

SCHERTZ

ECONOMIC DEVELOPMENT CORPORATION

NOTICE OF MEETING

AGENDA

MAY 25, 2023

The City of Schertz Economic Development Corporation (SEDC) Board of Directors will hold a regular monthly meeting on Thursday, MAY 25, 2023, at 6:00 p.m. at the Hal Baldwin Municipal Complex, Council Chambers Conference Room, Building No. 4, 1400 Schertz Parkway, Schertz, Texas. This is an open meeting, subject to the open meeting laws of the State of Texas.

Call To Order

1. Roll call, recognition of visitors, and review of meeting instructions for effective Board interaction and public participation.

Hearing of Residents

2. *This time is set aside for any person who wishes to address the Board. Presentations should be limited to no more than 3 minutes. The presiding officer will call on those persons who have signed up to speak.*

Minutes

3. Approval of the minutes for the Board of Directors Regular Monthly Meetings held on Thursday, March 16, 2023, and Thursday, April 27, 2023. (T.Miller/S.Wayman)

Presentations

4. Staff briefing on SEDC monthly financial statement for the month of April 2023. (J.Walters/S.Wayman)
5. Staff Presentation on Lookout Rd reconstruction (H. Malish/J.Nowak)
6. Staff to give update on International Council of Shopping Centers (ICSC) Las Vegas Trip. (S. Wayman)
7. Staff Presentation on Business Engagement activities (H. Malish/A. Ritchey)

Discussion Items

8. **Resolution 2023-5** - Discussion and possible action approving an amendment to the economic development performance agreement between the City of Schertz Economic Development Corporation and Nexus Enterprises LLC ; and other matters in connection therewith.

Closed Session

9. Called in accordance with Section 551.087 of the Texas Government Code, Deliberation Regarding Economic Development Negotiations; Closed Meeting. The governmental body is not required to conduct an open meeting (1) to discuss or deliberate 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) the deliberate the offer of a financial or other incentive to a business prospect.
 - Project E-80

- Project E-84
- Project E-86

Reconvene to regular session

10. Take any actions based on discussion held in closed session under Agenda Item No.9.

Requests and Announcements

- Announcements by staff:
 - Lauren Shrum, Parks and Recreation Director, will present July 2023.
- Requests by Board Members to place items on a future SEDC Board Meeting agenda.
 - Update on Schertz 312 Project

Adjournment

CERTIFICATION

I, Tracy Miller, Administrative Assistant, of the City of Schertz Economic Development Corporation, do hereby certify that the above agenda was posted on the official bulletin boards on this the 19th day of May, 2023, at 5:00 p.m., which is a place readily accessible to the public at all times and that said notice was posted in accordance with chapter 551, Texas Government Code.

Tracy Miller
Administrative Assistant

**I certify that the attached notice and agenda of items to be considered by the Schertz Economic Development Corporation Board of Directors was removed from the official bulletin board on _____ day of _____, 2023.
Name/Title: _____**

This facility is accessible in accordance with the Americans with Disabilities Act. Handicapped parking spaces are available. If you require special assistance or have a request for sign interpretative services or other services, please call 210-619-1070.

The Economic Development Corporation Board of Directors reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act.

Closed Sessions Authorized: This agenda has been reviewed and approved by the City’s legal counsel and the presence of any subject in any Closed Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

SEDC MEMORANDUM

SEDC
Board Meeting: 05/25/2023
Department: City Secretary
Subject: Approval of the minutes for the Board of Directors Regular Monthly Meetings held on Thursday, March 16, 2023, and Thursday, April 27, 2023. (T.Miller/S.Wayman)

SUBJECT:

Approval of the minutes for the Board of Directors Regular Monthly Meetings held on Thursday, March 16, 2023, and Thursday, April 27, 2023. (T.Miller/S.Wayman)

Attachments

04-27-2023 Minutes
03-16-2023 Minutes

SCHERTZ

ECONOMIC DEVELOPMENT CORPORATION

MINUTES

Thursday, April 27, 2023

The City of Schertz Economic Development Corporation (SEDC) Board of Directors met for a Regular Monthly Meeting on Thursday, April 27, 2023. at 6:00 p.m. at the Hal Baldwin Municipal Complex, Council Chambers Conference Room, Building No. 4, 1400 Schertz Parkway, Schertz, Texas. This was an open meeting, subject to the open meeting laws of the State of Texas.

Call To Order

1. Roll call, recognition of visitors, and review of meeting instructions for effective Board interaction and public participation.

Board President Macaluso presided over the meeting and called it to order at 6:00 p.m. Mr. Macaluso welcomed everyone in attendance.

Board of Directors Present:

Paul Macaluso, Board President
Jesse Hamilton, Board Vice President
Sammi Morrill, Board Secretary
Bryan Snowden, Board Treasurer
Roy Richard, Board Member

Staff Present:

Holly Malish, Interim EDC Director
Ashley Ritchey, Business Engagement Manager
John Nowak, Engineer
Sheree Courney, Deputy City Secretary

Board of Directors Absent:

Bill Dixon, Board Member
Mark Moody, Board Member

Others Present:

Tim Brown, Mayor Pro-Tem, City Council Liaison
Allison Heyward, Councilmember, City Council Liaison-Alt

Hearing of Residents

2. *This time is set aside for any person who wishes to address the Board. Presentations should be limited to no more than 3 minutes. The presiding officer will call on those persons who have signed up to speak.*

No residents requested to speak.

