KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

ECONOMIC DEVELOPMENT CORPORATION AGENDA
BOARD OF DIRECTORS REGULAR MEETING
SEPTEMBER 24, 2019 AT 7:00 PM
CITY COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

I. CALL TO ORDER
NOTE: Pursuant to Texas Government Code §551.071, the Board reserves the right to adjourn into Executive Session(s) at any time during this meeting to discuss posted Executive Session items or to seek legal advice from the City Attorney on any item posted on the agenda.

II. ROLL CALL

III. WORK SESSION

A. Discussion of properties owned by the EDC

IV. REGULAR ITEMS

A. Consider approval of the minutes from the July 23, 2019 regular meeting

B. Consider approval of the minutes from the August 19, 2019 regular meeting

C. Review and accept the KEDC Financial Report for July 2019

D. Review and accept the KEDC Financial Report for August 2019

E. Consider the nomination and election of a Vice President

F. Discuss and consider approval of Lease Modification Agreement #5 between the Kennedale Economic Development Corporation and Dolgencorp of Texas, Inc. for the lease of space in Building 1 of Kennedale TownCenter

G. Consider approval of the replacement of two of the air conditioning units at Dollar General in TownCenter

V. REPORTS AND ANNOUNCEMENTS

A. Chamber of Commerce report

B. Board member reports and announcements

C. Staff reports and announcements

VI. EXECUTIVE SESSION
*The Economic Development Corporation (EDC) Board will meet in closed session, pursuant to **§551.072** of the Texas Government Code, to deliberate the purchase, lease, or value of real property:*

A. Discussion with City Attorney regarding legal issues associated with Economic Development and Performance Agreement, Tax Abatement, and Chapter 380 Agreement with Compressed Air Systems for project located at Harris Corporation Addition, Block 1 Lot 1A2 (Linda Road)

*Pursuant to **Section 551.087** – (1) deliberation regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting* *economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1):*

B. Economic Development and Performance Agreement, Tax Abatement, and Chapter 380 Agreement with Compressed Air Systems for project located at Harris Corporation Addition, Block 1 Lot 1A2 (Linda Road)

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

VIII. ADJOURNMENT

CERTIFICATION
I DO HEREBY CERTIFY THAT THE SEPTEMBER 24, 2019 KENNEDALE ECONOMIC DEVELOPMENT CORPORATION AGENDA WAS POSTED INSIDE THE MAIN ENTRANCE OF CITY HALL (405 MUNICIPAL DRIVE), IN A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AT ALL TIMES; AND THAT SAID AGENDA WAS POSTED AT LEAST SEVENTY-TWO (72) HOURS PRECEDING THE SCHEDULED TIME OF SAID MEETING, IN ACCORDANCE WITH CHAPTER 551 OF THE TEXAS GOVERNMENT CODE.

Leslie E. Galloway

LESLIE E. GALLOWAY, CITY SECRETARY

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT (ADA), THE CITY OF KENNEDALE WILL PROVIDE FOR REASONABLE ACCOMMODATIONS FOR PERSONS ATTENDING MEETINGS. THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR SIGN INTERPRETER SERVICES MUST BE MADE FORTY-EIGHT (48) HOURS PRIOR TO THE MEETING BY CALLING 817-985-2104 OR (TTY) 1-800-735-2989.

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 24, 2019

Agenda Item No: REGULAR ITEMS - A.

I. Subject:
Consider approval of the minutes from the July 23, 2019 regular meeting

II. Summary:
Please see the attached minutes for your approval.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

1.	2019_07.23 Minutes RE LG_WM	2019_07.23 Minutes RE LG_WM.pdf

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ECONOMIC DEVELOPMENT CORPORATION MINUTES
BOARD OF DIRECTORS REGULAR MEETING
JULY 23, 2019 AT 7:00 PM
CITY COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

I. CALL TO ORDER
President Mark Yeary called the meeting to order at 7:00 p.m.

II. ROLL CALL
Present: President Mark Yeary, Place 6; Darold Tippey, Place 4; Robert Mundy, Place 5: April Coltharp, Place 7; Johnny Trevino, Place 1; and Cesar Guerra, Place 2. **Absent**: Ronald Whitely, Place 3. ***Staff***: *Director of Planning and Economic Development Melissa Dailey, Finance Director Lakeita Sutton, Administrative Assistant Rosie Ericson*

III. WORK SESSION

A. Discussion of properties owned by the EDC

Director of Planning and Economic Development Melissa Dailey gave an overview of the properties owned by the EDC, stating that she is looking for overall direction from the Board on each of these properties and would present marketing proposals for each at an upcoming work session. There was some discussion of the hotel property, the fast growth being experienced by the Dallas-Fort Worth Metroplex, and potential retail, restaurant, and light industrial uses.

IV. REGULAR ITEMS

A. Consider approval of the minutes from the June 25, 2019 Regular Meeting

In response to a question from Board member Mundy, Dailey stated that President Yeary had not yet signed the contracts with Compressed Air Systems, as staff was awaiting attorney revisions.

Motion To Approve. **Action** Approve the minutes for the June 25, 2019 Regular Meeting. **Moved By** Coltharp. **Seconded By** Mundy. **Motion passes unanimously**.

B. Review and accept the KEDC Financial Report for June 2019

Motion To Approve. **Action** Approve the KEDC financial report for June 2019**. Moved By** Tippey. **Seconded By** Coltharp. **Motion passes unanimously.**

C. Consider election of a new Vice President, following the resignation of Ralph Grimes

Motion To Approve. **Action.** Approve the nomination of Robert Mundy as Vice President of the EDC Board. **Moved By** Coltharp. **Seconded By** Trevino. **Motion passes unanimously.**

D. Discuss and consider approval of FY19-20 proposed budget for recommendation to City Council

Finance Director Lakeita Sutton presented the proposed budget for the three EDC funds, including the budgeted amounts for FY18-19, the end-of-year projections, as well as the proposed FY19-20 amounts, stating that staff was requesting approval of the BY19-20 budget as proposed. There was some discussion of the newly-established EDC bank account fees and the need to transfer the EDC's funds to that account; the increase in insurance costs for TownCenter buildings; the possibility of losing the rental income from Red's Roadhouse; potential costs of replacing HVAC units in TownCenter; and the amount of legal fees.

Motion to Approve. **Action** Approve. **Motion By** Tippey to approve the FY19-20 proposed budget as presented, for recommendation to City Council**. Seconded By** Trevino.

Motion to Amend. **Action** Amend. **Motion By** Vice President Mundy to remove the payment of the City's membership in the Kennedale Area Chamber of Commerce annual membership dues of $1,925.00 (retaining the cost of the EDC Membership) from the EDC FY19-20 Budget. **Seconded By** Trevino. **Motion to amend passes unanimously**.

Amended motion passes unanimously.

V. REPORTS AND ANNOUNCEMENTS

A. Chamber of Commerce report
There was no discussion at this time.

B. Board member reports and announcements
There was no discussion at this time.

C. Staff reports and announcements
There was no discussion at this time.

President Yeary recessed to Executive Session at 8:17 p.m.

VI. EXECUTIVE SESSION

A. Discussion with City Attorney regarding Economic Development Agreement with Compressed Air Systems for project located at Harris Corporation Addition, Block 1 Lot 1A2 (Linda Road)

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

President Yeary reconvened the meeting at 8:18 p.m.

Following a brief discussion of the next Regular Meeting date, there was a consensus among the Board to ask that staff poll membership to ensure that a quorum was available.

VIII. ADJOURNMENT

Motion To Adjourn. **Action** Adjourn. **Moved By** Coltharp. **Seconded By** Trevino. **Motion passes unanimously.**

President Yeary adjourned the meeting at 8:20 p.m.

APPROVED:

MARK YEARY, PRESIDENT

ATTEST:

ROSIE ERICSON, BOARD SECRETARY

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 24, 2019

Agenda Item No: REGULAR ITEMS - B.

