



ECONOMIC DEVELOPMENT CORPORATION

Regular Meeting Agenda
June 15, 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
Suzanne de Leon, Director
Miguel Valverde, Director
Madeline Slay, Director

Melissa Aguillon, Director/Vice Chair
Gloria Cantu, Director
Stephen Lara, Director

NOTICE IS HEREBY GIVEN THAT THE ABOVE CALLED SPECIAL 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 May 18, 2022.
2. Update on tenant signage standards inside of Wonderland of the Americas. (Sid Weis, Managing Partner, Wonderland of the Americas)
3. Updates on October 2022 Food Truck Festival. (Victoria Hernandez, Marketing Director, Wonderland of the Americas)
4. Updates on initiatives to “un-brand” Wonderland of the Americas as a “mall.” (Victoria Hernandez, Marketing Director, Wonderland of the Americas)

EXECUTIVE SESSION:

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

7. Financial Report (Floyd Messick)
8. **DISCUSSION and POSSIBLE ACTION** to approve the EDC budget for FY 2022-2023. (Messick)
9. **DISCUSSION and POSSIBLE ACTION** on the pending short-term, sub-lease of the City's B-61 space in Wonderland of the Americas to Spirit Halloween. (David Harris, Lorenzo Nastasi)
10. **DISCUSSION and POSSIBLE ACTION** regarding next steps in the relocation of "City Essential Services" to Space B-61 on the upper level of Wonderland of the Americas in accordance with the EDC loan from Truist Bank. (David Harris)
11. **DISCUSSION and POSSIBLE ACTION** regarding the transfer of the City-owned property at 203 Altgelt to the Economic Development Corporation. (David Harris)
12. Future Agenda Items:
13. Announcements:
14. 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: **June 10, 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



**BALCONES HEIGHTS ECONOMIC DEVELOPMENT CORPORATION, TYPE B
REGULAR MEETING
Minutes
3300 Hillcrest Drive
Balcones Heights, TX 78201**

DATE: May 18, 2022

TIME: 3:45 p.m.

Members Present: Scott Rausch Melissa Aguillon Suzanne de Leon
 Gloria Cantu Madeline Slay
 Miguel Valverde

Members Absent: Stephen Lara

Sign In Sheet: None

3:30 p.m. – EDC/City Council Strategic Planning Workshop

Strategic Planning

- Session Objectives
- Strategic Plan and Planning
- Four Strategic Planning Steps
- Strategic Plan 2022
- What is EDC?
- Vision/Mission Draft
- EDC Strategic Goals Identification
- Next Steps
- July 20th next meeting

Adjournment: Workshop adjourned at 5:35 p.m.

5:30 p.m. - Economic Development Corporation Regular Meeting

CALL TO ORDER AND RECORDING OF QUORUM:

Meeting was called to order at 5:45 p.m. and quorum was present. Those not in attendance were Scott Rausch and Stephen Lara.

PUBLIC COMMENT PERIOD:

None

CORPORATION BUSINESS ITEMS:

1. Review and approval of minutes for the meeting held April 20, 2022.

MOTION: Motion to approve.

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

2. Updates on new/pending leases at Wonderland of the Americas.
(Oscar Montemayor, Leasing Director, WOTA)

Board will convene in Executive Session for this item.

3. Update on internal tenant signage standards at WOTA (Oscar Montemayor, Leasing Director, WOTA)

The board was briefed on sign requirements. Directive was given to bring back more of the signage standards.

4. Updates on terminated leases at Wonderland of the Americas.
(Oscar Montemayor, Leasing Director, WOTA)

- Space A69 - Vacant

5. Update on possible Wonderland of the Americas Food Truck Festival. (Victoria Hernandez, WOTA Marketing Director)

- Hocus Pocus 10-22-22 4pm – 7pm Food Truck Festival

6. Update on initiative to “un-brand” WOTA as a mall. (Lorenzo Nastasi, Victoria Hernandez)

Ideas on how to identify Wonderland of the Americas and avoid the “MALL” identity.

7. Finance Report (Floyd Messick)

EDC Directors were updated on the finances.

8. Update on specific properties in the City. (David Harris, Lorenzo Nastasi)

- Burritozilla – (Old Taco Cabana)
- Laundromat - reopened

EXECUTIVE SESSION: 6:20 p.m.

9. 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: 6:43 p.m.

10. DISCUSSION and POSSIBLE ACTION on items discussed in Executive Session

No Action

11. DISCUSSION and POSSIBLE ACTION on the pending sub-lease of the City's B-61 space in Wonderland of the Americas to Spirit Halloween. (David Harris, Lorenzo Nastasi)

- Lease has been submitted

12. DISCUSSION regarding next steps in the relocation of "City Essential Services" to B-61 in Wonderland of the Americas in accordance with the EDC loan from Truist Bank. (David Harris)

Next steps:

- Timeline projection
- Ideas of cost estimates

13. DISCUSSION and POSSIBLE ACTION regarding the joint City Council and EDC Board Strategic Planning held on Wednesday, May 18, 2022.

