KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

ECONOMIC DEVELOPMENT CORPORATION AGENDA

REGULAR MEETING VIA VIDEOCONFERENCE
AUGUST 4, 2020 AT 7:00 PM

MEMBERS OF THE PUBLIC MAY JOIN BY VISITING HTTPS://US02WEB.ZOOM.US/J/7732695410 AND/OR BY DIALING 1-877-853-5257 (TOLL-FREE) AND USING ACCESS CODE 773-269-5410

I. CALL TO ORDER

*The public may join this meeting via the web address and/or toll-free phone number and access code provided above. To reduce background noise, all participants are muted. Please leave yourself on mute unless you are called upon by the Chair and are actively speaking. Toggle between mute and unmute by pressing *6 on your keypad.* ***Anyone wishing to address the EDC Board regarding any item on this agenda may do so as the item is considered.*** *If you would like to speak on the current item, please indicate as much by pressing *9 on your telephone keypad or the "Raise Hand" button under the "Participants" tab on your computer or smart device. If you have joined via telephone only, the Chair may call upon you to speak using the last four digits of your phone number. If you have joined by browser or app, ensure that you enter your name as you would like to be recognized during the meeting. As usual, speakers should begin by stating their name and address, will be allotted three (3) minutes, should limit their comments to the current item, and should address the Board as a whole, rather than individual board members or staff.*

II. ROLL CALL

III. WORK SESSION

A. Receive a presentation and hold a discussion regarding the status of various EDC-owned properties

IV. EXECUTIVE SESSION

The Economic Development Corporation (EDC) Board reserves the right to meet in Executive Session at any time during this meeting (which will be accomplished by the Board, City Attorney, and/or any necessary staff temporarily disconnecting from the public VideoConference to convene in a separate private VideoConference and/or by putting any members of the public into a virtual waiting room during the closed session) pursuant to the below referenced sections of the Texas Government Code:

A. ***PURSUANT TO §551.072*** *— Deliberate the purchase, exchange, lease or value of real property:*

1. 600 W. Kennedale Parkway
2. 6820 Oak Crest Drive W.
3. Property at Linda Road and Gail Drive

B. ***PURSUANT TO §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):*

1. Discussion of potential development and incentives for 600 W. Kennedale Parkway
2. Discussion of potential development and incentives for 6820 Oak Crest Drive W.
3. Discussion of potential development and incentives for property at Linda Road and Gail Drive

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

VI. REGULAR ITEMS

A. Review and accept the KEDC Financial Report for June 2020

B. Consider approval of the minutes from the June 23, 2020 regular meeting

C. Consider approval of an amendment to the Commercial Property Management Agreement for Kennedale TownCenter increasing the monthly management fee from $500 to $800

D. Discuss and consider approval of FY20-21 proposed budget for recommendation to City Council

VII. REPORTS AND ANNOUNCEMENTS

In addition to any items below, the EDC President and Board may give or receive reports regarding items of community interest, including, but not limited to, recognition of officials, citizens, staff, or departments; information regarding holiday schedules; and upcoming or attended events.

A. Chamber of Commerce report

B. Board member reports and announcements

C. Staff reports and announcements

VIII. ADJOURNMENT

Pursuant to the March 16, 2020 Proclamation issued by Governor Abbott suspending various provisions of Chapter 551, VTCA, Government Code, this meeting will not allow for attendance in-person by the public. However, the public may join this meeting of the EDC Board via VideoConference and/or TeleConference, in compliance with the Texas Open Meetings Act and under provisions provided by the Governor in conjunction with the Declaration of Disaster enacted March 13, 2020. Virtual meetings are aimed at advancing social distancing by limiting in-person interaction to slow the spread of COVID-19. If you should have questions, please contact the City Secretary at 817-985-2104 or citysecretary@cityofkennedale.com.

CERTIFICATION

I DO HEREBY CERTIFY THAT THE AUGUST 4, 2020 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.

CREATED 7/31/2020 12:00 PM

POSTED ___________ (DATE) ___________ (TIME)

KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

MEETING DATE: AUGUST 4, 2020

AGENDA ITEM NUMBER: WORK SESSION ITEM III.A.

SUBJECT
Receive a presentation and hold a discussion regarding the status of various EDC-owned properties

ORIGINATED BY
Melissa Dailey, Director of Planning & Economic Development

SUMMARY
At this time, staff will provide an update to the Board regarding various properties own by the EDC.

RECOMMENDATION

ATTACHMENTS

KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

MEETING DATE: AUGUST 4, 2020

AGENDA ITEM NUMBER: EXECUTIVE SESSION ITEM IV.A.1.

SUBJECT
600 W. Kennedale Parkway

ORIGINATED BY
Melissa Dailey, Director of Planning & Economic Development

SUMMARY

RECOMMENDATION

ATTACHMENTS

KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

MEETING DATE: AUGUST 4, 2020

AGENDA ITEM NUMBER: EXECUTIVE SESSION ITEM IV.A.2.

SUBJECT
6820 Oak Crest Drive W.

ORIGINATED BY
Melissa Dailey, Director of Planning & Economic Development

SUMMARY

RECOMMENDATION

ATTACHMENTS

KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

MEETING DATE: AUGUST 4, 2020

AGENDA ITEM NUMBER: EXECUTIVE SESSION ITEM IV.A.3.

SUBJECT
Property at Linda Road and Gail Drive

ORIGINATED BY
Melissa Dailey, Director of Planning & Economic Development

SUMMARY

RECOMMENDATION

ATTACHMENTS

KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

MEETING DATE: AUGUST 4, 2020

AGENDA ITEM NUMBER: EXECUTIVE SESSION ITEM IV.B.1.

SUBJECT
Discussion of potential development and incentives for 600 W. Kennedale Parkway

ORIGINATED BY
Melissa Dailey, Director of Planning & Economic Development

SUMMARY

RECOMMENDATION

ATTACHMENTS

KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

MEETING DATE: AUGUST 4, 2020

AGENDA ITEM NUMBER: EXECUTIVE SESSION ITEM IV.B.2.

SUBJECT
Discussion of potential development and incentives for 6820 Oak Crest Drive W.

ORIGINATED BY
Melissa Dailey, Director of Planning & Economic Development

SUMMARY

RECOMMENDATION

ATTACHMENTS

KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

MEETING DATE: AUGUST 4, 2020

AGENDA ITEM NUMBER: EXECUTIVE SESSION ITEM IV.B.3.

SUBJECT
Discussion of potential development and incentives for property at Linda Road and Gail Drive

ORIGINATED BY
Melissa Dailey, Director of Planning & Economic Development

SUMMARY

RECOMMENDATION

ATTACHMENTS

KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

MEETING DATE: AUGUST 4, 2020

AGENDA ITEM NUMBER: REGULAR SESSION ITEM VI.A.

SUBJECT
Review and accept the KEDC Financial Report for June 2020

ORIGINATED BY
Lakeita Sutton, Director of Finance and Information Technology

SUMMARY
The EDC Financial Reports are attached for your review.

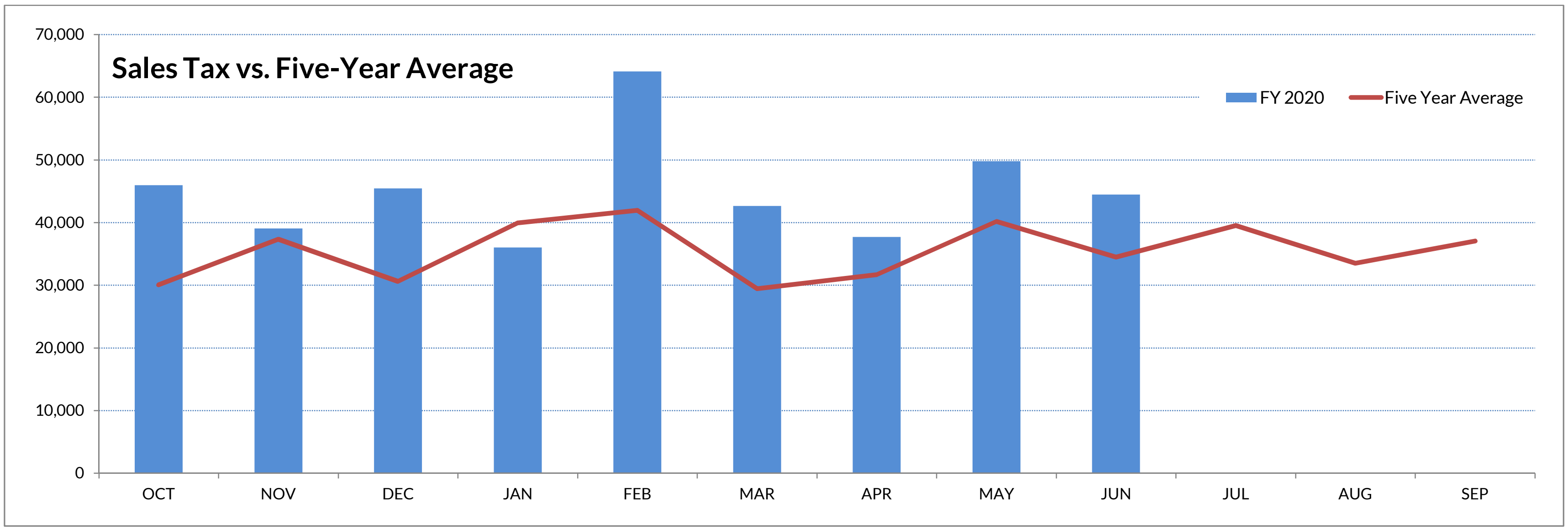
RECOMMENDATION

ATTACHMENTS

1.	06_2020 Sales Tax Update-EDC	06_2020 Sales Tax Update-EDC.pdf
2.	2020_06 EDC Monthly Financials_ALL	2020_06 EDC Monthly Financials_ALL.pdf

EDC SALES TAX BY MONTH

YEAR	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
FY2020	$ 45,962	$ 39,056	$ 45,450	$ 36,037	$ 64,105	$ 42,654	$ 37,725	$ 49,804	$ 44,467				$ 405,260
FY2019	31,048	38,680	39,362	88,360	45,433	36,033	34,603	46,432	38,783	43,510	36,757	47,143	**$ 526,144**
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**



KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

ANNUAL PROGRAM OF SERVICES

JUNE 2020

Monthly Information

1. $44,467 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

JUNE 2020

CATEGORY	DESCRIPTION	YTD
BEGINNING CASH BALANCE - FUND 15	(Operating Cash)	$ 583,516
BEGINNING CASH BALANCE - FUND 95	(Required reserves)	$ 125,596
AD VALOREM TAXES		**$ 329,123**
SALES/BEVERAGE TAXES		(109,782)
INVESTMENT EARNINGS		-
MISCELLANEOUS INCOME		29,619
SURPLUS SALES/RENTALS		120,341
TRANSFERS		
BEGINNING CASH BALANCE - TOTAL		**$ 709,112**
BEGINNING AVAILABLE CASH - TOTAL		**583,516**
TOTAL REVENUES MINUS EXPENDITURES FOR MONTH		$ 31,948 *
ENDING CASH BALANCE - FUND 15	(Operating Cash)	$ 605,903
ENDING CASH BALANCE - FUND 95	(Required reserves)	$ 125,616
ENDING CASH BALANCE - TOTAL		**$ 731,519**
UNAVAILABLE CASH - EARMARKED		
RESERVES FOR LEVERAGE NOTE	(Required reserves)	$ 125,616
TOTAL UNAVAILABLE CASH		**$ 125,616**
AVAILABLE CASH		**$ 605,903**

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

REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

FY 2019-20 WITH PRIOR YEAR COMPARISON

FOR THE MONTH ENDED JUNE 30, 2020

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2019-20	MONTH	Y-T-D	Y-T-D	FY 2018-2019	FY 2018-2019		
Revenues:	Original Budget	Jun-20	Jun-20	% Budget	Original Budget	MONTH Jun-19	Y-T-D Jun-19	Y-T-D % Budget
MMD TAX CURRENT YEAR	$ 35,000	$ -	$ -		$ 35,000	$ -	$ -	
SALES TAX	400,141	44,467	$ 320,614	80.1%	373,835	$ 38,968	$ 332,803	89.0%
INVESTMENT INCOME FUND 15	4,000	98	$ 3,533	88.3%	65	553	$ 4,577	7041.5%
INVESTMENT INCOME FUND 95		20	$ 1,009			227	$ 1,958	
MISCELLANEOUS INCOME	30,120	778	$ 13,847	46.0%	45,120	3,071	$ 26,466	58.7%
INSURANCE REIMBURSEMENT	-	-	$ -				$ -	
LAND PROCEEDS		-	$ 150,368					
RENTAL FEES - SHOPPING CTR	180,000	20,244	$ 162,677	90.4%	121,112	18,820	$ 169,855	140.2%
RENTAL INSURANCE	746	-	$ -		746	-	$ -	
SALES OF ASSETS	-	-	$ -			-	-	
PROCEEDS-DEBT/LOAN/LEASE	-	-	$ -			-	-	
	-	-	$ -		-			
Total Revenues	**$ 650,007**	**$ 65,607**	**$ 652,048**	**100.3%**	**$ 575,878**	**$ 61,639**	**$ 535,659**	**93.0%**
Expenditures:								
ADMINISTRATION	169,377	25,086	124,327	73.40%	168,360	9,988	119,137	**71%**
DEBT SERVICE	323,570	4,656	278,110	85.95%	320,432	-	150,619	**47%**
TOWN SHOPPING CENTER	79,651	3,917	54,995	69.04%	51,120	4,573	58,660	**115%**
TOWN CENTER REDEVELOPMENT	$ -	-	-		-	-	5,738	
Total Expenditures	**$ 572,598**	**$ 33,659**	**$ 457,432**	**79.9%**	**$ 539,912**	**$ 14,561**	**$ 334,154**	**62%**
Total Revenues Over (Under) Exp	**$ 77,409**	**$ 31,948**	**$ 194,616**		**$ 35,966**	**$ 47,078**	**$ 201,505**	
Other Financing Sources (Uses):								
	-	-	-		-	-	-	
Operating Transfer to / from Genera	-	-	-		-	-	-	
							-	
Total Other Financing Sources (Uses):	-	-	-		-	-	-	
	-	-	-					
Net Change in Fund Balance	**$ 77,409**				**$ 35,966**			
Fund Balance Oct 1	667,774				$ 290,178			
Ending Fund Balance	**$ 745,183**				**$ 326,144**			
	-				-			
AVERAGE DAILY EXPENDITURES	**$ 1,569**				**$ 1,479**			
Number of Days In Reserve	475				220			
Fund Balance as a % of Expenditures	130%				60%			

REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FY 2019-20 WITH PRIOR YEAR COMPARISON
FOR THE MONTH ENDED JUNE 30, 2020

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2019-20	MONTH	Y-T-D	Y-T-D	FY 2018-2019	FY 2018-2019		
Revenues:	Original Budget	Jun-20	Jun-20	% Budget	Original Budget	MONTH Jun-19	Y-T-D Jun-19	Y-T-D % Budget
MMD TAX CURRENT YEAR	$ 35,000	$ -	$ -		$ 35,000	$ -	$ -	
SALES TAX	400,141	44,467	$ 320,614	80.1%	384,598	$ 38,968	$ 332,803	86.5%
INVESTMENT INCOME	4,000	98	$ 3,533	88.3%	65	553	$ 4,577	7041.5%
MISCELLANEOUS INCOME	30,120	778	$ 13,847	46.0%	24,120	3,071	$ 26,466	109.7%
INSURANCE REIMBURSEMENT		-	$ -			-	$ -	
LAND PROCEEDS	150,368	-	$ 150,368					
RENTAL FEES - SHOPPING CTR	180,000	20,244	$ 162,677	90.4%	185,223	18,820	$ 169,855	91.7%
RENTAL INSURANCE		-	$ -		746	-	$ -	0.0%
SALES OF ASSETS	-	-	$ -			-	$ -	
PROCEEDS-DEBT/LOAN/LEASE	-	-	$ -			-	$ -	
	-	-	$ -		-			
Total Revenues	**$ 799,629**	**$ 65,587**	**$ 651,039**	**81.4%**	**$ 629,752**	**$ 61,412**	**$ 533,701**	**84.7%**
Expenditures:								
ADMINISTRATION	169,377	25,086	124,327	73.40%	168,360	9,988	119,137	71%
DEBT SERVICE	323,570	4,656	278,110	85.95%	320,432	-	150,619	47%
TOWN SHOPPING CENTER	79,651	3,917	54,995	69.04%	51,120	4,573	58,660	115%
TOWN CENTER REDEVELOPMENT	$ -	-	-		-	-	5,738	
Total Expenditures	**$ 572,598**	**$ 33,659**	**$ 457,432**	**79.9%**	**$ 539,912**	**$ 14,561**	**$ 334,154**	**62%**
Total Revenues Over (Under) Exp	**$ 227,031**	**$ 31,928**	**$ 193,607**		**$ 89,840**	**$ 46,851**	**$ 199,547**	
Other Financing Sources (Uses):								
	-	-	-		-	-	-	
Operating Transfer to / from Genera	-	-	-		-	-	-	
							-	
Total Other Financing Sources (Uses):	-	-	-		-	-	-	
	-	-	-					
Net Change in Fund Balance	**$ 227,031**				**$ 89,840**			
Fund Balance Oct 1	543,188				$ 168,179			
Ending Fund Balance	**$ 770,219**				**$ 258,019**			
	-				-			
AVERAGE DAILY EXPENDITURES	**$ 1,569**				**$ 1,479**			
Number of Days In Reserve	491				174			
Fund Balance as a % of Expenditures	135%				48%			

EDC ADMIN

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2019-20	MONTH	Y-T-D	Y-T-D	FY 2018-19	FY 2018-2019		
Expenditures:	Original Budget	Jun-20	Jun-20	% Budget	Original Budget	MONTH Jun-19	Y-T-D Jun-19	Y-T-D % Budget
PRINTED SUPPLIES	$ 2,000	$ 2,119	$ 2,119	106.0%	$ 2,000	$ -	$ -	0.0%
GENERAL OFFICE SUPPLIES	50	-	$ -	0.0%	50	-	$ -	0.0%
POSTAGE	50	-	$ -	0.0%	50	-	$ -	0.0%
					1,200			
SUPPLIES TOTAL	**2,100**	2,119	2,119	100.9%	**3,300**	**-**		0.0%
ADVERTISING	1,200	233	$ 437		-	-	$ -	
ASSOCIATION DUES/PUBLICATIONS	3,395	-	$ 1,125	33.1%	5,320	-	$ 4,932	92.7%
TRANING/SEMINARS	250	-	$ -	0.0%	250	-	$ -	0.0%
LEGAL SERVICES	14,925	-	$ 5,335	35.7%	13,000	121	$ 2,223	17.1%
AUDIT SERVICES	4,250	-	$ 4,250	100.0%	4,250	-	$ 4,250	100.0%
SPECIAL SERVICES	975	1,715	$ 1,936	198.6%	250	43	$ 275	110.0%
FILING FEES	-							
ENGINEERING SERVICES						-	$ -	
TRAVEL	100	-	$ -		100			0.0%
ENGINEERING SERVICES	-	-	$ -		-			
ADMIN CHARGE-GENERAL FUND	116,318	9,693	$ 87,238	75.0%	117,890	9,824	$ 88,418	75.0%
FUNCTIONAL GRANT	25,864	11,326	$ 21,887	84.6%	24,000	-	$ 19,039	79.3%
LAND	-							
SUNDRY TOTAL	**167,277**	22,967	122,208	73.06%	**165,060**	9,988	119,137	72.2%
	-	-	$ -		-			
Total EDC Admin Expenditures	**$ 169,377**	**$ 25,086**	**$ 124,327**	73.40%	**$ 168,360**	**$ 9,988**	**$ 119,137**	70.8%

EDC DEBT SERVICE

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2019-20	MONTH	Y-T-D	Y-T-D	FY 2018-19	FY 2018-2019		
Expenditures:	Original Budget	Jun-20	Jun-20	% Budget	Original Budget	MONTH Jun-19	Y-T-D Jun-19	Y-T-D % Budget
2007 $1.2M TAX BOND INTEREST	$ 46,566	$ -	$ 46,495	99.8%	$ 50,735	$ -	$ 50,688	99.9%
2007 $1.2M TAX BOND PRINCIPAL	65,000	-	$ 65,000	100.0%	60,000	-	$ 60,000	100.0%
2011 $1.7M TX LEVERAGE INT	18,122	865	$ 11,389	62.8%	12,834	-	$ 13,503	105.2%
2011 $17.M TX LEVERAGE PRIN	41,982	3,791	$ 32,476	77.4%	42,038	-	$ 26,428	62.9%
TRANSFER OUT-DEBT SERV FUND	151,900	-	$ 122,750	80.8%	154,825	-	$ -	0.0%
	-				-			
Total EDC Debt Expenditures	**$ 323,570**	**$ 4,656**	**$ 278,110**	**86.0%**	**$ 320,432**	**$ -**	**$ 150,619**	**47.0%**