Minutes

3. Approval of the minutes for the Board of Directors Regular Monthly Meeting held on Thursday, April 27, 2023. (S.Courney)

No action taken.

Presentations

4. Staff briefing on SEDC monthly financial statement for the month of March 2023. (J. Walters/H.Malish)

March sales tax received was \$681,142, a 17.7% increase over the year prior. The 12-month rolling average is 9.9% still trending up. Notable expenditures include incentive payments to Closner Equipment and Ace Mart, and consultant payments to Kimley-Horn and The Retail Coach.

Total Cash & Investments figure at the end of March was \$28.1 million.

5. Presentation on Retail Coach Update (H. Malish/A. Farmer)

Ms. Malish played a recorded presentation from Mr. Farmer that provided an update on the strong interest in Schertz from various retailers, restaurants, and developers interested in bringing business to the city. The last six months have been a struggle with readily available sites. Many that were reached out to want to build around EVO. He also provided information for the upcoming ICSC conference to be held May 21-23, 2023. He recommends Schertz talk to Merritt regarding any scheduled meetings at the event they would like a City representative to attend with them.

6. Presentation on Annual Certifications (H. Malish)

Ms. Malish provided an update on Annual Certifications including rebates paid for the year. 9 out of 11 are in compliance, one was not responsive, and one is requesting an extension.

7. Presentation on SEDC Funding Commitments (H. Malish)

Ms. Malish presented current status of Board approved funding commitments to date.

Discussion Items

8. Discussion on Lookout Rd Reconstruction Project (H. Malish/J. Nowak)

Ms. Malish recognized Mr. John Nowak, City of Schertz Engineer, who provided an update on Lookout Rd. reconstruction project and requested additional funding for sidewalks. Costs associated with adding the sidewalks include adding retaining walls, additional survey and design work, and right of way acquisition. Estimated costs continue to go up. Current estimated cost for adding the additional sidewalks is \$1.5 million. This is in addition to the amount already committed by the Board for the Lookout Road reconstruction project of \$5.25 million. Bringing total estimated costs to \$6.75 million. Board members requested additional information showing the proposed costs.

Board President Macaluso recessed Open Session to Closed Session at 6:41 p.m.

Closed Session

9. Called in accordance with Section 551.087 of the Texas Government Code, Deliberation Regarding Economic Development Negotiations; Closed Meeting. The governmental body is not required to conduct an open meeting (1) to discuss or deliberate 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) the deliberate the offer of a financial or other incentive to a business prospect.

- E-80
- E-81

- E-84
- E-90

Start time: 6:41 p.m.

End time: 7:15 p.m.

Board Present Macaluso reconvened to open session at 7:16 p.m.

Reconvene to regular session

- 10.** Take any actions based on discussion held in closed session under Agenda Item No. 9

No action taken based on discussion in closed session.

Requests and Announcements

- Announcements by staff:
 - Next Board Meeting - May 25, 2023
 - Ms. Malish shared she will be taking a Leave of Absence beginning May 17, 2023.
 - April Birthdays - Sammi Morrill
- Requests by Board Members to place items on a future SEDC Board Meeting agenda.
 - Update from Lauren Shrum, Parks and Recreation Director, on Great Hills Trail.
 - Update on Schertz 312

Adjournment

Board President Macaluso adjourned the meeting at 7:23 p.m.

MINUTES PASSED AND APPROVED THIS ___ DAY _____ 2023.

Paul Macaluso
Board President

Sammi Morrill
Board Secretary

SCHERTZ

ECONOMIC DEVELOPMENT CORPORATION

MINUTES

Thursday, March 16, 2023

The City of Schertz Economic Development Corporation (SEDC) Board of Directors met for a Regular Monthly Meeting on Thursday, March 16, 2023, at 6:00 p.m. at the Hal Baldwin Municipal Complex, Administrative Conference Room, Building No. 2, 1400 Schertz Parkway, Schertz, Texas. This was an open meeting, subject to the open meeting laws of the State of Texas.

Call To Order

1. Roll call, recognition of visitors, and review of meeting instructions for effective Board interaction and public participation.

Board President Macaluso presided over the meeting and called it to order at 6:00 p.m.

Board of Directors Present:

Paul Macaluso, Board President
Jesse Hamilton, Board Vice President
Sammi Morrill, Board Secretary
Bill Dixon, Board Member
Roy Richard, Board Member

Staff Present:

Holly Malish, Interim Director
Brian James, Deputy City Manager
Ashley Ritchey, Business Engagement Manager
Sheree Courney, Deputy City Secretary
James Walters, Finance Director
John Nowak, Engineer

Board of Directors Absent:

Bryan Snowden, Board Treasurer
Mark Moody, Board Member

Others Present:

Tim Brown, Mayor Pro-Tem, City Council Liaison
Allison Heyward, Councilmember, City Council Liaison

2. **Introduction of new EDC Business Engagement Manager, Ashley Ritchey (H.Malish)**

Holly Malish introduced Ashley Ritchey who provided the Board with a synopsis of her work experience.

Hearing of Residents

3. *This time is set aside for any person who wishes to address the Board. Presentations should be limited to no more than 3 minutes. The presiding officer will call on those persons who have signed up to speak.*

No residents were present.

Minutes

4. **Approval of the minutes for the Board of Directors Regular Monthly Meeting held on Thursday, February 23, 2023. (S. Courney / H.Malish)**

Board President Macaluso asked for a motion to approve the Minutes of the Board of Directors Regular Monthly Meeting held on Thursday, February 23, 2023.

