for \$44,000 in Incentives for a
Property located at 4451 S. Jackson Rd. Edinburg, Texas
78541

1. Agenda Item:

Consider Request from GAMA for \$44,000 in Incentives for a Property located at 4451 S Jackson Rd. Edinburg, Texas 78541

2. Description/Scope:

GAMA is requesting financial assistance in the amount of approximately \$44,000 on behalf of the Dulce M. Hernandez Law Firm & Mediation Center, located at 4415 S. Jackson Rd. GAMA's request is for reimbursement of fees and infrastructure investments:

Building permit fee - \$1,413

Water meter fee - \$1,875

Trash fee - \$3,498

Landscaping - \$12,413

Building pylon signage - \$20,075

Sidewalk along Jackson Rd - \$5,000

Total - \$44,004

GAMA's total reported investment in the property is \$1,158,967. The law office currently has two full-time employees with estimated annual sales of more than \$200,000. Total potential employment in the space is 19 at 100% occupancy.

3. Estimated Timeline:

Most of the site improvements are complete. This request is for reimbursement.

4. Budget:

The amount requested is \$44,004.

5. Procurement/Selection Process:

N/A

6. Staff's Recommendation:

Staff recommends not approving this request.

7. Justification:

Currently, there is no money budgeted for new incentives in the FY 2021 Budget. In addition, staff recommends the Board adopt an incentive policy before approving any new requests.

Blanca Davila
Director of Economic Development

ATTACHMENTS

Attachment A: GAMA Proposal

Approved:	_____
Not Approved:	_____
Tabled:	_____
No Action:	_____



GENETAL PROJECT INFORMATION

Business Name Address: Dulce M. Hernandez Law Firm & Mediation Center

Business Address: 4451 S. Jackson Rd.

City: Edinburg State: Tx Zip Code: 78541

Phone # 956-992-0335 Fax # 956-992-0354

Contact: Dulce M. Hernandez Title: Owner/Attorney

Legal Entity: D.M. Hernandez Law Firm PLLC

Minority – Owned: (Yes) ✓ (No) Woman – Owned: (Yes) ✓ (No)

Please give percentage of minority or women-owned 100 %

1. Description of Current Business

Dulce M. Hernandez is the Founder of D.M. Hernandez Law Firm, PLLC. With over thirty years in the legal field (18 as an attorney and 13 as a law paralegal), she has broad experience in matters involving Real Estate, Family Law, Estate Planning, Business Organizations, Criminal Law and Immigration.

She graduated from the former University of Texas Pan American where she obtained a Bachelor of Interdisciplinary and attended the Thomas M. Cooley Law School located in Lansing, Michigan where she graduated with a law degree in 2001. Most recently, she participated in the training and mentorship necessary to obtain her certification through Mediators & Arbitrators of America.

In 2012 Dulce opened her practice, D.M. Hernandez Law Firm, PLLC currently located at 713. E. Esperanza Avenue, Suite A, McAllen, Texas. Dulce concentrates in the areas of Family Law, Real Estate, Estate Planning, and Personal Injury.

Other business facts:

The law office currently has two full-time employees with estimated annual sales of over \$200,000.00.

2. Proposed Project Description



The project is located at the southwest corner of Trenton and Jackson, embedded in one of the numerous retail and service corridors of Edinburg. project consists of 7,715 square feet of office space with the following breakdown:

The

- 3,260 s.f. -Dulce M. Hernandez Law Firm_Potential employees 7
- 1,358 s.f. -Mediation Center_Potential employees 1(+24 customers)
- 801 s.f. -Lease Space #1_Potenitlial Employees 3
- 799 s.f. -Lease Space #2_ Potential Employees 3
- 1,497 s.f. -Lease Space #3_Potenitlial Employees 5

Total potential office employees are 19 at 100% occupancy. The mediation center has a total of four (4) conference rooms with a potential occupancy load of 24 customers at any given time or 6 customers per conference room. The total occupant load of the combined building can reach 33 people of which they are like to be a consumer within the retail, restaurant and services areas that are well within the limits of the City of Edinburg adding. Adding crucial sales tax revenue that was not captured or stays within the city.

I addition to the sales tax revenue, the city of Edinburg will benefit from the improvement property tax new adjustment of land value (reference values below).

3. Project Cost Overview

Land Acquisition: \$ 380,000

Infrastructure: \$ 50,000

Total Building Investment: \$695,000

Equipment: \$20,000

Other: \$13,957 (Legal, architectural, engineering cost, etc.)

TOTAL POTENTIAL PROJECT INVESTMENT: \$1,158,967.00

4. Project Assistance being requested



Waiver for fees:

Building permits:	\$1,413(one time)
Water meter fees:	\$1,875(one time)
Trash fees:	\$3,498(fee for trash container)

Infrastructure:

Landscaping:	\$12,143 (one time)
Building pylon signage:	\$20,075 (one time)
Sidewalk along Jackson Road	\$5,000 (one time)

Total assistance request amount: \$44,004.00



Edinburg Economic Development Corporation

Meeting Date: September 29, 2020

Consider Renewal of UTRGV Technical Assistance Contract for Fiscal Year 2021

1. Agenda Item:

Consider Renewal of UTRGV Technical Assistance Contract for Fiscal Year 2021

2. Description/Scope:

UTRGV's Data and Information Systems Center has been under contract with the EDC for the last several years to provide technical assistance with data analysis, economic impact studies, market research, and related information needs. This proposed renewal of that agreement is for \$15,000, which provides the EDC with 30 hours of assistance per quarter. Additional hours are billed separately at \$125 per hour.

The proposed FY 2021 amount of \$15,000 is less than the EDC's FY 2020 agreement (\$30,000) with UTRGV because the EDC no longer requires IT and GIS support from UTRGV now that those services are provided by the City under the administrative agreement.

3. Estimated Timeline:

October 1, 2020 to September 30, 2021

4. Budget:

\$15,000

5. Procurement/Selection Process:

Contract renewal

6. Staff's Recommendation:

Staff recommend approving the proposed agreement.

7. Justification:

UTRGV has consistently demonstrated value in performing research tasks for the EDC, in many cases, on very short notice. It's a valued partnership and their work is high-quality. Staff has budgeted for this amount in the FY 2021 Budget.

Blanca Davila

Director of Economic Development

ATTACHMENTS

Attachment A: UTRGV Technical Assistance Contract for FY 2021

Approved:	_____
Not Approved:	_____
Tabled:	_____
No Action:	_____

CONTRACT FOR TECHNICAL ASSISTANCE

THIS AGREEMENT, entered into this ____ day of September 2020 by and between the Edinburg Economic Development Corporation, a non-profit Development Corporation (hereinafter the "EEDC" or "Contractor") created under the Texas Development Corporation Act, Texas Local Government Code Section 501 et seq., as amended (hereinafter the "Act") and The University of Texas Rio Grande Valley, Department of Economic Development (hereinafter referred to as the "University").

WITNESSETH:

WHEREAS, the EEDC is interested in providing for the continued development of the community of Edinburg; and

WHEREAS, the University desires to involve the institution in the community by providing services and expertise to the community-at-large; and

WHEREAS, the EEDC desires to engage the University to provide technical assistance services in connection with economic development and information technology; and

WHEREAS, the University has personnel and experience to provide the technical assistance in accordance with the terms of this contract;

NOW THEREFORE, the parties do mutually agree as follows:

SECTION I SCOPE OF SERVICES

TECHNICAL ASSISTANCE (30 hours a quarter to be provided by University staff; hours above the 30 hours a quarter will be billed separately at \$125 an hour; University staff will ask the EEDC in writing for approval for hours over 30 hours a quarter, prior to commencing work).

1. Assist the EEDC with economic impact analysis; fiscal impact analysis; site location/ring analysis; community analysis; demographic, housing, income, expenditure, and business data and reports; market research; business and resident surveys; web-based dashboards; and economic data through the University's Data and Information Systems Center.

SECTION II PAYMENTS

The EEDC agrees to pay the University the sum of Fifteen Thousand Dollars (\$15,000) for the services to be rendered under this contract in quarterly installments to be invoiced at \$3,750 each quarter for the term of this contract.

SECTION III TERM

This agreement will commence on October 1, 2020 and continue through September 30, 2021.

SECTION IV TERMINATION

The EEDC and the University shall have the right to terminate this agreement. Any notice of termination must be in writing and sent by certified mail not less than thirty (30) days prior to the effective date of such termination. Upon termination the University shall be paid for all services rendered to date on the same basis as above provided. However, termination of this agreement by either party not at fault because of breach of the agreement by the other party may be effective upon mailing of the notice of termination.

SECTION V SUCCESSORS AND ASSIGNS

The EEDC and the University each bind themselves and their successors and assigns with respect to all agreements herein. Neither the EEDC nor the University shall assign or transfer their interest in this Agreement without the prior written consent of the other.

SECTION VI BREACH OF CONTRACT CLAIMS

To the extent that Chapter 2260, *Texas Government Code*, is applicable to the Agreement and is not preempted by other applicable law, the dispute resolution process provided for in Chapter 2260 and the related rules adopted by the Texas Attorney General pursuant to Chapter 2260, will be used by University and EEDC to attempt to resolve any claim for breach of contract made by EEDC that cannot be resolved in the ordinary course of business. The chief business officer of University will examine EEDC's claim and any counterclaim and negotiate with EEDC in an effort to resolve such claims. The parties specifically agree that (i) neither the execution of the Agreement by University nor any other conduct, action or inaction of any representative of University relating to the Agreement constitutes or is intended to constitute a waiver of University's or the state's sovereign immunity to suit; and (ii) University has not waived its right to seek redress in the courts.