EDCTOWN SHOPPING CENTER

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2019-20	MONTH	Y-T-D	Y-T-D	FY 2018-19	FY 2018-19		
Expenditures:	Original Budget	Jun-20	Jun-20	% Budget	Original Budget	MONTH Jun-19	Y-T-D Jun-19	Y-T-D % Budget
BUILDING MAINTENANCE	$ 54,951	$ 2,444	$ 36,539	66.5%	$ 29,920	$ 3,751	$ 39,419	131.7%
ELECTRIC SERVICES	5,700	673	$ 3,653	64.1%	6,700	322	$ 3,602	53.8%
INSURANCE - PROPERTY	13,000	-	$ 9,976	76.7%	8,500	-	$ 11,139	131.0%
SPECIAL SERVICES	6,000	800	$ 4,827	80.5%	6,000	500	$ 4,500	75.0%
	-				-			
Total EDC Town Center Expenditures	$ 79,651	$ 3,917	$ 54,995	69.0%	$ 51,120	$ 4,573	$ 58,660	114.7%

EDC TOWN CENTER REDEVELOPMENT

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2019-20	MONTH	Y-T-D	Y-T-D	FY 2018-19	FY 2018-19		
Expenditures:	Original Budget	Jun-20	Jun-20	% Budget	Original Budget	MONTH Jun-19	Y-T-D Jun-19	Y-T-D % Budget
ENGINEERING SERVICES	$ -	$ -	$ -				$ -	
CONSTRUCTION	-		$ -			-	$ 5,738	
	-				-			
Total EDC Town Center Expenditures	$ -	$ -	$ -		$ -	$ -	$ 5,738	

REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FY 2019-20 WITH PRIOR YEAR COMPARISON
FOR THE MONTH ENDED JUNE 30, 2020

EDC BOND RESERVE FUND

	CURRENT FISCAL YEAR					PRIOR FISCAL YEAR			
	BUDGET	ACTUAL				BUDGET	FY ACTUAL		
	FY 2019-20	MONTH	Y-T-D	Y-T-D		FY 2018-19	FY 2018-19		
Revenues:	Original Budget	Jun-20	Jun-20	% Budget		Original Budget	MONTH Jun-19	Y-T-D Jun-19	Y-T-D % Budget
INVESTMENT INCOME	2,000	20	$ 1,009			-	227	$ 1,958	
Total Revenues	**$ 2,000**	**$ 20**	**$ 1,009**			**$ -**	**$ 227**	**$ 1,958**	
Expenditures:									
ADMINISTRATION	$ -	-	-				-	-	
Total Expenditures	**$ -**	**$ -**	**$ -**			**$ -**	**$ -**	**$ -**	
Total Revenues Over (Under) Exp	**$ 2,000**	**$ 20**	**$ 1,009**			**$ -**	**$ 227**	**$ 1,958**	
	-	-	-						
Net Change in Fund Balance	**$ 2,000**			**$ -**	**$ -**	**$ -**			
Fund Balance Oct 1	124,586					$ 121,999			
Ending Fund Balance	**$ 126,586**					**$ 121,999**			

KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

MEETING DATE: AUGUST 4, 2020

AGENDA ITEM NUMBER: REGULAR SESSION ITEM VI.B.

SUBJECT
Consider approval of the minutes from the June 23, 2020 regular meeting

ORIGINATED BY
Rosie Ericson, Board Secretary

SUMMARY
The minutes are attached for your review.

RECOMMENDATION

ATTACHMENTS

1.	2020_06.23 EDC Minutes - Unapproved	2020_06.23 EDC Minutes - Unapproved.docx

KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

ECONOMIC DEVELOPMENT CORPORATION (EDC) MINUTES

REGULAR MEETING VIA VIDEOCONFERENCE
JUNE 23, 2020 AT 7:00 PM

MEMBERS OF THE PUBLIC MAY JOIN BY VISITING HTTPS://US02WEB.ZOOM.US/J/7732695410 AND/OR BY DIALING 1-877-853-5257 (TOLL-FREE) AND USING ACCESS CODE 773-269-5410

I. CALL TO ORDER

President Mark Yeary called the meeting to order at 7:03 p.m. noting that this meeting was held via VideoConference due to the public health concerns surrounding COVID-19, and that all members of the board were present except for Andrew Schaffer.

II. ROLL CALL

Present: President Mark Yeary, Place 6: Vice President Johnny Trevino, Place 1; Cesar Guerra, Place 2; Darold Tippey, Place 4; Mayor Pro Tem Sandra Lee, Place 5; April Coltharp, Place 7; **Absent:** Andrew Schaffer, Place 3. ***Staff:*** *City Manager George Campbell, Director of Planning and Economic Development Melissa Dailey, City Attorney Drew Larkin, Director of Finance and Information Technology Lakeita Sutton and Board Secretary Rosie Ericson.*

III. WORK SESSION

A. Discussion of potential EDC funding for planning initiative for TownCenter

The EDC board discussed opportunities for Town Center and the possibility of using and outside firm to work with the city to Design Charrette for the Town Center development. After a brief discussion there were no objections from the members to move ahead with the plan to hire an outside assessment firm.

Following the Work Session, the Board considered the Regular Items and the Reports and Announcements before adjourning to Executive Session at 7:41 p.m.

IV. EXECUTIVE SESSION

A. ***PURSUANT TO §551.072*** *— Deliberate the purchase, exchange, lease or value of real property:*

1. 600 W. Kennedale Parkway
2. 6820 Oak Crest Drive W.
3. Property at Linda Road and Gail Drive

B. ***PURSUANT TO §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):*

1. Potential incentives related to 600 W. Kennedale Parkway
2. Potential incentives related to 6820 Oak Crest Drive W.
3. Potential incentives related to property at Linda Road and Gail Drive

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

There was neither discussion nor action at this time.

VI. REGULAR ITEMS

A. Review and accept the KEDC Financial Report for February 2020

Finance Director Lakeita Sutton offered an overview of the revenues, expenditures, and sales tax comparison. The Board did not have any questions at this time.

B. Review and accept the KEDC Financial Report for March 2020

Finance Director Lakeita Sutton offered an overview of the revenues, expenditures, and sales tax comparison. The Board did not have any questions at this time.

C. Review and accept the KEDC Financial Report for April 2020

Finance Director Lakeita Sutton offered an overview of the revenues, expenditures, and sales tax comparison. The Board did not have any questions at this time.

D. Review and accept the KEDC Financial Report for May 2020

Finance Director Lakeita Sutton offered an overview of the revenues, expenditures, and sales tax comparison. The Board did not have any questions at this time.

Motion Approve. **Action** Approve the KEDC Financial Reports for February (Item A), the KEDC Financial Reports for March (Item B), the KEDC Financial Reports for April (Item C), and the KEDC Financial Reports for May (Item D). **Moved By** Tippey, **Seconded By** Mayor Pro Tem Lee. **Motion passed unanimously.**

E. Consider approval of the minutes from the January 28, 2020 regular meeting

Motion Approve. **Action** Approve the minutes from the January 28 regular meeting, **Moved By** Trevino, **Seconded By** Coltharp. **Motion passed unanimously.**

F. Consider approval of the minutes from the February 12, 2020 special meeting

Motion Approve. **Action** Approve the minutes from the February 12, special meeting, **Moved By** Trevino, **Seconded By** Coltharp. **Motion passed unanimously.**

G. Consider approval of the minutes from the April 13, 2020 special meeting

Motion Approve. **Action** Approve the minutes from the April 13 special meeting, **Moved By** Trevino, **Seconded By** Coltharp. **Motion passed unanimously.**

VII. REPORTS AND ANNOUNCEMENTS

A. Chamber of Commerce report

Executive Director George Campbell mentioned the Chamber of Commerce does not meet during the summer months.

B. Board member reports and announcements

There were no reports at this time.

C. Staff reports and announcements

There were no reports at this time.

VIII. ADJOURNMENT

President Mark Yeary reconvened to the Open Session at 9:40 p.m. There was neither discussion nor action at this time.

Motion To Adjourn. **Action** Adjourn. **Moved By** Guerra. **Seconded By** Tippey. Motion passed unanimously. President Yeary adjourned the meeting at 9:41 p.m.

APPROVED: **ATTEST:**

EDC PRESIDENT, MARK YEARY

ROSIE ERICSON, BOARD SECRETARY

KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

MEETING DATE: AUGUST 4, 2020

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM VI.C.

SUBJECT
Consider approval of an amendment to the Commercial Property Management Agreement for Kennedale TownCenter increasing the monthly management fee from $500 to $800

ORIGINATED BY
George Campbell, City Manager

SUMMARY
The original Commercial Property Management Agreement for TownCenter (attached) was entered into on May 3, 2010, with Crampton EBJ, Inc. (Mark Wong) and HPS RE Interests, LP (Craig Hughes). This agreement now serves as "Exhibit C" to the current Economic Development Agreement for Development of Kennedale TownCenter, entered into on July 16, 2015, with Craig Hughes. The original monthly fee of $500.00 is found in paragraph 5.b. on page 7 of the agreement:

> ***Management Fee.*** *For the services rendered by Agent pursuant to this Agreement, and in addition to other fees and reimbursements to Agent as set forth in this Agreement, Owner shall pay Agent monthly a management fee in an amount of$500.00 per month. All such fees are due and payable by the last day of each month. Agent shall have the authority to make such payments on Owner's behalf from the Operating Account, so long as such payments are made in accordance with the terms and conditions of this Agreement.*

Craig Hughes is now requesting that the monthly Management Fee be increased to $800.00. Staff will be available to answer questions.

