



HEDC Budget Presentation

PUBLIC HEARING

September 16, 2024

# **Hutchins Economic Development Corporation**

- Texas Legislature Passes Development Corporation Act
- Established by a Referendum Vote of the Citizens of Hutchins
- Seven-Member Volunteer Board of Directors
- 501c3 4b Non-Profit Corporation

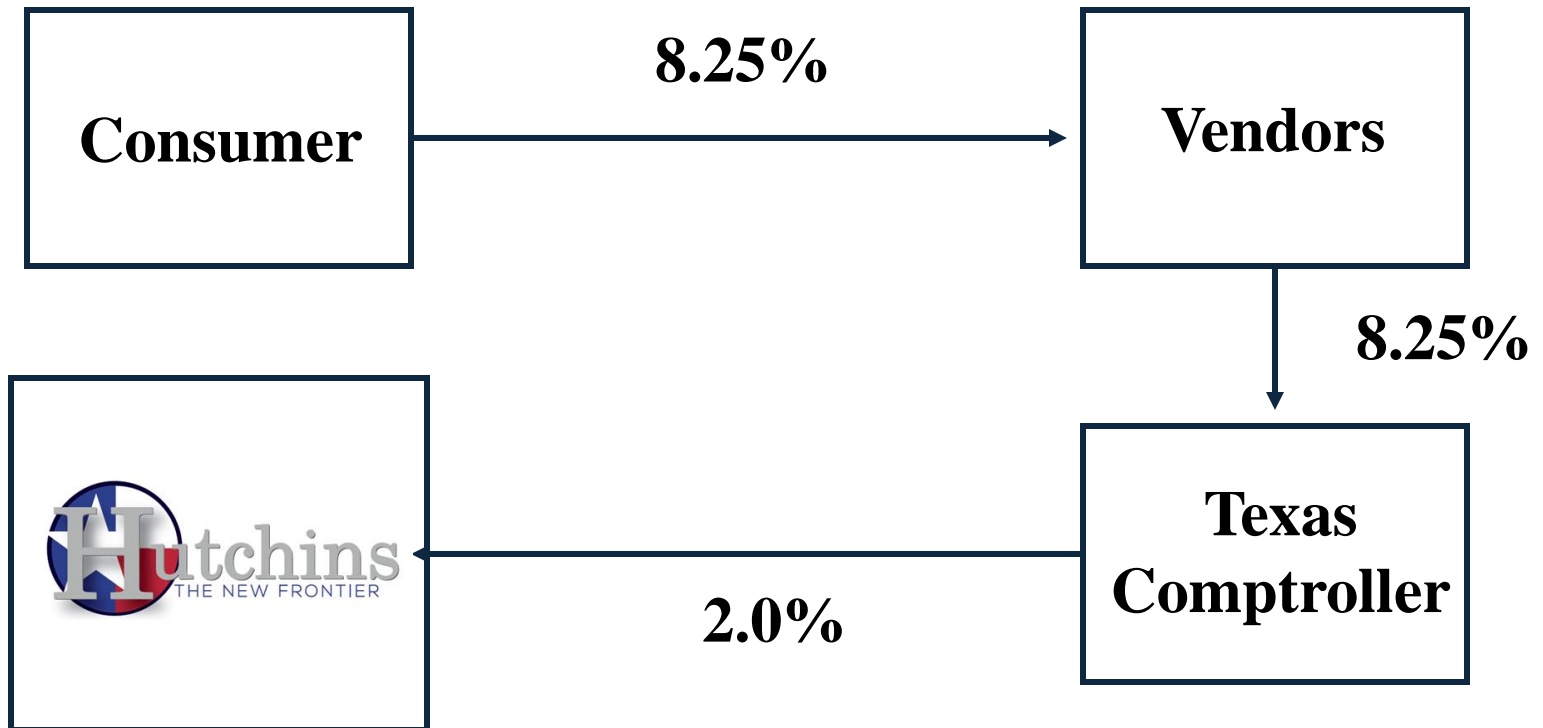
# HEDC Facts

- Subject to Texas Open Meets Laws
- Subject to the Development Corporation Act
  - File reports with Comptroller
  - Supervised by Attorney General Office
- Audited each year by a third-party accounting firm as a component unit of the City of Hutchins

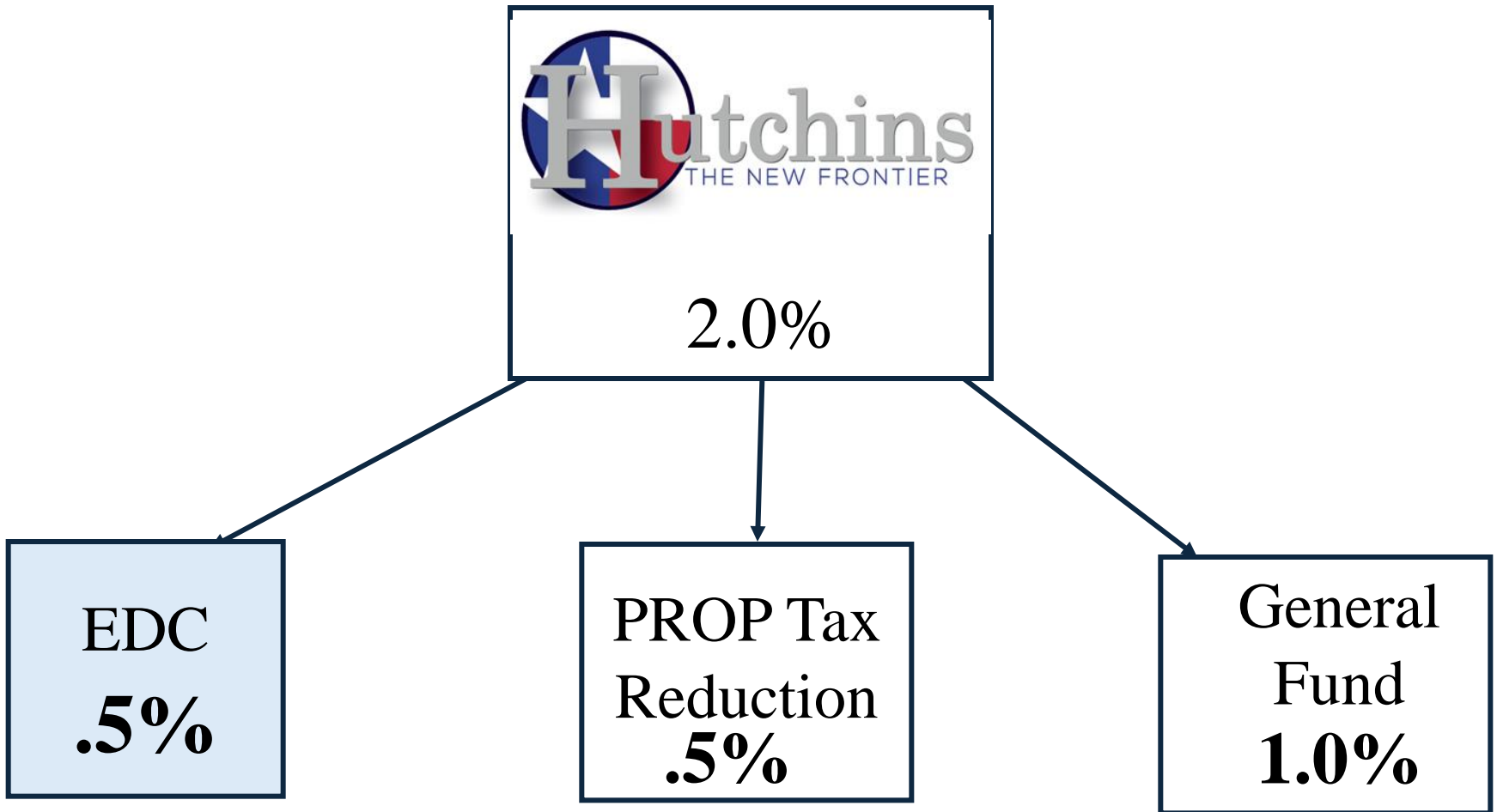
## HEDC Board Members

- Raymond Elmore
- Norma Harlin
- Artis Johnson
- Aurora Madrigal
- Steve Nichols
- Demarcus Odom
- Mario Vasquez

# Local Sales Tax Allocation to Hutchins



# Sales Tax Allocation



# Conventional Sales Tax Collection

Total Sales		\$1,000,000
Local Sales Tax Rate	X	<u>2.0%</u>
City Sales Tax Income		\$20,000
	/	<u>4</u>
Total EDC Allocation		\$5,000