I. Subject:
Consider approval of the minutes from the August 19, 2019 regular meeting

II. Summary:
Please see the attached minutes for your approval.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

1.	2019_08.19 EDC Minutes _RE LG_WM	2019_08.19 EDC Minutes _RE LG_WM.pdf

ECONOMIC DEVELOPMENT CORPORATION MINUTES
BOARD OF DIRECTORS REGULAR MEETING
AUGUST 19, 2019 AT 7:00 PM
CITY COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

I. CALL TO ORDER
President Mark Yeary called the meeting to order at 7:03 p.m.

II. ROLL CALL
Present: President Mark Yeary, Place 6; Vice President Robert Mundy, Place 5; Johnny Trevino, Place 1 and Darold Tippey, Place 4. **Absent:** Cesar Guerra, Place 2, April Coltharp, and Place 7. **Staff:** *City Manager George Campbell, Director of Planning and Economic Development Melissa Dailey and Rosie Ericson, Board Secretary*

President Yeary recessed to Executive Session at 7:04 p.m.

III. EXECUTIVE SESSION

A. Discussion with City Attorney regarding legal issues associated with Economic Development and Performance Agreement, Tax Abatement, and Chapter 380 Agreement with Compressed Air Systems for project located at Harris Corporation Addition, Block 1 Lot 1A2 (Linda Road)

B. Economic Development and Performance Agreement, Tax Abatement, and Chapter 380 Agreement with Compressed Air Systems for project located at Harris Corporation Addition, Block 1 Lot 1A2 (Linda Road)

IV. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED
President Yeary reconvened the meeting at 7:39 p.m.

Motion To Approve. **Action** Approve, pursuant to the discussion in Executive Session, authorizing the EDC Executive Director to negotiate and execute contract changes to the Performance Agreement, Tax Abatement, and Chapter 380 Agreement with Compressed Air Systems for project located at Harris Corporation Addition, Block 1 Lot 1A2 (Linda Road). **Moved By** Vice President Mundy, **Seconded By**: Trevino. **Motion Passes Unanimously.**

V. ADJOURNMENT

Motion To Adjourn. **Action** Adjourn. **Moved By** Vice President Mundy, **Seconded By** Trevino. **Motion Passes Unanimously.**

President Yeary adjourned the meeting at 7:44 p.m.

APPROVED:	**ATTEST:**
MARK YEARY, PRESIDENT	*ROSIE ERICSON, BOARD SECRETARY*

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 24, 2019

Agenda Item No: REGULAR ITEMS - C.

I. Subject:
Review and accept the KEDC Financial Report for July 2019

II. Summary:
The EDC Financial Reports for the previous month are attached for your review. Finance Director Lakeita Sutton will be available to answer questions from the Board.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

1.	July 2019 Financials (EDC)	2019_07 EDC Monthly Financials.pdf
2.	July 2019 Sales Tax Update (EDC)	07_2019 Sales Tax Update-EDC.pdf

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION
ANNUAL PROGRAM OF SERVICES
JULY 2019

Monthly Information

1. $43,695 Sales Tax Revenue

2. EDC Director engaged in long-term planning, including relationship with Chamber, hotel satus, Red's Roadhouse, and other development deals

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.

Lakeita Sutton

ADDITIONAL INFORMATION

FUND 15 - OPERATING FUND (EDC INVOICES AND REVENUE ARE RECEIVED IN THIS FUND)
FUND 19 - CAPITAL BOND FUND (CLOSED IN FY 18)
FUND 95 - RESERVE FUND FOR DEBT REQUIREMENTS

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION
ANNUAL PROGRAM OF SERVICES
JULY 2019

EDC CASH POSITION

CATEGORY	DESCRIPTION	FY18-19 YTD
FROM PREVIOUS MONTHS REPORT:		
BEGINNING CASH BALANCE - FUND 15	(Operating Cash)	$ 378,514
BEGINNING CASH BALANCE - FUND 95	(Required reserves)	$ 123,957
BEGINNING CASH BALANCE - TOTAL		**$ 502,471**
BEGINNING AVAILABLE CASH - TOTAL		**378,514**
TOTAL REVENUES MINUS EXPENDITURES FOR MONTH		$ 49,874 *
ENDING CASH BALANCE - FUND 15	(Operating Cash)	$ 441,484
ENDING CASH BALANCE - FUND 95	(Required reserves)	$ 124,194
ENDING CASH BALANCE - TOTAL		**$ 565,678**
UNAVAILABLE CASH - EARMARKED		
RESERVES FOR LEVERAGE NOTE	(Required reserves)	$ 124,194
TOTAL UNAVAILABLE CASH		**$ 124,194**
AVAILABLE CASH		**$ 441,484**

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

COMBINED EDC FUNDS SUMMARY
REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FY 2018-19 WITH PRIOR YEAR COMPARISON
FOR THE MONTH ENDED JULY 31, 2019

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2018-19	MONTH	Y-T-D	Y-T-D	FY 2017-18	FY 2017-18		
Revenues:	Original Budget	Jul-19	Jul-19	% Budget	Original Budget	MONTH Jul-18	Y-T-D Jul-18	Y-T-D % Budget
MMD TAX CURRENT YEAR	$ 35,000	$ -	$ -		$ 35,000	$ -	$ -	
SALES TAX	384,598	43,695	$ 376,497	97.9%	373,835	$ 41,259	$ 307,941	82.4%
INVESTMENT INCOME FUND 15	65	782	$ 5,360	8246.2%	65	446	$ 2,655	4084.6%
INVESTMENT INCOME FUND 95		237	$ 2,195			156	$ 1,044	
MISCELLANEOUS INCOME	24,120	3,032	$ 29,499	122.3%	45,120	2,893	$ 33,142	73.5%
INSURANCE REIMBURSEMENT	-	-	$ -					
RENTAL FEES - SHOPPING CTR	185,223	19,464	$ 189,319	102.2%	121,112	12,555	$ 79,263	65.4%
RENTAL INSURANCE	746	-	$ -		746			
SALES OF ASSETS	-	-	$ -					
PROCEEDS-DEBT/LOAN/LEASE	-	-	$ -					
	-	-	$ -		-			
Total Revenues	**$ 629,752**	**$ 67,210**	**$ 602,870**	**95.7%**	**$ 575,878**	**$ 57,309**	**$ 424,045**	**73.6%**
Expenditures:								
ADMINISTRATION	168,360	12,539	131,675	78.21%	195,517	6,903	113,001	**58%**
DEBT SERVICE	320,432	-	150,619	47.00%	322,365	4,911	230,572	**72%**
TOWN SHOPPING CENTER	51,120	4,797	63,457	124.13%	45,362	6,954	324,147	**715%**
TOWN CENTER REDEVELOPMENT	$ -	-	5,738		-	-	177,712	
Total Expenditures	**$ 539,912**	**$ 17,336**	**$ 351,489**	**65.10%**	**$ 563,244**	**$ 18,768**	**$ 845,432**	**150%**
Total Revenues Over (Under) Exp	**$ 89,840**	**$ 49,874**	**$ 251,381**		**$ 12,634**	**$ 38,541**	**$ (421,387)**	
Other Financing Sources (Uses):								
	-	-	-		-	-	-	
Operating Transfer to / from Gene	-	-	-		-	-	-	
							-	
Total Other Financing Sources (Uses):	-	-	-		-	-	-	
	-	-	-					
Net Change in Fund Balance	**$ 89,840**				**$ 12,634**			
Fund Balance Oct 1	290,178				$ 282,651			
Ending Fund Balance	**$ 380,018**				**$ 295,285**			
	-				-			
AVERAGE DAILY EXPENDITURES	**$ 1,479**				**$ 1,543**			
Number of Days In Reserve	257				191			
Fund Balance as a % of Expenditures	70%				52%			

