

**SEGUIN ECONOMIC DEVELOPMENT CORPORATION
PROPOSED FY 2018-2019 BUDGET**

	Budget FY2018	Estimate FY2018	Budget FY2019
Balance forward as of October 1	\$ 348,477	\$ 408,370	\$ 539,443
Revenues			
Sales Tax (Type A 1/4 Cent)	\$ 1,245,833	\$ 1,245,833	\$ 1,283,333
Lease-Ewald House (3031 N. Austin Street)	\$ 7,200	\$ 7,200	\$ 7,200
Principal/Interest-Tucker/Davis	\$ 47,464	\$ 47,464	\$ 47,464
Principal/Interest-Pure and Gentle	\$ 1,950	\$ 1,950	\$ 1,950
Miscellaneous Revenue	\$ -	\$ 3,294	\$ -
Interest	\$ 2,638	\$ 4,000	\$ 3,500
Total Revenue	\$ 1,305,085	\$ 1,309,741	\$ 1,343,447
Expenditures			
Professional Services	\$ 50,000	\$ 50,000	\$ 100,000
Annual Audit	\$ 5,000	\$ 4,250	\$ 5,000
Attorney Fees	\$ 48,000	\$ 48,000	\$ 48,000
Economic Development Services	\$ 275,469	\$ 236,802	\$ 243,135
General Supplies	\$ 13,000	\$ 11,000	\$ 15,000
Facility Development	\$ 100,000	\$ 50,000	\$ 100,000
Business Development/Public Relations	\$ 115,000	\$ 110,000	\$ 140,000
Small Business Development	\$ 60,000	\$ 60,000	\$ 60,000
Infrastructure Development-Manufacturing	\$ 50,000	\$ 40,000	\$ 50,000
Infrastructure Development-Retail	\$ 20,000	\$ 7,000	\$ 25,000
Work Force Development	\$ 85,000	\$ 80,000	\$ 85,000
Professional Development	\$ 10,000	\$ 10,000	\$ 10,000
Property Maintenance	\$ 10,000	\$ 8,000	\$ 10,000
Debt Service	\$ 413,616	\$ 413,616	\$ 273,091
Total Expenditures	\$ 1,255,085	\$ 1,128,668	\$ 1,164,226
Net Revenues (Expenditures) before transfers	\$ 50,000	\$ 181,073	\$ 179,221
Transfers to SEDC Incentive/Infrastructure Fund	\$ -	\$ (50,000)	\$ (50,000)
Net Revenues (Expenditures) after transfers	\$ 50,000	\$ 131,073	\$ 129,221
Balance as of September 30	\$ 398,477	\$ 539,443	\$ 668,664



**ECONOMIC
DEVELOPMENT
CORPORATION**

Budget Overview – Fiscal Year 2018-2019

Summary

For Fiscal Year 2018-2019, the Seguin Economic Development Corporation (SEDC) plans to continue its activities in four key program areas: Business Development, Workforce Development, Facility Development and Infrastructure Development. The SEDC's Fiscal Year 2019 expenditures will focus on efforts related to creating primary jobs, retaining primary jobs, strengthening our talent pipeline through targeted workforce development initiatives and growing our community tax base. Staff continues to be fiscally responsible which has resulted in the growth of the SEDC's fund balance, and for Fiscal Year 2019, staff has yet again prepared a balance budget.

Revenues

The SEDC anticipates **\$1,343,447** in total revenue for Fiscal Year 2019. The SEDC is primarily funded through a ¼ sales tax that is allocated towards Type A economic development efforts. For Fiscal Year 2019, staff anticipates **\$1,283,333** in revenues from sales tax collections allocated to the SEDC. Additional sources of revenue for the SEDC include monies received through property leases, interest payments and other miscellaneous sources. For Fiscal Year 2019, staff anticipates **\$60,114** in revenues from these additional sources.