Moved by Board Member Roy Richard, seconded Board Vice President Jesse Hamilton

AYE: Board President Paul Macaluso, Board Vice President Jesse Hamilton, Board Secretary Sammi Morrill, Board Member Bill Dixon, Board Member Roy Richard

Presentations

5. **SEDC Resolution No. 2023-4** for the approval of the Independent Auditor's Report for the SEDC Annual Financial Report for the Year Ended September 30, 2022. (Clayton Rogers, Auditor Partner of Pattillo, Brown and Hill, LLP/J. Walters)

Board President Macaluso introduced Mr. Travis Rogers, CPA with Pattillo, Brown and Hill who presented the firm's audit findings to the Board. Mr. Rogers stated the SEDC is in very good financial shape and there are no issues or concerns with internal control compliance. He reported that the SEDC Financial Statements present fairly, and the firm has provided a clean, unmodified opinion, which is the highest level of assurance an auditor can provide.

Board President Macaluso asked for a motion to approve SEDC Resolution No. 2023-4, a Resolution by the City of Schertz Economic Development Corporation ("SEDC") Board of Directors ("The Board") authorizing the approval of the Independent Auditor's Report for the SEDC Annual Financial Report for the year ended September 30, 2022.

Moved by Board Member Bill Dixon, seconded Board Secretary Sammi Morrill

AYE: Board President Paul Macaluso, Board Vice President Jesse Hamilton, Board Secretary Sammi Morrill, Board Member Bill Dixon, Board Member Roy Richard

6. **Staff briefing on SEDC monthly financial statement for the month of February 2023. (J. Walters / H.Malish)**

Board President Macaluso recognized Mr. James Walters who provided the following.

February 2023 sales tax received was 613,518.59, an 11.1% increase over the year prior. The 12-month rolling average continues to trend up at 9.2%. Notable expenditures for the month include software and legal expenses.

Total Cash & Investments figure at the end of February was \$27.7 million.

7. **Presentation on Lookout Rd reconstruction project (H. Malish)**

Ms. Malish recognized Mr. John Nowak, City of Schertz Engineer, who provided the following update on the Lookout Rd. reconstruction project:

- The curbs at the intersection of Lookout Rd and Schertz Parkway have been adjusted to allow easier turning for large trucks.
- Sidewalks have been added to connect existing ones to create walkability.
- The update in scope is still in line with the \$5.25 million budgeted.

Expected to go out for bid this summer with construction to begin in the Fall 2023.

8. Presentation on Impact Dashboard (H. Malish)

Ms. Malish provided an overview of a new software package that is being considered for adoption. The new software will provide a more complete and nuanced understanding of proposed development. It reflects a fundamental shift in how SEDC approaches the incentive process. SEDC could potentially offer higher incentive based on revenue from indirect benefits vs ad valorem taxes alone.

9. Presentation on Annual Certifications (H. Malish)

Ms. Malish provided an update on businesses required to submit an annual certification as part of their incentive agreement.

Board President Macaluso recessed Open Session to Closed Session at 6:41 p.m.

Discussion and Action Items

Closed Session

10. Called in accordance with Section 551.087 of the Texas Government Code, Deliberation Regarding Economic Development Negotiations; Closed Meeting. The governmental body is not required to conduct an open meeting (1) to discuss or deliberate 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.
- **Project E-80**
 - **Project E-81**
 - **Project E-84**

Start time: 6:43 p.m.

End time: 7:20 p.m.

Board President Macaluso reconvened to open session at 7:21 p.m.

Reconvene to regular session

11. Take any actions based on discussion held in closed session under Agenda Item No. 10.

No action was taken based on discussion in closed session.

Requests and Announcements

- **Announcements by staff**
 - Next SEDC Regular Board Meeting, April 27, 2023, Council Chambers Conference Room (H.Malish)
 - Annual Report status update
- **Requests by Board Members to place items on a future SEDC Board Meeting agenda**
 - Sammi Morrill, Board Secretary, requested a Strategic Plan and Priorities Workshop
 - Sammi Morrill, Board Secretary, requested a list of current SEDC commitments and status of projects

Adjournment

Board President Macaluso adjourned the meeting at 7:22 p.m.

MINUTES PASSED AND APPROVED THIS ____ DAY OF _____ 2023.

Paul Macaluso
Board President

Sammi Morrill
Board Secretary

SEDC MEMORANDUM

SEDC
Board Meeting: 05/25/2023
Department: City Secretary
Subject: Staff briefing on SEDC monthly financial statement for the month of April 2023. (J.Walters/S.Wayman)

SUBJECT:
Staff briefing on SEDC monthly financial statement for the month of April 2023. (J.Walters/S.Wayman)

Attachments

April Financials

CITY OF SCHERTZ
 REVENUE AND EXPENSE REPORT (UNAUDITED)
 AS OF: APRIL 30th, 2023

***** 2022 - 2023 *****

620-SED CORPORATION
 FINANCIAL SUMMARY

OVERVIEW

Revenues

Sales Tax	\$	465,332.76	Payment Received in April
		15.8%	Annual Increase
		9.6%	12-Month Rolling Average

Expenses

CITY OF SCHERTZ	\$	271,110.50
Community Impact	\$	950.00

Year-to-Date

Total Revenue	\$	3,776,072.07	
Total Expenses	\$	<u>798,627.71</u>	
Over/Under			<u>\$ 2,977,444.36</u>