# Example of Sales Tax Revenue

HEDC Sales Tax Projection 24-25	\$	1,500,000
Sales Tax Formula	X	<u>200</u>
Total Taxable Sales		\$300,000,000

\$300 Million in Taxable Sales must be cited in Hutchins to generate \$1,500,000 in HEDC revenue; or

**\$821,917 a day in taxable sales**



# Top Sales Taxpayers

1. ESTRADA READY MIX CONCRETE LLC
2. EAGLE NATIONAL STEEL LTD.
3. LOVE'S TRAVEL STOPS & COUNTRY STORES INC.
4. MCNEILUS FINANCIAL INC.
5. LKQ AUTO PARTS OF NORTH TEXAS, L.P.
6. I-45 BEVERAGE DEPOT L.P.
7. UNITED RENTALS (NORTH AMERICA) INC.
8. QUIKTRIP CORPORATION
9. ALLIANCE STEEL, INC.
10. TUFF SHED INC.

# Overview of recent HEDC Projects

## 3.99 Million since 2015

• CARPENTER ROAD	\$ 33,650
• FAMILY DOLLAR WATER PROJECT	\$ 42,249
• WINTERGREEN MEDIAN PROJECT	\$ 38,000
• CLEVELAND ROAD RECONSTRUCT	\$ 300,000
• WINTERGREEN RETAIL PROJECT	\$ 100,000
• WINTERGREEN ROAD RTC PROJECT	\$1,000,000
• PUBLIC SAFETY CENTER	\$1,120,942
• TXDoT DOWDY FERRY SIGNAGE	\$ 300,000
• CAMPBELL PARK IMPROVEMENTS	\$ 250,000
• <u>WINTERGREEN ROAD RECONSTRUCTION</u>	<u>\$ 810,000*</u>
• TOTAL	\$ 3,994,841

\* annual cost

# Fiduciary Responsibility

- We take our responsibility to the taxpayer very seriously.
- An EDC cannot simply gift funds or property there has to be consideration, evaluation and fiduciary justification for the grant.
- Each 4.b. Grant is considered on a case-by-case basis and the Board of Directors has the authority to approve or not approve projects.
- **ED Grants are not entitlements.**
- It is the job of the Board to achieve ED low cost to the taxpayer

# EDC Budget Highlights

- \$4,532,500 Million in Reserves October 1, 2024
- \$1,500,000 Sales Tax Revenue in 2024 - 2025
- \$4,254,159 Proposed Spending for 2024 - 2025
- \$3,762,500 Million for Special Projects and ongoing American Standard Roadway Project, Lancaster Hutchins Roadway, Recreation Center/Library and Façade Grant Program.
- If all funds in the budget are expended, the Ending Balance for September 30, 2025, should be \$ 1,878,342



# FY 2024-2025 Proposed Budget

## City of Hutchins

### Economic Development Corporation

Description	Actual 2023	Adopted 2024	Estimate 2024	PROPOSED 2025
SALES TAXES	\$ 1,481,673	\$ 975,000	\$ 1,350,000	\$ 1,500,000
INTEREST INCOME	\$ 139,388	\$ 20,000	\$ 100,000	\$ 100,000
<b>Total Revenues</b>	<b>1,621,061</b>	<b>995,000</b>	<b>1,450,000</b>	<b>1,600,000</b>
<b>Total Expenditures</b>	<b>944,905</b>	<b>693,737</b>	<b>690,655</b>	<b>4,254,159</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$ 3,097,000</b>		<b>\$ 3,773,155</b>	<b>\$ 4,532,500</b>
<b>CHANGE IN FUND BALANCE</b>	<b>\$ 676,155</b>		<b>\$ 759,345</b>	<b>\$ (2,654,159)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 3,773,155</b>		<b>\$ 4,532,500</b>	<b>\$ 1,878,342</b>
<b>FUND BALANCE %</b>	<b>399%</b>		<b>656%</b>	<b>44%</b>
<b>FUND BALANCE DAYS</b>	<b>1,458</b>		<b>2,395</b>	<b>161</b>



