



**ECONOMIC DEVELOPMENT
CORPORATION BOARD OF DIRECTORS**

Location:

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

**AUGUST 28, 2023
SPECIAL MEETING AGENDA
5:30 PM**

1. CALL TO ORDER, ESTABLISH A QUORUM

A. Pledge of Allegiance.

2. CERTIFICATION OF PUBLIC NOTICE

3. DISCLOSURE OF CONFLICT OF INTEREST

4. PUBLIC COMMENTS

A specific portion of the meeting shall be dedicated to allowing Public Comments which will be limited to three(3) minutes. Please note that this public comment period is not interactive. The Edinburg EDC Board may not respond to public comments.

If a resident desires to make a public comment in person, please complete the Public Comments Form which will be located outside of the City Council Chambers and submit the completed form to the Economic Development staff prior to the commencement of the Edinburg EDC Board meeting. We ask for everyone's cooperation in following this procedure.

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.

5. DIRECTOR'S REPORT

A. Economic Development Report

6. SPECIAL AGENDA ITEMS

- A. Consider approval of Minutes for Board Meetings held on July 12, 2023 and July 25, 2023.
- B. Discuss and consider approval of the funding proposal submitted by Valley Initiative for Development and Advancement (VIDA).

- C. Consider accepting the Edinburg EDC 2022 Audit.
- D. Consider approval of request from the Museum of South Texas History to sponsor Fandango 2023.
- E. Presentation of year-to-date Financial Report ending on July 31, 2023.
- F. Discuss and consider approval of the Edinburg Economic Development Corporation's Personnel Compensation Plan for Fiscal Year 2023-2024.
- G. Consider and approve the FY24 Staffing Services Agreement between the City of Edinburg and Edinburg Economic Development Corporation.
- H. Consider approval of the Edinburg EDC FY24 Budget and Program of Work.

7. 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. Deliberation regarding economic development projects and possible action related to projects (§551.087 Deliberation Regarding Economic Development Negotiations; §551.071 Consultation with Attorney; §551.072 Deliberation Regarding Real Property; Closed Meeting)

- 1. El Tule
- 2. Project Stretch
- 3. Project Water Monster
- 4. Project Pony
- 5. Project Aluminum Foil
- 6. Office Space
- 7. Workforce Resource Center
- 8. North Industrial Park
- 9. Cano Warehouse
- 10. Food Truck Park

B. Discussion and possible action regarding potential litigation. Santana Textiles (§551.071. Consultation with Attorney; Closed Meeting)

C. Discussion and possible action regarding employment matters (§551.071 Consultation with Attorney; Closed Meeting; and §551.074 Personnel Matters; Closed Meeting).

8. 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.

9. 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 Friday, August 25, 2023, at 2:30 p.m.

By: 

*Raudel Garza, Executive Director
Edinburg Economic Development Corporation*

Edinburg Economic Development Corporation

Meeting Date: August 28, 2023

Economic Development Report

1. Agenda Item:

Economic Development Report

2. Description/Scope:

Executive Director, Raudel Garza, will present an update on the EEDC Department Status Report.

3. Estimated Timeline:

NA

4. Budget:

NA

5. Procurement/Selection Process:

NA

6. Staff's Recommendation:

NA

7. Justification:

NA

Raudel Garza, Edinburg
EDC Executive Director

ATTACHMENTS

Attachment A: Economic Development Report

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

Department Status Report



Labor Market Information for Rio Grande Valley & Laredo Areas

NOT SEASONALLY ADJUSTED FIGURES

Geographic Area	Jun-23			May-23	Jun-22		
	Civilian Labor Force	Unemployed	Rate	Rate	Civilian Labor Force	Unemployed	Rate
USA	167,910,000	6,351,000	3.8%	3.4%	165,012,000	6,334,000	3.8%
Texas	15,047,450	628,676	4.2%	4.1%	14,673,500	614,934	4.2%
Workforce Solutions	413,355	28,402	6.9%	6.4%	404,475	29,767	7.4%
Hidalgo County	381,666	25,472	6.7%	6.2%	372,591	26,292	7.1%
Starr County	24,315	2,338	9.6%	9.3%	24,569	2,809	11.4%
Willacy County	7,374	592	8.0%	8.1%	7,315	666	9.1%
McAllen	71,807	3,397	4.7%	4.5%	69,954	3,444	4.9%
Mission	37,164	2,172	5.8%	5.4%	36,322	2,302	6.3%
Edinburg	51,235	2,665	5.2%	4.8%	49,829	2,608	5.2%
Pharr	33,706	2,430	7.2%	6.6%	32,887	2,479	7.5%
San Juan	16,583	1,349	8.1%	6.8%	16,186	1,376	8.5%
Weslaco	18,293	1,363	7.5%	6.7%	17,850	1,390	7.8%
Workforce Solutions Cameron	179,141	10,647	5.9%	5.7%	177,200	10,832	6.1%
Harlingen	26,368	1,518	5.8%	5.5%	26,079	1,542	5.9%
Brownsville	80,647	4,911	6.1%	5.9%	79,725	4,945	6.2%
San Benito	9,662	586	6.1%	6.0%	9,623	662	6.9%
Workforce Solutions S. Texas	124,915	5,698	4.6%	4.4%	124,468	5,742	4.6%
Webb County	118,631	5,286	4.5%	4.3%	118,317	5,315	4.5%
Laredo	113,756	5,020	4.4%	4.3%	113,472	5,065	4.5%

SEASONALLY ADJUSTED FIGURES

USA	166,951,000	5,957,000	3.6%	3.7%	164,002,000	5,945,000	3.6%
Texas	15,039,761	609,845	4.1%	4.1%	14,685,320	554,154	3.8%

Source: Texas Workforce Commission, Texas Labor Market Review, July 2023 issue.

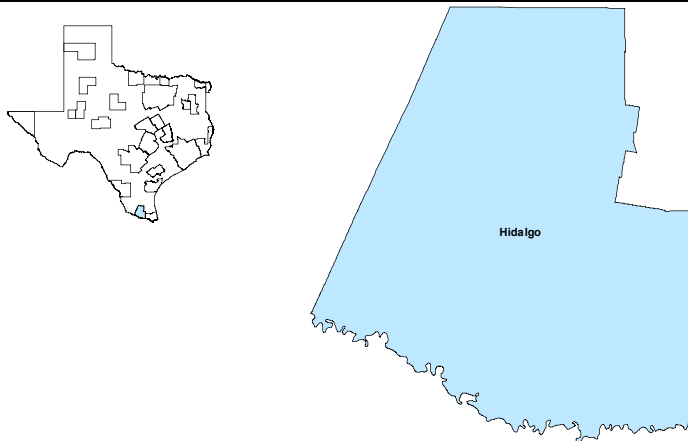
Unemployment Recap:

- The Texas (seasonally adjusted) unemployment rate remained at 4.1%.
- Hidalgo County's (not seasonally adjusted) unemployment rate increased to 6.7%
- Edinburg (not seasonally adjusted) has the second lowest unemployment rate in the RGV at a rate of 5.2%



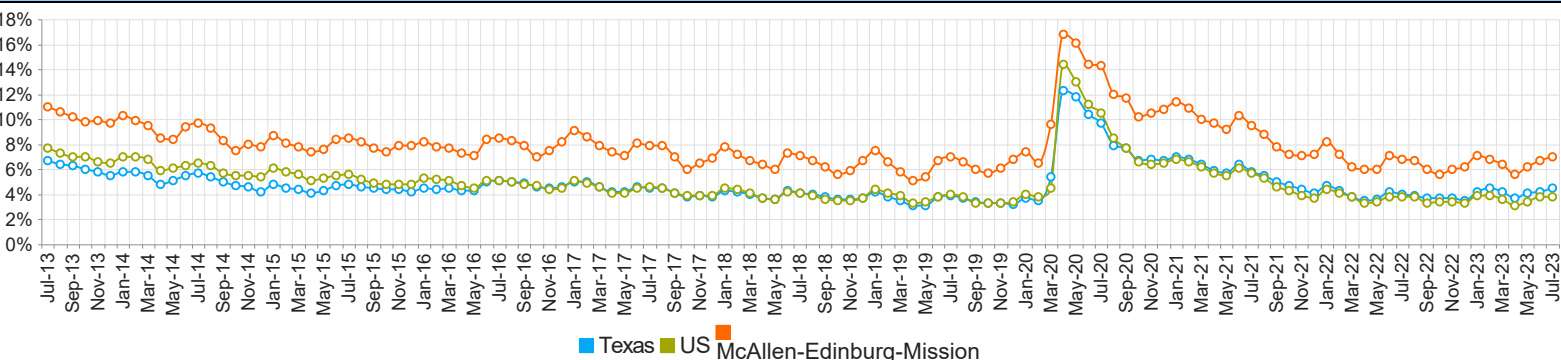
McAllen-Edinburg-Mission MSA

July 2023

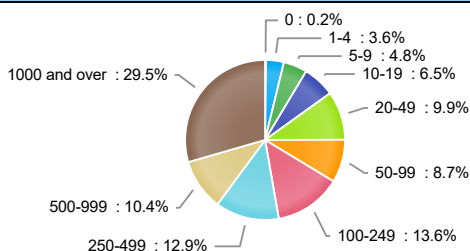


MSA Labor Force Statistics				
	Jul-23	Jun-23	Jul-22	Yearly Change
Civilian Labor Force	382,534	381,162	370,173	12,361
Employed	355,674	355,731	344,946	10,728
Unemployed	26,860	25,431	25,227	1,633
Unemployment Rate	7.0%	6.7%	6.8%	0.2%
Texas Labor Force Statistics				
	Jul-23	Jun-23	Jul-22	Yearly Change
Civilian Labor Force	15,180,378	15,047,054	14,678,367	502,011
Employed	14,496,912	14,418,818	14,088,346	408,566
Unemployed	683,466	628,236	590,021	93,445
Unemployment Rate	4.5%	4.2%	4.0%	0.5%
US Labor Force Statistics				
	Jul-23	Jun-23	Jul-22	Yearly Change
Civilian Labor Force	168,354,000	167,910,000	165,321,000	3,033,000
Employed	161,982,000	161,559,000	159,067,000	2,915,000
Unemployed	6,372,000	6,351,000	6,255,000	117,000
Unemployment Rate	3.8%	3.8%	3.8%	0.0%

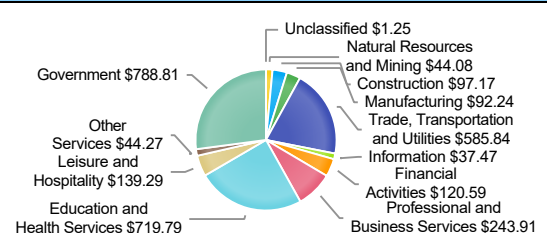
Historical Unemployment Rates



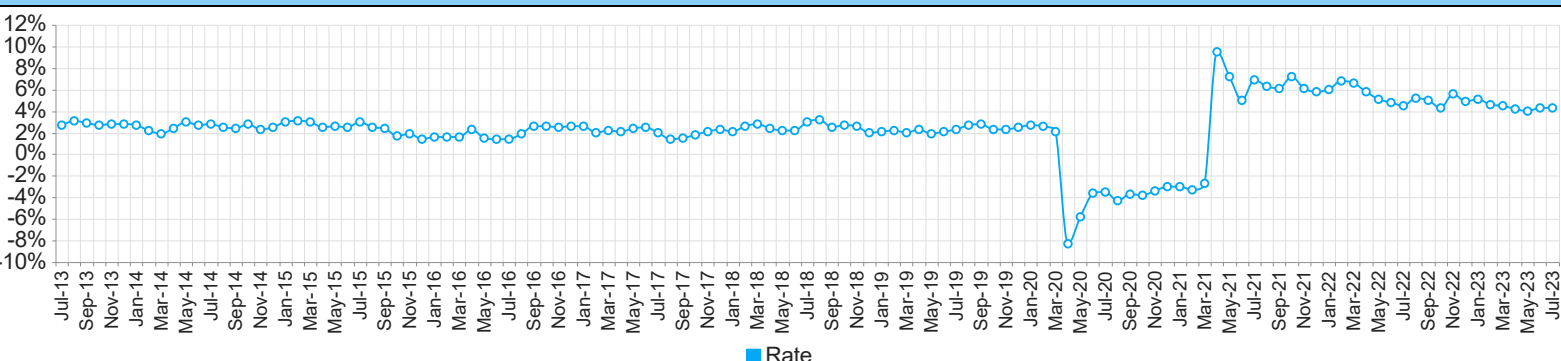
Employment by Size Class (1st Quarter 2023)



Wages by Industry (in millions) (1st Quarter 2023)



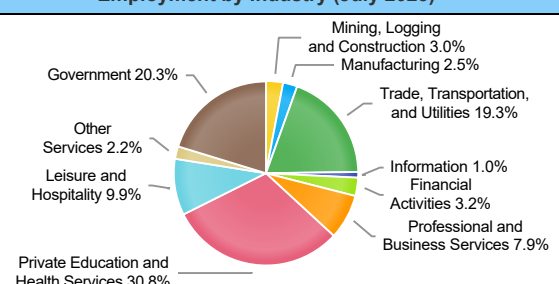
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (July 2023)

Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	297,100	-0.7%	4.3%
Mining, Logging and Construction	8,800	1.1%	0.0%
Manufacturing	7,300	0.0%	2.8%
Trade, Transportation, and Utilities	57,400	0.5%	2.1%
Information	3,000	0.0%	0.0%
Financial Activities	9,400	1.1%	4.4%
Professional and Business Services	23,500	0.4%	3.1%
Private Education and Health Services	91,600	-0.9%	5.7%
Leisure and Hospitality	29,300	0.0%	3.5%
Other Services	6,400	0.0%	4.9%
Government	60,400	-2.9%	6.2%

Employment by Industry (July 2023)



August 22, 2023

EARLY SPONSORS FOR ANNUAL MEETING - The Alliance is seeking early sponsors for this year's Alliance Annual Meeting and luncheon. The event will be held at the Hyatt Regency in downtown Houston on Thursday, November 30th. Mark your calendar and watch for registration information coming your way. Transportation Commission Member Alex Meade will be the keynote speaker. The widely attended event is an excellent opportunity to learn details of progress and plans for further development of I-69. If you want to be an early-bird sponsor, please contact Executive Director Jennifer Shepard (Jennifer@jgshepard.com).

CONGRESSMAN CUELLAR HONORED - The I-69 Alliance and a host of Laredo area community leaders honored **Congressman Henry Cuellar** for his work on behalf of transportation during a luncheon August 3. The Alliance and others thanked Cuellar for his long-standing commitment to transportation infrastructure improvements to meet the state's growing need for added highway capacity and safety improvements.

As chairman of the I-69 Congressional Caucus, Cuellar has led a coalition of U.S. House members from Texas and seven other I-69 Corridor states in support of I-69 development. Laredo is one of the three points where the I-69 System connects to the Texas-Mexico border. Laredo Mayor Victor Trevino thanked Cuellar for his work in bringing federal funding to Laredo area highway projects. Texas Transportation Commissioner Alvin New joined in with remarks thanking Congressman Cuellar for supporting TxDOT in dealing with federal policy and funding. New also provided the local audience with an update on I-69 funding and projects including the coming



(L-R) Jennifer Shepard, Mayor Victor Trevino, Lauren Garduno, Congressman Henry Cuellar, Transportation Commissioner Alvin New, Cheri Huddleston, and Melisa Montemayor

conversion of the US 59 Laredo Loop to interstate status. Other sponsors included the Ports to Plains Alliance and LJA Engineering. (More photos on Page 2)

MORE I-69 SIGNS COMING IN 2024 - Traffic is flowing, all work is complete and the process of final approval has started for two more I-69 additions to the Interstate Highway System. The first is a 12-mile extension of I-69 in Fort Bend County stretching from Rosenberg to Kindleton and the Wharton County line. This freeway was built in segments over a period of more than a decade. The second is a 4-mile extension of I-69 from the Montgomery County line north to Cleveland in Liberty County. TxDOT is working to confirm that all construction meets interstate standard as part of a designation request to the Federal Highway Administration. A signing application will go to AASHTO's route numbering committee in the spring and we should be holding signing celebrations for both sections by next summer.



UTP ALLOCATES \$100 BILLION - The Transportation Commission has approved the FY 2024 UTP which allocates a decade of projected revenue to thousands of projects statewide. It provides \$100.6 billion for new construction. Those projects require an estimated \$34 billion in project development costs. TxDOT will also spend an additional \$7.5 billion on routine maintenance for a total 10-year total of \$142 billion. Commissioners pointed out that these are historic levels of investment with most of the funding coming from state resources. In the final UTP presentation TxDOT highlighted three included I-69 projects: (1) US 77 upgrades in San Patricio County; (2) US 59 upgrades at Nacogdoches; and the \$150 million allocated to a new freeway connecting I-69C and I-69E in the Rio Grande Valley. The UTP includes allocation of \$19 billion to the 11 TxDOT districts classified as rural. That compared to only \$2.2 billion in 2016. The Atlanta, Lufkin and Yoakum districts on the I-69 System are classified as rural. The Alliance submitted a public comment on the UTP thanking TxDOT for more than \$8 billion in allocations to I-69 projects. We stressed the importance of continuing to prioritize relief routes in future funding decisions. Relief routes are the early building blocks for completing continuous interstate highway segments.