SECTION VII GENERAL TERMS

- A. Assignment. The parties shall not assign this Agreement without the written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.
- B. Successor and Assigns. This Agreement shall bind and inure to the benefit of their respective parties and their respective permitted successors and assigns.
- C. Entire Agreement; Modifications. The Agreement supersedes all prior agreements, written or oral, between EEDC and University and shall constitute the entire Agreement and understanding between the parties with respect to the subject matter hereof. The Agreement and each of its provisions shall be binding upon the parties and may not be waived, modified, amended or altered except by a writing signed by University and EEDC.
- D. Invalidity. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.
- E. Further Assurances. The parties shall execute, acknowledge and deliver any and all such further agreements and instruments as the other party may reasonably request from time to time in order to give full effect to this Agreement.
- F. Venue; Governing Law. Hidalgo County, Texas, shall be the proper place of venue for suit on or in respect of the Agreement. The Agreement and all of the rights and obligations of the parties hereto and all of the terms and conditions hereof shall be construed, interpreted and applied in accordance with and governed by and enforced under the laws of the State of Texas.
- G. Notices. Except as otherwise provided by this Section, all notices, consents, approvals, demands, requests or other communications provided for or permitted to be given under any of the provisions of the Agreement will be in writing and will be sent via certified mail, hand delivery, overnight courier, facsimile transmission (to the extent a facsimile number is set forth below), or email (to the extent an email address is set forth below) as provided below, and notice will be deemed given (i) if delivered by certified mailed, when deposited, postage prepaid, in the United States mail, or (ii) if delivered by hand, overnight courier, facsimile (to the extent a facsimile number is set forth below) or email (to the extent an email address is set forth below), when received:

If to University: The University of Texas Rio Grande Valley
1201 W. University Dr.
Edinburg, TX 78539
Attention: Karen Martirosyan, Ph.D.
Associate VP for Research Enhancement
sponpro@utrgv.edu

with copy to: The University of Texas Rio Grande Valley
1201 W. University Dr., EINNV 1.1
Edinburg, TX 78539
Attention: Stephanie Vasquez
Research Services Coordinator
stephanie.vasquez01@utrgv.edu;
sponpro@utrgv.edu

If to Contractor: City of Edinburg
415 West University Drive
Edinburg, TX 78540
Attention: Blanca Davila
Director of Economic Development
bdavila@cityofedinburg.com

or other person or address as may be given in writing by either party to the other in accordance with this Section.

Notwithstanding any other requirements for notices given by a party under the Agreement, if Contractor intends to deliver written notice to University pursuant to Section 2251.054, *Texas Government Code*, then Contractor will send that notice to University as follows:

The University of Texas Rio Grande Valley
1201 W. University Dr.
Edinburg, TX 78539
Phone: (956) 665-3002 | Email: sponpro@utrgv.edu
Attention: Office of Sponsored Programs

- H. Waiver. The waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a continuing waiver of any subsequent breach by either party. No waiver by either party of any provision or condition to be performed shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.
- I. Governing Law and Exclusive Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without giving effect to such State's conflicts of laws provisions. Venue for any dispute arising out of or concerning this Agreement shall lie exclusively in a court of competent jurisdiction in Hidalgo County, Texas.

- J. Severability. Whenever possible, each provision and term of this Agreement will be interpreted in a manner to be effective and valid, but if any provision or term of this Agreement is held to be prohibited by law or invalid, then such provision or term will be ineffective only to the extent of such prohibition or invalidity without invalidating or affecting in any manner whatsoever the remainder of such provision or term or the remaining provisions or terms of this Agreement.
- K. Counterparts. This Agreement may be executed simultaneously in one or more original, digitally imaged or facsimile counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- L. Representations and Warranties by EEDC. If EEDC is a corporation or a limited liability company, EEDC warrants, represents, covenants, and agrees that it is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization and is duly authorized and in good standing to conduct business in the State of Texas, that it has all necessary power and has received all necessary approvals to execute and deliver the Agreement, and the individual executing the Agreement on behalf of EEDC has been duly authorized to act for and bind EEDC.
- M. Limitations. The parties hereto are aware of the possibility that there are or could be constitutional and statutory limitations on the ability of the University, a state agency, to enter into certain terms and conditions of this Agreement, including, but not limited to, those relating to warranties, limitations of damages, limitations of periods to bring legal action, waivers of remedies, dispute resolution, indemnities, and confidentiality. In any event, all of the provisions of this Agreement shall be enforceable to the full extent authorized by law. Neither the execution of this Agreement by the University nor any other conduct, action or inaction of any representative of the University constitutes or is intended to constitute a waiver of the University's or the state's sovereign immunity to suit.
- N. Damage or Injury. EEDC shall be solely responsible for any damage or injury to the University's facilities, property (tangible or intangible), or personnel that results from the acts or omissions of EEDC or of EEDC's personnel, agents, or subcontractors.
- O. DISCLAIMER. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, THE UNIVERSITY PROVIDES ALL GOODS, EQUIPMENT, MATERIALS, SERVICES, PERSONNEL, FACILITIES, AND OTHER ITEMS TO EEDC UNDER THIS AGREEMENT "AS IS", WITHOUT WARRANTIES, GUARANTEES, CERTIFICATIONS, OR REPRESENTATIONS OF ANY KIND. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT:
- (1) THE UNIVERSITY EXPRESSLY AND SPECIFICALLY DISCLAIMS ANY WARRANTIES OF TITLE, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, AS WELL AS ALL IMPLIED WARRANTIES,

INCLUDING ANY IMPLIED WARRANTIES ARISING FROM A COURSE OF DEALING OR PERFORMANCE OR USAGE OF TRADE,

(2) THE UNIVERSITY'S MAXIMUM AGGREGATE LIABILITY UNDER THIS AGREEMENT SHALL NOT EXCEED THE AMOUNTS PAID BY EEDC TO THE UNIVERSITY DURING THE IMMEDIATELY PRECEDING CONTIGUOUS TWELVE (12) MONTH PERIOD DURING THE TERM OF THIS AGREEMENT, AND

(3) THE UNIVERSITY SHALL NOT BE RESPONSIBLE OR LIABLE TO EEDC OR TO ANY PERSON OR ENTITY CLAIMING THROUGH EEDC FOR SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST OR ANTICIPATED PROFITS, REVENUES, OR SAVINGS, EVEN IF THE UNIVERSITY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

City of Edinburg

The University of Texas Rio Grande Valley

By: _____
Blanca Davila
Director of Economic Development

Date: _____

DocuSigned by:

By: _____
Karen Martirosyan, Ph.D.
Associate VP for Research

Date: 9/21/2020 _____



Edinburg Economic Development Corporation

Meeting Date: September 29, 2020

Consider funding for Get Digital with UTRGV
Entrepreneurship and Commercialization Center

1. Agenda Item:

Consider funding for Get Digital with UTRGV Entrepreneurship and Commercialization Center

2. Description/Scope:

Get Digital is a training program for local businesses with three focus areas:

1. Technologies for food establishments, professional services, and retailers
2. Market/sales expansion: Google Your Business and related online advertising services
3. E-commerce/Single Product Platforms: Etsy, eBay, Amazon, etc.

This a virtual training program, for now, given safety precautions related to COVID-19.

3. Estimated Timeline:

UTRGV is already offering this training in other areas of the RGV. It could be deployed for Edinburg local businesses with minimal lead time to administer the program, leveraging the City's SPARC database of local businesses as a starting point for potential participants.

4. Budget:

There are two potential ways to fund this program. Staff is exploring the availability of CARES funding to offer this training this fall. Or, the EDC could fund it from the Small Business Grants Program. Staff has included it in the Small Business Grant Program in the FY 2021 Budget in case CARES funding is not available. The requested amount is \$12,500 for 250 participants.

5. Procurement/Selection Process:

N/A

6. Staff's Recommendation:

Staff recommends approval.

7. Justification:

The SPARC program revealed that many small, local businesses in Edinburg are not fully prepared to take advantage of opportunities related to online commerce. This program would help close that gap and result in more competitive local businesses in Edinburg, increasing sales, income and wages, and potentially creating new jobs for city residents.

Blanca Davila
Director of Economic Development

ATTACHMENTS

Attachment A: Get Digital Info Sheet
Attachment B: Get Digital Flyer

Approved:	_____
Not Approved:	_____
Tabled:	_____
No Action:	_____

1. What
do the
E-

Get Digital; The New Norm E-Commerce Series

Commerce trainings consist of?

There are three sessions that make up the training:

First Session: The first session focuses on essential technologies for food, professional services and retail industries. The trainings provide an overview of using platforms such as FAVOR or GRUBHUB for restaurants or creating an online ordering system for curbside or delivery. The training also includes an introduction to platforms such as SALESFORCE, BASECAMP or SLACK for professional services such as insurance companies, brokers, lawyers etc. The final portion of the training includes a mockup of creating your online retail store using SHOPIFY. It is very interactive and at the end we invite two local businesses, already using one of the platforms mentioned, to share their experience and how it has impacted their sales or revenue during the pandemic.

Second Session: The second session is a quick overview of Google your Business – This session focuses on anyone interested in promoting their business online and teaches businesses how to take advantage of Google tools to create more traffic and attract more customers.

Third Session: The third session focuses on single product platforms such as ETSY, EBAY and AMAZON. It shows what you need, discusses fees charged and tips on how to sell on these platforms. These platforms are not only for storefront businesses but also very useful for individuals who make arts/crafts for sale and conduct business from their homes. In this session we also invite speakers to share experiences utilizing the different platforms.

2. Can anyone take the trainings?

Trainings are available for anyone that is interested; however, each session is designed towards specific industries. The first session is geared towards restaurants interested in learning about delivery platforms and online ordering, professional services such as brokers, law firms, insurance companies, etc., and small business retailers. The second session is open to anyone seeking to expand their market sales by using Google and the third session is for small businesses seeking to sell single products on Amazon, Etsy or eBay. These businesses can be retail, home businesses, professional services, and/or food products.

3. Do participants have to attend all three trainings?

The participants can choose which training to attend or attend all three. There are three individual sessions and the information is not related to each other, but rather provides different options to pivot or shift a business operation to an online platform.

4. How many are allowed into each training?

Because we like the participants to interact, we limit each session to about 25-30 participants. If there is a much larger number interested in one or more particular sessions, we will provide the session numerous times to accommodate those interested, up to the number agreed to by the sponsor.

5. Is there a fee per participant, and if so, is there sponsorship available?

The ECC charges a fee of \$50.00 per participant. If interested, an organization, entity, municipality or county can sponsor the session for participants in their region. Each region can determine the number of participants they will agree to sponsor.

By way of example, the City of Brownsville sponsored the recent E-Commerce series for 300 participants in Brownsville based on their approved funding for the program.

6. How is the training delivered?

The trainings are delivered through Zoom. The flyer will advertise the link that one clicks to register. Once participants register, they will receive the Zoom Meeting link available to access the day of the training. With the guidance of the sponsor, we are able to invite local small businesses already using some of the platforms presented to share their experience and help motivate the participants.

7. How will the marketing and registration work?

All marketing development and registration is managed by the ECC. We will provide flyers and information material to the sponsor to be able to promote or send to a target cohort of small businesses. Using local non-profits to promote these events, such as the Chamber of Commerce and the University's SBDC, has proved very helpful. We will also develop the registration links and Zoom meetings.

8. Are the trainings only provided in English?

We provide the sessions in English but can also provide them in Spanish if requested.

9. What is the earliest the trainings can be delivered?

If agreed, we will set dates with the organization to deliver the program. The earliest we will be able to deliver, so we have enough time to promote the sessions, is mid-September but we are able to work with other schedules as per the sponsors request.

Contact Information:

Linda Ufland, Manager

UTRGV Entrepreneurship and Commercialization Center

E-mail: linda.ufland@utrgv.edu

Cell phone: 956-466-6340

GET DIGITAL; The New Norm

Transform your business and sell online

FREE WORKSHOP!