EDC FUND 15 SUMMARY
REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FY 2018-19 WITH PRIOR YEAR COMPARISON
FOR THE MONTH ENDED JULY 31, 2019

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2018-19	MONTH	Y-T-D	Y-T-D	FY 2017-18	FY 2017-18		
Revenues:	Original Budget	Jul-19	Jul-19	% Budget	Original Budget	MONTH Jul-18	Y-T-D Jul-18	Y-T-D % Budget
MMD TAX CURRENT YEAR	$ 35,000	$ -	$ -		$ 35,000	$ -	$ -	
SALES TAX	384,598	43,695	$ 376,497	97.9%	373,835	$ 41,259	$ 307,941	82.4%
INVESTMENT INCOME	65	782	$ 5,360	8246.2%	65	446	$ 2,655	4084.6%
MISCELLANEOUS INCOME	24,120	3,032	$ 29,499	122.3%	45,120	2,893	$ 33,142	73.5%
INSURANCE REIMBURSEMENT	-	-	$ -					
RENTAL FEES - SHOPPING CTR	185,223	19,464	$ 189,319	102.2%	121,112	12,555	$ 79,263	65.4%
RENTAL INSURANCE	746	-	$ -		746			
SALES OF ASSETS	-	-	$ -					
PROCEEDS-DEBT/LOAN/LEASE	-	-	$ -					
	-	-	$ -		-			
Total Revenues	**$ 629,752**	**$ 66,973**	**$ 600,675**	**95.4%**	**$ 575,878**	**$ 57,153**	**$ 423,001**	**73.5%**
Expenditures:								
ADMINISTRATION	168,360	12,539	131,675	78.21%	195,517	6,903	113,001	58%
DEBT SERVICE	320,432	-	150,619	47.00%	322,365	4,911	230,572	72%
TOWN SHOPPING CENTER	51,120	4,797	63,457	124.13%	45,362	6,954	324,147	715%
TOWN CENTER REDEVELOPMENT	$ -	-	5,738		-	-	177,712	
Total Expenditures	**$ 539,912**	**$ 17,336**	**$ 351,489**	**65.10%**	**$ 563,244**	**$ 18,768**	**$ 845,432**	**150%**
Total Revenues Over (Under) Exp	**$ 89,840**	**$ 49,637**	**$ 249,186**		**$ 12,634**	**$ 38,385**	**$ (422,431)**	
Other Financing Sources (Uses):								
	-	-	-		-	-	-	
Operating Transfer to / from Gene	-	-	-		-	-	-	
							-	
Total Other Financing Sources (Uses):	-	-	-		-	-	-	
	-	-	-					
Net Change in Fund Balance	**$ 89,840**				**$ 12,634**			
Fund Balance Oct 1	168,179				$ 162,017			
Ending Fund Balance	**$ 258,019**				**$ 174,651**			
	-				-			
AVERAGE DAILY EXPENDITURES	**$ 1,479**				**$ 1,543**			
Number of Days In Reserve	174				113			
Fund Balance as a % of Expenditures	48%				31%			

EDC ADMIN

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2018-19	MONTH	Y-T-D	Y-T-D	FY 2017-18	FY 2017-18		
Expenditures:	Original Budget	Jul-19	Jul-19	% Budget	Original Budget	MONTH Jul-18	Y-T-D Jul-18	Y-T-D % Budget
PRINTED SUPPLIES	$ 2,000	$ -	$ -	0.0%	$ 2,000	$ -	$ -	0.0%
GENERAL OFFICE SUPPLIES	50	-	$ -	0.0%	50	-	$ -	0.0%
POSTAGE	50	-	$ -	0.0%	50	-	$ -	0.0%
SUPPLIES TOTAL	**2,100**	-	-	-	**2,100**	**-**		0.0%
ADVERTISING	1,200	-	$ -	0.0%	1,200	-	$ 35	2.9%
ASSOCIATION DUES/PUBLICATIONS	5,320	-	$ 4,932	92.7%	5,320	-	$ 4,890	91.9%
TRANING/SEMINARS	250	-	$ -	0.0%	250	-	$ -	0.0%
LEGAL SERVICES	13,000	2,487	$ 4,710	36.2%	10,000	100	$ 11,680	116.8%
AUDIT SERVICES	4,250	-	$ 4,250	100.0%	2,250	-	$ 2,000	88.9%
SPECIAL SERVICES	250	228	$ 503	201.2%	68,650	-	$ 12,298	17.9%
FILING FEES								
ENGINEERING SERVICES								
TRAVEL	-	-	$ -		100			0.0%
ENGINEERING SERVICES	100	-	$ -	0.0%	-			
ADMIN CHARGE-GENERAL FUND	117,890	9,824	$ 98,241	83.3%	81,647	6,803	$ 68,039	83.3%
FUNCTIONAL GRANT	24,000	-	$ 19,039	79.3%	24,000	-	$ 14,059	58.6%
LAND	-							
SUNDRY TOTAL	**166,260**	**12,539**	**131,675**	**79.20%**	**193,417**	**6,903**	**113,001**	58.4%
CAPITAL TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
	-	-	$ -		-			
Total EDC Admin Expenditures	**$ 168,360**	**$ 12,539**	**$ 131,675**	**78.2%**	**$ 195,517**	**$ 6,903**	**$ 113,001**	**57.8%**

EDC DEBT SERVICE

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2018-19	MONTH	Y-T-D	Y-T-D	FY 2017-18	FY 2017-18		
Expenditures:	Original Budget	Jul-19	Jul-19	% Budget	Original Budget	MONTH Jul-18	Y-T-D Jul-18	Y-T-D % Budget
2007 $1.2M TAX BOND INTEREST	$ 50,735		$ 50,688	99.9%	$ 54,905	$ -	$ 54,830	99.9%
2007 $1.2M TAX BOND PRINCIPAL	60,000		$ 60,000	100.0%	60,000	-	$ 60,000	100.0%
2011 $1.7M TX LEVERAGE INT	12,834		$ 13,503	105.2%	14,278	1,643	$ 14,935	104.6%
2011 $17.M TX LEVERAGE PRIN	42,038		$ 26,428	62.9%	40,594	3,268	$ 33,220	81.8%
TRANSFER OUT-DEBT SERV FUND	154,825			0.0%	152,588		$ 67,587	44.3%
	-				-			
Total EDC Debt Expenditures	**$ 320,432**	**$ -**	**$ 150,619**	**47.0%**	**$ 322,365**	**$ 4,911**	**$ 230,572**	**71.5%**

EDCTOWN SHOPPING CENTER

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2018-19	MONTH	Y-T-D	Y-T-D	FY 2017-18	FY 2017-18		
Expenditures:	Original Budget	Jul-19	Jul-19	% Budget	Original Budget	MONTH Jul-18	Y-T-D Jul-18	Y-T-D % Budget
BUILDING MAINTENANCE	$ 29,920	$ 3,887	$ 43,306	144.7%	$ 25,112	$ 4,983	$ 286,422	1140.6%
ELECTRIC SERVICES	6,700	410	$ 4,012	59.9%	6,700	1,471	$ 5,695	85.0%
INSURANCE - PROPERTY	8,500		$ 11,139	131.0%	6,500	-	$ 8,340	128.3%
SPECIAL SERVICES	6,000	500	$ 5,000	83.3%	7,050	500	$ 23,690	336.0%
	-				-			
Total EDC Town Center Expenditures	**$ 51,120**	**$ 4,797**	**$ 63,457**	**124.1%**	**$ 45,362**	**$ 6,954**	**$ 324,147**	**714.6%**

