

Bastrop Economic Development Corporation
Board of Directors - Meeting Agenda
Bastrop City Hall City Council Chambers
1311 Chestnut Street
Bastrop, TX 78602
(512) 332-8870



Bastrop Economic Development Corporation (BEDC) meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at (512) 332-8800 or write 1311 Chestnut Street, 78602, or by calling through a T.D.D. (Telecommunication Device for the Deaf) to Relay Texas at 1-800-735-2989 at least 48 hours in advance of the meeting.

The BEDC Board reserves the right to reconvene, recess, or realign the Regular Session or call Executive Session or order of business at any time prior to adjournment.

- 1. CALL TO ORDER**
- 2. PUBLIC COMMENT(S)**

At this time, three (3) minute comments will be taken from the audience on any topic. Anyone in attendance wishing to address the BEDC Board must complete a citizen comment form prior to the start of the meeting. In accordance with the Texas Open Meetings Act, if a citizen discusses any item not on the agenda, the BEDC Board cannot discuss issues raised or make any decision at this time. Instead, the Board is limited to making a statement of specific factual information or a recitation of existing policy in response to the inquiry.

It is not the intention of the BEDC to provide a public forum for the embarrassment or demeaning of any individual or group. Neither is it the intention to allow a member of the public to slur the performance, honesty and/or integrity of the Board, as a body, or any member or members of the Board individually or collectively, or members of the BEDC or City's staff. Accordingly, profane, insulting or threatening language directed toward the BEDC Board and/or any person in the Board's presence will not be tolerated.

- 3. REGULAR BUSINESS & PRESENTATIONS**

- 3.A** Approval of the meeting minutes from the Regular BEDC Board Meeting of May 15, 2023, the Leadership Summit of May 22, 2023, and the Special Meeting of June 12, 2023.
- 3.B** Receive the financial report provided by the City of Bastrop's Chief Financial Officer for the period ending in May 2023 and comments.

3.C Discussion and possible action regarding Resolution R-2023-0009 supporting the Smithville Workforce Training Center.

3.D Discussion and possible action regarding the adoption of procedures and metrics of the Revolving Loan Fund.

3.E Update on BEDC funding commitments.

3.F Consideration, discussion, and possible action on election of BEDC Officers: Chair, Vice Chair, Secretary/Treasurer for the remainder of FY 2022/2023.

4. EXECUTIVE SESSION

4.1 The Bastrop EDC Board of Directors will meet in a closed/executive session pursuant to the Texas Government Code, Chapter 551, to discuss the following:

(1) Section 551.087 Deliberation regarding economic development negotiations- Project Triple Arrow and Project Electric Lion.

4.2 The Bastrop EDC Board of Directors will reconvene into open session to discuss, consider and/or take any action necessary related to the executive sessions noted herein.

5. ADJOURNMENT

I, Angela Ryan, Operations Manager of the Bastrop Economic Development Corporation (BEDC), certify that this Notice of Meeting was posted at Bastrop City Hall, 1311 Chestnut Street, and on the BEDC's website on this the 22nd of June 2023 at 5:00 p.m. Copies of this agenda have been provided to those members of the media requesting such information.



STAFF REPORT

MEETING DATE: June 26, 2023

AGENDA ITEM: 3.1

TITLE:

Approval of the meeting minutes from the Regular BEDC Board Meeting of May 15, 2023, the Leadership Summit of May 22, 2023, and the Special Meeting of June 12, 2023.

AGENDA ITEM SUBMITTED BY:

Angela Ryan, BEDC Operations Manager

BACKGROUND/HISTORY:

The minutes from the regular meeting of May 15, 2023, the Leadership Summit of May 22, 2023, and the Special Meeting of June 12, 2023, are attached and require board approve.

FISCAL IMPACT:

N/A

RECOMMENDATION:

Approve the three sets of meeting minutes as submitted.

ATTACHMENTS:

1. Draft minutes from Regular BEDC Board Meeting May 15, 2023
2. Draft minutes from Leadership Summit May 22, 2023
3. Draft minutes from Special Board Meeting June 12, 2023.

BASTROP ECONOMIC DEVELOPMENT CORPORATION (BEDC)
BOARD OF DIRECTORS
Minutes of Monthly Meeting, May 15, 2023
Bastrop City Hall, 1311 Chestnut Street, Bastrop, Texas

Item 3.A

The Bastrop Economic Development Corporation (BEDC) met on Monday, May 15, 2023, at 5:00 p.m. for a Regular Board Meeting at Bastrop City Hall, 1311 Chestnut Street. Board members present: Ron Spencer, Charles Washington, Lyle Nelson, Connie Schroeder, and John Kirkland. Board member Cheryl Lee was absent. Staff members present: Interim Executive Director Sylvia Carrillo, Angela Ryan, Jean Riemenschneider, Drew Chance, and Ashley Allnutt. BEDC attorney Clarissa Rodriguez was also in attendance.