Don Rodman -- I-69 Alliance / Don@TheRodmanCo.com (361) 877-0409

Proposed 2024 UTP Estimated Funding by Category



- The final 2024 UTP includes a total of **\$100.6 billion** distributed across the 12 UTP funding categories for construction
- Projects in the UTP are selected by TxDOT Districts, Metropolitan Planning Organizations (MPOs), or the Texas Transportation Commission using performance-based selection process
- The UTP guides and authorizes the development of projects estimated to let over the next 10 years, which totals **\$34.2 billion**
- The estimated **\$142.3 billion** total represents a historic investment in Texas' transportation system

Category and Description		2023 UTP Distribution (\$B)	Draft 2024 UTP Distribution (\$B)
1	Preventive Maintenance & Rehabilitation	\$16.6	\$18.7
2	Metro and Urban Corridor Funding	\$10.8	\$11.5
4R	Statewide Connectivity (Rural)	\$6.9	\$10.0
4U	Statewide Connectivity (Urban)	\$5.3	\$7.8
5	Congestion Mitigation and Air Quality	\$2.3	\$2.3
6	Bridge	\$4.2	\$4.7
7	Federal Metropolitan Mobility	\$5.7	\$5.8
8	Safety	\$3.7	\$3.7
9	Transportation Alternatives	\$1.7	\$1.7
10	Supplemental Transportation Projects	\$0.7	\$1.2
10CR	Carbon Reduction Program	-	\$1.3
11	District Discretionary	\$1.4	\$1.5
11ES	Energy Sector	\$2.5	\$3.5
11SF	District Safety	\$0.5	\$1.2
11CO	Cost Overruns/Change Orders	-	\$0.8
12	Strategic Priority	\$12.7	\$14.0
12CL	Strategic Priority (Texas Clear Lanes)	\$5.0	\$6.0
Sub-Total		\$80.1	\$95.6
3	Non-traditional	\$4.9	\$5.0
Total Estimated UTP Funding		\$85.1	\$100.6
Estimated Development Costs		\$24.8	\$34.2
Estimated Routine Maintenance Contracts		\$7.0	\$7.5
Total Ten-Year Estimated Investment in Projects		\$116.9	\$142.3

2024 Unified Transportation Program

August 16, 2023

7

Alliance Honors Congressman Henry Cuellar



Congressman Henry Cuellar (District 28)



Families of Mayor Trevino and Congressman Cuellar participated in the event



TxDOT Commissioner Alvin New



Melisa Montemayor, Alliance board member and retired TxDOT Laredo District Administrator, recalls Congressman Cuellar's leadership on transportation



Alliance for I-69 Texas

Alliance Contacts: Jennifer Shepard, Alliance Executive Director & State Representative - (703) 963-3822; Jennifer@jgshepard.com
 Larry Meyers, Washington Representative - (202) 484-2773; LMeyers@hslawmail.com
 Don Rodman - State Adviser & Communications - (361) 877-0409; don@therodmanco.com
 Judge Sydney Murphy, Alliance Board Chairman - (936) 327-6813; smurphy@co.polk.tx.us

August 2023

Edinburg Economic Development Corporation



2459

Facebook Page Visits



62,986

Facebook Page Reach



184

New Page Likes



13,313

Page Followers

@Edinburgtxedc



61

Profile Visits



2,038

Impressions



49

Total Followers



5

New Followers

@edinburgedc



9

Accounts Engaged



287

Accounts Reached



1,543

Total Followers



39

New Followers

Edinburg Economic Development Corporation (EEDC)



18

Page Views



480

Post Impressions



420

Total Followers



21

New Followers

Edinburg Economic Development Corporation

raudel@edinburgedc.com

edinburgedc.com

956-388-8914

Commercial Permit Values:

New Commercial Permit Value

July 2023: \$1,829,000.00

- Subway – 1816 S McColl Suite 1 - \$120,000.00
- Auto Zone – 2904 S Raul Longoria - \$546,000.00
- NexPay – 4835 S Jackson Road - \$240,000.00
- AG Edinburg Re Holdings LLC – 4643 S Jackson Road - \$300,000.00

Commercial Additions/Repairs Permit Value

July 2023: \$883,672.30

- Dunkin Donuts – 1706 W University Drive - \$300,000.00
- Grease Monkey – 1012 W Monte Cristo - \$180,000.00
- PJ's Coffee – 1816 S McColl Road Suite 8 - \$90,000.00

Multifamily New/Addition/Remodel

July 2023: \$23,664,200.00

- Las Villitas Apts – 400 S State Highway 336 Hwy (*10th Street) - \$16,000,000.00
- Atwood Village – \$250,000.00 – \$380,000.00 (16 Building Permits)

		THIS MONTH	THIS YEAR	LAST YEAR
<u>PERMIT VALUATIONS</u> <u>(\$)</u>	THIS MONTH	LAST YEAR	TO DATE	TO DATE
NEW HOMES	8,524,194.00	8,934,025.00	68,446,629.00	57,704,624.00
RES. ALTERATIONS	879,706.00	1,850,089.00	7,064,968.00	10,419,617.00
MULTI-FAMILY	23,664,200.00	1,848,100.00	87,438,173.00	19,487,384.00
COMMERCIAL: NEW	1,829,000.00	1,950,000.00	86,549,385.00	16,681,013.00
COMM. ALTERATIONS	883,672.00	1,302,305.00	29,158,641.00	103,334,450.00
TOTAL	\$ 35,780,772.00	\$ 15,884,519.00	\$ 278,657,796.00	\$ 207,627,088.00

*City of Edinburg Building Permit Values

Subdivisions

Subdivisions under Construction: 63

Number of Lots: 4817

Subdivisions under Construction Review: 34

Number of Lots: 1323

Subdivisions under Preliminary Review: 67

Number of Lots: 1591

*City of Edinburg Engineering Department

Upcoming Conferences

Team Texas Economic Summit

- August 29-30, 2023
- Odessa, TX
- Attending: Raudel Garza

Retail Live! South Central 2023

- August 31, 2023
- Austin, TX
- Attending: Carlos Garza

Café con USA y Canada

- September 5, 2023
- Monterrey, Mx
- Attending: Carlos Garza

TEDC Sales Tax Workshop

- September 8, 2023 @ 8am-4pm
- Location: Edinburg Conference Center at Renaissance
- **Registration required***
- Attending: Veronica Gonzales, Sabrina Walker Hernandez, Raudel Garza, Carlos Garza, Leticia Pantoja, Jacqueline Guerra.

Upcoming Events

City Council Meeting

- September 5th
- FY 24 Budget & Program of Work approval
- FY23 Budget Amendment approval

El Tule Ribbon cutting

- September 15th at 10am

EEDC & Workforce Solutions Job Fair

- September 14th, 9am-12:30pm
- Location: Edinburg Conference Center at Renaissance

COE Library's "South Texas International Film Festival 2023"

- September 14-16
- EEDC Sponsored \$10,000

TEDC Annual Conference

- October 11-13th
- Houston, Tx
- Attending: Raudel, Sabrina, Letty, Carlos, ?

Updates

- EEDC provided school supplies at Edinburg PD's last day for Movies with a COP.



- The Economic Summit was a success! Governor Gregg Abbot was the keynote speaker.
- Guests sitting at EEDC Tables:
 - Director Eddie Garza
 - Director Sabrina Walker Hernandez
 - US Congresswoman Monica De La Cruz
 - City of Rancho Viejo Mayor, Maribel Guerrero
 - Ruben Villarreal, Miki McCarthy, Caleb Reynolds, Ethan Yoo, Mark Moran, Carlos Marin, Ellie Torres, Bobby Guerra staff member, EDC Staff



Edinburg Economic Development Corporation

Meeting Date: August 28, 2023

Consider approval of Minutes for Board Meetings held on July 12, 2023 and July 25, 2023.

1. Agenda Item:

Consider approval of Minutes for Board Meetings held on July 12, 2023 and July 25, 2023.

2. Description/Scope:

Board meeting minutes are reviewed by Executive Director Raudel Garza and approved by the EEDC Board on a monthly basis.

3. Estimated Timeline:

NA

4. Budget:

NA

5. Procurement/Selection Process:

NA

6. Staff's Recommendation:

Staff recommends approval.

7. Justification:

NA

Raudel Garza, Edinburg
EDC Executive Director

ATTACHMENTS

Attachment A: July 12, 2023 Minutes

Attachment B: July 25, 2023 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

July 12, 2023
SPECIAL MEETING
5:30 PM

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

ABSENT: Aaron “Ronny” Rivera, Treasurer
Eddie Garza, Director

STAFF: Raudel Garza, Executive Director
Jacqueline Guerra, Administrative Specialist
Leticia Pantoja, Project Manager
Omar Ochoa, City Attorney

1. CALL TO ORDER, ESTABLISH QUORUM

President, Veronica Gonzales, called the meeting to order at 5:34 PM.

Raudel Garza, Edinburg EDC Executive Director, proceeded to roll call and established quorum.

For record, Treasurer Aaron “Ronnie” Rivera and Director Eddie Garza were absent.

A. Pledge of Allegiance

2. CERTIFICATION OF PUBLIC NOTICE

The public notice was posted in accordance with the Texas Open Meetings Act, on July 7, 2023 at 5:00 PM.

3. DISCLOSURE OF CONFLICT OF INTEREST

City Attorney, Omar Ochoa, stated a conflict of interest exists if a board member or a member of that person's family has a qualifying financial interest in an agenda item. If there is a conflict of interest, the board director cannot participate in discussion or vote on the agenda item.

There were no conflicts of interest disclosed.

4. PUBLIC COMMENTS

A specific portion of the meeting shall be dedicated to allowing Public Comments which will be limited to three (3) minutes. Please note that this public comment period is not interactive. The Edinburg EDC Board may not respond to public comments. If a resident desires to make a public comment in person, please complete the Public Comments Form, which will be located outside of the City Council Chambers and submit the completed form to the Economic Development staff prior to the commencement of the Edinburg EDC Board meeting. We ask for everyone's cooperation in following this procedure.

There were no public comments.

5. REGULAR AGENDA ITEMS

A. Consider approval of request from City of Edinburg Library & Cultural Arts to sponsor South Texas International Film Festival.

Director of Library & Cultural Arts Letty Leija made a presentation regarding the South Texas International Film Festival. On behalf of the STIFF, Mrs. Leija requested \$20,000 from the EEDC Board.

After the presentation, discussion and question and answer ensued. Secretary Raul Resendez recommended that EEDC consider a partial sponsorship of \$10,000 and bring back the item for the next agenda for further potential funding. Mr. Garza stated that he could provide an Economic Impact Study as requested by the Board at that time.

MOTION TO APPROVE SPONSORSHIP AT \$10,000 WAS MADE BY SECRETARY RAUL RESENDEZ AND SECONDED BY COUNCILMEMBER DANIEL DIAZ. MOTION CARRIED UNANIMOUSLY.

B. Consider Discussion and Approval of FY22-23 Semi-Annual Report to City Council from EEDC Board.

Executive Director Raudel Garza presented a draft Semi-Annual Report to the Board. The period of performance is from October 2022 to March 2023.

The Board agreed to give feedback to the Report within one week and suggested to add this item on the next agenda meeting.

NO MOTION OR ACTION WAS TAKEN FOR THIS ITEM.

6. EXECUTIVE SESSION

The board entered executive session at 6:19 pm.

MOTION TO ENTER EXECUTIVE SESSION WAS MADE BY COUNCILMEMBER DANIEL DIAZ AND SECONDED BY DIRECTOR SABRINA WALKER HERNANDEZ. MOTION CARRIED UNANIMOUSLY.

The EEDC board convened in executive session, in accordance with the Texas Open Meetings Act, Vernon's Texas Civil Statutes annotated, government code, chapter 551, subchapter D, exceptions to requirements that meetings be open, to deliberate under the following **section**:

- **SECTION 551.071, CONSULTATION WITH ATTORNEY**
- **SECTION 551.072, DELIBERATION REGARDING REAL PROPERTY**
- **SECTION 551.087, DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS**

The EEDC board 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 Texas Open Meetings Act. The board will deliberate the following item:

- A. Deliberation and possible action regarding economic development negotiations (Review Economic Development Projects: Loaf, Goliath, Courts, Born Again,**

Nicho Produce, Workforce Resource Center, Office Space. (§551.087 Deliberation Regarding Economic Development Negotiations; §551.072. Deliberation Regarding Real Property; §551.071. Consultation with Attorney; Closed Meeting.)

B. Discussion and possible action regarding pending litigation (§551.071. Consultation with Attorney; Closed Meeting.)

C. Discussion and possible action regarding potential litigation. Santana Textiles (§551.071. Consultation with Attorney; Closed Meeting.)

7. OPEN SESSION

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

The EDC board reconvened for open session at 8:29 PM.

MOTION TO ENTER OPEN SESSION WAS MADE BY COUNCILMEMBER DANIEL DIAZ AND SECONDED BY SECRETARY RAUL RESENDEZ. MOTION CARRIED UNANIMOUSLY.

At this moment, Mr. Garza announced newly employed Project Manager Leticia Pantoja. The EEDC Board proceeded to welcome Miss Pantoja to the team. Additionally, he stated that Carlos Garza will soon join the team as the other Project Manager.

MOTION TO APPROVE ACTION ON NICHU PRODUCE, WORKFORCE RESOURCE CENTER AND OFFICE SPACE AS DISCUSSED IN EXECUTIVE SESSION WAS MADE BY DIRECTOR SABRINA WALKER HERNANDEZ AND SECONDED BY VICE PRESIDENT ROLAND GOMEZ. MOTION CARRIED UNANIMOUSLY.

8. ADJOURNMENT

There being no further business to consider, the meeting adjourned at 8:12 pm.

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

Minutes Transcribed by:

Jacqueline Guerra, Administrative Specialist, Edinburg Economic Development Corporation

The board of directors approved the meeting minutes on _____, 2023.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION:

Raul Resendez, Edinburg EDC Secretary



MINUTES OF THE
EDINBURG ECONOMIC DEVELOPMENT
CORPORATION BOARD OF DIRECTORS

LOCATION:

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

July 25, 2023
REGULAR MEETING
5:30 PM

PRESENT: Veronica Gonzales, President
Roland Gomez, Vice President
Daniel “Dan” Diaz, Councilmember
Aaron “Ronny” Rivera, Treasurer
Eddie Garza, Director
Sabrina Walker Hernandez, Director

ABSENT: Raul Resendez, Secretary

STAFF: Raudel Garza, Executive Director
Jacqueline Guerra, Administrative Specialist
Leticia Pantoja, Project Manager
Carlos Garza, Project Manager
Omar Ochoa, City Attorney

1. CALL TO ORDER, ESTABLISH QUORUM

President, Veronica Gonzales, called the meeting to order at 5:30 PM.

Raudel Garza, Edinburg EDC Executive Director, proceeded to roll call and established quorum.

For record, Secretary Raul Resendez was absent, as he was out of the country.

A. Pledge of Allegiance

2. CERTIFICATION OF PUBLIC NOTICE

The public notice was posted in accordance with the Texas Open Meetings Act, on July 21, 2023 at 5:00 PM.

3. DISCLOSURE OF CONFLICT OF INTEREST

City Attorney, Omar Ochoa, stated a conflict of interest exists if a board member or a member of that person's family has a qualifying financial interest in an agenda item. If there is a conflict of interest, the board director cannot participate in discussion or vote on the agenda item.

There were no conflicts of interest disclosed.

4. PUBLIC COMMENTS

A specific portion of the meeting shall be dedicated to allowing Public Comments which will be limited to three (3) minutes. Please note that this public comment period is not interactive. The Edinburg EDC Board may not respond to public comments. If a resident desires to make a public comment in person, please complete the Public Comments Form, which will be located outside of the City Council Chambers and submit the completed form to the Economic Development staff prior to the commencement of the Edinburg EDC Board meeting. We ask for everyone's cooperation in following this procedure.

There were no public comments.

5. DIRECTOR'S REPORT

Mr. Garza provided an update on Labor Market Report and stated that the Rio Grande Valley's (Hidalgo County*) unemployment rate is 4.1% and that Edinburg continues to have the second lowest unemployment rate at 4.8%.

He proceeded to explain the Financial Market information provided by FROST Bank. He also gave an update on efforts by the Alliance for I-69 Texas and TxDOT activities related to I-69.

In upcoming conferences, Team Texas is having their Economic Summit, featuring 7 site selectors as speakers. Mr. Garza will be attending August 20-30, 2023 in Odessa TX. TEDC is also having a Sales Tax Workshop on September 8th in Edinburg TX.

For upcoming events, VIDA is having a Grant Announcement Luncheon on July 27th.

EEDC and LiftFund are having Informational Sessions on August 16th for small businesses. RGV Partnership is having an Economic Summit on August 17th. The keynote speaker is Governor Gregg Abbott. Edinburg PD will be having their National Night Out on August 1st at the Edinburg Municipal Park. On August 7th there will be an Alliance for I-69 Texas quarterly meeting.

Mr. Garza also advised that a date is tentative for a Budget Workshop for FY23-24.

6. REGULAR AGENDA ITEMS

A. Consider approval of Minutes for the Board meetings held on July 12, 2023 and July 25, 2023.

President Veronica Gonzales asked if everyone had the opportunity to review the minutes to which all confirmed.

MOTION TO APPROVE MINUTES WAS MADE BY TREASURER AARON RIVERA AND SECONDED BY COUNCILMEMBER DANIEL DIAZ. MOTION CARRIED UNANIMOUSLY.

B. Presentation of year-to-date Financial Report ending on June 31, 2023.

Mr. Garza proceeded to present to the Board the EEDC Financials provided by the Finance Department. He explained the Income Statements, Balance Sheets, Bonds, Expenditures, Revenues and other Financials. President Veronica Gonzales ask staff to provide financial statements that were easier to read than those provided in the packet.

NO MOTION OR ACTION WAS NEEDED FOR THIS ITEM.

C. Consider approval of mid-year budget amendment for Fiscal Year 2023.

Mr. Garza proceeded to present the mid-year budget adjustments that he recommends for the current fiscal year 2023. He explained in detail various accounts that are listed under the EDC budget. He advised that this amendment reduces the expenses by \$926,000.

MOTION TO APPROVE THE MID-YEAR BUDGET AMENDMENT FOR FY23 WAS MADE BY DIRECTOR EDDIE GARZA AND SECONDED BY VICE PRESIDENT ROLAND GOMEZ. MOTION CARRIED UNANIMOUSLY.

D. Consider approval of request from City of Edinburg Library & Cultural Arts to sponsor South Texas International Film Festival.

President Veronica Gonzales advised that no action was needed since library staff asked that the item be pulled out of the agenda.

E. Consider approval of sponsorship for the RGV Economic Summit Development Summit.

Mr. Garza explained various levels of sponsorship for the Economic Summit. He recommended sponsorship at the \$2,500 level since Edinburg is the host city for this event.

MOTION TO APPROVE SPONSORSHIP AT \$2,500 WAS MADE BY COUNCILMEMBER DANIEL DIAZ AND SECONDED BY TREASURER AARON RIVERA. MOTION CARRIED UNANIMOUSLY.

F. Consider approval of FY22-23 Semi-Annual Report to City Council from EEDC Board.

Raudel Garza provided an overview of the semi-annual report. President Veronica Gonzales mentioned that the report was in the packet and everyone should have had time to review and comment on it. She then asked for a motion to approve. Some discussion ensued.

MOTION TO APPROVE SEMI-ANNUAL REPORT WAS MADE BY COUNCILMEMBER DANIEL DIAZ AND SECONDED BY DIRECTOR SABRINA WALKER HERNANDEZ. MOTION CARRIED UNANIMOUSLY.

G. Discussion and possible action on a Small Business Assistance Program.

Mr. Garza presented to the Board a draft of the proposed Small Assistance Program. He presented a program to be called FLIP or Façade and Lot Improvement Program. He mentioned that a few items were still missing, but would present a final version at a later date. This was his attempt to make the program equitable to all applicants in terms of selecting who would receive the assistance. He advised that through a “point” system and scoring sheet, the EEDC would be able to assist small businesses in their efforts to enhance their properties. President Veronica Gonzales advised that the Board will review the program and give feedback.

NO ACTION OR MOTION WAS TAKEN ON THIS ITEM.

H. Discussion and review of Edinburg EDC marketing activities.

Mr. Garza informed the Board of the different types of marketing activities that the EDC is currently doing. Councilmember Daniel Diaz suggested to do a “Mug Campaign” with our logo and gift them to restaurants to use to promote the city. President Veronica Gonzales suggested to advertise a video of Edinburg on social media and tv.

NO ACTION OR MOTION WAS TAKEN ON THIS ITEM.

7. EXECUTIVE SESSION

The board entered executive session at 6:45 pm.

MOTION TO ENTER EXECUTIVE SESSION WAS MADE BY COUNCILMEMBER DANIEL DIAZ AND SECONDED BY DIRECTOR EDDIE GARZA. MOTION CARRIED UNANIMOUSLY.

The EEDC board convened in executive session, in accordance with the Texas Open Meetings Act, Vernon’s Texas Civil Statutes annotated, government code, chapter 551, subchapter D, exceptions to requirements that meetings be open, to deliberate under the following **section**:

- **SECTION 551.071, CONSULTATION WITH ATTORNEY**
- **SECTION 551.072, DELIBERATION REGARDING REAL PROPERTY**
- **SECTION 551.087, DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS**

The EEDC board 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 Texas Open Meetings Act. The board will deliberate the following item:

- A.** Deliberation and possible action regarding economic development negotiations (Review Economic Development Projects: Choo Choo, Salad, Cold Turkey, Sugar Store, Smoke, Ground Fire, Born Again, Workforce Resource Center). (§551.087 Deliberation Regarding Economic Development Negotiations; §551.072. Deliberation Regarding Real Property; §551.071. Consultation with Attorney; Closed Meeting.)
- B.** Discussion and possible action regarding pending litigation (§551.071. Consultation with Attorney; Closed Meeting.)

- C. Discussion and possible action regarding potential litigation. Santana Textiles (§551.071. Consultation with Attorney; Closed Meeting.)

8. OPEN SESSION

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

The EDC board reconvened for open session at 8:17 PM.