RECOMMENDATION

ATTACHMENTS

1.	Commercial Property Management Agreement	Commercial Property Management Agreement.pdf

Commercial Property Management Agreement

This Commercial Property Management Agreement is made and entered into by and between Kennedale Town Center, L.P., ("Agent") by and through David G. Johnson, Manager of KTC GP, L.L.C. the General Partner the Partnership, the principal office of the Partnership being 3977 Fall Creek Road, Spicewood, Texas 78669, and the Kennedale Economic Development Corporation ("Owner"), a nonprofit corporation organized as a Type B Corporation under the Development Corporation Act of 1979, Tex. Loc. Gov't Code Ann. §§ 505.001-505.355 (Vernon Supp. 2008) (the "Act"), for the purposes and consideration below.

WHEREAS, pursuant to a separate Economic Development Agreement, incorporated by reference herein, between Owner and Agent, Agent has agreed with Owner to construct and operate a retail shopping center and professional office complex to be known as the Kennedale TownCenter on certain property owned by Owner;

WHEREAS, pursuant to a separate Ground Lease, incorporated by reference herein, Agent will lease land necessary from Owner in order to develop the Property as Kennedale TownCenter;

WHEREAS, structures currently existing on the property are occupied by tenants;

WHEREAS, Owner has determined that it will serve a public purpose to engage Agent as the property manager for managing and leasing purposes of certain existing structures on the Property and as the property manager to manage and lease the structures that will be built on the Property;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. DEFINITIONS.

"Property" Lots 1R, 2R, 3R, 4R, 5, 6, 7, and 8, BLOCK A, KENNEDALE RETAIL CENTER ADDITION, an Addition to the City of Kennedale, Tarrant County, Texas, as filed in Doc. #D2093211169, Official Records of Tarrant County, Texas, together with all and singular the rights and appurtenances pertaining to such tract of land, including any right, title and interest of the Corporation in and to adjacent streets, alleys or rights-of-way.

2. TERM OF CONTRACT.

a. Primary Term: The primary term of this Commercial Property Management Agreement ("Agreement") shall begin on the date of execution and shall end on May 3, 2030 or on the date the purchase option as set out in the Ground Lease is exercised, whichever is sooner ("the Expiration Date").

b. Automatic Extension: Unless the aforesaid purchase option is exercised, this agreement will automatically extend on a monthly basis until either party terminates by providing at least 30 days written notice of termination to the other party.

c. **Partial Termination.** Pursuant to the Ground Lease, Agent shall assume responsibility for certain lots within the Property as vertical construction is substantially completed. As a result, there will be no need for the Agent to perform duties after Lessee under the Ground Lease takes control of a particular lot. Therefore, once Lessee becomes responsible for maintenance obligations of a particular lot pursuant to Article 5.01 of the Ground Lease, then this Management Agreement shall terminate with respect to that particular lot and the term Property, as herein defined, shall be deemed to be amended accordingly.

3. <u>MANAGEMENT SERVICES TO BE PERFORMED.</u> Owner hereby authorizes Agent to perform, and Agent does hereby agree to perform, in the name of, for the account of, and at the expense of Owner, the following:

a. **General Responsibilities**. Agent shall be responsible for overall management and leasing of the Property as a retail shopping center and professional office complex for the benefit of Owner, except for those responsibilities expressly excluded by the terms of this Agreement.

b. **Lease Execution.** Agent shall negotiate lease agreements in the name of Owner on standard forms approved by Owner with lease provisions as approved by Owner. It is understood that Agent shall execute all leases on behalf of Owner, after prior approval of Owner, which approval shall be deemed granted if Owner has not rejected the lease applicant within 14 days after delivery of applicant information to Owner. Owner shall not unreasonably withhold or delay Owner's approval. Agent shall set written standards for screening and qualifying prospective tenants, and shall screen and qualify all prospective tenants based upon Agent's professional experience.

c. **Statement and Invoices.** Agent shall determine and prepare invoices and/or statements, as applicable, for tenants of the Property for rent, common area maintenance fees, taxes, insurance, assessments, and other charges as shall be due from tenants in accordance with applicable lease provisions.

d. **Collections Agent.** Agent shall collect all rents and other monies due, including percentage rents, from tenants of the Property as and when the same shall become due and payable and give receipts therefor, and in the collection of percentage rents: Agent shall keep records of gross sales of tenants and compute percentage rent due, terminate tenancies, and sign and serve in the name of Owner such notices as are deemed appropriate by Agent. Agent shall, with the prior written consent of Owner, institute and prosecute actions, evict tenants and recover possession of premises occupied by them, and sue in the name of Owner to recover rents and other sums due. When expedient, Agent may settle, compromise and release such actions or suits to reinstate such tenancies, when the total amount sought in such actions or suits is less than $2,000.00.

e. **Operating Account.** Agent shall deposit all receipts collected for Owner in the course of operating the Property, in an FDIC insured operating account ("Operating Account") for the benefit of Owner. Agent may endorse any and all checks drawn to Owner (with the exception of checks for insurance, condemnation, or lawsuit settlements) as may be required for deposit into the Operating Account. Any funds remaining in the Operating Account at the end of each month during the term hereof, after the deduction of a $10,000.00 operating reserve and after the disbursements by the Agent of the expenses and other expenditures authorized hereunder, shall be remitted to Owner. The $10,000.00 operating reserve may be adjusted from time-to-time as mutually agreed by Owner and Agent. Agent will not be held liable in event of bankruptcy, failure or negligence of the depository.

f. **Accounts Payable.** Agent shall pay on behalf of Owner from the Operating Account, all obligations and expenses in operating, managing, leasing and maintaining the Property which are lawfully incurred by or on behalf of the Property, including but not limited to management fees (as described in Paragraph 5.b), leasing fees (as described in Paragraph 5.c) and personal property taxes. In the event the funds in the Operating Account are not sufficient to pay such obligations and expenses, Owner shall at the request of Agent cause to be deposited additional funds necessary to pay such obligations and expenses of the Property. Agent shall pay all invoices in a timely manner that will take full advantage of any discounts offered to the extent that there are monies available in the operating account.

g. **Records.** Agent shall maintain full and detailed books and records at its principal office in relation to its operation, management, and maintenance of the Property. Such books and records shall be kept on a cash basis, as being maintained by Agent for other commercial properties managed by Agent. Owner shall at all reasonable times have access, electronically and in person, to such records for the purpose of review and/or audit. Owner shall have the right to duplicate such records. Any audit by Owner of the Agent's books covering the Property shall be at the expense of Owner, but if Owner's audit discloses a difference equal to or greater than 5% of the Agent's operating numbers, then the expenses incurred by Owner in connection with said audit shall be paid by Agent.

h. **Financial Reports.** Agent shall provide to Owner on or before the 30th day of each calendar month, an Operating Report prepared by Agent setting forth all rents and other income collected and disbursements of all funds related to the operation, management, leasing and maintenance of the Property, for the immediately preceding fiscal month of operation. The fiscal year-end Operating Report for the project shall be due within 120 days following the end of the last month of the fiscal year for the Property. The Operating Report shall compare receipts and disbursements for such prior month and for the year-to-date. A written memorandum is to be provided with the Operating Report setting forth explanations for deviations from budgeted amounts. Agent shall also provide with such report a list of all tenants who are delinquent, a cash reconciliation report, and a leasing report.

i. **Budget.** Agent shall prepare and submit to Owner for approval at least thirty (30) days prior to the start of each year, an annual operating budget (the "Budget") for the Property showing monthly and annual income, operating expense and capital expenditures. The fiscal year for the Property shall end December 31st of each calendar year, unless otherwise agreed in writing by both Agent and Owner. Subject to the terms of this Agreement, approval of the Budget by Owner will constitute Agent's authority to incur the operating expenses and capital expenditures as set forth in the Budget.

j. **Sales and Use Tax Return.** Agent shall prepare all sales and use tax returns, if any, necessary in the operation of the Property, and make all deposits and payments required with respect to such taxes.

k. **Audited Statement.** Agent shall, if requested by Owner and at the cost of Owner, provide annual financial statements audited and certified by a certified public accounting firm satisfactory to Owner.

l. **Employees and Independent Contractors.** Agent shall cause to be hired, supervised, discharged and paid, at reasonable wages, all employees and contractors reasonably necessary for the efficient operation, management, leasing and maintenance of the Property. Agent shall use reasonable care in selection and supervision of such employees and contractors. All persons employed shall be employees of Agent and not of Owner. Agent's management employees, such as Property Manager, Assistant Property Manager, accounting personnel, Building Superintendent, Tenant Services Supervisor, secretarial and clerical staff, whether part-time or full-time employees, utilized in the management of the Property are referred to herein as "Building Management" employees.

m. **Discrimination.** Neither Agent nor any party acting by, through or on behalf of Agent shall discriminate upon the basis of race, sex, color, creed, familial status, religion, disability, or national origin in the sale, lease, or rental or in the use or occupancy of the Property of any improvements erected or to be erected thereon, or any part thereof, or in the management of the Property.

n. **Utilities.** Agent shall negotiate and enter into contracts in the name of Owner for electricity, gas, fuel, water, telephone, window cleaning, refuse handling, janitorial service, extermination service and other services required in the operation and maintenance of the Property. All contracts shall be on an "arms length" market rate basis, and shall not be surcharged by Agent. Owner shall assume the obligation of any contract so entered into and outstanding at the termination of this Agreement. All service and maintenance contracts initiated by Agent shall be negotiated to include thirty (30) days notice of termination clause without penalty.

o. **Maintenance.** Agent shall maintain or cause to be maintained the Property and common areas thereof, including sidewalks, signs, parking lots and landscaping; to make or cause to be made and supervise minor repairs (under $ 2,500.00) and minor alterations or renovations (under $ 2,500.00); to purchase supplies required for the operation and maintenance of the Property, and pay all bills therefor from Owner's funds, and to report to Owner conditions related to the Property requiring the attention of Owner.

Agent shall purchase all supplies, materials and equipment as Agent may determine advisable. Agent agrees to secure the approval of Owner on all expenditures in excess of $ 2,500.00 for any one item, unless said expenditure was set forth in the Budget, or for an emergency repair necessary to the tenants per the lease, or for the protection of human life.

p. **Promotion.** Agent may conduct or cause to be conducted a promotional program as may be appropriate and customary for the tenants within the Property with the consultation and prior approval of Owner.

q. **Advertisement.** Agent shall advertise the Property or portions thereof, as available for rent, and prepare other forms of advertising relating to said rental activity.

r. **Insurance.** Agent shall, if requested by Owner, (1) determine all insurance coverage reasonably required or desirable for the Property, and on behalf of Owner negotiate and procure such insurance coverage; (2) upon receiving the prior written consent of Owner, institute and prosecute claims under all such coverage; (3) upon receiving the prior written consent of Owner, settle and compromise such claims; (4) procure periodic insurance appraisals as may be required; and (5) make reports, upon Owner's request, but not less than annually, to Owner of the kinds and amounts of insurance coverage in force, the expiration dates thereof, and the premium costs thereof.

