

ECONOMIC DEVELOPMENT CORPORATION AGENDA
BOARD OF DIRECTORS REGULAR MEETING | August 28, 2018
CITY COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE
REGULAR SESSION - 7:30 PM

I. CALL TO ORDER

II. ROLL CALL

III. MINUTES APPROVAL

- A. Consider approval of the minutes from the June 26, 2018 Regular Meeting.

IV. REGULAR ITEMS

- A. Review and accept the KEDC Financial Report for July 2018
- B. Review, discuss and provide staff direction regarding the Economic Development Corporation proposed budget
- C. Consider approval of a 12-month lease extension and rent increase for Red's Roadhouse

V. STAFF ANNOUNCEMENTS/REPORTS

In addition to any specific matters listed below, the Economic Development Corporation Board of Directors may receive a report about items of community interest, including but not limited to recognition of individual officials, citizens or departments, information regarding holiday schedules, upcoming or attended events, etc.

- A. TownCenter
- B. Oak Crest
- C. Chamber of Commerce Report

VI. EXECUTIVE SESSION

The Economic Development Corporation will meet in closed session pursuant to Section 551.072 of the Texas Government Code to deliberate the purchase, lease, or value of real property

- A. 1170 E. Kennedale Parkway

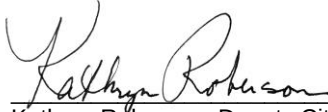
VII. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

VIII. ADJOURNMENT

In compliance with the Americans with Disabilities Act, the City of Kennedale will provide for reasonable accommodations for persons attending City Council meetings. This building is wheelchair accessible, and parking spaces for disabled citizens are available. Requests for sign interpreter services must be made forty-eight (48) hours prior to the meetings. Please contact the City Secretary at 817.985.2104 or (TDD) 1.800.735.2989

CERTIFICATION

I certify that a copy of the August 28, 2018, Kennedale Economic Development Corporation agenda was posted on the City Hall bulletin board next to the main entrance of the City Hall building, 405 Municipal Drive, of the City of Kennedale, Texas, in a place convenient and readily accessible to the general public at all times and said agenda was posted at least 72 hours preceding the schedule time of said meeting, in accordance with Chapter 551 of the Texas Government Code.

A handwritten signature in black ink, appearing to read 'Kathryn Roberson', written over a horizontal line.

Kathryn Roberson, Deputy City Secretary



STAFF REPORT TO THE BOARD OF DIRECTORS

Date: August 28, 2018

Agenda Item No: MINUTES APPROVAL - A.

I. Subject:

Consider approval of the minutes from the June 26, 2018 Regular Meeting.

II. Summary:

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

1.	EDC 6-26-18 Minutes	EDC 6-26-18 Minutes.pdf
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ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS - REGULAR MEETING MINUTES
CITY COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE
June 26, 2018 at 7:30 p.m.

I. CALL TO ORDER

President Robert Mundy called the meeting to order at 7:34 p.m.

II. ROLL CALL

Present: President Robert Mundy, Pat Turner, Sandra Lee, Stan Seat

Absent: Vice President Mark Yeary, Ron Whitley, Ralph Grimes

III. WORK SESSION

A. Discussion of long-range planning and economic development of EDC properties including future development of TownCenter

Executive Director, George Campbell, introduced Melissa Dailey, Community Development Director, who presented the 2012 Comprehensive Plan update process. Mr. Campbell was available for questions from the Board.

IV. MINUTES APPROVAL

A. Consider approval of the minutes from the May 22, 2018 regular meeting

Motion To approve the May 22, 2018 Economic Development Corporation regular meeting minutes. **Action** Approve, **Moved By** Pat Turner, **Seconded By** Sandra Lee. **Motion passed Unanimously**

B. Consider approval of the minutes from the June 4, 2018 special meeting

Motion To approve the June 4, 2018 Economic Development Corporation special meeting minutes. Action Approve, **Moved By** Robert Mundy, **Seconded By** Sandra Lee. **Motion passed with a vote of 3-0; with None voting against approval. Pat Turner abstained.**

V. REGULAR ITEMS

A. Review and accept the KEDC Financial Report for May 2018

Finance Director Brady Olsen presented a brief overview of the May financial report. He noted that sales tax revenues increased due to recent manufacturing business growth within the City. He noted that the FY2019 City budget preparations are underway. President Mundy asked whether there will be separate checking accounts for all independent City entities. Brady replied that only the EDC will have a separate bank account to maintain a separation from City

funds. Brady also noted that bids have been received from audit firms. The final firm selection will be made during the July 2018 regular city council meeting.

Motion To approve the May 2018 financial report for the Economic Development Corporation.
Action Approve, **Moved By** Sandra Lee, **Seconded By** Pat Turner. **Motion passed Unanimously**

VI. STAFF ANNOUNCEMENTS/REPORTS

- A. TownCenter
- B. Oak Crest
- C. Chamber of Commerce

Executive Director, George Campbell, discussed TownCenter uses relative to the Unified Development Code (UDC) distance requirements. He noted that the Planning and Zoning Commission had declined to recommend a distance exception for the TownCenter. He also noted that the Planning and Zoning Commission did recommend approval of staff proposed updated uses for the property. Mr. Campbell also discussed the leasing progress for TownCenter.

Mr. Campbell provided an update on an Economic Development Corporation owned lot at 6820 W. Oak Crest, and noted that the property had been cleared of all debris.

VII. EXECUTIVE SESSION

A. The Economic Development Corporation will meet in closed session pursuant to Section 551.072 of the Texas Government Code to deliberate the purchase, lease, or value of real property

- 1. TownCenter Property

The Board did not convene into an Executive Session.

VII. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

No action was taken; Executive Session was not held.

The Chairman noted that the next regularly scheduled meeting of the Economic Development Corporation will be July 24th, 2018 at 7:30 p.m.

VIII. ADJOURNMENT

Motion To adjourn. **Action** Adjourn, **Moved By** Sandra Lee, **Seconded By** Pat Turner. **Motion passed Unanimously**

The meeting was adjourned at 8:52 p.m.

APPROVED:

President Robert Mundy

ATTEST:

Deputy City Secretary Kathryn Roberson



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Kennedale Economic
Development Corporation
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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: August 28, 2018

Agenda Item No: REGULAR ITEMS - A.

I. Subject:

Review and accept the KEDC Financial Report for July 2018

II. Summary:

Finance Director Olsen will provide an overview of financial performance through July.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

1.	2018_07 Monthly Financials - EDC	2018_07 Monthly Financials - EDC.pdf
2.	Sales Tax Update-EDC July	Sales Tax Update-EDC July.pdf

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018

ECONOMIC DEVELOPMENT CORPORATION FINANCIALS SUMMARY

Budget Amendment

Monthly Information

1. \$41,089 Sales Tax continues to outperform expectations, partially due to new business coming on the books
2. Board could consider paying back loan from Hughes Commercial for building repair early
3. Per Council direction, working towards creating a separate bank account for the EDC
4. Low cash position, further new spending is not recommended

Rental Fees, MMD Tax and Rental Insurance are reported on the Accrual Basis of Accounting, while all other revenues and expenditures are reported on the Cash Basis. This procedure has been in effect for several years, but can be changed should the Board wish.

Brady Olsen
Finance Director

ADDITIONAL INFORMATION

FUND 15- OPERATING FUND (ALL BILLS AND REVENUE RECEIVED IN THIS FUND)
FUND 19- CAPITAL BOND FUND (REMAINING CAPITAL MONEY)
FUND 95- RESERVE FUND FOR DEBT REQUIREMENTS

**CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018**

EDC CASH POSITION

CATEGORY	DESCRIPTION	FY17-18 YTD
FROM PREVIOUS MONTHS REPORT:		
BEGINNING CASH BALANCE - FUND 15	(Operating Cash)	\$ 64,563
BEGINNING TEXPOOL BALANCE - FUND 15	(Operating Investments)	\$ -
BEGINNING TEXPOOL BALANCE - FUND 19	(Unspent bond proceeds)	\$ 30,047
BEGINNING CASH BALANCE - FUND 95	(Required reserves)	\$ 121,520
BEGINNING CASH BALANCE - TOTAL		\$ 216,130
BEGINNING AVAILABLE CASH - TOTAL		20,082
TOTAL REVENUES MINUS EXPENDITURES FOR MONTH		\$ 38,418 *
ENDING CASH BALANCE - FUND 15	(Operating Cash)	\$ 97,183
ENDING TEXPOOL BALANCE - FUND 15	(Operating Investments)	\$ -
ENDING TEXPOOL BALANCE - FUND 19	(Unspent bond proceeds)	\$ 30,095
ENDING CASH BALANCE - FUND 95	(Required reserves)	\$ 121,678
ENDING CASH BALANCE - TOTAL		\$ 248,956
UNAVAILABLE CASH - EARMARKED		
COMMITTED TO BUILDING ONE RENOVATION		\$ 29,150
2010 \$2.0M BOND SALE REMAINING CASH	(Unspent bond proceeds)	\$ 30,095
RESERVES FOR LEVERAGE NOTE	(Required reserves)	\$ 121,678
TOTAL UNAVAILABLE CASH		\$ 180,923
AVAILABLE CASH		\$ 68,033

*Due to prior period adjustments, beginning cash balance plus monthly income will not always be an exact match for ending cash balance

**CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018**

COMBINED EDC4B FUNDS SUMMARY

CATEGORY	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	\$ 313,866	\$ 313,866	\$ 134,784		\$ 302,131			
AD VALOREM TAXES	2,360	2,360	35,000	-	-	100.0%	0.0%	35,000
SALES/BEVERAGE TAXES	242,842	361,319	373,835	41,089	307,590	67.2%	82.3%	66,245
INVESTMENT EARNINGS	605	790	65	650	4,061	76.6%	6247.0%	(3,996)
MISCELLANEOUS INCOME	67,791	76,716	45,120	2,894	33,142	88.4%	73.5%	11,978
SURPLUS SALES/RENTALS	69,567	82,071	121,858	12,555	428,443	84.8%	351.6%	(306,585)
TRANSFERS	-	-	29,719	-	-	0.0%	0.0%	-
TOTAL REVENUES	\$ 383,165	\$ 523,257	\$ 605,597	\$ 57,188	\$ 773,235	73.2%	127.7%	\$ (197,357)
SUPPLIES	-	-	2,100	-	-	#DIV/0!	0.0%	2,100
MAINTENANCE	19,931	44,464	25,112	4,983	116,406	44.8%	463.5%	(91,294)
SUNDRY	162,032	201,042	213,667	8,875	152,926	80.6%	71.6%	60,741
DEBT	159,898	169,431	169,777	4,912	177,532	94.4%	104.6%	(7,755)
TRANSFERS	154,819	154,819	182,307	-	67,588	100.0%	37.1%	114,720
CAPITAL	11,354	14,621	-	-	199,712	77.7%	#DIV/0!	(199,712)
TOTAL EXPENDITURES	\$ 508,034	\$ 584,377	\$ 592,963	\$ 18,770	\$ 714,164	86.9%	120.4%	\$ (121,201)
REVENUES OVER EXPENDITURES	\$ (124,869)	\$ (61,120)	\$ 12,634	\$ 38,418	\$ 59,071			
ENDING FUND BALANCE	\$ 188,997	\$ 252,746	\$ 147,418		\$ 361,202			
FUND BALANCE AS % OF EXP	37.2%	43.3%	24.9%	0.0%	50.6%			
RESERVE (\$115,000) REQUIREMENT)	\$ -	\$ -	\$ 115,000	\$ -	\$ -			
RESERVE SURPLUS/(SHORTFALL)	\$ 188,997	\$ 252,746	\$ 32,418	\$ -	\$ 361,202			

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**CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018**

15: EDC4B FUND

CATEGORY	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	\$ 164,460	\$ 164,460	\$ (15,517)		\$ 152,017			
AD VALOREM TAXES	2,360	2,360	35,000	-	-	100.0%	0.0%	35,000
SALES/BEVERAGE TAXES	242,842	361,319	373,835	41,089	307,590	67.2%	82.3%	66,245
INVESTMENT EARNINGS	68	82	65	446	2,655	83.3%	4085.4%	(2,590)
MISCELLANEOUS INCOME	67,791	76,716	45,120	2,894	33,142	88.4%	73.5%	11,978
SURPLUS SALES/RENTALS	69,567	82,071	121,858	12,555	428,443	84.8%	351.6%	(306,585)
TOTAL REVENUES	\$ 382,628	\$ 522,549	\$ 575,878	\$ 56,984	\$ 771,830	73.2%	134.0%	\$ (195,952)
SUPPLIES	-	-	2,100	-	-	#DIV/0!	0.0%	2,100
MAINTENANCE	19,931	44,464	25,112	4,983	116,406	44.8%	463.5%	(91,294)
SUNDRY	162,032	201,042	213,667	8,875	152,926	80.6%	71.6%	60,741
DEBT	159,898	169,431	169,777	4,912	177,532	94.4%	104.6%	(7,755)
TRANSFERS	154,819	154,819	152,588	-	67,588	100.0%	44.3%	85,001
CAPITAL	11,354	14,621	-	-	199,712	77.7%	#DIV/0!	(199,712)
TOTAL EXPENDITURES	\$ 508,034	\$ 584,377	\$ 563,244	\$ 18,770	\$ 714,164	86.9%	126.8%	\$ (150,920)
REVENUES OVER EXPENDITURES	\$ (125,406)	\$ (61,828)	\$ 12,634	\$ 38,214	\$ 57,666			
ENDING FUND BALANCE	\$ 39,054	\$ 152,017	\$ (2,883)		\$ 209,683			
FUND BALANCE AS % OF EXP	7.7%	26.0%	-0.5%	0.0%	29.4%			
RESERVE (NO REQUIREMENT)	\$ -	\$ -	\$ -	\$ -	\$ -			
RESERVE SURPLUS/(SHORTFALL)	\$ 39,054	\$ 152,017	\$ (2,883)	\$ -	\$ 209,683			

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CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018

15: EDC4B FUND

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
4002-00-00	MMD TAX-CURRENT YEAR	2,360	2,360	35,000	-	-	100.0%	0.0%	35,000
	AD VALOREM TAXES	\$ 2,360	\$ 2,360	\$ 35,000	\$ -	\$ -	100.0%	0.0%	\$ 35,000
4081-00-00	SALES TAX	242,842	361,319	373,835	41,089	307,590	67.2%	82.3%	66,245
	SALES/BEVERAGE TAXES	\$ 242,842	\$ 361,319	\$ 373,835	\$ 41,089	\$ 307,590	67.2%	82.3%	\$ 66,245
4401-00-00	INVESTMENT INCOME	68	82	65	446	2,655	83.3%	4085.4%	(2,590)
	INVESTMENT EARNINGS	\$ 68	\$ 82	\$ 65	\$ 446	\$ 2,655	83.3%	4085.4%	\$ (2,590)
4409-00-00	MISCELLANEOUS INCOME	67,791	76,716	45,120	2,894	33,142	88.4%	73.5%	11,978
	MISCELLANEOUS INCOME	\$ 67,791	\$ 76,716	\$ 45,120	\$ 2,894	\$ 33,142	88.4%	73.5%	\$ 11,978
4805-00-00	RENTAL FEES-SHOPPING CENTER	69,206	81,710	121,112	12,555	79,264	84.7%	65.4%	41,848
4806-00-00	RENTAL INSURANCE	361	361	746	-	-	100.0%	0.0%	746
4884-00-01	SALE OF ASSETS	-	-	-	-	349,179	#DIV/0!	#DIV/0!	(349,179)
	SURPLUS SALES/RENTALS	\$ 69,567	\$ 82,071	\$ 121,858	\$ 12,555	\$ 428,443	#DIV/0!	#DIV/0!	\$ (306,585)
	TOTAL REVENUES	\$ 382,628	\$ 522,549	\$ 575,878	\$ 56,984	\$ 771,830	73.2%	134.0%	\$ (195,952)
	TOTAL REVENUES (EXCLUDING INTEREST/TRANSFERS)	\$ 382,560	\$ 522,467	\$ 575,813	\$ 56,538	\$ 769,175			
	10% ADMIN CHARGE-GENERAL FUND	38,256	52,247	57,581	5,654	76,917			

**CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018**

**15: EDC4B FUND
01: ADMINISTRATION**

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5240-01-00	PRINTED SUPPLIES	-	-	2,000	-	-		0.0%	2,000
5260-01-00	GENERAL OFFICE SUPPLIES	-	-	50	-	-	0.0%	0.0%	50
5261-01-00	POSTAGE	-	-	50	-	-	0.0%	0.0%	50
	SUPPLIES	\$ -	\$ -	\$ 2,100	\$ -	\$ -		0.0%	\$ 2,100
5501-01-00	ADVERTISING	390	390	1,200	-	35	100.0%	2.9%	1,165
5510-01-00	ASSOC DUES/PUBLICATIONS	4,850	4,855	5,320	-	4,890	99.9%	91.9%	430
5512-01-00	CONTRACTUAL SERVICES	-	-	-	-	-			-
5525-01-00	TRAINING/SEMINARS	-	175	250	-	-	0.0%	0.0%	250
5565-01-00	LEGAL SERVICES	8,689	17,252	10,000	100	11,680	50.4%	116.8%	(1,680)
5567-01-00	AUDIT SERVICES	2,250	2,250	2,250	-	4,250	100.0%	188.9%	(2,000)
5570-01-00	SPECIAL SERVICES	69,745	81,145	68,650	-	12,247	86.0%	17.8%	56,403
5574-01-00	FILING FEES	40	40	-	-	-			-
5578-01-00	TRAVEL	-	-	100	-	-	0.0%	0.0%	100
5580-01-00	ENGINEERING SERVICES	2,128	2,128	-	-	-	100.0%		-
5595-01-00	ADMIN CHARGE-GENERAL FUND	38,256	44,926	81,647	6,804	68,039	85.2%	83.3%	13,608
5615-01-00	FUNCTIONAL GRANT	11,146	17,137	24,000	-	14,059	65.0%	58.6%	9,941
	SUNDRY	\$ 137,534	\$ 170,298	\$ 193,417	\$ 6,904	\$ 115,200	80.8%	59.6%	\$ 78,217
5800-01-00	LAND	1,274	1,968	-	-	22,000	64.7%	0.0%	(22,000)
5813-01-00	KENNEDALE ENTRANCE SIGN	-	-	-	-	-	0.0%	0.0%	-
5820-01-00	BUILDING IMPROVEMENT	-	-	-	-	-	0.0%	0.0%	-
5875-01-00	CONSTRUCTION	-	-	-	-	-	0.0%	0.0%	-
	CAPITAL	\$ 1,274	\$ 1,968	\$ -	\$ -	\$ 22,000	64.7%		\$ (22,000)
	TOTAL EXPENDITURES	\$ 138,807	\$ 172,266	\$ 195,517	\$ 6,904	\$ 137,200	80.6%	70.2%	\$ 58,317