Learn how to set up an online shop to:

- Grow your Business
- Maintain profit margins intact
- Keep a positive CASH FLOW
- Minimize sales and service disruptions

REGISTER TODAY!

DATE - HOUR

Part 1: Essential Technologies for Food Service Industry and Retail Industry

<https://bit.ly/3fNcSoQ>

DATE - HOUR

Part 2: Google Tools for your Business

<https://bit.ly/2CCiWCn>

DATE - HOUR

Part 3: Sell on Etsy, Amazon and Ebay

<https://bit.ly/2OJ6cw9>

Edinburg Economic Development Corporation

Meeting Date: September 29, 2020



Presentation of Proposals for 7310 North Liberty Drive

1. Gateway America

2. Primo Trading

1. **Agenda Item:**

Presentation of Proposals for 7310 North Liberty Drive

2. **Description/Scope:**

The EDC has received two offers for the property it owns at 7310 North Liberty Drive.

1. Gateway America is proposing a short-term lease for six months at \$7,500 per month and a purchase in the amount of \$1,000,000 after the six-month period. The proposed use is medical sterilization with an estimated 35 jobs and \$6 million in capital investment.

2. Primo Trading is proposing a purchase in the amount of \$950,000. The proposed use is a cold storage facility with an estimated 8-14 jobs and \$900,000 in capital investment.

UTRGV has provided economic impact estimates for each proposal. See attachments.

The appraised value of the property is approximately \$1,500,000. Mark Hanna has provided a memo with his analysis of the gap between the appraised value and the offers, as well as a list of comparable properties in the area for comparison. See attachments.

3. **Estimated Timeline:**

1. Gateway's proposed lease term starts on November 15, 2020. The proposed sale would occur after the 180-day feasibility period (six-month lease), with a closing date at 30 days after the expiration of the feasibility period.

2. Primo's proposal includes a 60-day feasibility and financing contingency period, with a closing date at 30 days after expiration of the feasibility period.

4. **Budget:**

N/A

5. **Procurement/Selection Process:**

N/A

6. **Staff's Recommendation:**

N/A

7. Justification:

N/A

Blanca Davila
Director of Economic Development

ATTACHMENTS

Attachment A: Mark Hanna Offer Analysis Memo and Comps
Attachment B: Gateway: UTRGV Economic Impact Analysis
Attachment C: Primo: UTRGV Economic Impact Analysis
Attachment D: Primo: LOI Purchase
Attachment E: Primo Trading Proposal Summary
Attachment F: Gateway: LOI Purchase
Attachment G: Gateway: LOI Lease
Attachment H: Gateway America Proposal Summary

Approved:	_____
Not Approved:	_____
Tabled:	_____
No Action:	_____

7310 Liberty Dr
Edinburg, TX 78541

Offer Analysis

This analysis was prepared to address the discrepancy between the **June 2018 appraisal** and the current offer to purchase **7310 Liberty Dr**. In any fair market value assessment, the true value of the asset is determined by *what the market is willing and able to pay* - which may or may not be representative of a comparable, replacement value, or income-based approach.

The fact of the matter is that the market is not willing to pay \$1,525,000 for this asset.

Below are comparable prices of warehouses in the area.

Things to keep in mind:

LOCATION: This property is north Edinburg and not ideal for most Warehouse needs

SPRINKLER SYSTEM: This property does not have a sprinkler system which will be needed for the next user to operate - Estimated cost: \$300,000 - \$450,000

A summary is provided below. These comparables can be found on the following pages.

Price Analysis	SF	Comps \$/SF	Market Price
Warehouse	20,100	\$44.30	\$890,430.00
Office	4,016	\$48.57	\$195,057.12
Land	366,300	\$0.75	\$274,725.00

Price Analysis	Comps	Pricing Weight	Amount
Buildings	\$1,085,487.12	75.00%	\$814,115.34
Land	\$274,725.00	25.00%	\$68,681.25
Total			\$882,796.59

At your service,

Mark Hanna
(956) 821-8001
mark@hanna.solutions

INDUSTRIAL COMPS

6 Mile Radius of
7310 N Liberty Dr
Edinburg, TX 78541

Quick Stats Report

Comps Statistics					
	Low	Average	Median	High	Count
Sale Price	\$140,000	\$2,248,250	\$437,500	\$7,978,000	4
RBA	1,840 SF	33,666 SF	18,050 SF	211,208 SF	23
Price per SF	\$5.28	\$44.30	\$55.91	\$75.55	4
Actual Cap Rate	-	-	-	-	-
Days on Market	7	211	159	626	11
Sale Price to Asking Price Ratio	96.77%	98.39%	98.39%	100.00%	2
Totals					
Sold Transactions	Total Sales Volume:		\$8,993,000	Total Sales Transactions:	
				23	
Survey Criteria					
basic criteria: Type of Property - Industrial ; Sale Status - Sold, Under Contract/Pending ; Return and Search on Portfolio Sales as Individual Properties - Yes ; Exclude Non-Arms Length Comps - Yes					
geography criteria: Radius - 6.00 mile(s) radius from Lat : -98.1523155, Long : 26.3744182					

1802 N Closner

Edinburg, TX 78541

Class B Warehouse Building of 4,350 SF Sold on 3/26/2008 for \$275,000 - Research Complete

buyer

South Star Truck & Equipment
5302 N Exp 281
Edinburg, TX 78541
(956) 318-1757

seller

State Highway Roofing
1802 N Closner
Edinburg, TX 78541

vital data

Escrow/Contract: -
Sale Date: **3/26/2008**
Days on Market: **210 days**
Exchange: **Yes**
Conditions: **1031 Exchange**
Land Area SF: **125,017**
Acres: **2.87**
\$/SF Land Gross: **\$2.20**
Year Built, Age: **1990 Age: 18**
Parking Spaces: -
Parking Ratio: -
FAR: **0.03**
Lot Dimensions: -
Frontage: -
Tenancy: **Single**
Comp ID: **1509668**

Sale Price: **\$275,000**
Status: **Confirmed**
Building SF: **4,350 SF**
Price/SF: **\$63.22**
Pro Forma Cap Rate: -
Actual Cap Rate: -
Down Pmnt: -
Pct Down: -
Doc No: -
Trans Tax: -
Corner: **No**
Zoning: -
No Tenants: **1**
Percent Improved: -
Submarket: **Edinburg**
Map Page: -
Parcel No: -
Property Type: **Industrial**

income expense data

Listing Broker

Rio Valley Realty
4751 S Jackson Rd
Edinburg, TX 78539
(956) 687-7653
Israel Esquivel

Buyer Broker

Rio Valley Realty
4751 S Jackson Rd
Edinburg, TX 78539
(956) 687-7653
Cynthia Esquivel

financing

2025 N Expressway 281

Edinburg, TX 78542

Class C Service Building of 7,942 SF Sold on 7/17/2014 for \$600,000 - Research Complete

buyer

TD Logistix
2302 N Clossner Blvd
Edinburg, TX 78539

seller

Buck's Truck Sales
2025 N Expressway 281
Edinburg, TX 78542
(956) 383-6908

vital data

Escrow/Contract:	-	Sale Price:	\$600,000
Sale Date:	7/17/2014	Status:	Confirmed
Days on Market:	7 days	Building SF:	7,942 SF
Exchange:	No	Price/SF:	\$75.55
Conditions:	-	Pro Forma Cap Rate:	-
Land Area SF:	259,182	Actual Cap Rate:	-
Acres:	5.95	Down Pmnt:	\$600,000
\$/SF Land Gross:	\$2.31	Pct Down:	100.0%
Year Built, Age:	1985 Age: 29	Doc No:	-
Parking Spaces:	-	Trans Tax:	-
Parking Ratio:	-	Cornr:	No
FAR	0.03	Zoning:	F1
Lot Dimensions:	-	No Tenants:	1
Frontage:	-	Percent Improved:	24.8%
Tenancy:	Single	Submarket:	Edinburg
Comp ID:	3129759	Map Page:	-
		Parcel No:	R4685-00-000-0000-00
		Property Type:	Industrial

income expense data

Expenses	- Taxes	\$11,996
	- Operating Expenses	
	Total Expenses	\$11,996

Listing Broker

Prime Ventures Commercial Real Estate
17080 Hwy 46 W
Spring Branch, TX 78070
(210) 920-1001
Michael Masso

Buyer Broker

financing

502 W Independence Dr

FedEx Ground Systems
Edinburg, TX 78541

**Class C Warehouse Building of 164,207 SF Sold on 9/30/2011
for \$7,978,000 - Research Complete**

buyer

**Monmouth Real Estate Investment Corporation
c/o Eugene Landy
101 Crawfords Corner Rd
Holmdel, NJ 07733
(732) 577-9996**

seller

**Jones Development Company LLC
c/o Kevin Jones
4520 Madison Ave
Kansas City, MO 64111
(816) 756-5700**



vital data

Escrow/Contract: -
Sale Date: **9/30/2011**
Days on Market: -
Exchange: **No**
Conditions: -
Land Area SF: **569,765**
Acres: **13.08**
\$/SF Land Gross: **\$14.00**
Year Built, Age: **2011**
Parking Spaces: **254**
Parking Ratio: **1.66/1000 SF**
FAR: **0.29**
Lot Dimensions: -
Frontage: -
Tenancy: **Single**
Comp ID: **2186898**

Sale Price: **\$7,978,000**
Status: **Approximate**
Building SF: **164,207 SF**
Price/SF: **\$48.59**
Pct Office: **5.6%**
Pro Forma Cap Rate: -
Actual Cap Rate: -
Down Pmnt: -
Pct Down: -
Doc No: **2011-2246656**
Trans Tax: -
Corner: **No**
Zoning: -
No Tenants: **1**
Percent Improved: -
Submarket: **Edinburg**
Map Page: -
Parcel No: **51600-00-000-0011-00**
Property Type: **Industrial**

income expense data

Listing Broker

No Listing Broker on Deal

Buyer Broker

No Buyer Broker on Deal

financing

1st Sun National Bank
Bal/Pmt: **\$4,800,000**

OFFICE COMPS

6 Mile Radius of
7310 N Liberty Dr
Edinburg, TX 78541

Quick Stats Report

Comps Statistics					
	Low	Average	Median	High	Count
Sale Price	\$45,000	\$395,833	\$242,500	\$1,000,000	6
RBA	1,184 SF	6,975 SF	4,730 SF	41,014 SF	56
Price per SF	\$14.14	\$48.57	\$53.80	\$111.15	6
Actual Cap Rate	9.00%	9.30%	9.30%	9.60%	2
Days on Market	39	402	337	1,185	16
Sale Price to Asking Price Ratio	76.00%	86.68%	86.90%	100.00%	6
Totals					
Sold Transactions	Total Sales Volume:		\$2,375,000	Total Sales Transactions:	
				56	
Survey Criteria					
basic criteria: Type of Property - Office ; Sale Status - Sold, Under Contract/Pending ; Return and Search on Portfolio Sales as Individual Properties - Yes ; Exclude Non-Arms Length Comps - Yes					
geography criteria: Radius - 6.00 mile(s) radius from Lat : -98.1523155, Long : 26.3744182					