EDC TOWN CENTER REDEVELOPMENT

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2018-19	MONTH	Y-T-D	Y-T-D	FY 2017-18	FY 2017-18		
Expenditures:	Original Budget	Jul-19	Jul-19	% Budget	Original Budget	MONTH Jul-18	Y-T-D Jul-18	Y-T-D % Budget
ENGINEERING SERVICES	$ -						$ -	
CONSTRUCTION	-		$ 5,738				$ 177,712	
	-				-			
Total EDC Town Center Expenditures	**$ -**	**$ -**	**$ 5,738**		**$ -**	**$ -**	**$ 177,712**	

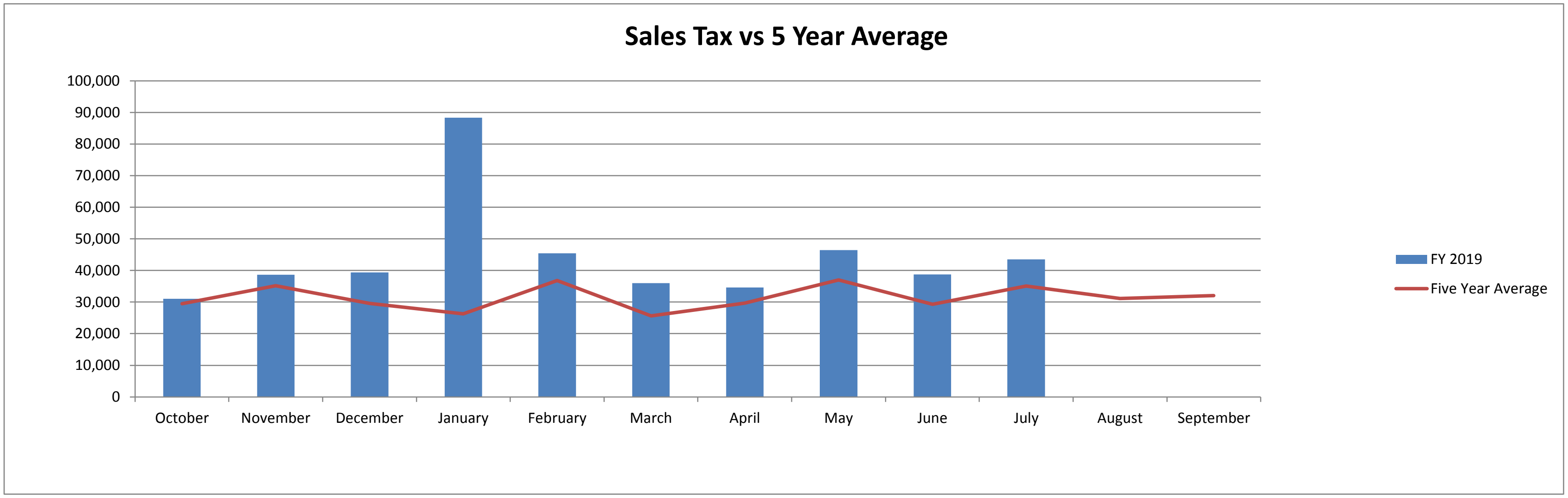
EDC FUND 95 SUMMARY
REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FY 2018-19 WITH PRIOR YEAR COMPARISON
FOR THE MONTH ENDED JULY 31, 2019

EDC BOND RESERVE FUND

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2018-19	MONTH	Y-T-D	Y-T-D	FY 2017-18	FY 2017-18		
Revenues:	Original Budget	Jul-19	Jul-19	% Budget	Original Budget	MONTH Jul-18	Y-T-D Jul-18	Y-T-D % Budget
INVESTMENT INCOME	-	237	$ 2,195		-	156	$ 1,044	
Total Revenues	**$ -**	**$ 237**	**$ 2,195**		**$ -**	**$ 156**	**$ 1,044**	
Expenditures:								
ADMINISTRATION	$ -	-	-			-	-	
Total Expenditures	**$ -**	**$ -**	**$ -**		**$ -**	**$ -**	**$ -**	
Total Revenues Over (Under) Exp	**$ -**	**$ 237**	**$ 2,195**		**$ -**	**$ 156**	**$ 1,044**	
	-	-	-					
Net Change in Fund Balance								
Fund Balance Oct 1	121,999				$ 120,634			
Ending Fund Balance	**$ 121,999**				120,634			

EDC Sales Tax By Month

Year	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY2019	$ 31,048	$ 38,680	$ 39,362	$ 88,360	$ 45,433	$ 36,033	$ 34,603	$ 46,432	$ 38,783	$ 43,510		$ -	**$ 442,244**
FY2018	$ 34,607	$ 38,169	$ 28,985	$ 31,808	$ 54,501	$ 31,672	$ 41,253	$ 43,121	$ 36,295	$ 41,089	$ 39,590	$ 29,697	**$ 450,787**
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	**$ 354,908**
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	**$ 377,055**
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	**$ 440,453**
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	**$ 320,861**
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	**$ 309,197**
	*Net payment after correcting an audit error.												$ -



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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 24, 2019

Agenda Item No: REGULAR ITEMS - D.

I. Subject:
Review and accept the KEDC Financial Report for August 2019

II. Summary:
The EDC Financial Reports for the previous month are attached for your review. Finance Director Lakeita Sutton will be available to answer questions from the Board.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

1.	August 2019 Financials (EDC)	2019_08 EDC Monthly Financials.pdf
2.	August 2019 Sales Tax Update (EDC)	08_2019 Sales Tax Update-EDC.pdf

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION
ANNUAL PROGRAM OF SERVICES
AUGUST 2019

Monthly Information

1. $36,942 in Sales Tax Revenue
2. EDC Director engaged in long-term planning, including relationship with Chamber, hotel satus, Red's Roadhouse, and other development deals

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.

Lakeita Sutton

ADDITIONAL INFORMATION

FUND 15 - OPERATING FUND (EDC INVOICES AND REVENUE ARE RECEIVED IN THIS FUND)
FUND 19 - CAPITAL BOND FUND (CLOSED IN FY 18)
FUND 95 - RESERVE FUND FOR DEBT REQUIREMENTS

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION
ANNUAL PROGRAM OF SERVICES
AUGUST 2019

CATEGORY	DESCRIPTION	FY18-19 YTD
BEGINNING CASH BALANCE - FUND 15	(Operating Cash)	$ 441,484
BEGINNING CASH BALANCE - FUND 95	(Required reserves)	$ 124,194
BEGINNING CASH BALANCE - TOTAL		**$ 565,678**
BEGINNING AVAILABLE CASH - TOTAL		**441,484**
TOTAL REVENUES MINUS EXPENDITURES FOR MONTH		$ (127,635) *
ENDING CASH BALANCE - FUND 15	(Operating Cash)	$ 313,694
ENDING CASH BALANCE - FUND 95	(Required reserves)	$ 124,407
ENDING CASH BALANCE - TOTAL		**$ 438,101**
UNAVAILABLE CASH - EARMARKED		
RESERVES FOR LEVERAGE NOTE	(Required reserves)	$ 124,407
TOTAL UNAVAILABLE CASH		**$ 124,407**
AVAILABLE CASH		**$ 313,694**

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

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION
ANNUAL PROGRAM OF SERVICES
AUGUST 2019

REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FY 2018-19 WITH PRIOR YEAR COMPARISON
FOR THE MONTH ENDED AUGUST 30, 2019