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**CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018**

**15: EDC4B FUND
01: ADMINISTRATION
03: DEBT SERVICE**

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
5643-01-03	2007 \$1.2M TAX BOND-INTEREST	58,689	58,689	54,905	-	54,831	100.0%	99.9%	74
5644-01-03	2007 \$1.2M TAX BOND-PRINCIPAL	55,000	55,000	60,000	-	60,000	100.0%	100.0%	-
5645-01-03	2011 \$1.7M TX LEVERAGE-INT	12,819	15,879	14,278	1,644	19,689	80.7%	137.9%	(5,411)
5646-01-03	2011 \$1.7M TX LEVERAGE-PRI	33,391	39,863	40,594	3,268	43,012	83.8%	106.0%	(2,418)
	DEBT	\$ 159,898	\$ 169,431	\$ 169,777	\$ 4,912	\$ 177,532	94.4%	104.6%	\$ (7,755)
5702-01-03	TRANSFER OUT-DEBT SERVICE FUND	154,819	154,819	152,588	-	67,588	100.0%	44.3%	85,001
	TRANSFER	\$ 154,819	\$ 154,819	\$ 152,588	\$ -	\$ 67,588	100.0%	44.3%	\$ 85,001
	TOTAL EXPENDITURES	\$ 314,717	\$ 324,250	\$ 322,365	\$ 4,912	\$ 245,120	97.1%	76.0%	\$ 77,245

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**CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018**

15: EDC4B FUND**02: TOWN SHOPPING CENTER**

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5403-02-00	BUILDING MAINTENANCE	19,931	44,464	25,112	4,983	116,406	44.8%	463.5%	(91,294)
	MAINTENANCE	\$ 19,931	\$ 44,464	\$ 25,112	\$ 4,983	\$ 116,406	44.8%	463.5%	\$ (91,294)
5530-02-00	ELECTRIC SERVICES	5,072	5,924	6,700	1,471	5,695	85.6%	85.0%	1,005
5545-02-00	INSURANCE-PROPERTY	6,507	6,507	6,500	-	8,341	100.0%	128.3%	(1,841)
5570-02-00	SPECIAL SERVICES	12,919	18,312	7,050	500	23,691	70.5%	336.0%	(16,641)
	SUNDRY	\$ 24,498	\$ 30,744	\$ 20,250	\$ 1,971	\$ 37,727	79.7%	186.3%	\$ (17,477)
	TOTAL EXPENDITURES	\$ 44,430	\$ 75,209	\$ 45,362	\$ 6,954	\$ 154,132	59.1%	339.8%	\$ (108,770)

**CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018**

15: EDC4B FUND**03: TOWN CENTER REDEVELOPMENT**

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5580-03-00	ENGINEERING SERVICES	-	2,573	-	-	-	0.0%		-
5847-03-00	CONSTRUCTION	10,080	10,080	-	-	177,712	0.0%		(177,712)
	CAPITAL	\$ 10,080	\$ 12,653	\$ -	\$ -	\$ 177,712	0.0%		\$ (177,712)
	TOTAL EXPENDITURES	\$ 10,080	\$ 12,653	\$ -	\$ -	\$ 177,712	0.0%		\$ (177,712)

**CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018**

15: EDC4B FUND

04: TEXAS LEVERAGE PROGRAM

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5800-04-00	LAND	-	-	-	-	-		0.0%	-
	CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ -		0.0%	\$ -
	TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -		0.0%	\$ -

**CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018**

19: EDC4B CAPITAL BOND FUND

CATEGORY	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	\$ 29,444	\$ 29,444	\$ 29,719		\$ 29,649			
INVESTMENT EARNINGS	155	205	-	48	361	75.6%		(361)
TOTAL REVENUES	\$ 155	\$ 205	\$ -	\$ 48	\$ 361	75.6%		\$ (361)
TRANSFERS	-	-	29,719	-	-	0.0%	0.0%	-
CAPITAL	-	-	-	-	-	0.0%	0.0%	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ 29,719	\$ -	\$ -	0.0%	0.0%	\$ -
REVENUES OVER EXPENDITURES	\$ 155	\$ 205	\$ (29,719)	\$ 48	\$ 361			
ENDING FUND BALANCE	\$ 29,599	\$ 29,649	\$ 0		\$ 30,011			
FUND BALANCE AS % OF EXP	N/A	N/A	N/A	N/A	N/A			
RESERVE (NO REQUIREMENT)	\$ -	\$ -	\$ -	\$ -	\$ -			
RESERVE SURPLUS/(SHORTFALL)	\$ 29,599	\$ 29,649	\$ 0	\$ -	\$ 30,011			

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018

19: EDC4B CAPITAL BOND FUND

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOME	155	205	-	48	361	75.6%		(361)
	INVESTMENT EARNINGS	\$ 155	\$ 205	\$ -	\$ 48	\$ 361	75.6%		\$ (361)
	TOTAL REVENUES	\$ 155	\$ 205	\$ -	\$ 48	\$ 361	75.6%		\$ (361)

19: EDC4B CAPITAL BOND FUND

01: TOWN CENTER REDEVELOPMENT

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5580-01-00	TRANSFER OUT	-	-	-	-	-	0.0%	0.0%	-
	TRANSFERS	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -
5800-01-00	LAND	-	-	-	-	-	0.0%	0.0%	-
5847-01-00	CONSTRUCTION	-	-	-	-	-	0.0%	0.0%	-
	CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -
	TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -

**CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018**

95: EDC4B RESERVE FUND

CATEGORY	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	\$ 119,962	\$ 119,962	\$ 120,582		\$ 120,464			
INVESTMENT EARNINGS	382	502	-	156	1,044	75.9%		(1,044)
TOTAL REVENUES	\$ 382	\$ 502	\$ -	\$ 156	\$ 1,044	75.9%		\$ (1,044)
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -
REVENUES OVER EXPENDITURES	\$ 382	\$ 502	\$ -	\$ 156	\$ 1,044			
ENDING FUND BALANCE	\$ 120,344	\$ 120,464	\$ 120,582		\$ 121,508			
FUND BALANCE AS % OF EXP	N/A	N/A	N/A	N/A	N/A			
RESERVE (\$112,606 REQUIREMENT)	\$ 112,606	\$ 112,606	\$ 112,606	\$ 112,606	\$ 112,606			
RESERVE SURPLUS/(SHORTFALL)	\$ 7,738	\$ 7,858	\$ 7,976	\$ (112,606)	\$ 8,902			

**CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018**

95: EDC4B RESERVE FUND

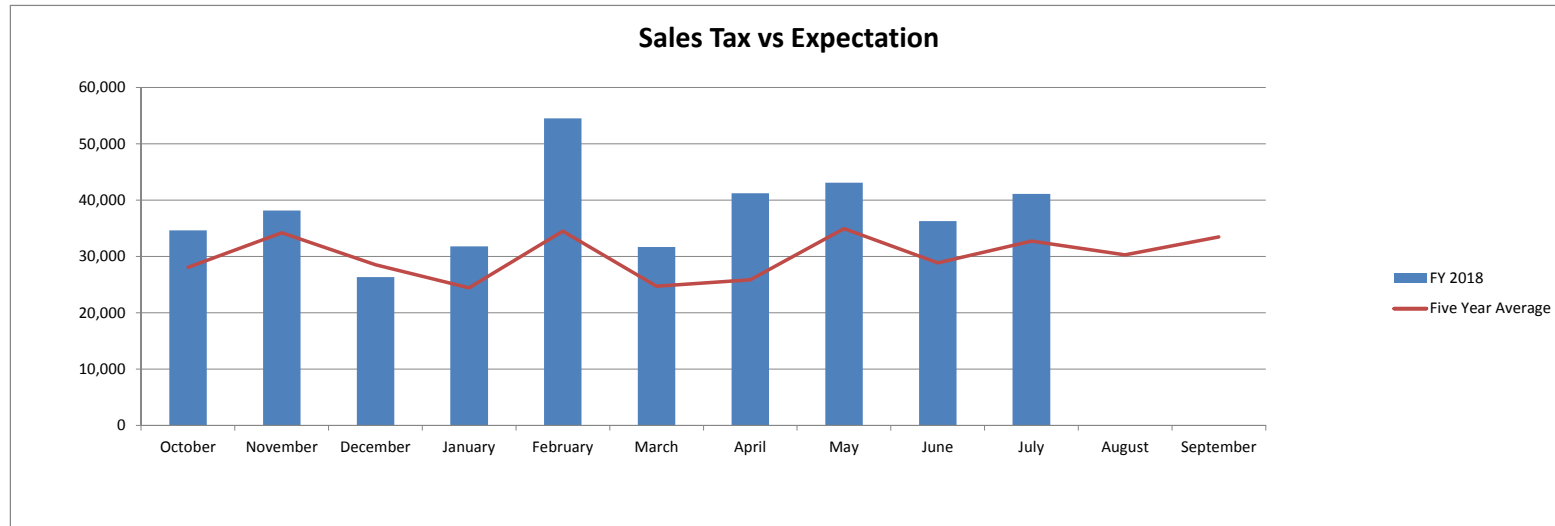
ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOME	382	502	-	156	1,044	75.9%		(1,044)
	INVESTMENT EARNINGS	\$ 382	\$ 502	\$ -	\$ 156	\$ 1,044	75.9%		\$ (1,044)
	TOTAL REVENUES	\$ 382	\$ 502	\$ -	\$ 156	\$ 1,044	75.9%		\$ (1,044)

95: EDC4B RESERVE FUND

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
	TRANSFERS	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -
	TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -

Sales Tax By Month

Year	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY2018	\$ 34,607	\$ 38,169	\$ 28,985	\$ 31,808	\$ 54,501	\$ 31,672	\$ 41,253	\$ 43,121	\$ 36,295	\$ 41,089	\$ -	\$ -	\$ 127,167
FY2017	\$ 29,583	\$ 38,719	\$ 27,285	\$ 29,652	\$ 35,265	\$ 26,215	\$ 29,043	\$ 33,374	\$ 26,747	\$ 33,648	\$ 16,530	\$ 28,850	\$ 118,303
FY2016	\$ 31,046	\$ 39,712	\$ 32,662	\$ 25,293	\$ 38,669	\$ 29,196	\$ 26,505	\$ 38,181	\$ 27,906	\$ 28,195	\$ 29,231	\$ 30,459	\$ 125,685
FY2015	\$ 23,985	\$ 31,479	\$ 27,515	\$ 24,594	\$ 35,857	\$ 24,104	\$ 27,064	\$ 39,783	\$ 42,821	\$ 55,252	\$ 48,766	\$ 59,232	\$ 146,818
FY2014	\$ 21,990	\$ 29,867	\$ 31,661	\$ 22,458	\$ 32,594	\$ 23,228	\$ 26,412	\$ 31,319	\$ 25,832	\$ 23,976	\$ 28,866	\$ 22,659	\$ 106,954
FY2013	\$ 33,617	\$ 31,297	\$ 23,446	\$ 20,135	\$ 30,003	\$ 20,791	\$ 20,318	\$ 32,020	\$ 21,136	\$ 22,435	\$ 27,973	\$ 26,025	\$ 103,066
FY2012	\$ 31,540	\$ 37,196	\$ 38,349	\$ 29,926	\$ 30,992	\$ 24,484	\$ 37,230	\$ 41,230	\$ 24,369	\$ 40,830	\$ 26,679	\$ 27,612	\$ 130,146
*Net payment after correcting an audit error.													\$ -



Industry	Amount	% Change	Adjusted Change	YTD	FYTD
Manufacturing	\$11,018.80	524.39%	-81.72%	\$53,814.50	\$59,152.30
Retail	\$8,104.37	15.62%	9.61%	\$56,364.06	\$79,067.12
General Services	\$6,851.16	-1.42%	-7.97%	\$56,311.86	\$82,292.14
Wholesale	\$5,836.36	-28.54%	-9.29%	\$45,142.57	\$64,181.05
Professional Services	\$5,543.03	-7.09%	4.47%	\$37,273.08	\$53,610.60
Food	\$3,034.53	-2.79%	-9.50%	\$20,634.27	\$28,886.57
Agricultural	\$192.71	-60.84%	-27.05%	\$9,504.19	\$12,744.01
Miscellaneous	\$75.27	-81.48%	24.91%	\$535.01	\$797.41
Accomodation	\$0.00	0.00%	0.00%	\$0.00	\$0.00



STAFF REPORT TO THE BOARD OF DIRECTORS

Date: August 28, 2018

Agenda Item No: REGULAR ITEMS - B.

I. Subject:

Review, discuss and provide staff direction regarding the Economic Development Corporation proposed budget

II. Summary:

Finance Director Brady Olsen will present the EDC budget as currently proposed and solicit input from the Board.

III. Recommendation:

Approve

IV. Alternative Actions:

V. Attachments:

1.	FY 18-19 Proposed Budget_EDC	FY 18-19 Proposed Budget_EDC.pdf
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CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES

EDC 4B FUND

COMBINED EDC4B FUNDS SUMMARY

CATEGORY	FY16-17 ACTUAL	FY17-18 ADOPTED	FY17-18 AMENDED	FY17-18 MAY	FY17-18 PROJECTED	PROJECTED VS BUDGET	FY18-19 PROPOSED	\$ CHANGE	% CHANGE
BEGINNING FUND BALANCE	\$ -	\$ 134,784	\$ 134,784	\$ 132,369	\$ 132,369	\$ -	\$ 243,633		
AD VALOREM TAXES	2,360	35,000	35,000	-	35,000	-	35,000	-	0%
SALES/BEVERAGE TAXES	361,319	373,835	373,835	230,037	416,667	42,832	384,598	10,763	3%
INVESTMENT EARNINGS	790	365	365	2,829	3,700	3,335	215	(150)	-41%
MISCELLANEOUS INCOME	76,716	45,120	45,120	376,753	386,753	(7,546)	24,120	(21,000)	-47%
SURPLUS SALES/RENTALS	82,071	121,858	121,858	66,709	115,455	(6,403)	196,969	75,111	62%
TRANSFERS	-	-	-	-	-	-	-	-	
TOTAL REVENUES	\$ 523,256	\$ 576,178	\$ 576,178	\$ 676,328	\$ 957,574	\$ 32,217	\$ 640,902	\$ 64,724	11%
SUPPLIES	-	2,100	2,100	-	-	(2,100)	2,100	-	0%
MAINTENANCE	44,464	25,112	25,112	108,029	125,000	99,888	29,920	4,808	19%
SUNDRY	221,292	213,730	213,730	112,171	169,226	(44,504)	188,173	(25,557)	-12%
DEBT	169,431	169,777	169,777	158,026	169,777	-	165,607	(4,170)	-2%
TRANSFERS	154,819	152,588	152,588	67,588	152,588	-	154,825	2,238	1%
CAPITAL	34,653	-	-	163,362	200,000	200,000	-	-	
TOTAL EXPENDITURES	\$ 624,658	\$ 563,307	\$ 563,307	\$ 609,176	\$ 816,591	\$ 253,284	\$ 540,625	\$ (22,682)	-4%
REVENUES OVER EXPENDITURES	\$ (101,402)	\$ 12,871	\$ 12,871	\$ 67,152	\$ 140,984	\$ (221,067)	\$ 100,277		
ENDING FUND BALANCE	\$ 132,369	\$ 147,655	\$ 147,655	\$ 199,520	\$ 273,352		\$ 343,911		
FUND BALANCE AS % OF EXP	21.2%	26.2%	26.2%		33.5%		63.6%		
RESERVE (\$115,000) REQUIREMENT)		\$ 115,000	\$ -		\$ -		\$ 115,000		
RESERVE SURPLUS/(SHORTFALL)	\$ 132,369	\$ 32,655	\$ 147,655		\$ 273,352		\$ 228,911		

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES

EDC 4B FUND

15: EDC4B FUND

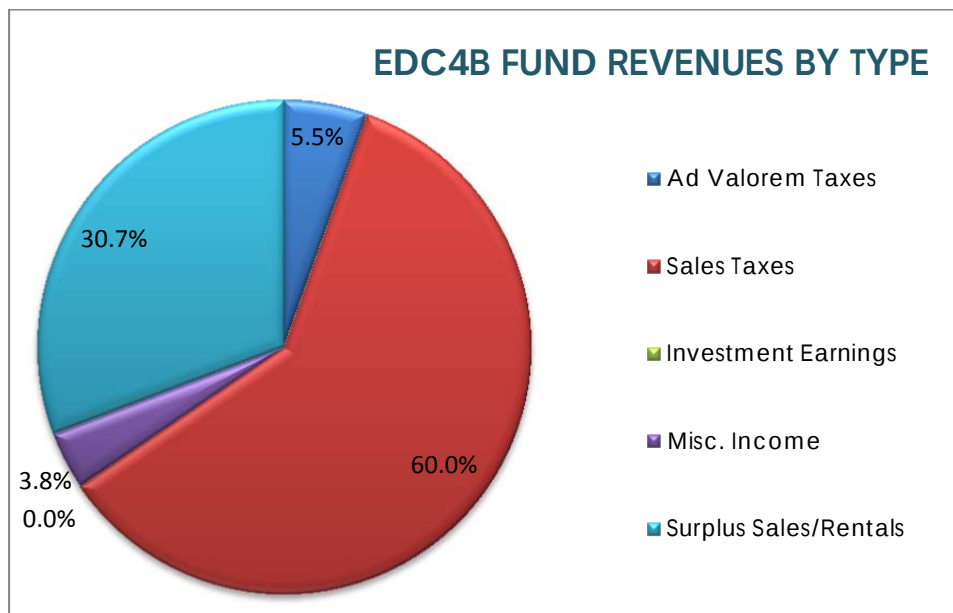
CATEGORY	FY16-17 ACTUAL	FY17-18 ADOPTED	FY17-18 AMENDED	FY17-18 MAY	FY17-18 PROJECTED	PROJECTED VS BUDGET	FY18-19 PROPOSED	\$\$ CHANGE	% CHANGE
BEGINNING FUND BALANCE		\$ (15,517)	\$ (15,517)	\$ (18,000)	\$ (18,000)		\$ 121,784		
AD VALOREM TAXES	2,360	35,000	35,000	-	35,000	-	35,000	-	0%
SALES/BEVERAGE TAXES	361,319	373,835	373,835	230,037	416,667	42,832	384,598	10,763	3%
INVESTMENT EARNINGS	82	65	65	1,812	2,500	2,435	65	-	0%
MISCELLANEOUS INCOME	76,716	45,120	45,120	376,753	386,753	(7,546)	24,120	(21,000)	-47%
SURPLUS SALES/RENTALS	82,071	121,858	121,858	66,709	115,455	(6,403)	196,969	75,111	62%
TRANSFERS	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 522,548	\$ 575,878	\$ 575,878	\$ 675,311	\$ 956,374	\$ 31,317	\$ 640,752	\$ 64,874	11%
SUPPLIES	-	2,100	2,100	-	-	(2,100)	2,100	-	0%
MAINTENANCE	44,464	25,112	25,112	108,029	125,000	99,888	29,920	4,808	19%
SUNDRY	221,292	213,730	213,730	112,171	169,226	(44,504)	188,173	(25,557)	-12%
DEBT	169,431	169,777	169,777	158,026	169,777	-	165,607	(4,170)	-2%
TRANSFERS	154,819	152,588	152,588	67,588	152,588	-	154,825	2,238	1%
CAPITAL	34,653	-	-	163,362	200,000	200,000	-	-	-
TOTAL EXPENDITURES	\$ 624,658	\$ 563,307	\$ 563,307	\$ 609,176	\$ 816,591	\$ 253,284	\$ 540,625	\$ (22,682)	-4%
REVENUES OVER EXPENDITURES	\$(102,110)	\$ 12,571	\$ 12,571	\$ 66,135	\$ 139,784		\$ 100,127		
ENDING FUND BALANCE	\$ (18,000)	\$ (2,946)	\$ (2,946)		\$ 121,784		\$ 221,911		
FUND BALANCE AS % OF EXP	-2.9%	-0.5%	-0.5%		14.9%		41.0%		
RESERVE (NO REQUIREMENT)		\$ -	\$ -		\$ -	\$ -	\$ -		
RESERVE SURPLUS/(SHORTFALL)									