1409 S 9th Ave

Medical Plaza
Edinburg, TX 78539

**Class C Office Live/Work Unit Building of 22,992 SF Sold on
3/12/2015 for \$325,000 - Research Complete**

buyer

Ricchi Group
c/o Leobardo Trevino
1111 W Mockingbird Ln
Dallas, TX 75247
(214) 630-3012

seller

AAMA Community Development Corp.
c/o Peter Clementi
4600 Gulf Fwy
Houston, TX 77023
(713) 923-5433



vital data

Escrow/Contract: -
Sale Date: **3/12/2015**
Days on Market: **402 days**
Exchange: **No**
Conditions: -
Land Area SF: **47,916**
Acres: **1.1**
\$/SF Land Gross: **\$6.78**
Year Built, Age: **1975 Age: 40**
Parking Spaces: **50**
Parking Ratio: **2.17/1000 SF**
FAR **0.48**
Lot Dimensions: -
Frontage: -
Tenancy: **Single**
Comp ID: **3284448**

Sale Price: **\$325,000**
Status: **Confirmed**
Building SF: **22,992 SF**
Price/SF: **\$14.14**
Pro Forma Cap Rate: -
Actual Cap Rate: -
Down Pmnt: **\$65,000**
Pct Down: **20.0%**
Doc No: **000002594797**
Trans Tax: -
Corner: **No**
Zoning: **C-3**
Percent Improved: **66.7%**
Submarket: **Edinburg**
Map Page: -
Parcel No: **C8750-00-010-0000-05**
Property Type: **Office**

income expense data

Expenses	- Taxes	\$9,147
	- Operating Expenses	
	Total Expenses	\$9,147

Listing Broker

Cadence Commercial Real Estate
1117 Orange Ave
McAllen, TX 78501
(956) 688-5646
Johnny Cisneros

Buyer Broker

No Buyer Broker on Deal

financing

909 S 10th Ave

Edinburg, TX 78539

Class C Office Building of 1,288 SF Sold on 3/15/2013 for \$95,000 - Research Complete

buyer

Adelaido & Maria Escaname
2414 El Encino
Palmhurst, TX 78573
(956) 490-8322

seller

1st National Bank
26302 I-45 N
Spring, TX 77386

vital data

Escrow/Contract: -
Sale Date: **3/15/2013**
Days on Market: **39 days**
Exchange: **No**
Conditions: -
Land Area SF: **11,326**
Acres: **0.26**
\$/SF Land Gross: **\$8.39**
Year Built, Age: **1975 Age: 38**
Parking Spaces: -
Parking Ratio: -
FAR: **0.11**
Lot Dimensions: -
Frontage: -
Tenancy: -
Comp ID: **2761048**

Sale Price: **\$95,000**
Status: **Confirmed**
Building SF: **1,288 SF**
Price/SF: **\$73.76**
Pro Forma Cap Rate: -
Actual Cap Rate: -
Down Pmnt: -
Pct Down: -
Doc No: **000002396258**
Trans Tax: -
Corner: **No**
Zoning: **RS**
Percent Improved: **47.2%**
Submarket: **Edinburg**
Map Page: -
Parcel No: **H3500-00-001-0009-00**
Property Type: **Office**

income expense data

Expenses	- Taxes	\$1,730
	- Operating Expenses	
	Total Expenses	\$1,730

Listing Broker

Buyer Broker

financing

401 S 10th St

Edinburg, TX 78539

Class C Office Building of 4,730 SF Sold on 11/13/2007 for \$160,000 - Research Complete

buyer

Santa Cecilia Ranch Partnership, LTD
10 Mi N Hwy 77
Raymondville, TX 78580
(956) 689-6652

seller

Victoria Trading Co LLC
100 E Cano St
Edinburg, TX 78539
(956) 632-0940

vital data

Escrow/Contract:	-	Sale Price:	\$160,000
Sale Date:	11/13/2007	Status:	Confirmed
Days on Market:	120 days	Building SF:	4,730 SF
Exchange:	No	Price/SF:	\$33.83
Conditions:	-	Pro Forma Cap Rate:	-
Land Area SF:	14,379	Actual Cap Rate:	-
Acres:	0.33	Down Pmnt:	-
\$/SF Land Gross:	\$11.13	Pct Down:	-
Year Built, Age:	2009	Doc No:	1825704
Parking Spaces:	26	Trans Tax:	-
Parking Ratio:	5.5/1000 SF	Cornr:	No
FAR:	0.33	Zoning:	-
Lot Dimensions:	-	Percent Improved:	-
Frontage:	-	Submarket:	Edinburg
Tenancy:	-	Map Page:	-
Comp ID:	1573065	Parcel No:	E3300-00-318-0005-00
		Property Type:	Office

income expense data

Listing Broker

Gaston Properties
2112 W University Dr
Edinburg, TX 78539
(956) 381-0941
Lisa Helle

Buyer Broker

No Buyer Broker on Deal

financing

222 E Monte Cristo Rd

Edinburg, TX 78541

Class B Office Building of 9,440 SF Sold on 10/2/2015 for \$750,000 - Research Complete

buyer

Jayesh S Bhakta

seller

**Flores Family Trust
PO Box 2865
Edinburg, TX 78540**

vital data

Escrow/Contract: -
 Sale Date: **10/2/2015**
 Days on Market: **227 days**
 Exchange: **No**
 Conditions: -
 Land Area SF: **112,820**
 Acres: **2.59**
 \$/SF Land Gross: **\$6.65**
 Year Built, Age: **2006 Age: 9**
 Parking Spaces: **136**
 Parking Ratio: **10/1000 SF**
 FAR: **0.08**
 Lot Dimensions: **406x319**
 Frontage: -
 Tenancy: **Multi**
 Comp ID: **3406236**

Sale Price: **\$750,000**
 Status: **Confirmed**
 Building SF: **9,440 SF**
 Price/SF: **\$79.45**
 Pro Forma Cap Rate: -
 Actual Cap Rate: **9.60%**
 Down Pmnt: -
 Pct Down: -
 Doc No: **000002652638**
 Trans Tax: -
 Corner: **No**
 Zoning: **C-1**
 No Tenants: **2**
 Percent Improved: **59.9%**
 Submarket: **Edinburg**
 Map Page: -
 Parcel No: **F2240-00-000-0002-00**
 Property Type: **Office**

income expense data

Expenses	- Taxes	\$32,664
	- Operating Expenses	
	Total Expenses	\$32,664

Listing Broker

**NAI Rio Grande Valley
800 W Dallas Ave
McAllen, TX 78501
(956) 994-8900
Laura Liza Paz**

Buyer Broker

financing

prior sale

Date/Doc No: **2/20/2013**
 Sale Price: **-**
 ComplID: **2736831**

2406 W University Dr

Edinburg, TX 78539

Class B Office Building of 8,997 SF Sold on 4/23/2012 for \$1,000,000 - Research Complete

buyer

Board of Regents of The University of Texas System
210 W 7th St
Austin, TX 78701
(512) 499-4333

seller

Rio Bank
1655 N 23rd St
McAllen, TX 78501
(956) 631-7890

vital data

Escrow/Contract: -
 Sale Date: **4/23/2012**
 Days on Market: **1,032 days**
 Exchange: **No**
 Conditions: -
 Land Area SF: **54,014**
 Acres: **1.24**
 \$/SF Land Gross: **\$18.51**
 Year Built, Age: **2002 Age: 10**
 Parking Spaces: **51**
 Parking Ratio: **5.67/1000 SF**
 FAR: **0.17**
 Lot Dimensions: -
 Frontage: -
 Tenancy: -
 Comp ID: **2491550**

Sale Price: **\$1,000,000**
 Status: **Full Value**
 Building SF: **8,997 SF**
 Price/SF: **\$111.15**
 Pro Forma Cap Rate: -
 Actual Cap Rate: -
 Down Pmnt: -
 Pct Down: -
 Doc No: **000002301307**
 Trans Tax: -
 Corner: **No**
 Zoning: **C-1**
 Percent Improved: **59.1%**
 Submarket: **Edinburg**
 Map Page: -
 Parcel No: **J2255-01-000-0007-00**
 Property Type: **Office**

income expense data

Expenses	- Taxes	\$21,256
	- Operating Expenses	
	Total Expenses	\$21,256

Listing Broker

Buyer Broker

financing

LAND COMPS

6 Mile Radius of
7310 N Liberty Dr
Edinburg, TX 78541

Quick Stats Report

Comps Statistics					
	Low	Average	Median	High	Count
Sale Price	\$95,000	\$719,229	\$850,000	\$1,640,210	13
Parcel Size	0.12 AC	31.36 AC	6.62 AC	556 AC	96
Price per Acre	\$6,381	\$32,723	\$114,781	\$4,775,319	12
Days on Market	12	469	265	3,764	38
Sale Price to Asking Price Ratio	68.16%	87.37%	86.64%	100.00%	8
Totals					
Sold Transactions	Total Sales Volume:		\$9,349,971	Total Sales Transactions:	865
Survey Criteria					
basic criteria: Type of Property - Land ; Sale Status - Sold, Under Contract/Pending ; Return and Search on Portfolio Sales as Individual Properties - Yes ; Exclude Non-Arms Length Comps - Yes					
geography criteria: Radius - 6.00 mile(s) radius from Lat : -98.1523155, Long : 26.3744182					

402 N Closner Blvd

L.J. Roberts Family Limited Partnership
Edinburg, TX 78541

**Commercial Land of 0.31 AC Sold on 10/26/2018 for \$160,000 -
Public Record**

buyer

seller

Image Coming Soon

vital data

Sale Date: **10/26/2018**
Escrow/Contract: -
Days on Market: **109 days**
Exchange: **No**
Conditions: -
Density: -
Max No of Units: -
Price/Unit: -
Lot Dimensions: -
Frontage: **100 feet on N Closner**
Comp ID: **4557686**

Sale Price: **\$160,000**
Status: -
Down Pmnt: -
Pct Down: -
Doc No: -
Trans Tax: -
Corner: **No**
Topography: **Level**
Improvements: **Asphalt paving**
Off-Site Improv: **Sewer, Water**
Zoning: **C**
Submarket: **Edinburg**
Map Page: -
Parcel No: -
Property Type: **Land**
Proposed Use: **Commercial, Auto Repair, Bank, General
Freestanding**

income expense data

	Gross	Net
Acres:	0.31 AC	-
Price/Acre:	\$520,156.05	-
SF:	13,399 SF	-
Price/SF:	\$11.94	-