At all times during the term of this Agreement, Owner shall keep in full force and effect one or more policies of commercial general liability and property damage insurance with respect to the Property, and the business conducted by Owner, or Agent on behalf of Owner, upon the Property. The limits of liability coverage shall not be less than $500,000.00 per person and $1,000,000.00 per accident and the property damage liability coverage shall not be less than $1,000,000.00. The commercial general liability policy shall name Owner as insured and Agent as additional insured, and shall contain a clause that the insurer will not cancel or change the insurance without first giving the Agent at least ten (10) days prior written notice.

At all times during the term of this Agreement, the Agent shall keep in full force and effect one or more policies of commercial general liability insurance covering the business conducted by Agent on behalf of Owner upon the Property. The limits of liability coverage shall not be less than $500,000.00 per person and $1,000,000.00 per accident and the property damage liability coverage shall not be less than $1,000,000.00. The commercial general liability policy shall name Agent as insured and Owner as additional insured, and shall contain a clause that the insurer will not cancel or change the insurance without first giving Owner at least ten (10) days prior written notice.

Agent shall cooperate with and provide reasonable access to the Property to agents of any and all insurance companies and/or insurance brokers or agencies who may, from time to time, be involved with the issuance of insurance policies or with inspections of the Property in connection with insurance policies then in force.

Agent shall make, if requested by Owner and in the name of Owner, payments of insurance premiums.

s. **Agent's Office.** Agent shall maintain a suitable business office with such management, secretarial and bookkeeping personnel as may be required to maintain such office and the books and records to adequately perform the terms of this Agreement and reflect the transactions incidental to the operation and maintenance of the Property.

t. **Commercially Reasonable Efforts.** Agent shall use commercially reasonable efforts in the exercise of the power and duties conferred and assumed under this Agreement and in the operation, management and maintenance of the Property for the period and upon the terms herein provided.

u. **Operating Account.** Agent shall operate the Property and make expenditures pursuant to this Agreement in a manner in accordance with the Budget submitted to and approved by Owner. Except for emergency expenditures, any expenditures or commitments which are not in accordance with the approved Budget must have approval from Owner.

v. **Taxes and Assessments.** The parties have agreed in the Ground Lease on the respective responsibility for property taxes and assessments. Property taxes or assessments applicable to the Property may be passed along to the tenants of the Property as a "triple-net" expense. Agent shall promptly forward to Owner or the appropriate tax collecting agency any and all Assessments or property taxes related to the Property which it collects on behalf of the Owner or the lessee under the Ground Lease..

w. **Compliance With Laws.** Agent shall use commercially reasonable efforts to cause to be done in or about the Property all acts and things which are necessary in order to comply with federal, state or municipal order, rules, regulations, ordinances, or statutes affecting the Property and orders of any board of fire underwriters or other similar body, subject to the limitations contained hereinabove regarding maximum amounts or contracts requiring Owner's prior written approval. Agent shall promptly notify Owner of all notices it receives regarding governmental requirements affecting the Property. Agent shall obtain and maintain current all licenses and/or permits as shall be required in the operation and maintenance of the Property.

x. **Professional Assistance.** Agent shall with prior consultation and written approval of Owner engage attorneys, accountants, ad valorem tax consultants, data processing personnel, architects, engineers or other persons furnishing services reasonably required in connection with the discharge of Agent's duties hereunder, on behalf of Owner, and pay the reasonable charges for all such services from Owner's funds.

y. **Service Notice.** Agent shall advise and promptly send copies to Owner of the service upon Agent of any summons, subpoena, or other like legal document, including any notices, letters, or other communications setting out or claiming an actual or alleged potential liability of Owner or Agent in managing or operating the Property. Agent shall advise and send copies to Owner of any letter or notice by the tenant that may lead to cancellation, voidance or termination of the lease or any part thereof.

Agent shall (1) promptly notify Owner of any notice of violation of any governmental requirement relating to the Property or of any defect in the Property; (2) promptly notify Owner of any fire or other damage to the Property and to complete customary loss reports in connection with such damage to the Property; (3) promptly file such reports with the insurers and Owner; and (4) promptly notify Owner's general liability insurance carrier and Owner of any personal injury or property damage occurring to or claimed by any tenant or third party on or with respect to the Property.

z. **Agent's Signage.** Agent shall be permitted to install, at its sole cost and expense, sign(s) identifying Agent's management and/or leasing of the Property. The location of said sign(s) shall be at a place mutually acceptable to Owner and Agent.

aa. **Tenant Improvements.** Agent shall manage and supervise construction of tenant improvements.

bb. **Security Deposits.** Agent will collect the security deposits, but will transfer such deposits to Owner to maintain. Agent will notify Owner when a security deposit needs to be returned or used for lawful deductions.

4. **<u>EXCLUDED SERVICES.</u>** Agent shall not be required under the terms and provisions of this Agreement to render any of the following services:

a. The planning, developing, financing or supervision of construction for any additional building or land which may hereafter be added to or become a part of the Property from time to time; however, such service may be performed by Agent subject to written agreement between Owner and Agent for such additional services at the rate of two percent (2 %) of expenditures.

b. Services requiring time in excess of the stated duties required hereunder, such as in connection with litigation, arbitration or mediation other than suits for the collection of rent or the enforcement of leases, whether such litigation, arbitration or mediation shall be instituted by Owner, by tenant or others.

5. **<u>AGENT'S COMPENSATION.</u>**

a. **Expenses and Expenditures.** Agent will be reimbursed by Owner from the Operating Account each month for the following listed expenses and expenditures incurred or accrued by Agent in the operation of the Property:

i. All direct labor and contract costs, and all materials, supplies, equipment, tools, components, and related systems and parts with respect to the maintenance, repair, improvement and operation of the Property.

ii. Operating costs and expenses of supplies, materials, equipment, Property stationery, forms, books and records, all with respect to the Property or other locations approved by Owner, and audited financial statements and certifications thereof as may be required by this Agreement.

iii. All necessary equipment, tools and supplies, whether purchased, leased or otherwise acquired for the performance by Agent of the duties required hereunder for the operation of the Property pursuant to this Agreement.

iv. All other ordinary and necessary expenses or expenditures paid or accrued in the operation of the Property pursuant to the Budget.

v. All monies which Agent may elect to advance for the Owner for expenses which Owner is required to pay under this Agreement; however, Agent will not be obligated to make such advancements.

b. **Management Fee**. For the services rendered by Agent pursuant to this Agreement, and in addition to other fees and reimbursements to Agent as set forth in this Agreement, Owner shall pay Agent monthly a management fee in an amount of $500.00 per month. All such fees are due and payable by the last day of each month.

Agent shall have the authority to make such payments on Owner's behalf from the Operating Account, so long as such payments are made in accordance with the terms and conditions of this Agreement.

c. **Leasing Commissions.** This Paragraph shall apply exclusively to the existing Buildings which are currently on the Property as of the date this contract is signed and shall not apply to any newly constructed Building to be built by Agent pursuant to the Economic Development agreement. Owner grants to Agent the exclusive right to lease the Property described by this Paragraph and Owner shall compensate Agent for its services as Leasing Agent in accordance with the following:

i. Commissions on Initial Leases - Commission equal to Four percent (4%) of the Aggregate Total Base Rental provided in the Lease Agreement for the initial term shall be paid to Agent where Agent was the "procuring cause" of the initial lease for Buildings.

ii. Commissions on Lease Renewals - Commission equal to Two percent (2%) of the Aggregate Total Base Rental provided in the Agreement for the renewal term shall be paid to Agent where an existing tenant renews a lease for its existing premises, including the exercise of an option to renew.

iii. Commissions on Tenant Expansion - For the purpose of determining compensation under this Agreement, tenant expansions shall be considered as an initial lease hereunder; however, such commission shall only be applicable for the net increase in tenant's square footage. Furthermore, the same method of determining Agent's commission shall be used if an existing tenant relocates within the Property for the purpose of expanding.

iv. Commissions on Month-To-Month Lease - A commission equal to one-half (½) of the first month's rental, when a tenant initially occupies the premises on a "month-to-month" basis; however, such commission shall not be less than $250.00.

v. Commission When Other Brokers Are Procuring Cause - A commission equal to Six percent (6%) of the Aggregate Total Base Rental provided in the Lease Agreement for the initial lease term shall be paid to Agent when an outsider broker (i.e. not an employee of Agent) is the "procuring cause" of the lease as defined by the laws within the state the Property is located. Agent shall indemnify Owner against any commission liability to such outside broker. A commission equal to Four percent (4%) of the Aggregate Total Base Rental provided in the Lease Agreement for the renewal term shall be paid to Agent when an outside broker has been appointed as the tenant's exclusive agent for the renewal and Agent shall indemnify Owner from any commission claims from such outside broker with respect to the renewal.

vi. Definition of Aggregate Total Base Rental - Aggregate Total Base Rental shall mean all guaranteed minimum rent provided for in the primary term of the lease. Percentage rental and additional rent is excluded from this definition.

vii. Leasing Commissions - Leasing commissions due Agent will be earned and paid one-half upon signing of the lease and one-half upon tenant's opening for business.

viii. Leasing Expenses - In addition to the commissions provided herein, Owner shall pay to or reimburse Agent for the following expenses:

1. Advertising and promotion expenses paid by Agent as set forth in the approved Budget, or as otherwise approved by Owner.

2. Space planning expenses paid by Agent as set forth in the approved Budget, or as otherwise approved by Owner.

3. Special events and promotions, subject to prior approval by Owner.

4. Any other special marketing projects which are approved by Owner.

5. Any legal expenses incurred in connection with lease preparation and negotiations which are pre-approved by Owner.

6. Travel expenses (excluding entertainment expenses) which are pre-approved by Owner.

6. AUTHORITY. Agent is vested with such general authority and powers as may be necessary or advisable to carry out the intent of this Agreement.