1. CALL TO ORDER – Board Chair Spencer called the meeting to order at 5:00 p.m.

2. PUBLIC COMMENT(S) – There were no public comments.

3. REGULAR BUSINESS & PRESENTATIONS

- 3.1. Approval of the meeting minutes from the Regular BEDC Board Meeting and Joint City Council/BEDC Meeting of April 17, 2023, and Special BEDC Board Meeting of April 27, 2023. Ms. Schroeder made the motion to approve the minutes as submitted, Mr. Nelson seconded, and the motion passed.
- 3.2. Receive financial report provided by City of Bastrop's Chief Financial Officer for the period ending April 2023 and comments. Ms. Carrillo went over the financial report with the Board, reminding them that there will be a budget meeting on June 13th. At that meeting she would like to discuss with the Board the possibility of encumbering funds from the BEDC's fund balance as well as taking on debt to pay for projects funded for the upcoming fiscal year. No action was required.
- 3.3. Funding commitment update. Ms. Carrillo presented a spreadsheet created by BEDC staff to show the "activity at a glance" to give status updates for BEDC projects. Connie Schroeder inquired about the possibility of having ROI sheets for all projects, as well. Ms. Carrillo stated that one could be created and put into each board member's online Dropbox or Teams file. No action was required.
- 3.4. Discussion and possible action regarding Resolution R-2023-0008 approving a professional services agreement with Creative, LLC (dba Insyteful) to provide the BEDC with a target industry analysis in an amount not to exceed \$50,000.00. Ms. Schroeder made the motion to approve the resolution, Mr. Kirkland seconded, and the motion passed.
- 3.5. Discussion and possible action regarding the BEDC's Business and Workflow Project Manager's role in EDC business and workforce development. Jill Strube, Chair of Smithville Workforce Training Center, and Leah Stinson, Operations Manager at the Center, made a presentation to the Board and answered questions. After discussion, Mr. Kirkland made the motion for the attorney to draft a resolution for approval at a future board meeting. Mr. Washington seconded, and the motion passed.
- 3.6. Discussion and possible action regarding an area development plan for the Bastrop Business and Industrial Park, including:
 - A. A proposed area development plan for the lower segment of the Industrial Park and the surrounding area.

- B. A change to the scope of work included in a Professional Services Agreement between the BEDC and Doucet & Associates.
- C. The possible addition of CBD Engineering to the engineering work related to the Colorado Bend project and some Industrial Park items.

After Ms. Carrillo’s presentation, Ms. Schroeder stated she believes the BEDC director should be allowed to continue with negotiating with Doucet and CBD Engineering in order to get the project done in the most economical and quickest way possible. Board Chair Spencer agreed. No action was required at this time.

4. EXECUTIVE SESSION

- 4.1. At 6:05 p.m., the BEDC Board of Directors met in a closed/executive session pursuant to the Texas Government Code, Chapter 551, to discuss the following:
 - (1) **Section 551.087** Deliberation Regarding Economic Development Negotiations – Project Electric Lion; Project Jet, and Project Jam.
- 4.2. At 6:39 p.m., the BEDC Board of Directors reconvened into open session to discuss, consider, and take any action necessary related to the executive sessions noted herein. No action was taken.

- 5. ADJOURNMENT – Mr. Nelson made the motion to adjourn the meeting, and Mr. Washington seconded. The meeting was adjourned at 6:40 p.m.

APPROVED: _____
 Ron Spencer, Board Chair

ATTEST: _____
 Angela Ryan, Operations Manager

**BASTROP ECONOMIC DEVELOPMENT CORPORATION (BEDC)
BOARD OF DIRECTORS
Minutes of Leadership Summit Meeting, May 22, 2023
Bastrop City Hall, 1311 Chestnut Street, Bastrop, Texas**

The Bastrop Economic Development Corporation (BEDC), Bastrop City Council, County Commissioners, Bastrop School Board, and Bastrop Chamber of Commerce met on Monday, May 22, 2023, at noon for a Leadership Summit Meeting at Bastrop City Hall, 1311 Chestnut Street.

1. CALL MEETINGS TO ORDER

1A. Call meetings to order

- a. County Commissioners
- b. City Council – Mayor Schroeder called the meeting of the City Council to order with a quorum being present at 12:02 p.m.
- c. BEDC Board – Chair, Ron Spencer called the meeting of the BEDC Board to order with a quorum being present at 12:02 p.m.
- d. School Board
- e. Chamber of Commerce

2. OVERVIEW

2A. Overview

- a. Proposed Development
 - i. Short Term
 - ii. Long Term
- b. Capital Improvement Plans
 - i. Water
 - ii. Wastewater
 - iii. Transportation
 - iv. Drainage

Mayor Schroeder recessed the Leadership Summit at 1:39 p.m.

Mayor Schroeder called the Leadership Summit back to order at 1:53 p.m.

3. STRATEGIC PARTNERSHIP POTENTIAL

3A. Strategic Partnership Potential

- a. Land
- b. ROW
- c. Process
- d. Staff

4. CITIZEN COMMENTS – None

5. ADJOURNMENT

Mayor Schroeder adjourned the Bastrop City Council meeting at 2:16 p.m.

Chair Spencer adjourned the BEDC Board meeting at 2:16 p.m.

APPROVED: _____
Ron Spencer, Board Chair

ATTEST: _____
Angela Ryan, Operations Manager

DRAFT

**BASTROP ECONOMIC DEVELOPMENT CORPORATION (BEDC)
BOARD OF DIRECTORS
Minutes of Special Board Meeting, June 12, 2023
Bastrop City Hall, 1311 Chestnut Street, Bastrop, Texas**

The Bastrop Economic Development Corporation (BEDC) met on Monday, June 12, 2023, at 5:00 p.m. for a Special Board Meeting at Bastrop City Hall, 1311 Chestnut Street. Board members present: Ron Spencer, Cheryl Lee, John Kirkland, Charles Washington, Lyle Nelson, and Connie Schroeder. Staff members present: Interim Executive Director Sylvia Carrillo, Angela Ryan, Ashley Allnutt, and Drew Chance. BEDC attorney Clarissa Rodriguez was also in attendance.

1. CALL TO ORDER – Board Chair Spencer called the meeting to order at 5:00 p.m.

2. PUBLIC COMMENT(S) – There were no public comments.

3. REGULAR BUSINESS & PRESENTATIONS

3.1. Presentation, discussion and possible action regarding approval of Resolution R-2023-0007 approving the terms of an agreement with the City of Bastrop to fund a Master Transportation Plan in an amount not to exceed \$87,500.00. Ms. Schroeder made the motion to approve the resolution, Mr. Nelson seconded, and the motion passed.

