



**ECONOMIC
DEVELOPMENT
CORPORATION**

Budget Overview – Fiscal Year 2017-2018

Summary

For Fiscal Year 2017-2018, 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; 14 acres located at Interstate 10 and Grein Place (Grein Property) and 48 acres along located at Stremmel Road and State Highway 123 (Stremmel 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): \$115,000.00

(Percentage of Overall Budget: 9.2%. *Change from FY 16-17: -20.7%*)

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 partners to enhance opportunities to contact and attract business and industry prospects.
- 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.
- 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.
- Develop and market SEDC owned properties in order to recruit future high wage/high demand job opportunities to a “ready-to-build” site here in Seguin.
- 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): \$60,000.00

(Percentage of Overall Budget: 4.8%. *Change from FY 16-17: 0.0%*)

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. Services are expected to serve over 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): \$85,000.00

(Percentage of Overall Budget: 6.8%. *Change from FY 16-17: -10.5%*)

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 and funding of the Alamo Academies at the Central Texas Technology Center in order to meet the on-going need for continuing education and post-secondary technical training in Advanced Technology and Manufacturing and Internet Technology and Security.
- Consider providing funds to facilitate the training and/or retraining of employees of existing and new businesses and industries.

Facility Development (037-8300-32930): \$100,000.00

(Percentage of Overall Budget: 8.0%. *Change from FY 16-17: +400.0%*)

Assist in the development of marketable 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 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): \$50,000.00

(Percentage of Overall Budget: 4.0%. *Change from FY 16-17: -70.9%*)

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.

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 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 (037-8300-32840): \$20,000.00

(Percentage of Overall Budget: 1.6%. Change from FY 16-17: -60.0%)

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. The Texas Local Government Code states that Type A Economic Development Organizations cannot directly expend money for retail development, but can expend money on infrastructure that would encourage retail and 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. 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*

Professional Services (037-8300-32050): \$50,000.00

(Percentage of Overall Budget: 4.0%. Change from FY 16-17: -60.0%)

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

Annual Audit (037-8300-32150): \$5,000.00

(Percentage of Overall Budget: 0.4%. Change from FY 16-17: -0.0%)

Required annual audit of SEDC Budget.

Attorney Fees (037-8300-32150): \$48,000.00

(Percentage of Overall Budget: 3.8%. Change from FY 16-17: -0.0%)

Attorney retainer fees, expenses and other related items.

Economic Development Services (037-8300-32920): \$275,469.00

(Percentage of Overall Budget: 21.9%. *Change from FY 16-17: +0.2%*)

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.*

Operation Supplies (037-8300-61300): \$13,000.00

(Percentage of Overall Budget: 1.0%. *Change from FY 16-17: -13.3%*)

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

Property Maintenance (037-8300-43600): \$10,000.00

(Percentage of Overall Budget: 0.8%. *Change from FY 16-17: 0.0%*)

Maintenance and upkeep of SEDC Properties (Grein Property, Stremmel Property, Rental House-3031 N. Austin Street)

Education/Professional Development (037-8300-66450): \$10,000.00

(Percentage of Overall Budget: 0.8%. *Change from FY 16-17: 0.0%*)

Professional Development for SEDC Staff.

Debt Service: \$413,616.00

(Percentage of Overall Budget: 33.0%. *Change from FY 16-17: 0.0%*)

Debt service reimbursement to the City of Seguin for bond, tax notes, and other debt payments. (2011 Certificates of Obligation, 2013 Certificates of Obligation, Stremmel Property Loan)