Cash & Investments

Cash	\$	290,646.22	
Investments	\$	<u>28,158,382.05</u>	
Total			<u>\$ 28,449,028.27</u>

CITY OF SCHERTZ
REVENUE AND EXPENSE REPORT (UNAUDITED)
AS OF: APRIL 30th, 2023

620-SED CORPORATION	***** 2022-2023 *****						
FINANCIAL SUMMARY	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR Y-T-D ACTUAL	CURRENT Y-T-D ACTUAL	Y-T-D ENCUMBR	BUDGET BALANCE	58.33% OF BUDGET
REVENUE SUMMARY							
Taxes	6,548,000	2,252.89	3,296,106.05	3,144,815.85	-	3,403,184.15	48.03%
Miscellaneous	182,000	107,599.93	35,221.96	631,256.22	-	(449,256.22)	346.84%
TOTAL REVENUES	6,730,000	109,852.82	3,331,328.01	3,776,072.07	-	2,953,927.93	56.11%
EXPENDITURE SUMMARY							
NONDEPARTMENTAL							
City Assistance	3,000,079	-	-	81,944.29	-	2,918,134.71	2.73%
Fund Charges/Transfer	5,750,000	-	-	-	-	5,750,000.00	0.00%
TOTAL NONDEPARTMENTAL	8,750,079	-	-	81,944.29	-	8,668,134.71	0.94%
ECONOMIC DEVELOPMENT							
Supplies	1,000	-	867.21	316.76	-	683.24	31.68%
City Support Services	20,000	950.00	2,186.40	6,420.25	256.27	13,323.48	33.38%
Utility Services	2,975	-	1,856.75	49.00	-	2,926.00	1.65%
Operations Support	437,610	810.81	110,835.18	79,372.65	7,436.46	350,800.89	19.84%
Staff Support	25,775	289.61	7,778.67	8,616.21	136.76	17,022.03	33.96%
City Assistance	205,000	(1,000.00)	-	42,115.94	-	162,884.06	20.54%
Professional Services	61,300	-	14,429.97	37,280.50	-	24,019.50	60.82%
Fund Charges/Transfers	542,221	271,110.50	506,984.00	542,221.00	-	-	100.00%
Operating Equipment	5,000	-	3,920.78	291.11	-	4,708.89	5.82%
TOTAL ECONO DEVELOPMENT	1,300,881	272,160.92	648,858.96	716,683.42	7,829.49	576,368.09	55.69%
TOTAL EXPENDITURES	10,050,960	272,160.92	648,858.96	798,627.71	7,829.49	9,244,502.80	8.02%
** REVENUE OVER(UNDER) EXPEND	(3,320,960)	(162,308.10)	2,682,469	2,977,444	(7,829.49)	(6,290,574.87)	

CITY OF SCHERTZ

REVENUE REPORT (UNAUDITED)

AS OF: APRIL 30th, 2023

***** 2022-2023 *****

620-SED CORPORATION	CURRENT	CURRENT	PRIOR YEAR	CURRENT	Y-T-D	BUDGET	58.33% OF
REVENUES	BUDGET	PERIOD	Y-T-D ACTUAL	Y-T-D ACTUAL	ENCUMBR	BALANCE	BUDGET
<u>Taxes</u>							
000-411500 Sales Tax Revenue (4B)	6,548,000	2,252.89	3,296,106.05	3,144,815.85	-	3,403,184.15	48.03%
TOTAL Taxes	6,548,000	2,252.89	3,296,106.05	3,144,815.85	-	3,403,184.15	48.03%
<u>Miscellaneous</u>							
000-491000 Interest Earned	2,000	1,170.46	234.73	7,684.34	-	(5,684.34)	384.22%
000-491200 Investment Earnings	180,000	106,429.47	34,987.23	623,571.88	-	(443,571.88)	346.43%
TOTAL Miscellaneous	182,000	107,599.93	35,221.96	631,256.22	-	(449,256.22)	346.84%
TOTAL REVENUES	6,730,000	109,852.82	3,331,328.01	3,776,072.07	-	2,953,927.93	56.11%

