THE ECONOMIC DEVELOPMENT CORPORATION OF WESLACO
MINUTES OF THE REGULAR MEETING
JANUARY 25, 2023

On this, twenty-fifth (25th) day of January 2023 at 5:00 PM, The Economic Development Corporation of Weslaco convened its regular meeting at the Business Visitor & Event Center Board Room located at 275 South Kansas, Weslaco, Texas; for the purpose of discussing and taking possible action on the following items.

The following members were present:
Mr. JJ Serrano
Mr. Jerry Gonzalez
Ms. Sandra Charlton
Mr. Fred Perez
Mrs. Sonjia De La Fuente
Mr. Joe Olivarez – Arrived at 5:14 PM

Also present were:
Steve Valdez – EDCW Executive Director
April Castaneda – EDCW Director
Maria Cisneros – EDCW Manager Retail Recruitment & Commercial Real Estate
Michelle Garcia – EDCW Manager Social Media
Juan Gonzalez – EDCW Accountant
Gene Vaughn – EDCW Attorney
Kristen Gutierrez - EDCW Attorney
Sam Maldonado – SAMES Project Manager
Chuy Ramirez – Ramirez Law Firm
Rey Alegria – HALFF Associates

At 5:02 PM Mr. Serrano called the meeting of January 25th, 2023, to order.

I. Call to Order

A. <u>Roll Call.</u>

A quorum was formed at 5:02 PM with five Board Members present.

B. <u>Board Members' declaration of potential conflicts of interest as to any agenda items.</u>

There weren't any declarations of potential conflict of interest.

II. Public Comments

This portion of the meeting is not intended to be an extended discussion or a debate and is limited to 3 minutes for each presenter. Due to the Texas Open Meetings Act, the Board members do not reply; they listen.
There were no public comments.

III. Presentations

A. Presentation from Julian Alvarez Senior Vice President Lone Star National Bank.
Mr. Alvarez introduced himself to the EDCW Board and briefly described his new role with Lone Star National Bank. Mr. Alvarez is looking forward to working together with the EDCW.

No action.

IV. Consent Agenda

A. Approval of Minutes of Regular Meeting of December 21, 2022.

B. Approval of Minutes of the Special Meeting of January 10, 2023.

C. Discussion & Possible Action regarding the request for approval of excused absences for Mrs. De La Fuente for the Special Meeting of January 10th, 2023 in accordance with City of Weslaco Ordinance NO. 2022-19, Sec. 8-100.

Ms. Charlton made a motion to approve the consented agenda with the exception of item A. Minutes of Regular Meeting of December 21, 2022.
Mrs. De La Fuente seconds the motion.

Ms. Charlton votes in favor.
Mrs. De La Fuente votes in favor.
Mr. Serrano votes in favor.
Mr. Jerry Gonzalez votes in favor.
Mr. Perez votes in favor.
Mr. Olivarez votes in favor.

Motion passes with six votes.

Ms. Charlton made a motion to approve the minutes from the regular Board Meeting of December 21, 2022, with the following corrections: Section VIII item A. 5: adding Mrs. Valadez's vote; Section VIII item A. 6: there were six votes; Section VIII item B 1, 5, & 6 should be "closed"; Section VIII item B 2: there were six votes; Section VIII B 7: Mrs. Valadez made a motion to authorize the Executive Director to sign the agreement. And Ms. Charlton votes in favor.

Mrs. De La Fuente seconds the motion.

Ms. Charlton votes in favor.
Mrs. De La Fuente votes in favor.
Mr. Serrano votes in favor.
Mr. Jerry Gonzalez votes in favor.
Mr. Perez votes in favor.
Mr. Olivarez votes in favor.

Motion passes with six votes.

At 5:12 PM Mr. Serrano announced that the EDCW Board move out of the regular order of the agenda and will move into Closed Session to discuss item D 2. Status from Mr. Chuy Ramirez regarding pending legal matter.

At 5:28 PM Mr. Serrano announced that the EDCW Board will move out of Closed Session and into Open Session.

V. Old Business

A. Mid-Valley International Industrial Park ("MVIIP"):

1. Discussion & Possible Action regarding the status report of the Mid Valley International Industrial Park (MVIIP) from SAMES Engineering.
Mr. Sam Maldonado gave a brief status of the Mid Valley International Industrial Park where he mentioned that the park is about 31% completed and expected to finish by July 18th, 2023.

No action.