7. INDEMNIFICATION. Agent agrees to protect, defend, indemnify and hold Owner and the Property harmless from and against any and all loss, cost, damage, liability and expense (including court costs and reasonable attorneys' fees) arising out of (i) obligations or liabilities of Owner incurred by Agent or any of its officers, employees or agents, other than those expressly permitted hereby to be so incurred by Agent, or (ii) any negligence, willful misconduct or fraud of Agent or any of its officers, employees, or agents.

8. REIMBURSEMENT FOR CLAIMS. Owner agrees to reimburse Agent for Agent's reasonable legal expenses incurred defending legal claims from third parties that may arise as a result of Owner's performance of this Agreement, provided that such claims are not covered by Owner's insurance policies or by the City's insurance policies. In the event that such legal expenses exceed or are anticipated to exceed $10,000, then Agent will notify Owner, and the parties will reasonably cooperate in determining a legal strategy with respect to such claim.

9. TERMINATION OF AGENT.

a. Termination By Either Party.

i. Either party shall have the right to terminate this Agreement upon thirty (30) days prior written notice.

ii. Either party shall have the right to terminate this Agreement upon ten (10) days prior written notice in the event of a sale or exchange of all or any portion of the Property, or substantial destruction of the Property.

iii. If either party shall file a petition in bankruptcy, or be granted relief under the Bankruptcy Code of the United States of America, or make an assignment for the benefit of creditors or like arrangement or composition or file a petition in the federal court for reorganization or otherwise seek relief under any bankruptcy or insolvency law, federal or state, or be placed in the hands of a receiver or trustee, then this Agreement is terminated.

iv. If either party fails to comply with any rule, order, determination, ordinance, or law of any federal, state, or municipal authority, the other party may terminate this Agreement upon ten (10) days prior written notice.

b. **Termination by Owner.** Owner shall have the right to terminate this Agreement in the event of Agent's breach of its obligations under this Agreement which shall not have been cured within 7 days after Agent's receipt of Owner's written notice thereof. Owner shall have the right to terminate this Agreement immediately upon giving written notice to Agent in the event of gross negligence, willful misconduct or fraud by Agent in the performance of any provision of this Agreement. In such event, all obligations of Owner to Agent shall immediately terminate, and Agent shall be deemed to have forfeited any outstanding fees and commissions earned by Agent, including reimbursements of all amounts provided herein, prior to and including the effective date of termination. Owner shall have the right to terminate this Agreement immediately in the event of an uncured Event of Default by Agent pursuant to the Economic Development Agreement or the Ground Lease.

c. **Termination By Agent**. Agent shall have the right to terminate this Agreement in the event of Owner's breach of its obligations under this Agreement which shall not have been cured within 7 days after Owner's receipt of Agent's written notice thereof.

d. **Agent's Cooperation Upon Termination.** Agent shall cooperate with Owner in notifying all tenants of the Property of the expiration and termination of this Agreement by written notice sent by certified mail, return receipt requested, and Agent shall cooperate with Owner to accomplish an orderly transfer of the operation and management of the Property to a party designated by Owner. Agent shall, at its sole cost and expense, promptly remove from the Property all signs indicating that Agent is the managing agent. Agent shall provide a final accounting and shall transfer all books, records, leases, keys and other materials belonging to Owner, and shall, within thirty (30) days after termination, deliver a list of prospective tenants whom Agent (or others working by or through Agent) has introduced to the Property (the "Qualified Prospects"). If the Qualified Prospects have demonstrated an interest to lease any portion of the Property, then Agent shall be entitled to the scheduled commission for any lease executed by Owner and any Qualified Prospect within one hundred eighty (180) days after termination of this Agreement, payable as provided above, unless this Agreement is terminated by Owner in accordance with Paragraph 9.b above, in which case no commission shall be due to Agent.

10. CONFIDENTIALITY. Agent shall hold in strict confidence all information related to Owner's business concerning the Property furnished to or obtained by Agent in the form of information gathered from Owner's books or records. In no event shall Agent issue or make any statement on behalf of Owner, to the press or other media, without Owner's prior approval in each and every instance. Nothing herein shall prevent Agent from disclosing information that is subject to disclosure through open records or open meetings laws of the state of Texas.

11. **ASSIGNMENT.** Agent may not assign its interest in this Agreement without the prior written consent of the Owner, except as may be otherwise specifically provided herein. By its signature below, Owner consents to the assignment of this Agreement from the Agent to D. Johnson Companies, Inc.

12. **OWNER'S CREDITORS.** Agent is not and never shall be liable to any creditor of Owner.

13. **NO JOINT VENTURE OR PARTNERSHIP.** Nothing contained in this Agreement or in the relationship of Owner and Agent shall be deemed to constitute or be construed to be or create a partnership or joint venture between Owner and Agent.

14. **NO WAIVER OF RIGHTS.** Failure by Owner or Agent at any time to exercise any right or remedy herein granted or established by law shall not be deemed to operate as a waiver of its right to exercise such right or remedy at any other future time.

15. **COMPLIANCE WITH LAW.** Owner and Agent shall comply with all statutes, ordinances, laws, rules and orders of any federal, state, or local government or department or office thereof having jurisdiction over the Property respecting the use, operation, maintenance and construction thereof.

16. **GOVERNING LAW.** If any one or more of the covenants, agreements or provisions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, the invalidity of such covenants, agreements and provisions shall in no way affect the validity or effectiveness of the remainder of this Agreement and this Agreement shall continue in force to the fullest extent permitted by law. This Agreement shall be governed by the laws of Texas and all parties hereto submit to mandatory jurisdiction in Tarrant County, Texas.

17. **NOTICES.** Any notice which Agent may desire or be required to give to Owner shall be deemed sufficiently given or rendered if in writing, delivered to Owner by courier, electronic mail or facsimile, with evidence of delivery, or by certified or registered mail, return receipt requested and addressed to Owner as follows:

OWNER:

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION
Attn: President
405 Municipal Drive, Kennedale, TX 76060
FAX:817-478-7169 Tel: 817-985-2102
E-Mail: bhart@cityofkennedale.com

Any notice which Owner may desire or be required to give to Agent shall be deemed sufficiently given or render if, in writing, delivered to Agent by courier, electronic mail or facsimile, with evidence of delivery, or by certified or registered mail, return receipt requested and addressed to Agent as follows:

AGENT:

Kennedale Town Center, L.P.
Attention: David G. Johnson
3977 Fall Creek Road
Spicewood, Texas 78669,

18. **ATTORNEYS FEES.** In the event of any dispute between the parties hereto arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover from the other its reasonable attorneys fees and costs incurred in connection therewith.

19. MULTIPLE COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original constituting one and the same instrument.

20. ENTIRE AGREEMENT. This Agreement and the exhibits attached hereto constitute the entire agreement of the parties hereto regarding the subject matter hereof, and may not be amended or modified except by written instrument signed by the parties hereto.

21. BINDING EFFECT. This Agreement shall be binding upon the parties hereto, their legal representatives, successors and assigns, and may not be changed except by agreement in writing.

22. INTERMEDIARY DISCLOSURE. An Intermediary Disclosure Addendum is attached hereto and incorporated herein and Owner authorizes Agent to act as an intermediary.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year written below by their officers thereunto duly authorized.

EXECUTED this 3 day of May, 2010.

OWNER: KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

By: ____________________
President

ATTEST:

By: Kathy Turner
Secretary

AGENT: KENNEDALE TOWN CENTER, L.P.

By: ____________________
David G. Johnson, Manager of KTC GP, L.L.C.,
General Partner of Kennedale Town Center L.P.

INTERMEDIARY DISCLOSURE ADDENDUM

A broker who acts as an intermediary between parties in a transaction:

1. may not disclose to the buyer or tenant that the seller or landlord will accept a price less than the asking price unless otherwise instructed in a separate writing by the seller or landlord;

2. may not disclose to the seller or landlord that the buyer or tenant will pay a price greater than the price submitted in a written offer to the seller or landlord unless otherwise instructed in a separate writing by the buyer or tenant;

3. may not disclose any confidential information or any information a party specifically instructs the real estate broker in writing not to disclose unless otherwise instructed in a separate writing by the respective party or required to disclose such information by the Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property;

4. shall treat all parties to the transaction honestly; and

5. shall comply with the Texas Real Estate License Act.

KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

MEETING DATE: AUGUST 4, 2020

AGENDA ITEM NUMBER: REGULAR SESSION ITEM VI.D.

SUBJECT
Discuss and consider approval of FY20-21 proposed budget for recommendation to City Council

ORIGINATED BY
George Campbell, City Manager
Lakeita Sutton, Director of Finance and Information Technology

SUMMARY
The City Council is expected to adopt the FY2020-21 Budget (including the KEDC budget and projects, if any) during the September 15, 2020 regular meeting. It is, therefore, now requested that the EDC Board review, discuss, and recommend the KEDC budget for Council's consideration.

The budget proposal attached to this report is still preliminary and **may** be modified by the Executive Director prior to the meeting. It is not anticipated that significant changes from the current year budget will occur. A final recommendation for Board consideration will be presented if any changes are, in fact, made.

Currently Scheduled Dates Related to the FY2020-21 Budget Process:

- EDC Board reviews and considers recommending the EDC Budget: Tuesday, August 4, at 7:00 p.m.
- City Council Proposed Budget Presentation: Tuesday, August 11, at 5:30 p.m. (Special Meeting)
- City Council Budget Workshop (cont.): Tuesday, August 18, at 5:30 p.m. (during the Work Session of Regular Meeting)
- City Council Budget Workshop (cont.): Tuesday, August 25, at 5:30 p.m. (Special Meeting, if needed)
- City Council Public Hearing on Budget and Tax Rate: Tuesday, September 8 at 5:30 p.m. (Special Meeting)
- City Council Consideration of adoption of FY2020-21 Budget and Tax Rate: Tuesday, September 15, at 5:30 p.m. (Regular Meeting)

Please note: all meetings are being held via VideoConference and/or TeleConference at this time. Access information will be available on published agendas no later than 72 hours before the scheduled meeting.

