

# Seguin Economic Development Corporation

## Budget – Fiscal Year 2015-2016

### Summary

For Fiscal Year 2015-2016, the SEDC plans to continue its activities in four key program areas: Business Development, Workforce Development, Facility Development and Infrastructure Development. The focus is on bringing about quality job growth with expanded local career opportunities for the Seguin workforce while simultaneously enlarging the community tax base.

SEDC will also continue the development of property; acreage adjacent to Central Texas Metal Roofing and Supply, in order to recruit future hi-wage/hi-demand job opportunities to a “ready-to-build” site here in Seguin. Furthermore, SEDC will explore opportunities to diversify the Corporation’s real estate portfolio to continue to attract and recruit future hi-wage/hi demand job opportunities.

Lastly, the SEDC will continue to expand its marketing efforts to attract and retain business in and to the community.

### **Business Development      \$150,000**

*Promote and enhance employment opportunities in Seguin through the retention, expansion and attraction of business and industry to ensure the long-range economic competitiveness and overall prosperity of the city and its residents.*

#### Objectives:

- Utilize resources to encourage and assist existing businesses and industries to remain and expand in Seguin.
- Maintain close working relationships with all economic development allies to enhance opportunities to contact and attract business and industry prospects.
- Participate in prospect development missions and selected trade shows for targeted industries with allies like, Texas Department of Economic Development, Texas Department of Agriculture, Select USA, Team Texas, Texas One & 10/35 Economic Development Alliance to recruit new business, industrial expansions and relocations.
- Implement selected marketing and promotional activities to better promote Seguin’s strategic location and assets as a profitable location for businesses who are considering an expansion or relocation.
- Promote SEDC’s land for opportunities to further commercial business growth in addition to industrial and manufacturing expansion.
- Long range planning to establish priorities for project/program/studies funding.



- Continue Economic Development Partnership with 10/35 Economic Development Alliance with New Braunfels & Seguin.
- Contribution towards the new Small Business Development Center to assist Entrepreneur in their business start ups.

**Small Business Development            \$58,000**

Funding of the satellite offices includes training opportunities, minority business assistance, trade adjustment services to manufacturers, networking events and several others. Staff from the satellite office will travel throughout Comal and Guadalupe counties and host training courses in all three of the sponsoring communities. The proposed services will serve 350+ clients, spend 1700 hours consulting business owners, offer 30-35 training courses, and potentially create 90 jobs and 15 businesses and retain 60 jobs and 15 businesses. Additionally SBDC staff will visit local entrepreneur businesses and perform Retention Calls to assist in retaining businesses.

**Workforce Development            \$191,000**

*Strengthen and expand the skills of Seguin’s existing and future workforce to ensure an available quality work force.*

**Objectives:**

- Collaborate with local and regional participants in continued development of the Central Texas Technology Center to meet the on-going need for continuing education and post-secondary technical training. Additionally, the City of New Braunfels and the Alamo Colleges have proposed a new Academic building on the CTTC property to provide teaching space for use by all groups/departments teaching at the CTTC, and have asked the SEDC to contribute to the costs of the new building and related facilities. The SEDC has determined that building the new building will aid the CTTC in the promotion, encouragement and enhancement of job creation and workforce development in the City of Seguin.

The SEDC has authorized the expenditure of up to \$600,000 towards the cost of the new Academic Building on the CTTC campus; funds (\$600,000) were allocated in previous budgets and are reserved in a separate fund and not included in this line item of the SEDC operating fund. Due to the increased cost of construction SEDC has increased the budget line item to include an additional \$100,000 contribution towards the expansion project. This would bring the total contribution of the CTTC expansion to \$700,000, the additional \$100,000 will also be separated and placed in the a separate fund dedicated to CTTC once the 2015/2016 budget is approved by Council.

- Consider providing funds to facilitate the training and/or retraining of employees of existing and new businesses and industries.



**Facility Development            \$20,000**

*Assist in the development of marketable “Hi-Tech” and industrial sites and facilities to encourage the attraction and expansion of industries.*

Objectives:

- Consider providing financial assistance for the purchase of real estate and property improvement to induce the expansion and/or relocation of industry. Consider accessing the Texas Leverage Fund Program of the Texas Department of Economic Development or other local financial sources to leverage the SEDC’s funds for eligible industrial projects.
- Consider the construction of new facilities, lease or purchase of existing facilities to be improved and/or expanded for industrial purposes.

**Infrastructure Development Manufacturing            \$100,000**

*Consider assistance in the upgrading and/or extending of physical infrastructure to provide water, sewer, electricity, streets and drainage facilities to meet the needs of existing and new industries, which is consistent with the SEDC board work plan.*

Objectives:

- Consider financial participation in upgrading the City’s infrastructure to facilitate an industrial expansion, relocation and/or projects suitable for infrastructure necessary to promote or develop new or expanded business enterprise limited to the permissible 4-A projects as defined by section 2(11) (C) of the sales tax legislation (i.e. High Tech Park, I10/Hwy 123 Park and acreage adjacent to Rio Nogales Power Plant).
- Consider cost-sharing infrastructure extensions and/or upgrades for existing or relocating industries to enhance the retention and creation of quality jobs.

**Note**

Facility and infrastructure development may include bricks and mortar projects designed to expand Seguin’s industrial/manufacturing base and furthermore, permissible 4A projects under section 2(11) (C) are infrastructure projects limited to: Streets and roads, rail spurs, water and sewer utilities, electric utilities, gas utilities, drainage, site improvements, and related improvements These projects by their very nature carry a significantly larger price tag than the business or workforce development programs and are budgeted accordingly.