Listing Broker

Davis Real Estate
2400 N 10th St
McAllen, TX 78501
(956) 968-4571
Ernie Williams

Buyer Broker

Jinks Realty
502 W University Dr
Edinburg, TX 78539
(956) 429-3232
David Casarez

financing

616 Drennan St

Edinburg, TX 78541

**Residential Land of 0.28 AC Sold on 12/22/2008 for \$1,250,000 -
Research Complete**

buyer

**S & F Developers & Builders LLC
2011 Conway
Mission, TX 78572**

seller

**Hector & Alicia Investments, LLC.
907 S Cage Blvd
Pharr, TX 78577
(956) 638-5580**

vital data

Sale Date: **12/22/2008**
Escrow/Contract: -
Days on Market: -
Exchange: **No**
Conditions: -
Density: -
Max No of Units: -
Price/Unit: -
Lot Dimensions: -
Frontage: -
Comp ID: **1806769**

Sale Price: **\$1,250,000**
Status: **Full Value**
Down Pmnt: **\$250,000**
Pct Down: **20.0%**
Doc No: **000001960957**
Trans Tax: -
Corner: **No**
Topography: -
Improvements: -
Off-Site Improv: -
Zoning: -
Submarket: **Edinburg**
Map Page: -
Parcel No: **W6888-00-000-0033-00 [Partial List]**
Property Type: **Land**
Proposed Use: -

income expense data

	Gross	Net
Acres:	0.28 AC	-
Price/Acre:	\$4,464,285.71	-
SF:	12,197 SF	-
Price/SF:	\$102.48	-

Listing Broker

Buyer Broker

financing

1st First National Bank
Bal/Pmt: **\$1,000,000**

0 N Highway 281

Edinburg, TX 78541

Commercial Land of 148.88 AC Sold on 9/23/2009 for \$950,000 - Research Complete

buyer

**Cosmopolitan Group Ltd
602 McColl
McAllen, TX 78501**

Image Coming Soon

seller

**Evening Shade Corp
4413 McColl Rd
McAllen, TX 78504**

vital data

Sale Date: **9/23/2009**
 Escrow/Contract: -
 Days on Market: -
 Exchange: **No**
 Conditions: -
 Density: -
 Max No of Units: -
 Price/Unit: -
 Lot Dimensions: -
 Frontage: -
 Comp ID: **1804595**

Sale Price: **\$950,000**
 Status: **Approximate**
 Down Pmnt: -
 Pct Down: -
 Doc No: **000002039630**
 Trans Tax: -
 Corner: **No**
 Topography: -
 Improvements: -
 Off-Site Improv: **Cable, Curb/Gutter/Sidewalk, Electricity, -...**
 Zoning: **Outlying Hidalgo County**
 Submarket: **Outlying Hidalgo County**
 Map Page: -
 Parcel No: **B0250-00-010-0000-01**
 Property Type: **Land**
 Proposed Use: -

income expense data

Expenses	- Taxes	\$11,678
	- Operating Expenses	
	Total Expenses	\$11,678

Gross	Net
-------	-----

Acres: **148.88 AC**Price/Acre: **\$6,380.98**SF: **6,485,213 SF**Price/SF: **\$0.15**

Listing Broker

Buyer Broker

financing

1st Lone Star National Bank
Bal/Pmt: **\$950,000**

Highway 281 & FM 2812 Rd

Edinburg, TX 78542

**Commercial Land of 1 AC Sold on 6/14/2019 for \$155,000 -
Research Complete**

buyer

seller

**vital data**

Sale Date: **6/14/2019**
Escrow/Contract: -
Days on Market: **448 days**
Exchange: **No**
Conditions: -
Density: -
Max No of Units: -
Price/Unit: -
Lot Dimensions: -
Frontage: -
Comp ID: **4794744**

Sale Price: **\$155,000**
Status: -
Down Pmnt: -
Pct Down: -
Doc No: -
Trans Tax: -
Corner: **No**
Topography: **Level**
Improvements: -
Off-Site Improv: **Cable, Curb/Gutter/Sidewalk, Electricity, ...**
Zoning: -
Submarket: **Edinburg**
Map Page: -
Parcel No: -
Property Type: **Land**
Proposed Use: **Commercial, Auto Dealership, Auto Repair, Car Wash, Contractor Storage Yard, Distribution, Garden Center, Lumberyard, Parking Garage, Parking Lot, Self-Storage, Truck Stop, Warehouse**

income expense data

	Gross	Net
Acres:	1 AC	1 AC
Price/Acre:	\$155,000.00	\$155,000.00
SF:	43,560 SF	43,560 SF
Price/SF:	\$3.56	\$3.56

Listing Broker

Sermol Real Estate Solutions
5401 N 10th St
Mcallen, TX 78504
(956) 369-3681
Sergio Molina

Buyer Broker**financing**

0 Hoehn Dr

Edinburg, TX 78541

Commercial Land of 50 AC Sold on 2/27/2014 for \$1,640,210 - Research Complete

buyer

Khizar Ahsan
2705 San Diego
Mission, TX 78572

seller

Rabke Mary L

vital data

Sale Date: **2/27/2014**
 Escrow/Contract: -
 Days on Market: -
 Exchange: **No**
 Conditions: -
 Density: -
 Max No of Units: -
 Price/Unit: -
 Lot Dimensions: -
 Frontage: -
 Comp ID: **2992005**

Sale Price: **\$1,640,210**
 Status: -
 Down Pmnt: -
 Pct Down: -
 Doc No: **000002490485**
 Trans Tax: -
 Corner: **No**
 Topography: **Level**
 Improvements: -
 Off-Site Improv: **Cable, Curb/Gutter/Sidewalk, Electricity,**
 Zoning: **...**
 Submarket: **Edinburg**
 Map Page: -
 Parcel No: **T2100-00-233-0001-00 [Partial List]**
 Property Type: **Land**
 Proposed Use: **Hold for Development, Planned Unit Development**

income expense data

Expenses	- Taxes	\$476
	- Operating Expenses	
	Total Expenses	\$476

	Gross	Net
Acres:	50 AC	50 AC
Price/Acre:	\$32,804.20	\$32,804.20
SF:	2,178,000 SF	2,178,000 SF
Price/SF:	\$0.75	\$0.75

Listing Broker

Buyer Broker

financing

1st Lone Star National Bank
 Bal/Pmt: **\$1,312,168**

5814 N Hwy 281

Vacant land
Edinburg, TX 78542

**Industrial Land of 5.28 AC Sold on 3/14/2008 for \$1,100,000 -
Research Complete**

buyer

HEB Grocery
PO Box 839999
San Antonio, TX 78283
(800) 432-3113

seller

South Star Truck & Equipment
5302 N Exp 281
Edinburg, TX 78541
(956) 318-1757



vital data

Sale Date: **3/14/2008**
Escrow/Contract: -
Days on Market: **200 days**
Exchange: **Yes**
Conditions: **1031 Exchange**
Density: -
Max No of Units: -
Price/Unit: -
Lot Dimensions: -
Frontage: -
Comp ID: **1509681**

Sale Price: **\$1,100,000**
Status: **Confirmed**
Down Pmnt: -
Pct Down: -
Doc No: **1869045**
Trans Tax: -
Corner: **No**
Topography: -
Improvements: -
Off-Site Improv: -
Zoning: -
Submarket: **Edinburg**
Map Page: -
Parcel No: **T2663-00-000-0001-00**
Property Type: **Land**
Proposed Use: **Commercial, Industrial, Retail, Office**

income expense data

Expenses	- Taxes	\$4,557
	- Operating Expenses	
	Total Expenses	
Gross	Net	
Acres: 5.28 AC	5.28 AC	
Price/Acre: \$208,333.33	\$208,333.33	
SF: 229,997 SF	229,997 SF	
Price/SF: \$4.78	\$4.78	

Listing Broker

Rio Valley Realty
4751 S Jackson Rd
Edinburg, TX 78539
(956) 687-7653
Israel Esquivel

Buyer Broker

Cardenas Commercial Properties
201 S Tenth St
McAllen, TX 78501
(956) 631-2201
Cardenas Properties

financing

N Ramseyer Rd

Vacant Land
Edinburg, TX 78542

**Residential Land of 12.72 AC Sold on 8/6/2009 for \$285,000 -
Research Complete**

buyer

BIC Realty
3910 W Freddy Gonzalez Dr
Edinburg, TX 78539
(956) 383-6295

seller

Chase Bank
200 S 10th St
McAllen, TX 78501
(956) 632-2424

**vital data**

Sale Date: **8/6/2009**
Escrow/Contract: **60 days**
Days on Market: **135 days**
Exchange: **No**
Conditions: -
Density: -
Max No of Units: -
Price/Unit: -
Lot Dimensions: -
Frontage: -
Comp ID: **1751878**

Sale Price: **\$285,000**
Status: **Confirmed**
Down Pmnt: -
Pct Down: -
Doc No: -
Trans Tax: -
Corner: **No**
Topography: **Level**
Improvements: -
Off-Site Improv: **Cable, Curb/Gutter/Sidewalk, Electricity,**
Zoning: **...**
Submarket: **Outlying Hidalgo County**
Map Page: -
Parcel No: -
Property Type: **Land**
Proposed Use: **Single Family Development**

income expense data

Expenses	- Taxes	\$1,776
	- Operating Expenses	
	Total Expenses	\$1,776

Gross	Net
-------	-----

Acres: **12.72 AC**

Price/Acre: **\$22,405.66**

SF: **554,083 SF**

Price/SF: **\$0.51**

Listing Broker

NAI Rio Grande Valley
800 W Dallas Ave
McAllen, TX 78501
(956) 994-8900
Belinda Cowan

Buyer Broker

BIC Realty
3910 W Freddy Gonzalez Dr
Edinburg, TX 78539
(956) 383-6295
Richard Garza

financing

1200 S Sugar Rd

Edinburg, TX 78539

**Residential Land of 5 AC Sold on 6/28/2017 for \$1,000,000 -
Research Complete**

buyer

Ricardo Cano
2710 Hylton Ave
Edinburg, TX 78539
(956) 316-4447

seller

Miguel A & Blanca Nevarez
421 Tyler Ave
McAllen, TX 78503

vital data

Sale Date: **6/28/2017**
Escrow/Contract: **45 days**
Days on Market: **36 days**
Exchange: **No**
Conditions: -
Density: -
Max No of Units: -
Price/Unit: -
Lot Dimensions: -
Frontage: **300 feet on S Sugar Rd**
Comp ID: **4023602**