3.2. Discussion and possible action regarding adoption of procedures and metrics of the BEDC’s Revolving Loan Fund; discussion and possible action regarding the BEDC providing matching funds for the program. Drew Chance gave a presentation to the Board about the Revolving Loan Fund Program and the possible metrics that will be used in determining who is eligible for assistance and applicable policies. Mr. Spencer made a motion to table this item until after the budget workshop. Ms. Lee seconded, and the motion passed. At 6:20 p.m. the budget workshop ended. Ms. Schroeder made the motion to un-table this item for discussion. Mr. Washington seconded, and the motion passed. Ms. Schroeder made the motion to make the recommended edits and approve the BEDC contributing an additional \$30,000 in matching funds, for a total of \$50,000. Mr. Spencer seconded, and the motion passed.

3.3. Discussion and possible action on approval of settlement agreement with Jorgenson Consulting. Mrs. Carrillo stated that an agreement has been reached between the BEDC and Jorgenson Consulting in which Jorgenson Consulting will pay back \$12,500 to the BEDC. Ms. Schroeder made the motion to approve, Mr. Nelson seconded, and the motion passed.

4. BUDGET WORKSHOP

4.1. The BEDC Board will meet in a budget workshop session to review and discuss all matters related to the BEDC’s draft budget for fiscal year 2023/2024, including discussion and possible action on education and workforce development programs, infrastructure projects, and proposed capital improvement projects that can legally be funded by Type B Sales Tax. Ms. Carrillo gave a presentation on the draft fiscal year 2023/2034 budget. There was no need for a motion at this time.

5. ADJOURNMENT – Ms. Lee made motion to adjourn the meeting and Mr. Washington seconded. The meeting was adjourned at 6:58 p.m.

APPROVED: _____
Ron Spencer, Board Chair

ATTEST: _____
Angela Ryan, Operations Manager



STAFF REPORT

MEETING DATE: June 26, 2023

AGENDA ITEM: 3.2

TITLE:

Receive financial report provided by City of Bastrop's Chief Financial Officer for the period ending May 2023 and comments.

AGENDA ITEM SUBMITTED BY:

Tracy Waldron, City of Bastrop CFO

BACKGROUND/HISTORY:

Attached for the Board's review and consideration is the BEDC financial summary report for the period ending May 2023.

FISCAL IMPACT:

N/A

RECOMMENDATION:

None; item presented for informational purposes.

ATTACHMENTS:

1. Financial report period ending May 2023

Bastrop Economic Development Corporation

Financial Summary
For Period Ending
May 2023

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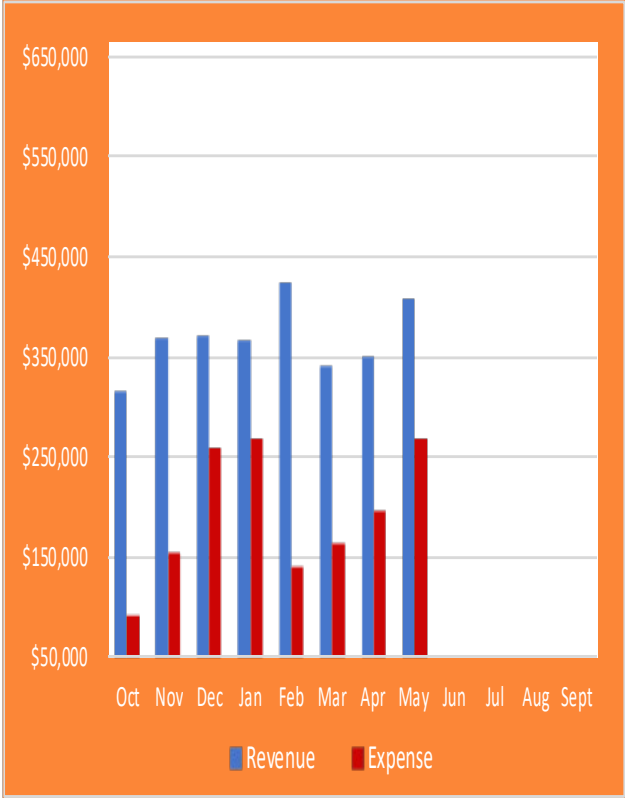




Summary of Revenues and Expenditures

As of May 31, 2023

<u>Month</u>	<u>FY2023</u> <u>Revenue</u>	<u>FY2023</u> <u>Expense</u>	<u>Monthly</u> <u>Variance</u>
Oct	\$ 314,503	\$ 89,846	\$ 224,657
Nov	365,198	153,468	\$ 211,730
Dec	369,279	255,987	\$ 113,292
Jan	364,959	264,968	\$ 99,991
Feb	422,340	139,973	\$ 282,367
Mar	338,680	161,531	\$ 177,149
Apr	347,644	194,144	\$ 153,500
May	404,415	265,066	\$ 139,349
Jun			\$ -
Jul			\$ -
Aug			\$ -
Sept			\$ -
Total	\$ 2,927,018	\$ 1,524,983	\$ 1,402,035

