

Monday, August 14, 2017

The Honorable Mayor, Mayor Pro-Tem and City Council
City of Pflugerville, Texas

Dear Mayor Gonzales, Mayor Pro-Tem Peña and Members of the Council:

We are pleased to present the Pflugerville Community Development Corporation (PCDC) proposed annual budget for Fiscal Year 2017-18 to the Pflugerville City Council. This budget serves as the foundation for all anticipated revenues, expenses, and obligations while still maintaining conservative reserve fund balances for annual debt service. PCDC's financial plan was reviewed by the Board during two special called meetings and adopted by unanimous vote on August 11, 2017. The board and staff were guided by the Comprehensive Economic Development Strategic Plan (CEDs) adopted in February 2017. The three-year CEDs provided the main focus for all budget additions, along with a relocation of headquarters planned in the first quarter of FY 2018.

PCDC Revenue

Sales Tax - Total Income is based on a 9% increase in Sales Tax Revenue in the City of Pflugerville as compared to the same period last year. Adjustments made for year-end actuals and follows the City's direction on estimates. This year, we no longer account for Tax Revenue Diverted to HF Loan Payment due to retirement of the Hawaiian Falls note. As a result, the entire Sales Tax Revenue is noted as Total Income. Sales Tax Revenues are 100% of Total Income, and 96.7% of Total Income and Other Income.

Other Income - Interest income is estimated at \$10,000 due to the additional funds retained in reserves and the additional cash flow carried over from PCDC land sales in 2017. The corporation anticipates payments from the Tracking Point Settlement Agreement ending in August 2018, and will see income from a lease and settlement agreement with Cortec Manufacturing to reimburse the \$75,000 of the lease finish-out costs.

PCDC Expenditures

The FY 2018 total budgeted expenses are reduced by 6.37% over last year. Personnel Costs account for 11.7% of the total budget, and include four full-time positions, one additional employee and merit increases at 3%. Debt service on the PCDC water park accounts for the majority of expenditures at 34.1%. Recruitment/Retention Projects are notable at 20.3%, reflecting three new recruitment projects becoming eligible for funding in FY 2018 (Accent, Tescom, MW Builders). All project expenditures are estimated based on contract agreements

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and are subject to businesses meeting established criteria. They are monitored quarterly for any budget amendments.

PCDC Debt Service

Banking is 34.1% of the total budget and includes the recent refinance of a \$24 MM loan with Whitney Bank in FY 2017. Debt service and obligations for Hawaiian Falls Capital Investment and Land Loan, T/P Tenant Improvement Loan, and the South Star land loan for 130 Commerce Center were all retired with land sale proceeds. The PCDC continues to maintain a \$950,000 CD at Comerica that stands as a Loan Guarantee for Project Bulls-Eye.

Fund Reserve Contributions

The PCDC is in its third year setting aside funds from Other Income (Tracking Point Settlement - \$63,895) and Expense (Contingency Reserve - \$120,000) to meet the requirements of the PCDC Fund Reserve Policy that was recently updated in June 2017 to reflect significant changes resulting from the Whitney Bank refinance and debt retirement in FY 2017. Total Fund Reserve Balance for the water park debt obligations is anticipated to be \$1,573,697 in FY 2018. Additionally, the second of five \$900,000 installments for the Typhoon Texas Investment Reserve will be made, resulting in a \$1,800,000 balance in FY 2018.

We look forward to working with the City of Pflugerville to achieve common goals of economic prosperity for our business owners and citizens with a special focus on our Vision Statement:

*Pflugerville is a **thriving job center** in Central Texas –
built on core values of **inclusion, family, exemplary education** and
purposeful investment in the community.*

Respectfully,



Victor Johnson, Treasurer



Amy Madison, Executive Director

Pflugerville Community Development Corporation PCDC Board Approved FY18 Budget-SUMMARY

	FY17 Projected Year End	FY17 Approved Budget	Over (Under) FY17 Approved Budget	FY18 Approved Budget	\$ Diff.	% Change FY17 - FY18
Income						
Total 41100 Sales Tax Revenue	\$ 4,082,177	\$ 3,863,845	\$ 218,332	\$ 4,310,950	\$ 447,105	11.57%
Total 42000 Rent Income	\$ 128,731	\$ 922,726	\$ (793,995)	-	\$ (922,726)	-100.00%
Total Income	\$ 4,210,907	\$ 4,786,571	\$ (575,664)	\$ 4,310,950	\$ (475,621)	-9.94%
Expenses						
Total 61000 General Expenses	\$ 434,089	\$ 501,395	\$ (67,306)	\$ 309,741	\$ (191,654)	-38.22%
Total 62000 Personnel	\$ 358,031	\$ 487,607	\$ (129,576)	\$ 522,588	\$ 34,981	7.17%
Total 63000 Professional Dev (PD)	\$ 12,317	\$ 11,500	\$ 817	\$ 12,420	\$ 920	8.00%
Total 64000 Recruitment Marketing	\$ 289,918	\$ 338,000	\$ (48,082)	\$ 320,000	\$ (18,000)	-5.33%
Total 65000 Business PFirst	\$ 7,997	\$ 17,500	\$ (9,503)	\$ 13,000	\$ (4,500)	-25.71%
Total 66000 Real Estate	\$ 144,798	\$ 208,755	\$ (63,957)	\$ 0	\$ (208,755)	-100.00%
Total 67000 Banking	\$ 1,249,755	\$ 1,211,317	\$ 38,438	\$ 1,022,281	\$ (189,037)	-15.61%
Total 68000 Recruitment/Retention Proj	\$ 122,963	\$ 235,000	\$ (112,038)	\$ 607,000	\$ 372,000	158.30%
Total 69000 Community Projects	\$ 162,500	\$ 190,000	\$ (27,500)	\$ 190,000	\$ 0	0.00%
Total Expenses	\$ 2,782,368	\$ 3,201,074	\$ (418,706)	\$ 2,997,030	\$ (204,045)	-6.37%
Net Operating Income	\$ 1,428,539	\$ 1,585,497	\$ (156,957)	\$ 1,313,921	\$ (271,577)	-17.13%
Total Other Income	\$ 2,488,394	\$ 2,468,823	\$ 13,754	\$ 148,985	\$ (2,319,838)	-93.97%
Total Other Expenses	\$ 1,020,000	\$ 1,020,000	\$ 0	\$ 1,020,000	\$ 0	0.00%
Net Other Income/Expenses	\$ 1,468,394	\$ 1,448,823	\$ 13,754	\$ (871,015)	\$ (2,319,838)	-160.12%
Net Income	\$ 2,896,933	\$ 3,034,320	\$ (143,203)	\$ 442,906	\$ (2,591,415)	-85.40%