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2018-19	MONTH	Y-T-D	Y-T-D	FY 2017-18	FY 2017-18		
Revenues:	Original Budget	Aug-19	Aug-19	% Budget	Original Budget	MONTH Aug-18	Y-T-D Aug-18	Y-T-D % Budget
MMD TAX CURRENT YEAR	$ 35,000	$ -	$ -		$ 35,000	$ -	$ -	
SALES TAX	384,598	36,942	$ 413,440	107.5%	373,835	$ 39,767	$ 347,708	93.0%
INVESTMENT INCOME FUND 15	65	647	$ 6,007	9241.5%	65	459	$ 3,114	4790.8%
INVESTMENT INCOME FUND 95		213	$ 2,408			160	$ 1,204	
MISCELLANEOUS INCOME	24,120	3,027	$ 32,526	134.9%	45,120	2,753	$ 35,895	79.6%
INSURANCE REIMBURSEMENT	-	-	$ -					
RENTAL FEES - SHOPPING CTR	185,223	19,464	$ 208,783	112.7%	121,112	12,655	$ 91,919	75.9%
RENTAL INSURANCE	746	-	$ -		746			
SALES OF ASSETS	-	-	$ -					
PROCEEDS-DEBT/LOAN/LEASE	-	-	$ -					
	-	-	$ -		-			
Total Revenues	**$ 629,752**	**$ 60,293**	**$ 663,164**	**105.3%**	**$ 575,878**	**$ 55,794**	**$ 479,840**	**83.3%**
Expenditures:								
ADMINISTRATION	168,360	18,565	150,241	89.24%	195,517	7,603	120,604	**62%**
DEBT SERVICE	320,432	164,843	315,461	98.45%	322,365	4,513	235,086	**73%**
TOWN SHOPPING CENTER	51,120	4,520	67,978	132.98%	45,362	8,074	332,222	**732%**
TOWN CENTER REDEVELOPMENT	$ -	-	5,738		-	-	177,712	
Total Expenditures	**$ 539,912**	**$ 187,928**	**$ 539,418**	**99.91%**	**$ 563,244**	**$ 20,190**	**$ 865,624**	**154%**
Total Revenues Over (Under) Exp	**$ 89,840**	**$ (127,635)**	**$ 123,746**		**$ 12,634**	**$ 35,604**	**$ (385,784)**	
Other Financing Sources (Uses):								
	-	-	-		-	-	-	
Operating Transfer to / from Gen	-	-	-		-	-	-	
							-	
Total Other Financing Sources (Uses):	-	-	-		-	-	-	
	-	-	-					
Net Change in Fund Balance	**$ 89,840**				**$ 12,634**			
Fund Balance Oct 1	290,178				$ 282,651			
Ending Fund Balance	**$ 380,018**				**$ 295,285**			
	-				-			
AVERAGE DAILY EXPENDITURES	**$ 1,479**				**$ 1,543**			
Number of Days In Reserve	257				191			
Fund Balance as a % of Expenditures	70%				52%			

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION
ANNUAL PROGRAM OF SERVICES
AUGUST 2019

REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FY 2018-19 WITH PRIOR YEAR COMPARISON
FOR THE MONTH ENDED AUGUST 30, 2019

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2018-19	MONTH	Y-T-D	Y-T-D	FY 2017-18	FY 2017-18		
Revenues:	Original Budget	Aug-19	Aug-19	% Budget	Original Budget	MONTH Aug-18	Y-T-D Aug-18	Y-T-D % Budget
MMD TAX CURRENT YEAR	$ 35,000	$ -	$ -		$ 35,000	$ -	$ -	
SALES TAX	384,598	36,942	$ 413,440	107.5%	373,835	$ 39,767	$ 347,708	93.0%
INVESTMENT INCOME	65	647	$ 6,007	9241.5%	65	459	$ 3,114	4790.8%
MISCELLANEOUS INCOME	24,120	3,027	$ 32,526	134.9%	45,120	2,753	$ 35,895	79.6%
INSURANCE REIMBURSEMENT	-	-	$ -			14,898	$ 14,898	
RENTAL FEES - SHOPPING CTR	185,223	19,464	$ 208,783	112.7%	121,112	12,655	$ 91,919	75.9%
RENTAL INSURANCE	746	-	$ -		746			
SALES OF ASSETS	-	-	$ -					
PROCEEDS-DEBT/LOAN/LEASE	-	-	$ -					
	-	-	$ -		-			
Total Revenues	**$ 629,752**	**$ 60,080**	**$ 660,756**	**104.9%**	**$ 575,878**	**$ 70,532**	**$ 493,534**	**85.7%**
Expenditures:								
ADMINISTRATION	168,360	18,565	150,241	89.24%	195,517	7,603	120,604	62%
DEBT SERVICE	320,432	164,843	315,461	98.45%	322,365	4,513	235,086	73%
TOWN SHOPPING CENTER	51,120	4,520	67,978	132.98%	45,362	8,074	332,222	732%
TOWN CENTER REDEVELOPMENT	$ -	-	5,738		-	-	177,712	
Total Expenditures	**$ 539,912**	**$ 187,928**	**$ 539,418**	**99.91%**	**$ 563,244**	**$ 20,190**	**$ 865,624**	**154%**
Total Revenues Over (Under) Exp	**$ 89,840**	**$ (127,848)**	**$ 121,338**		**$ 12,634**	**$ 50,342**	**$ (372,090)**	
Other Financing Sources (Uses):								
	-	-	-		-	-	-	
Operating Transfer to / from Gene	-	-	-		-	-	-	
							-	
Total Other Financing Sources (Uses):	-	-	-		-	-	-	
	-	-	-					
Net Change in Fund Balance	**$ 89,840**				**$ 12,634**			
Fund Balance Oct 1	168,179				$ 162,017			
Ending Fund Balance	**$ 258,019**				**$ 174,651**			
	-				-			
AVERAGE DAILY EXPENDITURES	**$ 1,479**				**$ 1,543**			
Number of Days In Reserve	174				113			
Fund Balance as a % of Expenditures	48%				31%			

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION
ANNUAL PROGRAM OF SERVICES
AUGUST 2019

EDC ADMIN

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2018-19	MONTH	Y-T-D	Y-T-D	FY 2017-18	FY 2017-18		
Expenditures:	Original Budget	Aug-19	Aug-19	% Budget	Original Budget	MONTH Aug-18	Y-T-D Aug-18	Y-T-D % Budget
1. $36,942 in Sales Tax Revenue	$ 2,000	$ -	$ -	0.0%	$ 2,000	$ -	$ -	0.0%
GENERAL OFFICE SUPPLIES	50	-	$ -	0.0%	50	-	$ -	0.0%
POSTAGE	50	-	$ -	0.0%	50	-	$ -	0.0%
SUPPLIES TOTAL	**2,100**	-	-	-	**2,100**	**-**		0.0%
ADVERTISING	1,200	-	$ -	0.0%	1,200	-	$ 35	2.9%
ASSOCIATION DUES/PUBLICATIONS	5,320	-	$ 4,932	92.7%	5,320	-	$ 4,890	91.9%
TRANING/SEMINARS	250	-	$ -	0.0%	250	-	$ -	0.0%
LEGAL SERVICES	13,000	1,071	$ 5,781	44.5%	10,000	800	$ 12,480	124.8%
AUDIT SERVICES	4,250	-	$ 4,250	100.0%	2,250	-	$ 2,000	88.9%
SPECIAL SERVICES	250	908	$ 1,411	564.4%	68,650	-	$ 12,298	17.9%
FILING FEES								
ENGINEERING SERVICES								
TRAVEL	-	-	$ -		100			0.0%
ENGINEERING SERVICES	100	-	$ -	0.0%	-			
ADMIN CHARGE-GENERAL FUND	117,890	9,824	$ 108,065	91.7%	81,647	6,803	$ 74,842	91.7%
FUNCTIONAL GRANT	24,000	6,762	$ 25,802	107.5%	24,000	-	$ 14,059	58.6%
LAND	-							
SUNDRY TOTAL	**166,260**	**18,565**	**150,241**	**90.37%**	**193,417**	**7,603**	**120,604**	62.4%
CAPITAL TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
	-	-	$ -		-			
Total EDC Admin Expenditures	**$ 168,360**	**$ 18,565**	**$ 150,241**	**89.2%**	**$ 195,517**	**$ 7,603**	**$ 120,604**	**61.7%**

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KENNEDALE ECONOMIC DEVELOPMENT CORPORATION
ANNUAL PROGRAM OF SERVICES
AUGUST 2019

