

ECONOMIC DEVELOPMENT CORPORATION

Regular Meeting Agenda

October 19, 2022 at 5:30 p.m.

Balcones Heights Justice Center – City Council Chamber
3300 Hillcrest Drive, Balcones Heights, TX 78201

Corporation Board of Directors

Scott Rausch, Director/Chair

Melissa Aguillon, Director/Vice Chair

Suzanne de Leon, Director

Gloria Cantu, Director

Miguel Valverde, Director

Stephen Lara, Director

Madeline Slay, Director

NOTICE IS HEREBY GIVEN THAT THE ABOVE CALLED REGULAR MEETING OF THE ECONOMIC DEVELOPMENT CORPORATION, TYPE B TO CONSIDER AND ACT UPON ANY LAWFUL SUBJECT WHICH MAY COME BEFORE SAID MEETING, INCLUDING, AMONG OTHERS, THE FOLLOWING ITEMS TO BE DISCUSSED AND ACTED UPON

NOTE: Notice is hereby given that there may be a quorum of The City of Balcones Heights City Council Members. There will be no formal action taken by city council members.

CALL TO ORDER AND RECORDING OF QUORUM:

PUBLIC COMMENT PERIOD:

CORPORATION BUSINESS ITEMS:

- 1. Review and approval** of minutes for the meeting held September 21, 2022.
- 2. Update** on October 2022 Food Truck Festival. (Victoria Hernandez, Marketing Director, Wonderland of the Americas)
- 3. Update** on initiatives to “un-brand” Wonderland of the Americas as a “mall.” (Victoria Hernandez, Marketing Director, Wonderland of the Americas)
- 4. Update** on the installation of the Elevator/Hoistway installation at Wonderland of the Americas (Denise Bush, General Manager, WOTA)
- 5. Update** on construction relative to the A&R Entertainment lease. (Denise Bush, General Manager, WOTA)
- 6. Update** on general leasing at Wonderland of the Americas, (tenants who have left, new tenants) (Denise Bush, General Manager, WOTA)
- 7. General Update** from the Executive Director (Lorenzo Nastasi)
- 8. FINANCIAL REPORT** (Floyd Messick, Treasurer)
- 9. DISCUSSION and POSSIBLE ACTION** to amend the Balcones Heights Economic Development Corporation (BHEDC) Fund FY2022-2023 Proposed Budget to incorporate changes to it in the City’s approved FY2022-2023 Budget. (Floyd Messick, Treasurer”)

10. **DISCUSSION and POSSIBLE ACTION** regarding the Powers Reserved to the Balcones Heights EDC under WOTA Partnership agreement, and the responsibilities and authority of the EDC Executive Director. (Clay Binford)
11. **DISCUSSION and POSSIBLE ACTION** regarding an amendment to the EDC by-laws, eliminating the appointment of City Council members to the EDC Board. (Lorenzo Nastasi, Clay Binford, Orlando Juarez)
12. Update regarding the transfer of the City-owned Altgelt properties (201 and 203 Altgelt) to the EDC. (Gilbert Perales, Lorenzo Nastasi)

EXECUTIVE SESSION:

13. Discussion pursuant to §551.072. DELIBERATION REGARDING REAL PROPERTY; of the Texas Government Code, regarding Wonderland of the Americas. (A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property.)

RE-CONVENE IN OPEN SESSION:

14. **DISCUSSION and POSSIBLE ACTION** on items discussed in Executive Session.
15. Suggested Future Agenda Items
16. Announcements
17. Adjournment

The Balcones Heights Economic Development Corporation, Type B reserves the right to adjourn into **executive session** at any time to discuss any of the matters listed above, as authorized by Texas Government Code § 551.071 (Consultation with Attorney) § 551.072 (Deliberations about Real Property) § 551.073 (Deliberations about Gifts and Donations) § 551.074 (Personnel Matters) § 551.076 (Deliberations about Security Devices), and § 551.086 (Economic Development)

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted on the bulletin board, at the Justice Center / City Hall of Balcones Heights, Texas, in a place convenient and readily accessible to the general public at all times, and said Notice was posted on the following date and time: **October 14, 2022 at 5:30 p.m.** and remained so posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