EDC 4B FUND BUDGET OVERVIEW

REVENUES

The 2018-2019 Economic Development Corporation 4B (EDC4B) includes \$640,752 in revenues is an 11%, or \$64,874 increase from the prior year. The majority of the change comes from improved sales tax revenue and increased lease revenue. For the first year, the EDC owned town center building will be full, leading to a maximized amount of rental revenue.

The main sources of revenue in the EDC4B Fund are sales taxes and rental income, which accounts for 60% and 30.7%, respectively of all revenue. Revenue by major category is depicted below:



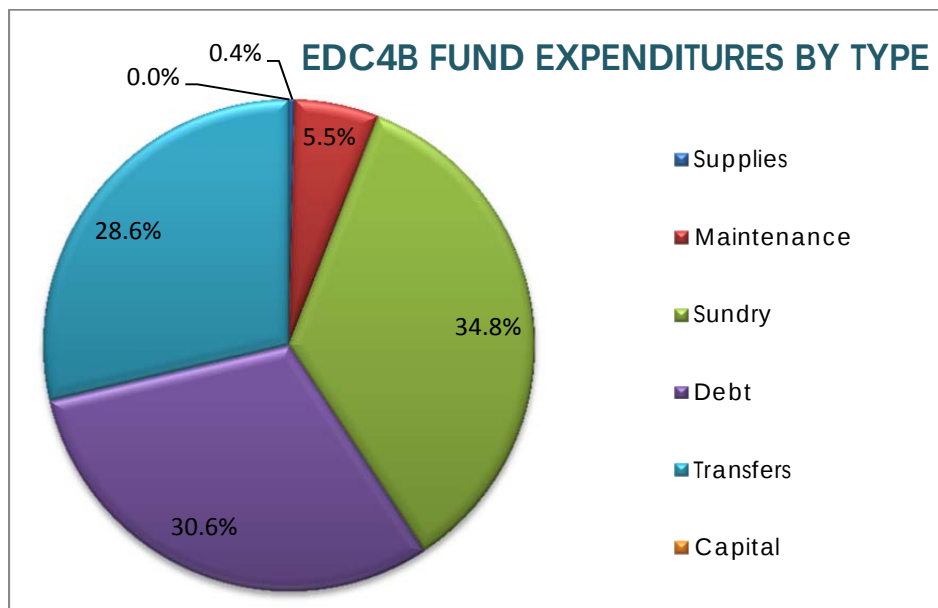
SALES TAXES

Sales Taxes continue to follow the projected path of growth based on economic development within the community and economic projects around the state. We collect .5 cents of sales taxes for our EDC4B Fund. Sales Taxes make up 60% of the EDC4B Budget revenues. Below is the chart of sales taxes over the last five years:

Fiscal Year	2015	2016	2017	2018	2019
Sales Taxes	\$ 457,222	\$ 376,545	\$ 361,319	\$ 416,667	\$ 384,598
Sales Taxes Per Capita	\$ 57.21	\$ 46.19	\$ 43.45	\$ 50.11	\$ 45.80

EXPENDITURES

The EDC4B Expenditures are illustrated below by type:



Sundry makes up 34.8% of expenditures with maintenance, debt, and transfers are 5.5%, 30.6%, and 28.6%, respectively. Supplies and capital make up the remaining .4%. Discretionary spending for the fund continues to be reduced as we look to regain fund balance. Since the EDC no longer has a dedicated management company, administrative fees to the City are expected to increase as the time commitment of city staff increases.

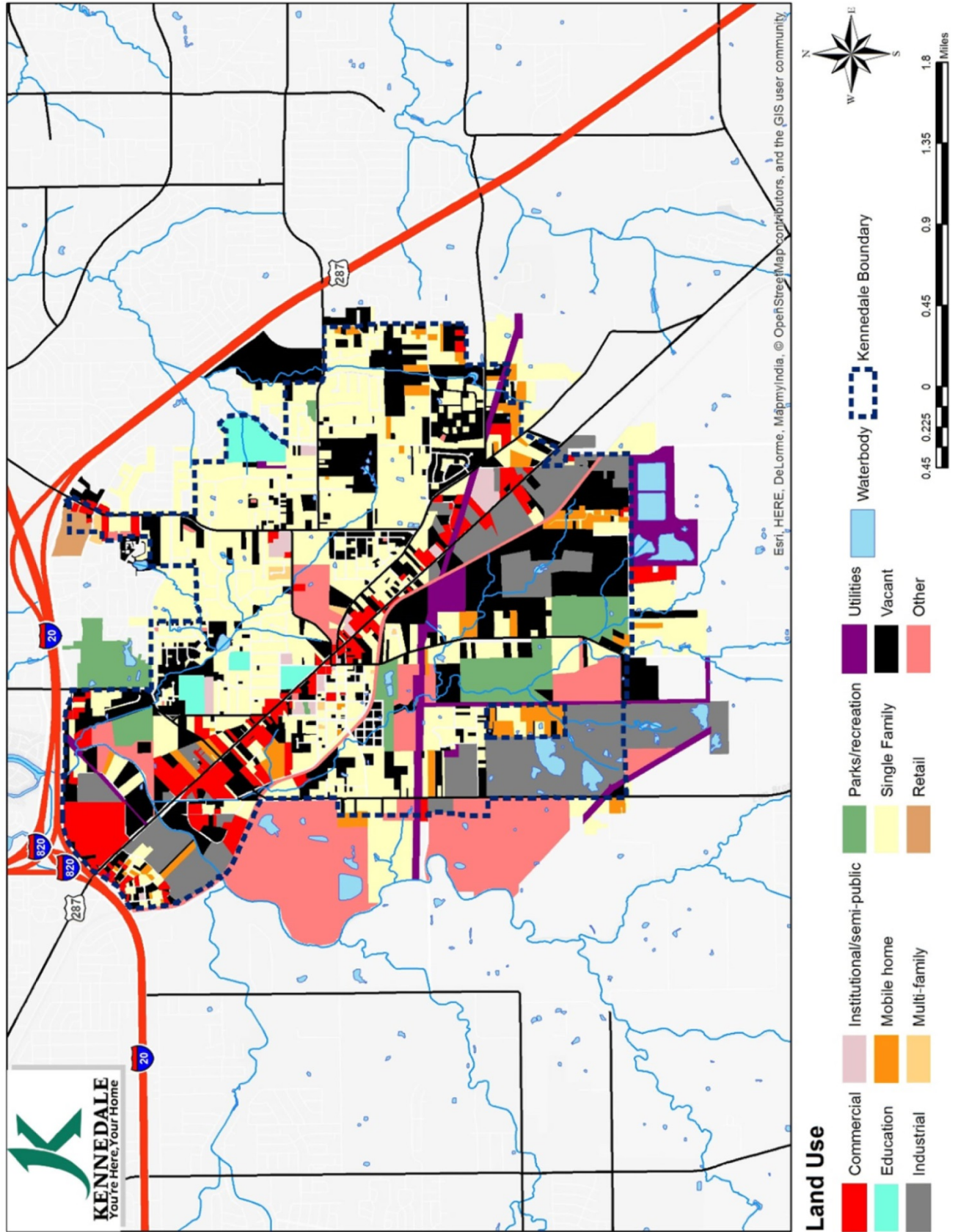
LAND USE ANALYSIS

SOURCE: 2016 2016-2026 PARKS MASTER PLAN | WWW.CITYOFKENNEDEALE.COM/GOVDOCS

The most dominant land use in the City of Kennedale is single-family residential, which constitutes 30% of the total area. One of the land use strengths of the City is the availability of vacant lands, with 293 parcels. Another dominant land use is industrial, with about 11% of the land area coverage.

