

VICTORIA SALES TAX DEVELOPMENT CORPORATION

FY2021-2022 ADOPTED BUDGET

AUGUST 30, 2021

Victoria Sales Tax Development Corporation

FY2021-2022 Adopted Budget

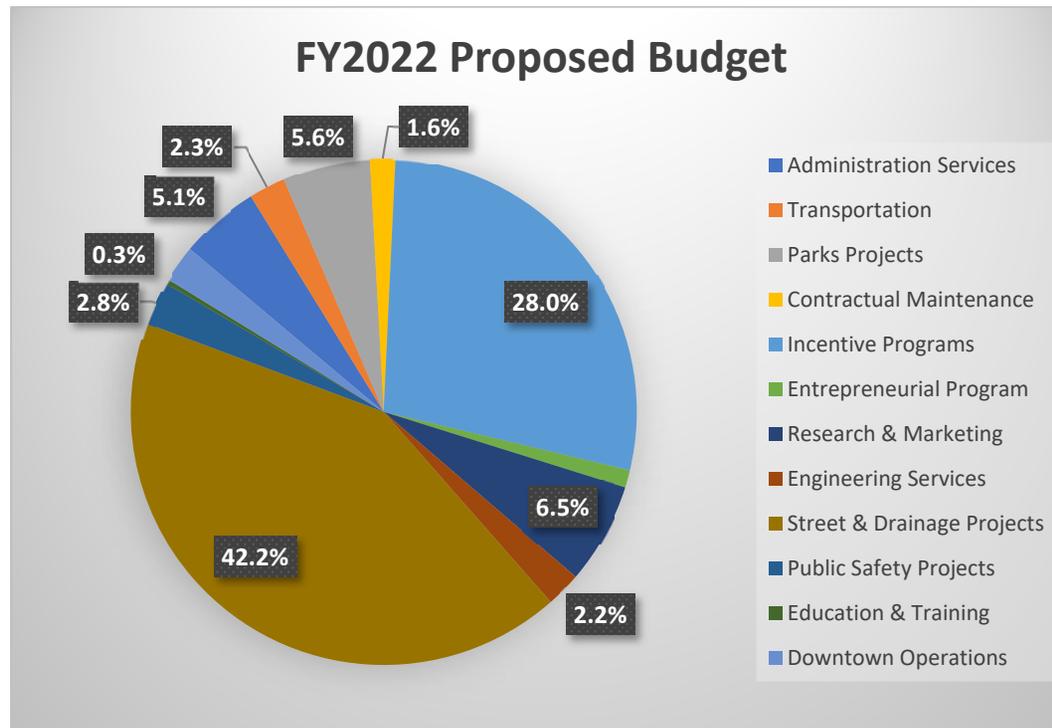
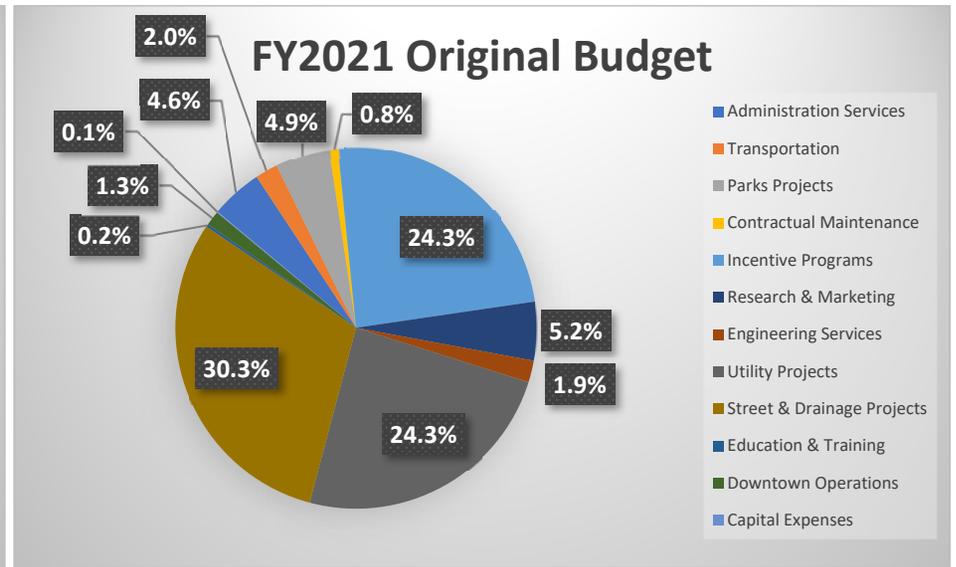
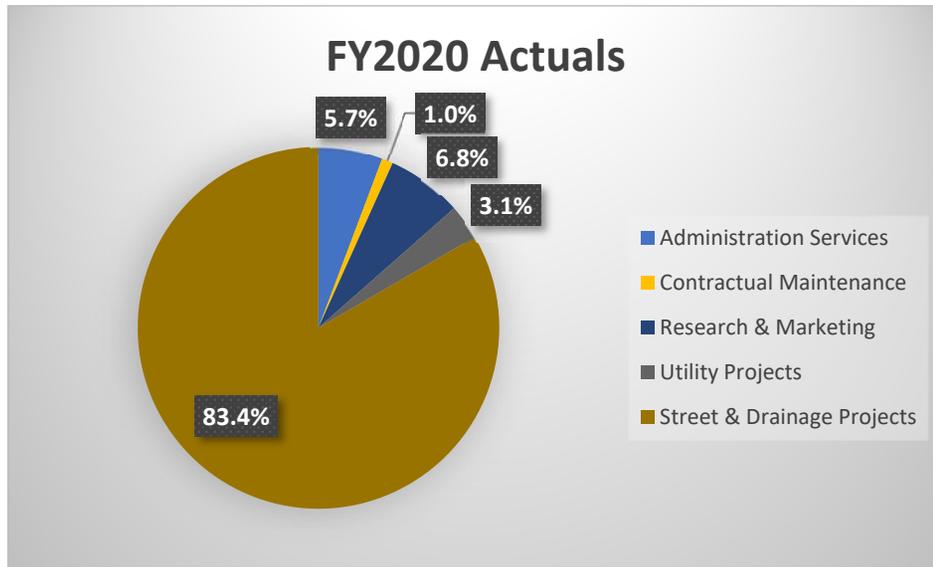
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	Fiscal Year Fiscal Year 2019-2020 Actual	Fiscal Year 2020-2021 Original Budget	Fiscal Year 2020-2021 Amended Budget	Fiscal Year 2020-2021 Projected Actual	Fiscal Year 2021-2022 Proposed Budget	Fiscal Year 20-21 Budget vs 21-22 Budget	Fiscal Year 21-22 Budget vs 20-21 Budget Percent
Beginning Fund Balance:							
Undesignated Operating Fund Balance	\$ 5,094,858	\$ 10,677,485	\$ 10,880,113	\$ 10,880,113	\$ 10,957,703	\$ 280,218	2.6%
Designated Fund Balance - Outstanding Projects	11,015,555	-	7,581,977	7,581,977	-	-	0.0%
Total Beginning Fund Balance	\$ 16,110,413	\$ 10,677,485	\$ 18,462,090	\$ 18,462,090	\$ 10,957,703	\$ 280,218	2.6%
Revenues:							
Sales Tax Receipts	\$ 8,168,883	\$ 7,673,589	\$ 7,673,589	\$ 8,885,000	\$ 8,592,500	\$ 918,911	12.0%
Interest Income	308,637	100,000	100,000	20,000	75,000	(25,000)	-25.0%
Miscellaneous Income	30,354	28,500	28,500	29,000	30,000	1,500	5.3%
Deallocated Funds Transferred In	249,403	-	127,933	127,933	-	-	0.0%
Sale of Land	-	-	-	837,497	-	-	0.0%
Loss of Revenue - ARP Funds	-	-	-	386,984	-	-	0.0%
Total Revenues:	\$ 8,757,277	\$ 7,802,089	\$ 7,930,022	\$ 10,286,414	\$ 8,697,500	\$ 895,411	11.5%