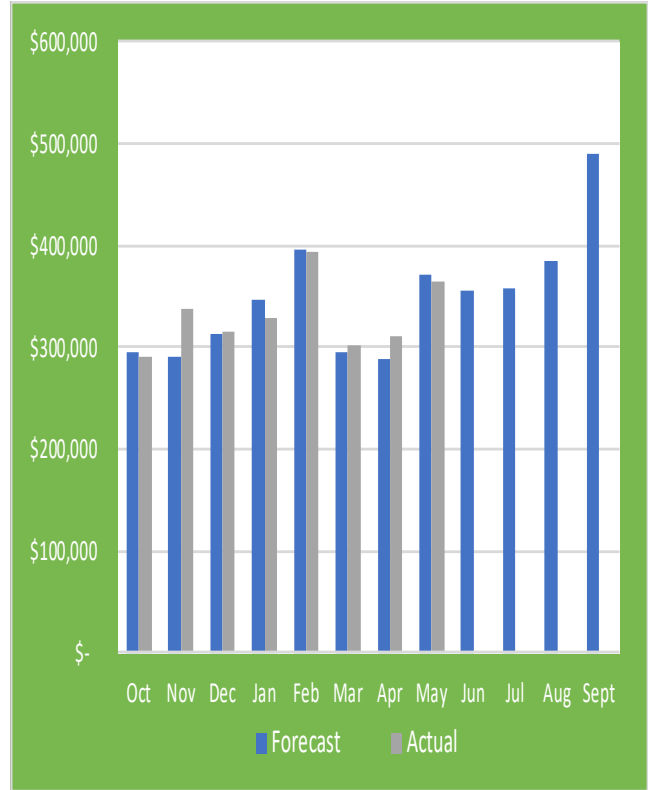


Positive

Summary of Sales Tax Revenue

As of May 31, 2023

Month	FY2023 Forecast	FY2023 Actual	Monthly Variance
Oct	\$ 294,972	\$ 290,089	\$ (4,883)
Nov	291,227	337,710	\$ 46,483
Dec	312,299	316,021	\$ 3,722
Jan	346,555	327,923	\$ (18,632)
Feb	395,371	393,693	\$ (1,678)
Mar	294,386	302,268	\$ 7,882
Apr	288,020	310,213	\$ 22,193
May	370,361	363,513	\$ (6,848)
Jun	356,361		
Jul	357,536		
Aug	385,692		
Sept	490,259		
Total	\$ 4,183,039	\$ 2,641,430	\$ 48,239
Forecast YTD	\$ 2,593,191		
Actual to Forecast	\$ 48,239	1.9%	



Positive

Sales Tax revenue is 99% of total revenue. The amount in Oct. and Nov. are estimated due to the timing of receiving the payments. The State Comptroller has a two month lag between month earned and month distributed. The Actual to forecast is positive 2%. This budget was a 5% increase over FY2022 projected.

Expenditures Budget to Actual Comparison

As of May 31, 2023

OPERATING EXPENDITURES COMPARISON

<u>Category</u>	<u>FY2023 Forecast</u>	<u>FY2023 Actual</u>	<u>Monthly Variance</u>
Personnel	\$ 625,708	\$ 413,104	\$ 212,604
Supplies & Material	13,387	4,255	\$ 9,132
Maintenance & Repairs	11,887	8,906	\$ 2,981
Occupancy	42,333	37,425	\$ 4,908
Contractual Service	323,818	247,444	\$ 76,374
Marketing/Advertising	367,248	196,703	\$ 170,545
Contingency	-	-	\$ -
Debt Service	28,307	28,307	\$ -
Total	\$ 1,412,688	\$ 936,144	\$ 476,544

Forecast to Actual % 33.7%

Positive

The forecast to actual comparison is a positive 34% year-to-date.

Expenditures Budget to Actual Comparison

As of May 31, 2023

CAPITAL OUTLAY PROJECTS

<u>Project</u>	<u>FY2023 Budget</u>	<u>FY2023 Actual</u>	<u>Budget Balance</u>
Jackson St Extension	\$ 2,000,000	\$ 463,120	\$ 1,536,880
Bus. Ind. Park-Tech/MLK Infra*	2,000,000	-	\$ 2,000,000
Total	\$ 4,000,000	\$ 463,120	\$ 3,536,880
CO, Series 2013			
Bus. Ind. Park-Tech/MLK Infra*	\$ 144,875	\$ 50,277	\$ 94,598

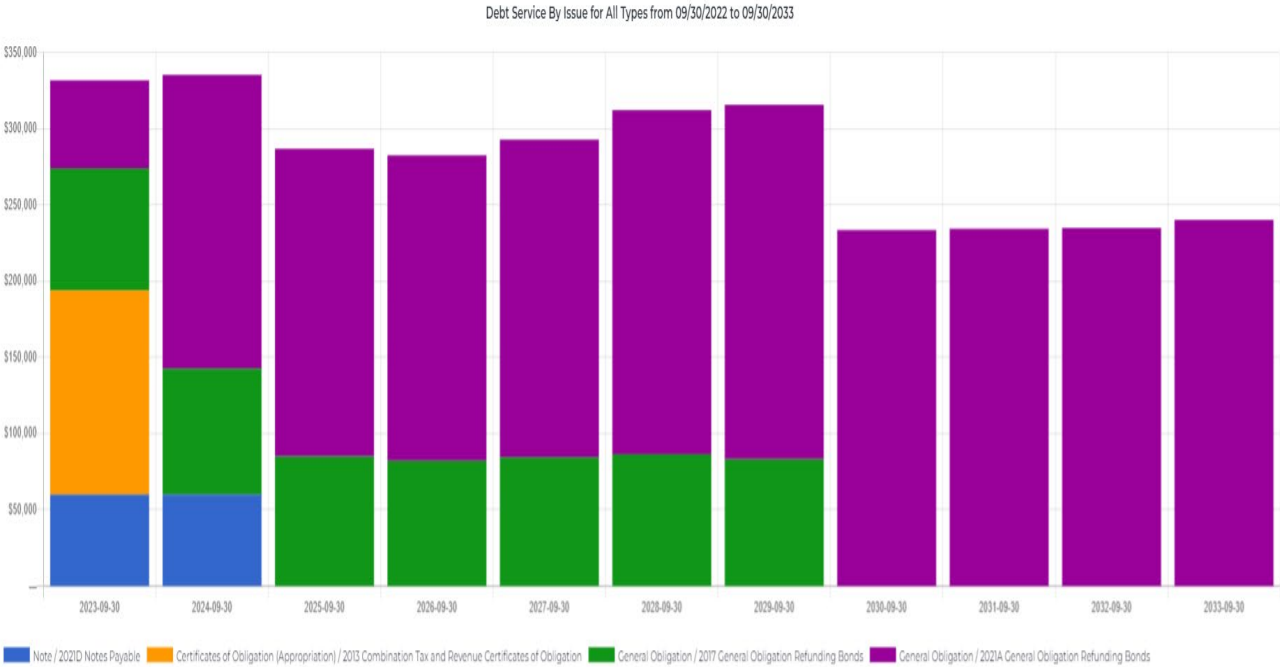
** This project funded by bond funds budgeted from the 2013 CO.*