EDC DEBT SERVICE

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2018-19	MONTH	Y-T-D	Y-T-D	FY 2017-18	FY 2017-18		
Expenditures:	Original Budget	Aug-19	Aug-19	% Budget	Original Budget	MONTH Aug-18	Y-T-D Aug-18	Y-T-D % Budget
1. $36,942 in Sales Tax Revenue	$ 50,735		$ 50,688	99.9%	$ 54,905	$ -	$ 54,830	99.9%
2007 $1.2M TAX BOND PRINCIPAL	60,000		$ 60,000	100.0%	60,000	-	$ 60,000	100.0%
2011 $1.7M TX LEVERAGE INT	12,834	3,273	$ 16,775	130.7%	14,278	1,372	$ 16,307	114.2%
2011 $17.M TX LEVERAGE PRIN	42,038	6,745	$ 33,173	78.9%	40,594	3,141	$ 36,362	89.6%
TRANSFER OUT-DEBT SERV FUND	154,825	154,825	$ 154,825	100.0%	152,588		$ 67,587	44.3%
	-				-			
Total EDC Debt Expenditures	**$ 320,432**	**$ 164,843**	**$ 315,461**	**98.4%**	**$ 322,365**	**$ 4,513**	**$ 235,086**	**72.9%**

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION
ANNUAL PROGRAM OF SERVICES
AUGUST 2019

EDCTOWN SHOPPING CENTER

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2018-19	MONTH	Y-T-D	Y-T-D	FY 2017-18	FY 2017-18		
Expenditures:	Original Budget	Aug-19	Aug-19	% Budget	Original Budget	MONTH Aug-18	Y-T-D Aug-18	Y-T-D % Budget
1. $36,942 in Sales Tax Revenue	$ 29,920	$ 3,685	$ 46,992	157.1%	$ 25,112	$ 5,933	$ 292,356	1164.2%
ELECTRIC SERVICES	6,700	335	$ 4,347	64.9%	6,700	1,641	$ 7,336	109.5%
INSURANCE - PROPERTY	8,500		$ 11,139	131.0%	6,500	-	$ 8,340	128.3%
SPECIAL SERVICES	6,000	500	$ 5,500	91.7%	7,050	500	$ 24,190	343.1%
	-				-			
Total EDC Town Center Expenditures	**$ 51,120**	**$ 4,520**	**$ 67,978**	**133.0%**	**$ 45,362**	**$ 8,074**	**$ 332,222**	**732.4%**

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION
ANNUAL PROGRAM OF SERVICES
AUGUST 2019

EDC TOWN CENTER REDEVELOPMENT

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2018-19	MONTH	Y-T-D	Y-T-D	FY 2017-18	FY 2017-18		
Expenditures:	Original Budget	Aug-19	Aug-19	% Budget	Original Budget	MONTH Aug-18	Y-T-D Jul-18	Y-T-D % Budget
1. $36,942 in Sales Tax Revenue	$ -						$ -	
CONSTRUCTION	-		$ 5,738				$ 177,712	
	-				-			
Total EDC Town Center Expenditures	**$ -**	**$ -**	**$ 5,738**		**$ -**	**$ -**	**$ 177,712**	

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION
ANNUAL PROGRAM OF SERVICES
AUGUST 2019

REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FY 2018-19 WITH PRIOR YEAR COMPARISON
FOR THE MONTH ENDED AUGUST 30, 2019

EDC BOND RESERVE FUND

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2018-19	MONTH	Y-T-D	Y-T-D	FY 2017-18	FY 2017-18		
Revenues:	Original Budget	Aug-19	Aug-19	% Budget	Original Budget	MONTH Aug-18	Y-T-D Aug-18	Y-T-D % Budget
INVESTMENT INCOME	-	213	$ 2,408		-	160	$ 1,204	
Total Revenues	**$ -**	**$ 213**	**$ 2,408**		**$ -**	**$ 160**	**$ 1,204**	
Expenditures:								
ADMINISTRATION	$ -	-	-			-	-	
Total Expenditures	**$ -**	**$ -**	**$ -**		**$ -**	**$ -**	**$ -**	
Total Revenues Over (Under) Exp	**$ -**	**$ 213**	**$ 2,408**		**$ -**	**$ 160**	**$ 1,204**	
	-	-	-					
Net Change in Fund Balance								
Fund Balance Oct 1	121,999				$ 120,634			
Ending Fund Balance	**$ 121,999**				120,634			

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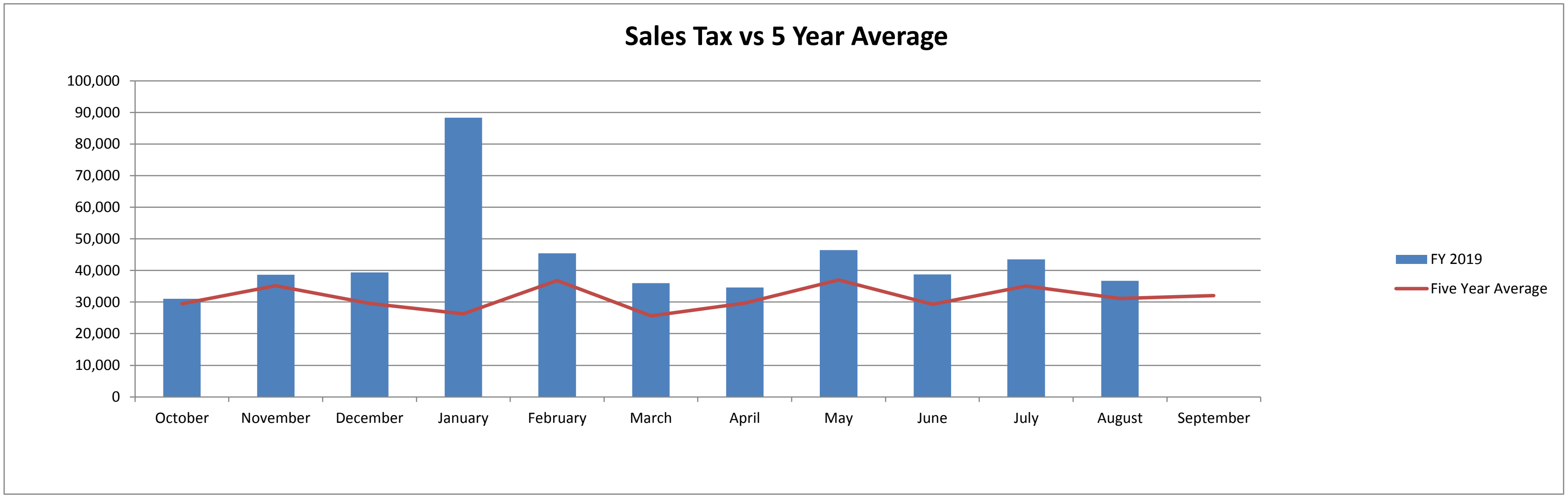
EDC Sales Tax By Month

Year	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY2019	$ 31,048	$ 38,680	$ 39,362	$ 88,360	$ 45,433	$ 36,033	$ 34,603	$ 46,432	$ 38,783	$ 43,510	$ 36,757	$ -	**$ 479,001**
FY2018	$ 34,607	$ 38,169	$ 28,985	$ 31,808	$ 54,501	$ 31,672	$ 41,253	$ 43,121	$ 36,295	$ 41,089	$ 39,590	$ 29,697	**$ 450,787**
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	**$ 354,908**
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	**$ 377,055**
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	**$ 440,453**
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	**$ 320,861**
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	**$ 309,197**
	*Net payment after correcting an audit error.												**$ -**



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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 24, 2019

Agenda Item No: REGULAR ITEMS - E.

