

MCALLEN DEVELOPMENT CORPORATION, INC.

December 12, 2016

The McAllen Development Corporation convened in a Special Meeting on **Monday, December 12, 2016** at 3:30 p.m. at McAllen City Hall, City Commission room, with the following present:

	Veronica Whitacre	President
	Tony Sanchez	Vice-President
	Gregory Kazen	Director
	Jose G. Gonzalez	Director
	Mario Reyna	Director
Absent:	Guillermo Aguirre	Director
	Robert P. Garcia	Director
Staff:	Roel Rodriguez	City Manager
	Michelle Leftwich	Assistant City Manager
	Jim Darling	Mayor
	Gary Henrichson	Deputy City Attorney
	Angie Rodriguez	Budget Director
	Susan Lozano	Finance Director
	Jeff Johnston	Assistant City Manager

President Whitacre called the meeting to order.

1. Discussion and Possible Action - Resolution authorizing the issuance of up to \$11,000,000 in aggregate principal amount of Development Corporation of McAllen, Inc. Sales Tax Revenue Bonds, Taxable Series 2017; authorizing the sale thereof pursuant to a negotiated underwriting; approving and authorizing the execution of all instruments and procedures related thereto including a purchase contract and a paying agent/registrar agreement; authorizing the preparation and distribution of a preliminary official statement and a final official statement; and delegating authority to certain officials to approve all final terms with respect to the sale of the bonds and other matters.

City Manager Roy Rodriguez addressed the Board and announced Mr. Tom Spurgeon, Bond Counsel Representative with McCall, Parkhurst, and Horton, LLP would be discussing the two Resolutions on the agenda. Mr. Spurgeon briefly reminded the Board that this resolution was related to the fact that the city had committed up to \$20M to assist La Plaza Mall in construction specifically to fund two parking garages. He added that in July 2016, \$5,120,000 in Sales Tax Revenue bonds were issued to fund the first payment of \$5 million. He reported that the work had been completed and the city was given a Certificate of Completion on November 21, 2016. He added at this point, a second installment is due and the third once a notice of commencement is issued. He explained to the Board that they would like to combine the second and third installment which would save costs. Mr. Spurgeon informed the Board that they are being asked to authorize the issuance of up to \$11 million to generate the next \$10 million payment for the next two installments. He informed the board that they are being asked to authorize staff to approve the sale of the bonds as well as have a manager sign an approval certificate. He concluded that all of this would happen in the early part of January.

At this time, President Whitacre opened the floor for discussion.

President Whitacre asked Mr. Spurgeon if the reason for combining the bonds would save the City money and he affirmed that.

Mr. Mario Reyna moved to approve the Resolution authorizing the issuance of up to \$11,000,000 in aggregate principal amount of Development Corporation of McAllen, Inc. Sales Tax Revenue Bonds, Taxable Series 2017; authorizing the sale thereof pursuant to a negotiated underwriting; approving and authorizing the execution of all instruments and procedures related thereto including a purchase contract and a paying agent/registrar agreement; authorizing the preparation and distribution of a preliminary official statement and a final official statement; and delegating authority to certain officials to approve all final terms with respect to the sale of the bonds and other matters. Mr. Tony Sanchez seconded the motion. The motion carried unanimously by those present.

2. Discussion and possible action - Resolution approving a project funding agreement among various City of McAllen-related entities to assist with funding a portion of the costs to construct and equip a new building in the Tres Lagos TIRZ to be initially leased by Texas A&M University, and approving a continuing disclosure agreement related to the issuance of certain contract revenue bonds being issued by the City of McAllen, Texas Local Government Finance Corporation to provide such funds.

Mr. Tom Spurgeon addressed the Board and informed the Board that they were not the issuers of the bonds but rather the Government Finance Corporation which had been created about two months ago. He reiterated that the Development Corporation was asked to make a financial commitment to pay for the bonds. Mr. Spurgeon explained that there are two sources of payment- a portion of the tax increment revenues generated from the City and a portion of the county's MO taxes levied in the Tres Lagos TIRZ. He added that there is an Interlocal Agreement between the County, the City, and the TIRZ that dictates or determines how those revenues are used. As Tres Lagos is developed, the TIRZ revenues will be sufficient to support the debt service on the bonds. Until then, the Development Corporation will be obligated to use, as the secondary source of payment, its sales tax revenues (net available) to cover all debt service not paid with the tax increment revenues generated by the City and County in the Tres Lagos TIRZ. He went on to explain the "Project Funding Agreement".

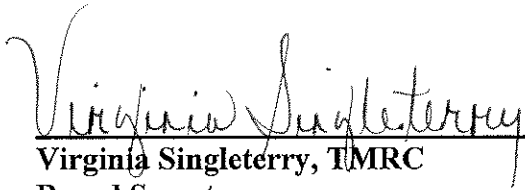
Mr. Jose Gonzales moved to approve the Resolution approving a Project Funding Agreement among various city of McAllen-related entities to assist with funding a portion of the costs to construct and equip a new building in the Tres Lagos TIRZ to be initially leased by Texas A&M University, and approving a continuing disclosure agreement related to the issuance of certain contract revenue bonds being issued by the City of McAllen, Texas Local Government Finance Corporation to provide such funds. Mr. Mario Reyna seconded the motion. The motion carried unanimously by those present.

ADJOURNMENT

There being no other business to come before the board, the meeting was unanimously adjourned at 3:17 p.m.



Veronica Whitacre, President



Virginia Singleterry, TMRC
Board Secretary