Expenditures

Business Development: \$140,000.00

(Percentage of Overall Expenditures Budget: 12%. *Change from FY 17-18: +22%*)

Objectives and Proposed Expenditures:

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.

- **Recruitment:** Participate in business recruitment missions and selected trade shows for targeted industries with economic development partners such as Office of the Governor-Economic Development and Tourism Division, Select USA, Team Texas, and the 10/35 Economic Development Alliance to recruit new business expansions and relocations.
- **Retention:** Utilize resources to encourage and assist existing businesses and industries to remain and expand in Seguin.
- Maintain close working relationships with all economic development partners to enhance opportunities to contact and attract business and industry prospects.
- **Marketing:** Implement strategic marketing/promotional activities and products to promote the City of Seguin to businesses, developers and others who are considering an investment through expansion and/or relocation.
- **Asset Development and Marketing:** Efforts to make SEDC properties "development ready" and market properties to recruit primary job opportunities and new investment to Seguin.
- **Strategic Planning:** Long range planning to establish priorities for project/program/studies funding.
- **Data Subscriptions:** To have accurate and up-to-date data on the Seguin market, subscriptions to data platforms such as CoStar (commercial real estate), EMSI (labor/workforce), and Sites to do Business (demographics) are a necessity.

- **Website Development:** Having a standalone SEDC website that is user friendly to both staff and prospects is vital. The current configuration of having a webpage within the City website has created issues for staff and made it challenging to share information with prospects. Staff has allocated funding to develop a standalone SEDC website as well as a standalone available properties website tool.

Small Business Development: \$60,000.00

(Percentage of Overall Expenditures Budget: 5%. *Change from FY 17-18: 0.0%*)

Objectives and Proposed Expenditures:

Funding of the SPARK/UTSA Small Business Development Center (SBDC) satellite office, including, but not limited to training opportunities, minority business assistance, trade adjustment services to manufacturers, and networking events. UTSA SBDC Staff from the satellite office will travel throughout Comal and Guadalupe counties and host training courses in all of the sponsoring communities.

Workforce Development: \$85,000.00

(Percentage of Overall Expenditures Budget: 7%. *Change from FY 17-18: 0.0%*)

Objectives and Proposed Expenditures:

Strengthen and expand the skills of Seguin's existing and future workforce to ensure an available quality workforce.

- **Alamo Academies:** Funding for the operation of the Alamo Academies in the Central Texas Technology Center region to meet the on-going need for continuing education and post-secondary technical training in Advanced Technology and Manufacturing and Information Technology and Security.
- **Talent Pipeline Project:** Funding for efforts associated with the Talent Pipeline Project in the Seguin area

Facility Development: \$100,000.00

(Percentage of Overall Expenditures Budget: 9%. *Change from FY 17-18: 0.0%*)

Objectives and Proposed Expenditures:

Assist in the development of marketable industrial sites and facilities to encourage the attraction and expansion of industries.

- Potential funding available for project development. Typically associated with purchase of real estate and/or facility improvements that will result in the expansion and/or relocation of targeted industry and the creation/retention of primary jobs in Seguin.
- Potential funding to attaining assets such as development ready land, construction of new industrial facilities, lease or purchase of existing industrial facilities that can be improved and/or expanded for business recruitment and retention purposes.

Infrastructure Development Manufacturing: \$50,000.00

(Percentage of Overall Expenditures Budget: 9%. *Change from FY 17-18: 4%*)

Objectives and Proposed Expenditures:

Consider assistance in the upgrading and/or extending of physical infrastructure to provide water, sewer, electricity, telecommunications, streets and drainage facilities to meet the needs of existing and new industries.

- Potential funding available for 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 Type A projects as defined by section 501.103 of the Texas Local Government Code.

- Consider cost-sharing infrastructure extensions and/or upgrades for existing or relocating industries to enhance the retention and creation of primary jobs.