SED CORPORATION
CASH IN BANK AND INVESTMENTS

AS OF: APRIL 30th, 2023

Cash in Bank

Claim on Operating Cash Pool-Checking	\$ 290,646.22
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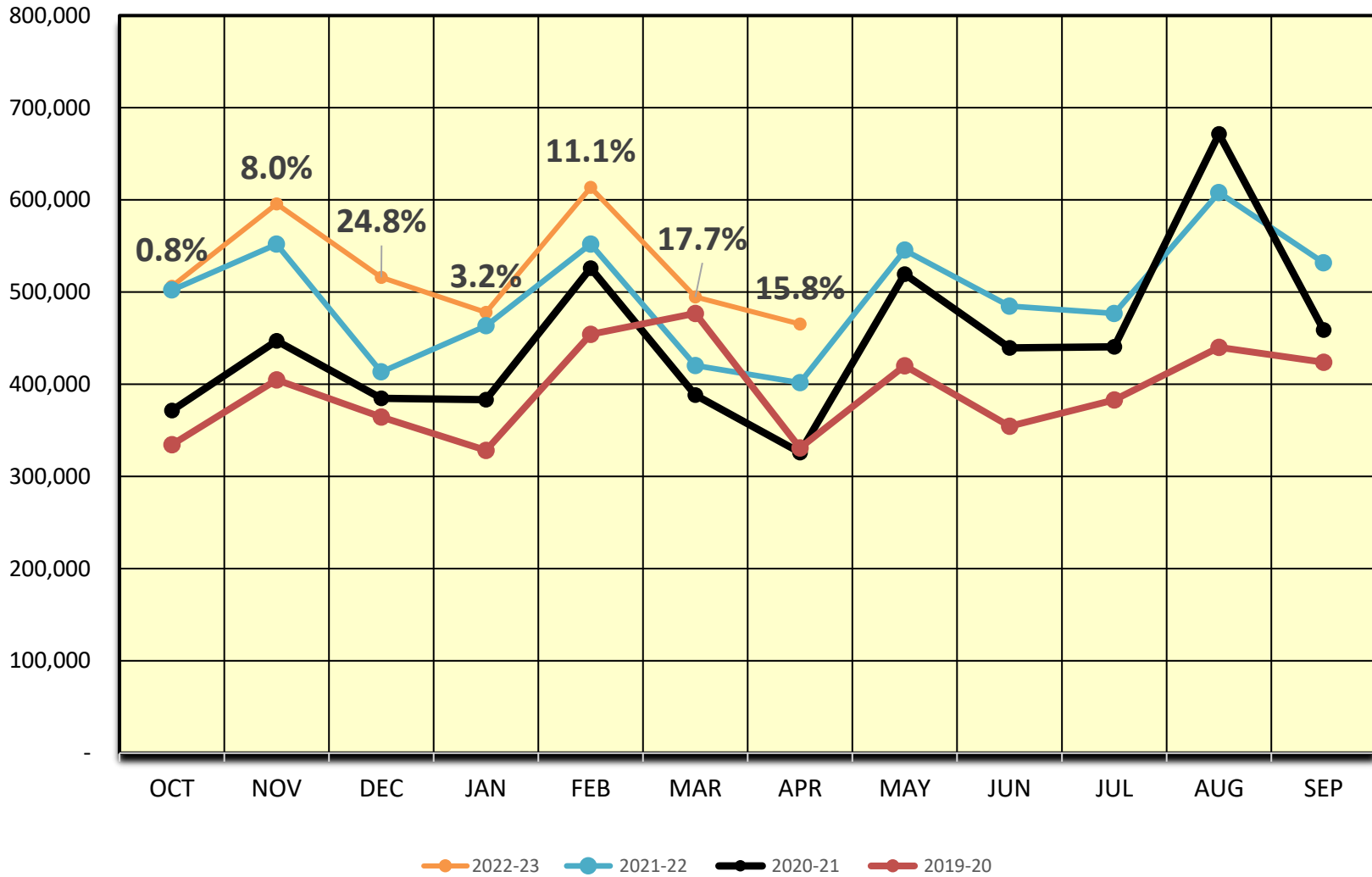
Cash in Investments

Texas Class Investment-Economic Development Corp	25,917,932.60
Schertz Bank & Trust-Certificate of Deposit	1,099,538.79
Schertz Bank & Trust-Certificate of Deposit	<u>1,140,910.66</u>

Total Cash in Bank & Investments	<u>\$ 28,449,028.27</u>
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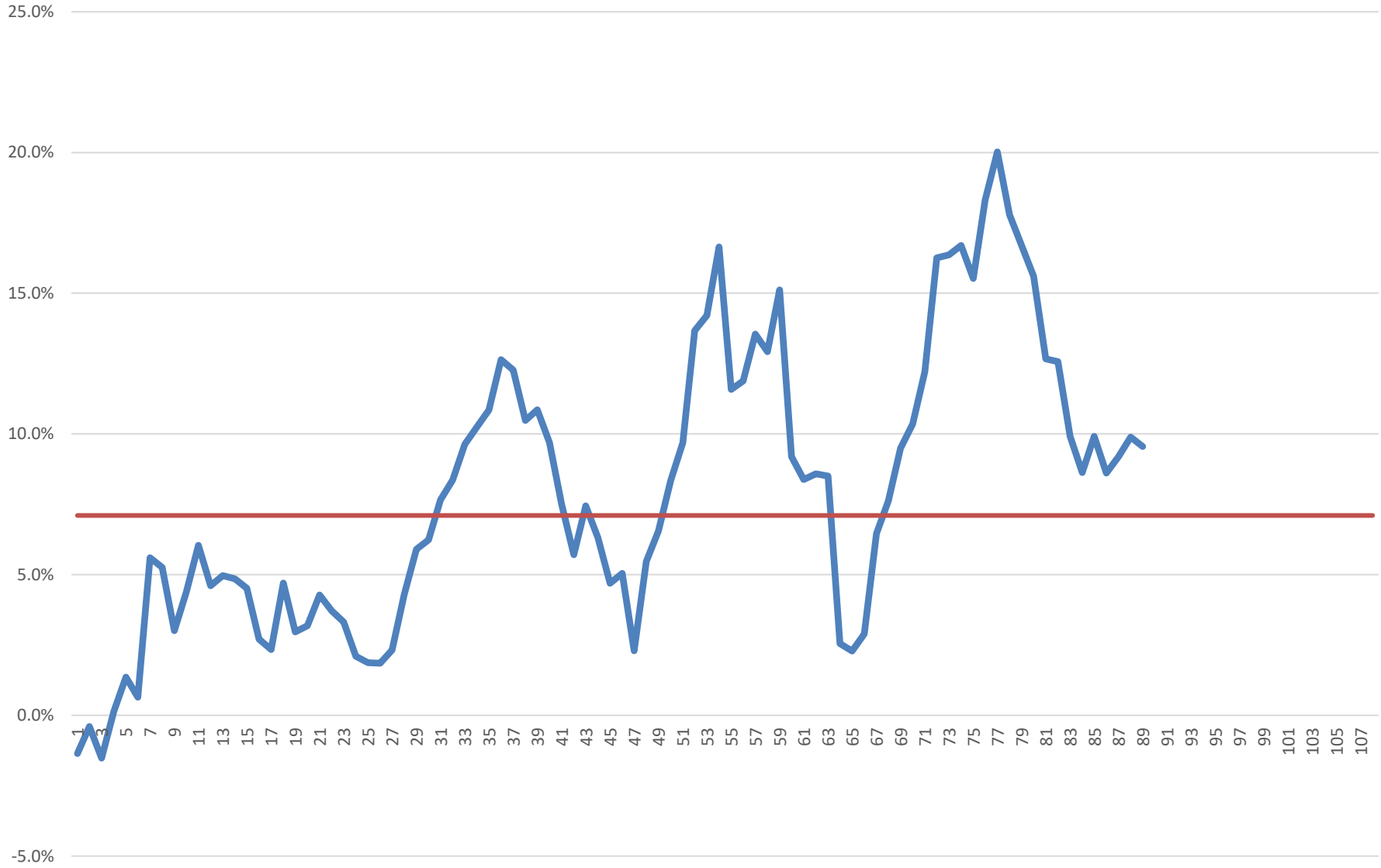
4B SALES TAX