Expenditures:							
Administration Services	\$ 367,820	\$ 473,854	\$ 356,536	\$ 351,764	\$ 454,100	\$ (19,754)	-4.2%
Transportation	-	209,000	209,000	209,000	209,000	-	0.0%
Parks Projects	-	500,000	500,000	500,000	500,000	-	0.0%
Contractual Maintenance	63,370	81,190	96,450	99,280	143,600	62,410	76.9%
Incentive Programs	-	2,500,000	3,053,799	3,053,799	2,500,000	-	0.0%
Entrepreneurial Program	-	-	-	-	100,000	100,000	0.0%
Research & Marketing	433,540	539,540	683,540	683,540	576,790	37,250	6.9%
Engineering Services	-	200,000	200,000	200,000	200,000	-	0.0%
Utility Projects	200,000	2,500,000	2,500,000	2,500,000	-	(2,500,000)	-100.0%
Street & Drainage Projects	5,340,870	3,120,350	10,526,412	9,808,417	3,765,985	645,635	20.7%
Public Safety Projects	-	-	250,000	250,000	250,000	250,000	0.0%
Education & Training	-	25,000	-	-	25,000	-	0.0%
Downtown Operations	-	135,000	135,000	135,000	210,000	75,000	55.6%
Capital Expenses	-	10,350	-	-	-	(10,350)	-100.0%
Total Expenditures:	\$ 6,405,600	\$ 10,294,284	\$ 18,510,737	\$ 17,790,800	\$ 8,934,475	\$ (1,359,809)	-13.2%
Ending Fund Balance:							
Undesignated Operating Fund Balance	\$ 10,880,113	\$ 8,185,290	\$ 7,881,375	\$ 10,957,703	\$ 7,836,713	\$ (348,577)	-4.3%
Designated Fund Balance - Outstanding Projects	7,581,977	-	-	-	-	-	0.0%
Reserve for Future CIP Projects	-	-	-	-	2,884,015	2,884,015	0.0%
Total Ending Fund Balance	\$ 18,462,090	\$ 8,185,290	\$ 7,881,375	\$ 10,957,703	\$ 10,720,728	\$ 2,535,438	31.0%