No discussion

14. Future Agenda Items:

Discussion and possible action for EDC Budget

15. Announcements:

- EDC Appointments to be made at Council Meeting
- Touring University Health, VA Clinic and UT Health

16. Adjournment: 6:51 p.m.

MOTION: I make a motion we adjourn.

Motion by: Gloria Cantu Seconded: Miguel Valverde 5/0/0 PASSED

Submitted by:

DELIA R. SANCHEZ
City Secretary

Financial Report - May 2022

Account	Description	FY 2020-21 Audited	FY 2021-22 Approved	As of 31-May-22	66.7% of Budget	Notes
Economic Development Corporation						
<u>Fund Balance</u>						
	Beginning Fund Balance		-	-		
	Revenues		5,739,159	313,747		
	Expenses		(5,735,942)	(159,601)		
	Revenue/Expense		3,217	154,146		
	Estimated Ending Fund Balance		3,217	154,146		
<u>Revenues</u>						
31-310-100	TRANSFER IN ECONOMIC INCENTIVE	-	450,000	150,000	33%	\$150K transfer from EI Fund
31-310-200	LOAN PROCEEDS WONDERLAND	-	5,000,000	38,000	1%	Truist paid Wonderland directly
31-320-100	PARTNERSHIP DIVIDENDS	-	289,159	125,747	43%	\$25K + \$100K
	Total Revenue	-	5,739,159	313,747	5%	
<u>Expenses</u>						
31-410-100	LEGAL SERVICES	-	1,000	12,000	1200%	legal services
31-410-200	DEBT SERVICE - INTEREST	-	200,000	98,010	49%	2 of 3 payments for this year
31-410-210	DEBT SERVICE - PRINCIPLE	-	-	48,000		
31-410-400	LEASE	-	1	-	0%	
31-410-410	TRIPLE NET	-	13,941	-	0%	
31-410-420	MOVING	-	45,000	-	0%	
31-410-425	FURNITURE	-	30,000	-	0%	
31-410-430	TECHNOLOGY	-	35,000	-	0%	
31-410-435	PROFESSIONAL SERVICES	-	10,000	1,591	16%	Dr. Lewis/architect
31-410-440	LEASEHOLD IMPROVEMENTS	-	400,000	-	0%	
31-410-445	REAL PROPERTY	-	5,000,000	-	0%	Truist paid Wonderland directly
31-410-450	CONTINGENCY	-	1,000	-	0%	
31-410-500	TRANSFER OUT- ECONOMIC INCENTIVE	-	-	-		repay loan from EI Fund
	Total Expense	-	5,735,942	159,601	3%	

Economic Development Corp Recap	FY 2020-21 Audited	FY 2021-22 Approved	As of 31-May-22	% of Budget
Revenue	-	5,739,159	313,747	5%
Expenses	-	5,735,942	159,601	3%
Revenues/Expenses	-	3,217	154,146	

About the Budget

- The budget is for the fiscal year beginning 1 October 2022 and ending 30 September 2023
- We use the conservative principle with our Revenue & Expense calculations
- We present a balanced budget where revenues equal expenses

Budget Document

- We added a column to the existing Monthly Budget Report titled *2021-22 Estimated*
 - These are the amounts we project for the end of this current fiscal year
- We then added a column titled *2022-23 Budget*
 - This shows the amounts we estimate for the next fiscal year
- We also added a column titled *\$ Change*
 - This shows the difference between the other two columns that were added

Fund Balance

- At the top rows we have our Fund Balance information:
 - We started with nothing – this is a new fund created in FY22
 - We estimate our FY22 ending fund balance will be \$214K – we will have \$214K of excess revenue
 - We need the fund balance to increase as we go forward as we could have some substantial moving expenses in the future as a stipulation of our loan agreement

Revenues

- Total Revenues for FY 2022-23 are estimated to be \$450K
 - There are two revenue sources:
 - Transfer In from Economic Incentive Fund
 - Partnership Dividends
- Once the Fund is fully established, Partnership Dividends should be sufficient to cover all the Fund's expenses – at a minimum, the loan payments of \$400K is needed each year.
- We estimate a conservative increase over that \$400K amount by projecting \$425K. That alone may not be enough to cover all the expenses; so,
- We transfer an additional \$25K in from the Economic Incentive Fund
 - We had planned to transfer in \$450K in FY22, but we will only transfer \$245K.
 - In FY23 we may need assistance to balance the budget, so we bring in \$25K for a total of \$270K borrowed from the EI Fund.

Expenses

- Total Expenses for FY 2022-23 are estimated to be \$450K and include:
 - \$36K for Legal Services
 - \$396K for Loan payments
 - \$15K for Triple Net costs
 - \$1K for Professional Services

City of Balcones Heights

Account	Description	2020-21 Actual	2021-22 Budget	2021-22 Estimated	2022-23 Budget	\$ Change	Notes
ECONOMIC DEVELOPMENT CORPORATION							
<u>Fund Balance</u>							
	Beginning Fund Balance		-	-	213,805		
	Revenues		5,739,159	508,468	450,000		
	Expenses		(5,735,942)	(294,663)	(450,000)		
	Revenue/Expense		3,217	213,805	-		
	Ending Fund Balance		3,217	213,805	213,805		
<u>Revenues</u>							
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)	
<u>Expenses</u>							
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	