2. Discussion & Possible Action regarding best and final pricing on Lift Station & Mile 9 widening.
Mr. Olivarez made a motion to give authorization to the Executive Director to negotiate a more favorable price for the lift station & Mile 9.
Ms. Charlton seconds the motion.

Mr. Olivarez votes in favor.
Ms. Charlton votes in favor.
Mr. Serrano votes in favor.
Mr. Jerry Gonzalez votes in favor.
Mrs. De La Fuente votes in favor.
Mr. Perez votes in favor.

Motion passes with six votes.

3. Discussion & Possible Action regarding a construction contract for improvements to Mile 9 at the MVIIP.

No action.

4. Discussion & Possible Action regarding a construction contract for the Lift Station at the MVIIP.

No action.

5. Discussion and Possible Action Regarding the Irrigation District #9 easement, abandonment or relocation of drain line.
Mr. Olivarez made a motion to approve the purchase and cost of permits for the easement.
Ms. Charlton seconds the motion.

Mr. Olivarez votes in favor.
Ms. Charlton votes in favor.
Mr. Serrano votes in favor.
Mr. Jerry Gonzalez votes in favor.
Mrs. De La Fuente votes in favor.
Mr. Perez votes in favor.

Motion passes with six votes.

6. Discussion and Possible action to designate persons authorized to execute documents related to the modification of the EDCW's loan with Texas Regional Bank.
Ms. Charlton made a motion that the following resolutions to be adopted:
RESOLVED, that the EDCW's loan (the "loan") in the amount of $12,000,000.00 with Texas Regional Bank (the "Bank") will be modified as follows to allow the Bank to release its lien on **All of Lot 12, MID-VALLEY INTERNATIONAL INDUSTRIAL PARK SUBDIVISION, an Addition to the City of Weslaco, Hidalgo County, Texas, according to the map filed November 29, 2022 under Document Number 3401204, in the Office of the County Clerk of Hidalgo County, Texas** ("the property"):

1. The EDCW will pledge Certificate of Deposit No. 341032 (the "CD"), issued January 18, 2023, in the amount of $1,125,000.00 as additional collateral for the Loan;

2. The Bank will hold the CD as additional collateral from the Loan until such time as the required principal reductions paid the EDCW to the Bank pursuant to sales of other lots (the "Other Sales") in the Mid-Valley International Park equal $45,000.00 times the

number of acres sold by Borrower via the Other Sales plus the conveyance of the Property.

RESOLVED FURTHER, that any of the following persons, acting individually on behalf of the EDCW, are authorized and directed to negotiate the terms and conditions of the modification of the Loan, and any one of said persons is authorized to execute all documents and instruments and to make all disbursements necessary to carry out this transaction:

JUAN JOSE SERRANO, President
STEVEN M. VALDEZ, Executive Director

Mr. Jerry Gonzalez seconds the motion.

Ms. Charlton votes in favor.
Mr. Jerry Gonzalez votes in favor.
Mr. Serrano votes in favor.
Mrs. De La Fuente votes in favor.
Mr. Perez votes in favor.
Mr. Olivarez votes in favor.

Motion passes with six votes.

7. Project Brown exercise of automatic right to extend due diligence period.

No action.

B. Discussion & Possible Action regarding the monthly report from Rigo Villarreal, including but not limited to, the ARPA fund request.
Mr. Valdez stated that the ARPA letter is at the county, and the county judge is out sick. Mr. Valdez will be meeting with David Fuentes.

No action.

C. Discussion & Possible Action regarding the termination of the incentive agreement with Clean Label Foods Project Falcon.
Ms. Charlton made a motion to take formal action to terminate the agreement and accept the recommendation.
Mr. Perez seconds the motion.

Ms. Charlton votes in favor.
Mr. Perez votes in favor.

Mr. Serrano votes in favor.
Mr. Jerry Gonzalez votes in favor.
Mrs. De La Fuente votes in favor.
Mr. Olivarez votes in favor.

Motion passes with six votes.

D. Discussion & Possible Action regarding the replacement of AC unit for the Business, Visitor & Event Center.
No action.

VI. New Business

A. Discussion and Possible action regarding bids for a new printer for the EDCW office.
Mr. Jerry Gonzalez made a motion to approve the recommendation to go with Laser Lux and to negotiate the overage printing fees.
Mr. Perez seconds the motion.

Mr. Jerry Gonzalez votes in favor.
Mr. Perez votes in favor.
Mr. Serrano votes in favor.
Mrs. De La Fuente votes in favor.
Ms. Charlton votes in favor.
Mr. Olivarez votes in favor.

Motion passes.