By Collection Month



12 Month Rolling Average Oct 2014 - Present

Rolling 12 Month Average Long Term Average



Sales Tax Industry Breakdown 2022-23

Industry	% of Sales Tax											
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Spt
Unclassified	1%	1%	0%	0%	0%	1%	0%					
Ag, Forestry, Fishing, Hunting	1%	0%	1%	1%	0%	0%	1%					
Mining	0%	0%	0%	0%	0%	0%	0%					
Utilities	3%	8%	2%	2%	5%	2%	2%					
Construction	5%	7%	9%	6%	9%	11%	7%					
Wholesale Trade	24%	24%	22%	23%	18%	22%	23%					
Information	6%	4%	6%	5%	5%	6%	5%					
Finance & Insurance	0%	0%	0%	0%	0%	0%	0%					
Real Estate & Rental & Leasing	3%	2%	3%	3%	2%	3%	3%					
Professional, Scientific, & Technical Services	1%	1%	1%	1%	1%	1%	2%					
Management of Companies & Enterprises	0%	0%	0%	0%	0%	0%	0%					
Administrative & Support & Waste Management & Remediation Services	2%	2%	3%	3%	2%	3%	2%					
Educational Services	0%	0%	0%	0%	0%	0%	0%					
Health Care & Social Assistance	0%	0%	0%	0%	0%	0%	0%					
Arts, Entertainment, & Rec	0%	0%	0%	0%	0%	0%	0%					
Accommodation & Food	8%	8%	9%	9%	9%	8%	9%					
Other Services	2%	2%	2%	2%	2%	2%	2%					
Public Admin	0%	1%	0%	0%	0%	0%	0%					
Manufacturing	8%	7%	7%	7%	9%	8%	8%					
Retail Trade	35%	32%	34%	37%	36%	33%	33%					
Transportation & Warehousing	0%	0%	0%	0%	0%	0%	0%					

Sales Tax Industry Breakdown 2021-22

Industry	% of Sales Tax											
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Spt
Unclassified	1%	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%	1%
Ag, Forestry, Fishing, Hunting	0%	1%	1%	1%	0%	0%	0%	1%	1%	0%	1%	0%
Mining	0%	0%	0%	0%	0%	0%	-2%	0%	0%	0%	0%	0%
Utilities	2%	7%	3%	2%	5%	2%	3%	6%	2%	2%	6%	2%
Construction	8%	9%	6%	5%	6%	8%	9%	5%	8%	6%	6%	7%
Wholesale Trade	14%	16%	19%	17%	16%	17%	22%	21%	23%	22%	24%	25%
Information	7%	4%	7%	6%	5%	7%	5%	6%	4%	6%	5%	5%
Finance & Insurance	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%
Real Estate & Rental & Leasing	4%	3%	3%	7%	3%	3%	3%	3%	3%	3%	2%	3%
Professional, Scientific, & Technical Services	11%	1%	1%	2%	2%	1%	1%	1%	1%	1%	2%	2%
Management of Companies & Enterprises	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Administrative & Support & Waste Management & Remediation Services	2%	2%	0%	2%	3%	2%	2%	2%	2%	2%	2%	2%
Educational Services	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Health Care & Social Assistance	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Arts, Entertainment, & Rec	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Accommodation & Food	8%	9%	10%	8%	9%	9%	9%	9%	8%	8%	7%	7%
Other Services	2%	2%	2%	3%	3%	2%	2%	2%	2%	2%	2%	2%
Public Admin	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
Manufacturing	12%	12%	15%	12%	10%	11%	8%	8%	8%	8%	6%	7%
Retail Trade	29%	34%	32%	36%	38%	35%	36%	34%	36%	38%	34%	35%
Transportation & Warehousing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