RECOMMENDATION
Approve

ATTACHMENTS

1.	Copy of EDC Budget - ALL	Copy of EDC Budget - ALL.pdf

FY20-21 PROPOSED BUDGET: EDC FUND

15 | EDC4B FUND

REVENUES		2016–2017 ACTUAL	2017–2018 ACTUAL	2018–2019 APPROVED	2018-2019 ACTUAL	2019–2020 APPROVED	2019-2020 PROJECTED	2020-2021 PROPOSED
15-4002-00-00	MMD-TAX CURRENT YEAR	2,360	-	35,000	-	35,000	35,000	-
15-4081-00-00	SALES TAX	361,319	447,132	384,598	545,785	410,401	400,141	**420,148**
15-4401-00-00	INVESTMENT INCOME	82	3,574	65	6,536	4,000	4,000	**2,000**
15-4409-00-00	MISCELLANEOUS INCOME	76,716	36,624	24,120	35,897	30,120	30,120	**30,000**
15-4412-00-00	LAND PROCEEDS						150,368	-
15-4415-00-00	INSURANCE REIMBURSEMENTS	-	14,898	-	-	-		-
15-4805-00-00	RENTAL FEES - SHOPPING CTR	81,710	105,856	185,223	228,241	221,207	180,000	**236,792**
15-4806-00-00	RENTAL INSURANCE	361	2,350	746	-	-		-
15-4886-00-00	SALE OF ASSETS			-	-	-		-
15-4902-00-00	PROCEEDS - DEBT/LOAN/LEASE		30,194	-	-	-		-
15-4971-00-00	INSURANCE PROCEEDS	170,017		-	-	-		-
15-4885-00-00	SALE OF ASSETS		349,179	-	-	-		-
TOTAL REVENUES		$ 692,566	$ 989,808	$ 629,752	$ 816,460	$ 700,728	$ 799,629	**$ 688,940**
						-		

EDC ADMINISTRATION EXPENDITURES		2016–2017 ACTUAL	2017–2018 ACTUAL	2018–2019 APPROVED	2018-2019 ACTUAL	2019–2020 APPROVED	2019-2020 PROJECTED	2020-2021 PROPOSED
15-5240-01-00	PRINTED SUPPLIES	-	-	2,000		2,000	2,000	**2,000**
15-5260-01-00	GENERAL OFFICE SUPPLIES			50		50	50	**50**
15-5261-01-00	POSTAGE			50		50	50	**50**
15-5501-01-00	ADVERTISING	390	35	1,200		1,200	1,200	**1,200**
15-5510-01-00	ASSOC DUES/PUBLICATIONS	4,855	4,890	5,320	4,932	3,395	3,395	**3,500**
15-5525-01-00	TRAINING/SEMINARS	175		250		250	250	**250**
15-5565-01-00	LEGAL SERVICES	17,252	20,855	13,000	6,581	14,925	14,925	**15,000**
15-5567-01-00	AUDIT SERVICES	2,250	2,000	4,250	4,250	4,250	4,250	**4,250**
15-5570-01-00	SPECIAL SERVICES	81,145	13,774	250	2,286	975	975	**42,838**
15-5574-01-00	FILING FEES	40		-		-		
15-5578-01-00	TRAVEL			100		100	100	**100**
15-5580-01-00	ENGINEERING SERVICES	2,127		-		-		
15-5595-01-00	ADMIN CHARGE-GENERAL FUND	44,926	81,647	117,890	117,890	116,318	116,318	**116,318**
15-5615-01-00	FUNCTIONAL GRANT	17,137	19,380	24,000	29,745	25,864	25,864	**32,831**
15-5800-01-00	LAND	22,000	-	-		-		-
TOTAL ADMINISTRATION EXPENDITURES		$ 192,297	$ 142,581	$ 168,360	$ 165,684	$ 169,377	$ 169,377	**$ 218,387**

FY20-21 PROPOSED BUDGET: EDC FUND

EDC DEBT SERVICE EXPENDITURES		2016–2017 ACTUAL	2017–2018 ACTUAL	2018–2019 APPROVED	2018-2019 ACTUAL	2019–2020 APPROVED	2019-2020 PROJECTED	2020-2021 PROPOSED
15-5643-01-03	2007 $1.2M TAX BOND INTEREST	58,689	54,831	50,735	50,689	46,566	46,566	42,048
15-5644-01-03	2007 $1.2M TAX BOND PRINCIPAL	55,000	60,000	60,000	60,000	65,000	65,000	70,000
15-5645-01-03	2011 $1.7M TX LEVERAGE INT	15,879	17,926	12,834	12,920	18,122	18,122	9,196
15-5646-01-03	2011 $17.M TX LEVERAGE PRIN	39,863	39,661	42,038	42,038	41,982	41,982	46,680
15-5702-01-03	TRANSFER OUT-DEBT SERV FUND	154,819	152,588	154,825	154,825	151,900	151,900	-
15-5667-01-03	2020 $1.26M GO REFUNDING PRIN	-	-	-	-	-	-	115,000
15-5668-01-03	2020 $1.26M GO REFUNDING INT	-	-	-	-	-	-	23,208
TOTAL DEBT SERVICE EXPENDITURES		$ 324,250	$ 325,006	$ 320,432	$ 320,471	$ 323,570	$ 323,570	$ 306,132
TOWNCENTER SHOPPING EXPENDITURES		2016–2017 ACTUAL	2017–2018 ACTUAL	2018–2019 APPROVED	2018-2019 ACTUAL	2019–2020 APPROVED	2019-2020 PROJECTED	2020-2021 PROPOSED
15-5403-02-00	BUILDING MAINTENANCE	44,464	237,161	29,920	51,652	54,951	54,951	54,195
15-5530-02-00	ELECTRIC SERVICES	5,924	8,002	6,700	5,372	5,700	5,700	5,700
15-5545-02-00	INSURANCE - PROPERTY	6,507	8,341	8,500	11,139	13,000	13,000	13,000
15-5570-02-00	SPECIAL SERVICES	18,312	24,691	6,000	6,000	6,000	6,000	9,600
TOTAL TOWN SHOPPING CENTER EXPENDITURES		$ 75,209	$ 278,194	$ 51,120	$ 74,164	$ 79,651	$ 79,651	$ 82,495
TOWNCENTER REDEVELOPMENT EXPENDITURES		2016–2017 ACTUAL	2017–2018 ACTUAL	2018–2019 APPROVED	2018-2019 ACTUAL	2019–2020 APPROVED	2019-2020 PROJECTED	2020-2021 PROPOSED
15-5580-03-00	ENGINEERING SERVICES	2,573		-	-			-
15-5847-03-00	CONSTRUCTION	10,080	237,866	-	5,738	-	-	-
TOTAL TOWN CENTER REDEVELOPMENT EXPENDITURE		$ 12,653	$ 237,866	$ -	$ 5,738	$ -	$ -	$ -
TOTAL FUND EXPENDITURES		$ 604,408	$ 983,646	$ 539,912	$ 566,057	$ 572,598	$ 572,598	$ 607,014
REVENUES OVER (UNDER) EXPENDITURES		$ 88,158	$ 6,162	$ 89,840	$ 250,403	$ 128,130	$ 227,031	$ 81,926
OTHER FINANCING SOURCES (USES)								
TRANSFERS IN (OUT)		$ -	$ -	$ -		$ -	$ -	$ -
TOTAL OTHER FINANCING SOURCES (USES)		$ -	$ -	$ -		$ -	$ -	$ -
NET CHANGE IN FUND BALANCE		$ 88,158	$ 6,162	$ 89,840	$ 250,403	$ 128,130	$ 227,031	$ 81,926
FUND BALANCE, OCT 1		73,859	162,017	168,179	292,785	306,146	543,188	770,219
FUND BALANCE, SEP 30		162,017	168,179	258,019	543,188	434,276	770,219	852,145

FY20-21 PROPOSED BUDGET: EDC FUND

15 | EDC4B FUND				2020-2021 PROPOSED
4002-00-00	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 • KENNEDALE ISD: $1.492068 • TARRANT COUNTY: $0.264000 • TARRANT HOSPITAL: $0.227897 • TARRANT COLLEGE: $0.149500	-	-
4081-00-00	SALES TAX	BASED ON PRIOR 3 YEARS OF HISTORY	420,148	**420,148**
4401-00-00	INVESTMENT INCOME	BASED ON AVERAGE BALANCE/INTEREST RATES	2,000	**2,000**
4409-00-00	MISCELLANEOUS INCOME	MONTHLY RENT FROM RED'S ROADHOUSE ($2500/MO; 1 YEAR LEASE EXTENSION)	30,000	**30,000**
4805-00-00	RENTAL FEES: SHOPPING CENTER	DOLLAR GENERAL $5577/MO. until 2020; $6864 until 2023	78,507	**236,792**
		V-FIT • 12/01/19 – 11/30/20 $3,441.67 / MO. • 12/01/20 – 11/30/21 $3,613.75 • 12/01/21 – 11/30/22 $3,785.83	43,021	
		CITY ELECTRIC • 11/01/19 – 10/31/20 $3,309.00 / MO. • 11/01/20 – 10/31/21 $3,676.67 • 11/01/21 – 04/30/23 $4,044.33	43,752	
		IRON WHEEL ANTIQUES • 07/01/20 – 06/30/21 $5,798.25 / MO. • 07/01/21 – 06/30/22 $6,442.50 • 07/01/22 – 09/30/23 $7,086.75	71,512	
			TOTAL FUND REVENUES	$ 688,940

15 | EDC4B FUND 01 | ADMINISTRATION				2020-2021 PROPOSED
5240-01-00	PRINTED SUPPLIES	PRINTED MAPS OF ENTIRE CITY	-	**2,000**
		EDC COPIES/BROCHURES	2,000	
5260-01-00	GENERAL OFFICE SUPPLIES	FILES/FOLDERS/PAPER/PENCILS	50	**50**
5261-01-00	POSTAGE	FOR MAIL OUTS/MARKETING PACKAGES	50	**50**
5501-01-00	ADVERTISING	PROMOTIONAL ADS+C63, LEGAL NOTICES	1,200	**1,200**
5510-01-00	ASSOC DUES/PUBLICATIONS	KENNEDALE CHAMBER MEMBERSHIP ($1925)	1,925	**3,500**
		DALLAS CHAMBER ($1125)	1,125	
		TOWN CENTER STUDY OUTCOME PUBLICATION	450	
5525-01-00	TRAINING/SEMINARS	EDC TRAINING THROUGH VARIOUS ASSOCIATIONS	250	**250**
5565-01-00	LEGAL SERVICES	ATTORNEY HOURS FOR EDC RELATED PROJECTS	15,000	**15,000**
5567-01-00	AUDIT SERVICES	INDEPENDENT ANNUAL AUDIT	4,250	**4,250**
5570-01-00	SPECIAL SERVICES	MUNISERVICES: SALES TAX AUDITING; 35% CONTINGENCY IF REALLOCATIONS FOUND DUE TO REPORTING ERRORS (APPLIES TO FIRST 8 CONSECUTIVE REPORTING QUARTERS FOLLOWING CORRECTION) SHARED 75% CITY/%25 EDC	338	**42,838**
		MOWING EDC PROPERTIES	2,500	
		TOWN CENTER REDEVELOPMENT STUDY	40,000	
5578-01-00	TRAVEL	TRAVEL RELATED TO OTHER EDC TRAINING/SEMINARS BY STAFF/BOARD	100	**100**
5595-01-00	ADMIN CHARGE-GENERAL FUND	CHARGE FOR SERVICES PROVIDED BY GENERAL FUND RESOURCES (BASED ON ACTUAL COSTS)	116,318	**116,318**
5615-01-00	FUNCTIONAL GRANT	H20 380 SALES TAX AGREEMENT	32,831	**32,831**
5701-01-00	TRANSFER OUT-GENERAL FUND		-	**-**
5800-01-00	LAND	LAND PURCHASE	-	**-**
			TOTAL ADMINISTRATION EXPENDITURES	$ 218,387