Category	Counts	Acres	Percentage
Cemeteries	2	43.48	0.82%
Commercial	107	281.15	5.32%
Communication	1	0.88	0.02%
Education	4	80.49	1.52%
Group quarters	1	2.71	0.05%
Industrial	29	574.30	10.87%
Institutional/semi-public	14	51.22	0.97%
Landfill	2	496.61	9.40%
Mobile home	50	173.84	3.29%
Multi-family	7	14.54	0.28%
Parks/recreation	7	264.58	5.01%
Railroad	5	44.20	0.84%
Ranch land	15	147.16	2.79%
Residential acreage	3	68.78	1.30%
Retail	1	26.07	0.49%
Single family	264	1629.51	30.85%
Small water bodies	8	18.66	0.35%
Under construction	6	2.82	0.05%
Utilities	20	229.36	4.34%
Vacant	293	1098.35	20.80%
Others	3	32.84	0.62%
Grand Total	842	5281.57	100

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES



TOWN CENTER PROJECT (CURRENT AND PROPOSED)



Building 1 Suite 100 | 20,000 sf
Suite 160 | 8,000 sf

Building 2 9,945 sf (Proposed)

Building 3 11,220 sf (Proposed)

Building 4 4,500 sf (Proposed)

Building 5 Suite 512 | 972 sf
Suite 508 | 1,441 sf
Suite 516 | 1,000 sf

Building 6 6,600 sf (Proposed)

Building 7 Under Construction |
Fully Leased

- Restaurant and retail spaces available from 972 SF to 11,220 sf
- 4,500 sf stand-alone restaurant build-to-suit facility available

EDC REVENUE

15: EDC4B FUND

ACCOUNT NAME	FY16-17 ACTUAL	FY17-18 ADOPTED	FY17-18 AMENDED	FY17-18 MAY	FY17-18 PROJECTED	PROJECTED VS BUDGET	FY18-19 PROPOSED	\$\$ CHANGE	% CHANGE
MMD TAX-CURRENT YEAR	2,360	35,000	35,000		35,000	-	35,000	-	0%
ADVALOREM TAXES	\$ 2,360	\$ 35,000	\$ 35,000	\$ -	\$ 35,000	\$ -	\$ 35,000	\$ -	0%
SALES TAX	361,319	373,835	373,835	230,037	416,667	42,832	384,598	10,763	3%
SALES/BEVERAGE TAXES	\$ 361,319	\$ 373,835	\$ 373,835	\$ 230,037	\$ 416,667	\$ 42,832	\$ 384,598	\$ 10,763	3%
INVESTMENT INCOME	82	65	65	1,812	2,500	2,435	65	-	0%
INVESTMENT EARNINGS	\$ 82	\$ 65	\$ 65	\$ 1,812	\$ 2,500	\$ 2,435	\$ 65	\$ -	0%
SALE OF ASSETS				349,179	349,179				
MISCELLANEOUS INCOME	76,716	45,120	45,120	27,574	37,574	(7,546)	24,120	(21,000)	-47%
MISCELLANEOUS INCOME	\$ 76,716	\$ 45,120	\$ 45,120	\$ 376,753	\$ 386,753	\$ (7,546)	\$ 24,120	\$ (21,000)	-47%
RENTAL FEES-SHOPPING CENTER	81,710	121,112	121,112	66,709	114,709	(6,403)	196,223	75,111	62%
RENTAL INSURANCE	361	746	746		746	0	746		
SURPLUS SALES/RENTALS	\$ 82,071	\$ 121,858	\$ 121,858	\$ 66,709	\$ 115,455	\$ (6,403)	\$ 196,969	\$ 75,111	62%
PROCEEDS - DEBT/LOAN/LEASE		-	-	-	-	-	-	-	
TRANSFERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL REVENUES	\$ 522,548	\$ 575,878	\$ 575,878	\$ 675,311	\$ 956,374	\$ 31,317	\$ 640,752	\$ 64,874	11%
EXCLUDING INTEREST/TRANSFERS)	\$ 522,466	\$ 575,813	\$ 575,813	\$ 673,499	\$ 953,874	\$ 28,882	\$ 640,687	\$ 64,874	11%

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES

15: EDC4B FUND

			FY18-19 PROPOSED
MMD TAX-CURRENT YEAR	BASED ON FY13/14 ASSESSED VALUE OF \$2,783,693 AND TOTAL TAX RATE OF 2.880965 PER \$100 (MINUS TRACT 1R FOR SURPLUS) CITY OF KENNEDALE: \$0.747500 KENNEDEALE ISD: \$1.492068 TARRANT COUNTY: \$0.264000 TARRANT HOSPITAL: \$0.227897 TARRANT COLLEGE: \$0.149500	35,000	35,000
SALES TAX	GENERALLY BUDGET BASED ON PRIOR 3 YEARS OF HISTORY	384,598	384,598
INVESTMENT INCOME	EARNING BASED UPON AVERAGE BALANCE/INTEREST RATES	65	65
MISCELLANEOUS INCOME			24,120
	MONTHLY RENT FROM REDS ROADHOUSE (\$2000/MO - 1 YEAR LEASE EXTENSION)	24,000	
	MONTHLY FEE FROM CHAMBER PER RENTAL AGREEMENT (\$10 MONTH) PLUS \$100 DEPOSIT	120	
RENTAL FEES-SHOPPING CENTER			196,223
	DOLLAR GENERAL (\$5577 until 2020; \$6864 until 2023)	66,924	
	V FIT 07/01/18 11/30/18 \$1,720.83	29,254	
	12/01/18 11/30/19 \$2,581.25		
	12/01/19 11/30/20 \$3,441.67		
	12/01/20 11/30/21 \$3,613.75		
	12/01/21 11/30/22 \$3,785.83		
	CITY ELECTRIC 05/01/18 10/31/18 \$2,573.67	45,928	
	11/01/18 10/31/19 \$2,941.33		
	11/01/19 10/31/20 \$3,309.00		
	11/01/20 10/31/21 \$3,676.67		
	11/01/21 04/30/23 \$4,044.33		
	IRON WHEEL ANTIQUES 10/01/18 06/30/19 \$4,509.75	54,117	
	07/01/18 06/30/20 \$5,154.00		
	07/01/20 06/30/21 \$5,798.25		
	07/01/21 06/30/22 \$6,442.50		
	07/01/22 09/30/23 \$7,086.75		
RENTAL INSURANCE	RENTAL CAM COLLECTED ON LEASE AGREEMENTS AND THEN USED TO PAY TML INSURANCE (OFFSETTING EXPENSE UNDER TOWN SHOPPING CENTER) (\$62.16/MO)	746	746

TOTAL REVENUES \$ 640,752

DEPARTMENT OUTLINE: ADMINISTRATION

FUNCTIONS

Provides administration for the general business of growing economic development using the EDC4B funds

HIGHLIGHTS AND GOALS ACCOMPLISHED

- Sold piece of a land for future Hilton-based hotel
- Filled out town center building one

SHORT-TERM GOALS

- Secure additional business for the employment district on Kennedale Parkway near Interstate 20 (7.0)
- Recruitment of new light manufacturing businesses within Bloxom Business Park and along east Kennedale Parkway (7.0)
- Development of an access plan along Kennedale Parkway to facilitate the elimination of the continuous turn lane (7.0)

LONG-TERM GOALS

- Increase sales taxes to property taxes ratio from 25% to 50% (4.8)

STAFFING RESOURCES

- Use of City Staff

PERFORMANCE MEASURES

THROUGH JUNE 2017 UNLESS OTHERWISE NOTED

- 1 Land Deals
- 3 380 Agreements to Businesses
- 0 Visual Grants to Businesses
- Pertinent 2015 Resident Satisfaction Survey Results
 - Business Friendly – 53%
 - Shopping Opportunities – 47%

DEPARTMENT SUMMARY BUDGET

15: EDC4B FUND

01: ADMINISTRATION

ACCOUNT NAME	FY16-17 ACTUAL	FY17-18 ADOPTED	FY17-18 AMENDED	FY17-18 MAY	FY17-18 PROJECTED	PROJECTED VS BUDGET	FY18-19 PROPOSED	\$\$ CHANGE	% CHANGE
PRINTED SUPPLIES		2,000	2,000			(2,000)	2,000	-	0%
GENERAL OFFICE SUPPLIES	-	50	50			(50)	50	-	
POSTAGE	-	50	50			(50)	50	-	
SUPPLIES	\$ -	\$ 2,100	\$ 2,100	\$ -	\$ -	\$ (2,100)	\$ 2,100	\$ -	0%
ADVERTISING	390	1,200	1,200	35	35	(1,165)	1,200	-	0%
ASSOC DUES/PUBLICATIONS	4,855	5,320	5,320	4,890	4,890	(430)	5,320	-	
TRAINING/SEMINARS	175	250	250			(250)	250	-	
LEGAL SERVICES	17,252	10,000	10,000	10,498	15,000	5,000	13,000	3,000	30%
AUDIT SERVICES	22,500	2,250	2,250	4,250	4,250	2,000	4,250	2,000	
SPECIAL SERVICES	81,145	68,650	68,650	5,700	5,700	(62,950)	250	(68,400)	
FILING FEES	40	-	-			-	-	-	
TRAVEL		100	100			(100)	100	-	
ENGINEERING SERVICES	2,128	-	-			-	-	-	
ADMIN CHARGE-GENERAL FUND	44,926	81,710	81,710	54,431	81,710	-	118,603	36,893	45%
VISUAL GRANT		-	-			-	-	-	
FUNCTIONAL GRANT	17,137	24,000	24,000	7,660	20,000	(4,000)	24,000	-	0%
SUNDRY	\$ 190,548	\$ 193,480	\$ 193,480	\$ 87,464	\$ 131,585	\$ (61,895)	\$ 166,973	\$ (26,507)	-14%
LAND	22,000	-	-			-	-	-	
KENNEDALE ENTRANCE SIGN	-	-	-	-	-	-	-	-	
BUILDING IMPROVEMENT	-	-	-	-	-	-	-	-	
CONSTRUCTION	-	-	-	-	-	-	-	-	
CAPITAL	\$ 22,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENDITURES	\$ 212,548	\$ 195,580	\$ 195,580	\$ 87,464	\$ 131,585	\$ (63,995)	\$ 169,073	\$ (26,507)	-14%