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Administration Services - \$454,100

<i>Coordination Services</i>	\$145,000
<i>Contract Management & City's Administration Services</i>	<u>309,100</u>
Total:	<u>\$454,100</u>

Transportation - \$209,000

<i>Victoria Transit</i>	<u>\$209,000</u>
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Parks Projects - \$500,000

<i>Future Parks Project</i>	<u>\$500,000</u>
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Contractual Maintenance - \$143,600

<i>Lone Tree Business Park I and II Projects</i>	\$27,600
<i>Loop 463 Right of Way Mowing Program</i>	56,000
<i>Loop 463 and 3 Entryway Signs Maintenance Program</i>	<u>60,000</u>
Total:	<u>\$143,600</u>

Incentive Programs - \$2,500,000

<i>Future Incentive Programs</i>	<u>\$2,500,000</u>
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Entrepreneurial Program - \$100,000

<i>Innovation Collective</i>	<u>\$100,000</u>
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Research & Marketing - \$576,790

<i>Contract with Victoria Economic Development Corporation</i>	\$501,250
<i>Retail Economic Development Plan and Recruitment Services Project</i>	30,000
<i>Sales Tax Analysis and Reporting System Project</i>	15,540
<i>Incentive Policy Review Project</i>	<u>30,000</u>
Total:	<u>\$576,790</u>

Engineering Services - \$200,000

<i>Industrial Sites – Feasibility Study</i>	<u>\$200,000</u>
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Street, Sidewalk, Drainage & Other Infrastructure Projects - \$3,765,985

<i>Crestwood Phase III Reconstruction Project – Construction</i>	\$900,000
<i>Airline Road Mill and Overlay - Sam Houston to John Stockbauer</i>	2,019,735
<i>Mockingbird Mill and Overlay - Laurent to Navarro</i>	596,250
<i>Citywide LED Street Lighting Project</i>	<u>250,000</u>
Total:	<u>\$3,765,985</u>

<i>Future Capital Improvement Projects (Fund Balance Reserve)</i>	<u>\$2,884,015</u>
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Public Safety Projects - \$250,000

<i>Fire Station #1 Remodel Project</i>	<u>\$250,000</u>
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Education & Training - \$25,000