**Infrastructure Retail Development                      \$50,000**

While the SEDC is committed to quality of life issues, including a dynamic downtown, it must still keep its expenditures within the statutory framework. Projects that could be funded by the SEDC include:

- Drainage, lighting, roadway and landscaping improvements on Austin Street
- Construction of brick crosswalks downtown
- Funding a traffic study for downtown
- Utility, telecommunication and Internet upgrades to spur business development downtown
- Specific financial incentives to businesses locating downtown that meet the primary job criteria

**Note**

Under the Type A law, the SEDC cannot directly expend money for retail development, but we can expend money on infrastructure that would encourage retail development. The types of infrastructure that the SEDC may fund is limited to streets and roads, rail spurs, water and sewer utilities, electric and gas utilities , drainage, site work, and telecommunication and Internet improvements.

**Other Budget Items**

The balance of the budget includes other items as listed below:

\$75,000	Professional services, such as engineering, appraisal, technical studies, designs, outside consultant or attorney fees and Phase I environmental studies etc., essential to project or prospect development.
\$5,500	Required annual audit.
\$48,000	Attorney fees, expenses and other related items.
\$250,000	Expenses related to professional services provided by City to SEDC, as well as SEDC staff in accordance with our management services agreement with the City of Seguin (10% of annual sales tax revenues, ½ salary reimbursements for Assistant Director, Vehicle Allowance for Director & Assistant Director), salary reimbursement for Intern and expenses related to operations, transportation and maintenance. Vehicle maintenance and fuel.
\$15,000	Supplies needed for SEDC activities, supplies, special events Promotional projects.
\$10,000	Maintenance, mowing, trimming, etc. upkeep of SEDC Properties



\$10,000 Professional Development

\$442,925 Debt service reimbursement to the City of Seguin for bond & tax notes payments.

**Budget Summary**

<b>Business Development</b>	<b>\$150,000.00</b>
<b>Small Business Development</b>	<b>\$ 58,000.00</b>
<b>Workforce Development</b>	<b>\$ 191,000.00</b>
<b>Facilities Development</b>	<b>\$ 20,000.00</b>
<b>Infrastructure Dev. Manufacturing</b>	<b>\$100,000.00</b>
<b>Infrastructure Dev. Retail</b>	<b>\$ 50,000.00</b>
<b>Other Budget Items</b>	<b><u>\$856,425.00</u></b>
<b>TOTAL:</b>	<b>\$1,425,425.00</b>



## SEDC Budget Line Item Detail

### Proposed FY2015-2016 Operating Budget

<b>Business Development</b>	<b>FY2014-2015</b>	<b>FY2015-2016</b>	<b>Proposed Change</b>
10 / 35 Alliance Partnership	40,000	40,000	0%
Marketing / Advertisements	20,000	20,000	0%
Promotional Items	10,000	10,000	0%
Memberships/Fees	11,000	11,000	0%
Retail Study	25,000	25,000	0%
CoStar Contract	12,000	12,000	0%
Website Development	10,000	10,000	0%
Branding	12,500	10,000	-20%
Other	9,500	12,000	26%
<b>Business Development Subtotal</b>	<b>150,000</b>	<b>150,000</b>	<b>0%</b>
<b>SBDC</b>	<b>FY2014-2015</b>	<b>FY2015-2016</b>	<b>Proposed Change</b>
Seguin's Share (33%)	55,057	57,881	5%
<b>Total Center Cost</b>	<b>56,000</b>	<b>58,000</b>	<b>4%</b>
<b>Workforce Development</b>	<b>FY2014-2015</b>	<b>FY2015-2016</b>	<b>Proposed Change</b>
CTTC Academies Operation	75,000	71,000	-5%
Accuplacer Testing	20,000	20,000	0%
CTTC Expansion Project	200,000	100,000	-50%
<b>Workforce Subtotal</b>	<b>295,000</b>	<b>191,000</b>	<b>-35%</b>
<b>Facility Development</b>	<b>FY2014-2015</b>	<b>FY2014-2015</b>	<b>Proposed Change</b>
FCA Payments	10,000	10,000	0%
Gray Payments	10,000	10,000	0%
<b>Facility Development Subtotal</b>	<b>20,000</b>	<b>20,000</b>	<b>0%</b>
<b>Infrastructure - Manufacturing</b>	<b>FY2014-2015</b>	<b>FY2014-2015</b>	<b>Proposed Change</b>
<b>Infrastructure - Manuf.</b>	<b>100,000</b>	<b>100,000</b>	<b>0%</b>
<b>Infrastructure - Retail</b>	<b>FY2014-2015</b>	<b>FY2014-2015</b>	<b>Proposed Change</b>
Retail Development Infrastructure	50,000	50,000	0%
<b>Infrastructure - Retail Subtotal</b>	<b>50,000</b>	<b>50,000</b>	<b>0%</b>
<b>Other Budgeted Items</b>	<b>FY2014-2015</b>	<b>FY2014-2015</b>	<b>Proposed Change</b>
Professional Services~Engineering	50,000	75,000	50%
Annual Audit	5,000	5,500	10%
Attorney Fees	48,000	48,000	0%
Professional Services~City Mgt.	225,000	250,000	11%
Supplies	12,000	15,000	25%
Property Maintenance	18,000	10,000	-44%
Professional Development	12,000	10,000	-17%
Debt Service	532,825	442,925	-17%
<b>Total</b>	<b>902,825</b>	<b>856,425</b>	<b>-5%</b>
<b>Total Operating Budget</b>	<b>FY2014-2015</b>	<b>FY2014-2015</b>	<b>Proposed Change</b>
<b>Total</b>	<b>1,573,825</b>	<b>1,425,425</b>	<b>-9%</b>