I. Subject:
Consider the nomination and election of a Vice President

II. Originated by:

George Campbell, City Manager

III. Summary:
The EDC is required by their bylaws to elect a President and Vice President annually. Vice President Robert Mundy was not reappointed by the City Council. At this time, the board may nominate and then elect a replacement. Relevant Excerpts from the Following Sections of the KEDC Bylaws:

2.03 Regular Meeting; Place of Meetings.
A meeting of the board for the election of officers and the transaction of other business shall be held on the third Tuesday in August of each year.

3.02 Executive Officers.
The executive officers of the corporation shall be a president and vice-president. The board, at each annual meeting shall elect these officers by ballot. These offices shall be held by directors.

3.03 Powers and Duties of the President.
The president shall preside at all meetings of the directors. He or she shall have power to sign and execute all contracts and instruments of conveyance in the name of the corporation, to sign checks, drafts, notes and orders for the payment of money, and to appoint and discharge agents and employees, subject to the approval of the board. He or she shall have general and active management of the business of the corporation, and shall perform all the duties usually incident to the office of president.

3.04 Vice-President.
The vice president shall have such powers and perform such duties as may be delegated to him or her by the board. In the absence or disability of the president, the vice-president may perform the duties and exercise the powers of the president.

IV. Recommendation:

V. Alternative Actions:

VI. Attachments:

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 24, 2019

Agenda Item No: REGULAR ITEMS - F.

I. Subject:
Discuss and consider approval of Lease Modification Agreement #5 between the Kennedale Economic Development Corporation and Dolgencorp of Texas, Inc. for the lease of space in Building 1 of Kennedale TownCenter

II. Summary:

Lease Modification Agreement #4 between the EDC and Dolgencorp for the lease of Dollar General store location became effective August 1, 2012. The initial term ended July 31, 2017. That agreement provides for two three year lease extensions. The first such extension will end on July 31, 2020. Rather than exercise the second three year extension, the tenant has requested consideration to extend the lease for five (5) years.

The current monthly lease paid to the EDC is $5,577.00. Additionally the tenant pays a monthly common area maintenance amount of $675.00.

Lease Modification Agreement #5, if approved, will increase the monthly rent to $6,282.50 and the common area maintenance will increase to $750.00 per month. The lease amount would again increase to $6,731.25 commencing August 1, 2023. Should the tenant elect to exercise the additional option to extend the lease for an additional three years the rent would increase to $7,404.38.

Staff has reviewed the proposed new lease agreement with Mr. Craig Hughes and believes the extension of the lease pursuant to the stated terms is advantageous to the EDC. Approval is recommended.

A draft of Lease Modification # 5 is attached. That draft is still under review by the City Attorney and one change that would eliminate any obligation of the EDC to perform maintenance of the HVAC units is being considered since all three units will be relatively new.

A revised copy of the agreement with explanation of any changes from the draft attached here will be provided at the September 24 meeting.

III. Recommendation:
Approve

IV. Alternative Actions:

V. Attachments:

1.	Fifth Amendment - 09-18-2019 DRAFT	DRAFT_Fifth Amendment.pdf

LEASE MODIFICATION AGREEMENT #5

RE: Dollar General Store #**3168**
Kennedale, TX

THIS LEASE MODIFICATION AGREEMENT (the "Agreement"), entered into this **________** day of **_______________**2019, by and between Crampton EBJ Inc & HPS LLP, successor-in-interest (the "Landlord"), and Dolgencorp of Texas, Inc., a Kentucky corporation, with its principal office and place of business at 100 Mission Ridge, Goodlettsville, Tennessee 37072, (the "Tenant").

WITNESSETH,

WHEREAS, the undersigned parties now being Landlord and Tenant respectively, under the terms of a lease dated June 2, 1995 (the lease and any other amendments and/or modifications thereto hereinafter referred to as the "Lease") and primarily covering a store space located at 113 West Kennedale Parkway, City of Kennedale, County of Tarrant, and State of Texas (the "Demised Premises"), do now desire to modify and amend such Lease.

WHEREAS, both parties hereby acknowledge that Tenant's one (1) remaining option period to extend the term, as provided in Lease Modification Agreement #4, is null and void upon execution of this Lease Modification Agreement.

NOW, THEREFORE, for and in consideration of One Dollar ($1.00) and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, and of the promises and undertakings hereinafter set forth, the parties agree that such Lease shall be and is hereby amended and modified as follows:

1. **TERM.** The term of this Lease is extended for a period of five (5) years beginning August 1, 2020 and terminating on July 31, 2025 (the "Extended Term"), upon all terms and conditions as set forth in the Lease, except as specifically amended herein.

2. **OPTION.** Provided Tenant at the time notice is given shall not then be in default hereunder beyond the applicable notice and cure period set forth in the Lease, Tenant shall be entitled to extend the term of this Lease for one (1) period of three (3) years ("Option Period"), upon the same terms and conditions as provided in the Lease except as specifically amended herein. Tenant may extend this Lease by giving Landlord written notice as provided herein not less than one hundred twenty (120) days prior to the expiration of the Extended Term. In the event Tenant does not exercise its right to renew this Lease, as set forth herein, all succeeding rights to extend the Lease shall terminate.

3. **RENT.** Notwithstanding anything to the contrary in the Lease, rent shall be payable as follows:

   a) Commencing August 1, 2020 and continuing through July 31, 2023, the rent shall be in the amount of six thousand two hundred eighty-two and 50/100 ($6,282.50) dollars, per calendar month, payable in advance on or before the first day of each month without offset or demand, except as otherwise provided in the Lease.

   b) Commencing August 1, 2023 and continuing through July 31, 2025 the rent shall be in the amount of six thousand seven hundred thirty-one and 25/100 ($6,731.25) dollars, per calendar month, payable in advance on or before the first day of each month without offset or demand, except as otherwise provided in the Lease.
   c) The rent during the Option Period, if exercised, shall be in the amount of seven thousand four

hundred four and 38/100 ($7,404.38) dollars, per calendar month, payable in advance on or before the first day of each month without offset or demand, except as otherwise provided in the Lease.

4. **COMMON AREA MAINTENANCE.** Commencing with the Extended Term, Item 4 of Lease Modification Agreement #4 is deleted in its entirety and replaced with the following:

   “Tenant agrees to pay Landlord seven hundred fifty and 00/100 ($750.00) dollars per month as Tenant's sole contribution to Landlord for its cost of care and maintenance of the Common Area ("Common Area Maintenance Costs"). Tenant shall be responsible for no other reimbursement to Landlord relative to the Common Area other than the fixed Common Area Maintenance Costs."

5. **ESTOPPEL CERTIFICATES.** Notwithstanding anything to the contrary in the Lease, commencing with the Extended Term, section XXVIII Special Stipulations, sub-section (b) Estoppel Certificates of the original Lease dated June 2, 1995, shall be amended by deleting the reference of “ten (10) days” in the third typed line and replaced by the term “twenty (20) days.”

6. **EXCLUSIVE USE COVENANT.** Commencing upon execution of this Agreement, Section IV of the Lease shall be deleted in its entirety and replaced with the following:
   Landlord covenants and agrees not to lease, rent or occupy, or allow to be leased, rented or occupied, any part of the Shopping Center, for use as a Family Dollar, Dollar Express, Bill’s Dollar Store, Fred’s, Dollar Tree, Dollar Zone, Variety Wholesale, Ninety-Nine Cents Only, Deals, Dollar Bills, Bonus Dollar, Maxway, Super Ten, Planet Dollar, Big Lots, Odd Lots, Walgreens, CVS, Rite Aid, or any Wal-Mart concept.

