

Seguin Economic Development Corporation

Budget Overview – Fiscal Year 2016-2017

Summary

For Fiscal Year 2016-2017, 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 focus is on bringing about quality job growth with expanded local career opportunities for the Seguin workforce while simultaneously enlarging the community tax base.

The SEDC will also continue the development and marketing of property; acreage adjacent to Central Texas Metal Roofing (Grein Place Property) and acreage along Stempel Road between State Highway 123 Business and Bypass (Stempel Property), in order to recruit future high wage/high 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 high wage/high 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 (037-8300-32810): \$145,000

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, Office of the Governor-Economic Development and Tourism Division, Texas Department of Agriculture, Select USA, Team Texas, Texas One and the 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 owned 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.

Small Business Development (037-8300-32820): \$60,000

Funding of the UTSA Small Business Development Center (SBDC) satellite office; including, but not limited to training opportunities, minority business assistance, trade adjustment services to manufacturers, networking events and several others. SBDC Staff from the satellite office will travel throughout Comal and Guadalupe counties and host training courses in all three of the sponsoring communities. Services are expected to 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 (037-8300-32690): \$95,000

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

Facility Development (037-8300-32930): \$20,000

Assist in the development of marketable advanced technology 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 (037-8300-32830): \$171,758

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. IH-10/Hwy 123 Park, acreage adjacent to Rio Nogales Power Plant, Grein Place acreage).
- 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 Development-Retail (037-8300-32840): \$50,000

While the SEDC is committed to quality of life issues, including a dynamic downtown and attracting new retail to strategic areas within the City, it must still keep its expenditures within the statutory framework. Retail related development projects that could be funded by the SEDC include:

- Drainage, lighting, roadway, pedestrian and landscaping improvements in strategic retail areas
- Funding a traffic study for strategic retail areas within the City
- Utility, telecommunication and Internet upgrades to spur business development
- Specific financial incentives to businesses locating in strategic retail areas 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:

Professional Services (037-8300-32050)	\$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.
Annual Audit (037-8300-32100)	\$5,000	Required annual audit.

Attorney Fees (037-8300-32150)	\$48,000	Attorney fees, expenses and other related items.
Economic Development Services (037-8300-32920)	\$275,000	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.
Operation Supplies (037-8300-61300)	\$15,000	Supplies needed for SEDC activities, operations, special events, and promotional projects.
Property Maintenance (037-8300-43600)	\$10,000	Maintenance, mowing, trimming, etc. upkeep of SEDC Properties.
Education/Professional Development (037-8300-66450)	\$10,000	Professional Development for SEDC Staff.
Debt Service	\$442,204	Debt service reimbursement to the City of Seguin for bond & tax notes payments.

Budget Summary

Business Development	\$145,000.00
Small Business Development	\$60,000.00
Workforce Development	\$95,000.00
Facilities Development	\$20,000.00
Infrastructure Dev. Manufacturing	\$171,758.00
Infrastructure Dev. Retail	\$50,000.00
Other Budget Items	\$880,204.00
TOTAL	\$1,421,962.00
Percent Change from Previous Year	-0.24%

Proposed FY 2016-2017 SEDC Operating Budget

Business Development (037-8300-32810)	FY 2014-2015	FY 2015-2016	FY 2016-2017	Proposed Change
10 / 35 Alliance Partnership	40,000	40,000	40,000	0%
Marketing / Advertisements	20,000	20,000	20,000	0%
Promotional Items	10,000	10,000	10,000	0%
Memberships/Fees	11,000	11,000	11,000	0%
Retail Study	25,000	25,000	20,000	-20%
CoStar Contract	12,000	12,000	12,000	0%
Website Development	10,000	10,000	10,000	0%
Branding	12,500	10,000	10,000	0%
Other	9,500	12,000	12,000	0%
Business Development Subtotal	150,000	150,000	145,000	-3%

Small Business Development (037-8300-32820)	FY 2014-2015	FY 2015-2016	FY 2016-2017	Proposed Change
Seguin's Share (33%)	55,057	58,000	60,000	3%
Total Center Cost	56,000	58,000	60,000	3%

Workforce Development (037-8300-32960)	FY 2014-2015	FY 2015-2016	FY 2016-2017	Proposed Change
CTTC Alamo Academies Operation	75,000	71,000	75,000	6%
Accuplacer Testing	20,000	20,000	20,000	0%
CTTC Expansion Project	200,000	100,000	-	-100%
Workforce Subtotal	295,000	191,000	95,000	-50%

