Agenda – EDC Regular Meeting

Elgin TEXAS
perfectly situated...
Elgin Economic Development Corporation

Tuesday, November 21, 2017 at 6:30 p.m.

City Hall Annex, 310 North Main Street,
Elgin, Texas 78621

Board Members:
Jeff Carter - President, Bryan Bracewell – Vice President, S.H. McShan - Secretary,
Molly Alexander, Jessica Bega, Sue Brashar & Cody Mauck

I. Call to Order

II. Approval of Minutes from the October 17, 2017 EDC Regularl Meeting

III. Public Comments - No discussion or action will occur beyond what is allowed by Texas Open Meetings Act

IV. Financial Report

   1. Monthly Summary

V. Director's Report

VI. Discussion and Possible Action on changes to the EDC Mega Grant Program

VII. Discussion and Possible Action on changes to the EDC Small Business Loan Assistance Program

VIII. Discussion and Possible Action on pledging a Certificate of Deposit for Tammy Selvera owner of Quiche and Crumb in the amount of $25,000

IX. Executive Session - The Elgin Economic Development Corporation Board of Directors will meet in a closed/executive session pursuant to the Texas Government Code, Chapter 551, to discuss the following: Section 551.072 - Deliberation about real property and/or potential sales, acquisitions, exchanges, leases, dispositions, incentives or values of real property. Section 551.074 Personnel Matters.

X. Reconvene - The Elgin Economic Development Corporation Board of Directors will reconvene into Open Session to discuss, consider and/or take any action necessary related to the executive session noted herein, or regular agenda items, noted above, and/or related items.

XI. Announcements.

XII. Adjournment

CERTIFICATION

I certify that the above notice for an Elgin EDC meeting was posted on the bulletin board at the City Hall of Elgin, Texas on or before, 5pm, Friday, November 17th, 2017

Renee L. Anderson

Renee Anderson, Executive Assistant

NOTICE OF ASSISTANCE AT A PUBLIC MEETING
The City of Elgin is committed to compliance with the Americans with Disability Act. The Council Chambers are wheelchair accessible and special marked parking is available in front of the building. Persons with disabilities who plan to attend this meeting and who may need assistance are requested to contact the City Secretary's Office at (512) 281-5724. Please provide forty-eight (48) hours notice when feasible.

EDC Regular Meeting Minutes

Tuesday, October 17, 2017 at 6:30 p.m.

City Hall Annex, 310 North Main Street,
Elgin, Texas 78621

Board Members:

Jeff Carter - President, Bryan Bracewell - Vice President, S.H. McShan - Secretary,
Molly Alexander, Jessica Bega, Sue Brashar & Cody Mauck

Attending: Jeff Carter, S.H. McShan, Jessica Bega, Bryan Bracewell, Cody Mauck

Absent: Sue Brashar, Molly Alexander

Staff: Owen Rock, Renee Anderson, Buck LaQuey, Sue Beckwith

I. **Call to Order** The meeting was called to order at 6:30pm by Jeff Carter.

II. **Approval of Minutes from the August 29, 2017 EDC Board Meeting** – S.H. McShan moved to approve the minutes, seconded by Jessica Bega, passed unanimously.

III. **Public Comments** - No discussion or action will occur beyond what is allowed by Texas Open Meetings Act.

IV. **Presentation by Sue Beckwith on the ELF Project** – Sue Beckwith gave a presentation on the ELF Project.

V. **Discussion and Possible Action to consider approving payment of a Mega Grant for Allan Tolbert, for improvements performed at 30 N. Main Street, in the amount of $25,000.** – Jessica Bega motioned to approve the payment of a Mega Grant to Allan Tolbert for improvements performed at 30 N. Main Street in the amount of $25,000, seconded by Bryan Bracewell, passed unanimously.

VI. **Discussion and possible action to consider funding and identify property for the Elgin Local Foods project** - The Board discussed possible action to consider funding and identify property for the Elgin Local Foods Project, no action was taken.