Sale Price: **\$1,000,000**
Status: **Confirmed**
Down Pmnt: **\$1,000,000**
Pct Down: **100.0%**
Doc No: **2827442**
Trans Tax: -
Corner: **No**
Topography: **Level**
Improvements: -
Off-Site Improv: **Cable, Curb/Gutter/Sidewalk, Electricity,**
Zoning: **Auto-Urban Residential**
Submarket: **Edinburg**
Map Page: -
Parcel No: **T2100-00-274-0007-12**
Property Type: **Land**
Proposed Use: **MultiFamily**

income expense data

	Gross	Net
Acres:	5 AC	5 AC
Price/Acre:	\$200,000.00	\$200,000.00
SF:	217,800 SF	217,800 SF
Price/SF:	\$4.59	\$4.59

Listing Broker

NAI Rio Grande Valley
800 W Dallas Ave
McAllen, TX 78501
(956) 994-8900
Laura Liza Paz, Michael Blum

Buyer Broker

financing

Texas St

42 acres
Edinburg, TX 78539

**Residential Land of 42 AC Sold on 12/21/2011 for \$525,000 -
Research Complete**

buyer

seller

**vital data**

Sale Date: **12/21/2011**
Escrow/Contract: -
Days on Market: **1,055 days**
Exchange: **No**
Conditions: -
Density: -
Max No of Units: -
Price/Unit: -
Lot Dimensions: -
Frontage: -
Comp ID: **2228852**

Sale Price: **\$525,000**
Status: -
Down Pmnt: -
Pct Down: -
Doc No: -
Trans Tax: -
Corner: **No**
Topography: **Level**
Improvements: **None**
Off-Site Improv: **Cable, Curb/Gutter/Sidewalk, Electricity, Res**
Zoning: **Edinburg**
Submarket: **Edinburg**
Map Page: -
Parcel No: -
Property Type: **Land**
Proposed Use: -

income expense data

	Gross	Net
Acres: 42 AC	-	-
Price/Acre: \$12,500.00	-	-
SF: 1,829,520 SF	-	-
Price/SF: \$0.29	-	-

Listing Broker

ReMax 1st Choice
612 Nolana
Mcallen, TX 78504
(956) 668-8555
Barbara Moffatt

Buyer Broker**financing**

2406 W University Dr

Edinburg, TX 78539

Commercial Land of 0.22 AC Sold on 7/15/2008 for \$1,050,000 - Research Complete**buyer****Rio Bank**
1655 N 23rd St
McAllen, TX 78501
(956) 631-7890**seller****Jerry Canales**
123 E McIntyre St
Edinburg, TX 78541
(956) 383-1639**vital data**

Sale Date: **7/15/2008**
 Escrow/Contract: -
 Days on Market: -
 Exchange: **No**
 Conditions: -
 Density: -
 Max No of Units: -
 Price/Unit: -
 Lot Dimensions: -
 Frontage: -
 Comp ID: **1577178**

Sale Price: **\$1,050,000**
 Status: **Confirmed**
 Down Pmnt: -
 Pct Down: -
 Doc No: **000001910610**
 Trans Tax: -
 Corner: **No**
 Topography: -
 Improvements: -
 Off-Site Improv: -
 Zoning: -
 Submarket: **Edinburg**
 Map Page: -
 Parcel No: **J2255-01-000-0007-00**
 Property Type: **Land**
 Proposed Use: -

income expense data

	Gross	Net
Acres:	0.22 AC	-
Price/Acre:	\$4,777,070.06	-
SF:	9,578 SF	-
Price/SF:	\$109.63	-

Listing Broker**No Listing Broker on Deal****Buyer Broker****No Buyer Broker on Deal****financing**

6500 N Us-281

Edinburg, TX 78541

**Commercial Land of 11.40 AC Sold on 11/1/2008 for \$850,000 -
Research Complete**

buyer

seller

HoRizon Properties
c/o Edna Pena
PO Box 143
Edinburg, TX 78539
(956) 383-7839

vital data

Sale Date: **11/1/2008**
 Escrow/Contract: -
 Days on Market: **1,354 days**
 Exchange: **Yes**
 Conditions: **1031 Exchange**
 Density: -
 Max No of Units: -
 Price/Unit: -
 Lot Dimensions: -
 Frontage: **330 feet on US-281**
 Comp ID: **1647093**

Sale Price: **\$850,000**
 Status: **Confirmed**
 Down Pmnt: -
 Pct Down: -
 Doc No: -
 Trans Tax: -
 Corner: **No**
 Topography: **Level**
 Improvements: -
 Off-Site Improv: **Cable, Curb/Gutter/Sidewalk, Electricity,**
 Zoning: **Not Zoned**
 Submarket: **Edinburg**
 Map Page: -
 Parcel No: -
 Property Type: **Land**
 Proposed Use: **Commercial, Retail**

income expense data

	Gross	Net
Acres: 11.40 AC	-	-
Price/Acre: \$74,561.40	-	-
SF: 496,584 SF	-	-
Price/SF: \$1.71	-	-

Listing Broker

HoRizon Properties
PO Box 143
Edinburg, TX 78539
(956) 383-7839
Edna Pena

Buyer Broker

No Buyer Broker on Deal

financing



Data & Information
Systems Center

September 24, 2020,

Dear Brian Kelsey,

Project: Gateway America,
Equipment: \$6,000,000
Jobs: 35 in Phase I
Salary Range: \$34,000 - \$180,000

Gateway America is proposing to start its one of a kind irradiation of medical supplies facility in Edinburg, if established will support the creation of 59 jobs, generate \$2.4 million in labor income, add \$3.1 million to the Texas Gross Domestic Product, and create \$270,728 in state and local taxes, for a total economic output of \$5.9 million on the Edinburg economy. See table 2.

Table 1. Economic Impact – Top Ten Sectors (Gateway America)

Description	Employment	Labor Income	Total Value Added	Output
Warehousing and storage	35.0	\$1,373,234	\$1,145,376	\$2,572,938
Real estate	5.4	\$377,717	\$870,440	\$1,244,934
Wholesale trade	1.9	\$32,832	\$50,093	\$69,595
Employment services	1.2	\$14,720	\$124,910	\$180,730
Full-service restaurants	0.7	\$13,964	\$17,539	\$37,700
Couriers and messengers	0.6	\$26,536	\$27,313	\$61,866
Limited-service restaurants	0.5	\$13,292	\$21,502	\$34,419
Hospitals	0.5	\$40,433	\$42,657	\$81,033
Management consulting	0.4	\$8,184	\$2,779	\$9,807

services				
Dry-cleaning and laundry	0.4	\$8,576	\$8,655	\$14,727

Table 2. Total Economic Impact – Capital Investment and Jobs
(Gateway America)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Impacts	40	\$1,688,207	\$1,873,841	\$3,613,603
Indirect Impacts	9	\$298,077	\$547,010	\$1,010,505
Induced Impacts	10	\$365,600	\$708,203	\$1,273,960
Total Impacts	59	\$2,351,884	\$3,129,053	\$5,898,068
Local and State Tax				\$270,728

Assumptions:

- The study area was Hidalgo County.
- The equipment purchases effects wholesale industry.
- The capital investment is used mostly for construction and equipment purchases.
- The jobs (9) created during the purchase of equipment are temporary.

Sincerely,



Sai Mullapudi
Business Economic Research Analyst IV
(956) 665-2301

Methodology

The Impact Analysis for Planning (IMPLAN) input-output economic modeling system was used to estimate the economic impact. IMPLAN is a widely-used, nationally renowned, economic modeling system, which consists of regional economic data and software. IMPLAN is an accounting system of economic transactions that take place among industries, businesses and consumers in an economy. When the company spends money in the form of purchases, salaries, capital investment, construction, etc., it is creating an economic impact; some of this money is re-spent one or more times in the local economy, creating additional economic impact, also called the multiplier effect. Multipliers are related to three kinds of effects:

Direct effects are changes in the local economy caused by some economic change in the area. An example would be new construction or a new business moving into the area, which will cause a change in the overall level of economic activity in the area.

Indirect effects are the changes in inter industry purchases as they respond to the new demands of the directly affected industries. An example would be a business buying goods it sells to consumers from a wholesaler or manufacturer. This and the subsequent rounds of purchases are classified as indirect effects.

Induced effects reflect changes in inter industry spending resulting from household spending. This spending comes from household income generated from the direct and indirect effects.

Definitions

Employment—Employment supported in the study area related to the spending generated as a result of the events occurring with the new event. Employment impact is stated in job years.

Labor Income—All forms of employment income, including employee compensation (wages and benefits) and proprietor income.

Value Added—Is the sum of total income and indirect business taxes. Value added is the most commonly used measure of the contribution of a region to the national economy, as it avoids double counting of intermediate sales and captures only the “value added” by the region to final products.

Output—Output represents the value of industry production. In IMPLAN these are annual production estimates for the year of the dataset and are in producer prices. For manufacturers this would be sales plus/minus change in inventory. For service sectors production equals sales. For retail and wholesale trade, output equals gross margin and not gross sales.

September 24, 2020,

Dear Brian Kelsey,

Project: Prime Trading Services LLC,
Capital Investment: \$900,000
Jobs: 14

The proposed cold storage facility by Prime Trading services when established in Edinburg, will support the creation of 23 jobs, generate \$856,319 in labor income, add \$1.8 million to the Texas Gross Domestic Product, and create \$84,356 in state and local taxes, for a total economic output of \$3.1 million on the Edinburg economy. See table 2.

Table 1. Economic Impact – Top Ten Sectors (Prime Trading Services LLC)

Description	Employment	Labor Income	Total Value Added	Output
Warehousing and storage	14.6	\$557,462	\$1,190,428	\$1,977,046
Real estate	0.9	\$11,684	\$99,148	\$143,455
Wholesale trade	0.9	\$61,866	\$142,569	\$203,907
Employment services	0.8	\$15,063	\$22,983	\$31,930
Full-service restaurants	0.2	\$4,494	\$5,644	\$12,132
Couriers and messengers	0.2	\$3,183	\$7,105	\$16,172
Limited-service restaurants	0.2	\$4,549	\$7,358	\$11,778
Hospitals	0.2	\$14,769	\$15,582	\$29,599
Management consulting services	0.2	\$7,813	\$8,041	\$18,214
Dry-cleaning and laundry	0.2	\$3,022	\$1,026	\$3,621

Table 2. Total Economic Impact – Capital Investment and Jobs
(Prime Trading Services LLC)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Impacts	15	\$580,584	\$1,247,836	\$2,047,144
Indirect Impacts	5	\$142,426	\$315,530	\$588,810
Induced Impacts	4	\$133,309	\$258,228	\$464,515
Total Impacts	23	\$856,319	\$1,821,593	\$3,100,469
Local and State Tax				\$84,356

Assumptions:

- The study area was Hidalgo County.
- The cold storage facility will hire 14 full time employees.
- The capital investment is used mostly for construction and equipment purchases.