Board Member Training & Professional Memberships \$25,000

Downtown Operations - \$210,000

Downtown Main Street – Maintenance Program \$85,000

Downtown Main Street – Façade Grant Program 100,000

Downtown Tax Increment Reinvestment Zone (TIRZ) Guidelines Project 25,000

Total: \$210,000

Total FY2021-2022 Budget Requests (excluding Reserves): \$8,934,475

Total FY2021-2022 Budget Requests (including Reserves): \$11,818,490

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Administration Services

Coordination Services

Requested Funding FY2021-22: \$145,000

VSTDC will outsource coordination services that will include working closely with VSTDC, Victoria Economic Development Corporation, City of Victoria, Victoria County, Main Street Program, and other economic development partners as well as other City staff in promoting the business and economic development interests within the community. The services will include promoting business attraction and retention that promotes the economic viability within our community such as coordinating with The Retail Coach and other partners. These services will be outsourced to the City of Victoria and be under the direct direction of the City Manager. In FY2020-2021 these services also included coordination and were outsourced to the City of Victoria. The City of Victoria continues to work towards augmenting staff to be able to expand services expected by VSTDC.

Historical Funding	Amount
2019-20	\$-0-
2020-21	\$160,000

Contract Management & City's Administration Services

Requested Funding FY2021-22: \$309,100

The interlocal agreement with the City of Victoria covers the following as it relates to construction projects funded by VSTDC:

1. Research and development costs;
2. Grant writing and management;
3. Engineering, accounting, and legal services;
4. Plans, specifications, surveys, and other expenses incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving, and expanding the projects; and
5. Administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement, and expansion of projects.

Historical Funding	Amount
2019-20	\$300,000
2020-21	\$313,854

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Transportation

Victoria Transit

Requested Funding FY2021-22: \$209,000

The agreement authorizes the Golden Crescent Regional Planning Commission (GCRPC) to administrate, oversee, and operate the transit system in the City of Victoria, now in its 23rd year of operation, and identifies a Adopted match of \$209,000 which had been funded by the City of Victoria prior to FY2020-21.

Historical Funding	Amount
2019-20	\$-0-
2020-21	\$209,000

Parks Projects

Future Parks Project

Requested Funding FY2021-22: \$500,000

This funding would be used for a future Parks Project developed from the Parks Master Plan which is anticipated to be completed in October 2021.

Historical Funding	Amount
2019-20	\$-0-
2020-21	\$500,000

Contractual Maintenance

Lone Tree Business Park I and II Projects

Requested Funding FY2021-22: \$27,600

Mowing contracts for the Lone Tree Business Park I and II sites cover 32 annual mowings for purposes of maintaining presentable sites to prospective businesses / investors.

Historical Funding	Amount
2019-20	\$25,190
2020-21	\$25,190

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Loop 463 Right of Way Mowing Program

Requested Funding FY2021-22: \$56,000

The mowing contract for the Loop 463 Right of Way from Highway 87 to Salem Road provides for an additional three to four to the three annual mowings performed by TxDOT. The project will greatly improve the appearance of one of the main retail areas of Victoria.

Historical Funding	Amount
2019-20	\$56,000
2020-21	\$56,000

Loop 463 and 3 Entryway Signs Maintenance Program

Requested Funding FY2021-22: \$60,000

The funding would cover costs associated with the maintenance of three entrance signs and the TxDOT Beautification project along Loop 463 which will be performed by the City's Community Appearance department. Costs include labor and materials to maintain the trees, flower beds, and mowing for these sites.

Historical Funding	Amount
2019-20	\$-0-
2020-21	\$-0-

Incentive Programs

This appropriation of funds would be used towards economic development projects that arise throughout the fiscal year, including but not limited to, 380 agreements with developers and/or Performance Agreements.

Historical Funding	Amount
2019-20	\$651,131
2020-21	\$2,500,000

Entrepreneurial Program

This appropriation of funds would be used towards a project run by Innovation Collective which includes participation from the University of Houston-Victoria and other local stakeholders to renovate a building in downtown Victoria to serve as a multi-purpose building for commercial use.