MOTION TO ENTER INTO OPEN SESSION WAS MADE BY DIRECTOR EDDIE GARZA AND SECONDED BY TREASURER AARON RIVERA. MOTION CARRIED UNANIMOUSLY.

MOTION TO APPROVE PROJECTS “SALAD, COLD TURKEY, SUGAR STORE, SMOKE AND GROUND FIRE” AS DISCUSSED IN EXECUTIVE SESSION WAS MADE BY DIRECTOR EDDIE GARZA AND SECONDED BY DIRECTOR SABRINA WALKER HERNANDEZ. MOTION CARRIED UNANIMOUSLY.

9. ADJOURNMENT

There being no further business to consider, the meeting adjourned at 8:18 pm.

MOTION TO ADJOURN MEETING WAS MADE BY TREASURER AARON RIVERA AND SECONDED BY VICE PRESIDENT ROLAND GOMEZ. MOTION CARRIED UNANIMOUSLY.

Minutes Transcribed by:

Jacqueline Guerra, Administrative Specialist, Edinburg Economic Development Corporation

The board of directors approved the meeting minutes on _____, 2023.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION:

Raul Resendez, Edinburg EDC Secretary

Edinburg Economic Development Corporation

Meeting Date: August 28, 2023

Discuss and consider approval of the funding proposal submitted by Valley Initiative for Development and Advancement (VIDA).

1. Agenda Item:

Discuss and consider approval of the funding proposal submitted by Valley Initiative for Development and Advancement (VIDA).

2. Description/Scope:

Economic Development staff received a proposal for funding from the Valley Initiative for Development and Advancement (VIDA). The funding proposal is being increased from \$50,000 to \$100,000 for FY 2024. This will provide higher education training and workforce development for 30 underserved Edinburg residents.

VIDA will provide a match contribution of \$50,000.

The funding proposal includes:

- Training cost at South Texas College (STC), University of Texas-Rio Grande Valley (UTRGV), Texas State Technical College (TSTC), Texas Southmost College.
- Direct Program Services - Intensive Career Counseling & Case Management.

VIDA began in 1995 with its mission is to formulate new institutional relationships in the Lower Rio Grande Valley that simultaneously address employers' needs for skilled workers, while linking the area's unemployed and underemployed with high-skill, high-wage jobs identified in the region.

3. Estimated Timeline:

The proposal is for 12 months for the fiscal year October 1, 2023 - September 30, 2024.

4. Budget:

Small Business Program/Workforce Training: \$515,000

\$100,000 set aside for VIDA, \$400,000 set aside for FLIP, \$15,000 set aside for Kaufman FastTrac Entrepreneurship Training Program

5. Procurement/Selection Process:

N/A

6. Staff's Recommendation:

Staff recommends approval following the board's direction.

7. Justification:

VIDA has proven over time that working with students to get them through graduation leads to an improved workforce, with graduates earning higher wages and contributing to the local economy.

Raudel Garza, Edinburg
EDC Executive Director

ATTACHMENTS

Attachment A: FY24 VIDA Request Letter
Attachment B: VIDA Funding Proposal
Attachment C: VIDA Progress Report

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



June 16, 2023

Raudel Garza
Executive Director
Edinburg EDC
415 W. University Dr.
Edinburg, Texas 78539

**Subject: Contract Renewal of Evidence-Based Workforce Development Program
for Edinburg Residents
Request for FY 23-24: \$100,000.00 Benchmark 30**

Dear Mr. Garza,

Thank you for the continued partnership between Edinburg EDC and VIDA to provide customized financial assistance and support services to economically disadvantaged Edinburg residents to achieve career success. This partnership ensures Edinburg residents have equitable education and workforce development opportunities in high-demand occupations.

As you initiate the process of budget planning for next fiscal year, we hope you may review VIDA's proposed project as a valuable initiative for funding consideration. With Edinburg's continued investment, VIDA will have the opportunity to provide essential services to our underserved demographic, ensuring training program persistence and completion. To highlight the positive outcomes and deliverables of our current grant project please find enclosed the following:

- Edinburg's EDC Progress Report year to date for current funding.
- VIDA's 2022 Annual Report
- VIDA's 2022 Program Summary & Outcomes

A recent Economic Impact Study conducted by UTRGV demonstrates that VIDA's work has a positive incremental economic impact in the Rio Grande Valley. The study reports that for every \$1 invested in VIDA and its participants, there is a **\$14.74** return on investment to our communities. **This information translates to a return on the community's investment of \$29.6 million in additional jobs, income, taxes, and output in the local economy.**

VIDA respectfully requests your consideration for an increased investment from \$50,000 to \$100,000 to serve 30 Edinburg residents in FY 23-24. Your commitment to empowering our at-risk demographic with the necessary resources and tools to break the cycle of poverty and promote economic mobility is critical for enhancing employment opportunities and responding to the needs of local industry. We look forward to continuing our work in partnership with the Edinburg EDC to impact sustainable economic growth in the region, one **VIDA** at a time.

Sincerely,

Felida Villarreal, CPA
President & CEO

417 SOUTH OHIO AVE. | MERCEDES, TEXAS 78570 | PHONE: (956) 903-1900

www.vidacareers.org



Funding Proposal



Valley Initiative for Development and Advancement

August 24, 2023

Prepared By:

*Felida Villarreal, CPA
VIDA President & CEO*

Project Name

Career Training and Workforce Development for Underserved Edinburg Residents

Funding Request

\$100,000 for fiscal year 10/01/2023 – 9/30/2024

Project Details

At least 30 Edinburg residents will be supported through VIDA's program model through the fiscal year October 1, 2023 – September 30, 2024. 100% of students assisted under this grant must meet the following eligibility criteria:

1. Participant must be an Edinburg Resident
2. Participant must be 18 years of age or older
3. Participant must be eligible to work in the U.S.
4. Participant must be under 200% of the federal poverty guidelines, earn below \$14 per hour, or be unemployed.

Mission

VIDA's mission is to formulate new institutional relationships in the Lower Rio Grande Valley that simultaneously address employers' needs for skilled workers, while linking the area's unemployed and underemployed with high-skill, high-wage jobs identified in the region. Our vision is a well-trained, well-educated population, which will not only be ready for tomorrow's jobs, but will be able to live a more prosperous, healthy, and happy life.

History

The concept for VIDA began in 1995 with Valley Interfaith, a community-organizing group in the Lower Rio Grande Valley affiliated with the national Industrial Areas Foundation. Valley Interfaith observed a need for education and training to secure family sustaining wage employment, as the region experienced high levels of unemployment from many plant closures and layoffs in the textile industry due to foreign competition. Meanwhile, businesses and economic development boards looking to attract and retain employers in the region, reported a need for a more highly skilled and educated workforce. As a result, Valley Interfaith saw an opportunity to meet the needs of both Valley residents and employers through the creation of VIDA, a workforce training model committed to providing both economic and social supports to economically disadvantaged residents, to ensure successful completion of post-secondary education training and secure competitive employment. Throughout the years, VIDA has remained relevant and innovative by collaborating with regional institutions of higher education and industry leaders to assess employment needs and align career pathways with local industry demand.

Currently, more than half of our student population enrolls in allied health careers such as registered nursing, licensed vocational nursing, dental hygiene, diagnostic medical sonography, emergency medical sciences, occupational therapy, respiratory therapy, radiography, medical billing & coding, surgical technology, and more. As we continue to recover from the long-term effects of a global pandemic, it is critical to assess and respond to both the regional and national shortage of healthcare professionals. As a result, VIDA continues to promote training and higher education

credentials in the healthcare industry in order to enhance health equity across the Rio Grande Valley. The remaining student population pursues training in high demand occupations in fields of study such as STEM and the specialized trades – all of which provide an opportunity for self-sufficiency and long-term career advancement.

Core Services

VIDA primarily funds training for one-year certificates, two-year associate degrees, or the last two years of bachelor degrees. VIDA sponsors career training in fields of allied health, STEM, and specialized trades. The program provides extensive financial assistance to promote full-time enrollment, and intensive case management and counseling services to address academic and social barriers. VIDA regularly updates the occupational training it supports based on feedback from economic development boards and local employers to ensure students pursue careers in target demand occupations relevant to our economic climate. Training and education are predominantly provided by South Texas College, Texas State Technical College, Texas Southmost College, and UT Rio Grande Valley, among other training institutions. We collaborate extensively with these institutions for outreach, student support and progress, enhancing career pathways, and more.

In 2022, VIDA served 534 students with an average persistence rate of 94%! 100% of our student population is identified as unemployed, underemployed, or low-income, based on 200% of the Federal Poverty Guidelines. During 2022, a student enrolling as a VIDA participant, earned an average wage of \$10.54 per hour, but graduated as a VIDA participant and secured employment with an average wage of over \$23.44 per hour following program completion. The average age of VIDA participants in 2022 was 28 years old, 56% had one or more children in the household, and 81% of VIDA participants were first generation college students.

Consequently, this demographic faces a multitude of challenges that represent risk factors for persistence and graduation. Oftentimes, our participants are first-generation college students, lacking a strong support system at home, which VIDA addresses with ongoing one-on-one career coaching and mentoring. VIDA recognizes many participants face language barriers and family responsibilities that interfere with successful completion or satisfactory performance of coursework. As a result, VIDA counselors meet regularly with participants on an individualized basis and in group sessions with other VIDA participants to help them overcome struggles such as time management, stress, emotional triggers, conflict resolution, and promote overall mental health. VIDA counselors share an extensive knowledge and expertise in fields of psychology, social work, and education, facilitating strong relationships with participants and effectively building bonds of accountability, maintaining our students focused, committed, and encouraged. In addition, our program provides customized financial assistance for tuition, textbooks, tools, uniforms, childcare, transportation, and more based on the individual student's needs and circumstances to break economic barriers to education success.

VIDA organizes speaker series workshops on a monthly basis, in which we collaborate with local industry partners to share their expertise with our participants collectively. For example, our community partner, JP Morgan Chase, hosts financial literacy workshops with VIDA participants as a group to share awareness on valuable topics such as banking, lending, credit scores, financial planning, and more. In turn, VIDA participants develop and enhance life-long skills for both professional and personal success, learning the importance of fiscal responsibility and personal budgeting. This type of soft skills development model effectively complements the students'

traditional classroom coursework to build a more well-rounded individual, better prepared to achieve career success with a competitive and diverse skillset.

Outcomes & Results

VIDA's outcomes are primarily measured by higher persistence rates, graduation rates, and number of certificates awarded:

1. 80% or more of Edinburg participants will graduate from an educational/training program within 3 years. Participant must be 18 years of age or older
2. 90% or more will graduate or persist in their education from year to year
3. 100% will attend mandatory counseling sessions

VIDA has a well-established capacity to track extensive information in a secured and comprehensive database, Social Solutions Apricot. Detailed student demographic and socioeconomic characteristics are maintained and accessed on a regular basis for reporting and quality control. VIDA measures the academic progress of each participant through grade reports, case notes from the counselors and other program staff, and supportive services received - all of which are documented in Apricot. Participants entering employment are tracked for three years post-graduation, and their wages, positions, and employers are reported in the database.

A recent economic impact study conducted by UT - Rio Grande Valley, reports that for every \$1.00 invested in VIDA, there is a return on investment of \$14.74 to the communities we serve. Additionally, the Institute for Women's Policy Research featured VIDA in a report on innovations to address unmet needs in job training programs. The report states: "case management can have the added effect of creating a sense of accountability to the program that may increase persistence and completion among trainees. Having a primary point person who participants can go to for advice, support, and to access program resources lead them to feel a greater sense of responsibility or commitment to their program...the relationships that case managers establish with participants create bonds of accountability that enhance participants' chances of success within their programs."



VIDA
Edinburg EDC Program Budget

30 Participants/Students

New Applicants; Roll-Over/Continuing Program/Graduates

Post-Secondary Occupational Training (PSOT):

Allied Health, STEM, and Specialized Trades

Associate Degrees, College/Industry Recognized Certificates, Bachelor Degrees (last 2 years only)

BUDGET ITEMS	10/01/2023 – 9/30/2024 Projected Expenditures
Training Costs Curriculum Based – Program Required Expenses South Texas College (STC); University of Texas – Rio Grande Valley (UTRGV); Texas State Technical College (TSTC); Texas Southmost College (TSC); Other • Tuition, Course Fees, Textbooks, Exams, and Licensure Fees Student Support/Direct Program Services Intensive Career Counseling & Case Management • Customized Financial Assistance for Tools, Uniforms, Transportation, Childcare, & more • Community Outreach, Profile Assessment, & Aptitude Testing • Peer Learning, Effective Studying Skills, & Test Taking Strategies • Soft Skills Training: Guest Speaker Forums, Professional Development Workshops, Financial Literacy, Domestic Violence, Legal Aid, Parental Involvement, Time Management, Stress Management, Mental Health, etc. • Employability Skills: Conflict Resolution in the Workplace, Resume Writing, Business Etiquette, & Interview Skills • Individualized Career Coaching and Academic Advisement • Individual and Group Counseling Sessions • Job Placement Services & Career Tracking 3 years post-graduation • Building Accountability - Monitoring Academic Performance and Progress for Intervention and Completion • Direct Program Related Expenses	
Sub-Total	\$ 127,500
VIDA Administrative Costs	\$ 22,550
Total Program Budget	\$ 150,000
Edinburg EDC Request	\$ 100,000
VIDA's Matching Contribution	\$ 50,000

Edinburg EDC Project Update FY 2022 - 2023

For every \$1 invested in VIDA's program, there is a return of \$14.74 to the communities we serve.

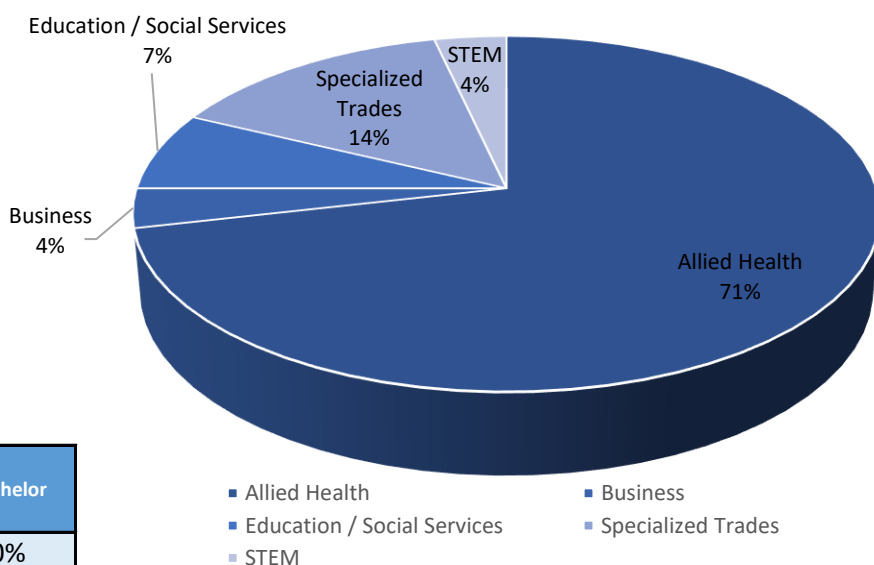
Economic Impact Study 2020 - University of Texas Rio Grande Valley, Data & Information Systems Center.

Average Salary Reported Upon Graduation: \$48,880 as of August 23, 2023

2022 - 2023 AT-A-Glance

57% Between Age of 25-50
100% Unemployed, Underemployed or Low Income
29% 1+ Dependent Child(ren) in the Household
82% First Generation in College
Edinburg EDC Investment: \$50,000
Contractual Benchmark: 15
Total Served: 28
Persistence Rate: 100%

PROGRAM OF STUDY (BY INDUSTRY)



CREDENTIAL ANALYSIS

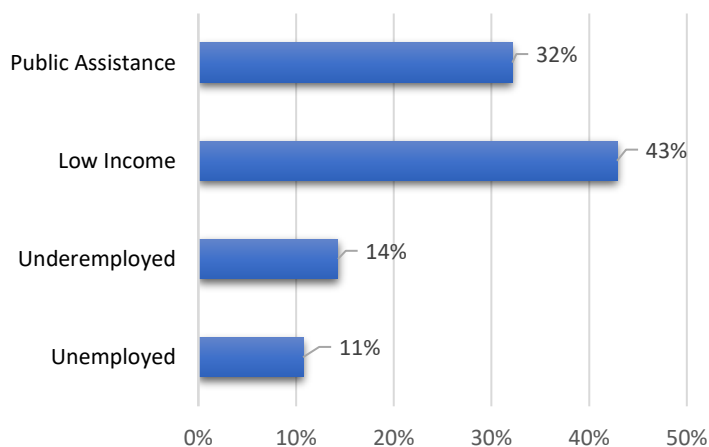
Graduates/Completers

Industry Recognized Credential	Certificate	Associate	Bachelor
	67%	33%	0%

Active Students

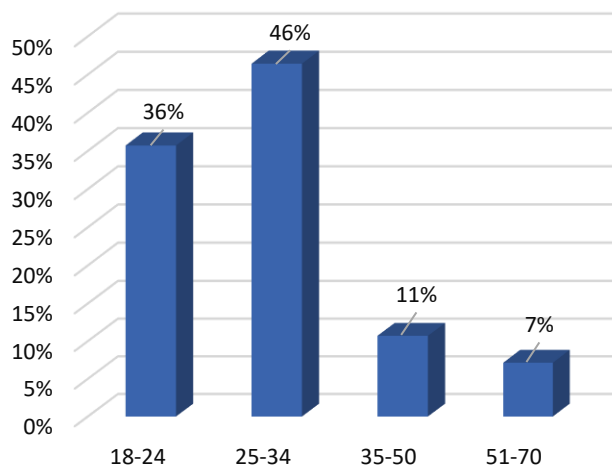
Industry Recognized Credential	Certificate	Associate	Bachelor
	0%	23%	64%

Financial Eligibility



Some participants meet more than one eligibility factor.

Participant Age



Edinburg Economic Development Corporation
Meeting Date: August 28, 2023

Consider accepting the Edinburg EDC 2022 Audit.

1. Agenda Item:

Consider accepting the Edinburg EDC 2022 Audit.

2. Description/Scope:

The Burton, McCumber & Longoria LLP firm conducted the audit and reviewed the Annual Financial Report for the year ended September 30, 2022. Ricky Longoria, CPA, CFE and Luis Lopez, CPA, will be available for any questions.

3. Estimated Timeline:

Audit is completed once a year.

4. Budget:

The audit was budgeted in FY23.

5. Procurement/Selection Process:

The Edinburg EDC has an engagement letter with Burton, McCumber & Longoria, LLP, per the RFP No. 2022-018 for Auditing Services for year ending September 30, 2022.

6. Staff's Recommendation:

Staff recommends acceptance.

7. Justification:

Raudel Garza, Edinburg
EDC Executive Director

ATTACHMENTS

Attachment A: Edinburg EDC Audit Governance Letter

Attachment B: Edinburg EDC Audit Report - September 30, 2022

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

The Right Choice.

BML

McAllen • Brownsville

Burton
McCumber
& Longoria, LLP
CPAs & Advisors

August 25, 2023

To the Board of Directors
Edinburg Economic Development Corporation

We have audited the financial statements of the governmental activities and each major fund of Edinburg Economic Development Corporation (EEDC) for the year ended September 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 9, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by EEDC are described in Note I to the financial statements. During the year ended September 30, 2022, GASB Statement No. 87, *Leases*, became effective. Management evaluated the effect of this new accounting and determined it does not have a material effect, both individually or in the aggregate, to the financial statements taken as a whole. We noted no transactions entered into by EEDC during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the EEDC's financial statements were:

Management's estimate regarding the collectability of notes receivable balances due from Santana Textiles, LLC. Management believes their position as second lienholder is favorable and are confident the property used as collateral holds enough value for successful collection.