Sincerely,



Sai Mullapudi
Business Economic Research Analyst IV
(956) 665-2301

Methodology

The Impact Analysis for Planning (IMPLAN) input-output economic modeling system was used to estimate the economic impact. IMPLAN is a widely-used, nationally renowned, economic modeling system, which consists of regional economic data and software. IMPLAN is an accounting system of economic transactions that take place among industries, businesses and consumers in an economy. When the company spends money in the form of purchases, salaries, capital investment, construction, etc., it is creating an economic impact; some of this money is re-spent one or more times in the local economy, creating additional economic impact, also called the multiplier effect. Multipliers are related to three kinds of effects:

Direct effects are changes in the local economy caused by some economic change in the area. An example would be new construction or a new business moving into the area, which will cause a change in the overall level of economic activity in the area.

Indirect effects are the changes in inter industry purchases as they respond to the new demands of the directly affected industries. An example would be a business buying goods it sells to consumers from a wholesaler or manufacturer. This and the subsequent rounds of purchases are classified as indirect effects.

Induced effects reflect changes in inter industry spending resulting from household spending. This spending comes from household income generated from the direct and indirect effects.

Definitions

Employment—Employment supported in the study area related to the spending generated as a result of the events occurring with the new event. Employment impact is stated in job years.

Labor Income—All forms of employment income, including employee compensation (wages and benefits) and proprietor income.

Value Added—Is the sum of total income and indirect business taxes. Value added is the most commonly used measure of the contribution of a region to the

national economy, as it avoids double counting of intermediate sales and captures only the “value added” by the region to final products.

Output—Output represents the value of industry production. In IMPLAN these are annual production estimates for the year of the dataset and are in producer prices. For manufacturers this would be sales plus/minus change in inventory. For service sectors production equals sales. For retail and wholesale trade, output equals gross margin and not gross sales.



COMMERCIAL LETTER OF INTENT TO PURCHASE

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS®, INC. IS NOT AUTHORIZED.
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This letter of intent summarizes the general terms of a proposed purchase and sale agreement between Seller and Buyer. The terms of this letter of intent are not binding upon either Seller or Buyer.

SELLER: EDINBURG ECONOMIC DEV CORP

Address: 7310 N. Liberty Dr, Edinburg, TX 78541

Phone: _____ E-mail: _____

Fax: _____ Other: _____

BUYER: Roberto Antonio Martinez and/or assigns

Address: P.O. Box 3599 , McAllen, TX 78502

Phone: _____ E-mail: _____

Fax: _____ Other: _____

PROPERTY: 7310 N. Liberty Drive, Edinburg, TX 78541

SALES PRICE: \$ 950,000.00 , being:

☐	cash in the amount of	\$ _____
☒	Third Party Financing totaling	\$ <u>712,500.00</u>
☐	Assumption of existing loan with a balance of . . .	\$ _____
☐	Seller Financing in the amount of	\$ _____

EARNEST MONEY: \$ 10,000.00

TITLE COMPANY: Edwards Abstract & Title

FEASIBILITY PERIOD: 60 days after the effective date.

FINANCING CONTINGENCY 60 days after the effective date.

CLOSING DATE:

☒ 30 days after the expiration of the feasibility period.
☐ October 15, 2020 (specific date).
☐

TITLE POLICY: cost paid by ☒ Seller ☐ Buyer. The ☐ Seller ☐ Buyer shall pay the additional cost for the survey modification.

SURVEY:

☒ Buyer will obtain new survey at Buyer's expense. Seller will reimburse up to \$ N/A of cost.
☐ Seller will obtain new survey at Seller's expense. Buyer will reimburse up to \$ _____ of cost.
☐ Seller will provide Seller's existing survey.

(TXR-1803) 4-1-18

Initialed for Identification by Seller _____, _____, and Buyer _____



Letter of Intent concerning: 7310 N. Liberty Drive, Edinburg, TX 78541

DEED TYPE: ☒ general ☐ special warranty deed.

BROKERS:

Representing Seller: Hanna Solutions

Representing Buyer: Hanna Solutions

Seller will pay fees: ☐ as specified by separate written commission agreement, or ☒ as follows

Seller's Broker a total cash fee of:
☒ 6.000 % of the sales price.
☐ _____ .

Buyer's Broker a total cash fee of:
☐ _____ % of the sales price.
☐ _____ .

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

PROPERTY CONDITION: Buyer will accept the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: N/A

ASSIGNMENT: Buyer ☒ may ☐ may not assign the contract.

SPECIAL PROVISIONS: N/A

NON-BINDING: THIS LETTER OF INTENT IS NOT INTENDED TO BE A LEGALLY-BINDING AGREEMENT OF PURCHASE AND SALE. NEITHER PARTY SHALL BE BOUND OR HAVE THE OBLIGATION TO PURSUE NEGOTIATIONS OR ANY OTHER OBLIGATIONS OF ANY KIND, UNLESS AND UNTIL A DEFINITIVE CONTRACT IS HEREAFTER SIGNED AND DELIVERED BY THE PARTIES. NO DEFINITIVE CONTRACT SHALL BE ENTERED INTO UNLESS IT IS SATISFACTORY TO BOTH BUYER AND SELLER, IN THEIR SOLE DISCRETION.

If this proposal is acceptable, please indicate by signing below and returning a fully executed copy of this letter to my attention.

☐ Seller ☒ Buyer will prepare a draft of a purchase and sale agreement utilizing the current Texas REALTORS® form 1801 (Improved), 1802 (Unimproved), or such other form as the parties agree.

EXPIRATION: If the party receiving this letter of intent desires to pursue negotiations along the terms detailed in this letter of intent, the party delivering this letter of intent requests that the receiving party sign a copy of this letter of intent, and deliver the signed copy to the delivering party by 5:00 p.m. on October 15, 2020 .

Letter of Intent concerning: 7310 N. Liberty Drive, Edinburg, TX 78541

Seller: EDINBURG ECONOMIC DEV CORP

By: _____
By (signature): _____
Printed Name: _____
Title: _____ Date: _____

By: _____
By (signature): _____
Printed Name: _____
Title: _____ Date: _____

Buyer: Roberto Antonio Martinez and/or assigns

By: _____
By (signature):

Roberto A. Martinez

dotloop verified
09/24/20 10:48 AM
CDT
PBTX-N8VN-FTKE-CIC6

Printed Name: Roberto Antonio Martinez
Title: _____ Date: _____

By: _____
By (signature): _____
Printed Name: _____
Title: _____ Date: _____



PRIMO TRADING IN EDINBURG



**HANNA
SOLUTIONS**

7310 N LIBERTY DR
Edinburg, TX 78541

BUYER PROFILE



About Us

Primo Trading

With more than two decades of experience in the agriculture and trade industries, our roots run deep. We are passionate about our work and like our products, pride ourselves in fostering quality relationships with our customers. We value consistency, quality, and customer service, the values at the cornerstone of our company that drive our passion and success. At Primo Trading Services, we pride ourselves on possessing an adept understanding of the ever-evolving produce industry, as well as international trading trends and future patterns. Our team has a wealth of knowledge in agriculture, and business management, combined with a pulse for legislative and public affairs on current issues of relevance regarding trade and commerce in the produce, agriculture, and related industries.



CITRUS

We offer sweet and sour citrus all year round, such as lemons, limes, Mexican oranges, California oranges.



VEGETABLES

Green cabbage, carrots, green beans and broccoli.



TROPICALS

Pineapples, avocados, mangos and watermelon

Memberships and certifications:



VALUE BROUGHT



**PLANNED
USAGE:**

8-14



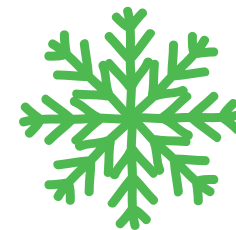
**JOBS
ADDED**

\$900,000



**INVESTMENT
INTO PROPERTY**

**COLD
STORAGE
FACILITY**



7310 N LIBERTY DR

Edinburg, TX 78541

OFFER DETAILS

PURCHASE:

- \$950,000
- 45 DAY FEASIBILITY
- 45 DAY CLOSE



7310 N LIBERTY DR

Edinburg, TX 78541



WE MAKE DEALS HAPPEN



MARK HANNA
(956) 821-8001
mark@hanna.solutions

LUKE LANCASTER
(956) 292-6419
luke@hanna.solutions





COMMERCIAL LETTER OF INTENT TO PURCHASE

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS®, INC. IS NOT AUTHORIZED.
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This letter of intent summarizes the general terms of a proposed purchase and sale agreement between Seller and Buyer. The terms of this letter of intent are not binding upon either Seller or Buyer.

SELLER: EDINBURG ECONOMIC DEVELOPMENT CORP

Address: 415 W University Dr, Edinburg, TX 78539-4353

Phone: _____ E-mail: _____

Fax: _____ Other: _____

BUYER: GATEWAY AMERICA

Address: _____

Phone: _____ E-mail: _____

Fax: _____ Other: _____

PROPERTY: 7310 North Liberty Drive Edinburg, Texas 78541, Edinburg, 78541

LEGAL DESCRIPTION: NORTH INDUSTRIAL PARK LOT 8

SALES PRICE: \$ 1,000,000.00 , being:

☒	cash in the amount of	\$ <u>1,000,000.00</u>
☐	Third Party Financing totaling	\$ _____
☐	Assumption of existing loan with a balance of	\$ _____
☐	Seller Financing in the amount of	\$ _____

EARNEST MONEY: \$ 10,000.00

TITLE COMPANY: VALLEY LAND TITLE

FEASIBILITY PERIOD: 180 days after the effective date.

FINANCING CONTINGENCY N/A days after the effective date.

CLOSING DATE:

☒	<u>30</u> days after the expiration of the feasibility period.
☐	<u>N/A</u> (specific date).
☐	<u>N/A</u>

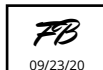
TITLE POLICY: cost paid by ☒ Seller ☐ Buyer. The ☐ Seller ☐ Buyer shall pay the additional cost for the survey modification.

SURVEY:

☒	Buyer will obtain new survey at Buyer's expense. Seller will reimburse up to \$ <u>N/A</u> of cost.
☐	Seller will obtain new survey at Seller's expense. Buyer will reimburse up to \$ <u>N/A</u> of cost.
☐	Seller will provide Seller's existing survey.

(TXR-1803) 4-1-18

Initialed for Identification by Seller _____, _____, and Buyer _____



Letter of Intent concerning: 7310 North Liberty Drive Edinburg, Texas 78541, Edinburg, 78541

DEED TYPE: ☐ general ☒ special warranty deed.