FY20-21 PROPOSED BUDGET: EDC FUND

15 | EDC4B FUND				
01 | ADMINISTRATION				2020-2021
03 | DEBT SERVICE				PROPOSED
5620-01-03	ISSUANCE COSTS	AGENT FEES TO HANDLE BOND AMORTIZATIONS	-	-
5621-01-03	PAYING AGENT FEES	FEES RELATED TO THE ACQUISITION OF NEW DEBT	-	-
5643-01-03	2007 $1.2M TAX BOND-INTEREST	DUE 11/01	21,024	42,048
		DUE 05/01	21,024	
5644-01-03	2007 $1.2M TAX BOND-PRINCIPAL	DUE 05/01	70,000	70,000
5645-01-03	2011 $1.7M TX LEVERAGE-INT	DUE BY 1ST OF EACH MONTH (BEGINS 11/01/2011)	9,196	**9,196**
5646-01-03	2011 $1.7M TX LEVERAGE-PRI	DUE BY 1ST OF EACH MONTH (BEGINS 11/01/2011)	46,680	46,680
5668-01-03	2020 $1.26M GO REFUNDING-	DUE 02/15	12,159	**23,208**
		DUE 08/15	11,049	
5667-01-03	2020 $1.26M GO REFUNDING-	DUE 02/15	115,000	**115,000**
5702-01-03	TRANSFER OUT-DEBT SERVICE FUND	DUE 11/01 INTEREST : 2010 $2.0M CO BOND	-	-
		DUE 05/01 INTEREST : 2010 $2.0M CO BOND	-	
		DUE 05/01 PRINCIPAL : 2010 $2.0M CO BOND	-	
		TOTAL DEBT SERVICE EXPENDITURES		$ 306,132

15 | EDC4B FUND				2020-2021
02 | TOWN SHOPPING CENTER				PROPOSED
5280-02-00	MINOR EQUIP/SMALL TOOLS<$5K		-	
5403-02-00	BUILDING MAINTENANCE	WATER/TRASH	6,320	**54,195**
		FIRE SPRINKLER-($58/MONTHLY)	696	
		ONE-TIME REPLACEMENTS	10,000	
		LANDSCAPE/MATERIALS-CAM ($1300/MONTH)	15,600	
		LOAN REPAYMENT FOR CE TI	21,579	
5501-02-00	ADVERTISING		-	-
5510-02-00	ASSOC DUES/PUBLICATIONS		-	-
5512-02-00	CONTRACTUAL SERVICES		-	-
5530-02-00	ELECTRIC SERVICES	ELECTRICITY	5,700	**5,700**
5545-02-00	INSURANCE-PROPERTY	COVERAGE THROUGH TEXAS MUNICIPAL LEAGUE	13,000	13,000
5570-02-00	SPECIAL SERVICES	PROPERTY/ASSET MANAGEMENT ($800 PER MONTH)	9,600	**9,600**
		TOTAL TOWN SHOPPING CENTER EXPENDITURES		$ 82,495

15 | EDC4B FUND				2020-2021
03 | TOWN CENTER REDEVELOPMENT				PROPOSED
5570-03-00	SPECIAL SERVICES		-	-
5579-03-00	ARCHITECT/DESIGN SERVICES		-	-
5580-03-00	ENGINEERING SERVICES	PARKING LOT MODIFICATION		-
5847-03-00	CONSTRUCTION	CHICKEN EXPRESS BUILDING HEALTH		-
		DUE 05/01	-	
		CHICKEN EXPRESS PARKING LOT MODIFICATION		
		POTENTIAL ACTIVITIES/PROJECTS	-	
		TOTAL TOWN CENTER REDEVELOPMENT EXPENDITURES		$ -

15 | EDC4B FUND				2020-2021
04 | TEXAS LEVERAGE PROGRAM				PROPOSED
558-04-00	ENGINEERING SERVICES		-	-
5615-04-00	FUNCTIONAL GRANT		-	-
5620-04-00	ISSUANCE COSTS	AGENT FEES TO HANDLE BOND AMORTIZATIONS	-	-
5800-00-00	LAND		-	-
5847-04-00	CONSTRUCTION	DUE 05/01	-	-
		OAK CREST DEVELOPMENT & EAST CORNER	-	
		TOTAL FUND EXPENDITURES		$ 607,014

19 | EDC4B CAPITAL BOND FUND

REVENUES		2016–2017 ACTUAL	2017–2018 ACTUAL	2018–2019 APPROVED	2018-2019 ACTUAL	2019–2020 APPROVED	2019-2020 PROJECTED	2020-2021 PROPOSED
19-4401-00-00	INVESTMENT INCOME	205	460	-		-	-	-
TOTAL REVENUES		$ 205	$ 460	$ -		$ -	$ -	$ -

EXPENDITURES		2016–2017 ACTUAL	2017–2018 ACTUAL	2018–2019 APPROVED	2018-2019 ACTUAL	2019–2020 APPROVED	2019-2020 PROJECTED	2020-2021 PROPOSED
19-5702-01-00	TRANSFER OUT DEBT SERVICE	-	30,194	-		-	-	-
TOTAL EXPENDITURES		$ -	$ 30,194	$ -		$ -	$ -	$ -
REVENUES OVER (UNDER) EXPENDITURES		$ 205	$ (29,735)	$ -		$ -	$ -	$ -
OTHER FINANCING SOURCES (USES)								
TRANSFERS IN (OUT)		$ -	$ -	$ -		$ -	$ -	$ -
TOTAL OTHER FINANCING SOURCES (USES)		$ -	$ -	$ -		$ -	$ -	$ -
NET CHANGE IN FUND BALANCE		$ 205	$ (29,735)	$ -		$ -	$ -	$ -
RESTRICTED FUND BALANCE, OCT 1		29,529	29,735	-		-	-	-
RESTRICTED FUND BALANCE, SEP 30		29,735	-	-		-	-	-

FY20-21 PROPOSED BUDGET: EDC FUND

19 | EDC4B CAPITAL BOND FUND				2020-2021 PROPOSED
4401-00-00	INVESTMENT INCOME	EARNING BASED UPON AVERAGE BALANCE/INTEREST RATES	$ -	$ -
			TOTAL REVENUES	$ -

FY20-21 PROPOSED BUDGET: EDC FUND

95 | EDC43 BOND RESERVE FUND							
REVENUES	2016–2017 ACTUAL	2017–2018 ACTUAL	2018–2019 APPROVED	2018-2019 ACTUAL	2019–2020 APPROVED	2019-2020 PROJECTED	2020-2021 PROPOSED
95-4401-00-00 INVESTMENT INCOME	502	1,365	-	2,608	2,000	2,000	500
TOTAL REVENUES	$ 502	$ 1,365	$ -	$ 2,608	$ 2,000	$ 2,000	$ 500
					-		
EXPENDITURES	2016–2017 ACTUAL	2017–2018 ACTUAL	2018–2019 APPROVED	2018-2019 ACTUAL	2019–2020 APPROVED	2019-2020 PROJECTED	2020-2021 PROPOSED
TOTAL FUND EXPENDITURES	$ -	$ -	$ -		$ -	$ -	$ -
					-		
REVENUES OVER (UNDER) EXPENDITURES	$ 502	$ 1,365	$ -	$ 2,608	$ 2,000	$ 2,000	$ 500
					-		
OTHER FINANCING SOURCES (USES)							
TRANSFERS IN (OUT)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
					-		
NET CHANGE IN FUND BALANCE	$ 502	$ 1,365	$ -	$ 2,608	$ 2,000	$ 2,000	$ 500
RESTRICTED FUND BALANCE, OCT 1	120,132	120,634	121,999		124,586	-	-
RESTRICTED FUND BALANCE, SEP 30	120,634	121,999	121,999		126,586	2,000	-

FY20-21 PROPOSED BUDGET: EDC FUND

95 | EDC4B RESERVE FUND				2020-2021 PROPOSED
4401-00-00	INVESTMENT INCOME	EARNING BASED UPON AVERAGE BALANCE/INTEREST RATES	500	500
4915-00-00	TRANSFER IN-EDC4B	PER BOND COVENANTS, WE ARE REQUIRED TO ESTABLISH THIS FUND AND DEPOSIT INTO IT A SPECIFIC AMOUNT OF RESERVES TO BE USED SOLELY FOR THE PURPOSE OF RETIRING THE LAST OF ANY PARITY BONDS AS THEY BECOME DUE OR PAYING OFF ANY PRINCIPAL/INTEREST	0	-
			TOTAL REVENUES	$ 500

KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

MEETING DATE: AUGUST 4, 2020

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM VII.A.

SUBJECT
Chamber of Commerce report

ORIGINATED BY
George Campbell, City Manager

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.

RECOMMENDATION

ATTACHMENTS

KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

MEETING DATE: AUGUST 4, 2020

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM VII.B.

SUBJECT
Board member reports and announcements

ORIGINATED BY

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

RECOMMENDATION

ATTACHMENTS

KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

MEETING DATE: AUGUST 4, 2020

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM VII.C.

SUBJECT
Staff reports and announcements

ORIGINATED BY
George Campbell, City Manager
Melissa Dailey, Director of Planning & Economic Development

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.

RECOMMENDATION

ATTACHMENTS