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES

15: EDC4B FUND
01: ADMINISTRATION

			FY18-19 PROPOSED
PRINTED SUPPLIES	PRINTED MAPS OF ENTIRE CITY	2,000	2,000
GENERAL OFFICE SUPPLIES	FILES/FOLDERS/PAPER/PENCILS	50	50
POSTAGE	FOR MAIL OUTS/MARKETING PACKAGES	50	50
ADVERTISING	PROMOTIONAL ADVERTISING, LEGAL NOTICES AND BUDGET HEARING AD (\$1200) OAK CREST LAND SIGN (\$1000)	1,200	1,200
ASSOC DUES/PUBLICATIONS	TEXAS ECONOMIC DEVELOPMENT COMMISSION CITY (\$1925) & EDC (\$1925) KENNEDALE CHAMBER MEMBERSHIP DALLAS CHAMBER (\$870) & TX MONTHLY ECONOMIC GUIDE AD (\$0), DALLAS CHAMBER MAP ADD (\$400)	200 3,850 1,270	5,320
TRAINING/SEMINARS	EDC TRAINING THROUGH VARIOUS ASSOCIATIONS BY BOARD	250	250
LEGAL SERVICES	BILLABLE HOURS FOR CITY ATTORNEY ON EDC RELATED PROJECTS (I.E., HOTEL, OTHER POTENTIAL OPPORTUNITIES)	13,000	13,000
AUDIT SERVICES	INDEPENDENT ANNUAL AUDIT	4,250	4,250
SPECIAL SERVICES	CONTRACT WITH MUNISERVICES FOR SALES TAX AUDIT SERVICES, 35% CONTINGENCY IF REALLOCATIONS ARE UNCOVERED DUE TO REPORTING ERRORS (APPLIES TO FIRST 8 CONSECUTIVE REPORTING QUARTERS FOLLOWING CORRECTION, SHARED 75% CITY/%25 EDC) DUE NORTH MEDIA	- 250	250
TRAVEL	TRAVEL RELATED TO OTHER EDC TRAINING/SEMINARS BY STAFF/BOARD	100	100
ENGINEERING	TIED TO POTENTIAL ACTIVITIES/PROJECTS (I.E., HOTEL, ETC.)		-
ADMIN CHARGE-GENERAL FUND	CHARGE FOR SERVICES PROVIDED BY GENERAL FUND RESOURCES (BASED ON ACTUAL COSTS)	118,603	118,603
VISUAL GRANT	MONTGOMERY MANUFACTURING GRANT NANCY'S LIQUOR GRANT		-
FUNCTIONAL GRANT	H2O 380 SALES TAX AGREEMENT WATSON GLASS 380 PROPERTY TAX AGREEMENT (MAY 2019) H&O DIE SUPPLY 380 PROPERTY TAX AGREEMENT (MAY 2019)	24,000	24,000

TOTAL EXPENDITURES \$ 169,073

DEPARTMENT OUTLINE: DEBT SERVICE

FUNCTIONS

Provides debt-related transactions relating to economic development

DEPARTMENT SUMMARY BUDGET

15: EDC4B FUND

01: ADMINISTRATION

03: DEBT SERVICE

ACCOUNT NAME	FY16-17 ACTUAL	FY17-18 ADOPTED	FY17-18 AMENDED	FY17-18 MAY	FY17-18 PROJECTED	PROJECTED VS BUDGET	FY18-19 PROPOSED	\$\$ CHANGE	% CHANGE
2007 \$1.2M TAX BOND-INTEREST	58,689	54,905	54,905	54,831	54,905	-	50,735	(4,170)	-8%
2007 \$1.2M TAX BOND-PRINCIPAL	55,000	60,000	60,000	60,000	60,000	-	60,000	-	0%
2011 \$1.7M TX LEVERAGE-INT	15,879	14,278	14,278	13,244	14,278	-	12,834	(1,444)	-10%
2011 \$1.7M TX LEVERAGE-PRI	39,863	40,594	40,594	29,951	40,594	-	42,038	1,444	4%
DEBT	\$ 169,431	\$ 169,777	\$ 169,777	\$ 158,026	\$ 169,777	\$ -	\$ 165,607	\$ (4,170)	-2%
TRANSFER OUT-DEBT SERVICE FUND	154,819	152,588	152,588	67,588	152,588	-	154,825	2,238	1%
TRANSFER	\$ 154,819	\$ 152,588	\$ 152,588	\$ 67,588	\$ 152,588	\$ -	\$ 154,825	\$ 2,238	1%
TOTAL EXPENDITURES	\$ 324,250	\$ 322,365	\$ 322,365	\$ 225,613	\$ 322,365	\$ -	\$ 320,432	\$ (1,933)	-1%

DEPARTMENT OUTLINE: TOWNCENTER RETAIL AREA

FUNCTIONS

Provides services and maintenance to TownCenter merchants

HIGHLIGHTS AND GOALS ACCOMPLISHED

- Renovated Building One Space
- Secured V Fit
- Secured City Electric
- Secure Iron Wheel Antiques
- Demolished old Chicken Express building, re-did parking lot

SHORT-TERM GOALS

- Continued upkeep of TownCenter

LONG-TERM GOALS

- Build out of all planned buildings of TownCenter (7.0)
- Secure a sit down restaurant in TownCenter (7.0)
- Have all locations in TownCenter filled with businesses (7.0)

STAFFING RESOURCES

- Contract with Hughes Commercial Real Estate & Development for management of TownCenter

PERFORMANCE MEASURES

THROUGH JUNE 2017 UNLESS OTHERWISE NOTED

- New Businesses in TownCenter Shopping Area: 3

DEPARTMENT SUMMARY BUDGET

15: EDC4B FUND

02: TOWN SHOPPING CENTER

ACCOUNT NAME	FY16-17 ACTUAL	FY17-18 ADOPTED	FY17-18 AMENDED	FY17-18 MAY	FY17-18 PROJECTED	PROJECTED VS BUDGET	FY18-19 PROPOSED	\$\$ CHANGE	% CHANGE
BUILDING MAINTENANCE	44,464	25,112	25,112	108,029	125,000	99,888	29,920	4,808	19%
MAINTENANCE	\$ 44,464	\$ 25,112	\$ 25,112	\$ 108,029	\$ 125,000	\$ 99,888	\$ 29,920	\$ 4,808	19%
ELECTRIC SERVICES	5,924	6,700	6,700	4,224	6,300	(400)	6,700	-	0%
INSURANCE-PROPERTY	6,507	6,500	6,500	8,341	8,341	1,841	8,500	2,000	
SPECIAL SERVICES	18,312	7,050	7,050	12,142	23,000	15,950	6,000	(1,050)	-15%
SUNDRY	\$ 30,744	\$ 20,250	\$ 20,250	\$ 24,707	\$ 37,641	\$ 17,391	\$ 21,200	\$ 950	5%
TOTAL EXPENDITURES	\$ 75,209	\$ 45,362	\$ 45,362	\$ 132,737	\$ 162,641	\$ 117,279	\$ 51,120	\$ 5,758	13%

15: EDC4B FUND

02: TOWN SHOPPING CENTER

		FY18-19 PROPOSED
BUILDING MAINTENANCE	WATER (\$460/MONTH)	5,520
	FIRE SPRINKLER-CAM (\$200/QUARTER)	800
	ONE-TIME REPLACEMENTS	5,000
	LANDSCAPE/MATERIALS-CAM (\$1150/MONTH)	13,800
	MAINTENANCE-CAM (\$400/MONTH)	4,800
ELECTRIC SERVICES	ELECTRICITY-CAM	6,700
INSURANCE-PROPERTY	COVERAGE THROUGH TEXAS MUNICIPAL LEAGUE (CHICKEN EXPRESS/DOLLAR GENERAL BUILDING ON TML SCHEDULE, ALL OTHER BUILDINGS CARRIED ON CYPRESS INSURANCE)	8,500
SPECIAL SERVICES	PROPERTY/ASSET MANAGEMENT (\$500 PER MONTH)	6,000

DEPARTMENT OUTLINE: TOWNCENTER REDEVELOPMENT

FUNCTIONS

Growth and redevelopment of the TownCenter shopping center

HIGHLIGHTS AND GOALS ACCOMPLISHED

- Renovated Building One Space
- Secured V Fit
- Secured City Electric
- Secure Iron Wheel Antiques
- Demolished old Chicken Express building, re-did parking lot

GOALS

- Build out of all planned buildings of TownCenter (7.0)
- Secure a sit down restaurant in TownCenter (7.0)
- Have all locations in TownCenter filled with businesses (7.0)

DEPARTMENT SUMMARY BUDGET

15: EDC4B FUND

03: TOWN CENTER REDEVELOPMENT

ACCOUNT NAME	FY16-17 ACTUAL	FY17-18 ADOPTED	FY17-18 AMENDED	FY17-18 MAY	FY17-18 PROJECTED	PROJECTED VS BUDGET	FY18-19 PROPOSED	\$\$ CHANGE	% CHANGE
ENGINEERING SERVICES	2,573	-	-			-	-	-	
CONSTRUCTION	10,080	-	-	163,362	200,000	200,000	-	-	
CAPITAL	\$ 12,653	\$ -	\$ -	\$ 163,362	\$ 200,000	\$ 200,000	\$ -	\$ -	
TOTAL EXPENDITURES	\$ 12,653	\$ -	\$ -	\$ 163,362	\$ 200,000	\$ 200,000	\$ -	\$ -	