FY 18 BUDGET ADDITIONS SUMMARY

Expense Category	Account	item	Explanation	FY18 Proposed	Increase FY18	TOTAL CATEGORY	FY18 Inc/(Dec)	YOY % Change
General Expenses	61110	Professional Services-Accounting	New City/PCDC Auditor increased fees, per City	34,000	4,000			
General Expenses	61220	PCDC Office	Square footage and possible 2 month overlap of rented locations	58,000	2,500			
General Expenses	61300	Maintenance & Cleaning	Increase of PCDC's new office square footage	6,600	3,350			
General Expenses	61310	Telephone	Increased fees and staff	6,000	500			
General Expenses	61420	Equipment	Required upgrades for additional staff	5,000	4,000			
TOTAL GENERAL EXPENSES	61000					309,741	(191,654)	-38.22%
Personnel	62100	Executive & Admin Staff	Funding for 5 full-time staff plus 3% merit (\$11,137).	522,588	46,981			
TOTAL PERSONNEL	62000					522,588	34,981	7.17%
Professional Development	63150	PD Tuition & Travel	Board and Staff ED, and professional development training including public funds investment act	12,420	920			
TOTAL PROFESSIONAL DEVELOPMENT	63000					12,420	920	8.00%
Recruitment Marketing	64090	Sponsorships	Local city and regional events	30,000	2,000			
Recruitment Marketing	64100	Recruitment Programs	Increase membership - participation levels related to TeamTexas, Opportunity Austin, TexasOne	40,000	10,000			
Recruitment Marketing	64130	Site Visits	Prospect site visits and related expenses	2,000	1,000			
Recruitment Marketing	64170	Marketing Consulting	SH130 Market Study, Branding Study and collateral for CEDS	39,000	9,000			
Recruitment Marketing	64200	Website & Social Media	Development and maintenance of website and social media software expenses	40,000	5,000			
TOTAL RECRUITMENT MARKETING	64000					320,000	(18,000)	-5.33%
Business Pfirst	65200	Subscriptions	Business Retention tracking software	3,000	1,000			
TOTAL BUSINESS PFIRST	65000					13,000	(4,500)	-25.71%
TOTAL REAL ESTATE	66000					-	(208,755)	-100.00%
Banking	67800	Whitney Bank Int Payment	Full Year funded Loan interest payment	1,021,781	420,481			
TOTAL BANKING	67000					1,022,281	(189,037)	-15.61%
Recruitment/Retention Project	68470	PCDC Office Relocation	Tenant finish-out, furniture and equipment.	350,000	320,000			
TOTAL RECRUITMENT/RETENTION	68000					607,000	372,000	158.30%
TOTAL COMMUNITY PROJECTS	69000					190,000	-	0.00%
TOTAL EXPENSES						2,997,030	(204,045)	-6.37%

Personnel	522,588
Other Operating	2,474,442
Net Income	442,906

STATUS	GOAL	YEAR 1	LEAD	PARTNERS	START	END	ACCT
M&C-1		Ensure that there are open lines of communication among PCDC, the CITY, PFISD, the CHAMBER, Pflugerville Pforward, and other organizations whose activities impact Pflugerville's economic development opportunities.					
Underway	A	Participate in the roundtable meetings between the CITY, PFISD, PCDC, and others to ensure consistent communication is taking place. Delineate roles and attend regularly scheduled meetings to ensure efforts are coordinated and communication is transparent.	PCDC, CITY	CHAMBER, PFISD, other organizations who impact economic development	2017	2020	62000
As Needed	B	Adopt MOUs between entities as needed to streamline coordination of economic development activities.	PCDC, CITY	CHAMBER, PFISD, other organizations who impact economic development	2017	2020	62000, 61130
Underway	C	Hold quarterly meetings between PCDC and the CITY to review implementation tables to ensure goals are aligned, tasks assigned, and efforts are not duplicated. Include debrief sessions on progress and new developments.	PCDC, CITY	CHAMBER, PFISD, other organizations who impact economic development	2017	2020	62000
I-1		Continue long-term planning and preparation for growth – investing in roads, securing water, and protecting the natural environment.					
Discussed, Underway	A	The City of Pflugerville has an outstanding communications plan that updates residents on ongoing progress and successful completion of infrastructure projects. Work with the CITY to develop ways the PCDC can strategically revise this media mix for use with real estate and site selectors to keep them posted on the new developments.	PCDC, CITY	PFISD, CHAMBER	2017	2020	62000, 64210, 64230, 64200
NA	B	Support the continuation of currently planned parks and trails, protection of sensitive natural resources, and maintenance of water quality as the city expands. Conduct water and wastewater utility rate studies to ensure adequate revenues for operations and capital improvements.	CITY	CAMPO, TCEQ	2017	2020	NA
NA	C	Continue working with commercial and residential customers about best practices for water conservation. Actively participate in state-level advocacy for water conservation programs and funding.	CITY	Utilities Companies	2017	2020	NA
NA	D	Consider a Transit Development Plan that coordinates with CAMPO, TXDOT, Travis County, and adjacent jurisdictions regarding transit and facilities. Continue to implement the existing Master Transportation Plan and identify and apply for private and outside funds for construction, expansion, and maintenance or the transportation network.	CITY	CAMPO, TXDOT, TCEQ	2017	2020	NA
NA	E	Continue to encourage private employers and citizens to assist with traffic reduction and environmental conservation efforts. Provide educational resources to improve mobility and protect the environment. Work with the PCDC to introduce the City water conservation program to new recruitment projects prior to development.	CITY	Private Partners, CAMPO, TCEQ	2017	2020	NA
NA	F	Continue being involved in bold, long-term discussions regarding regional and statewide transit infrastructure networks.	CITY	CAMPO, TXDOT, TCEQ	2017	2020	NA
BC-1		Strengthen and expand programs that address the needs of Pflugerville's existing businesses, including an expanded business development and retention program.					
	A	Provide a shared Resource Partner Directory of information for businesses on the PCDC website. Inform local businesses about support resources available and provide examples of ways that PCDC, the CITY and CHAMBER address local businesses needs.	PCDC	CHAMBER	2017	2018	62000, 65000, 64170, 64200
	B	Require formal training for PCDC staff and CHAMBER staff who conduct confidential surveys, questionnaires and use the BRE information management system.	PCDC	CHAMBER	2017	2018	62000, 61120
	C	Require that all team members involved in BR&E visits maintain confidentiality and provide reports through the PCDC information management system.	PCDC	CHAMBER	2017	20108	62000, 61121, 65200
	D	As a complement to PCDC's confidential visits, formalize the new Business Development and Retention program within the CHAMBER by scheduling annual meetings with Pflugerville businesses to provide updates about ongoing community development activities, programs, and identify businesses for PCDC that may require follow-up, confidential visits to discuss challenges and opportunities. Strengthen the Business Pfirst program within PCDC by scheduling two company visits a week that encourage free discussion and provide opportunities to learn about needs, successes and to respond to concerns.	PCDC	CHAMBER	2017	2018	65000, 62000
	E	Support the CHAMBER's continued efforts to develop events and programs that offer educational and networking opportunities to local business people and entrepreneurs.	PCDC	CHAMBER	2017	2018	62000, 65400, 64090
M&C-2		Build awareness of Pflugerville's assets and points of pride among residents and businesses.					
	A	Develop a toolkit of materials and messages for Steering Committee members and other stakeholders (EcoDev Squad)	PCDC	EcoDev Squad, media	2017	2020	62000, 64170, 64200, 64040
	1	Post this Implementation Plan, Community Assessment, Target Industry Report, and Workforce Analysis online.	PCDC	EcoDev Squad, media	2017	2020	62000, 64200
Ongoing	2	Post progress reports online (e.g., every 6-12 months) and send the link to EcoDev Squad #ConnectPF	PCDC	EcoDev Squad, media	2017	2020	62000