Management's estimate of depreciation expense and accumulated depreciation is based on the estimated useful lives of capital assets using the straight-line method.

We evaluated the methods, assumptions, and data used to develop the estimated described above in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure related to the notes receivable from Santana Textiles, LLC in Note V to the financial statements. Notes receivable from Santana Textiles, LLC make up approximately 31% of total assets for the general fund. Management's estimates related to the collectability of these balances are critical as it can have a significant impact on the EEDC's financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

The completion of our audit was significantly delayed given the timing at which information was provided to us to begin our audit. Due to turnover in the City's finance department as well as accounting issues identified in management's process for preparing for the audit, management was unable to provide a trial balance to us until April 14, 2023. Once a trial balance was provided to us, supporting schedules and other information requested continued to be provided through August 2023.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. Additionally, the attached schedule also summarizes material misstatements detected as a result of audit procedures which were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 18, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to EEDC's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as EEDC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the schedule of revenues, expenditures and changes in fund balance – budget to actual – General Fund, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of EEDC and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Burton McGuire & Long, LLP

Edinburg Economic Development Corporation
Summary of Uncorrected and Corrected Misstatements
September 30, 2022

Uncorrected Misstatements

Account	Description	Debit	Credit
Proposed Journal Entries			
Proposed Journal Entries JE# 1			
PAJE - Adjustment to record the lease receivable and related deferred inflows of resources associated with the implementation of GASB Statement No. 87, Leases. This is a new lease standards applicable to EEDC for the fiscal year ended September 30, 2022.			
	DR LEASES RECEIVABLE	19,563.00	
	CR DEERFERRED INFLOWS OF RESOURCES - LEASES		19,563.00
Total		19,563.00	19,563.00

Corrected Misstatements

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE# 1			
To reclassify negative cash balances in pooled cash account with the City of Edinburg.			
450-101100	CLAIM ON OPERATING CASH	2,319,795.00	
452-101100	CLAIM ON OPERATING CASH	850,825.00	
450-210100	DUE TO GENERAL FUND (CITY OF EDINBURG)		2,319,795.00
452-210100	DUE TO GENERAL FUND (CITY OF EDINBURG)		850,825.00
Total		3,170,620.00	3,170,620.00

Adjusting Journal Entries JE# 2			
Reclassification to separate the allowance between notes receivables and other receivables.			
450-103201	ALLOWANCE UNCOLLECTABLE	2,825,951.00	
450-103201-RCL	ALLOWANCE UNCOLLECABLE - RECEIVABLES		2,825,951.00
Total		2,825,951.00	2,825,951.00

Adjusting Journal Entries JE# 3			
PBC AJE- To record accrued interest for bonds FY 21-22			
904-9500-702701	BOND INTEREST EXPENSE	138,187.00	
904-201250	ACCRUED INTEREST		138,187.00
Total		138,187.00	138,187.00

Adjusting Journal Entries JE# 4			
PBC AJE#2- To zero out CIP account since assets undergoing construction will transfer ownership to the City of Edinburg and IDEA.			
904-300301	FUND BALANCE	3,293,427.00	
904-300301	FUND BALANCE	591,030.00	
904-155120	CONSTRUCTION IN PROGRESS		3,293,427.00
904-155120	CONSTRUCTION IN PROGRESS		591,030.00
Total		3,884,457.00	3,884,457.00

Adjusting Journal Entries JE# 5			
To correct revenue recognition related to accrued interest and late fees on Santana Textiles, LLC receivables.			
450-300302	PRIOR PERIOD ADJUSTMENT	999,665.00	
450-8000-425100	SANTANA TEXTILES LOAN REVENUE	728,750.00	
450-9500-554400	BAD DEBTS	123,125.00	
450-9500-554400	BAD DEBTS	61,461.00	
450-103201-RCL	ALLOWANCE UNCOLLECABLE - RECEIVABLES		123,125.00
450-8000-425100	SANTANA TEXTILES LOAN REVENUE		61,461.00
450-9500-554400	BAD DEBTS		728,750.00
450-9500-554400	BAD DEBTS		999,665.00
Total		1,913,001.00	1,913,001.00



EDINBURG

Economic Development Corporation

FISCAL YEAR - 21|22

5
ANNUAL FINANCIAL REPORT

This page is intentionally left blank.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS

<u>Exhibit</u>	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
 <u>Basic Financial Statements</u>	
Government-Wide Statements:	
A-1 Statement of Net Position	10
B-1 Statement of Activities	11
Governmental Fund Financial Statements:	
C-1 Balance Sheet	12
C-2 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	13
C-3 Statement of Revenues, Expenditures, and Changes in Fund Balance	14
C-4 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	15
Notes to the Financial Statements	16
 <u>Required Supplementary Information</u>	
G-1 Budgetary Comparison Schedule - General Fund	35
 <u>Compliance Section</u>	
Report on Compliance and Internal Control Over Financial Reporting Based on an audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	39
Schedule of Findings and Responses	41

This page is intentionally left blank.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Edinburg Economic Development Corporation

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Edinburg Economic Development Corporation (EEDC), a component unit of the City of Edinburg, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the EEDC's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the EEDC, as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the EEDC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter

As discussed in Note III to the financial statements, the EEDC has notes receivable totaling \$13,640,004 due from Santana Textiles, LLC. Santana Textiles, LLC has ceased operations and has not complied with the loan repayment terms as outlined in the note agreements. Accordingly, Santana Textiles, LLC is in default with the terms of the note agreements. Management has evaluated the facts and circumstances associated with these notes, including the EEDC's status as second lien holder and the market values of property and equipment. Management expects to substantially recover the balances due from Santana Textiles, LLC. Any changes in management's estimates associated with these notes may have a material effect on the EEDC's financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the EEDC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the EEDC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the EEDC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do 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.

Burton McCall & Long, LLP

McAllen, Texas
August 18, 2023

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending September 30, 2022

In this section of the Annual Financial Report, we, the managers of Edinburg Economic Development Corporation (EEDC), discuss and analyze the EEDC's financial performance for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with the independent auditors' report on page 1, and the EEDC's Basic Financial Statements and related disclosures, which begin on page 10.

FINANCIAL HIGHLIGHTS

General Fund

- At fiscal year-end, total fund balance for the General Fund was \$42,035,498.
- General Fund revenues were \$9,149,502 and General Fund expenses were \$9,552,482.

Government-Wide

- EEDC's governmental activities reported program expenses of \$6,954,290. General revenues totaled to \$9,281,124 and charges for services \$104,995, resulting in an increase in net position of \$2,431,829.
- At year end, EEDC's governmental activities reported combined total net position of \$17,340,104.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities on pages 10 and 11. These statements provide information about the activities of the EEDC as a whole and present a longer-term view of EEDC's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner like the financial reports of a business enterprise.

Fund financial statements, starting on page 12, report the EEDC's operations in more detail than the government-wide statements by providing information about the EEDC's most significant funds. For governmental funds, these statements tell how services were financed in the short-term, as well as, what resources remain for future spending. They reflect the flow of current financial resources and the appropriations budget.

The notes to the financial statements starting on page 16 provide narrative explanations or additional data needed for full disclosure in the government-wide statements and fund financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to EEDC's basic financial statements. EEDC's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending September 30, 2022

Government-Wide Financial Statements

The analysis of the EEDC's overall financial condition and operations begins on page 10. Its primary purpose is to show whether the EEDC is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the EEDC's assets, liabilities and outflow of resources at the end of the year while the Statement of Activities includes all the revenues and expenses generated by EEDC's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All the current year's revenues and expenses are recognized regardless of when cash is received or paid. The EEDC's revenues are divided into those provided by outside parties who share the costs of some programs. All the EEDC's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the EEDC's net position and changes in them. The EEDC's net position (the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources) provide one measure of the EEDC's financial health or financial position. Over time, increases or decreases in the EEDC's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the EEDC, however, you should consider non-financial factors as well, such as changes in the EEDC's sales taxes due to the economy and the condition of the EEDC's facilities.

In the Statement of Net Position and the Statement of Activities, we reflect the EEDC in only one kind of activity:

- Governmental activities: All of the EEDC's basic services are reported here. Sales taxes designated for economic development finance most of EEDC's activities.

Fund Financial Statements

The fund financial statements begin on page 12 and provide detailed information about the EEDC as a whole. The EEDC has one fund type - Governmental Funds.

- Governmental funds: All of the EEDC's basic services are reported in governmental funds. These funds use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the EEDC's general operations and the basic services it provides.

We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending September 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position (Government-Wide)

Net position may serve over time as a useful indicator of a government's financial position. At year end, EEDC's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$17,340,104. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements was \$(9,668,881). In prior years, EEDC acquired debt that was committed for projects and assets contributed to other entities, please refer to Note XIV - Commitments for additional information. The release of funds related to the contributed projects and assets, decreases the restricted net position. In the year ending September 30, 2022, unrestricted net assets increased by \$3,309,972 and restricted net assets decreased by \$2,072,919. Additionally, EEDC acquired land and buildings that increased capital assets by \$1,194,776.

The following table summarizes the EEDC's net Position as of September 30, 2022.

Table I

	Governmental Activities 2022	Governmental Activities 2021, Restated
Assets		
Current and other assets	\$ 43,116,198	\$ 44,896,004
Capital assets	8,610,938	7,416,162
Total assets	<u>51,727,136</u>	<u>52,312,166</u>
Deferred outflow of resources	<u>1,566,855</u>	<u>1,697,863</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 53,293,991</u>	<u>\$ 54,010,029</u>
Liabilities		
Current liabilities	\$ 1,218,887	\$ 4,481,754
Long-term liabilities	34,735,000	34,620,000
Total liabilities	<u>35,953,887</u>	<u>39,101,754</u>
Net Position		
Net in invested in capital assets	8,610,938	7,416,162
Restricted	18,398,047	20,470,966
Unrestricted	<u>(9,668,881)</u>	<u>(12,978,853)</u>
Total Net Position	<u>17,340,104</u>	<u>14,908,275</u>
Total Liabilities and Net Position	<u>\$ 53,293,991</u>	<u>\$ 54,010,029</u>

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending September 30, 2022

Statement of Activities (Government-Wide)

The EEDC 's total revenues were \$9,386,119. Sales tax contributed \$8,600,943 or 91.6% of total revenues, which contributed for most of the revenues increase. Economic Development and Assistance increased by \$1,905,019 or 51.6% as projects related to incentives continued construction, see note XIV for more information. As the Series 2015 Sales Tax Revenue Bond was refinanced in the prior year, bond interest decreased as expected.

The following table summarizes the change in the EEDC's net assets from its activities for the fiscal year ended September 30, 2022.

Table 2

	Governmental Activities 2022	Governmental Activities 2021, Restated
Revenues		
Program Revenues:		
Charges for Services	\$ 104,995	\$ 90,132
General Revenues:		
Sales Taxes	8,600,943	7,622,882
Miscellaneous Revenue	336,242	-
Investment Earnings	107,322	9,843
Gain on Sale of Property	236,617	857,691
Total Revenue	<u>\$ 9,386,119</u>	<u>\$ 8,580,548</u>
Expenses		
Economic Development and Assistance	\$ 5,599,063	\$ 3,694,044
Debt Bond Interest and Other Charges	1,355,227	2,570,958
Total Expenses	<u>6,954,290</u>	<u>6,265,002</u>
Change in Net Position	2,431,829	2,315,546
Net Position Beginning	14,908,275	12,302,791
Prior Period Adjustment	-	289,938
Net Position Ending	<u>\$ 17,340,104</u>	<u>\$ 14,908,275</u>

As reflected in the Statement of Activities, total expenses for governmental activities were \$6,954,290. General revenues of \$9,386,119 exceeded the total net expenses for governmental activities of \$6,954,290 by \$2,431,829. As payments related to projects start to increase, expenses will increase, projecting a decrease in net position for the upcoming year.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending September 30, 2022

GENERAL FUND FINANCIAL ANALYSIS

The General Fund is the chief operating fund of the EEDC. At the end of the current fiscal year, the total fund balance of the General Fund was \$42,035,498.

General Fund Budgetary Highlights

The EEDC amended the General Fund Budget during the year. Those budget amendments fall into two categories. The first involved amendments moving funds from categories that did not need all the resources to categories with resource needs. The second involved adjusting the budget to better reflect the needs and resources available as changes in personnel affected the use of the budget.

- The major revenue variance of \$870,943, or 11%, was in Sales Tax Revenue as it was budgeted conservatively.
- Overall expenditures were below budget. During the year, certain projects were delayed due to changes in personnel and shortages in materials and equipment which caused differences in the budget. Additionally, purchases of properties budgeted for the year ending September 30, 2022 closed after year end which resulted in budget differences.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the 2021-2022 year, the EEDC had \$8,610,938 invested in a broad range of capital assets, including land, buildings, furniture and equipment. No capital assets are impaired.

More detailed information about the EEDC's Capital Assets is presented in the notes to the financial statements.

Debt

At year-end, the EEDC had \$34,735,000 in bonds outstanding versus \$36,320,000, restated. The decrease is attributed to principal payments made during the year. No new debt was issued.

More detailed information about the EEDC's long-term liabilities is presented in the notes to the financial statements.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending September 30, 2022

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Fiscal year 2023 is projected to be a year of continued growth. Both public and private development in building and infrastructure activity will serve to broaden the City's tax base and provide continuing employment opportunities for the residents. In 2022, the EEDC experienced a 13% increase in sales tax revenue from 2021. Cash reserves are in place in accordance with the investment policy in secured investments. Additionally, according to the Texas Labor Market Review, the unemployment rate for the McAllen-Edinburg-Mission MSA as of November 30, 2022 was 5.5%, which represents a decrease compared to 7.7% from prior year. The state average rate is reported at 3.8% and the national average rate is at 3.6%.

The EEDC Board of Directors has approved the General Fund Budget for the Fiscal Year 2023 that includes funding for continued growth and development opportunities. Revenues in the General Fund are estimated at \$9,119,480, with an additional transfer in from the City of Edinburg of \$13,225,173. Budgeted expenditures are estimated at \$22,344,653. Cash is expected to decrease by the close of fiscal year 2023 as construction progress. Priority has been placed on the development of El Tule Recreation Center, airport, infrastructure projects, workforce programs, and the revitalization of the Downtown District, including the construction of the Parking Garage and the Edinburg Arts, Culture, Events Center (A.C.E.).

CONTACTING THE EEDC'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the EEDC's finances and to show the EEDC's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the EEDC's administration office at:

Edinburg Economic Development Corporation
3111 W. Freddy Gonzalez Dr.
Edinburg, Texas 78539

BASIC FINANCIAL STATEMENTS

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

EXHIBIT A-1

	Primary	Government
		Governmental Activities
ASSETS		
Cash and Cash Equivalents	\$	10,380,222
Cash and Cash Equivalents- Restricted		19,368,773
Notes Receivable, Net		13,367,203
Capital Assets:		
Land Purchase and Improvements		7,322,205
Buildings, Net		1,288,733
Total Assets		<u>51,727,136</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge for Refunding		1,566,855
Total Deferred Outflows of Resources		<u>1,566,855</u>
LIABILITIES		
Accounts Payable		95,287
Due to Primary Government		985,413
Accrued Interest Payable		138,187
Noncurrent Liabilities:		
Bonds Payable:		
Bonds Payable - Due Within One Year		1,580,000
Bonds Payable - Due in More Than One Year		33,155,000
Total Liabilities		<u>35,953,887</u>
NET POSITION		
Net Investment in Capital Assets		8,610,938
Restricted:		
Restricted for Capital Acquisition		13,556,134
Restricted for Debt Service		4,061,913
Restricted for Other Purposes		780,000
Unrestricted		<u>(9,668,881)</u>
Total Net Position	\$	<u><u>17,340,104</u></u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT B-1

11

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General Fund
ASSETS	
Cash and Cash Equivalents	\$ 10,380,222
Cash and Cash Equivalents- Restricted	19,368,773
Notes Receivable, Net	13,367,203
Total Assets	<u>\$ 43,116,198</u>
LIABILITIES	
Accounts Payable	\$ 95,287
Due to Primary Government	985,413
Total Liabilities	<u>1,080,700</u>
FUND BALANCE	
Nonspendable	13,367,203
Restricted for Capital Projects	13,556,135
Restricted for Debt Service	4,061,913
Other Restricted	780,000
Unassigned	10,270,247
Total Fund Balance	<u>42,035,498</u>
Total Liabilities and Fund Balance	<u>\$ 43,116,198</u>

The notes to the financial statements are an integral part of this statement.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2022

Total Fund Balances - Governmental Funds	\$ 42,035,498
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The net effect of including the beginning balances for capital assets (net of depreciation) of \$7,416,162 the current year capital outlays of \$1,321,260, the disposal of capital assets of (\$82,372) and the current year's depreciation expense of (\$44,112) is to increase net position.	8,610,938
Long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The current and long term liabilities for bonds payable are reported in the statement of net position.	(34,735,000)
Deferred amounts on refunding's are deferred outflows of resources and, therefore, are not reported in the funds.	1,566,855
Interest on long-term debt payable is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(138,187)
Net Position of Governmental Activities	\$ 17,340,104

The notes to the financial statements are an integral part of this statement.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT C-3

General
Fund

REVENUES:

General Sales Taxes	\$ 8,600,943
Lease and Rental	104,995
Note Receivable Interest	61,461
Investment Earnings	107,322
Other Revenue	274,781
Total Revenues	<u>9,149,502</u>

EXPENDITURES:

Conservation and Development:	
Economic Development and Assistance	5,554,951
Debt Service:	
Principal on Debt	1,585,000
Interest on Debt	1,087,719
Other Debt Charges	3,553
Capital Outlay:	
Capital Outlay	1,321,259
Total Expenditures	<u>9,552,482</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(402,980)</u>

OTHER FINANCING SOURCES (USES):

Sale of Real and Personal Property	318,988
Total Other Financing Sources (Uses)	<u>318,988</u>
Net Change in Fund Balance	(83,992)
Fund Balance - October 1 (Beginning)	58,928,352
Prior Period Adjustment	(16,808,862)
Fund Balance - September 30 (Ending)	<u>\$ 42,035,498</u>

The notes to the financial statements are an integral part of this statement.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

Total Net Change in Fund Balances - Governmental Funds	\$ (83,992)
Current year capital outlays \$1,321,260 are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2022 capital outlays and the disposal of capital assets with a net value of (\$82,372) is to increase net position.	1,238,888
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.	(44,112)
Current year long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2022 debt principal payments of \$1,585,000 is to increase net position.	1,585,000
Amortization of deferred bond charges and accrued interest payable are not recognized as expenses in governmental funds since they do not require the use of current financial resources. The net effect of the current year's amortization expense of \$125,768 and accrued interest payable of \$138,187 is to decrease the change in net position.	(263,955)
Change in Net Position of Governmental Activities	\$ 2,431,829

The notes to the financial statements are an integral part of this statement.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Edinburg Economic Development Corporation (EEDC), a component unit of the City of Edinburg, was incorporated on April 23, 1990, under the Constitution of the State of Texas. The EEDC was organized on behalf of the City of Edinburg for the purpose of promoting the development of commercial, industrial, and manufacturing enterprises as well as improving the quality of life within its city limits and encouraging new employment opportunities.

The EEDC is a 501(c)(4) not for profit corporation by the Internal Revenue Service, and thus, its income is generally exempt from federal income taxation.

The EEDC prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles.

The accounting policies of the EEDC as reflected in the accompanying financial statements conform to GAAP for local governmental units as prescribed by the GASB.