   This covenant shall run with the land and shall be binding upon Landlord and its affiliates and their respective successors, assigns and successors in title to the Shopping Center during the Lease Term, as may be extended. Landlord acknowledges that in the event of any breach by Landlord of Landlord's covenants in this section, Tenant's remedies at law would be inadequate. Therefore, in the event of a breach of Tenant's exclusive use rights, Tenant shall be entitled to (i) terminate this Lease upon ninety (90) days notice to Landlord at any time from and after the date such breach occurs, and (ii) pursue any and all remedies available at law or in equity including, without limitation, relief by injunction (or otherwise) as Tenant may elect in its sole discretion. In the event Tenant has not elected to terminate this Lease, during the period any such violation shall continue Tenant shall pay, in lieu of Tenant's fixed monthly rental hereunder and all other charges under this Lease, an amount equal to fifty percent (50%) of Tenant's monthly Minimum Rent and additional rent under this Lease (“Monthly Substitute Rent”). At any time thereafter for as long as the violation continues, Tenant may elect to terminate this Lease on ninety (90) days notice to Landlord. Tenant's remedies, in all events, shall be cumulative rather than exclusive.

7. **COUNTERPARTS AND ELECTRONIC SIGNATURE.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all such counterparts taken together shall be deemed to constitute one and the same instrument. This Agreement may be executed and delivered electronically with such signatures being deemed original signatures for purposes of enforcement and construction of this Agreement.

8. **NOTICES.** All notices required under this Agreement shall be deemed to have been properly served if delivered in the manner set forth in the Lease, except that Tenant’s address for receipt of notices shall hereinafter be Dolgencorp of Texas, Inc., 100 Mission Ridge, Goodlettsville, Tennessee, 37072 (Attention: Lease Administration).

9. **MISCELLANEOUS.** Landlord and Tenant agree that the Lease is, as of the date of this Agreement, in full force and effect, and all other terms and conditions of the Lease and of any

previous modifications thereof shall remain unchanged. The provisions of this Lease Modification Agreement shall bind and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns. All capitalized terms in this Agreement shall have the meaning assigned to them in the Lease, unless expressly modified herein.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the dates set forth below.

Signed and acknowledged in duplicate in presence of:

Witnesses for Landlord:	**LANDLORD:** CRAMPTON EBJ INC
______________________ Witness 1	By: ______________________
	Name: ______________________
	Its: ______________________
______________________ Print Name	Date: ______________________
______________________ Witness 2	
______________________ Print Name	

Witnesses for Landlord:	**LANDLORD:** HPS LLP
______________________ Witness 1	By: ______________________
	Name: ______________________
	Its: ______________________
______________________ Print Name	Date: ______________________
______________________ Witness 2	
______________________ Print Name	

Witnesses for Tenant:	**TENANT:** DOLGENCORP OF TEXAS, INC.
______________________ Witness 1	By: ______________________
	Name: Melissa L. Heisse
	Its: Sr. Director, Lease Administration
______________________ Print Name	Date: ______________________
______________________ Witness 2	
______________________ Print Name	

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 24, 2019

Agenda Item No: REGULAR ITEMS - G.

I. Subject:
Consider approval of the replacement of two of the air conditioning units at Dollar General in TownCenter

II. Originated by:

George Campbell, City Manager

III. Summary:
The Dollar General's lease provides for a split responsibility for the maintenance and repair of the HVAC units (tenant covers the first $750.00; and landlord is responsible for costs above $750.00).

The Dollar General portion of Building 1 has three HVAC units. One of the units was replaced with a new unit in 2016. The other two units are both sixteen (16) years old and currently failing. One estimate to repair these two units exceeds $29,000.

The TownCenter development manager, Mr. Craig Hughes, has received a proposal from 24 HOUR, LTD to replace both units at a total estimated cost of $22,666.47. Staff has reviewed the proposal and recommends awarding the purchase and installation of both units to 24 HOUR , LTD in the amount of $22,666.47.

IV. Recommendation:
Approve

V. Alternative Actions:

VI. Attachments:

1.	24 Hour HVAC estimate 092019	24 Hour HVAC estimate 092019.pdf

September 18, 2019 BQ-36666

Mr. Craig Hughes
Hughes Commercial
Real Estate and Development, LLC
6208 Blain Drive
Plano, TX 75024

RE: Dollar General #3168, 201 W. Kennedale, Kennedale, TX 76060

Dear Mr. Hughes:

24 Hour, Ltd. is pleased to present our proposal to complete the following work:

RTU #1 – Carrier, Model #48TMD012-A-501, Serial #2603G30619 (10 Ton) – 2003
RTU #2 – Carrier, Model #48TMD012-A-501, Serial #2603G30626 (10 Ton) – 2003
Replace units

Sub-Total =	**$20,939.00**
Tax =	**1,727.47**
Grand Total =	**$22,666.47**

Work to Include:

- Carrier equipment
- Standard efficiency
- Economizers
- Hail guards
- Crane expenses
- Reconnect of existing electrical, gas, controls, ductwork & condensate
- Delivery of equipment and materials to jobsite
- Removal and disposal of existing units listed above
- Installation and start up labor
- Work during regular business hours
- 1st year parts & labor warranty
- 5 year parts warranty on the compressors
- 10 year parts warranty on the heat exchangers

Note: Price excludes controls, control upgrade, new control components and any items not specifically mentioned above.

Thank you for this opportunity to be of service. If you should have any questions or need further assistance, please do not hesitate to call us.

Sincerely,

Brian Mills, Estimator
24 HOUR, LTD.
bmills@24hourltd.com

BM/lre

NOTE: Proprietary, for customer review only.
NOTE: Does not include asbestos survey or utility upgrades.
NOTE: Repair pricing is based upon all items being approved at the same time. If all items are not approved at the same time, the price per unit will change.
NOTE: Quote pricing will be good for 30 days unless otherwise stated and payment terms net 10 upon completion of work.
NOTE: 24 Hour, Ltd. excludes any and all electrical upgrades that might be required due to any city's adoption of the 2015 NEC409.22 for SCCR protection. Units included in our quote have a SCCR rating of 5000 amps (manufacturer's minimum ratings). If modifications to the electrical system are required, you will need to contract with an electrical contractor to correct.
NOTE: Price excludes service outlets and any other items needed to bring the building up to code.

Acceptance of Proposal: ____________________ Print Name: _______________

Company Name: ____

Amount of Acceptance: ($) __________________ Date: _____________________

Regulated by the Texas Department of Licensing and Regulations, P. O. Box 12157, Austin, Texas 78711, 1-800-803-9202, 512-463-6599.

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 24, 2019

Agenda Item No: REPORTS AND ANNOUNCEMENTS - A.

I. Subject:
Chamber of Commerce report

II. Summary:
At this time, Executive Director George Campbell, a member of the Kennedale Area Chamber of Commerce (KACC) Board of Directors, may provide updates and announcements from the Chamber.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 24, 2019

Agenda Item No: REPORTS AND ANNOUNCEMENTS - B.

I. Subject:
Board member reports and announcements

II. Summary:
At this time, any member of the EDC Board of Directors may offer updates to the Board.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 24, 2019

Agenda Item No: REPORTS AND ANNOUNCEMENTS - C.

I. Subject:
Staff reports and announcements

II. Summary:
At this time, Executive Director George Campbell, Director of Planning and Economic Development Melissa Dailey, and/or any other staff member may offer updates to the Board.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 24, 2019

Agenda Item No: EXECUTIVE SESSION - A.

I. Subject:
Discussion with City Attorney regarding legal issues associated with Economic Development and Performance Agreement, Tax Abatement, and Chapter 380 Agreement with Compressed Air Systems for project located at Harris Corporation Addition, Block 1 Lot 1A2 (Linda Road)

II. Summary:

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 24, 2019

Agenda Item No: EXECUTIVE SESSION - B.

I. Subject:
Economic Development and Performance Agreement, Tax Abatement, and Chapter 380 Agreement with Compressed Air Systems for project located at Harris Corporation Addition, Block 1 Lot 1A2 (Linda Road)

II. Summary:

III. Recommendation:

IV. Alternative Actions:

V. Attachments: