

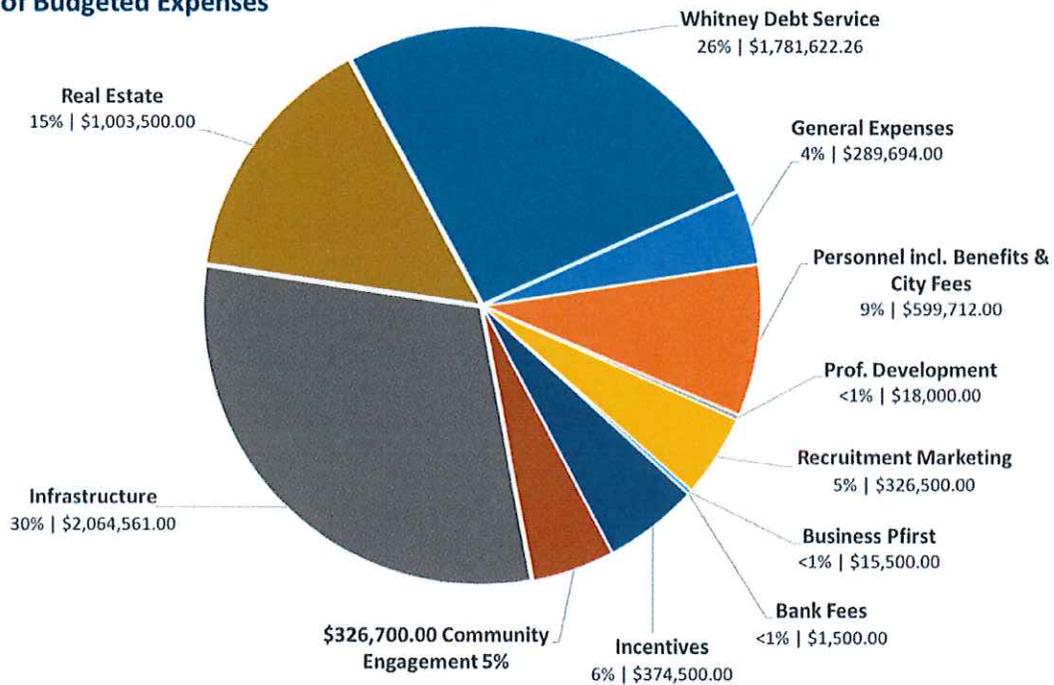
Thursday, July 11, 2019

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 2020 to the Pflugerville City Council. This budget serves as the foundation for all anticipated revenues, expenses, and obligations while still maintaining a conservative reserve fund balance. PCDC's financial plan was reviewed by the Board during a special called meeting and adopted by unanimous vote on July 11, 2019. The board and staff were guided by the Comprehensive Economic Development Strategic Plan (CEDS) adopted in February 2017.

**FY2020 % of Budgeted Expenses**



**PCDC Revenue**

Sales Tax - Sales Tax Revenue is expected to be \$5,413,500.00 and follows the City's direction on estimates. The corporation also receives \$1,150,000 from the Typhoon Texas Lease, bringing total income to \$6,563,500. Other income is from interest and is budgeted at \$50,000.

**PCDC Expenditures**

General Operating Expenses account for 4% of the total PCDC Budget. Recruitment Marketing is 5% of the total budget. Personnel Costs account for 9% of the total budget and includes five full-time positions with a budgeted merit increase and a part-time intern position. Recruitment Incentives are 5% of the total budget, reflecting two new recruitment projects becoming eligible for funding in FY2020. These project expenditures are estimated based on contract agreements and are subject to businesses meeting established criteria. Real Estate is 15% of the budget with the addition of a possible land purchase in FY2020. Community Project expenditures total 35% of the total budget (30% for Infrastructure and 5% for Community Grants) to allow for continued initiatives including: Workforce Education Grants and Infrastructure projects at FM 685 Waterpark, Impact Way Extension, the

Farm Lane Series 2013, 130 Commerce Impact Way Series 2014 and Renewable Energy Park Series 2009A. The remaining 5% fund Community-related Workforce Education and City Park Enhancements.

#### **PCDC Debt Service**

The PCDC has one loan with Hancock Whitney Bank to finance the water park. The PCDC will pay \$1,781,622 in a principal and interest payment that is reflected in the Budget. This will be paid out of net income and cash reserves. The total loan obligation for Principal and Interest is 26% of total *expenses*.

#### **Fund Reserve Contributions**

The PCDC continues to set aside funds for an annual contingency reserve of \$120,000 to meet the requirements of the PCDC Fund Reserve policy. At the conclusion of FY20 the reserve will be \$1,680,000 to cover debt service while the total debt service for the water park is \$1,798,802. This debt service increases in FY26 to \$3,255,211 annually, in addition to the annual debt of \$1,100,335 for certificate of obligation bonds for three roads per a 380 agreement with the City of Pflugerville. Other obligations are noted previously for incentive agreements which are annually reviewed and expended.

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,



---

Ken Dalfonso, Treasurer



---

Amy Madison, Executive Director