A. REPORTING ENTITY

Governmental Accounting Standards Board (GASB) Statement No. 61, "The Financial Reporting Entity," provides guidance for determining which governmental organizations should be included within a reporting entity. GASB statement No. 61 sets forth financial accountability as the basic criterion for inclusion of a government unit in a governmental reporting entity. Financial accountability is defined as appointment of a voting majority of the component units board and either the ability to impose its will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Due to the primary government's ability to impose its will on the EEDC, the EEDC is a component unit of the City of Edinburg.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the EEDC's non-fiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes and other intergovernmental revenues.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

The Statement of Activities demonstrates how other people or entities that participate in programs the EEDC operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use or directly benefit from goods or services provided by a given function or segment of the EEDC. The "grants and contributions" column includes amounts paid by organizations outside the EEDC to help meet the operational or capital requirements of given function. If a revenue is not a program revenue, it is a general revenue used to support all of the EEDC's functions. Taxes are always general revenues.

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are netted and presented as a single "transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "internal balances" line of the government-wide statement of net position.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities, and fund balances are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present net increases and decreases in current assets (i.e. revenues and other financing sources and the expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long- term debt, which is recognized when due. The expenditures related to certain claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The EEDC considers all revenues available if they are collected within 60 days after year-end.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

Revenues from local sources consist primarily of sales taxes. Sales tax revenues are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The EEDC considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until received. Investment earnings are recorded as earned, since they are both measurable and available.

D. FUND ACCOUNTING

The EEDC reports the following major governmental funds:

The General Fund - The primary operating fund is the only major fund in the current fiscal year. It accounts for all of the financial resources of the general government, except those required to be accounted for in another fund.

E. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. The capital projects are appropriated on a project-length basis. The appropriated budget is prepared by fund, function, and department. Transfers of appropriations between require the approval of the Board of Directors.

F. OTHER ACCOUNTING POLICIES

1. In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as, bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. OTHER ACCOUNTING POLICIES (Continued)

2. Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.
3. Receivables consist of uncollected notes receivable at year end. Additional details can be found on Note III.
4. Capital assets, which include land, buildings, furniture and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the EEDC as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture, and equipment of the EEDC are depreciated using the straight-line method over the following estimated useful lives. The estimated lives range from 5 to 20 years for equipment, 10 to 40 years for improvements, and 40 years for buildings.

5. Deferred Outflows/Inflows of Resources are sometimes an addition to assets and liabilities. They are reported in a separate section for deferred outflows and inflows of resources in the statement of net position. Deferred outflow of resources represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The EEDC records deferred outflows of resources related to deferred charges on refunding.
6. *Restricted Assets:* Proceeds of revenue bonds issued, as well as, certain resources set aside for their repayment, are classified as restricted assets on the Balance Sheet because their use is limited by applicable bond covenants.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

F. OTHER ACCOUNTING POLICIES (*Continued*)

7. When the EEDC incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.
8. In the fund financial statements, governmental funds report fund balance based on the following classifications: non-spendable, restricted, committed, assigned *or* unassigned. Restricted fund balances are amounts legally restricted by outside parties for use by a specific purpose. Commitments of fund balance require approval of the Board of Directors through formal action. The Board of Directors delegates the responsibility to assign fund balance to the Director or his/her designee, when appropriate. Unassigned fund balance is the residual classification for the general fund after the amounts for the restricted, committed, and assigned classifications have been identified. Funds will be utilized in the following order: restricted, committed, assigned, and unassigned.

G. CURRENT ACCOUNTING STANDARDS

In June 2017, GASB issued Statement No. 87, Leases, which improves the accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provision of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This statement was adopted in the current year, resulting in no material effect.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

II. DEPOSITS AND INVESTMENTS

The EEDC Depository Agreement requires its designated financial institution to secure by collateral valued at fair value, less the amount of the Federal Deposit Insurance Corporation insurance. At September 30, 2022, the EEDC's deposits were entirely covered by federal deposit insurance or were secured by collateral held by the pledging financial institution's agent in the EEDC's name, pursuant to the Depository Agreement. The bank balance consisted of the following at September 30, 2022:

Bank	Bank Balance
Texas National Bank-Operating	\$ 10,514,061
Texas National Bank-Debt Service	2,673,675
Texas National Bank-Arena	780,000
TexStar 2019 DS	780,136
TexStar 2021AB	9,073,696
TexStar 2021B DS	164,048
TexStar 2021A DS	444,054
TexStar 2019	5,453,163
Total Bank Deposits	<u>\$ 29,882,833</u>

The Public Funds Investment Act (Government Code, Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the EEDC to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity (2) portfolio diversification (3) allowable investments (4) acceptable risk levels (5) expected rates of return (6) maximum allowable stated maturity of portfolio investments (7) maximum average dollar- weighted maturity allowed based on the stated maturity date for the portfolio (8) investment staff quality and capabilities (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas (2) certificates of deposit (3) certain municipal securities (4) money market savings accounts (5) repurchase agreements (6) bankers acceptance (7) Mutual Funds (8) Investment Pools guaranteed investment contract (10) and common trust funds.

At September 30, 2022 the EEDC had 100% of its investments in interest paying accounts and TexSTAR, a conservatively managed fund operated in full compliance with the PFIA, rated AAAM by Standard & Poors. TexSTAR is an investment pool created by Local Governments for Local Governments.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

II. DEPOSITS AND INVESTMENTS (Continued)

As of September 30, 2022, all of the EEDC's external investment pools meet the criteria described in GASB Statement No. 79 and measure all of their investments at amortized cost; therefore, the EEDC has also measured their investments in these external investment pools at amortized cost for financial reporting purposes. In addition, the pools do not have any limitations or restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity or redemption gates.

Credit Risk: To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the EEDC limits investments to Certificates of Deposits, Public Funds Investment Pools and Guaranteed Investment Contracts, collateralized by the U.S. Government Securities. As of September 30, 2022, the EEDC's investments were secured by the U.S. Government Securities, pursuant to the Depository Agreement.

Custodial Credit Risk for Investments: State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the EEDC complies with this law, it has no custodial credit risk for deposits.

Concentration of Credit Risk: To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the **investment portfolio** shall be diversified in terms of investment instruments maturity scheduling, and financial institutions. As of September 30, 2022, the EEDC had investments only in a public funds investment pool.

Interest Rate Risk: Interest rate risk is defined as the risk that changes in interest rates will adversely affect the amortized value of an investment. For operating funds, such as the general fund, maturities shall not exceed one year. As of September 30, 2022, the EEDC had investments only in a public funds investment pool.

Foreign Currency Risk for Investments: Foreign currency risk is the risk that changes in exchanges rates will adversely affect the fair value of an investment. At year-end, the EEDC was not exposed to foreign currency risk.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

III. AGGREGATE RECEIVABLES

The aggregate receivables at September 30, 2022, were:

Notes Receivable - Santana Textiles	\$ 13,640,004
Allowance for Uncollectible Notes	(272,800)
<u>Total Notes Receivable, net</u>	<u>\$ 13,367,204</u>
Accounts Receivable - Accrued Interest and Late Fees (Santana Textiles)	3,221,876
Allowance for Uncollectible	(3,221,876)
<u>Total Receivable, net</u>	<u>\$ -</u>

The notes receivable (Santana Textiles) account is comprised of two (2) notes from Santana Textiles, LLC. The first note originated on April 16, 2010, in the amount of \$5,000,000. The second note originated on August 30, 2011, in the amount of \$10,000,000. The current agreement with Santana Textiles expired on October 21, 2022. The EEDC is negotiating an extension. Listed below are dates in which the EEDC and Santana Textiles, LLC agreed to reinstate, modify, renew, and extend the note receivable agreement. Under the most recent contract dated December 17, 2017, the terms and amounts agreed were as follows:

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

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

Santana Textiles has ceased operations and is in default of loan payments and interest and is currently under an agreement to cover delinquent property taxes with Hidalgo County. EEDC is secondary lien holder on the notes. Management of EEDC feels that a satisfactory agreement will be placed and is negotiating an extension to agree on a date to satisfy the pending receivable either by contracting with other companies to take over the project or through asset liquidation.

The combined balance of the notes receivable is \$13,640,004. An allowance for uncollectible has been setup at 2% of the note receivable balance. An additional allowance for uncollectible has been set up for the accrued interest and late fees. The total allowance for uncollectible balance is \$3,221,876 which brings the notes receivable, net balance to \$13,367,204. A Cross-Collateralization and Cross-Default and Security Agreement was executed on August 30, 2011 and recorded in the Office of the County Clerk of Hidalgo County, Texas as Document No. 2237059 for both Notes.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

IV. ACCOUNTS PAYABLE

The accounts payable at September 30, 2022, were:

Capital Projects	\$	89,416
TML Insurance		5,599
Utilities		272
Total Accounts Payable	\$	95,287

V. SINKING FUNDS

As of September 30, 2022, the sinking funds consisted of the following:

Account	Reserve Required	Balance at 09/30/22	Overfunded/ (Underfunded)
TexStar Series 19 Bond Reserve	\$ 761,150	\$ 780,136	\$ 18,986
TexStar Series 2021A Bond Reserve	456,069	444,054	(12,015)
TexStar Series 2021B Bond Reserve	162,988	164,048	1,060
	\$ 1,380,207	\$ 1,388,238	\$ 8,031

VI. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund
Sales Taxes	\$ 8,600,943
Investment Income	107,322
Rental Income	104,995
Note Receivable Interest	61,461
Miscellaneous Income	274,781
Total	\$ 9,149,502

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

VII. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Primary Government				
<i>For the Years Ended September 30,</i>	2021	Additions	Retirements	Adjustments	2022
Capital assets not being depreciated:					
Land	\$ 6,238,287	\$ 1,016,333	\$ (82,372)	\$ 149,957	\$ 7,322,205
Total capital assets not being depreciated	6,238,287	1,016,333	(82,372)	149,957	7,322,205
Capital assets being depreciated:					
Buildings	1,797,442	304,927	(40,338)	(149,957)	1,912,074
Furniture and equipment	724	-	-	-	724
Total capital assets being depreciated	1,798,166	304,927	(40,338)	(149,957)	1,912,798
Less: accumulated depreciation for:					
Buildings	(619,654)	(44,025)	40,338	-	(623,341)
Furniture and equipment	(637)	(87)	-	-	(724)
Total accumulated depreciation	(620,291)	(44,112)	40,338	-	(624,065)
Total capital assets, being depreciated, net	1,177,875	260,815	-	(149,957)	1,288,733
Governmental activities capital assets, net	\$ 7,416,162	\$ 1,277,148	\$ (82,372)	\$ -	\$ 8,610,938

Costs associated with the ongoing construction projects were not capitalized as the assets will be owed and operation by the City of Edinburg or other entities. See note XIV for additional information. For the fiscal year ended September 30, 2022 depreciation expense was \$44,112.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

VIII. LONG-TERM DEBT

Long-term debt consists of the following at September 30, 2022:

\$2,300,000 Bond Issue Series 2013A; payable in semi-annual installments of \$18,750 plus interest of 3.120%, maturing February 15, 2024; collateralized by economic development sales tax receipts.	\$ 520,000
\$4,575,000 Bond Issue Series 2013B; payable in semi-annual installments of \$37,500 plus interest of 3.040%, maturing August 15, 2024; collateralized by economic development sales and use tax receipts.	1,030,000
\$10,840,000 Bond Issue Series 2019; payable in semi-annual installments plus interest maturing August 15, 2044.	10,170,000
\$7,730,000 2021A Sales Tax Revenue Bonds; payable in semi-annual installments plus interest of 2.500%-3.375%, maturing in August 15, 2046; collateralized by sales and use tax receipts.	7,495,000
\$2,250,000 2021B Sales Tax Revenue Bonds; payable in semi-annual installments plus interest of 4.750%-5.250%, maturing in August 15, 2046; collateralized by sales and use tax receipts.	2,195,000
\$13,610,000 2021 Sales Tax Revenue Refunding Bonds; payable in semi-annual installments plus interest of .355%-2.340%, maturing in February 15, 2035; collateralized by sales and use tax receipts.	<u>13,325,000</u>
	<u>\$ 34,735,000</u>

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

VIII. LONG-TERM DEBT (Continued)

EEDC has issued sales tax revenue bonds to finance various construction projects to enhance economic development in the Edinburg area. These bonds are to be repaid with sales tax revenue.

Annual debt service requirements to maturity for the EEDC's general long-term debt are as follows:

Fiscal Year	Principal	Interest
2023	\$ 1,580,000	\$ 1,093,103
2024	1,625,000	1,049,036
2025	1,665,000	1,010,977
2026	1,695,000	977,766
2027	1,735,000	941,188
2028-2032	9,335,000	4,030,271
2033-2037	8,110,000	2,670,010
2038-2042	5,345,000	1,517,706
2043-2046	3,645,000	325,800
	\$ 34,735,000	\$ 13,615,857

Summary of changes in Long-Term Debt for the year ended September 30, 2022:

	September 30, 2021, as Previously Presented	Prior Period Adjustment	September 30, 2021, as Restated	Additions	Reductions	September 30, 2022	Current Portion
Bonds payable							
Series 2013A	\$ 765,000	\$ -	\$ 765,000	\$ -	\$ (245,000)	\$ 520,000	\$ 255,000
Series 2013B	1,520,000	-	1,520,000	-	(490,000)	1,030,000	505,000
Taxable Series 2015	13,125,000	(13,125,000)	-	-	-	-	-
Series 2019	10,445,000	-	10,445,000	-	(275,000)	10,170,000	285,000
Series 2021A	7,730,000	-	7,730,000	-	(235,000)	7,495,000	220,000
Series 2021B	2,250,000	-	2,250,000	-	(55,000)	2,195,000	50,000
Series 2021 Refunding	13,610,000	-	13,610,000	-	(285,000)	13,325,000	265,000
Total Bonds Payable	49,445,000	(13,125,000)	36,320,000	-	(1,585,000)	34,735,000	1,580,000
Total Long-Term Debt	\$ 49,445,000	\$(13,125,000)	\$ 36,320,000	\$ -	\$ (1,585,000)	\$ 34,735,000	\$ 1,580,000

Prior Year Defeasance of Debt

In 2021, the EEDC refunded \$13,125,000 of the Series 2015 Sales Tax Revenue Bond. At September 30, 2022, \$13,010,000 of defeased bonds remains outstanding.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

IX. RISK MANAGEMENT

The EEDC maintains insurance for all business and government functions of which it may be liable for claims, through the City of Edinburg, Texas. The more significant of these include general liability insurance, property insurance covering the EEDC's industrial park buildings and structures, and the Director and Board of Directors. City personnel who served as administrators for the EEDC were covered by a fully insured health insurance plan provided by the City of Edinburg. There have been no significant reductions in insurance coverage.

X. TAX INCREMENT REINVESTMENT ZONE

In 1997, the City Council approved Ordinance No. 1915 which created a tax increment reinvestment zone pursuant to Chapter 311 of the Texas Code. This was originally designated as Reinvestment Zone Number One, City of Edinburg, Texas (1997 Zone). However, no public or private improvements were made to the 1997 Zone and expected development never materialized. Therefore, on November 18, 2008, an ordinance was passed terminating the 1997 zone. However, the new zone established in 2007 (TIRZ #1 described below) was inadvertently named Reinvestment Zone Number One, City of Edinburg, Texas. Since the 1997 Zone was terminated, there was no need to change the name of the 2007 tax increment zone. There is no Tax Increment Zone Number Two. Reinvestment Zone Number One, City of Edinburg, Texas (TIRZ #1) is a reinvestment zone created by the City of Edinburg, pursuant to the Tax Increment Financing Act, Chapter 311, Texas Tax Code. Creation of the tax increment zone along with an economic development agreement between the City of Edinburg, Hidalgo County, the Edinburg Economic Development Corporation, the City of Edinburg Local Government Finance Corporation, and the developer, allowed for property tax increment funding to support development activities relating to the development of a retail shopping center containing approximately 800,000 square feet in multiple buildings. On March 16, 2015, the development agreement with First Harford Realty Corporation dated February 20, 2007 and subsequently amended on August 16 and November 15, 2011 was cancelled. All work under the agreement had been performed by the developer and the City desired to use TIRZ #1 to help finance the repayment of debt issued for the construction Reinvestment Zone Number Four, City of Edinburg, Texas of a new municipal facility in (TIRZ #4).

TIRZ #4 is a reinvestment zone created by the City of Edinburg, pursuant to the Tax Increment Financing Act, Chapter 311, Texas Tax Code. The zone was created on November 19, 2013. Creation of the tax increment zone allows for property tax increment funding to TIRZ #4 to support financing of costs associated with the construction of public improvements related to several possible development and redevelopment projects, including the construction of a municipal facility.

On March 1, 2015, an agreement was entered into between the City, the Local Government Finance Corporation (LGFC), TIRZ # 1, TIRZ #4, and the EEDC. Under the terms of the agreement, the LGFC will aid in the financing, constructing, furnishing, and owning of an indoor multipurpose event center. The LGFC will be the landlord and lease the municipal facility to Vipers Arena, LLC as further described in the Lease and Development Agreement. In connection with this agreement, the LGFC issued bonds to finance the construction.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

X. TAX INCREMENT REINVESTMENT ZONE (Continued)

Under the terms of the agreement, the developer was responsible for half of the construction costs of the municipal facility and any cost overruns. The zone will terminate on December 31, 2045, unless otherwise terminated earlier as a result of payment in full of all project costs or tax increment bonds, if issued. The zone is managed by the City of Edinburg Local Government Finance Corporation, which is presented as a blended component unit of the City.

Under the developer agreement, the City was required to provide a Chapter 380 Grant Reimbursement equal to the difference between \$8,000,000 and the public infrastructure reimbursement. This was being paid from the City's dedicated 1% sales tax revenues within TIRZ #1 and TIRZ #4. The remaining amount due to the developer under the agreement was \$1,575,266. In addition, the EEDC owed a remaining balance of \$1,975,684, for a total amount of \$3,547,950. Under the agreement to terminate the economic development agreement, both the City and the EEDC agreed to pay off these balances. In return, the developer would release both the City and the EEDC from future obligations under the agreement. The amount needed to pay off this balance was provided by a contribution from the Vipers Arena, LLC. Tax increment revenues received by the City of Edinburg are deposited into a separate bank account designated for the tax increment reinvestment zone and transferred to the City of Edinburg Local Government Finance Corporation for the purpose of discharging obligations arising out of Public Infrastructure Bonds issued for which tax increment revenues have been pledged. Other than the City of Edinburg and Hidalgo County, no other taxing jurisdictions are participating. At the expiration of the term of the tax increment zone, any remaining tax increment revenues will be distributed into the general fund of the City in proportion to its contributions to the zone for the tax year most recently ended. TIRZ #1 and TIRZ#4 are managed by the City of Edinburg Local Government Finance Corporation, which is presented as a blended component unit of the City.

XI. RELATED PARTY TRANSACTIONS

The City of Edinburg provides administrative services to EEDC. Administrative fees for the year ended September 30, 2022 totaled \$1,000,000. Additionally, the EEDC committed proceeds from its 2019, 2021A and 2021B bonds for projects that will be contributed to the City as incentives. During the year ended September 30, 2022, EEDC had paid \$3,293,427 related to the projects.

The EEDC has a receivable for sales tax revenue sharing from the City of Edinburg. The receivable balance as of September 30, 2022 was \$2,185,207 and a payable to the City of \$2,319,795, net of \$985,413.

EEDC entered into a contract for technical assistance with the University of Texas – Rio Grande Valley Office of Center Operations and Community Services. An officer of the University is a member of the Board of Directors of EEDC. Consulting fees for the year ended September 30, 2022 totaled \$15,000. Additionally, EEDC contributed \$32,500 to the University in sponsorships for the year ended September 30, 2022.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

XII. EXPENDITURES EXCEEDING APPROPRIATION

For fiscal year ended September 30, 2022 expenditures exceeded budget in the General Fund in the following:

Function	Amount
Economic Development Assistance	\$ 1,410,533
Debt Service	3,553
Total	\$ 1,414,086

XIII. LITIGATION

From time to time the EEDC is involved in legal proceeding arising from its operations. The EEDC's administration believe the outcome of these proceedings, if not favorable to the EEDC, will not materially affect the EEDC's financial position and therefore no allowances have been made.

XIV. COMMITMENTS

Commitments as of September 30, 2022 consists of:

	Beneficiary	Committed	Expended to Date	Remaining Commitment
Incentives				
Workforce Resource Center	EEDC	\$ 1,854,828	\$ -	\$ 1,854,828
El Tule Recreation Center	City of Edinburg	4,974,310	3,293,427	1,680,884
Capable Kids Beethoven	Vanguard Academy	591,030	591,030	-
Municipal Water Park	City of Edinburg	1,000,000	-	1,000,000
ACE Center	City of Edinburg	7,000,000	-	7,000,000
Parking Garage	City of Edinburg	2,000,000	-	2,000,000
Total Commitments		\$ 17,420,168	\$ 3,884,457	\$ 13,535,711

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

XV. PRIOR PERIOD ADJUSTMENT

The EEDC prior period adjustments for the fiscal year ended September 30, 2022 were as follows:

Prior Period Adjustments - Governmental Funds	General Fund
To record outstanding incentives expenses not recorded in 2020-2021.	\$ (986,333)
To remove escrow investment for Bond Taxable Series 2015.	(14,822,863)
Adjustments to Santana Textiles' note receivable due to uncertainty, not booked in prior years.	(999,666)
Governmental Activities Prior Period Adjustment	\$ (16,808,862)
Prior period Adjustments - Government Wide	
Fund Level Prior Period Adjustment	\$ (16,808,862)
Adjustment to remove Bond Series 2015 related debt.	13,125,000
Adjustment to record deferred charges on refunding.	1,692,623
Government Wide Prior Period Adjustment	\$ (1,991,239)

XVI. SUBSEQUENT EVENTS

The EEDC considered all events through August 18, 2023, the financial statement issuance date.

During the year ending September 30, 2022, the EEDC contracted the City of Edinburg to perform their management and day to day operations. On November 7, 2022 the EEDC hired an Executive Director who began to hire personnel to perform management and day to day operations.

After year end, EEDC sold four properties totaling \$1,305,379 in proceeds.

This page is intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

This page is intentionally left blank.

EDINBURG ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
General Sales Taxes	\$ 7,730,000	\$ 7,730,000	\$ 8,600,943	\$ 870,943
Lease and Rental	91,032	91,032	104,995	13,963
Note Receivable Interest	-	-	61,461	61,461
Investment Earnings	10,000	10,000	107,322	97,322
Other Revenue	-	-	274,781	274,781
Total Revenues	7,831,032	7,831,032	9,149,502	1,318,470
EXPENDITURES:				
Conservation and Development:				
Economic Development and Assistance	4,069,000	4,144,418	5,554,951	(1,410,533)
Debt Service:				
Principal on Debt	1,585,000	1,585,000	1,585,000	-
Interest on Debt	1,088,095	1,088,095	1,087,719	376
Other Debt Charges	-	-	3,553	(3,553)
Capital Outlay:				
Capital Outlay	4,336,548	3,100,000	1,321,259	1,778,741
Total Expenditures	11,078,643	9,917,513	9,552,482	365,031
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,247,611)	(2,086,481)	(402,980)	1,683,501
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	318,988	318,988
Total Other Financing Sources (Uses)	-	-	318,988	318,988
Net Change	(3,247,611)	(2,086,481)	(83,992)	2,002,489
Fund Balance - October 1 (Beginning)	58,928,352	58,928,352	58,928,352	-
Prior Period Adjustment	-	-	(16,808,862)	(16,808,862)
Fund Balance - September 30 (Ending)	\$ 55,680,741	\$ 56,841,871	\$ 42,035,498	\$ (14,806,373)

The notes to the financial statements are an integral part of this statement.

This page is intentionally left blank.

COMPLIANCE SECTION

This page is intentionally left blank.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Edinburg Economic Development Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Edinburg Economic Development Corporation (EEDC), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise EEDC's basic financial statements and have issued our report thereon dated August 18, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered EEDC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of EEDC's internal control. Accordingly, we do not express an opinion on the effectiveness of EEDC's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and management responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and management responses as item 2022-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and management responses as items 2022-002, 2022-003, 2022-004 and 2022-005 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether EEDC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and management responses as items 2022-002 and 2022-005.

EEDC's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the EEDC's response to the findings identified in our audit and described in the accompanying schedule of findings and management responses. EEDC's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our 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. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Benton McCall & Long, LLP

McAllen, Texas
August 18, 2023

Edinburg Economic Development Corporation
Schedule of Findings and Responses
For the Year Ended September 30, 2022

Reference Number 2022-001	Prior Period Adjustments (Material Weakness)
Criteria and Condition:	Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement. We noted the prior year audited financial statements contained material misstatements resulting from errors in the application of US GAAP.
Cause and Effect:	US GAAP was not properly applied in accounting for the refunding of bonds and accounting for loans receivables. We also noted improper cutoff of expenditures. These errors resulted in prior period adjustments which decreased fund balance by \$16,808,862 in the fund financial statements and net position by \$1,991,239 in the government-wide financial statements.
Repeat Finding from Prior Year(s):	N/A
Recommendation:	We recommend accounting principles in accordance with US GAAP be applied to ensure financial statements are free from material misstatements. Continuous training and resources should be made available to finance personnel.
Views of Responsible Officials:	At the end of the year ending September 30, 2021, the Edinburg Economic Development Corporation (EEDC) transitioned accountants and the related financial records that influenced the oversight of the errors made. US GAAP will be applied to ensure financial statements are free from material misstatements. Continuous training and resources will be available to finance personnel.

**Edinburg Economic Development Corporation
Schedule of Findings and Responses - Continued
For the Year Ended September 30, 2022**

Reference Number 2022-002	Public Funds Investment Act (Significant Deficiency)
Criteria and Condition:	The Public Funds Investment Act (Government Code Chapter 2256) provides public entities in Texas with specific parameters related to the administration of investments. These parameters include a requirement for the entity's governing body to review and approve the entity's investment policy and investment strategies not less than annually, sets forth training requirements for the entity's investment officers, and requires the investment officers to prepare and submit to the governing body an investment report not less than quarterly. We noted EEDC did not have an investment policy in place for the fiscal year ended September 30, 2022. No evidence could be provided to support that investment officers had undergone the required training nor that the required investment reports were provided to the governing body on a quarterly basis.
Cause and Effect:	The EEDC did not comply with the provisions of the Public Funds Investment Act (Government Code Chapter 2256).
Repeat Finding from Prior Year(s):	N/A
Recommendation:	We recommend the investment policy be presented to the EEDC board of directors not less than annually, that investment officers undergo the required training and that quarterly investment reports be presented to the board of directors for approval to comply with the provisions of the Public Funds Investment Act.
Views of Responsible Officials:	The investment policy will be presented to the EEDC board of directors not less than annually. Investment officers will undergo the required training and that quarterly investment reports will be presented to the board of directors for approval to comply with the provisions of the Public Funds Investment Act.
Reference Number 2022-003	Disaster Recovery Plan (Significant Deficiency)
Criteria and Condition:	A disaster recovery plan is critical as it provides a framework for establishing efficient and effective restoration of systems and mitigates the risk of data loss in the event of system disruption or disaster. The EEDC's IT systems are overseen by the City of Edinburg (the City). The City and EEDC do not have a formal disaster recovery plan in place.
Cause and Effect:	The City has been working on a disaster recovery plan, but the plan has not yet been finalized and implemented. The lack of a formal disaster recovery plan may increase the risk of extended downtime, data loss and/or recovery challenges, and inadequate communication.
Repeat Finding from Prior Year(s):	N/A
Recommendation:	We recommend the City finalize and implement the formal disaster recovery plan. Additionally, we recommend the disaster recovery plan be tested periodically to ensure its effectiveness.
Views of Responsible Officials:	City will work diligently to finalize and implement the formal disaster recovery plan as budget is allocated. Part of the plan will address the disaster recovery plan testing terms to ensure its effectiveness.

Edinburg Economic Development Corporation
Schedule of Findings and Responses - Continued
For the Year Ended September 30, 2022

Reference Number 2022-004	Fiscal Year-End Closing Process (Significant Deficiency)
Criteria and Condition:	The fiscal year-end closing process should be completed within a reasonable time after the end of the fiscal year, ideally no later than 2 months after the end of the entity's fiscal year-end. An auditable trial balance was not provided to us to begin our audit until April 14, 2023, or approximately 7.5 months after the entity's fiscal year end. Additionally, supporting documentation needed to complete our audit was provided through August 2023.
Cause and Effect:	The City of Edinburg finance department, who maintains the books and records for EEDC, experienced turnover which caused delays in the year-end closing process. Additionally, in preparing for the audit management identified accounting matters which required additional analysis and correction as outlined in finding 2022-001. Significant delays in the year-end closing process may be indicative of weaknesses in internal controls and results in untimely financial reporting, including the completion of the audit.
Repeat Finding from Prior Year(s):	N/A
Recommendation:	We recommend management evaluate the year-end closing process to ensure adequate controls are in place for timely completion.
Views of Responsible Officials:	At the end of the year ending September 30, 2021, EEDC transitioned accountants and the related financial records that influenced the oversight of the errors made. Management will evaluate the year-end closing process to ensure adequate controls are in place for timely completion. US GAAP will be applied to ensure financial statements are free from material misstatements. Continuous training and resources will be available to finance personnel.

Edinburg Economic Development Corporation
Schedule of Findings and Responses - Continued
For the Year Ended September 30, 2022

Reference Number 2022-005	Required Reserves 2021A Series Bonds (Significant Deficiency)
Criteria and Condition:	For the 2021A Series Bonds, the EEDC is required to maintain a required reserve on deposit. The required reserve amount should be equal to the lesser of (i) 10% of the principal amount of all parity obligations outstanding; (ii) the maximum annual debt service for all parity obligations outstanding; or (iii) 125% of the average annual debt service requirement of all parity obligations then outstanding. The required reserve shall be calculated, on a fiscal year basis, at the time of issuance and annually. At September 30, 2022, the required reserve for the 2021A Series Bonds was underfunded by \$12,015.
Cause and Effect:	EEDC did not maintain sufficient funds in the 2021A Series Bonds reserve account to meet the minimum required reserve. Not maintaining the minimum required reserve results in noncompliance with the terms and conditions of the bond agreement.
Repeat Finding from Prior Year(s):	N/A
Recommendation:	We recommend EEDC monitor the required reserve and maintain at least the minimum required amount in the reserve account.
Views of Responsible Officials:	EEDC will monitor the required reserve and maintain at least the minimum required amount in the reserve account.

Edinburg Economic Development Corporation

Meeting Date: August 28, 2023

Consider approval of request from the Museum of South Texas History to sponsor Fandango 2023.

1. Agenda Item:

Consider approval of request from the Museum of South Texas History to sponsor Fandango 2023.

2. Description/Scope:

The Museum of South Texas History is hosting their annual Fandango event on Saturday, October 7, 2023. The amount requested is between \$1,600 - \$2,600. The event proceeds will be utilized for the museum's annual operations which includes preservation services and education programs.

3. Estimated Timeline:

Sponsorship funds are needed by September 30, 2023

4. Budget:

With anticipated amendments to the Sponsorship line item, we should have funds available.

5. Procurement/Selection Process:

NA

6. Staff's Recommendation:

Staff recommends approval at the \$1,600 sponsorship level.

7. Justification:

Based on the sponsorship request form provided by the Museum of South Texas History, this event attracts about 425 people. The Museum of South Texas is a big draw thus exposing others to Edinburg.

Raudel Garza, Edinburg
EDC Executive Director

ATTACHMENTS

Attachment A: Fandango Sponsorship Request Form

Attachment B: Sponsorship Levels

Approved: _____

Not Approved:	_____
Tabled:	_____
No Action:	_____



EEDC Sponsorship Request Form

Contact Information

1. Name: *Museum of South Texas History*
2. Title: *Lynne Beeching, Development Officer*
3. Address: *200 N. Closer Blvd Edinburg, TX 78541*
4. Phone: *956-383-6911*
5. Email: *lbeeching@mosthistory.org*

Organization Information

1. Name: *Museum of South Texas History*
2. Address: *200 N. Closer Blvd Edinburg, TX 78541*
3. Tax Identification Number: *23-7080936*
4. Is this organization a nonprofit corporation with a certificate of formation on file with the Texas Secretary of State? *yes*
5. Is this organization a 501(c)(3) registered with the Internal Revenue Service (IRS)? *yes*
6. Does this organization have a 990 Form on file with the IRS? *yes*

If yes,

- a. Please attach this organization's most recently filed 990 Form.

Sponsorship or Donation Request

1. Amount Requested: *\$/600 or \$2,600*
2. Date Needed: *Sep. 30, 2023*
3. Please describe the purpose of your funding request. What will the funding be used for?
Asking EEDC to host either a standard table (seats 8) or a premium table (seats 8) for a Fandangos! on Oct 7, 2023 at MOSTHistory. Support annual operating expenses
4. Explain and provide supporting information regarding how the event, programming, or services being sponsored impacts economic development within the City of Edinburg. Examples include the number of attendees, whether attendees will be travelling to the City, impact on local businesses, etc.
see attached
5. If awarded, what measurable outcomes will be achieved as a result of your program? How will the community benefit?

measurable outcomes are dollars raised to support the operation of the museum.
The community will continue have an accredited regional history museum for engagement, enlightenment, and entertainment. MOSTHistory will continue to preserve and present the borderland heritage of South Texas and northeastern Mexico for all generations.

6. Please attach a budget for your program and indicate what share of the total program cost this request for city funding will cover. *see attached*

Funding History

1. Has this organization received sponsorships or donations in the past from the EEDC and/or the City of Edinburg?

If yes,

- a. Please list funding amounts awarded per year for the most recent five-year period.

- b. Please describe what measurable outcomes were achieved as a result of your programs supported by city funds.

2. Has this organization received other funding from the EEDC and/or the City of Edinburg (e.g., grants, federal or state pass-through funding, etc.) *yes*

If yes,

- a. Please list funding sources and amounts awarded per year for the most recent five-year period. *see attached*

Exclusions

- Persons seeking financial support for their individual participation in a fundraising effort or event
- Persons requesting funds for their private use, regardless of the intent or need
- Requests that benefit single individuals
- Political causes or candidates
- Organizations that promote the sale or consumption of alcohol, tobacco products or federally illegal drugs
- Promotion of the use or sale of firearms, explosives or other weapons, or the depiction, suggestion, or glorification of violence or acts of a violent nature
- Organizations that promote gambling
- Sexually oriented businesses
- Organizations requesting inappropriate or unlawful expenditures, as determined by the City in its sole discretion

The EEDC has sole discretion to determine whether an event benefits residents of the City of Edinburg and should therefore be a recipient of sponsorship funding or support under this Policy. The EEDC reserves the right to decline any request for EEDC sponsorship if acceptance is deemed not to be in the best interest of the EEDC, or if acceptance would create a conflict of interest for the EEDC.

EEDC Sponsorship Request Form additions.

Sponsorship or Donation Request:

4. Explain and provide supporting information regarding how the event, programming, or services being sponsored impacts economic development with the City of Edinburg. Examples include the number of attendees, whether attendees will be travelling to the City, impact on local businesses, etc.

The Museum of South Texas History has been a local non-profit business in the City of Edinburg for 53 years. It currently employs 14 full-time staff and 16 part-time employees plus contract workers on occasion. MOSTHistory is a destination and as such brings in both local Edinburg residents, Valley residents, and tourists from all over the world. Approximately 30,000+ visitors come to the museum annually.

The *iFandango!* attracts approximately 425 guests each year and raises approximately \$134,000 to support the annual operation of the museum which includes preservation services and education programs.

6. Budget

\$189,706...Total Revenue from reserved tables sales, drawing ticket sales, silent & live auctions, and donations of cash.

\$ 55,000...Total Expenses for design & printing; catering & bar, rentals, lighting and sound, decorations, auction expense, parking, software usage fees.

Funding History

1. Has organization received sponsorships or donations in the past from the EEDC and/or the City of Edinburg? No (assuming annual funding from the City is not considered a donation)
2. Has this organization received other funding from the EEDC and/or the City of Edinburg? YES
2018 - \$237,500
2019 - \$255,000
2020 - \$255,000
2021 - \$255,000
2022 - \$255,000
2023 - \$255,000

This funding was from both the General Fund and Hotel/Motel Tax.



¡Fandango! 2023

**Reserve your table
...before the
final countdown!**

Saturday, October 7, 2023

Museum of South Texas History

Premium Table

\$2,600

- ♦ **Eight guests**
- ♦ **Front & center location**
- ♦ **Limited tables**
- ♦ **Logo featured on event website & printed on Live Auction Catalogue**
- ♦ **Designated waiter during Live Auction**
- ♦ **Name recognition on tables**
- ♦ **New this year! One complimentary Luck of the Draw ticket for host or host designee**

Standard Table

\$1,600

- ♦ **Eight guests**
- ♦ **Limited tables**
- ♦ **Name recognition on tables**
- ♦ **New the year! One complimentary Luck of the Draw ticket for host or host designee**



200 N. Clossner Blvd. Edinburg, Texas 78541

Edinburg Economic Development Corporation

Meeting Date: August 28, 2023

Presentation of year-to-date Financial Report ending on July 31, 2023.

1. Agenda Item:

Presentation of year-to-date Financial Report ending on July 31, 2023.

2. Description/Scope:

Executive Director, Raudel Garza, will present a year-to-date financial report provided by Ascencion Alonzo, Director of Finance.