BASTROP ECONOMIC DEVELOPMENT CORPORATION FUND
FY 2022-2023 BUDGET

Working Capital 9-30-2022 audited	\$	9,387,864
FY 2022-2023		
Budgeted		
Revenues	\$	4,213,909
Total FY 2023 Resources	\$	13,536,891
Budgeted Expenditures:		
Operating Expenses	\$	(5,137,634)
Capital Expenses	\$	(4,000,000)
Debt Service	\$	(271,614)
	\$	(9,409,248)
Projected Working Capital Balance 09-30-2023	\$	13,515,507
Reserve 25% of Operating Expense	\$	1,284,408



Debt Obligation by Issue As of 9/30/2022



Current outstanding principle \$2,760,000



STAFF REPORT

MEETING DATE: June 26, 2023

AGENDA ITEM: 3.3

TITLE:

Discussion and possible action regarding Resolution R-2023-0009 supporting the Smithville Workforce Training Center.

AGENDA ITEM SUBMITTED BY:

Sylvia Carrillo, ICMA-CM, CPM, City Manager & Interim Executive Director, Bastrop Economic Development Corporation

BACKGROUND/HISTORY:

At the May 15, 2023, BEDC board meeting, the board requested that the staff work with legal counsel to draft a resolution in support of the Smithville Workforce Training Center.

FISCAL IMPACT:

N/A

RECOMMENDATION:

Approve Resolution R-2023-0009 as submitted

ATTACHMENTS:

1. Draft Resolution R-2023-0009

RESOLUTION NO. R-2023-0009

A RESOLUTION OF THE BASTROP ECONOMIC DEVELOPMENT CORPORATION ESTABLISHING FORMAL SUPPORT OF THE SMITHVILLE WORKFORCE TRAINING CENTER; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Bastrop Economic Development Corporation (“BEDC”) is a public instrumentality and non-profit industrial development corporation duly established and operating under Texas Local Government Code, Chapters 501 and 505 *et seq.*, as amended, known as the Development Corporation Act of 1979 (the “Act”); and

WHEREAS, the Smithville Workforce Training Center (“SWTC”) is a nonprofit organization connecting students in this region to workforce training and certification programs as well as addressing the barriers students face related to taking advantage of educational opportunities, with the intention to build the capacity of the broader rural community, linking training to jobs that pay a living wage; and

WHEREAS, the SWTC is currently funded through grants from a variety of sources (including two ARPA grants through the City of Smithville and Bastrop County, the EDA Good Jobs grant through Workforce Solutions Rural Capital Area, several St. David Foundation grants, and others), and administers these grant funds to operate the Training Center, and is constantly seeking sustainability through diversified funding sources; and

WHEREAS, the Board of Directors of the BEDC desire to formally acknowledge the importance of the training provided by SWTC and establish their full support; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public, and public notice of the time, place and purpose at which it was read was given in accordance with Chapter 551, Texas Government Code.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BASTROP ECONOMIC DEVELOPMENT CORPORATION THAT:

SECTION 1. The Board hereby finds that all of the recitals above are true and correct and are incorporated herein as if restated in full.

SECTION 2. The Board authorizes BEDC’s Board Chair or Interim Executive Director to take any lawful action necessary to support the endeavors of the Smithville Workforce Training Center.

SECTION 3. This Resolution is effective upon passage.

PASSED AND APPROVED on the _____ day of _____ 2023 by the Board of Directors of the Bastrop Economic Development Corporation.

[SIGNATURE PAGE FOLLOWS]

RESOLUTION NO. R-2023-0009

BASTROP ECONOMIC
DEVELOPMENT CORPORATION

Ron Spencer, Board Chair

ATTEST:

Charles Washington, Board Secretary

APPROVED AS TO FORM:

Denton, Navarro, Rocha, Bernal & Zech, P.C.
Board Counsel

DRAFT



STAFF REPORT

MEETING DATE: June 26, 2023

AGENDA ITEM: 3.4

TITLE:

Discussion and possible action regarding adoption of procedures and metrics of the BEDC's Revolving Loan Fund.

AGENDA ITEM SUBMITTED BY:

Sylvia Carrillo, ICMA-CM, CPM, City Manager & Interim Executive Director, Bastrop Economic Development Corporation

BACKGROUND/HISTORY:

At the Special Board Meeting held on June 12, 2023, the Board was presented with a draft policy for a BEDC Revolving Loan Fund. The recommended edits have been made to the attached document.

FISCAL IMPACT:

Funding in the amount of \$50,000 will be budgeted in fiscal year 2024, \$20,000 from Roscoe State Bank and a \$30,000 match from the BEDC.

RECOMMENDATION:

Approve the procedures for the Revolving Loan Fund Program

ATTACHMENTS:

1. Draft Revolving Loan Fund Program procedures



Bastrop Economic Development Corporation Revolving Loan Fund Program Policy

I. GENERAL POLICY

The Bastrop Revolving Loan Fund (RLF) Program provides businesses with direct loans. As the RLF receives the principal and interest from outstanding loans, the money is made available to another borrower. This recycling of funds makes RLFs particularly valuable for small businesses and entrepreneurs that lack the equity typically required by financial institutions to start or grow their business. This RLF program provides low-interest financing to assist with business start-ups and the expansion of existing businesses for the purposes of creating jobs, increasing sales tax producing revenue, and enhancing private capital investment within the City of Bastrop, Texas.

II. ECONOMIC OBJECTIVES

The Bastrop Economic Development Corporation (BEDC) will consider applications for the RLF, which demonstrate the achievement of one or more of the following objectives:

1. Enhance the City's economic base through property tax and sales tax.
2. Assist businesses that provide permanent employment opportunities.
3. Stimulate private sector investment in commercial opportunities.
4. Encourage site improvements and redevelopment of commercial and industrial areas, blighted properties and vacant land.