APRIL 2023 PAYABLES REPORT

FUND	VENDOR NAME	DESCRIPTION	AMOUNT
Economic Development	SED CORPORATION	THE WATERMARK GROUP	Business Cards - Ritchey
		CITIBANK	Chili's
			Parking - St. Mary's
			Parking - Hyatt
			Northeast Partnership
			Abel's Diner
			Adobe Stock - Apr
			River Whey Creamery
			Community Impact
			FormAssembly - Apr
			MailChimp - March
	DAVIS SUCCESS SOLUTIONS		DISC Profile
	COMAL COUNTY CLERK		Refund
	CITY OF SCHERTZ		Service Contract
			<u>271,110.50</u>
		SUBTOTAL:	272,160.92
		TOTAL:	\$272,160.92

SEDC MEMORANDUM

SEDC Board Meeting: 05/25/2023

Department: Economic Development Corporation

Subject: Staff Presentation on Lookout Rd reconstruction (H. Malish/J.Nowak)

BACKGROUND

Lookout Road is the next reconstruction and reinvestment project in the Schertz industrial park.

COMMUNITY BENEFIT

FISCAL IMPACT

The upcharge in construction costs can be associated with the redesign of the intersections to accommodate 18-wheeler traffic and provide sidewalks. John Nowak will provide the updated breakdown of costs including requested costs of sidewalks.

SUMMARY OF RECOMMENDED ACTION

Staff recommends approval of the additional charges for Lookout Rd. reconstruction to better accommodate traffic and walkability.

SEDC MEMORANDUM

SEDC
Board Meeting: 05/25/2023
Department: Economic Development Corporation
Subject: Staff to give update on International Council of Shopping Centers (ICSC)
Las Vegas Trip. (S. Wayman)

BACKGROUND

Retail is a much-desired industry and a primary objective of City Council to deliver to Schertz residents.

COMMUNITY BENEFIT

Retail will make Schertz a desirable place to live, work and play and has the potential to draw a regional crowd.

FISCAL IMPACT

SUMMARY OF RECOMMENDED ACTION

Staff will present on ICSC trip as part of a multi-year plan to help recruit retail.

SEDC MEMORANDUM

SEDC
Board Meeting: 05/25/2023
Department: Economic Development Corporation
Subject: Staff Presentation on Business Engagement activities (H. Malish/A. Ritchey)

BACKGROUND

New Business Engagement Manager established a goal to increase engagement among businesses in the industrial parks.

COMMUNITY BENEFIT

Increased engagement and connectivity amongst employers, employees and the SEDC

FISCAL IMPACT

The regional job fair and snow cone celebration were in line with the marketing budget.

SUMMARY OF RECOMMENDED ACTION

Staff recommends further similiar activity between SEDC and local employers.

SEDC MEMORANDUM

SEDC Board Meeting: 05/25/2023
Department: Economic Development Corporation
Subject: Resolution 2023-5 - Discussion and possible action approving an amendment to the economic development performance agreement between the City of Schertz Economic Development Corporation and Nexus Enterprises LLC ; and other matters in connection therewith.

BACKGROUND

In June 2019, Nexus Enterprises LLC entered into an agreement to fulfill and maintain minimum performance criteria. Throughout the term of the agreement, the Company must create and maintain the following minimum:

- 87 Full Time Employees
- \$4,616,770 Annual Payroll

In 2022, Nexus Enterprises LLC failed to meet the minimum performance criteria falling below the full time employee count and annual payroll

COMMUNITY BENEFIT

The Nexus 2022 narrative attached to the certification indicating jobs and payroll stated that in the beginning of 2023, the minimum performance criteria was already exceeded and didn't expect to fall below for the remainder of the agreement.

FISCAL IMPACT

SUMMARY OF RECOMMENDED ACTION

SEDC staff recommend extending the length of the agreement for 1 more year.

Attachments

Nexus First Amendment to Agreement
Res 2023-5 NEXUS

FIRST AMENDMENT TO ECONOMIC DEVELOPMENT
PERFORMANCE AGREEMENT
(Nexus Enterprises LLC)

This FIRST AMENDMENT TO the NEXUS ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT (this "Amendment"), dated to be effective as of the date that the Amendment is signed by the last party to the Amendment (the "Effective Date"), is among the City of Schertz, Texas, a Texas home-rule municipality (the "City"), the City of Schertz Economic Development Corporation, a Texas non. profit industrial development corporation (the "SEDC"), and Nexus Enterprises LLC ("Nexus"), and collectively with the City and the SEDC, the "Parties").

WHEREAS, the Parties entered into An Economic Development Agreement, dated effective June 20, 2019 (the "Agreement") establishing a tax incentive agreement between the Parties to lease a facility, create jobs and increase business personal property by Nexus (the "Nexus Enterprises LLC"); and

WHEREAS, the Parties subsequently were approved by SEDC resolution SEDC 2019-13 on June 20, 2019 and City of Schertz City Council resolution 19-R-80 on June 25, 2019.

WHEREAS, the Agreement provides that Nexus will receive TWO HUNDRED THOUSAND DOLLARS (\$200,000) for operations of facility and the Incentive shall be reduced according to the schedule in Section 8(3b) of the Agreement; and

WHEREAS, in year two (2022), Nexus reported 82 jobs with a payroll of \$4,141,305, resulting in a deficit of 5 jobs and payroll shortage of \$475,465.00 per the Agreement; and

WHEREAS, the Parties desire to amend the Agreement as set forth below.