The Board moved into Executive Session at 7:26pm.

VII. **Executive Session - The Elgin Economic Development Corporation Board of Directors will meet in a closed/executive session pursuant to the Texas Government Code, Chapter 551, to discuss the following: Section 551.072 - Deliberation about real property and/or potential sales, acquisitions, exchanges, leases, dispositions, incentives or values of real property. Section 551.074 Personnel Matters.**

VIII. **Reconvene - The Elgin Economic Development Corporation Board of Directors will reconvene into Open Session to discuss, consider and/or take any action necessary related to the executive session noted herein, or regular agenda items, noted above, and/or related items.**

The Board reconvened into regular session at 7:34 pm.

The Board voted to approve of a bonus in the amount of $5,000 to Director Owen Rock to be paid on December 1st, 2017, motioned by Cody Mauck, seconded by Jessica Bega, passed unanimously.

IX. **Announcements.**

Owen Rock stated that he had updated the financials and had made a new, easier to read format to present the budget to the Board. Jeff Carter reminded everyone that the Hogeye Festival was coming up.

X. **Adjournment**

The meeting was adjourned at 7:35pm.

ATTEST: APPROVED:

____________________ ____________________

S.H. McShan, Secretary Jeff Carter, President

ELGIN ECONOMIC DEVELOPMENT BUDGET

Updated 11/17/2017

	Description		Current Year Budget		Year to Date Actual		Budget Balance Remaining
1	SALES TAX	$	647,000.00	$	119,705.53		$527,294.47
2	LEASE REVENUE	$	100.00	$	-		$100.00
	TOTAL	$	647,100.00	$	119,705.53		$527,394.47
3	SALARY	$	138,413.45	$	13,890.87		$124,522.58
4	PERFORMANCE BONUS	$	5,000.00	$	-		$5,000.00
5	LONGEVITY	$	250.00	$	92.53		$157.47
6	SOCIAL SECURITY	$	11,195.27	$	1,058.85		$10,136.42
7	RETIREMENT	$	20,517.35	$	2,146.85		$18,370.50
8	GROUP INSURANCE	$	12,587.28	$	840.51		$11,746.77
9	WORKERS COMP	$	622.86	$	1,177.79		-$554.93
10	UNEMPLOYMENT	$	342.00	$	-		$342.00
11	CAR ALLOWANCE	$	7,200.00	$	828.99		$6,371.01
	TOTAL	$	196,128.21	$	20,036.39		$176,091.82
12	POSTAGE	$	400.00	$	-		$400.00
13	TELEPHONE	$	7,800.00	$	1,087.84		$6,712.16
14	ELECTRIC	$	2,700.00	$	-		$2,700.00
15	IT/SOFTWARE	$	7,800.00	$	501.40		$7,298.60
16	ENGINEERING/CONSULTING	$	10,000.00	$	1,839.48		$8,160.52
17	SUPPLIES	$	1,000.00	$	27.50		$972.50
18	PRINTING/PUBLISHING	$	2,000.00	$	525.81		$1,474.19
19	EMPLOYEE BOND	$	250.00	$	-		$250.00
20	TRAVEL AND TRAINING	$	8,000.00	$	-		$8,000.00
21	MARKETING/ADVERTISING	$	40,000.00	$	4,836.00		$35,164.00
22	CONSULTING SERVICES	$	65,000.00	$	135.60		$64,864.40
23	MEMBERSHIPS	$	5,000.00	$	3,720.00		$1,280.00
24	BUSINESS PARK MAINTENANCE	$	1,500.00	$	-		$1,500.00
25	BUSINESS ASSISTANCE	$	230,345.00	$	25,000.00		$205,345.00
26	ELGIN LOCAL FOODS PROJECT	$	1.00	$	-		$1.00
27	2007 RFDG BOND - PRINCIPAL	$	50,000.00	$	-		$50,000.00
28	2007 RFDG BOND - INTEREST	$	16,926.00	$	-		$16,926.00
29	2007 RFDG BOND - PAY AGENT	$	250.00	$	-		$250.00
30	LEGAL SERVICES	$	2,000.00	$	-		$2,000.00
	TOTAL	$	450,972.00	$	37,673.63		$413,298.37
32		$	196,128.21	$	-	$	196,128.21
33		$	450,972.00	$	-	$	450,972.00
	GRAND TOTALS	$	647,100.21	$	57,710.02	$	589,390.19

City of Elgin
Balance Sheet
Period Ending: 11/2017

Fund: 18 ECONOMIC DEVELOPMENT CORP

Account Number	Description	Debit	Credit
018-01010-000-000	PROSPERITY-CHECKING	10,045.91	
018-01020-000-000	PROSPERITY SCHLOTZ PLEGE GUAR	62,135.08	
018-01080-000-000	18'S SHARE FNB CONS CASH	185,264.10	
018-01081-000-000	EDC CHECKING FNB	10,896.34	
018-01082-000-000	EDC SALES TAX RESERVE FNB	34,724.21	
018-01083-000-000	BRIQUE CD FNB	41,378.33	
018-01395-000-000	A/R DEPOSIT ESCROW	500.00	
018-01430-000-000	A/R SALES TAX	94,793.22	
018-01480-000-000	LAND / IMPROVEMENTS	3,957,397.27	
018-01692-000-000	ACC DEPRECIATION INSTRASTRUC	261,503.00	
018-01999-000-000	DEFFRED AMT RFNDG 2007 EDC	16,466.24	
018-02220-000-000	ACCRUED INTEREST PAYABLE		-6,554.59
018-02725-000-000	EDC SALES TAX SERIES 2007		-95,206.25
018-02735-000-000	EDC REFUNDING SERIES 2007		-440,000.00
018-02746-000-000	NOTE PAYABLE CITY OF ELGIN		-2,997,232.57
018-02900-000-000	FUND BALANCE/RETAINED EARN		-253,606.35
018-02901-000-000	RESERVED FOR GUARANTEE PROSPER		-29,874.65
018-02902-000-000	RESERVED PLEDGE GUARANTEE FNB		-33,942.25
018-75000-000-000	CONTRIB CAPITAL - ASSET TRANSF		-483,604.74
018-75100-000-000	CONTRIB CAPITAL-380 AGREEMENT		-272,999.00
Current Year Revenue/Expense			-62,083.30
	Fund totals:	4,675,103.70	-4,675,103.70

******* End of Report *********

Elgin Economic Development Corporation

FY 2017-2018 Goals

Mission: : To improve the economy of Elgin by attracting new businesses, expanding existing businesses, and helping entrepreneurs grow
Vision: Elgin is Perfectly Situated for Creative Opportunity

Goal	One-Year Milestone	Progress	Budget	Lead	Status
Establish & Implement a Robust Business Retention & Expansion Program	Organize the BRE program and choose marketing methods	✓		OR	Plan and marketing identified
	Identify partners & programs.		Staff Time	OR	Identified Chamber & Comm Dev as potential partners.
	Identify & prioritize business visits		Staff Time	OR	Developed list of business but have not prioritized
	Develop survey and database to be utilized			OR	Survey has been developed but no database as yet
	Create method by which to measure results			OR	Semi annual and annual report
Make a Decision on the Future of our 80-acre Industrial Site	Decision made to keep and develop the 80 acres			OR	Complete
	Purchase 60 acres from Rivers		$ 900,000	OR	From EDC Funds. Purchase completed
	Develop project with Seton for new medical facility			OR	Hope to have agreement in early December. ROW has been identified and plat is going to P&Z end of November
	Sell land to Assisted Living Facility			OR	Have identified the site and currently working on timeline
	Develop a partnership with AQUA in order to allow development in the 140 acres			OR	Have come to an agreement with Aqua and hope to have contract in Dec
	Attract new retail and business to the 140 acres			OR	Ongoing
Establish a Food Niche Branding Campaign	Create a Food Niche Roundtable - determine stakeholders, develop partnerships (ACC, Sue Beckwith, farmers,etc),	✓		OR/SB	Completed
	Generate ideas for USDA Culinary Incubator/Cold Packaging facility. Research existing models, visit facilities to identify what we need, investigate possible local space.	✓		OR/SB	Completed
	Build a Branding Strategy - Elgin Inside, Agrarian Community & Culture, Do-It-Yourself/Maker elements			OR/SB	Made in Elgin completed also ongoing marketing and branding
	Create a hit-list of Target Businesses	✓		OR/SB	Completed
	Identify potential funding sources	✓	$ 800,000	SB/OR	EDC funding along with future potential grants
	Conduct Market Feasibility Study to include income, size, pre-plan projections			OR/SB	Not currently completed but ongoing
	Write a business plan	✓		SB	Completed
Create an Existing Industry Incentives Package	Craft a practical incentives package for the benefits of existing businesses to stay and expand in Elgin.			OR	Incentive package would be in the form of a 380 agreement
	Design with minimum thresholds and allow for increased incentives based on individual scenarios			OR	This would be done in a 380 agreement
	Include incentives that are cash and non-cash to address various needs and situations			OR	Working on updating the Mega Grant and the Small Business Loan Program

Progress Legend

✓		Completed
		In Progress
		Requires Attention
		In Danger
⌛		Dead/Failure
		Not Started

Elgin Economic Development Corporation
Incentives, Loans and Other Small Business Programs

Small Business Development Loan Program

Overview

The EDC has created a small business development loan assistance program for existing and or new businesses in the Elgin community. The program directly assists commercial business owners in providing needed capital for business purchases that might not otherwise occur through traditional financing means. This program targets for-profit, small business owners with:

- $2 million or less in annual sales
- 20 or fewer employees
- Located in the city limits of Elgin
- All applicants must be current on all ad valorem and property taxes

Qualifying Loan Types

The EDC will provide assistance through a traditional FDIC lending institution. The loan assistance program targets immediate or long-term capital projects. Funds are not available for operating expenses, lines of credit, letters of credit and contingency funding. The loan assistance program can be utilized for:

- Equipment, furniture and fixtures
- Building a new building or expanding in current location, renovating an existing commercial building
- Purchasing commercially-zoned land and building for business to occupy

Qualifying Loan Amounts and Length of Term

The applicant can apply for an EDC loan up to the amount the applicant has pledged to the qualifying project. The EDC will consider loans at or exceeding $5,000 for this program. Unless otherwise determined by the EDC Board, the term of the loan will not exceed five years.

Qualifying Applicants

The funds are to be provided to viable businesses in the city limits of the City of Elgin through a repayable loan either in whole or in tandem with traditional financing available in the market. The applicant must be approved for financing by an FDIC insured institution. The EDC funding agreement is created with the FDIC insured institution and pledged on behalf of the applicant.

Loan Management

All EDC approved loans will be managed by FDIC institution representing the applicant. Typical funding will be in the form of a certificate of deposit, savings account or other account pledged by the EDC as collateral for the applicant.

The *Elgin* ***EDC Small Business Loan Assistance*** program is developed to help commercial business owners in providing needed capital for business purchases, which may not otherwise occur via traditional financing means. Conditions for funding are summarized below:

1. Funds are to be provided to viable businesses via a repayable loan either in whole or preferably in tandem with traditional financing available in the market.

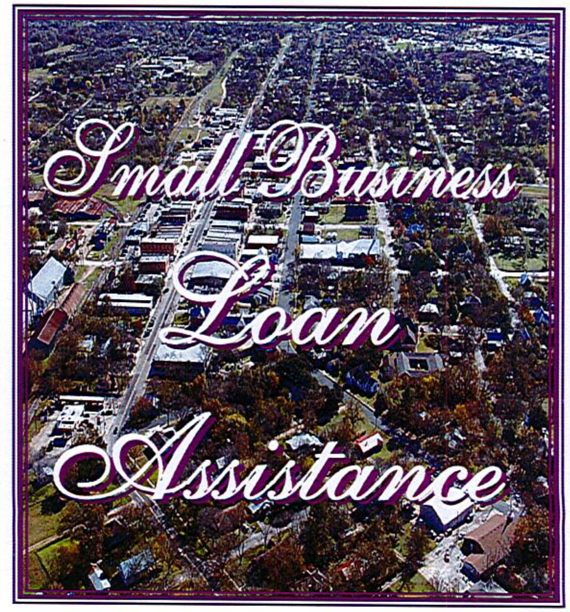
2. Funds are to be available only to "for profit" privately owned businesses. Non-profit, not for profit and/or public entities are not eligible.

3. Funds are to be used for intermediate or long term capital projects only. Funds for short term needs such as operating expenses, lines of credit, letters of credit, contingency funds or the like are not eligible.

4. Maximum funds shall not exceed funds provided by the applicant.

Loans shall be managed by an FDIC insured institution. Typical funding will include the EDC pledging a certificate of deposit or savings account as collateral for the applicant's loan, which will be released no later than upon payment of the loan.

Elgin Economic Development Corporation



Owen Rock,
Economic Development Director
512-281-5724
economic@ci.elgin.tx.us

www.elginedc.com

The Elgin EDC, the City of Elgin and the Greater Elgin Chamber of Commerce work together to ensure successful business expansions or relocations and will consider: cash incentives, discounted property, property tax assistance, small business assistance, and access to state assistance programs.

The City of Elgin and the Elgin Economic Development Corporation strive to work with businesses to facilitate their expansion and or relocation to the community. Incentives are reviewed based on capital investment, job creation, wages, and impact of the company on the community.

For a copy of "Basic Steps of Starting a Small Business", please contact the Elgin EDC.

Elgin Economic Development Corporation

Elgin EDC
Small Business Loan Assistance

LOAN EXAMPLES

1. Applicant is approved for financing by an FDIC insured institution for a $100,000 commercial property loan, subject to a 20% down payment; however the Applicant can only reasonably make a 10% down payment while maintaining adequate liquidity to operate. In this situation, the EDC could provide the 10% shortfall via one of two ways:

   a. ***Indirect Loan*** - $10,000 loan secured by a certificate of deposit owned by EDC funded in a separate loan amortized over an established time frame.

   b. ***Collateral Pledge*** - $10,000 certificate of deposit pledge as additional collateral to primary lender's $90,000 loan. Certificate of deposit could be released upon loan amortizing below the $80,000 loan balance, providing no default occurs and all other conditions are satisfactory to lender.

2. Applicant needs to purchase a specialized piece of equipment for $60,000 and lender is willing to only finance $30,000, due to inability to market if liquidation occurs. EDC could provide $15,000 as described above under 1.a. or 1.b. and applicant provides $15,000.

3. Applicant has $40,000 in funding approved to purchase $50,000 worth of equipment with a bank loan amortized over 4 years with a monthly payment of $939, assuming a 6% rate. Due to the short amortization, Applicant may have difficulty affording large debt service payments. EDC could agree to pledge a $10,000 CD as additional collateral to reduce risk in return for lender lengthening the term. If loan is stretch to a 7 year amortization, monthly payments drop to $584, assuming the same rate and the balance owed in 4 yrs (normal maturity) is $19,208, which is still secured by CD with a LTV of less than 50%.

Contact the Elgin EDC to obtain an application and further details regarding this program.

Elgin EDC ~ 512-281-5724 - economic@ci.elgin.tx.us - PO Box 591, Elgin, TX 78621