STATUS	GOAL	YEAR 1	LEAD	PARTNERS	START	END	ACCT
Complete	3	Re-convene Steering Committee members and share an executive summary, talking points, and PowerPoint presentation with them.	PCDC	EcoDev Squad, media	2017	2020	62000
Ongoing	4	Charge Steering Committee members with distributing information on the Strategic Plan within their own networks. (e.g. EcoDev Squad)	PCDC	EcoDev Squad, media	2017	2020	62000
Ongoing	5	Develop a hashtag related to this Strategic Plan and encourage Steering Committee members to use it in social media posts (e.g. #ConnectPF)	PCDC	EcoDev Squad, media	2017	2020	62000
Ongoing	B	Host a launch event (in-person "summit," webinar, or combo) that shares the Strategic Plan with the larger community.	PCDC	EcoDev Squad, media	2017	2020	62000
Ongoing	1	Invite local media or stage a press conference as part of the launch event	PCDC	EcoDev Squad, media	2017	2020	62000,
Ongoing	2	Provide an overview of the strategic plan process and showcase the broad diversity of stakeholders participating.	PCDC	EcoDev Squad, media	2017	2020	62000
Ongoing	3	Have sign-up forms for attendees to receive Strategic Plan updates and become EcoDev Squad	PCDC	EcoDev Squad, media	2017	2020	62000
Ongoing	4	Unveil the hashtag #ConnectPF and give tips for using the hashtag in social media.	PCDC	EcoDev Squad, media	2017	2020	62000
Ongoing	5	Consider an annual event to celebrate progress.	PCDC	EcoDev Squad, media	2017	2020	62000, 64060
	C	Invest in a longer-term internal communications and branding campaign.	PCDC, CITY	EcoDev Squad, media	2017	2020	62000, 64170, 64200, 64040, 64225
	1	Engage a professional agency to develop a unified brand strategy for Pflugerville for use by the PCDC and other partners involved in economic development.	PCDC	EcoDev Squad, media	2017	2020	62000, 64170, 64200, 64040, 64225
	2	Develop a concise expression of Pflugerville's brand essence, descriptor words and suggested images, and creative execution (e.g., logo refresh and design standards if needed)	PCDC	EcoDev Squad, media	2017	2020	62000, 64170, 64200, 64040, 64226
	3	Develop a strategy for building brand awareness among residents and external audiences (e.g., communications channel plan, suggested marketing tools, public relations).	PCDC	EcoDev Squad, media	2017	2020	62000, 64170, 64200, 64040, 64227
	4	Provide the agency with the reports that comprise this Strategic Plan as background brand research and content.	PCDC	EcoDev Squad, media	2017	2020	62000, 64170, 64200, 64040, 64228
	5	If needed, place an agency on retainer to assist with implementing the brand strategy.	PCDC	EcoDev Squad, media	2017	2020	62000, 64170, 64200, 64040, 64229
	6	Launch the brand internally first and rally EcoDev Squad, residents, and local businesses.	PCDC	EcoDev Squad, media	2017	2020	62000, 64170, 64200, 64040, 64230
	D	Keep area media informed about economic development progress.	PCDC	EcoDev Squad, media	2017	2020	62000, 64170, 64200, 64040, 64231
	1	Distribute press releases on ED announcements or progress related to this strategic plan and engage Steering Committee members to contribute editorials to the local paper championing Pflugerville's economic development efforts.	PCDC	EcoDev Squad, media	2017	2020	62000, 64170, 64200, 64040, 64232
	M&C-3	Engage in targeted marketing outreach to build relationships with external audiences such as target industries, site consultants, and other influencers.					
	A	Attend select events at which PCDC can build relationships with decision makers at target industry companies, site selectors, and real estate professionals.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64080, 64090, 64100
	1	Continue to attend high-ROI conferences such as IAMC, SelectUSA, Site Selectors Guild. Seek out additional opportunities to attend events with regional or state partners that are related to target industries and plan social and media outreach to coincide with the events.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64080, 64090, 64100
	2	Participate in mission trips to target geographies and schedule one-on-one meetings with industry executives, brokers, and developers in each location. Ask local executives in target industries to facilitate introductions with their peers and suppliers.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64080, 64090, 64100, 65000
	B	Participate in familiarization tours and inbound events with OA.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64080, 64090, 64100, 64130,
	1	Schedule one-on-one meetings in Pflugerville to showcase the community to target audiences.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 65000
	C	Have an active presence at Austin-area conferences that draw target audience representatives. Keep apprised of the Austin CVB's / Convention Center's schedule, for example, and try to participate in key target industry and real estate events.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64090, 64080, 64100
	D	Continue to develop an annual marketing calendar for PCDC based on target industries and specific geographies.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64040, 64060, 64080, 64170
	E	Develop social media campaigns for each of Pflugerville's target industries.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64200

STATUS	GOAL	YEAR 1	LEAD	PARTNERS	START	END	ACCT	
	1	Continue to actively post and engage with target industry leaders, journalists, and influencers on channels like Twitter and LinkedIn.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64200, 64210	
	2	Develop a monthly social media calendar that coordinates with PCDC's other marketing and business development activities.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64200, 64210	
	3	Coordinate PCDC's social media calendar with other partners' calendars to amplify Pflugerville's voice. For example, Team Texas has six, month-long social media campaigns scheduled in 2017, (e.g., February is Logistics, Manufacturing & Distribution; March is Aviation, Aerospace & Corporate Headquarters). Build on their messaging by re-tweeting, replying to, and using the #TeamTexas #ConnectPF for Pflugerville-specific messages.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64200, 64210	
	4	Ensure that Pflugerville is featured in the Team Texas #GoTeamTexas campaign.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64200, 64210	
	5	Incorporate photos and videos into social media posts.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64200, 64230, 64210	
F		Invest in robust, sophisticated marketing tools: websites, social media, digital media relations, video, polished presentations, and digital advertising (to a limited degree).	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64200, 64225	
	1	Improve site selection tools and update website content related to target audiences. (See the Target Industry report for specific sales messages for each industry cluster.) Showcase testimonials of PF businesses in target industries.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64200, 64170, 64225	
	2	Establish website pages for Retail, Pfrom Pflugerville entrepreneurship campaign, and Business Pfirst Program	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64200, 65400, 65200	
	3	Continue to invest in multimedia tools, such as the recently produced Workforce and Retail Opportunities videos.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64200, 64230, 64225	
	4	Invest in original photography that captures real scenes, businesses and people in Pflugerville.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64200, 64230, 64225	
	5	Consider limiting printed materials to a one-page brochure for each target industry cluster.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64170, 64225	
	6	Limit print advertising in traditional media publications. Instead, look for digital advertising opportunities in trusted industry-related news sources such as Area Development's weekly newsletter, business journals in targeted marketing geographies (e.g., where a high concentration of target industry companies and/or site consultants are located), and specialty industry websites related to Advanced Manufacturing, Professional Technology Services, Headquarters, and Supply Chain	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64060, 64225, 64090	
G		Integrate the new Pflugerville brand into all marketing tools used for both internal and external audiences.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64055, 64225, 64170, 64200, 64210	
H		Assist in recruiting events and meetings at the new Pflugerville conference center.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 65400, 64060, 64200, 64210	
I		Distribute an e-newsletter to target industry executives, brokers, developers, and site selectors to keep stakeholders informed about economic development opportunities in Pflugerville.	PCDC	OA, Team Texas, Texas One	2017	2020	62000, 64200, 64170, 64225	
E&W-1		Become actively involved and promote the East Williamson County Higher Education Center (EWCHEC) to align programs with the needs of Pflugerville's target industries. Provide scholarships to local students to attend programs at EWCHEC.						
	A	Meet with EWCHEC administrators and faculty to discuss areas for collaboration. Identify employers in Pflugerville who could benefit from existing and potential education programs at EWCHEC. Invite them to participate in a roundtable discussion about their workforce training needs and EWCHEC's capacity to meet these needs.	PFISD/EWCHEC	PCDC, Pflugerville ISD, Private Employers	2017	2020	62000, 65000, 69150	
	B	Identify any barriers preventing Pflugerville students from enrolling in EWCHEC programs. Consider whether cost of attendance, transportation to the facility, or other factors stand in their way, and explore ways that community partners might address these barriers through scholarships, subsidies, transportation, and other avenues.	PFISD/EWCHEC	PCDC, Pflugerville ISD, Private Employers	2017	2020	62000, 64170, 69150	
	C	Raise local awareness of programs at EWCHEC and the career pathways they present to students at PFISD and adults seeking ongoing education in Pflugerville.	PFISD/EWCHEC	PCDC, Pflugerville ISD, Private Employers	2017	2020	62000, 65000, 64060, 64200, 69150	
	D	Link Pflugerville and surrounding communities and institutions through an informal "SH-130 Education Corridor" that emerges from the SH-130 Economic Summit recommended in the Marketing and Communications section of this Strategy. Utilize the inventory of educational assets and programs to assist marketing of opportunities and identify areas for collaboration between educational institutions and employers.	PFISD/EWCHEC	PCDC, Pflugerville ISD, Private Employers	2017	2020	62000	
BC-2		Develop guidelines for determining incentives offered to new and existing companies in Pflugerville.						
Ongoing	A	Maintain an inventory of PCDC, City, State and other incentive tools that are available.	PCDC	CITY	2017	2018	62000, 64200	
	B	Develop clear guidelines for evaluating incentives based on economic goals and objectives.	PCDC	CITY, Regional Partners	2017	2017	62000, 64170	

STATUS	GOAL	YEAR 1	LEAD	PARTNERS	START	END	ACCT
	C	Develop and utilize clear standards for the types of businesses that qualify for incentives.	PCDC	CITY	2017	2017	62000, 64170, 68100
	D	Maintain flexibility within the incentive policy that allows creative options when determining incentives for unique and catalyst projects.	PCDC	CITY	2017	2017	62000, 64170, 68100

STATUS	GOAL	YEAR 1	LEAD	PARTNERS	START	END	ACCT
I - 2		Expand Pflugerville's real estate offerings for light industrial, flex and office space.					
	A	Complete a flex industrial and office market assessment for the SH130 & SH45 Corridors	PCDC	CITY, Pflugerville Pforward, Private Partners	2017	2018	62000, 64170, 64060, 64090
	B	Working with Pflugerville Pforward and other public and private partners, identify infrastructure funding for catalyst projects and identified geographic areas including the east side of SH 130 across from 130 Commerce Center.	PCDC	CITY, Pflugerville Pforward, Private Partners	2017	2020	62000, 66000,
	C	Collaborate with the CITY to ensure existing zoning and design standards are consistent with economic development policies of the CITY and PCDC and promote current industry best practices – accounting for high standards without compromising functional needs of users.	PCDC, CITY	Private Developers and Land Owners, Pflugerville Pforward	2017	2020	62000, 64170, 64060, 64090
	D	Develop, assist or otherwise support new "shovel-ready" properties within the CITY limits.	PCDC	CITY, Pflugerville Pforward, Private Partners	2017	2020	62000, 64060, 66000
	E	Advocate for inclusion of industrial, office, and flex zoned properties as high priorities in the CITY's Capital Improvement Program for implementation and funding.	PCDC	CITY, Pflugerville Pforward, Private Partners	2017	2020	62000, 64170
	F	Support the CITY's Comprehensive Plan with infrastructure projects that promote ecoddev opportunities. Support the CITY funding and updates of CUP – including a joint PCDC-CITY review of Pflugerville's target clusters. Support locations and zoning for light industrial, office, logistics, and other target cluster business uses.	PCDC	CITY, Private Developers and Land Owners, Pflugerville Pforward	2017	2020	62000, 64200, 66000
	G	Work with 130 Commerce Center owners to form a property owners association for administration and maintenance of commonly held property.	PCDC	130 Commerce Center Owners	2017	2020	62000, 61130, 66000
	H	Retain the remaining 20 acres available at 130 Commerce Center for the location of a large, primary employer.	PCDC	PCDC	2017	2020	62000, 61130, 66000
M&C-4		Position PCDC as a leader among economic development organizations in the region and state of Texas.					
	A	Participate in OA, Team Texas, and Texas One activities as business development and marketing platforms.	PCDC	Regional Partners	2017	2020	62000, 64090, 61070, 64080, 64100
	B	Meet with the DoD's new Defense Innovation Unit Experimental (DIUx)'s Engagement Team in Austin to discuss Pflugerville's high concentration of veterans, patent holders, and align Pflugerville as a location for DIUx research and development spin offs.	PCDC	Regional Partners	2017	2020	62000, 64080
	C	Host a SH130 Corridor Economic Development Summit, comprised of economic development organizations, public sector entities, chambers, educators, utility providers	PCDC	Regional Partners	2017	2020	62000, 64060, 64090, 61120
	1	Convene a meeting of SH130 Corridor public and private stakeholders to explore an Alliance for the corridor that would include establishing vision, goals and core activities that do not duplicate other regional efforts.	PCDC	Regional Partners	2017	2020	62000
	2	Focus the summit on activities such as (1) advocating for continued SH130 infrastructure investments, (2) mapping SH130 economic development and education assets, and (3) using shared marketing messages when talking about SH130 with prospects and other business influencers.	PCDC	Regional Partners	2017	2020	62000
	D	Build relationships and engage in regional dialogue with the Dell Medical Center and Innovation Zone to align Pflugerville as a location for medical device and advanced materials manufacturing.	PCDC	Regional Partners	2017	2020	62000, 64080
	E	Participate in real estate associations and regularly schedule meetings with commercial brokers and developers in Austin, Houston and Dallas to build relationships and create awareness of Pflugerville.	PCDC	Regional Partners	2017	2020	62000, 64080, 61070
	F	Raise awareness among State of Texas' Government Departments that Pflugerville is an affordable and friendly alternative location for their facilities.	PCDC	Regional Partners	2017	2020	62000, 61070, 64055
	G	Consider hosting an annual broker tour of Pflugerville.	PCDC		2017	2020	62000, 64060
	H	Work with the CHAMBER to establish stronger relationships with other chambers of commerce in the region, such as the Greater Austin Black Chamber and Greater Austin Asian Chamber.	PCDC	Regional Partners	2017	2020	62000, 65000
	I	Consider membership in the Austin Area Research Organization (AARO) and approach them about participating in a committee meeting relevant to Pflugerville and the region (e.g., Transportation or Social Equity).	PCDC	Regional Partners	2017	2020	61070
QoL-1		Encourage the development of unique retail and dining experiences that reflect Pflugerville's identity and offer more diverse options.					
	A	Work with PCDC to provide resources and data for retail recruitment on the PCDC website	PCDC, CITY	PCDC	2017	2020	62000, 62400

STATUS	GOAL	YEAR 1	LEAD	PARTNERS	START		END		ACCT
					2017	2018	2019	2020	
	B	Direct start up retailers to small business loans and other assistance programs.	PCDC, CITY	CHAMBER	2017	2020			62000, 65000
	C	Incentivize large, high catalyst retail projects with direct economic impacts that significantly outweigh incentive costs.	CITY	PCDC, CHAMBER	2017	2020			62000, 68000, 64080, 61130
NA	D	Continue to include zoned commercial areas in the Comprehensive Land Use Plan that allow for diverse retail uses such as food trucks, breweries, and other local non-chain establishments.	CITY	CHAMBER, PCDC	2017	2020			NA
QoL-2		Continue to invest in family-friendly recreation amenities like the planned improvements to Lake Pflugerville, 1849 Park, trail networks, sporting facilities and fields, and inclusive community events.							
NA	A	Support the CITY's implementation of currently planned improvements for Lake Pflugerville and other parks through already-approved bonds. Upon completion of projects, encourage regular event programming at the Lake Pflugerville amphitheater that appeals to all ages.	PCDC, CITY	CHAMBER	2017	2020			NA
NA	B	Support the development and identification of new funds for the 1849 Park and its various facilities.	PCDC, CITY	CHAMBER, Travis County, Private developers	2017	2020			NA
NA	C	Support ongoing cultural events and meet with regional non-profits, cultural organizations, and other groups to develop and host new local events that reflect the character of Pflugerville and are inclusive of the city's diverse population.	CITY	Regional Parts, Arts Organizations	2017	2020			NA
	D	Meet with live music production companies in Central Texas, local property owners, and developers to explore the possibility of constructing a live music venue in Pflugerville. Consider including an outdoor venue, rehabilitation of existing historic structure, or new building construction.	PCDC, CITY	Private Developers, Property Owners, Music Production Companies	2017	2020			62000, 65000
E&W-2		Continue to raise awareness of Pflugerville ISD's many successful educational training programs. Explore possibilities for internships, training partnerships, and new dual credit programs that could benefit the community.							
	A	Working with the PCDC, identify and meet with local employers in Pflugerville's target clusters to identify specific training programs and partnership opportunities.	PfISD	PCDC, CHAMBER, Private Employers	2017	2018			62000, 69150, 64080, 65000
	B	Provide information to employers about how to establish an internship program. Share a how-to guide, employer benefits and responsibilities, and other key information to take the guesswork out of implementation.	PfISD	PCDC, CHAMBER, Private Employers	2017	2018			62000, 69150, 64080, 65000
	C	Host an Internship Fair in high schools that can connect students with employers.	PfISD	PCDC, CHAMBER, Private Employers	2017	2018			62000, 69150, 64080, 65000
	D	Celebrate the academic success of Pflugerville ISD and its students at events, on social media, in local newsletters, and through other publications.	PfISD	PCDC, CHAMBER, Private Employers	2017	2018			62000, 69150, 64080, 65000

Budget Definitions

Income

- ❖ 41100 Sales Tax Revenue – PCDC annual estimated ½ cent sales tax revenue is based on the City of Pflugerville projections of an 9% increase (after adjusting for actual estimated revenues. City provided basis for the projection. FY 2018 budget is \$4.311MM. (FY 2017 budget of \$3.863MM)
- ❖ 41200 - Tax Revenue Diverted to HF Loan Payments – Sales tax income diverted by the City of Pflugerville to Capital One principal and interest payments for the previous Hawaiian Falls Loan. Account retired for FY 2018.
- ❖ **42000 - Rent Income - Parent account**
 - 42200 - Princess Craft – 5-Year Lease for 6,000 sf facility located at 102 1st Street expired August 1, 2017. Account retired for FY 2018.
 - 42300 - Tracking Point Sublease – 3813 Helios Way, Building B, Ste 290, Master Lease with 130 Commerce Center LLC terminated December 1, 2016. Tracking Point Sublease expenses and income transferred to Landlord for the remaining months in FY17. Account retired for FY 2018.
 - 42400 EOS North America – 3813 Helios Way, Building B, Ste 298. Master Lease with 130 Commerce Center LLC terminated December 1, 2016. EOS Sublease expenses and income transferred to Landlord for the remaining months in FY17. Account retired for FY 2018.
- ❖ 42600 Typhoon Texas Lease – Annual lease payment on Amended and Restated Assignment and Assumption of Water and Adventure Park Ground Lease and Operating Agreement with Typhoon Texas, effective date January 4, 2017. Payment is due on or before September 30th each year. Lease payment was estimated at \$802,000. Direction from the PCDC Board is to remain fiscally cautious in FY 2017 and FY 2018, assuming no income.

Expenses

- ❖ **61000 General Expenses - Parent Account**
 - 61010 Vehicle Lease – 36-month lease purchase ending September 28, 2017. PCDC purchased the vehicle in FY 2017 and vehicle value has been

capitalized on the balance sheet. Remaining cost accounts for car warrantee insurance obtained at the time of purchase. Account retired for FY 2018.

- 61015 Vehicle Use & Maintenance – New account for FY 2018. Gas, maintenance, repair, service, and toll charges for 2015 Chevrolet C15 Suburban.
- 61020 Equipment Rental – Copy machine rental (RICOH). Expires December 2020.
- 61030 P.O. Box Rental – Annual fee for P.O. Box rental.
- 61040 Insurance – Includes board and key staff bonds, car insurance, personal property insurance, and other insurance fees.
- 61060 Board Meals – Meals for meetings and Board workshops.
- 61070 Memberships / Dues / Subscriptions - Includes professional memberships and dues in associations such as Texas Economic Development Council, International Economic Development Council, RECA, Chamber of Commerce, American Notary Association, Clean Texas and ARMA; Website subscriptions including Xceligent, Beyond Value, and GoDaddy, other miscellaneous such as Dropbox, newspapers & business journals.
- 61080 Postage and Delivery – Account retired for FY 2018
- 61090 Printing and Reproduction – Account retired for FY 2018.
- 61095 Postage and Printing – New account for FY 2018. Includes printing, production of materials, FedEx, UPS and postal service shipping charges.
- 61100 Professional Fees – Roll up account for all professional expenses.
 - 61110 Accounting - Consulting services for CPA, accounting and annual audit. Increased fees based on bid from Davis - Kinard, the new City/PCDC auditor in FY 2018.
 - 61120 Consulting – Miscellaneous consulting and contract work related to operations and training.

- 61130 Legal Fees –Legal fees include a basic 20-hour monthly retainer with Akers & Akers, LLP, and an estimation of anticipated fees for additional hours of service in FY 2018.
 - 61140 City Contractual Services – Account relocated to general expenses from personnel costs for FY 2018 as recommended by CPA. Includes HR, Legistar and other contractual support services. Includes a 2% fee based on payroll salaries and a \$6,040 for other potential administrative, planning and GIS services. Contract reviewed with City in July 2017 with no changes.
- 61200 Rent Expenses – Roll up account for rental property expenses.
 - 61220 PCDC Office – Lease payments and associated costs for office and PCDC conference room space for operations and Board meetings. Relocating from 2,000 sf at 16225 Impact Way, Ste. 2 (\$3500 monthly) to 3,775 sf at 3801 Helios Way (\$4719 monthly). Budget based on 13-months of rent (3 months in current; 10 months in new space).
 - 61230 Princess Craft – 5-Year Lease for 6,000 sf facility located at 102 1st Street expired August 1, 2017. An estimated \$8,000 for taxes remains to be paid in FY 2018 (prorated from January – August 1, 2017).
 - 61240 130 CC Sublease – Master Lease with 130 Commerce Center LLC terminated December 1, 2016. All remaining lease payments and common area maintenance related to the master lease are no longer obligations of the corporation. Tenant finish-out loan at First Texas Bank paid in full December 2016. Account retired for FY 2018.
- 61300 Maintenance – Cleaning services, upkeep and maintenance of leaseholds in FY 2018.
- 61310 Telephone – Local service, long distance, phone line charges or other phone related services.
- 61320 Parking – Represents parking fees in Austin and other cities. This expense is included in new account 61015 Vehicle Use & Maintenance. Account retired for FY 2018.
- 61400 Office Supplies & Services – Roll up account for all offices supplies and operation services.

- 61410 Consumables – Office supplies for staff and board.
- 61420 Equipment – Laptops, desktops, screens, and associated equipment. Increase due to additional staff and required upgrades.
- 61430 Office Miscellaneous – Plaques, awards, framing, and office accessories.
- 61440 Technology Based Services – Monthly IT services and estimated additional maintenance beyond monthly contracted hours.

❖ **62000 Personnel – Parent account**

- 62100 Executive & Administrative Staff – Fully year funding 4 existing staff member base salaries and a 3% merit (\$11,220): Executive Director, Business Development Director, Finance and Research Manager and Executive Assistant. Assumes 9 months of salary for one new position for Communications & Marketing Director.
- 62170 City Contractual Services – Account retired for FY 2018. New account created under General Expenses (account 61140 City Contractual Services) per CPA.

❖ **63000 Professional Development – Parent account**

- 63110 PD Tuition & Fees – Account retired for FY 2018.
- 63120 PD Travel – Account retired for 2018.
- 63110 PD Tuition & Travel– New account in FY 2018 consolidating all expenses for tuition, fees and travel related to certifications and professional training for staff and Board, to include sales tax, , financial investment training for public funds investment act, local conferences, regional engagement and training workshops.

❖ **64000 Recruitment Marketing – Parent account**

- 64020 Postage - Postage for marketing materials. Account retired for FY 2018.

- 64030 Design & Layout - Artwork and design of ads and other types of marketing collateral that require outside consulting services. Account retired for FY 2018.
- 64040 Printing - Printing of marketing and advertising collateral. Account retired for FY 2018.
- 64050 Promotional Items - Giveaways and tradeshow swag used for promotion of the City and PCDC. Account retired for FY 2018.
- 64055 Supplies, Printing & Promotional Items – New account for FY 2018 consolidating retired accounts 64020 Postage & Printing, 64030 Design & Layout, 64040 Printing and 64050 Promotional Items.
- 64060 Advertising – Print and digital ads for target industry and site selection publications, signage, banners, and advertising associated with regional event sponsorships.
- 64070 Tradeshow Fees – A budget amendment, approved Q2 - FY 2017, transferred the \$6k budget to 64080 Marketing Travel to consolidate accounts. Account retired for FY 2018.
- 64080 Marketing Travel – All transportation, meals, lodging, registrations and fees related to travel for marketing events and tradeshow with Team Texas, Opportunity Austin, Texas One and other national, regional and state-wide events.
- 64090 Sponsorships – Local, regional, statewide and national events including Economic Summit, TEDC, Clean TX, Chili Pfest, PEF Foundation, Great State Investments (TeamTexas Events), TexasOne, Pflugerville Chamber of Commerce, Legislative Conference.
- 64100 Recruitment Programs – Membership and sponsorship required to participate in national, statewide and regional recruitment event programs including TeamTexas, Opportunity Austin, TexasOne, International European American Council.
- 64130 Site Visits – Funding for prospect site visits and related expenses.
- 64170 Marketing Consulting - SH130 Market Study and other associated consulting needed to fund strategic plan initiatives in 2018.
- 64200 Website & Social Media - Development and continued maintenance of the PCDC website. Increases due to adding social media

campaign and associated expenses based on strategic plan recommendations.