3. Estimated Timeline:

October 1, 2023 - July 31, 2023

4. Budget:

FY 2023

5. Procurement/Selection Process:

NA

6. Staff's Recommendation:

NA

7. Justification:

NA

Raudel Garza, Edinburg

EDC Executive Director

ATTACHMENTS

Attachment A: EEDC Financials - Period Ending July 31, 2023

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



Edinburg, TX

Income Statement

Account Summary

For Fiscal: 2022-2023 Period Ending: 07/31/2023

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	YTD Activity + Encumbrances	Budget Remaining
Fund: 450 - EDINBURG EDC							
Division: 8000 - EEDC Administration							
450-8000-402101	GEN SALES & USE TAX (.5%)	9,000,000.00	9,000,000.00	0.00	6,757,520.81	6,757,520.81	2,242,479.19
450-8000-451100	INTEREST EARNED	50,000.00	50,000.00	7,126.37	58,503.97	58,503.97	-8,503.97
450-8000-452103	RENTAL INCOME	69,480.00	69,480.00	0.00	17,138.19	17,138.19	52,341.81
450-8000-462100	SALE OF EEDC PROPERTY	0.00	0.00	0.00	1,305,379.48	1,305,379.48	-1,305,379.48
450-8000-499100	TRANSFER IN GENERAL FUND	13,225,173.00	13,225,173.00	0.00	0.00	0.00	13,225,173.00
450-8000-501100	SALARIES	475,000.00	475,000.00	20,090.98	155,295.68	155,295.68	319,704.32
450-8000-501101	LONGEVITY	0.00	0.00	126.00	630.00	630.00	-630.00
450-8000-501102	OVERTIME	0.00	0.00	116.70	1,444.16	1,444.16	-1,444.16
450-8000-501106	VEHICLE ALLOWANCE	7,500.00	7,500.00	515.38	3,915.38	3,915.38	3,584.62
450-8000-502100	TAXES	36,338.00	36,338.00	1,542.89	11,917.65	11,917.65	24,420.35
450-8000-502101	RETIREMENT	66,500.00	66,500.00	3,081.49	23,798.37	23,798.37	42,701.63
450-8000-502102	GROUP INSURANCE	40,809.00	40,809.00	1,776.95	12,044.69	12,044.69	28,764.31
450-8000-502103	DISABILITY INSURANCE	12,350.00	12,350.00	54.21	419.33	419.33	11,930.67
450-8000-502104	WORKERS COMPENSATION INS	630.00	630.00	0.00	0.00	0.00	630.00
450-8000-511200	PROFESSIONAL SERVICES	50,000.00	50,000.00	13,050.00	35,103.86	40,053.86	9,946.14
450-8000-511202	AUDIT / ACCOUNTING	20,000.00	20,000.00	5,000.00	6,560.00	6,560.00	13,440.00
450-8000-511205	MARKETING AND ADVERTISING SERVI...	300,000.00	300,000.00	7,780.00	75,268.09	75,268.09	224,731.91
450-8000-512210	COMMUNICATIONS SERVICE AGREEM...	15,000.00	15,000.00	102.77	741.89	741.89	14,258.11
450-8000-512220	UTILITIES	5,000.00	5,000.00	0.00	760.93	760.93	4,239.07
450-8000-512230	PRINTING	5,000.00	5,000.00	0.00	265.41	265.41	4,734.59
450-8000-512240	RENTS & CONTRACTUALS	12,000.00	12,000.00	591.00	11,732.01	11,732.01	267.99
450-8000-512242	OFFICE SPACE LEASE	66,000.00	66,000.00	5,000.00	7,500.00	7,500.00	58,500.00
450-8000-512250	ADMINISTRATION FEE	500,000.00	500,000.00	0.00	250,000.00	250,000.00	250,000.00
450-8000-512251	RESEARCH, STUDIES, OTHER CONTRA...	65,000.00	65,000.00	0.00	1,590.00	1,590.00	63,410.00
450-8000-513200	TRAVEL, TRAINING, MEETINGS	50,000.00	50,000.00	5,489.11	23,476.92	23,476.92	26,523.08
450-8000-513201	CONTINUING EDUCATION	10,000.00	10,000.00	0.00	0.00	0.00	10,000.00
450-8000-513203	CONFERENCES	50,000.00	50,000.00	454.39	14,329.39	14,329.39	35,670.61
450-8000-513210	MEMBERSHIP DUES, SUBSCR	25,000.00	25,000.00	5,458.38	12,071.02	12,071.02	12,928.98
450-8000-513301	OFFICE MAINTENANCE AND CONTRA...	5,000.00	5,000.00	0.00	0.00	0.00	5,000.00
450-8000-513315	PROPERTY MAINTENANCE	50,000.00	50,000.00	664.01	10,049.11	10,049.11	39,950.89
450-8000-514100	BOARD EXPENSES	5,000.00	5,000.00	142.16	1,222.73	1,222.73	3,777.27
450-8000-521300	OFFICE SUPPLIES	10,000.00	10,000.00	189.80	845.43	845.43	9,154.57
450-8000-522300	WEARING APPAREL	3,000.00	3,000.00	0.00	786.59	786.59	2,213.41
450-8000-522308	OFFICE EQUIP & FURNITURE	5,000.00	5,000.00	0.00	6,165.47	6,165.47	-1,165.47
450-8000-523390	OTHER MATERIALS	10,000.00	10,000.00	1,046.75	1,723.78	1,723.78	8,276.22
450-8000-551500	PROPERTY TAXES	50,000.00	50,000.00	0.00	0.00	0.00	50,000.00
450-8000-601500	LAND - PURCHASE OF PROPERTY	2,769,758.00	2,769,758.00	0.00	0.00	0.00	2,769,758.00
450-8000-607500	OFFICE FURNITURE	30,000.00	30,000.00	6,880.00	6,880.00	6,880.00	23,120.00
450-8000-611800	ECONOMIC DEVELOPMENT INCENTIV...	500,000.00	500,000.00	0.00	0.00	0.00	500,000.00
450-8000-611809	FIRST HARTFORD REALTY-RESTAURAN...	100,000.00	100,000.00	0.00	0.00	0.00	100,000.00
450-8000-611812	EL TULE CENTER	0.00	0.00	0.00	0.00	242.05	-242.05
450-8000-611817	SHEA NATE LLC	150,000.00	150,000.00	0.00	0.00	0.00	150,000.00
450-8000-611818	DOMAIN DEVELOPMENT CORP (HYDE...	400,000.00	400,000.00	0.00	0.00	0.00	400,000.00
450-8000-611819	MGEN CAPITAL (JERSAY MIKE'S & DU...	70,000.00	70,000.00	0.00	0.00	0.00	70,000.00
450-8000-611820	KAPAL SUPPLIER, LLC	100,000.00	100,000.00	0.00	0.00	0.00	100,000.00
450-8000-701700	BOND PRINCIPAL PAYMENT	1,585,000.00	1,585,000.00	0.00	1,025,000.00	1,025,000.00	560,000.00
450-8000-702701	BOND INTEREST EXPENSE	1,088,095.00	1,088,095.00	0.00	552,746.26	552,746.26	535,348.74
450-8000-703100	BOND FEES	6,500.00	6,500.00	0.00	1,500.00	1,500.00	5,000.00
450-8000-800401	SPONSORSHIPS	100,000.00	100,000.00	2,000.00	72,000.00	72,000.00	28,000.00
450-8000-800510	JOB TRAINING PROGRAMS	200,000.00	200,000.00	7,890.00	32,890.00	32,890.00	167,110.00
Division: 8000 - EEDC Administration Surplus (Deficit):		13,295,173.00	13,295,173.00	-81,916.60	5,777,868.30	5,772,676.25	7,522,496.75

Income Statement

For Fiscal: 2022-2023 Period Ending: 07/31/2023

	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	YTD Activity + Encumbrances	Budget Remaining
Division: 9500 - Non-Departmental						
450-9500-454100 MISCELLANEOUS REVENUE	0.00	0.00	0.00	250.00	250.00	-250.00
450-9500-551402 GENERAL INSURANCE	70,000.00	70,000.00	0.00	39,779.27	39,779.27	30,220.73
Division: 9500 - Non-Departmental Surplus (Deficit):	-70,000.00	-70,000.00	0.00	-39,529.27	-39,529.27	-30,470.73
Fund: 450 - EDINBURG EDC Surplus (Deficit):	13,225,173.00	13,225,173.00	-81,916.60	5,738,339.03	5,733,146.98	7,492,026.02
Report Surplus (Deficit):	13,225,173.00	13,225,173.00	-81,916.60	5,738,339.03	5,733,146.98	

Unaudited Financial Statement For Management Use Only

Income Statement

For Fiscal: 2022-2023 Period Ending: 07/31/2023

Group Summary

Division	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	YTD Activity + Encumbrances	Budget Remaining
Fund: 450 - EDINBURG EDC						
8000 - EEDC Administration	13,295,173.00	13,295,173.00	-81,916.60	5,777,868.30	5,772,676.25	7,522,496.75
9500 - Non-Departmental	-70,000.00	-70,000.00	0.00	-39,529.27	-39,529.27	-30,470.73
Fund: 450 - EDINBURG EDC Surplus (Deficit):	13,225,173.00	13,225,173.00	-81,916.60	5,738,339.03	5,733,146.98	7,492,026.02
Total Surplus (Deficit):	13,225,173.00	13,225,173.00	-81,916.60	5,738,339.03	5,733,146.98	

Unaudited Financial Statement For Management Use Only

Income Statement

For Fiscal: 2022-2023 Period Ending: 07/31/2023

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	YTD Activity + Encumbrances	Budget Remaining
450 - EDINBURG EDC	13,225,173.00	13,225,173.00	-81,916.60	5,738,339.03	5,733,146.98	7,492,026.02
Total Surplus (Deficit):	13,225,173.00	13,225,173.00	-81,916.60	5,738,339.03	5,733,146.98	

Unaudited Financial Statement For Management Use Only



Edinburg, TX

Balance Sheet

Account Summary

As Of 07/31/2023

Account	Name	Balance
Fund: 450 - EDINBURG EDC		
Assets		
450-101100	CLAIM ON OPERATING CASH	-2,549,699.08
450-103103	A/R OTHER	3,197,767.43
450-103201	ALLOWANCE UNCOLLECTABLE	-3,197,767.42
450-103202	ALLOWANCE UNCOLLECTABLE-SANTANA I	-272,800.08
450-103402	SANTANA N/R- \$ 5MM	4,205,592.73
450-103403	SANTANA N/R- \$10MM	9,434,410.73
450-110100	DUE FROM GENERAL FUND	1,530,776.78
450-110452	DUE FROM EEDC SERIES 2019	67,967.60
450-151101	CASH IN BANK - TNB 2802 DEBT SERVICE A	2,674,788.85
450-152103	CASH IN BANK - TNB 8281 ARENA SHORTA	780,000.05
450-152105	INVESTMENTS - TXSTAR 0230 SERIES 2019	809,046.49
450-152108	INVESTMENTS - TXSTAR 0210 SERIES 2021	460,509.99
450-152109	INVESTMENTS - TXSTAR 0211 SERIES 2021	170,127.58
450-152110	CASH IN BANK - TNB 2794 OPERATING ACI	18,490,327.47
Total Assets:		35,801,049.12
		35,801,049.12
Liability		
450-200200	ACCOUNTS PAYABLE	5,599.26
450-210100	DUE TO GENERAL FUND	1,577,746.26
Total Liability:		1,583,345.52
Equity		
450-300301	FUND BALANCE	45,288,226.07
450-300302	PRIOR PERIOD ADJUSTMENT	-16,808,861.50
Total Beginning Equity:		28,479,364.57
Total Revenue		8,138,792.45
Total Expense		2,400,453.42
Revenues Over/Under Expenses		5,738,339.03
Total Equity and Current Surplus (Deficit):		34,217,703.60
Total Liabilities, Equity and Current Surplus (Deficit):		35,801,049.12

Unaudited Financial Statement For Management Use Only



Edinburg, TX

Income Statement Account Summary

For Fiscal: 2022-2023 Period Ending: 07/31/2023

	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	YTD Activity + Encumbrances	Budget Remaining
Fund: 452 - EDC SERIES 2019						
Division: 8000 - EEDC Administration						
452-8000-451100 INTEREST EARNED	0.00	0.00	24,453.96	202,087.62	202,087.62	-202,087.62
Division: 8000 - EEDC Administration Total:	0.00	0.00	24,453.96	202,087.62	202,087.62	-202,087.62
Division: 9500 - Non-Departmental						
452-9500-611801 A. WORKFORCE/RESOURCE CENTER	1,854,828.00	1,854,828.00	0.00	0.00	0.00	1,854,828.00
452-9500-611802 B. EL TULE RECREATION CENTER	2,370,345.00	2,370,345.00	103,103.50	1,527,864.86	1,916,296.65	454,048.35
Division: 9500 - Non-Departmental Total:	4,225,173.00	4,225,173.00	103,103.50	1,527,864.86	1,916,296.65	2,308,876.35
Fund: 452 - EDC SERIES 2019 Surplus (Deficit):	-4,225,173.00	-4,225,173.00	-78,649.54	-1,325,777.24	-1,714,209.03	-2,510,963.97
Report Surplus (Deficit):	-4,225,173.00	-4,225,173.00	-78,649.54	-1,325,777.24	-1,714,209.03	

Unaudited Financial Statement For Management Use Only

Income Statement

For Fiscal: 2022-2023 Period Ending: 07/31/2023

Group Summary

Division	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	YTD Activity + Encumbrances	Budget Remaining
Fund: 452 - EDC SERIES 2019						
8000 - EEDC Administration	0.00	0.00	24,453.96	202,087.62	202,087.62	-202,087.62
9500 - Non-Departmental	4,225,173.00	4,225,173.00	103,103.50	1,527,864.86	1,916,296.65	2,308,876.35
Fund: 452 - EDC SERIES 2019 Surplus (Deficit):	-4,225,173.00	-4,225,173.00	-78,649.54	-1,325,777.24	-1,714,209.03	-2,510,963.97
Total Surplus (Deficit):	-4,225,173.00	-4,225,173.00	-78,649.54	-1,325,777.24	-1,714,209.03	

Unaudited Financial Statement For Management Use Only

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	YTD Activity + Encumbrances	Budget Remaining
452 - EDC SERIES 2019	-4,225,173.00	-4,225,173.00	-78,649.54	-1,325,777.24	-1,714,209.03	-2,510,963.97
Total Surplus (Deficit):	-4,225,173.00	-4,225,173.00	-78,649.54	-1,325,777.24	-1,714,209.03	

Unaudited Financial Statement For Management Use Only



Edinburg, TX

Balance Sheet

Account Summary

As Of 07/31/2023

Account	Name	Balance	
Fund: 452 - EDC SERIES 2019			
Assets			
452-101100	CLAIM ON OPERATING CASH	-2,430,622.50	
452-101122	CLAIM ON INVESTMENT POOLED CASH	0.00	
452-152101	INVESTMENTS - TXSTAR 0190 SERIES 2019	5,655,251.48	
	Total Assets:	3,224,628.98	<u>3,224,628.98</u>
Liability			
452-200204	ACCOUNTS PAYABLE PENDING	0.00	
452-210100	DUE TO GENERAL FUND	0.00	
452-211450	DUE TO EEDC	67,967.60	
	Total Liability:	67,967.60	
Equity			
452-300301	FUND BALANCE	4,482,438.62	
	Total Beginning Equity:	4,482,438.62	
Total Revenue		202,087.62	
Total Expense		1,527,864.86	
Revenues Over/Under Expenses		-1,325,777.24	
	Total Equity and Current Surplus (Deficit):	3,156,661.38	
	Total Liabilities, Equity and Current Surplus (Deficit):		<u>3,224,628.98</u>

Unaudited Financial Statement For Management Use Only



Edinburg, TX

Income Statement Account Summary

For Fiscal: 2022-2023 Period Ending: 07/31/2023

	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	YTD Activity + Encumbrances	Budget Remaining
Fund: 453 - EDC SERIES 2021						
Division: 9500 - Non-Departmental						
453-9500-451100 INTEREST EARNED	0.00	0.00	40,689.74	336,260.14	336,260.14	-336,260.14
453-9500-611801 A. TFRS OUT - FUND 140 - ACE CENTER	7,000,000.00	7,000,000.00	0.00	0.00	0.00	7,000,000.00
453-9500-611802 B. TFRS OUT - FUND 140 - PARKING G...	2,000,000.00	2,000,000.00	0.00	0.00	0.00	2,000,000.00
Division: 9500 - Non-Departmental Surplus (Deficit):	-9,000,000.00	-9,000,000.00	40,689.74	336,260.14	336,260.14	-9,336,260.14
Fund: 453 - EDC SERIES 2021 Surplus (Deficit):	-9,000,000.00	-9,000,000.00	40,689.74	336,260.14	336,260.14	-9,336,260.14
Report Surplus (Deficit):	-9,000,000.00	-9,000,000.00	40,689.74	336,260.14	336,260.14	

Unaudited Financial Statement For Management Use Only

Income Statement

For Fiscal: 2022-2023 Period Ending: 07/31/2023

Group Summary

Division	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	YTD Activity + Encumbrances	Budget Remaining
Fund: 453 - EDC SERIES 2021						
9500 - Non-Departmental	-9,000,000.00	-9,000,000.00	40,689.74	336,260.14	336,260.14	-9,336,260.14
Fund: 453 - EDC SERIES 2021 Surplus (Deficit):	-9,000,000.00	-9,000,000.00	40,689.74	336,260.14	336,260.14	-9,336,260.14
Total Surplus (Deficit):	-9,000,000.00	-9,000,000.00	40,689.74	336,260.14	336,260.14	

Unaudited Financial Statement For Management Use Only

Income Statement

For Fiscal: 2022-2023 Period Ending: 07/31/2023

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	YTD Activity + Encumbrances	Budget Remaining
453 - EDC SERIES 2021	-9,000,000.00	-9,000,000.00	40,689.74	336,260.14	336,260.14	-9,336,260.14
Total Surplus (Deficit):	-9,000,000.00	-9,000,000.00	40,689.74	336,260.14	336,260.14	

Unaudited Financial Statement For Management Use Only



Edinburg, TX

Balance Sheet

Account Summary

As Of 07/31/2023

Account	Name	Balance	
Fund: 453 - EDC SERIES 2021			
Assets			
453-152101	INVESTMENTS - TXSTAR 0212 SERIES 2021	9,409,955.97	
	Total Assets:	9,409,955.97	9,409,955.97
Liability			
	Total Liability:	0.00	
Equity			
453-300301	FUND BALANCE	9,073,695.83	
	Total Beginning Equity:	9,073,695.83	
Total Revenue		336,260.14	
Total Expense		0.00	
Revenues Over/Under Expenses		336,260.14	
	Total Equity and Current Surplus (Deficit):	9,409,955.97	
	Total Liabilities, Equity and Current Surplus (Deficit):		9,409,955.97

Unaudited Financial Statement For Management Use Only

Edinburg Economic Development Corporation

Meeting Date: August 28, 2023

Discuss and consider approval of the Edinburg Economic Development Corporation's Personnel Compensation Plan for Fiscal Year 2023-2024.

1. Agenda Item:

Discuss and consider approval of the Edinburg Economic Development Corporation's Personnel Compensation Plan for Fiscal Year 2023-2024.

2. Description/Scope:

Executive Director, Raudel Garza, will present a personnel Compensation Plan and Organizational Chart for Fiscal Year 2023-2024.

3. Estimated Timeline:

FY 2023-2024

4. Budget:

FY 2023-2024 Salaries Budget: \$584,342.21

5. Procurement/Selection Process:

NA

6. Staff's Recommendation:

Staff recommends approval

7. Justification:

Given the program of work proposed for the fiscal year ending September 30, 2024, the Executive Director is outlining the personnel needs necessary to accomplish the Program of Work.