# FY 2024-2025 Proposed Budget

## City of Hutchins

### Economic Development Corporation

Description	Actual 2023	Adopted 2024	Estimate 2024	PROPOSED 2025
PERSONNEL	\$ 152,515	\$ 163,896	\$ 162,064	\$ 169,518
OFFICE SUPPLIES	\$ 1,454	\$ 1,500	\$ 1,500	\$ 1,500
POSTAGE	\$ 592	\$ 200	\$ 200	\$ 200
COPY, PRINTING, BIND		\$ 200	\$ 200	\$ 200
ELECTRICITY	\$ 1,330	\$ 1,500	\$ 1,500	\$ 1,500
TELEPHONE	\$ 9,080	\$ 4,000	\$ 9,500	\$ 9,500
EDUCATIONAL DONATION		\$ 12,000	\$ 12,000	\$ 12,000
OTHER PROFESSIONAL S	\$ 19,738	\$ 30,000	\$ 30,000	\$ 36,000
LEGAL FEES	\$ 2,950			\$ 6,000
MEMBERSHIPS/SUBSCRIP	\$ 2,378	\$ 13,500	\$ 13,500	\$ 13,500
TRAVEL & TRAINING	\$ 5,649	\$ 7,000	\$ 7,000	\$ 8,000
AUDIT FEES	\$ 5,150	\$ 4,500	\$ 4,500	\$ 5,150
ADVERTISING	\$ 4,828	\$ 15,000	\$ 15,000	\$ 15,000
ENTERTAINMENT/PROMOTION	\$ 14,534	\$ 35,000	\$ 35,000	\$ 35,000
MISCELLANEOUS EXPENSE	\$ 107,681	\$ 1,000	\$ 1,000	\$ 1,000
FUEL	\$ 1,373	\$ 2,000	\$ 2,000	\$ 2,000
COMMUNITY EVENTS		\$ 1,500	\$ 1,500	\$ 1,500
BUSINESS RETENTION E	\$ 2,591	\$ 3,000	\$ 3,000	\$ 3,000
BUILDING MAINTENANCE	\$ 1,895	\$ 2,500	\$ 2,500	\$ 2,500
REPAIRS & MAINTENSNC	\$ 621	\$ 1,500	\$ 1,500	\$ 1,500
COMPUTER EQUIPMENT M	\$ 124	\$ 760	\$ 760	\$ 760
LEASE AGMTS/COMPUTER	\$ 264	\$ 240	\$ 240	\$ 240
CAPITAL EXPENDITURES				
AUTOMOBILES	\$ 43,415			



# FY 2024-2025 Proposed Budget

## City of Hutchins

### Economic Development Corporation

Description	Actual 2023	Adopted 2024	Estimate 2024	PROPOSED 2025
RECREATION CENTER				\$ 3,000,000
LOCAL BUSINESS IMPROVEMENT PROGRAM				\$ 40,000
SMALL BUSINESS DEVELOPMENT PROGRAM				\$ 40,000
SP 101 SOUTH I45 SUITE 1	\$ 10,000			\$ 22,500
LANCASTER HUTCHINS				\$ 660,000
CITY OF HUTCHINS ADMIN COST	\$ 20,169	\$ 21,041	\$ 21,041	\$ 21,041
TRANSFER OUT-STREET	\$ 300,000			
TRANSFER OUT-GENERAL	\$ 50,000			
PRINICIPAL PMTS-2010	\$ 120,000	\$ 125,000	\$ 125,000	\$ 135,000
INTEREST PMTS-2010 C	\$ 12,800	\$ 7,900	\$ 7,900	\$ 2,700
BOND FEES/PAYING AGE		\$ 7,500	\$ 750	\$ 850
COMPUTER EQUIPMENT/S	\$ 1,830	\$ 2,000	\$ 2,000	\$ 2,000
FURNITURE	\$ 995	\$ 1,500	\$ 1,500	\$ 1,500
REMODELING AND REPAIR		\$ 3,000	\$ 3,000	\$ 3,000
DCCCD MOBILE TRAINING		\$ 10,000	\$ 10,000	
PALESTINE OVERPASS S	\$ 10,952	\$ 25,000	\$ 25,000	
SP 801 WEST PALESTIN		\$ 30,000	\$ 30,000	
SP IH45 TURNAROUND	\$ 40,000			
TAX ABATEMENT		\$ 160,000	\$ 160,000	
<b>Total Expenditures</b>	<b>944,905</b>	<b>693,737</b>	<b>690,655</b>	<b>4,254,159</b>
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