- 64210 Public Relations - Professional services for distribution and assistance with press releases, press conferences and other publicity. Reduced in FY2018 due to fulltime position in Communications and Marketing.
- 64220 CEDS Plan - Economic Development Strategic Plan Services in FY 2016 and FY 2017. Account retired in FY 2018.
- 64225 Brand Dev & Materials – New account for FY 2018. Brand development and materials utilizing a professional agency to develop a unified brand strategy for Pflugerville for use by the PCDC and other partners involved in economic development (CEDS).
- 64230 Video & Photography – New account for FY 2018. Investing in “robust, sophisticated marketing tools” per CEDS for website, social media, digital media, video, and polished presentations.

❖ **65000 BusinessPFirst – Parent account**

- 65100 EIO Roundtables/Golf - Sponsorship of the annual Pflugerville Downtown Association golf tournament funding has been consolidated into 65400 Special Events for FY 2018 so that other events, not specific golf tournament, may be sponsored. Account retired for FY 2018.
- 65200 Subscriptions – Subscription for Business Retention tracking software. Expanding licensing capacity to include all employees.
- 65400 Special Events – New account for FY 2018. Quarterly Business PFirst events planned for area Pflugerville companies to provide networking, training and assistance.

❖ **66000 Real Estate – Parent account**

- 66100 130 Commerce Center – Roll up account for the 130 CC.
 - 66130 Phase 2 – Costs associated with drainage repairs, Conservation Easement work and other soft costs for properties owned by PCDC.

- 66150 Land Sale Expenses – Surveying, replatting and utility extension construction plans needed for sale of property in 130 CC.
- 66160 Phase 3 – Soft and hard costs for Impact Way extension to remaining 20-acre tract owned by PCDC. Road construction and associated costs to commence when development of site occurs. No expenditures budgeted in FY 2018.
- 66170 Water Park – New account for 2017. Water park traffic impact study to determine potential options for access on FM685.

❖ **67000 Banking – Parent account**

- 67100 Capital One Loan Interest Expense – Account formerly used as a holding account in the event for payments advanced by the PCDC that were not reimbursed by Hawaiian Falls due to late payments. Account retired for FY 2018.
- 67200 Bond Repayment – City Resolution passed on January 3, 2017 provides for \$3,000,000 obtained from Project Arista based on non-performance of an incentive agreement to be used to fulfill debt service on three infrastructure bonds that the PCDC has been underwriting. The City will pay the PCDC debt service on the bonds in full or in part over the next 4 years. PCDC is not obligated to payments in their budget for FY18.
- 67300 Finance Charges & Bank Fees – Wire charges, late charges and other fees related to banking.
- 67500 SouthStar Interest Expense – Interest expense for land loan at 130 Commerce Center. The loan was paid in full in November 2016. Account retired for FY 2018.
- 67600 First Texas Interest Expense – Tenant finish-out improvements on 48,000 sf sublease in the 130 Commerce Center Building B. The loan was paid in full in November 2016. Account retired for FY 2018.
- 67800 Whitney Bank Interest Payment – Interest and principal payments for loan associated with the Water Park. Biannual interest payments occur October 15 and April 15, and annual principal payments occur October 15, through FY 2031. Payments in FY 2018: Principal payment in FY2018 is \$210k and interest payments are \$601.3k on October 15, 2017 and \$510.9k on April 15, 2018.

- 67900 Loan Refinance Expense – One-time expenses associated with the Water Park Loan refinancing in FY17. Account retired for FY 2018.

❖ **68000 Recruitment and Retention Projects – Parent account**

- 68100 Test Fits – ImpactData software and consulting services for economic analysis of incentives under consideration.
- 68290 Marriott – \$25,000 for advertising per contract. Paid out annually through FY21. Maximum incentive - \$125,000. Expires in FY 2021.
- 68330 Thin-Nology – Company no longer eligible for further incentives. Account retired for 2018.
- 68340 - Hawaiian Falls – The termination and transfer of water park lease agreement from Hawaiian Falls to Typhoon Texas terminated annual marketing grant obligation of \$25,000 over a 5-year term. Account retired for 2018.
- 68370 Best Western Plus – \$37,500 for advertising in FY 2018. FY 2019 and FY 2020 include \$25,000 incentive payments for advertising. Expires August 2020.
- 68380 LifeLast – \$34,500 grant for job creation remains in 2018 if company meets all criteria. Contract ends January 2022.
- 68390 Medway - Maximum incentive possible in 2018 is \$50k if company meets all criteria. Contract ends FY 2020.
- 68450 – Kompan - Performance Agreement was terminated in FY17 prior to any payments. Account retired for 2018.
- 68460 Sisu - Maximum incentive possible in FY 2018 is \$24k. Contract ends September 30, 2021.
- 68461 Accent – Maximum incentive possible in FY 2018 is \$30k if company meets criteria for job grants. Contract ends December 31, 2023.
- 68462 TESCO – \$25k one-time economic incentive, paid in FY 2018. Contract ends December 31, 2020.
- 68464 MW Builders – Maximum incentive possible in FY 2018 is \$25k if company meets criteria for job grants. Contract ends March 28, 2022.

- 68470 PCDC Office Relocation - Expenses associated with relocation of office to include tenant finish out, furniture for front office, conference and PCDC Board room, window treatments, audio visual equipment, closed-circuit broadcast equipment, cable, phone and internet wiring, moving expenses and associated installation. Office move is projected to occur November-December 2017. Lease at 16225 Impact Way, Suite 2 ends December 31. Lease begins at 3801 Helios Way on December 1.
- 68600 Future Projects/Reserves – Added to the budget to allow for reserves and future projects. Account retired for 2018.

❖ **69000 Community Projects – Parent Account**

- 69010 Challenge Grants – North Highland HOA request to complete final phase to connect trails to parks in FY 2017. Final grant request is \$35,000 FY 2018.
- 69040 Pflugerville Education Foundation – Anticipated sponsorship for workforce education events.
- 69150 Workforce Development – Leadership changes at PFISD delayed project expenditures in FY 2017, but anticipated in FY 2018.
- 69160 Water Park Expense – Account and funding for anticipated participation in Typhoon Texas permit expenses per the First Amended and Restated Water and Adventure Park Ground Lease and Operating Agreement executed on December 29, 2016. Quarter 4 adjustment planned to increase FY2017 budgeted amount by \$25,000.
- 69170 Parks Projects – New account for 2018. Funding set aside for upgrades to city parks for playground equipment – requests anticipated from Rotary and City Staff.

❖ **Other Income – Parent Account**

- 70100 Gain on Sale of Land – Account to record gains from future land sales, if any, once sale is completed. Not budgeted for in FY18. In case of future land sales, budget will be amended.
- 70150 Cortec Reimbursement on Finishout – Lease and settlement agreement requires landlord to reimburse PCDC for \$75,000 of construction costs.
- 70200 Interest Income – Interest from bank deposits and CDs. Increased due to increased funds in financial institutions.

- 70700 City of Pf/Hawaiian Falls – Ad valorem property tax rebate paid to the PCDC by the City. Account retired for 2018.
- 79000 Reserve Funds OI– Roll up account for operating income reserve funds.
 - 79200 Tracking Point Clawback – Tracking Point owes \$63,985.35 in FY18. Monthly payments are \$5,816.85. Funds are set aside for reserves. Last payment to fulfill obligation will be August 1, 2018.