III. DEFINITIONS

As used in this Policy, the following words or phrases shall have the stated meanings:

1. "Applicant" – Business or person applying for the loan
2. "BEDC" – Bastrop Economic Development Corporation
3. "BEDC Board" – BEDC Board of Directors
4. "RLF" – Bastrop Revolving Loan Fund Program
5. "RLF Committee," or "Committee" – loan committee comprised of a maximum of three BEDC Board members and additional members as determined by the BEDC Board
6. "Lender" – BEDC or established BEDC bank or lending institution
7. "Loan" – (aka microloan or small business loan) amount not to exceed \$10,000
8. "Recipient" – Business or person approved for a loan

IV. ELIGIBLE BUSINESSES

All RLF Applicants must meet the following criteria. The business must:

1. Be a for-profit business in the industrial, commercial, retail or service sector.
2. Be a private business (dba, LLC, LLP, PC, C, or S corporation).
3. Have a physical address within the City of Bastrop city limits. Proof of address shall be required when applying.
4. Be an allowed use through zoning of the property or be a legally non-conforming use.
5. Not have delinquent taxes, bills, or charges due to the City.
6. Not have any outstanding violations with the City of Bastrop unless working to come into compliance by utilizing the RLF.

Any participant in the RLF must be in good standing with the BEDC and the City of Bastrop (e.g., not in litigation against the BEDC or City or owing monies for utilities, judgements, fines, having unresolved code enforcement issues, etc.) and may only carry one revolving loan at a time.

V. ELIGIBLE USES OF THE REVOLVING LOAN FUND

1. Land and building acquisition
2. Property improvements
3. New building construction
4. Building renovation and modernization
5. Machinery, equipment & fixtures
6. Inventory
7. Working capital
8. Information technology

VI. INELIGIBLE USES OF THE REVOLVING LOAN FUND

1. Debt refinancing
2. Residential real estate, public buildings or infrastructure, speculative buildings, or any project not located within the city limits of Bastrop, Texas.
3. Investments, payments on current loans, or refinancing of existing debt.
4. Loans used as a loan guarantee or as a substitute for private capital.
5. Taxes
6. Gambling, religious, political or adult/pornographic businesses
7. Loans which would create a potential conflict of interest for any BEDC staff member, elected or appointed official, or members of the Committee.

VII. AMOUNT AVAILABLE

Applications will be accepted for loan amount requests ranging from \$3,000 up to \$10,000. Loans will be considered on a first come first served basis each fiscal year, which is October 1 to September 30. Once budgeted funds are exhausted, then the BEDC Board must approve

additional funding during the fiscal year or applicants will need to reapply in a subsequent term.

VIII. ADMINISTRATION

Application forms are available online at www.bastropcdc.org.

Applicant should allow a minimum of six to eight weeks for processing once the completed application and all required documentation are submitted.

Consideration for approval will be based on but not limited to the following:

1. Business plan for the proposed business or project
2. Assessment of business capacity to operate successfully based on current market conditions
3. Analysis of personal credit score
4. Cash flow analysis
5. Other financial documents as requested
6. The following minimum criteria will be used in assessing candidacy for a loan:

Business Status	Personal Credit Score	Business Annual Revenues	Years in Business	Business Plan	Articles of Org/Incorp/EIN	3 Months Personal Bank Statements	3 Months Business Bank Statements
Existing	>600	\$50,000	>1 Year	Yes	Yes	No	Yes
Start-Up	>700	N/A	N/A	Yes	Yes	Yes	No

7. If minimum criteria are met for securing a loan, then the loan committee will analyze and score the loan applicants based on their potential risk in the categories noted in the table below. Risk will be assigned as low (1), medium (2), or high (3). A total risk score will be calculated and used in the final evaluation of the loan application.

	Applicant Character (Credit Score)	Current Economic Conditions/ Communication (Business Plan)	Repayment Capacity (Bank Statements)	Total Score	Risk Score Average (Total Score/3)
Risk Score:					
1 - Low					
2 - Medium					
3 - High					

An initial meeting with the Applicant and BEDC staff will be set up to review the request. If the application meets the initial policy guidelines and the application is deemed complete, BEDC staff shall prepare a loan summary to be submitted to the BEDC RLF Committee for

consideration in making a recommendation to the BEDC Board. A copy of the loan summary and application will be sent to the Committee at least 72 hours prior to the meeting. Information in the loan summary will include:

1. Project description and use of funds
2. Type of business
3. Number of jobs created or retained
4. Source and use of personal or other funds
5. Staff recommendation for loan application
6. Estimated economic benefits to the City

Incomplete applications will be returned to the Applicant.

The RLF Committee shall meet on an as-needed basis to review applications for financial feasibility, security and ability to satisfy the purposes and priorities of the program. The Applicant will be invited to the meeting to present to the committee. Applications shall require a majority vote of the Committee for recommendation to proceed to the BEDC Board. During the next regularly scheduled BEDC Board meeting, the Board will formally approve/deny the application. If an application is denied, BEDC staff shall have the option to continue assisting the Applicant in gathering additional information for resubmittal.

Nothing in this Policy shall require the BEDC to make a loan to a business that meets the requirements of the Policy. The BEDC is not required to make a loan or provide any financial assistance to a business that meets the requirements of this Policy unless the BEDC in its sole discretion determines that it is in the BEDC and City of Bastrop's best interest to make a loan. Each application will be reviewed on a case-by-case basis.

NOTE: Information that the Applicant believes to be confidential should be clearly marked "Confidential" on each page containing confidential information. The BEDC shall take every precaution allowed by law to maintain confidentiality. Application materials may be subject to public disclosure.