DEPARTMENT OUTLINE: TEXAS LEVERAGE PROGRAM

FUNCTIONS

Expand our economic development presence

HIGHLIGHTS AND GOALS ACCOMPLISHED

- Secured land for development opportunity

DEPARTMENT SUMMARY BUDGET

15: EDC4B FUND

04: TEXAS LEVERAGE PROGRAM

ACCOUNT NAME	FY16-17 ACTUAL	FY17-18 ADOPTED	FY17-18 AMENDED	FY17-18 MAY	FY17-18 PROJECTED	PROJECTED VS BUDGET	FY18-19 PROPOSED	\$\$ CHANGE	% CHANGE
LAND	-	-	-	-	-	-	-	-	-
CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

19: EDC4B CAPITAL BOND FUND

CATEGORY	FY16-17 ACTUAL	FY17-18 ADOPTED	FY17-18 AMENDED	FY17-18 MAY	FY17-18 PROJECTED	PROJECTED VS BUDGET	FY18-19 PROPOSED	\$\$ CHANGE	% CHANGE
BEGINNING FUND BALANCE		\$ 29,719	\$ 29,719	\$ 29,735	\$ 29,735		\$ 316		
INVESTMENT EARNINGS	205	-	-	268	300	300	-	-	
TOTAL REVENUES	\$ 205	\$ -	\$ -	\$ 268	\$ 300	\$ 300	\$ -	\$ -	
DEBT SERVICE		29,719	29,719	-	29,719		-	(29,719)	
TOTAL EXPENDITURES	\$ -	\$ 29,719	\$ 29,719	\$ -	\$ 29,719	\$ -	\$ -	\$ (29,719)	
REVENUES OVER EXPENDITURES	\$ 205	\$ (29,719)	\$ (29,719)	\$ 268	\$ (29,419)	\$ 300	\$ -		
ENDING FUND BALANCE	\$ 29,735	\$ -	\$ -	\$ 30,003	\$ 316		\$ 316		
FUND BALANCE AS % OF EXP	N/A	N/A	N/A	N/A	N/A		N/A		
RESERVE (NO REQUIREMENT)	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		
RESERVE SURPLUS/(SHORTFALL)									

CITY OF KENNEDALE, TEXAS
ANNUAL PROGRAM OF SERVICES

95: EDC4B RESERVE FUND

CATEGORY	FY16-17 ACTUAL	FY17-18 ADOPTED	FY17-18 AMENDED	FY17-18 MAY	FY17-18 PROJECTED	PROJECTED VS BUDGET	FY18-19 PROPOSED	\$ CHANGE	% CHANGE
BEGINNING FUND BALANCE		\$ 120,582	\$ 120,582	\$ 120,634	\$ 120,634		\$ 121,534		
INVESTMENT EARNINGS	502	300	300	749	900	600	150	(150)	-50%
TOTAL REVENUES	\$ 502	\$ 300	\$ 300	\$ 749	\$ 900	\$ 600	\$ 150	\$ (150)	-50%
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
REVENUES OVER EXPENDITURES	\$ 502	\$ 300	\$ 300	\$ 749	\$ 900	\$ 600	\$ 150		
ENDING FUND BALANCE	\$ 120,634	\$ 120,882	\$ 120,882	\$ 121,383	\$ 121,534		\$ 121,684		
FUND BALANCE AS % OF EXP									
RESERVE (\$112,606 REQUIREMENT)	\$ 112,606	\$ 112,606	\$ 112,606	\$ 112,606	\$ 112,606		\$ 112,606		
RESERVE SURPLUS/(SHORTFALL)	\$ 8,028	\$ 8,276	\$ 8,276	\$ 8,777	\$ 8,928		\$ 9,078		

STAFF REPORT TO THE BOARD OF DIRECTORS

Date: August 28, 2018

Agenda Item No: REGULAR ITEMS - C.

I. Subject:

Consider approval of a 12-month lease extension and rent increase for Red's Roadhouse

II. Summary:

The current lessee, Pennington Family Limited Partnership, has requested that the Economic Development Corporation approve a one year extension of the lease for Red's Roadhouse. The current lease will expire in November, 2018, pursuant to lease amendment #2 approved by the Board on October 24, 2017.

The City Attorney's Office is preparing a lease amendment that will be provided to the Board at the meeting and which will extend the lease without change to the terms other than a possible increase in the monthly lease amount from the current \$2000.00.

An Executive Session item for the discussion of this lease at 1170 E. Kennedale Parkway has also been posted on the Agenda.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

1.	2nd Amendment-Reds Roadhouse Lease	2nd Amendment-Reds Roadhouse Lease.pdf
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SECOND AMENDMENT TO LEASE PURCHASE AGREEMENT

This Second Amendment to Lease Purchase Agreement ("**Amendment**") is made and entered into as of the 24 day of October, 2017, by and between the **KENNEDALE ECONOMIC DEVELOPMENT CORPORATION**, a Texas corporation ("**Landlord**"), and **PENNINGTON FAMILY LIMITED PARTNERSHIP** and/or its assigns ("**Tenant**").

WHEREAS, Landlord and Tenant entered into that certain Lease Purchase Agreement effective November 1, 2011 (the "**Agreement**"), for the lease of certain real property in the City of Kennedale, Tarrant County, Texas (the "**Premises**", as defined in the Agreement); and

WHEREAS, Landlord and Tenant previously entered into an Amendment to Agreement of Lease Purchase Agreement ("**First Amendment**") which extended the Term of the Agreement to November 30, 2017, raised the rent and late fee charge, and provided that all other terms of the Agreement remained in full force and effect; and

WHEREAS, the parties desire to further amend the Agreement as provided below.

NOW, THEREFORE, in consideration of the mutual rights and obligations set forth below and in the Agreement, Landlord and Tenant hereby agree as follows:

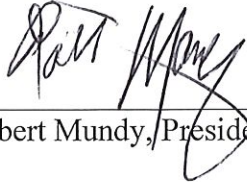
1. **Extension of the Term.** Section 2(a) of the Agreement is hereby amended by extending the Term to November 30, 2018.
2. **Rent.** Section 3 of the Agreement is amended to increase the Monthly Rent for the extended Term, and Tenant agrees to pay to Landlord Monthly Rent for the Premises in the amount of \$2,000 for the remainder of the Term.
3. **Taxes.** Section 11 of the Agreement is amended to read as follows:

"During the Term, Tenant shall be liable for all ad valorem taxes assessed against the Premises, including all taxes assessed for any personal property placed by Tenant on the Premises."
4. **Effect of Amendment.** All other terms and conditions of the Agreement and the First Amendment, with the exception of the terms modified by this Amendment, shall remain in full force and effect.

[Signature Page Follows]

LANDLORD:

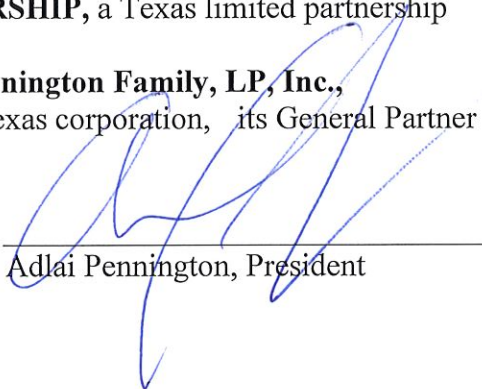
**KENNEDALE ECONOMIC DEVELOPMENT
CORPORATION**

By: 
Robert Mundy, President

TENANT:

**PENNINGTON FAMILY LIMITED
PARTNERSHIP, a Texas limited partnership**

By: **Pennington Family, LP, Inc.,**
a Texas corporation, its General Partner

By: 
Adlai Pennington, President

ECONOMIC DEVELOPMENT CORPORATION AGENDA
BOARD OF DIRECTORS REGULAR MEETING | August 28, 2018
CITY COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE
REGULAR SESSION - 7:30 PM

Date: August 28, 2018

Agenda Item No: STAFF ANNOUNCEMENTS/REPORTS - A.

I. Subject:

- A. TownCenter
- B. Oak Crest
- C. Chamber of Commerce Report

II. Summary:

III. Recommendation:

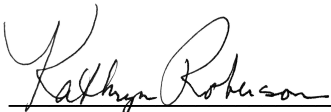
IV. Alternative Actions:

V. Attachments:

In compliance with the Americans with Disabilities Act, the City of Kennedale will provide for reasonable accommodations for persons attending City Council meetings. This building is wheelchair accessible, and parking spaces for disabled citizens are available. Requests for sign interpreter services must be made forty-eight (48) hours prior to the meetings. Please contact the City Secretary at 817.985.2104 or (TDD) 1.800.735.2989

CERTIFICATION

I certify that a copy of the August 28, 2018, Kennedale Economic Development Corporation agenda was posted on the City Hall bulletin board next to the main entrance of the City Hall building, 405 Municipal Drive, of the City of Kennedale, Texas, in a place convenient and readily accessible to the general public at all times and said agenda was posted at least 72 hours preceding the schedule time of said meeting, in accordance with Chapter 551 of the Texas Government Code.



Kathryn Roberson, Deputy City Secretary



KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

Date: August 28, 2018

Agenda Item No: EXECUTIVE SESSION - A.

I. Subject:

The Economic Development Corporation will meet in closed session pursuant to Section 551.072 of the Texas Government Code to deliberate the purchase, lease, or value of real property

1. 1170 E. Kennedale Parkway

II. Summary:

The Economic Development Corporation will meet in Executive Session.

III. Recommendation:

IV. Alternative Actions:

V. Attachments: