

# SCHERTZ

ECONOMIC DEVELOPMENT CORPORATION

## NOTICE OF MEETING

### AGENDA

DECEMBER 14, 2023

*Amended Agenda Packet to correct Financials*

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The City of Schertz Economic Development Corporation (SEDC) Board of Directors will hold a regular monthly meeting on Thursday, DECEMBER 14, 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.
2. SEDC Board Member Oath of Office for member appointed by City Council on 12/05/2023 for a term of two years ending on 09/30/2025 (S.Courney)
  - Reynaldo Chavez
3. Election of Schertz Economic Development Corporation officers. (S. Morrill)

### Hearing of Residents

4. *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

5. Approval of the minutes for the Board of Directors Regular Monthly Meeting held Thursday, November 16, 2023. (T.Miller)

### Presentations

6. Staff briefing on SEDC monthly financial statement for the month of October 2023. (S.Wayman)
7. Presentation by Will Collins with Merit Acquisitions, LLC on Project Coin. (S.Wayman)

### Public Hearing

8. **Resolution 2023-15** - Authorizing the Executive Director of the Schertz Economic Development Corporation to enter into an Incentive Agreement with Merit Acquisitions, LLC. (S.Wayman)

### Discussion Items

9. City of Schertz Parks & Recreation Department priorities and current and planned projects. (L.Shrum)
10. Tri-County Parkway and Lookout Road update. (J.Nowak)

### Closed Session

11. 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-88

## Reconvene to Regular Session

12. Take any actions based on discussion held in closed session under Agenda Item No. 11.
13. **Resolution 2023-15** - Authorizing the Executive Director of the Schertz Economic Development Corporation to enter into an Incentive Agreement with Merit Acquisitions, LLC.

## Requests and Announcements

- Announcements by staff:
  - Offices closed December 22-25, 2023 - Christmas Holiday
  - Offices closed January 1, 2024 - New Year's Day
  - Offices closed January 15, 2024 - Martin Luther King Jr. Day
  - Next Regular Board Meeting - January 25, 2024
- Requests by Board Members to place items on a future SEDC Board Meeting agenda.

## 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 8th day of December, 2023, at 4:00 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- Economic  
Development

**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:** 12/14/2023  
**Department:** Economic Development Corporation  
**Subject:** Approval of the minutes for the Board of Directors Regular Monthly Meeting held Thursday, November 16, 2023. (T.Miller)

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**SUBJECT:**

Approval of the minutes for the Board of Directors Regular Monthly Meeting held Thursday, November 16, 2023.  
(T.Miller)

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**Attachments**

11-16-2023

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# SCHERTZ

ECONOMIC DEVELOPMENT CORPORATION

MINUTES  
Thursday, November 16, 2023

The City of Schertz Economic Development Corporation (SEDC) Board of Directors met for a Regular Monthly Meeting on Thursday, November 16, 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 Paul Macaluso presided over the meeting and called it to order at 6:00 p.m.**

### Board of Directors Present:

Paul Macaluso, Board President  
Bill Dixon, Board Member  
Mark Moody, Board Member  
Eryn McElory, Board Member  
Henry Hayes, Board Member  
Donna Steward, Board Member

### Staff Present:

Scott Wayman, Executive Director  
Holly Malish, Deputy Director  
Ashley Ritchey, Business Engagement Manager  
Tracy Miller, Administrative Assistant  
Brian James, Deputy City Manager

### Board of Directors Absent:

Sammi Morrill, Board Secretary/Treasurer

### Others Present:

Bryan Byrd, Titan Development  
Ann McNeely, Citizen

2. SEDC Board Member Oath of Office for member appointed by City Council on 11/14/2023 for a term of two years ending on 09/30/2025. (S.Edmondson)
  - Appointment: Donna Steward

Sheila Edmondson, City Secretary, administered the Oath of Office to the new Board Member.

Board President Paul Macaluso welcomed her and asked Board Member Donna Steward to give an introduction. Ms. Steward gave a brief introduction of her background.

## 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 signed up to speak. No comments were made.

## Minutes

4. Approval of the minutes for the Board of Directors Regular Monthly Meeting held on Thursday, October 26, 2023. (T.Miller)

Board President Paul Macaluso asked for a motion to approve the Minutes of the Board of Directors Regular Monthly Meeting held Thursday, October 26, 2023.

Motion by Board Member Henry Hayes, seconded by Board Member Bill Dixon.

AYE: Board President Paul Macaluso, Board Member Bill Dixon, Board Member Mark Moody, Board Member Eryn McElroy, Board Member Henry Hayes, Board Member Donna Steward.

## Presentations

5. Presentation by Bryan Byrd on Titan Schertz 312 Project. (S.Wayman)

Scott Wayman, Executive Director, gave a brief overview of the Incentive Program and introduced Bryan Byrd, Development Manager of Titan Development. Mr. Bryd gave a brief overview of the Titan Schertz 312 Project and discussed the requested changes to the amendment.

## Discussion Items

6. **Resolution 2023-7** - Authorizing the amendment to the Performance Agreement Schertz 312 Phase I, Titan, Schertz 35 Business Park located on Tejas Way south of Doerr Ln. (S.Wayman)

Board President Paul Macaluso asked for a motion to approve SEDC Resolution 2023-7 authorizing the amendment to the Performance Agreement Schertz 312 Phase I, Titan, Schertz 35 Business Park located on Tejas Way south of Doerr Ln.

Motion by Board Member Eryn McElroy, seconded by Board Member Donna Steward.

AYE: Board President Paul Macaluso, Board Member Bill Dixon, Board Member Mark Moody, Board Member Eryn McElroy, Board Member Henry Hayes, Board Member Donna Steward.

Board President Paul Macaluso recessed the meeting to closed session at 6:20 p.m.

## Closed Session

7. 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-92
- E-88
- E-86

Start time: 6:21 p.m.

End time: 7:20 p.m.

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

## Reconvene to Regular Session

8. Take any actions based on discussion held in closed session under Agenda Item No. 7

No action was taken based on discussion held in closed session.

## **Requests and Announcements**

- Announcements by staff:
  - Service Recognition - Board President Paul Macaluso
  - Offices closed for Thanksgiving November 23-24, 2023
  - Holiday Dinner - December 7, 2023
  - Next Board Meeting - December 14, 2023
  - Lauren Shrum, Parks and Recreation Director, will present December 2023
  - John Nowak, Engineer will present on Tri-County Parkway and Lookout Rd. December 2023
  - Missions, Goals and Objectives December 2023 - Holly Malish/Ashley Ritchey
- Requests by Board Members to place items on a future SEDC Board Meeting agenda.

## **Adjournment**

**Board President Paul Macaluso adjourned the meeting at 7:31 p.m.**

**MINUTES PASSED AND APPROVED THIS \_\_\_\_ DAY \_\_\_\_\_ 2023.**

\_\_\_\_\_

Board President

\_\_\_\_\_

Board Secretary

**SEDC MEMORANDUM**

**SEDC**  
**Board Meeting:** 12/14/2023  
**Department:** Economic Development Corporation  
**Subject:** Staff briefing on SEDC monthly financial statement for the month of October 2023. (S.Wayman)

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**SUBJECT:**

Staff briefing on SEDC monthly financial statement for the month of October 2023. (S.Wayman)

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**Attachments**

October Financials-Revised

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**CITY OF SCHERTZ**  
REVENUE AND EXPENSE REPORT (UNAUDITED)  
AS OF: October 31st, 2023

\*\*\*\*\* 2023 - 2024 \*\*\*\*\*

**620-SED CORPORATION**  
FINANCIAL SUMMARY

OVERVIEW

Revenues

Sales Tax	\$ 588,396.77	Payment Received in October
	16.3%	Annual Increase
	8.3%	12-Month Rolling Average

Expenses

CITY OF SCHERTZ	\$ 273,441.50
SCHERTZ CHAMBER OF COMMERCE	\$ 7,875.00
GREATER: SATX	\$ 5,000.00
TML INTERGOVERNMENTAL RISK POOL	\$ 1,589.71

Year-to-Date

Total Revenue	\$ 867,814.78	
Total Expenses	\$ 289,430.82	
Over/Under		\$ 578,383.96

Cash & Investments

Cash	\$ 272,712.02	
Investments	\$ 32,024,121.17	
Total		\$ 32,296,833.19



**CITY OF SCHERTZ**  
REVENUE AND EXPENSE REPORT (UNAUDITED)  
AS OF: October 31st, 2023

***** 2023-2024 *****							
<b>620-SED CORPORATION</b>	<b>CURRENT</b>	<b>CURRENT</b>	<b>PRIOR YEAR</b>	<b>CURRENT</b>	<b>Y-T-D</b>	<b>BUDGET</b>	<b>% OF</b>
<b>FINANCIAL SUMMARY</b>	<b>BUDGET</b>	<b>PERIOD</b>	<b>Y-T-D ACTUAL</b>	<b>Y-T-D ACTUAL</b>	<b>ENCUMBR</b>	<b>BALANCE</b>	<b>BUDGET</b>
<u>REVENUE SUMMARY</u>							
Taxes	7,092,000	538,192.89	518,457.41	538,192.89	-	6,553,807.11	7.59%
Fund Transfers	-	190,392	-	190,392	-	(190,392)	0.00%
Miscellaneous	1,315,000	139,230.23	62,027.13	139,230.23	-	1,175,769.77	10.59%
<b>TOTAL REVENUES</b>	<b>8,407,000</b>	<b>867,814.78</b>	<b>580,484.54</b>	<b>867,814.78</b>	<b>-</b>	<b>7,539,185.22</b>	<b>10.32%</b>
<u>EXPENDITURE SUMMARY</u>							
<u>NONDEPARTMENTAL</u>							
City Assistance	3,027,510	-	-	-	-	3,027,510.00	0.00%
Fund Charges/Transfer	8,650,000	-	-	-	-	8,650,000.00	0.00%
<b>TOTAL NONDEPARTMENTAL</b>	<b>11,677,510</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,677,510.00</b>	<b>0.00%</b>
<u>ECONOMIC DEVELOPMENT</u>							
Supplies	1,000	-	110.49	-	56.93	943.07	5.69%
City Support Services	21,200	2,206.23	1,563.32	2,206.23	122.30	18,871.47	10.98%
Utility Services	975	-	-	-	-	975.00	0.00%
Operations Support	441,610	13,525.56	9,975.23	13,525.56	148,186.25	279,898.19	36.62%
Staff Support	24,575	257.53	200.00	257.53	1,206.53	23,110.94	5.96%
City Assistance	205,000	-	3,000.00	-	-	205,000.00	0.00%
Professional Services	61,300	-	-	-	-	61,300.00	0.00%
Fund Charges/Transfers	546,883	273,441.50	271,110.50	273,441.50	-	273,441.50	50.00%
Operating Equipment	5,000	-	26.89	-	-	5,000.00	0.00%
<b>TOTAL ECONO DEVELOPMENT</b>	<b>1,307,543</b>	<b>289,430.82</b>	<b>285,986.43</b>	<b>289,430.82</b>	<b>149,572.01</b>	<b>868,540.17</b>	<b>33.57%</b>
<b>TOTAL EXPENDITURES</b>	<b>12,985,053</b>	<b>289,430.82</b>	<b>285,986.43</b>	<b>289,430.82</b>	<b>149,572.01</b>	<b>12,546,050.17</b>	<b>3.38%</b>
<b>** REVENUE OVER(UNDER) EXPEND</b>	<b>(4,578,053)</b>	<b>578,383.96</b>	<b>294,498</b>	<b>578,384</b>	<b>(149,572.01)</b>	<b>(5,006,864.95)</b>	

# CITY OF SCHERTZ

## REVENUE REPORT (UNAUDITED)

AS OF: October 31st, 2023

***** 2023 - 2024 *****							
620-SED CORPORATION	CURRENT	CURRENT	PRIOR YEAR	CURRENT	Y-T-D	BUDGET	% OF
REVENUES	BUDGET	PERIOD	Y-T-D ACTUAL	Y-T-D ACTUAL	ENCUMBR	BALANCE	BUDGET
<u>Taxes</u>							
000-411500 Sales Tax Revenue (4B)	7,092,000	538,192.89	518,457.41	538,192.89	-	6,553,807.11	7.59%
TOTAL Taxes	7,092,000	538,192.89	518,457.41	538,192.89	-	6,553,807.11	7.59%
<u>Fund Transfers</u>							
000-486000 Transfer In	-	190,391.66	-	190,391.66	-	(190,391.66)	0.00%
TOTAL Fund Transfers	-	190,391.66	-	190,391.66	-	(190,391.66)	0.00%
<u>Miscellaneous</u>							
000-491000 Interest Earned	15,000	946.59	512.67	946.59	-	14,053.41	6.31%
000-491200 Investment Earnings	1,300,000	138,283.64	61,514.46	138,283.64	-	1,161,716.36	10.64%
TOTAL Miscellaneous	1,315,000	139,230.23	62,027.13	139,230.23	-	1,175,769.77	10.59%
TOTAL REVENUES	8,407,000	867,814.78	580,484.54	867,814.78	-	7,539,185.22	10.32%

**SED CORPORATION**  
**CASH IN BANK AND INVESTMENTS**

AS OF: October 31st, 2023

Cash in Bank

Claim on Operating Cash Pool-Checking	\$ 272,712.02
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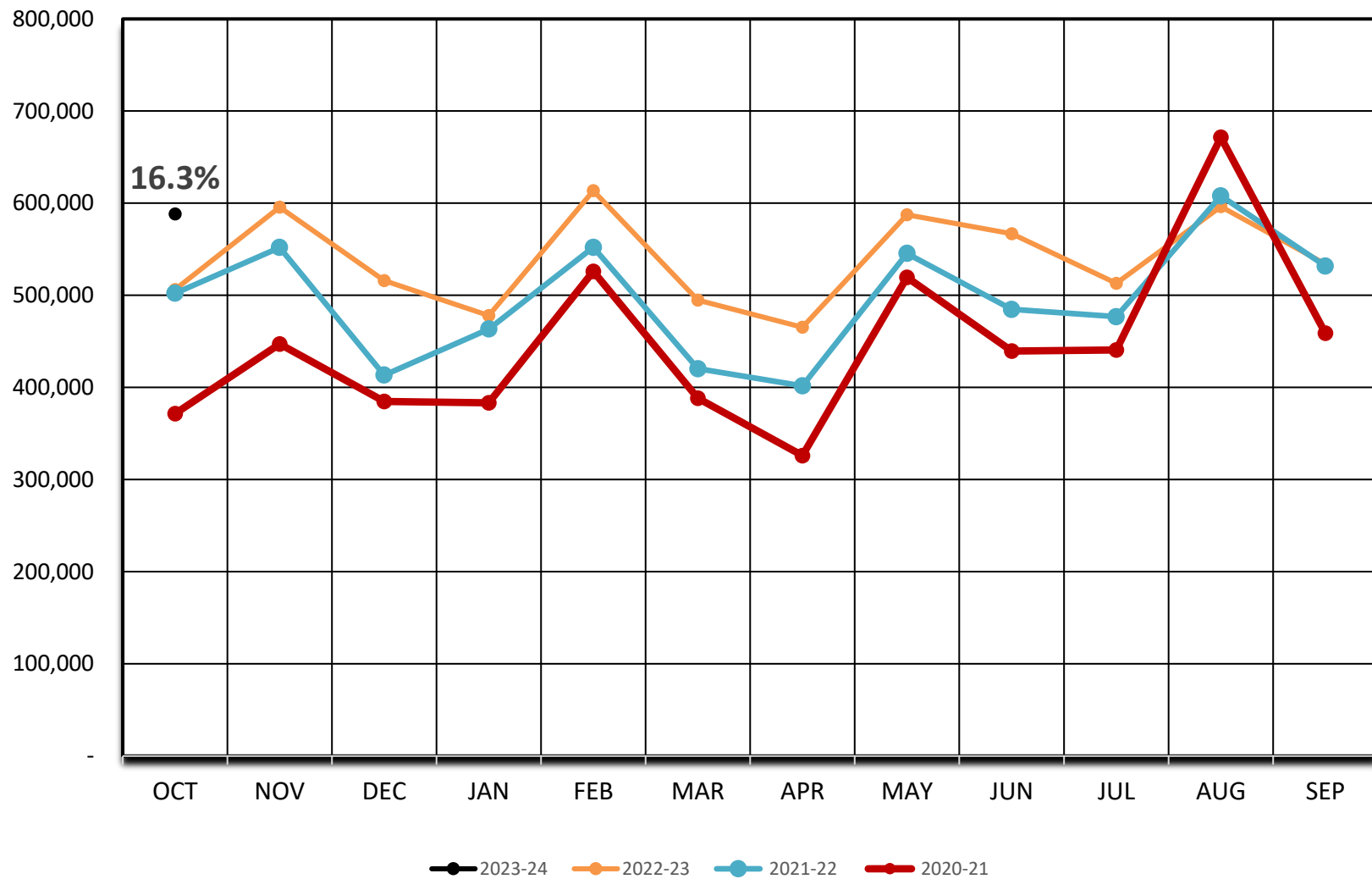
Cash in Investments

Texas Class Investment-Economic Development Corp	29,771,080.86
Schertz Bank & Trust-Certificate of Deposit	1,099,538.79
Schertz Bank & Trust-Certificate of Deposit	<u>1,153,501.52</u>

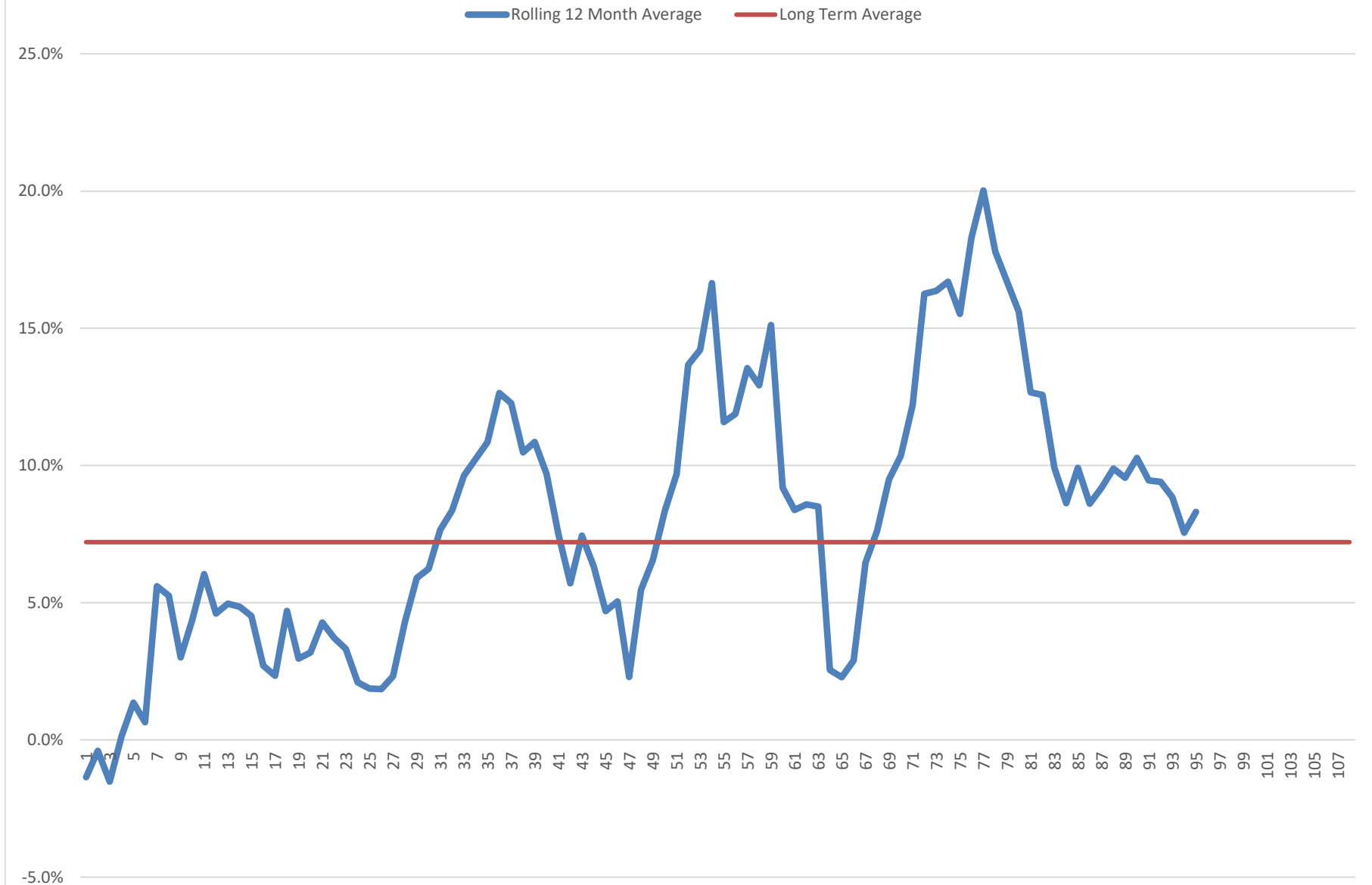
<b>Total Cash in Bank &amp; Investments</b>	<b><u>\$ 32,296,833.19</u></b>
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## 4B SALES TAX

By Collection Month



## 12 Month Rolling Average Oct 2014 - Present



OCTOBER 2023 PAYABLES REPORT

FUND	VENDOR NAME	DESCRIPTION	AMOUNT	
Economic Development	SED CORPORATION	TML INTERGOVERNMENTAL RISK POOL	Annual Insurance Payment	1,589.71
	UBEO	Monthly Copier		276.55
	LIANE GARRETT	T-Shirts-MFG Day Event		489.18
	AMAZON CAPITAL SERVICES INC.	Halloween Treat Boxes		14.84
	HOLLY MALISH	Per Diem		123.50
		Mileage		77.53
		Per Diem-Long Beach, CA		231.00
	GREATER: SATX	2024 Annual Membership		5,000.00
	TRACY MILLER	Per Diem - Frisco, TX		106.50
	SCHERTZ CHAMBER OF COMMERCE	Membership-CEO Level FY24		7,875.00
	CITIBANK	Southwest Airlines		24.99
		Formassembly		99.00
		Dollar Tree		16.24
	REFUND	Tax Refund		-1.24
		TEDC Seminar Refund		-50.00
	CITY OF SCHERTZ	Support Services Agreement		273,441.50
		Hall Rental-Lunch & Learn		112.50
		Postage		<u>4.02</u>
		SUBTOTAL:		289,430.82
		TOTAL:		\$289,430.82

**SEDC MEMORANDUM**

**SEDC**  
**Board Meeting:** 12/14/2023  
**Department:** Economic Development Corporation  
**Subject:** Resolution 2023-15 - Authorizing the Executive Director of the Schertz Economic Development Corporation to enter into an Incentive Agreement with Merit Acquisitions, LLC. (S.Wayman)

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**BACKGROUND**

Developer intends to develop a mixed-use development on 19.134 acres adjacent to EVO center, off IH-35

**COMMUNITY BENEFIT**

Development will generate real property tax and sales tax from retail components. Additionally, development will build-out the surrounding area around the EVO site with a master-planned retail that is greatly desired in the community. The extension of Ripps-Kruesler is on the Master Thoroughfare plan and will open up traffic mobility.

**FISCAL IMPACT**

Developer will receive \$4 million in funding to construct Ripps-Kruesler extension along with easements, utility extensions, sidewalks, lighting, etc. Additionally, developer will receive up to \$4 million in future revenues from the sales tax generated by the development for additional infrastructure provisions.

**SUMMARY OF RECOMMENDED ACTION**

EDC staff recommends approving this agreement

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**Attachments**

Res. 2023-15

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## **SEDC RESOLUTION 2023-15**

### **A RESOLUTION BY THE CITY OF SCHERTZ ECONOMIC DEVELOPMENT CORPORATION, TEXAS AUTHORIZING THE EXECUTIVE DIRECTOR OF THE SCHERTZ ECONOMIC DEVELOPMENT CORPORATION TO ENTER INTO AN INCENTIVE AGREEMENT WITH MERIT ACQUISITIONS, 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”); and

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 requires 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, Company, through wholly owned subsidiary Merit Acquisitions LLC, Inc. desires to expand operations within the city by creating a commercial development that is located at 18541 Ripps-Kreusler, Schertz, Guadalupe County, Texas 78154; and

WHEREAS, Corporation will pay Company one (1) cash payments of FOUR MILLION DOLLARS (\$4,000,000) in the form of an infrastructure grant from sales taxes proceeds paid to the Corporation, to Company for on-site infrastructure at Company’s Schertz Station operation when improvements of Ripps-Kreusler Roadway is accepted by the City. In addition, the Corporation will also reimburse company in quarterly payments from sales tax proceeds paid to the Corporation, the equivalent of ONE PERCENT (1%) of sales tax proceeds from the development for an infrastructure grant not to exceed FOUR MILLION DOLLARS (\$4,000,000) or until the completion of the seventh year of this agreement; and

WHEREAS, Sections 501, 502, and 505 of the Texas Local Government Code (“Texas LGC”) authorizes the SEDC to fund certain projects as defined therein and enter into an Incentive Agreements to establish and provide for the direct incentive or make an expenditure on behalf of a business enterprise under a project; and

WHEREAS, Section 501.103 authorizes expenditures for certain infrastructure improvement projects that are found by the Board of Directors to be required or suitable for infrastructure necessary to promote of develop new or expanded business enterprises; and



WHEREAS, Section 501.073 of the Act requires the SEDC's authorizing unit to approve all programs and expenditures; and

WHEREAS, the expansion of the Company, as proposed, will contribute to the economic development of the City of Schertz by creating new jobs and increased employment, promoting and developing expanded business enterprises, increased development, increased real property value and tax revenue for the City of Schertz, and will have both a direct and indirect positive overall improvements stimulus in the local and state economy.

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 Incentive Agreement attached hereto as ATTACHMENT 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

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SEDC Board President

ATTEST:

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SEDC Board Secretary

**ATTACHMENT A**

**ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT**

**MERIT ACQUISITIONS**