IX. LOAN TERMS AND GUIDELINES

1. Minimum amount of loans – \$3,000
2. Maximum amount of loans – \$10,000
3. Loan term will be five (5) years.
4. Loan origination fees will be incurred by the BEDC.
5. The interest rate of all approved loans will be a fixed rate, established at the time of loan approval, and set to 75% of the Wall Street Journal prime rate.
6. Recipients may be required to maintain property insurance on buildings and contents for full replacement value. If required, insurance policies shall name the BEDC as a Lender Loss Payee.

X. LOAN PAYMENT TERMS AND GUIDELINES

1. Initial payment may be deferred up to three (3) months after closing.
2. Payment shall be made monthly, by check, to the City of Bastrop Finance Department who will provide all loan invoices.
3. Payments more than thirty (30) days delinquent will be assessed a five (5) percent penalty. Payments first go towards any accrued penalties, then towards accrued interest, and lastly to reduce the balance of the principal.
4. The Recipient may repay the loan without incurring a prepayment penalty, to encourage early repayment of loans.
5. The Applicant will authorize the BEDC to obtain verification of any applicable records, including assets, employment records, and consumer credit reports.
6. BEDC will review RLF agreements annually.

XI. LOAN PROCEDURES

Prior to releasing RLFs, the following documentation, and any other documentation required by the BEDC, must be provided :

1. **Notice of Award** – The BEDC has reviewed and approved a complete application for an eligible Applicant.
2. **Loan Agreement** – A RLF agreement shall be executed by the BEDC Chair and the principal owner(s) or officer(s) of the business. The agreement must be dated, state the agreement between the BEDC and the business and specify the amount and terms of the loan funds delivered.
3. **Loan Security** – If RLF security is required, any mortgage or lien instruments must be executed at the time of the loan closing. The BEDC may take a security interest position in any equipment, real estate, or other collateral being financed. Subordinate lien position loans will be accepted.
4. **Amortization Schedule** – An amortization schedule shall be prepared by BEDC Staff with a copy provided to the borrower.
5. **Evidence of Permits** – Documentation must be provided by the Applicant.
6. **Other Documentation** – The Applicant may be asked to provide other types of documentation.

XII. POST-APPROVAL OF RLF RECIPIENT

In addition to the terms and conditions of the RLF, all Recipients must agree to comply with the following:

- To use RLF money only to pay the cost of services and materials necessary to complete the project or activity, or purchase the equipment for which the loan was awarded.

- To permit inspections by persons authorized by the BEDC of all projects and properties assisted with RLFs. Related project materials shall also be open to inspections which include but may not be limited to materials and equipment. Requests for inspection shall be complied with by the Recipient.
- To maintain records on the projects as may be requested by the BEDC. These files shall be maintained as long as the loan is active or for at least three (3) years after completion of the work for which the loan has been obtained, whichever is longer.
- The business must maintain an actual physical presence within the city limits of Bastrop, Texas, for 5 years.

XIII. POST-CLOSING AND MONITORING OF RLFs

General Procedures

1. When the loan closing is completed and the funds are disbursed, the Lender will establish a loan servicing file to contain:
 - 1) All closing documents.
 - 2) A log of all conversations and correspondence relating to the loan.
 - 3) A master follow-up file to ensure loan monitoring functions are performed on a timely basis.
2. The calculation of principal and interest and monthly payment reports will be executed at the time of the loan closing by the Lender.
3. Fund management services will be provided by the Lender. The BEDC may assist with loan packaging, underwriting, and related marketing services for the Fund.

Monitoring

Lender will be responsible for collecting and maintaining evidence of ongoing compliance with any loan requirements, insurance, financial reporting, and any special conditions of the original agreement. An annual report of projects financed through this program will be provided to the BEDC and BEDC Board each year.

XIV. DEFAULT

In the event the Recipient is in default on any of the terms and conditions of the RLF agreement, all sums due and owing, including penalties, shall, at the BEDC's option, become due and payable. To exercise this option, the BEDC Attorney shall prepare a written notice to the Recipient. The notice shall specify the following:

1. The default.
2. The action required to cure the default.
3. A date, not less than thirty (30) days from the date of the notice, by which the default must be cured to avoid foreclosure or other corrective action.

4. Any penalties incurred as a result of the default.

XV. USE OF LOAN REPAYMENTS AND REPORTING

Repaid loans shall be redeposited in the RLF account and used in a manner consistent with these policies and procedures. A separate accounting record for each loan shall be kept to account for all funds loaned.

XVI. PERFORMANCE ASSESSMENT PROCESS

The BEDC staff shall annually review the goals and objectives of the RLF to verify it is meeting its objectives. If staff determines the program requires modification, staff will prepare and present any modifications to the Committee for review, with final approval by the BEDC Board.

Bastrop Economic Development Corporation Revolving Loan Fund (RLF) Process

Item 3.D

Business Interested in RLF

BEDC staff provide RLF information, process, and application

Business completes application

Business begins to gather materials necessary for application requirements



Application Submission

Business submits application and required documentation to BEDC

BEDC staff review application and documents for completeness

If incomplete, business is notified of components for correction

If complete, BEDC staff will submit application to the BEDC RLF Committee and schedule a Committee meeting



Committee Convenes

Committee is provided with all application materials for review (at least 72 hours prior to meeting)

Committee meets to discuss application in which business is advised to make a presentation

If approved, Committee sends recommendation to the BEDC Board for approval

If not approved, Committee may decide to provide recommendations for the business for another application submission



Application Approval

Application is submitted to BEDC Board for approval

If application is approved, the business is notified of any additional contingencies required by the Board

Loan is awarded to business

BEDC RLF Committee meets on an as-needed basis. The Committee must have sufficient time for review and presentation of the RLF application before materials are distributed to members, a minimum of 72 hours prior to meeting.