Balcones Heights Economic Development Corporation, Type B

DELIA R. SANCHEZ
City Secretary

4. Update on initiatives to “un-brand” Wonderland of the Americas as a “mall.”
(Victoria Hernandez, Marketing Director, Wonderland of the Americas)
 - Contract signed with Sprocket Media to move un-branding forward
5. Update on the installation of the Elevator/Hoistway installation at Wonderland of the Americas (Denise Bush, General Manager, WOTA)
 - Electrical complications and alternate location
 - Additional Cost
6. Update on construction relative to the A&R Entertainment lease.
(Denise Bush, General Manager, WOTA)
 - Construction moving along
 - Opening target date December 1st
7. Update on leasing at Wonderland of the Americas, (Denise Bush, General Manager, WOTA)
 - Details being worked out with UT Health Science Center on the Emergency Response Training Center
8. FINANCIAL REPORT (Floyd Messick, Treasurer)
 - August Financial Report
 - Loan Payment
 - Expenses
 - Amend budget next month
9. **DISCUSSION and POSSIBLE ACTION** regarding the responsibilities and authority of the EDC Executive Director. (Clay Binford, Scott Rausch)
 - Designate EDC Executive Director to certain actions reserved for EDC Board
 - Options: It can be limited, revocable, grant however much discretion the board choose to grant, it is within the EDC Board’s purview
 - Recommend delivery of monthly report from EDC Executive Director to EDC Board
 - It can never supersede any rules of the EDC or City Council
 - Recommendation to direct staff and Consultants to return with a delineated list in comparison with what is in the agreement with what you are comfortable delegating and if there is anything you would like to reserve so that you do have a little bit more structure to that.

MOTION: Motion to direct staff and consultants to prepare for this board a list of reserve powers on the partnership agreement and recommendations on what should be delegated to the EDC Executive Director and what should be reserved for the EDC Board.

Motion by: Suzanne de Leon Seconded: Gloria Cantu 5/0/0 PASSED

10. **DISCUSSION and POSSIBLE ACTION** regarding an amendment to the EDC by-laws, eliminating the appointment of City Council members to the EDC Board. (Lorenzo Nastasi, Clay Binford)

- Mayor remain a voting member but not be in a place where the majority can be controlled by council members
- Create system of checks and balances

11. **DISCUSSION and POSSIBLE ACTION** regarding the transfer of the City-owned Altgelt properties (201 and 203 Altgelt) to the EDC. (Lorenzo Nastasi, Clay Binford)

- Document prepared by Jesse Lopez from the City Attorney's office declares when property is sold will reimburse the city its purchase price for the property

MOTION: Motion to approve recommendation to council to accept transfer of the property under the proposed transaction.

Motion by: Melissa Aguillon Seconded: Stephen Lara 5/0/0 PASSED

EXECUTIVE SESSION: 6:15 p.m.

12. Discussion pursuant to §551.072. DELIBERATION REGARDING REAL PROPERTY; of the Texas Government Code, regarding Wonderland of the Americas. (A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property.)

RE-CONVENE IN OPEN SESSION: 6:30 p.m.

13. **DISCUSSION and POSSIBLE ACTION** on items discussed in Executive Session.

No action

14. Suggested Future Agenda Items

- Return of a recommendation and listing of the potential authority for delegation of the EDC Executive Director
- Proposed amendments to the by-laws based on the board's composition voting rights

15. Announcements

Adjournment: 6:33 p.m.

Submitted by:

DELIA R. SANCHEZ
City Secretary



STAFF REPORT

Requestor:	Floyd Messick
Department:	Finance
Date of Meeting:	October 19, 2022
Subject:	Amend BHEDC FY 2022-23 Budget

Caption:

Discussion and Action to Amend the Balcones Heights Economic Development Corporation (BHEDC) Fund's FY2022-23 Budget to incorporate changes made to it in the City's Approved FY2022-23 Budget.

Background:

The BHEDC passed its budget on 15 June 2022 in accordance with the Corporation's bylaws. This budget was accepted by Council in Open Session on 27 June 2022 and the BHEDC Fund's Budget was included into the City's FY2022-23 Proposed Budget – making it subject to changes over the course of the City's budget approval process.

During the City's budget approval process, changes were made to the BHEDC Fund's Budget and are summarized in the table below:

<i>Revenue</i>	BHEDC Approved Budget	City's FY2022-23 Approved Budget	\$ Difference
Total Revenue	450,000	750,000	300,000
<i>Expenses</i>			
Triple Net	15,000	45,000	30,000
Professional Services	1,000	50,000	49,000
Utilities	-	600	600
Contingency	1,771	222,171	220,400
Total Expenses	450,000	750,000	300,000
Rev/Exp	-	-	

Revenue

Partnership dividends increased \$300,000 due to recognizing the Corporation's portion of Wonderland of the Americas (WOTA) returned bank loan proceeds.

Expenses

Triple Net cost increased we have received more realistic numbers for this expense. Professional services increased to \$50,000 and include costs associated with moving essential City services to WOTA and Strategic Planning. Utility costs were added with an amount of \$600. The remaining



STAFF REPORT

revenues/expenses amount of \$220,400 was placed on the Contingency expense line to serve as the Corporation's "rainy day" amount and ensuring the budget is balanced. All of these changes were incorporated into the City's FY 2022-23 Approved Budget dated 22 August 2022.