BROKERS:

Representing Seller: HANNA SOLUTIONS

Representing Buyer: HANNA SOLUTIONS

Seller will pay fees: ☐ as specified by separate written commission agreement, or ☒ as follows

Seller's Broker a total cash fee of:
☒ 6.000 % of the sales price.
☐ _____ .

Buyer's Broker a total cash fee of:
☐ _____ % of the sales price.
☐ _____ .

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

PROPERTY CONDITION: Buyer will accept the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: N/A

ASSIGNMENT: Buyer ☐ may ☒ may not assign the contract.

SPECIAL PROVISIONS: Buyer purchase contingent on acceptable financing; contingent upon zoning approval, along with Federal, State and Local permitted approval for ethylene oxide sterilization; inspection of all mechanicals to ensure they meet code.

NON-BINDING: THIS LETTER OF INTENT IS NOT INTENDED TO BE A LEGALLY-BINDING AGREEMENT OF PURCHASE AND SALE. NEITHER PARTY SHALL BE BOUND OR HAVE THE OBLIGATION TO PURSUE NEGOTIATIONS OR ANY OTHER OBLIGATIONS OF ANY KIND, UNLESS AND UNTIL A DEFINITIVE CONTRACT IS HEREAFTER SIGNED AND DELIVERED BY THE PARTIES. NO DEFINITIVE CONTRACT SHALL BE ENTERED INTO UNLESS IT IS SATISFACTORY TO BOTH BUYER AND SELLER, IN THEIR SOLE DISCRETION.

If this proposal is acceptable, please indicate by signing below and returning a fully executed copy of this letter to my attention.

☐ Seller ☒ Buyer will prepare a draft of a purchase and sale agreement utilizing the current Texas REALTORS® form 1801 (Improved), 1802 (Unimproved), or such other form as the parties agree.

EXPIRATION: If the party receiving this letter of intent desires to pursue negotiations along the terms detailed in this letter of intent, the party delivering this letter of intent requests that the receiving party sign a copy of this letter of intent, and deliver the signed copy to the delivering party by 5:00 p.m. on October 15, 2020.

Letter of Intent concerning: 7310 North Liberty Drive Edinburg, Texas 78541, Edinburg, 78541

Seller: EDINBURG ECONOMIC DEVELOPMENT CORP

By: _____
By (signature): _____
Printed Name: _____
Title: _____ Date: _____

By: _____
By (signature): _____
Printed Name: _____
Title: _____ Date: _____

Buyer: GATEWAY AMERICA

By: _____
By (signature):

FRANK BEISO

dotloop verified
09/23/20 11:50 AM CDT
1R8H-31HJ-M31X-KLDD

Printed Name: _____
Title: _____ Date: _____

By: _____
By (signature): _____
Printed Name: _____
Title: _____ Date: _____



COMMERCIAL LETTER OF INTENT TO LEASE

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS®, INC. IS NOT AUTHORIZED.
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This letter of intent summarizes the general terms of a proposed lease between Landlord and Tenant. The terms of this letter of intent are not binding upon either Landlord or Tenant.

LANDLORD: Edinburg Economic Development Corp

Address: 415 W. University Drive Edinburg Texas

Phone: _____ E-mail: _____

Fax: _____ Other: _____

TENANT: Gateway America

Address: _____

Phone: _____ E-mail: _____

Fax: _____ Other: _____

LEASED PREMISES: 7310 North Liberty Drive Edinburg, Texas 78541, Edinburg, 78541

TERM: 6 Months ☐ days ☒ months ☐ years, commencing on: 11/15/2020

BASE MONTHLY RENT:

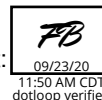
Dates		Rate per rentable square foot (optional)		Base Monthly Rent \$
From	To	\$ Monthly Rate	\$ Annual Rate	
<u>11/15/2020</u>	<u>4/15/2021</u>	/ rsf / month	/ rsf / year	<u>7,500.00</u>
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	

ADDITIONAL RENT:

- ☐ (1) Expense Reimbursement of: ☐ taxes; ☐ insurance; ☐ CAM; ☐ structural; and ☐ N/A
 Payable as: ☐ full pro rata share
☐ pro rata share in excess of base year of N/A
☐ pro rata share in excess of expense stop of \$ N/A
- ☐ (2) Percentage Rent: N/A % of Tenant's gross sales in excess of:
☐ Base Rent (natural break)
☐ N/A
- ☐ (3) Parking \$ N/A for the following parking spaces:
☐ N/A Common parking area spaces
☐ N/A Restricted parking area spaces
☐ N/A Reserved parking spaces

(TXR-2122) 4-1-14

Initialed for Identification by Landlord: _____, and Tenant: _____



7310 North Liberty Drive Edinburg, Texas 78541

Letter of Intent concerning: Edinburg, 78541

RENEWAL OPTIONS: N/A

SECURITY DEPOSIT: \$ 5,000.00

TENANT'S USE: Food safety - Irradiation, warehousing, logistics.

TENANT IMPROVEMENTS: Space will be improved for Sterilization capabilities

- ☐ To be completed by Landlord on or before N/A
Landlord's cost for completion of the Tenant improvements is limited to: \$ N/A
- ☒ To be completed by Tenant. Landlord will reimburse Tenant the cost of the improvements in an amount that does not exceed N/A

BROKERS:

Representing Landlord: HANNA SOLUTIONS

Representing Tenant: HANNA SOLUTIONS

Landlord will pay fees: ☒ as specified by separate written commission agreement, or ☐ as follows

Landlord's Broker a total cash fee of:

☐ _____ % of all base monthly rents
and expense reimbursements

☐ _____ .

Tenant's Broker a total cash fee of:

☐ _____ % of all base monthly rents
and expense reimbursements

☐ _____ .

The fees are payable: ☐ one-half at lease execution and the remainder on the date the lease commences

☐

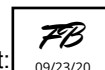
NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

SPECIAL PROVISIONS: N/A

NON-BINDING: THIS LETTER OF INTENT IS NOT INTENDED TO BE A LEGALLY-BINDING LEASE AGREEMENT. NEITHER PARTY SHALL BE BOUND OR HAVE THE OBLIGATION TO PURSUE NEGOTIATIONS OR ANY OTHER OBLIGATIONS OF ANY KIND, UNLESS AND UNTIL A DEFINITIVE LEASE IS HEREAFTER SIGNED AND DELIVERED BY THE PARTIES. NO DEFINITIVE LEASE SHALL BE ENTERED INTO UNLESS IT IS SATISFACTORY TO BOTH LANDLORD AND TENANT, IN THEIR SOLE DISCRETION.

(TXR-2122) 4-1-14

Initialed for Identification by Landlord: _____, and Tenant: _____



Page 2 of 3

7310 North Liberty Drive Edinburg, Texas 78541

Letter of Intent concerning: **Edinburg, 78541**

If this proposal is acceptable, please indicate by signing below and returning a fully executed copy of this letter to my attention with the Texas REALTORS® Commercial Lease Application (TXR-2120) or other application form. Upon receipt of an executed copy of this letter of intent and approval of an application form, Landlord will immediately begin preparing a draft of the lease agreement utilizing the current Texas REALTORS® form 2101 or such other form as the parties agree.

EXPIRATION: If the party receiving this letter of intent desires to pursue negotiations along the terms detailed in this letter of intent, the party delivering this letter of intent requests that the receiving party sign a copy of this letter of intent, and deliver the signed copy to the delivering party by 5:00 p.m. on **October 14**, **2020**.

Landlord: **Edinburg Economic Development Corp**

Tenant: **Gateway America**

By: _____

By: _____

By (signature): _____

By (signature):  _____

Printed Name: _____

Printed Name: _____

Title: _____ Date _____

Title: _____ Date _____

By: _____

By: _____

By (signature): _____

By (signature): _____

Printed Name: _____

Printed Name: _____

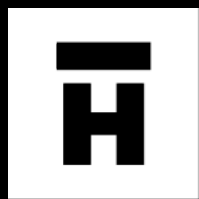
Title: _____ Date _____

Title: _____ Date _____

dotloop verified
09/23/20 11:50 AM CDT
ID6S-WTG3-3RVS-NV6X



GATEWAY AMERICA IN EDINBURG



**HANNA
SOLUTIONS**

7310 N LIBERTY DR
Edinburg, TX 78541

BUYER PROFILE



IMPORT/EXPORT

USDA/APHIS Certified Port of Entry Gamma facility for phytosanitary treatment of commodities from around the globe.

FOOD SAFETY

Shelf life extension due to the elimination of bacteria and sterilization of any pest of concern. Our process maintains nutritional value of consumables and can be treated either ambient, chilled or frozen.

SPEED TO MARKET

Our first location is strategically located at the Port of Gulfport Mississippi airport grounds with easy access to major metropolitan areas by truck or plane.



IRRADIATION

Irradiation safely extends shelf life of perishable products by eliminating harmful pathogens and pests of concern while maintaining nutrition. The FDA has evaluated the safety and effectiveness of irradiation of food for over 30 years.



WAREHOUSING

We offer 20,000 sq ft. chilled storage with 3 atmospheres and 20,000 sq ft. of dry storage.

*Additional storage solutions coming soon.



LOGISTICS

Located on airport grounds we can receive cargo planes directly to our back door. We also provide LTL and TL common carrier truck services

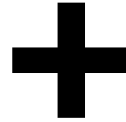


7310 N LIBERTY DR
Edinburg, TX 78541

VALUE BROUGHT



ATEWAY AMERICA



EDINBURG
Economic Development Corporation

Deal Highlights

Planned Usage

Medical Sterilization Facility

Additional Investment Into Property

\$6M in Sterilization Equipment

Number of Jobs Added

35 (Phase 1)

Types of Jobs

Certified Personnel

Pay Range

\$34,000-\$180,000/Year

Benefits to Edinburg

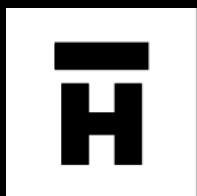
Increased Traffic To Area

Additional Industrial Park Anchor

Job Creation

One-of-a-Kind Facility

Facility Will Attract More Development To Industrial Park



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SOLUTIONS

7310 N LIBERTY DR

Edinburg, TX 78541



PATH TO PURCHASE



**HANNA
SOLUTIONS**

7310 N LIBERTY DR

Edinburg, TX 78541

OFFER DETAILS

LEASE:

- 6 MONTHS
- \$7,500/MONTH RENT

PURCHASE:

- \$1,000,000 CASH
- 180 DAY FEASIBILITY
- 30 DAY CLOSE AFTER FEASIBILITY



7310 N LIBERTY DR

Edinburg, TX 78541



WE MAKE DEALS HAPPEN



MARK HANNA
(956) 821-8001
mark@hanna.solutions

LUKE LANCASTER
(956) 292-6419
luke@hanna.solutions