1. Minimum Performance Criteria. Notwithstanding any provision in the Agreement to the contrary. Adherence to the Minimum Performance Criteria will be extended an additional year into Year 4 (2024) and therein must maintain 87 jobs with \$4,616,770 in annual payroll and minimum personal property. The schedule in Section 5.4 of the Agreement shall be amended per the table below.

Time Period	Minimum Performance Criteria		
	Full Time Employees	Annual Payroll	Personal Property
Year 0 – 2020	68	Not required	Not required
Year 1 - 2021	87	\$4,616,770	\$475,000
Year 2 - 2022	82	\$4,141,305	\$381,250
Year 3 – 2023	87	\$4,616,770	\$310,250
Year 4 – 2024	87	\$4,616,770	\$304,000

2. Authority to Sign. The individual signing below for Nexus hereby certifies that he/she is authorized to sign this Amendment on behalf of Nexus and that no authorizations or approvals are required that have not already been obtained.
3. Notices. The following contact information for notices and requests for information or action under this Amendment and the Agreement (originally set forth in Section 7 of the Agreement) are hereby amended:

If to the SEDC: Schertz Economic Development Corporation
1400 Schertz Parkway
Schertz, Texas 78154
Attention: Director of Economic Development
Phone: (210) 619-1072
E-Mail: hmalish@schertz.com

With a copy to:
Denton, Navarro, Rocha, & Bernal, PC
Attention: T. Daniel Santee
2517 North Main Avenue
San Antonio, TX 78212

If to the City: City of Schertz, Texas 1400
Schertz Parkway
Schertz, Texas 78154
Attention: Deputy City Manager
Facsimile: (210) 619-1023
E-Mail: bjames@schertz.com

7. No Other Amendments' Conflict. Except as expressly set forth herein, all other terms and provisions of the Agreement shall remain in full force and effect. In the event there is a conflict between the terms and provisions of this Amendment and the Agreement as originally executed, the terms and provisions of this Amendment shall control.
8. Counterparts. This Amendment may be executed in multiple counterparts, all of which together shall constitute one instrument.

[remainder of page intentionally left blank]

SIGNATURE PAGE TO
FIRST AMENDMENT TO DEVELOPMENT AGREEMENT
(Nexus Inc.)

IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the Effective Date.

COMPANY:

Nexus Enterprises, LLC.
a Texas limited liability company

By: _____
Larry Edward Bolton
President and Chief Executive Officer

Executed on this ____ day of _____, 2023.

**City of Schertz Economic
Development Corporation**

By: _____
Name: Paul Macaluso

Title: President

SEDC RESOLUTION NO. 2023-5

A RESOLUTION BY THE CITY OF SCHERTZ ECONOMIC DEVELOPMENT CORPORATION, AUTHORIZING AN AMENDMENT TO THE ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT BETWEEN THE CITY OF SCHERTZ ECONOMIC DEVELOPMENT CORPORATION AND NEXUS ENTERPRISES, LLC.; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City of Schertz Economic Development Corporation (“SEDC”) is a non-profit industrial development corporation duly established under the Development Corporation Act of 1979, as amended (Section 501.001 et seq. Texas Local Government Code, formerly the Development Corporation Act of 1979) (the “Act”);

WHEREAS, all powers of the corporation are vested in the SEDC Board of Directors (the “Board”) appointed by the governing body of the corporation’s authorizing unity; and

WHEREAS, the Act authorizes a development corporation to fund certain projects as defined by the Act and request development corporations to enter into performance agreements to establish and provide for the direct incentive or make an expenditure on behalf of a business enterprise under a project; and

WHEREAS, the Parties entered into An Economic Development Agreement, dated effective June 20, 2019 (the "Agreement") establishing a grant agreement between the Parties to lease a facility, create jobs and increase business personal property by Nexus (the "Nexus Enterprises LLC"); and

WHEREAS, the Parties subsequently were approved by SEDC Resolution 2019-13 on June 20, 2019, and City of Schertz City Council Resolution 19-R-80 on June 25, 2019; and

WHEREAS, the Agreement provides that Nexus received TWO HUNDRED THOUSAND DOLLARS (\$200,000) for operations of facility; and

WHEREAS, in year two (2022), Nexus reported 82 jobs with a payroll of \$4,141,305, resulting in a deficit of 5 jobs and payroll shortage of \$475,465.00 per the Agreement; and

WHEREAS, the Parties desire to amend the Agreement to extend the agreement another year due to failure to meet the minimum performance agreement criteria in 2022; and

WHEREAS, Section 501.073 of the Act requires the SEDC’s authorizing unit to approve all programs and expenditures, City Council had previously authorized this expenditure.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF SCHERTZ ECONOMIC DEVELOPMENT CORPORATION THAT:

Section 1. The Schertz Economic Development Board hereby approve the Economic Development Performance Agreement amendment attached hereto as Exhibit A and authorizes the President to execute and deliver in the substantial form as attached.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 3. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND ADOPTED, this ____ day of _____, 2023.

CITY OF SCHERTZ ECONOMIC
DEVELOPMENT CORPORATION

Paul Macaluso, SEDC Board President

ATTEST:

Sammi Morrill, SEDC Board Secretary

Exhibit A

**ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT
NEXUS ENTERPRISES, LLC.**

[SEE ATTACHED]