Fiscal Impact:

None – the Amendment is already incorporated into the City's FY2022-23 Approved Budget

Recommendation:

Approve the BHEDC Fund's Amended FY2022-23 Budget

Attachment(s):

BHEDC Fund Approved Budget dated 15 June 2022

BHEDC Fund Approved Budget from the City's FY2022-23 Approved Budget dated 22 August 2022

Account	Description	2019-20 Actual	2020-21 Actual	2021-22 Budget	2021-22 Estimated	2022-23 Budget	\$ Change	Notes
ECONOMIC DEVELOPMENT CORPORATION								
<i>Fund Balance</i>								
	Beginning Fund Balance				-	213,805		
	Revenues				508,468	450,000		
	Expenses				(294,663)	(450,000)		
	Revenue/Expense				213,805	-		
	Ending Fund Balance				213,805	213,805		
<i>Revenues</i>								
31-310-100	TRANSFER IN ECONOMIC INCENTIVE			450,000	244,721	25,000	(219,721)	
31-310-200	LOAN PROCEEDS WONDERLAND			5,000,000	38,000	-	(38,000)	
31-320-100	PARTNERSHIP DIVIDENDS			289,159	225,747	425,000	199,253	
	Total Revenue	-	-	5,739,159	508,468	450,000	(58,468)	
<i>Expenses</i>								
31-410-100	LEGAL SERVICES			1,000	21,000	36,000	15,000	\$3K/month
31-410-200	DEBT SERVICE - INTEREST			200,000	148,721	198,228	49,507	interest for 4 loan repayments
31-410-210	DEBT SERVICE - PRINCIPLE			-	96,000	198,000	102,000	principle for 4 loan repayments
31-410-400	LEASE			1	1	1	-	
31-410-410	TRIPLE NET			13,941	13,941	15,000	1,059	
31-410-420	MOVING			45,000	-	-	-	
31-410-425	FURNITURE			30,000	-	-	-	
31-410-430	TECHNOLOGY			35,000	-	-	-	
31-410-435	PROFESSIONAL SERVICES			10,000	15,000	1,000	(14,000)	banking charges
31-410-440	LEASEHOLD IMPROVEMENTS			400,000	-	-	-	
31-410-445	REAL PROPERTY			5,000,000	-	-	-	
31-410-450	CONTINGENCY			1,000	-	1,771	1,771	
31-410-500	TRANSFER OUT ECO INCENTIVE			-	-	-	-	repay loan from EI Fund
	Total Expense	-	-	5,735,942	294,663	450,000	155,337	

Account	Description	2019-20 Actual	2020-21 Actual	2021-22 Budget	2021-22 Estimated	2022-23 Budget	\$ Change	Notes
ECONOMIC DEVELOPMENT CORPORATION								
<i>Fund Balance</i>								
	Beginning Fund Balance				-	(399,876)		
	Revenues				839,214	750,000		
	Expenses				(1,239,089)	(750,000)		
	Revenue/Expense				(399,876)	-		
	Ending Fund Balance				(399,876)	(399,876)		
<i>Revenues</i>								
31-310-100	TRANSFER IN ECONOMIC INCENTIVE			450,000	244,721	-	(244,721)	
31-310-200	LOAN PROCEEDS WONDERLAND			5,000,000	368,746	-	(368,746)	
31-320-100	PARTNERSHIP DIVIDENDS			289,159	225,747	750,000	524,253	
	Total Revenue	-	-	5,739,159	839,214	750,000	(89,214)	
<i>Expenses</i>								
31-410-100	LEGAL SERVICES			1,000	21,000	36,000	15,000	\$3K/month
31-410-200	DEBT SERVICE - INTEREST			200,000	148,721	198,228	49,507	interest for 4 loan repayments
31-410-210	DEBT SERVICE - PRINCIPLE			-	96,000	198,000	102,000	principle for 4 loan repayments
31-410-400	LEASE			1	1	1	-	
31-410-410	TRIPLE NET			13,941	13,941	45,000	31,059	
31-410-420	MOVING			45,000	-	-	-	
31-410-425	FURNITURE			30,000	265,438	-	(265,438)	
31-410-430	TECHNOLOGY			35,000	-	-	-	
31-410-435	PROFESSIONAL SERVICES			10,000	15,000	50,000	35,000	design, plans, bank charges
31-410-440	LEASEHOLD IMPROVEMENTS			400,000	44,804	-	(44,804)	
31-410-445	REAL PROPERTY			5,000,000	368,746	-	(368,746)	
31-410-450	CONTINGENCY			1,000	-	222,171	222,171	
31-410-478	UTILITIES - ELECTRIC			-	-	600	-	
31-410-500	TRANSFER OUT ECO INCENTIVE			-	265,438	-	(265,438)	repay loan from EI Fund
	Total Expense	-	-	5,735,942	1,239,089	750,000	(489,089)	