❖ **Other Expenses – Parent Account**

- 80100 Land Sale Closing Costs – Account retired in FY 2017.
- 89000 Reserve Funds OE – Roll up account for operating expense reserve funds.
 - 89200 Contingency Reserve – Per the PCDC Reserve Fund Policy a minimum of \$120,000 will be set aside annually until the target Contingent Reserve fund balance has been accumulated. Final balance of reserves in FY 2017 is \$1,383,985.
 - 89300 TT Investment Reserve –Contingency Fund for possible reimbursement to Typhoon Texas for a \$4,500,000 capital investment in water park during FY 2017 and FY 2018. Fund contributions of \$900,000 must be made annually for five years and accumulate total contingency fund on or before September 30, 2020. FY 2018 is the second of 5 payments related to the \$4,500,000 Investment Reserve Fund.

INCENTIVE OBLIGATION REPORT

Project in 2015-2016	Project Status	Contract End	Maximum Incentive	Paid Historically (prior to 10/01/16)	Paid to date	Total Unpaid in	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
					FY 17	FY 2017					
Thin-nology, Inc.*	C	August 2019	\$ 70,000	\$ 42,000	\$ -	\$ 28,000	\$ -	\$ -	\$ -	\$ -	
Best Western (Lightwater Hospitality)	A	August 2020	\$ 225,000	\$ 116,673	\$ 37,500	\$ -	\$ 37,500	\$ 25,000	\$ 25,000	\$ -	
Medway Plastics	A	December 2020	\$ 150,000	\$ 50,000	\$ 20,000	\$ 30,000	\$ 50,000	\$ 30,000	\$ -	\$ -	
LifeLast	A	January 2022	\$ 155,720	\$ 121,220	\$ -	\$ 34,500	\$ 34,500	\$ -	\$ -	\$ -	
Marriott Courtyard (Village Holdings)	A	July 2022	\$ 125,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	
Sisu	A	September 2019	\$ 72,000	\$ -	\$ 4,800	\$ 19,200	\$ 24,000	\$ 24,000	\$ 19,200		
Accent	A	July 2022	\$ 150,000	\$ -			\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
TESCOM	A		\$ 25,000	\$ -			\$ 25,000				
MW Builders	A	July 2022	\$ 75,000				\$ 25,000	\$ 25,000	\$ 25,000		
Project Liabilities					\$ 87,300	\$ 111,700	\$ 251,000	\$ 159,000	\$ 124,200	\$ 55,000	\$ 30,000
<i>Estimated Remaining PA Payments (FY23-FY26)</i>											\$ -

END DATE	TOTAL OBLIGATION	PAST PAYMENTS	Paid to date	Remaining to	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022		
			FY17	be Paid FY17							
Debt Liability											
Contingency Fund: per Typhoon Texas Contract				\$ 900,000		\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000		
CO Debt Service											
Pfluger Farm Ln Series 2013	August 2033	\$ 6,812,635	\$ 747,222	\$ -			\$ 33,658	\$ 227,206	\$ 224,206		
130 Commerce Center/Impact Way Series 2014	August 2033	\$ 7,131,135	\$ 989,453	\$ -			\$ 53,718	\$ 362,631	\$ 361,031		
Renewable Energy Park-130 ComCtr Series 2009A	August 2035	\$ 4,667,798	\$ 1,178,954	\$ -			\$ 27,185	\$ 183,501	\$ 184,701		
Debt Liability			\$ 2,915,630	\$ -	\$ 900,000	\$ 900,000	\$ 900,000	\$ 1,014,561	\$ 1,673,338	\$ 769,939	
<i>Estimated Remaining DS Payments (FY23-FY35)</i>										\$ 11,038,099	
Water Park Financing & Infrastructure											
Tax Revenue Diverted to CapOne Loan	T	February 21, 2020	\$ 25,000,000	\$ 3,279,533	\$ 792,158						
Refinance Loan Payment	A	March 15, 2031	\$ 24,000,000		\$ -	\$ 811,300	\$ 1,556,782	\$ 1,798,802	\$ 1,799,442	\$ 1,798,579	\$ 1,796,213
Infrastructure Cost	A	September 30, 2017	\$ 100,000		\$ -	\$ 125,000					
			\$ 3,279,533	\$ 792,158	\$ 936,300	\$ 1,556,782	\$ 1,798,802	\$ 1,799,442	\$ 1,798,579	\$ 1,796,213	
<i>Estimated Remaining Loan Payments (FY23-FY31)</i>										\$ 24,904,725	
TOTAL					\$ 1,017,927	\$ 1,840,100	\$ 2,707,782	\$ 2,857,802	\$ 2,938,203	\$ 3,526,917	\$ 2,596,151
<i>Estimated Remaining Total Payments (FY23-FY35)</i>											\$ 35,942,824

Contingency Fund per Fund Reserve Policy

Total Reserve Fund Balance FY17 \$ 1,389,802

* No further payments to Thin-nology. 3-year term for incentives timed out in 2017.

Project Status Notes: A-Active, C-Complete, T-Terminated

PCDC Fund Reserve & Budget Policy
Approved 06-15-2017

PCDC Reserve Funds

Contingent Reserve Policy: PCDC will build and maintain a Contingent Reserve in the aggregate amount equivalent to twelve months of the current debt service under current finance arrangements and 20% of its operating budget to cover unanticipated costs. Funds from the Contingent Reserve may not be appropriated for any other purpose by the PCDC Board without City Council pre-approval.

Policy Implementation: During FY2015-16, PCDC accumulated \$1.2M of the Contingent Reserve and set it aside. During FY2016-17, PCDC budgeted \$120,000 from operations for the Contingent Reserve. Future budgets will continue to set aside a minimum of \$120,000 annually until accumulating the target Contingent Reserve fund balance.

Typhoon Texas Investment Reserve Fund: In each Fiscal Year of PCDC beginning in FY2017 and continuing through PCDCs Fiscal Year 2021, PCDC shall deposit at least \$900,000 into a segregated account held by the City on PCDC's behalf to serve as the "Investment Reserve Fund" until such fund reaches a maximum fund balance of \$4,500,000. PCDC may not withdraw any funds from the Investment Reserve Fund, without the prior written consent of Typhoon Texas and PCDC authorizes City to disburse funds from the Investment Reserve Fund.

Policy Implementation: During FY2016-17, PCDC will budget to accumulate the Investment Reserve at a rate of at least \$900,000 annually until PCDC accumulates the target Policy fund balance on or before Fiscal Year 2021.

Comment: Due to the amount of the debt, the loan used to fund the Typhoon Texas Project is being treated for purposes of fund reserves, similar but not identical to a government revenue bond issuance. Generally, government revenue bonds have a higher level of risk than other types of government funding due to the reliance on finite and uncertain revenue streams. Typically, government revenue bond covenants require a "restricted reserve fund" be established by the entity for the life of the bonds in an amount that is equivalent to an average of one year debt service payments to protect the investors in the bond.

To issue revenue bonds, government entities are generally required to demonstrate compliance with the "bond coverage test." Adequate coverage levels for a governmental entity with a good bond rating is typically 125% of revenues over expenditures, on an annual basis. Because the Corporate risk/exposure experience from the loan used to fund the Typhoon Texas Project was caused by intermittent cash flow, rather than a need to seek

PCDC Fund Reserve & Budget Policy
Approved 06-15-2017

additional debt by a future issuance of revenue debt the Pflugerville Community Development Corporation (PCDC) has adopted this reserve policy to reflect the circumstances present in this Project.

Project Reserve Policy: Funding for this reserve is from annual excess revenues received by the PCDC, defined as actual revenues received over budgeted revenues not otherwise allocated. Project Reserve Funds may be spent from this reserve only in accordance with Texas Local Government Code §501.073(a) (The corporation's authorizing unit will approve all programs and expenditures of a corporation and annually review any financial statements of the corporation).