Note: Permissible Type A infrastructure “projects” under Section 501.103 of the Texas Local Government Code include streets and roads, rail spurs, water and sewer utilities, electric utilities, gas utilities, drainage, site improvements, and related improvements (telecommunications and internet improvements).

Infrastructure Development Retail: \$25,000.00

(Percentage of Overall Expenditures Budget: 2%. *Change from FY 17-18: 25%*)

Objectives and Proposed Expenditures:

The SEDC is committed to enhancing quality of life and attracting new commercial/retail development to strategic areas within the City. As a Type A Economic Development Organization, the SEDC must keep expenditures within the statutory framework. Texas Local Government Code states that Type A Economic Development Organizations cannot directly expend money for individual retailers and retail development but can expend money on infrastructural improvements which promote or develop new or expanded business 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.

Professional Services: \$100,000.00

(Percentage of Overall Expenditures Budget: 9%. *Change from FY 17-18: 100%*)

Objectives and Proposed Expenditures:

Professional services, including but not limited to engineering, appraisal, technical studies, designs, outside consultant or attorney fees and environmental studies, essential to asset, project and prospect development.

Annual Audit: \$5,000.00

(Percentage of Overall Expenditures Budget: 0%. *Change from FY 17-18: 0%*)

Objectives and Proposed Expenditures:

Funding for required annual audit of SEDC Budget by third party.

Attorney Fees: \$48,000.00

(Percentage of Overall Expenditures Budget: 4%. *Change from FY 17-18: 0%*)

Objectives and Proposed Expenditures:

Funding for attorney retainer fees, expenses and other related items.

Economic Development Services: \$243,135.00

(Percentage of Overall Expenditures Budget: 21%. *Change from FY 17-18: -12%*)

Objectives and Proposed Expenditures:

Expenses related to professional services provided by City of Seguin to the SEDC, as well as SEDC staff in accordance with the management services agreement with the City of Seguin:

- 10% of annual Type A sales tax revenues received by SEDC
- 50% salary reimbursements for Assistant Director position
- 100% salary reimbursements for Business Retention Specialist position
- 50% salary reimbursements for Business Recruitment Specialist position
- Mobile phone and vehicle allowance reimbursements
- Salary reimbursement for intern (if applicable)
- Other expense reimbursements related to operations, transportation and maintenance.

Operational Supplies: \$15,000.00

(Percentage of Overall Expenditures Budget: 1%. *Change from FY 17-18: +15%*)

Objectives and Proposed Expenditures:

Supplies needed for SEDC activities, operations, special events, and promotional projects.

Property Maintenance: \$10,000.00

(Percentage of Overall Expenditures Budget: 1%. *Change from FY 17-18: 0%*)

Objectives and Proposed Expenditures:

Maintenance and upkeep of SEDC Properties (I-10 & Grein, I-10 & Rio Nogales, SH 123 & Stremmel, Rental House-3031 N. Austin Street)

Professional Development: \$5,000.00

(Percentage of Overall Expenditures Budget: 1%. *Change from FY 17-18: 0%*)

Objectives and Proposed Expenditures:

Funding for expenses related to professional development classes and conferences for SEDC Staff.

Debt Service: \$273,091

(Percentage of Overall Expenditures Budget: 23%. *Change from FY 17-18: -7%*)

Objectives and Proposed Expenditures:

Debt service reimbursement to the City of Seguin for bond, tax notes, and other debt payments. Active debt obligations include 2013 Certificate of Obligation (I-10 Frontage Roads) and the loan with First Commercial Bank for the SH 123 and Stremmel Road Property. Please note that the 2011 Certificate of Obligation (SH 123 Water Tower) has been fulfilled.

Transfers to SEDC Incentive / Infrastructure Fund: \$50,000.00

(*Change from FY 17-18: 0%*)

Objectives and Proposed Expenditures:

Transfer of funds at beginning of fiscal year to fulfill obligation per the terms of a performance agreement with Springs Hill Water Supply Corporation for the construction of a new elevated water storage tank. Final payment of financial obligation.