Bastrop Economic Development Corporation

Revolving Loan Fund Application Form

Applicant Information

Name of Applicant(s): _____

Address: _____ City, State, Zip Code: _____

Phone Numbers: _____

Email Address: _____

Information about Your Business

Name of Business: _____

Address of Business: _____ City, State, Zip Code: _____

Phone Numbers: _____

Type of Business: _____ Employer ID Number: _____

Number of Employees: Full-Time: _____ Part-Time: _____

Business Banking Institution: _____

Products or Services Your Business Provides: _____

Information about the Project

Brief Description of the Project:

Anticipated Start Date for the Project: _____

Amount of Loan Funds Requested: _____ Requested Loan Term: _____

Sources and Uses of Loan Proceeds

USES		SOURCES	
Land Acquisition:	_____	BEDC RLF:	_____
New Building Construction:	_____	Financial Institution:	_____
Site Preparation or Demolition:	_____	Owner's equity:	_____
Rehabilitation or Renovation:	_____	Other:	_____
New Machinery and Equipment:	_____	Other:	_____
Inventory and Working Capital:	_____	Other:	_____
Other: _____	_____	Other:	_____

Additional Requirements

Each complete application to be submitted shall include the following items:

1. A cover letter describing the project, explaining the need for Economic Development Loan Funds, and describing the public benefits of the project.
2. A business plan outlining the management, marketing, competition, business history, and future potential.
3. Resumes of the principal borrowers.
4. Financial statements for the preceding three years, including balance sheets, income statements, and the most recent interim statements.
5. A current personal financial statement of any owner with 20% or greater ownership in the business.
6. A project budget showing a breakdown of the total sources and uses of funds for the project.

Private Financing Information

If private financing is being requested for this project, complete the following information.

Financial Institution: _____

Address: _____ City, State, Zip Code: _____

Contact Person: _____

Phone Number: _____ Email Address: _____

Loan Amount: _____

I hereby authorize the above referenced financial institution to release my financial records to the Bastrop Economic Development Corporation and/or their representatives.

Applicant Signature

Date

Applicant Certification

I authorize the Bastrop Economic Development Corporation to make inquiries as necessary to verify the accuracy of the information provided and to determine my credit worthiness. I certify the statements contained on this application and the supporting documentation are true and accurate as of the stated dates.

Applicant Signature

Date

Applicant Signature

Date



STAFF REPORT

MEETING DATE: June 26, 2023

AGENDA ITEM: 3.5

TITLE:

Update on BEDC funding commitments.

AGENDA ITEM SUBMITTED BY:

Sylvia Carrillo, ICMA-CM, CPM, City Manager & Interim Executive Director, Bastrop Economic Development Corporation

BACKGROUND/HISTORY:

This item seeks to provide the board with an “at a glance” opportunity to review projects and their status. This item was requested by the Chairman Spencer and serves to provide a primer as we enter budget discussions in the coming weeks.

It will become a regular part of the agenda.

FISCAL IMPACT:

None

RECOMMENDATION:

None; item presented for informational purposes. In depth discussions on any item can be brought back at a future meeting.

ATTACHMENTS:

1. Funding commitment updates

BEDC Funding Commitments

Project Name	Company Name	Amount Committed	Jobs Created	Status
Super Glue	TA Bastrop (Technical Adhesives)	\$300,000	5-12 in 5 years	Plans submitted to City on 06/21/23.
Fiesta	Coltzin, LLC	\$233,935	25-30 in 5 years	Owner will send documents within next two weeks to amend performance agreement.
Swipe	Moca Ventures	\$400,000 (plus any remaining funds from infrastructure)	50-700 in 5 years	Plans not yet submitted; 180-day extension for commencement ends August 7, 2023.
Third Arrow	Not yet public	Negotiations ongoing/ \$1M land plus \$1M infrastructure	100 by year 10	Meeting with BEDC staff in late July; performance agreement will need to be edited prior to finalizing.
Financial Way	N/A	\$1M (Moca committed to paying half)	N/A	100% plans and final replat have been submitted to City. Front end documents for construction have been submitted. Warrant application has been approved. Ready to go to bid after construction documents are approved.
Jackson Extension	N/A	\$1.6M	N/A	Engineering plans 30% complete. Survey, SUE and geotechnical have been ordered and should be completed by end of July. Design work should start in August. Lift station site survey is complete. SUE and geotech ordered. Submitting updated proposal on 06/23.2
Blakey Lane Extension	N/A	\$1M	N/A	In engineering.



STAFF REPORT

MEETING DATE: June 26, 2023

AGENDA ITEM: 3.6

TITLE:

Consideration, discussion and possible action on election of BEDC Officers: Chair, Vice Chair, Secretary/Treasurer for the remainder of FY 2022/2023.

AGENDA ITEM SUBMITTED BY:

Sylvia Carrillo, ICMA-CM, CPM, City Manager & Interim Executive Director, Bastrop Economic Development Corporation

BACKGROUND/HISTORY:

Per the BEDC's current Bylaws, members of the BEDC Board who are also City Council members cannot serve as Board Chair or Vice Chair.

With the election of Lyle Nelson as Mayor of the City of Bastrop, he can no longer serve in the office of Vice Chair and must be replaced.

This item allows for the Board to elect a new Vice Chair, and can also address any potential changes to the other offices (e.g., if the current Secretary/Treasurer is elected Vice Chair).

The section of the Bylaws that governs officers (Article III, Section 1) is included here for your reference:

- (a) The officers of the Corporation shall be a Chair, Vice Chair, Secretary, and Treasurer. Any two (2) offices may be held by the same person, except the office of the Chair of the Board. Terms of office shall be one (1) year with the right of an officer to be reelected.
- (b) All officers shall be subject to removal from office at any time by a vote of the majority of the Board.
- (c) A vacancy in the office of any officer shall be filled by a vote of the majority of the Board.
- d) Neither the office of Chair or Vice Chair may be held by a member of the City Council. Section 2. Powers and Duties of the Chair.

FISCAL IMPACT:

N/A

RECOMMENDATION:

I make the motion that _____ be appointed as Vice Chair for the remainder of the fiscal year. (Note: If any changes occur to the other two offices, those will also require a vote.)

ATTACHMENTS:

None