Raudel Garza, Edinburg
EDC Executive Director

ATTACHMENTS

Attachment A: FY24 Compensation Plan
Attachment B: FY24 Organizational Chart

Approved: _____

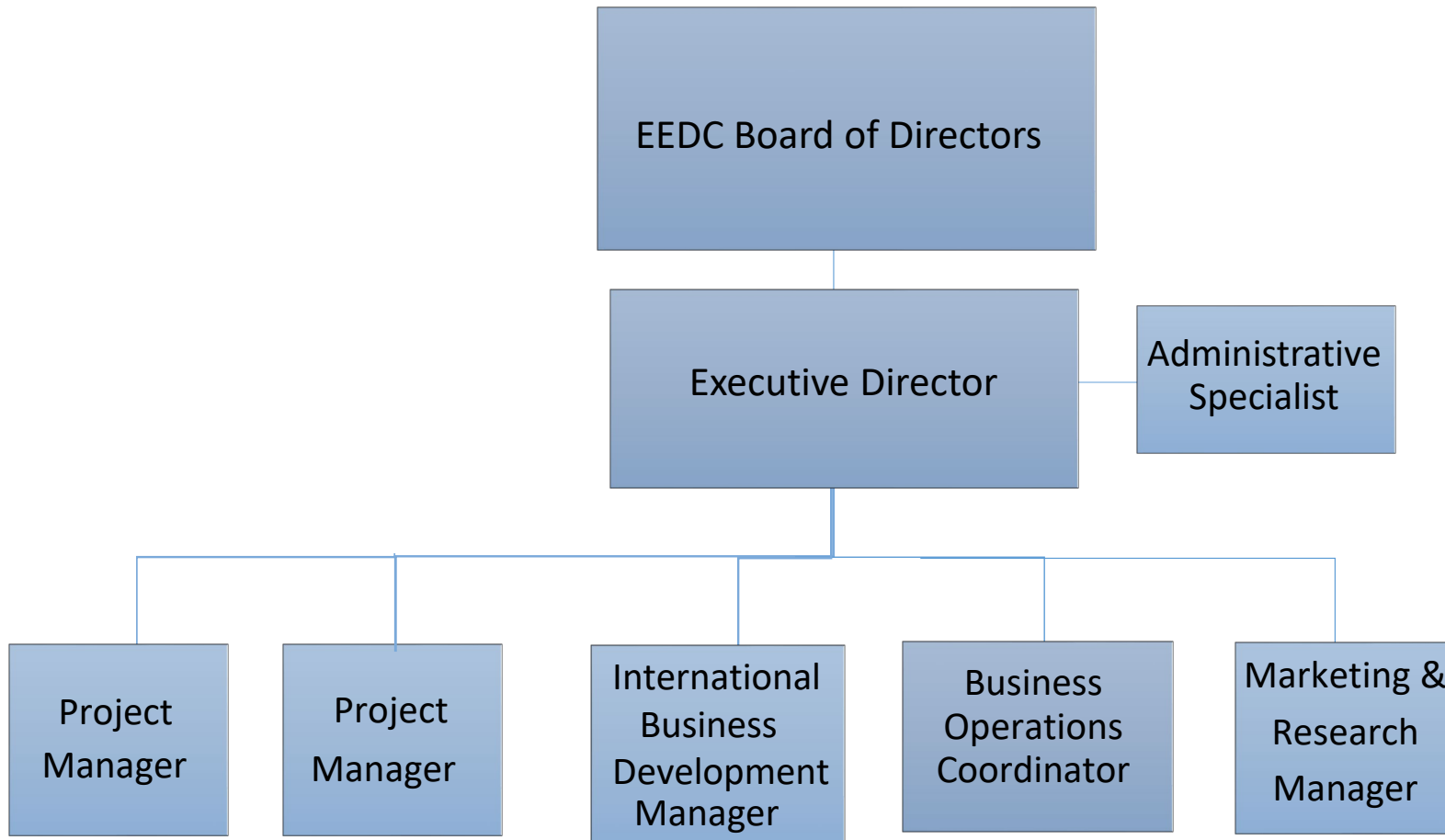
Not Approved: _____

Tabled:	_____
No Action:	_____

Economic Development Corporation Comp Plan FY 2024

Job Title	Minimum	Midpoint	Maximum
Executive Director	Determined by the EEDC Board of Directors		
Business Operations Coordinator	\$38,192.40	\$49,650.12	\$61,107.84
Project Manager(s)	\$47,740.50	\$62,062.65	\$76,384.80
Marketing and Research Manager	\$47,740.50	\$62,062.65	\$76,384.80
Administrative Specialist	\$28,644.30	\$37,237.59	\$45,830.88
International Business Development Manager	\$47,740.50	\$62,062.65	\$76,384.80

ORGANIZATIONAL CHART



Edinburg Economic Development Corporation

Meeting Date: August 28, 2023

Consider and approve the FY24 Staffing Services Agreement
between the City of Edinburg and Edinburg Economic
Development Corporation.

1. Agenda Item:

Consider and approve the FY24 Staffing Services Agreement between the City of Edinburg and Edinburg Economic Development Corporation.

2. Description/Scope:

As was done last year, City asked the EEDC to pay for services it provides to the EEDC. The amount requested is the same as last year. The City shall submit invoices quarterly to the EDC and reimbursement shall be due within 30 days.

These services include:

- Accounting and financial services; including but not limited to monthly financial statements acceptable to the Board.
- Human Resources services, including payroll and benefits management;
- Legal services;
- Information technology services; and
- Media and communications services.

The Agreement must be approved annually by the EDC Board and City Council.

3. Estimated Timeline:

The term of this agreement shall be October 1, 2023 to September 30, 2024.

4. Budget:

Administrative Fees: \$500,000

5. Procurement/Selection Process:

NA

6. Staff's Recommendation:

Staff recommends approval.

7. Justification:

The amount of \$500,00 is a portion of the EDC Sales Tax and may be used to pay administrative costs provided by City services to the EEDC.

Raudel Garza, Edinburg
EDC Executive Director

ATTACHMENTS

Attachment A: FY24 COE-EEDC Staffing Services Agreement

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

**STAFFING SERVICES AGREEMENT
EDINBURG ECONOMIC DEVELOPMENT CORPORATION
AND CITY OF EDINBURG, TEXAS FY 2024**

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 certain services and support of City staff in furtherance of its work to promote economy and efficiency in the use of the additional sales tax revenues it receives; and

WHEREAS, the City has determined that providing certain 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; including but not limited to monthly financial statements acceptable to the Board.
- b. Human Resources services, including payroll and benefits management;
- c. Legal services;
- d. Information technology services; and
- e. Media and communications services.

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 Executive Director 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 when requested by the EDC. The City Manager shall consult with the EDC Executive Director as necessary to assign and schedule such facilities and equipment.

4. Consideration

The EDC agrees to pay a sum of \$500,000 for services to be performed for FY 2024. This amount is based on the City's reasonable estimate for 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, 2023, to September 30, 2024.

6. 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
3111 W. Freddy Gonzalez Dr.
Edinburg, Texas 78539

7. 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.

8. 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.

9. 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 _____, 2023.

CITY OF EDINBURG:

BY: _____
Myra L. Ayala, 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: _____
Clarice Y. Balderas, City Secretary

APPROVED AS TO FORM:

OMAR OCHOA LAW FIRM, P.C.

BY: _____
Omar Ochoa, City Attorney

EDINBURG ECONOMIC DEVELOPMENT CORPORATION:

BY: _____
Veronica Gonzales, President

ATTEST:

BY: _____
Raul Resendez, Secretary
Board of Directors

Edinburg Economic Development Corporation

Meeting Date: August 28, 2023

Consider approval of the Edinburg EDC FY24 Budget and Program of Work.

1. Agenda Item:

Consider approval of the Edinburg EDC FY24 Budget and Program of Work.

2. Description/Scope:

Raudel Garza, Edinburg EDC Executive Director, will present the FY24 Budget and Program of Work for the Edinburg Economic Development Corporation.

Staff is proposing the FY 2024 budget with projected sales tax revenue of \$9,725,676, that includes \$500,000 in administrative services under the City-EDC agreement and sufficient funding to make significant progress on the 2021 Bond Projects. Other highlights:

Proposed programs are similar to FY 2023, with \$420,000 budgeted for marketing, \$515,000 budgeted for Small Business Programs/Workforce Training, \$144,000 budgeted for Sponsorships, and \$360,000 budgeted for Research.

Debt service payments in FY 2024 will total \$2,677,974 for Bond Principal and Interest payments. The Edinburg EDC is not expected to pay for the Arena Bond Shortage in FY 2024.

The proposed FY 2024 Work Plan priorities are the 2021 Bond Projects, marketing efforts throughout the city, the Airport, and small business assistance. Staff will also focus on finalizing bond projects, downtown & mid-town improvements, industrial development, entertainment and retail opportunities, workforce development, back-office development opportunities, and small business development.

3. Estimated Timeline:

October 1, 2023 to September 30, 2024

4. Budget:

FY 2024

5. Procurement/Selection Process:

NA

6. Staff's Recommendation:

Staff recommends approval.

7. Justification:

The FY 2024 Budget and Program of Work must be approved annually by the EEDC Board of Directors and submitted to City Council for consideration and approval.

Raudel Garza, Edinburg
EDC Executive Director

ATTACHMENTS

- Attachment A: FY24 Proposed Budget
- Attachment B: FY24 Program of Work

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

	Economic Development Budget Cash	Operating	FY2023 Amended	FY2024 Proposed
Revenues				
	1/2 Cent Sales Tax Revenue		8,700,000	9,725,676
	Interest on Investments		65,000	100,000
	Rental Income		17,138	-
	Sale of EEDC Property			2,190,000
	Transfer in TexStar Bond Projects Activity, Net		13,225,173	1,800,000
	Total Revenues		22,007,311	13,815,676
Administrative Services				
	Personnel Expenses			
	Salaries		300,000	584,342
	Longevity		1,800	3,635
	Overtime		2,300	1,800
	Taxes		20,000	42,073
	Retirement		40,000	89,112
	Group Insurance		22,000	60,000
	Disability Insurance		1000	12,000
	Workers Compensation		630	1,169
	Vehicle Allowance		6,000	11,100
	Total Personnel Expenses		393,730	805,230
	Contractual Services			
	Admin Services		500,000	500,000
	Professional Services		50,000	96,000
	Audit & CPA Services		23,000	30,000
	Finance Services (Bond Fees)		6,500	5,000
	Rents & Contractuals (Storage/Copier Lease)		12,000	14,400
	Office Space Lease		10,000	22,500
	Total Contractual Services		601,500	667,900
	Supplies & Equipment			
	Office Supplies		10,000	12,000
	Communication Services (Mobile Phone & Landline)		15,000	21,600
	Office Maintenance & Contractual - IT		5,000	12,000
	Other Expense/Materials		10,000	10,200
	Wearing Apparel		3,000	4,200
	Printing		5,000	8,400
	Continuing Education		2,000	36,000
	Office Equipment & Furniture		25,000	50,000
	Membership Dues/Subscriptions		25,000	60,000
	Travel, Training, Meetings		40,000	90,000
	Conferences		40,000	120,000
	Board Expenses		5,000	6,000
	Total Supplies & Equipment		185,000	430,400
	Total Administrative Services		1,180,230	1,903,530
EDC Programs, Properties & Projects				
	Programs			
	Small Business Program/Workforce Training/Job Training Programs		450,000	515,000

	Marketing	150,000	420,000
	Sponsorship /Donations	120,000	144,000
	Research, Studies, other Contracts	55,000	360,000
	Total Programs	775,000	1,439,000
Properties			
	Property Taxes	20,000	40,000
	Purchase of Property	2,769,758	4,726,172
	Utilities	5,000	9,000
	Property Maintenance- Improvements, Maintenance & Repairs	25,000	30,000
	General Property Insurance	70,000	75,000
	Total Properties	2,889,758	4,880,172
Projects			
	Economic Development Incentives	500,000	500,000
	First Hartford (The Shoppes at RGV) 2019	100,000	100,000
	Domain Development Corp (Hyde & Brentwood Plaza)	-	400,000
	MGEN Capital (Jersey Mike's & Dunkin Donuts)	70,000	35,000
	Kapal Supplier LLC	-	40,000
	Total Projects	670,000	1,075,000
Bond Projects			
	Workforce/Resource Center		1,840,000
	ACE Center		-
	Parking Garage		-
	Total Bond Projects	-	1,840,000
	Total EDC Programs, Properties & Projects	4,334,758	9,234,172
Debt Service			
	Bond Principal Payment	-	1,640,000
	Bond Interest	-	1,037,974
	Arena Bond Shortage	-	-
	Total Debt Service	-	2,677,974
	Total Disbursements	\$ 5,514,988	13,815,676
	Total Receipts Over Disbursements	\$ 16,492,323	-



Edinburg Economic Development Corporation

Program of Work for Fiscal Year ending September 30, 2024

As we begin a new fiscal year with a new budget, a new program of work also begins. The City of Edinburg continues to grow at a very fast pace. With rapid growth, we also experience “growing pains” such as challenges with infrastructure. Other growing pains are positive in terms of creating an environment where entrepreneurs are confident that their new business venture will succeed because of that growth in spite of rising interest rates and increasing costs of construction. Edinburg’s sales tax revenues are indicative of a strong local economy which is on the cusp of soaring to new heights. Our program of work is intended to help this growth by aiding where needed. This program of work will lay the foundation for years of prosperity as we help provide the infrastructure necessary for this expected growth.

Focusing on Key Priorities:

EEDC will focus on several key priorities through the next twelve months. These priorities are:

- Finalizing bond projects
- Downtown and Mid-Town Improvements
- Enhancing and expanding industrial development
- Pursuing entertainment and retail opportunities for improved quality of life
- Promoting partnerships with educational institutions to develop our workforce
- Identifying key back office development opportunities
- Assisting small businesses with a variety of tools
- Solidifying this organization with proper planning and staffing for long-term success

The program of work outlined below will become part of a larger strategic plan in the near future, along with a written vision and mission statement that helps define our path forward. EEDC is a marketing company; the marketing arm of the City that recognizes that we are here to help influence a process.

Vision: To help create an environment where inclusive economic development benefits the citizens of Edinburg.

Mission Statement: The mission of the Edinburg Economic Development Corporation is to influence the creation of wealth, jobs and investment to help improve the quality of life for the citizens of Edinburg.

Economic development at its core is the creation of wealth.

Inclusive economic development is more than a catch phrase for us. It means that our programs need to be accessible to as many businesses as possible within the confines of our statutes and our resources. The criteria for accessing those programs must be transparent.

Economic development is a process. The California Association for Local Economic Development has a great definition for economic development: *“Economic development is a concerted effort on the part of the responsible governing body in a city or county to influence the direction of private sector investment toward opportunities that can lead to sustained economic growth.”* CALED also says that it is important to note that economic development is not community development. Community development is a process for making a community a better place to live and work. Economic development benefits the employer directly, and because of limited resources, our efforts need to be directed to projects that have the largest impacts on the creation of local wealth.

In this program of work, our focus is on how we can help influence the creation of wealth specifically in the industrial and commercial sectors in Edinburg, with an emphasis on primary job creation. Primary job creation is not only one of the main goals of the economic development sales tax legislation that created this organization, but it is also in broad economic terms, primary jobs in the economy produce the highest rates of return in terms of multiplier effects. As an example, a manufacturing job helps create or sustain 5 to 6 indirect jobs in the community.

We also have several projects that have yet to be completed from years past. Those projects need to be finalized. In addition to finalizing projects, we will continue to work on a variety of marketing efforts to bring new business into Edinburg. Those priorities are detailed below:

Bond Projects:

Project Name	Project Amount
Downtown Parking Garage & Retail Space	\$2,000,000
Arts & Cultural Events Center	\$7,000,000
Workforce Resource Center	\$1,854,828

Downtown & Mid-Town Improvements:

- EEDC will be finishing out approximately 5,000 SF of space at the Edinburg Transit Center below the RGV MPO's current office space to use as EEDC office space.

- EEDC will identify and procure property for the development of a Workforce Resource Center in or near the downtown or mid-town area.
- EEDC plans on either demolishing or re-developing the “Cano” warehouse property.
- EEDC will research and identify resources to help enhance aesthetics along Closner south of the Courthouse and downtown.

Industrial Development:

EEDC has two transactions pending at North Industrial Park. Aside from those transactions, EEDC has been working with prospects interested in most of the remaining property. EEDC will invest in certain enhancements to the infrastructure at North Industrial Park to have remaining lots be truly “shovel-ready”. EEDC will also invest in signage to help promote the users in the industrial park.

EEDC will continue to work with South Texas International Airport at Edinburg to help market properties in and around the airport. EEDC will also help coordinate land planning for industrial users, including identifying costs and potential funding resources. Implementation of improvements will be considered upon evaluation of planning and proforma reviews.

Demand for smaller industrial lots continues to grow but there is insufficient supply. Thus, EEDC will seek to either partner with landowners or developers to help create lots for small industrial users. The Spec Building Program will be promoted to help generate Class A industrial space as well. Additional industrial land planning and potentially, development will take place along with these efforts.

Some of the strategies to accomplish this portion of the program of work includes:

- Marketing the community aggressively through various media and personal visits to facilitate the creation of new “primary” jobs through the retention and expansion of existing business and the recruitment of new business.
- Calling on the corporate headquarters of local branch operations.
- Maintaining information on programs and assistance available to local employers.
- Following up with firms on problems/opportunities identified and act as a key resource for existing industry.
- Coordinating support efforts with the South Texas Manufacturers’ Association.
- Maintaining contact information for firms currently located near the border in Mexico.
- Continuing direct contact to inform these firms of the advantages of an Edinburg location.
- Developing and/or maintaining relationships with economic development officials in Mexico to promote Edinburg as a location of choice.
- Providing input regarding zoning issues to protect future business/industrial areas
- Promoting and funding spec building program and other 3P opportunities
- Advocating for transportation improvements which directly impact our airport and major thoroughfares.

With the UTRGV School of Medicine here in Edinburg, EEDC recognizes that much of the research done at the University could lead to the production of new technology or products. EEDC will strive to seek out opportunities to work with UTRGV in the development of those technologies and products that lead to continued growth in medical device manufacturing or other industrial products.

Entertainment and Retail Opportunities:

EEDC will continue to market retail properties and seek users of these sites and buildings for continued retail growth. EEDC will identify and retain a retail marketing team to assist in these marketing efforts to bring “first in market” retailers and improve our quality of life. This same firm will provide guidance and seek out entertainment type venues. EEDC will continue to monitor opportunities for large retail sites for future growth. EEDC will work with existing retail centers to enhance their offerings.

Workforce Development:

EEDC will continue to work with partners such as the Texas Workforce Commission, Workforce Solutions, and others to help increase job opportunities and thus reduce our unemployment rate. EEDC will increase participation with VIDA to help students in Edinburg reach their potential and maximize their employability. EEDC will promote job openings through local job fairs to be held at least once a quarter and local online job banks or other online media.

EEDC will also work with UTRGV, STC, ECISD and others to promote and develop apprenticeship and internship programs or opportunities.

Additionally, as part of the development of our Workforce Resource Center, we will assist in the development of the programming and identification of funding for programs at the WRC.

Back Office Development Opportunities:

As our local businesses continue to grow, we have seen the need for many of them to outsource much of their back-office processes. Billing, collections, financial support, insurance claims, tech support, and so many more processes are now done by third party entities that are drawn to areas with a young, trainable workforce, and that is what is prevalent here in our region. Edinburg has several BPOs already and we have some assets that could be converted to additional facilities for plug and play customer service centers. EEDC will continue to seek out the companies that are on growth trajectories who are also paying higher than prevailing wages and are ideally suited for our community.

Small Business Development:

Many have said that small businesses are the backbone of a community, and EEDC is well aware of the impact that these entities have on a local economy. Within the constraints of the statutes that dictate how EEDC can spend the economic development sales tax revenues generated locally, EEDC will undertake programs that can lead to the creation or maintaining of high-paying jobs. These programs include the Commercial Recruitment Program, the Façade and Lot Improvement Program, supporting LiftFund Edinburg, initiating the Kaufmann FastTrac Entrepreneurship Program, and others that may be created in the future. Additionally, EEDC will support UTRGV’s soft landing program and the potential to create an incubator or maker’s space here in Edinburg.

EEDC will also continue to develop relationships with the US Small Business Administration leading to some training sessions. EEDC will also conduct at least one franchisee workshop and continue to support Workforce Solution's Entrepreneurial Boot Camp.

Business Retention and Expansion:

As mentioned in other priorities above, business retention and expansion is part of our basic marketing. EEDC will visit with local manufacturers and others to keep our fingers on the local pulse of the economy. EEDC will create industry groups to enhance communication amongst business owners and also support existing groups such as South Texas Manufacturer's Association, AEM, RGV Partnership, Hispanic Chamber of Commerce, and of course our own Chamber of Commerce.

Staffing and Planning:

As we finish out the office space at the Transit Center, EEDC will fill all other vacant positions. EEDC will provide the proper training for staff and will provide opportunities to obtain certifications to demonstrate acquired skills. EEDC will cooperate with City staff on the development of the economic development portion of the City's Comprehensive Plan. That portion of the Comprehensive Plan is essentially the EEDC's Strategic Plan.

EEDC Board of Directors can and may amend the plan outlined herein from time to time.

Approved this the ____ day of August, 2023.

By: _____
Veronica Gonzales, President

Attest: _____
Raul Resendez, Secretary