Annual Operating Budget Policy: Anticipated sales tax revenue is the primary source of PCDC revenue. It is measurable and sustainable. Anticipated long-term lease payments from the Typhoon Texas Project are a second source of PCDC revenue. It is also measurable and sustainable. Other short and intermediate term lease payments and land sales are a third source of PCDC revenue and are generally considered more contingent and speculative. Recurring general operating and maintenance costs, such as personnel, rent, utilities, PCDC loan payments and annual debt service reimbursement payments due the city will be budgeted in an amount not to exceed anticipated sales tax revenues and long-term lease payments from the Typhoon Texas Project. The Annual total expenditures of PCDC should not exceed the budgeted measurable and sustainable revenues of PCDC. All expenditures and revenues shall be in accordance with the City Council approved budget and the PCDC Bylaws.

Pflugerville Community Development Corporation
Investment Policy
Approved 2017-06-15

I. POLICY STATEMENT

It is the policy of the Pflugerville Community Development Corporation (PCDC) that the administration of its funds and the investment of those funds shall be handled in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the PCDC and conforming to statutes and ordinances governing the investment of public funds. The receipt of a market rate of return will be secondary to the requirements for safety and liquidity. It is the intent of the PCDC to be in complete compliance with local law and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, as amended.

II. SCOPE

This investment policy applies to all the financial assets and funds held by the PCDC. These funds are defined in the PCDC's Comprehensive Annual Financial Report (CAFR) and include:

General Fund

New funds created by the PCDC, unless specifically exempted by PCDC and this policy.

III. OBJECTIVES AND STRATEGY

A. General Fund

It is the policy of the PCDC that all funds shall be managed and invested with three primary objectives, listed in order of their priority: safety, liquidity, and yield. These objectives encompass:

Safety of Principal

Safety of principal is the foremost objective of the PCDC. Investments of the PCDC shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio. To obtain this goal, diversification is required in the portfolio's composition. The suitability of each investment decision will be made based on these objectives.

Liquidity

The PCDC's investment portfolio will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated.

Yield

The PCDC's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the PCDC's investment risk constraints and the cash flow characteristics of the portfolio.

IV. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

Direct specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"), as amended. The public Funds Collateral Act, Chapter 2257, Texas Government Code, as amended, specifies collateral requirements for all public fund deposits.

The Interlocal Cooperation Act, Chapter 7901, Texas Government Code, as amended, authorizes local governments in Texas to participate in an investment pool established thereunder. That statute and reference to authorize investment in investment pools in the Act is primary authority for use of investment pools by political subdivisions of the State of Texas.

V. DELEGATION OF INVESTMENT AUTHORITY

The Executive Director, acting on behalf of the PCDC, is designated as the Investment Officer of the PCDC and is responsible for investment management decisions and activities. The PCDC Board is responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. All participants in the investment process shall seek to act responsibility as custodians of the public trust.

The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this investment policy. Procedures will include reference to safekeeping, require and include PSA Master Repurchase Agreements, wire transfer agreements, banking services contracts, and other investment related activities.

PCDC's Investment Officer will be required to attend training, in compliance with the Public Funds Investment Act, from an independent source approved by the Board that includes education in investment controls, security rights, strategy rights, market rights, and compliance with the Public Funds Investment Act. The Board Authorizes the Investment Officer to invest and reinvest funds of PCDC in accordance with this Policy. The Investment Officer must submit a written report to the Board on at least a quarterly basis, which sets forth all investment transactions during the previous quarter, and which complies with the requirements of the public Funds Investment Act.

The investment Officer shall be responsible for all transactions and shall establish a system of controls to regulate the activities of subordinate officials and staff. The Investment Officer shall designate a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officer is not available.

No officer or designee may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer and approved by the PCDC Board.

VI. PRUDENCE

The standard of prudence to be used in the investment function shall be the “prudent Person” standard and shall be applied in the context of managing the overall portfolio. The standard states: “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived.”

Limitation of Personal Liability

The Investment Officer and those delegated investment authority under this policy, when acting in accordance with the written procedures and this policy and in accord with the Prudent Person Rule, shall be relieved of personal responsibility and liability in the management of the portfolio provided that deviations from expectations for a specific security’s credit risk or market price change or portfolio shifts are reported in a timely manner and then appropriate action is taken to control adverse market effects.

VII. INTERNAL CONTROLS

The Investment Officer shall establish a system of written internal controls which will be reviewed annually with the independent auditor of the PCDC in accordance with accepted industry practices. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees of the PCDC.

The Investment Officer shall monitor the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by policy, the Investment Officer shall immediately solicit bids for and sell the security, if possible, regardless of a loss of principal.

Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of the PCDC. Supplemental to the financial and budgetary systems, the Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes. Cash Flow will include the historical researching and monitoring of specific cash flow items, payables and receivables as well as overall cash positions and patterns.

VIII. AUTHORIZED INVESTMENTS

Acceptable investments under this policy shall be limited to the instruments listed below. The investments are to be chosen in a manner which promotes diversity or market sector and maturity.

- A. Obligations of the United States Government, its agencies and instrumentalities, and government sponsoring enterprises, not to exceed two years to the stated maturity;

- B. Direct obligations of the State of Texas or its agencies.
- C. Certificates of deposit issued by an FDIC insured financial institution, not to exceed the current FDIC limit per institution and with a maximum maturity length of one year.
- D. Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent.
- E. Repurchase agreements and reverse repurchase agreements as defined by the Public Funds Investment Act, as amended, not to exceed ninety (90) days to stated maturity, provided an executed PSA Master Repurchase Agreement is on file with the City and the counterparty bank or primary dealer.
- F. Texas Local Government Investment Pools as defined by the Public Funds Investment Act, as amended. The maximum dollar-weighted maturity for the pool may not exceed ninety (90) days and the pool must maintain a minimum rating of AAA.

IX. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

All investments made by the PCDC will be made through either the PCDC's banking services bank or a primary dealer. The PCDC shall maintain a list of financial institutions which are authorized to provide investment services. Banks shall continuously provide their most recent "Consolidated Report of Condition" (call report). Securities broker/dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve as primary dealers. The following criteria must be met by those firms on the list: provision of an audited financial statement for the most recent period, proof of certification by the National Association of Securities Dealers (NASD), and proof of current registration with the State Securities Commission.

Every dealer with whom the PCDC transacts business will be provided a copy of this Investment Policy to assure that they are familiar with the goals and objectives of the investment programs. The broker/dealer will be required to return a signed copy of the Certification Form certifying that the policy has been received and reviewed.

X. DIVERSIFICATION AND MATURITY LIMITATIONS

It is the policy of the PCDC to diversify its investment portfolio. Invested funds shall be diversified to a minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Except for U.S. Treasury securities and authorized investment pools, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

The Investment Officer shall be required to diversify maturities. The Investment Officer, to the extent possible, will attempt to match investment with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to specific requirements such as semiannual or annual bond payments, the Investment Officer may not invest more than 20% of the portfolio for a period greater than one (1) year. The Investment Officer may not invest any portion of the portfolio for a period greater than two (2) years.

XI. SAFEKEEPING AND COLLATERALIZATION

All security transactions, including collateral for repurchase agreements, entered into by the PCDC shall be conducted on a delivery-versus-payment DVP basis. Securities will be held by a third-party custodian designated by the Investment Officer and evidenced by safekeeping receipts.

XII. PERFORMANCE EVALUATION AND REPORTING

The Investment Officer shall submit quarterly reports to the PCDC Board containing sufficient information to permit an informed outside reader to evaluate the performance of the investment program. This report shall contain:

- Beginning and ending market value of the portfolio by market sector and total portfolio;
- Beginning and ending carrying (Book) value of the portfolio by market sector and total portfolio;
- Transactions which change market and book value;
- Detail reporting on each asset (book, market, and maturity dates);
- Overall current yield of the portfolio;
- Overall weighted average maturity of the portfolio;
- Maximum maturities in the portfolio; and,
- The signature of the investment officer.

XIII. INVESTMENT POLICY ADOPTION BY THE BOARD AND CITY COUNCIL

The PCDC investment policy shall be adopted by the PCDC Board. The policy shall be reviewed on an annual basis by the PCDC Board and presented to City Council for approval with the Annual Budget in accordance with the PCDC Bylaws, Section 7.05 Investment and Reserve Policies.