B. Discussion and Possible action to designate persons with signatory authority at PNC Bank and Texas Regional Bank.
Ms. Charlton made a motion to adopt the following resolution:
RESOLVED, that the EDCW will obtain a certificate of deposit with Texas Regional Bank in the amount of $1,125,000.00;

RESOLVED, further that any of the following persons, acting individually on behalf of the EDCW, are authorized and directed to negotiate the terms and conditions of the certificate of deposit (including, but not limited to the applicable interest rate and maturity of such certificate), and any one of said persons is authorized to execute all documents and instruments and to make all disbursements necessary to carry out this transaction:

JUAN JOSE SERRANO, President
SANDRA LYNN CHARLTON, Treasurer
STEVEN M. VALDEZ, Executive Director

Mr. Perez seconds the motion.

Ms. Charlton votes in favor.
Mr. Perez votes in favor.
Mr. Serrano votes in favor.
Mr. Jerry Gonzalez votes in favor.
Mrs. De La Fuente votes in favor.
Mr. Olivarez votes in favor.

Motion passes with six votes.

C. Discussion and possible action to authorize the EDCW to obtain a certificate of deposit with Texas Regional Bank, to specify the amount of such Certificate, and to designate the authorized signatories for such Certificate.

No action.

VII. Reports

A. Monthly Financial Report – December 2022.
Mr. Juan Gonzalez presented the financial report for December 2022 to the EDCW Board.

No action.

B. Executive Director's Report – Steven Valdez.
Mr. Valdez presented his report to the Board where he highlighted the following items: appointments; Construction update of the MVIIP; Covenants, Conditions & Restriction for the MVIIP; Galzer's Beer & Beverage, ARPA Letter Request.
Mrs. April Castaneda has been updating the marketing materials; has submitted the quarterly grant compliance to EDA & submitted an RFI to the Governor's Office.
Michelle Garcia: The EDCW appeared on 7 new sources; Began a segment of "Business of the Month"; Rio Grande Guardian posted the video of Julian Alvarez.
Maria Cisneros: Finalize the meetings and itinerary for the Red River Conference; met with Cold Stone Creamery will be signing an LOI with the Shops at N Bridge.
Juan Gonzalez: coordinating the audit; working on the November and December financials.

No action.

VIII. Closed Session

At 7:05 PM Mr. Serrano announced that the EDCW Board will move into Closed Session.

At 7:31 PM Mr. Serrano announced that the EDCW Board will move out of Closed Session and into Open Session.

IX. Action On Closed Session

A. Deliberation and Possible Action regarding commercial or financial information received by the EDC of Weslaco from a business prospect with which the EDC of Weslaco is conducting economic development negotiations or with which the EDC of Weslaco seeks to have to locate, stay or expand operations in or near the City of Weslaco (as permitted under Tex. Gov't Code Section 551.087), including, but not limited to the following:

1. Summary of Leads.
No action.

2. Project Eagle 2.0 472-22-11-22 (Attachment 11)
Ms. Charlton made a motion to approve an incentive as recommended & as discussed in Closed Session.
Mr. Jerry Gonzalez seconds the motion.

Ms. Charlton votes in favor.
Mr. Jerry Gonzalez votes in favor.
Mr. Serrano votes in favor.
Mrs. De La Fuente votes in favor.
Mr. Perez votes in favor.
Mr. Olivarez votes in favor.

Motion passes.

B. Deliberation and Possible Action regarding the purchase, exchange, lease, or value of real property (as permitted under Tex. Gov't Code Section 551.072), including, but not limited to the following:

No action.

C. Deliberation & Possible Action regarding the appointment, employment, evaluation, reassignment, duties, or resignation of a public officer of employee. (as permitted under Tex. Gov't Code Section 551.074 and 551.071).

No action.

D. Consultation with Attorney and possible action regarding: (1) pending or contemplated litigation; (2) a settlement offer; or (3) a matter in which the duty of the Attorney to the EDC of Weslaco under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code (as permitted under Tex. Gov't Code Section 551.071), including, but not limited to the following:

1. Status of City of Weslaco & EDCW Lease Agreement.
No action.

2. Status from Chuy Ramirez regarding pending legal matter.
No action.

VIII. Adjournment

With no other business before the Board, at 7:31 P.M. the EDCW Board Regular Meeting of January 25, 2023, was adjourned.

Respectfully submitted;

Maria Cisneros – Recorder

The minutes were approved at the Regular Board Meeting on February 15, 2023.

Sonjia De La Fuente - Secretary