Facility Development (037-8300-32930)	FY 2014-2015	FY 2015-2016	FY 2016-2017	Proposed Change
FCA Payments	10,000	10,000	10,000	0%
Gray Payments	10,000	10,000	10,000	0%
Facility Development Subtotal	20,000	20,000	20,000	0%

Infrastructure - Manufacturing (037-8300-32830)	FY 2014-2015	FY 2015-2016	FY 2016-2017	Proposed Change
Infrastructure - Manuf.	100,000	100,000	171,758	72%

Infrastructure - Retail (037-8300-32840)	FY 2014-2015	FY 2015-2016	FY 2016-2017	Proposed Change
Retail Development Infrastructure	50,000	50,000	50,000	0%
Infrastructure - Retail Subtotal	50,000	50,000	50,000	0%

Other Budgeted Items	FY 2014-2015	FY 2015-2016	FY 2016-2017	Proposed Change
Professional Services (037-8300-32050)	50,000	75,000	75,000	0%
Annual Audit (037-8300-32100)	5,000	5,500	5,000	-9%
Attorney Fees (037-8300-32150)	48,000	48,000	48,000	0%
Econ Dev Services (City Mgt.) (037-8300-32920)	225,000	250,000	275,000	10%
Operating Supplies (037-8300-61300)	12,000	15,000	15,000	0%
Property Maintenance (037-8300-43600)	18,000	10,000	10,000	0%
Education/Professional Development (037-8300-66450)	12,000	10,000	10,000	0%
Debt Service	532,825	442,925	442,204	0%
Total	902,825	856,425	880,204	3%

Total Operating Budget	FY 2014-2015	FY 2015-2016	FY 2016-2017	Proposed Change
Total	1,573,825	1,425,425	1,421,962	-0.24%

**SEGUIN ECONOMIC DEVELOPMENT CORPORATION
PROPOSED FY 2016-2017 BUDGET**

	<u>Budget</u> <u>FY 2015-2016</u>	<u>Estimate</u> <u>FY 2015-2016</u>	<u>Budget</u> <u>FY 2016-2017</u>
Balance forward as of October 1	\$ 437,716	\$ 437,716	\$ 354,259
Revenues			
Sales Tax	\$ 1,200,000	\$ 1,241,667	\$ 1,262,500
Lease Tecni-Quip	\$ 18,000	\$ 3,000	\$ -
Lease-Ewald House	\$ 7,200	\$ 7,200	\$ 7,200
Lease-Land for Billboard	\$ 3,888	\$ 324	\$ -
Principal/Interest-Tucker/Davis	\$ 47,464	\$ 47,464	\$ 47,464
Principal/Interest-Advanced Cutting	\$ 274,505	\$ 274,505	\$ -
Principal/Interest-Pure and Gentle	\$ 1,950	\$ 1,950	\$ 1,950
Interest	\$ 500	\$ 600	\$ 500
Sale of Real Estate	\$ -		\$ -
Miscellaneous Revenue	\$ -	\$ -	\$ 3,000
Total Revenue	\$ 1,553,507	\$ 1,576,710	\$ 1,322,614
Expenditures			
Professional Services	\$ 22,895	\$ 20,000	\$ 75,000
Annual Audit	\$ 5,500	\$ 4,000	\$ 5,000
Attorney Fees	\$ 48,000	\$ 48,000	\$ 48,000
Economic Development Services	\$ 250,000	\$ 268,000	\$ 275,000
General Supplies	\$ 15,000	\$ 15,000	\$ 15,000
Facility Development	\$ 20,000	\$ 20,000	\$ 20,000
Business Development/Public Relations	\$ 150,000	\$ 108,000	\$ 145,000
Small Business Development	\$ 58,000	\$ 57,881	\$ 60,000
Infrastructure Development-Manufacturing	\$ 254,188	\$ 220,000	\$ 171,758
Infrastructure Development-Retail	\$ -	\$ -	\$ 50,000
Work Force Development	\$ 191,000	\$ 177,000	\$ 95,000
Professional Development	\$ 10,000	\$ 6,000	\$ 10,000
Property Maintenance	\$ 10,000	\$ 6,000	\$ 10,000
Debt Service	\$ 360,286	\$ 360,286	\$ 442,204
Total Expenditures	\$ 1,394,869	\$ 1,310,167	\$ 1,421,962
Net Revenues (Expenditures) before transfers	\$ 158,638	\$ 266,543	\$ (99,348)
Transfers to SEDC Incentive/Infrastructure Fund	\$ (350,000)	\$ (350,000)	\$ -
Net Revenues (Expenditures) after transfers	\$ (191,362)	\$ (83,457)	\$ (99,348)
Balance as of September 30	\$ 246,354	\$ 354,259	\$ 254,911