Informational Only

CITY COUNCIL MEMORANDUM

City Council Meeting: **November 17, 2026**

Department: **Economic Development**

Subject: **SEDC Cash Flow Projection Report**

Background

The Cash Flow Projection Report estimates annual fund balances for each fiscal year in which the SEDC has obligations under performance agreements or City funding agreements. Using baseline revenue and expense assumptions, the report projects current and future fund balances. These projections enable the Board to evaluate the SEDC's capacity to authorize new projects while maintaining the required minimum reserve fund balance of $12 million. The report is updated each fiscal year following receipt of the September financials. *The projections include only formally signed and executed performance agreements and City projects.*

Eight-Year Forecast Assumptions

1) Beginning Reserve Fund balance as of September 2026 (unaudited)
2) FY27 budgeted expenses and revenues
3) 1% annual increase in expenses
4) 3% annual increase in revenues
5) Estimated total costs for incentive projects
6) Estimated total costs for city projects

Projects Amended or Approved June – September 2026

Boomerang-Lovett Sewer Oversize: Under the second amendment approved by the SEDC Board on June 26, the SEDC transferred $1,900,000 to Fidelity Bank to fund the City's oversized portion—the 24-inch component—of the 32-inch sewer line. Each monthly draw requires approval from the Senior City Engineer and the SEDC Interim Executive Director. Draws approved in August and September totaled $605,292, leaving a total grant balance of $1,294,708.

Hollingsworth Logistics, LLC: The performance agreement, approved by the SEDC Board on August 27 and by the City Council on September 15, provides a maximum grant of $1,500,000 in six installments. The first installment—a $500,000 relocation grant—is anticipated in the FY27 budget. The remaining five installments will be annual tax reimbursement grants, payable after the company meets all applicable requirements.

Las P Schertz, LLC: The second amendment, approved by the SEDC Board on August 27 and by the City Council on September 15, increased the SEDC's maximum obligation from $154,100 to $284,050. After an initial payment of $77,050 in FY25, the maximum remaining grant obligation is $207,000, anticipated in FY27.

Lookout Road Engineering/Design: In September, the SEDC authorized funding an additional $101,806 for Lookout Road engineering and design. The City funding agreement was previously approved by the SEDC Board on September 29, 2022, and the City Council on October 25, 2022. Since then, $436,238 has been paid in prior year allocations for engineering/design. The project's remaining available balance is $231,956.

SEDC Cash Flow Projection Report

	2025-26 UNAUDITED	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	
Reserve Fund Beginning Balance	**$ 40,522,628**	**$ 61,174,874**	**$ 44,652,119**	**$ 37,204,774**	**$ 41,258,688**	**$ 46,126,134**	**$ 51,294,794**	**$ 59,377,220**	**$ 67,984,355**	
Estimated Revenue 3%	**$ 7,668,608**	**$ 8,207,050**	**$ 8,453,262**	**$ 8,706,859**	**$ 8,968,065**	**$ 9,237,107**	**$ 9,514,220**	**$ 9,799,647**	**$ 10,093,636**	
Revenue (Actual)	**$ 22,555,117**									
Boomerang Lovette		$ 2,500,000	$ 2,200,000							**$ 4,700,000**
Caterpillar Expansion - Hydra	$ 100,730	$ 74,683	$ 63,360	$ 19,172						**$ 257,945**
Core 5		$ 350,000								**$ 350,000**
EastGroup 8		$ 3,896,250	$ 3,208,750	$ 115,000	$ 92,000	$ 69,000				**$ 7,381,000**
Freckles Schertz	$ 50,000									**$ 50,000**
Las P Schertz		$ 207,000								**$ 207,000**
Project Catepillar - Aquos		$ 346,500	$ 302,940	$ 277,695	$ 254,430	$ 231,103	$ 149,118	$ 72,084		**$ 1,633,870**
PV Schertz		$ 1,380,000	$ 460,000	$ 460,000						**$ 2,300,000**
Schertz Station		$ 2,000,000	$ 2,000,000							**$ 4,000,000**
Hollingsworth		$ 500,000	$ 202,908	$ 204,369	$ 166,713	$ 169,994	$ 173,342			**$ 1,417,326**
Total Estimated Incentive Projects	**$ 150,730**	**$ 11,254,433**	**$ 8,437,958**	**$ 1,076,236**	**$ 513,143**	**$ 470,097**	**$ 322,460**	**$ 72,084**	**$ -**	**$ 22,297,141**
Boom Connect Upsize ($1.9mil capped)	$ 605,292	$ 1,294,708								**$ 1,900,000**
EastGroup Lift Station Offline			$ 750,000							**$ 750,000**
Lookout Road - Signal - E04 -$90,000 cap		$ 37,715								**$ 37,715**
Lookout Road - Design - E05 $770,000 cap	$ 101,806	$ 231,956								**$ 333,762**
Lookout Road - **Estimated** Construction		$ 6,150,000								**$ 6,150,000**
Main Street				$ 2,500,000	$ 2,500,000	$ 2,500,000				**$ 7,500,000**
Parks CIP		$ 4,705,500	$ 5,646,600							**$ 10,352,100**
Total Estimated City Projects	**$ 707,098**	**$ 12,419,879**	**$ 6,396,600**	**$ 2,500,000**	**$ 2,500,000**	**$ 2,500,000**	**$ -**	**$ -**	**$ -**	**$ 27,023,577**
Total Expenditures	**$ 857,828**	**$ 23,674,312**	**$ 14,834,558**	**$ 3,576,236**	**$ 3,013,143**	**$ 2,970,097**	**$ 322,460**	**$ 72,084**	**$ -**	**$ 49,320,718**
Beginning Balance+Revenue-Expense	**$ 62,219,917**	**$ 45,707,612**	**$ 38,270,823**	**$ 42,335,397**	**$ 47,213,610**	**$ 52,393,144**	**$ 60,486,554**	**$ 69,104,783**	**$ 78,077,991**	
Operations	**$ 1,045,043**	**$ 1,055,493**	**$ 1,066,048**	**$ 1,076,709**	**$ 1,087,476**	**$ 1,098,351**	**$ 1,109,334**	**$ 1,120,428**	**$ 1,131,632**	
Reserve Fund Ending Balance	**$ 61,174,874**	**$ 44,652,119**	**$ 37,204,774**	**$ 41,258,688**	**$ 46,126,134**	**$ 51,294,794**	**$ 59,377,220**	**$ 67,984,355**	**$ 76,946,359**	