Historical Funding	Amount
2019-20	\$-0-
2020-21	\$-0-

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Research & Marketing

Contract with Victoria Economic Development Corporation

Requested Funding FY2021-22: \$501,250

The Victoria Economic Development Corporation's key objectives are to recruit new businesses, both international and domestic, in order to create jobs and increase the tax base; and to retain and expand existing business by assisting them to increase profitability through exports, strategic alliances, new project development and workforce development improvements. The amount Adopted is an increase of \$38,250 from the prior year including the budget amendment. See attached exhibit for VEDC's Adopted FY2021-2022 budget.

Historical Funding	Amount
2019-20	\$394,000
2020-21	\$463,000 (amended)

Retail Economic Development Plan and Recruitment Services Project

Requested Funding FY2021-22: \$30,000

VSTDC has contracted with the Retail Coach since FY2014 to provide consulting services to facilitate marketing of Victoria.

Historical Funding	Amount
2019-20	\$30,000
2020-21	\$30,000

Sales Tax Analysis and Reporting System Project

Requested Funding FY2021-22: \$15,540

VSTDC has contracted with Lewis McClain since 2018 for professional consulting services for constructing and maintaining a Sales Tax Analysis & Reporting System. In FY2021, VSTDC contracted with HDL Companies for their sales tax reporting product which has an annual cost of \$6,000. This company also provides sales tax audit services for which fees are paid based on recovered amounts.

Historical Funding	Amount
2019-20	\$9,540
2020-21	\$15,540

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Incentive Policy Review Project

Requested Funding FY2021-22: \$30,000

Sound economic development policy requires the ability to integrate market analysis, best practices, stakeholder feedback, and community priorities to accomplish well-articulated goals in a politically viable manner. To make it work, the analysis, findings, and Adopted programs must be thorough, explainable to an intelligent but lay audience, and transparent regarding assumptions and methodology. The policies and programs developed must also be dynamic, in that shifting market conditions and/or other factors may change parameters going forward. These funds would be used to hire a consultant to review the City's current incentive policy through review of the economic environment, existing economic development goals, past incentives deals, best practices, and stakeholder and community input. Final recommendations will be presented to establish an incentive policy moving forward.

Historical Funding	Amount
2019-20	\$-0-
2020-21	\$-0-

Engineering Services

Industrial Sites – Feasibility Study

Requested Funding FY2021-22: \$200,000

The purpose of these funds is to create flexibility for VSTDC as they work with VEDC and/or other partners to identify development opportunities. The funds are intended to help with costs associated, but not limited to, engineering analysis, environmental studies, and market studies to make land as developable as possible.

Historical Funding	Amount
2019-20	\$-0-
2020-21	\$200,000

Street, Sidewalk, Drainage & Other Infrastructure Projects

Crestwood Phase III Reconstruction Project – Construction

Requested Funding FY2021-22: \$900,000

This is the last phase of the Crestwood Drive Reconstruction Project. This phase consists of reconstructing Crestwood Drive from Navarro to Main in a three-lane concrete section including an 8' hike and bike trail, a 5' sidewalk, and water and sanitary sewer replacement. This project is anticipated to be completed by December 2022. This an additional amount requested to prior year funding based on the engineer's estimate.

Airline Road Mill and Overlay - Sam Houston to John Stockbauer

Requested Funding FY2021-22: \$2,019,735

Airline Road is a main collector street through town and ties Hwy 87 (Main Street) to Loop 463. This project improves the condition and quality of street infrastructure and prolongs the useful life of heavily traveled collector streets. The project scope consists of mill and overlay of Airline Road between Sam Houston and John Stockbauer (approximately 44,883 sq yds) with a current average PCI score of 66. Project will provide a post PCI score of 87.

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Mockingbird Mill and Overlay - Laurent to Navarro

Requested Funding FY2021-22: \$596,250

Mockingbird is a main collector street through town. This project improves the condition and quality of street infrastructure and prolongs the useful life of heavily traveled collector streets. The project scope Consists of mill and overlay of Mockingbird between Laurent and Navarro (approximately 13,250 sq yds) with an average PCI score of 47. Project will provide a post PCI score of 91.

Citywide LED Street Lighting Project

Requested Funding FY2021-22: \$250,000

This project will enhance lighting throughout the city and over time provide a potential cost savings in the street light maintenance program. Project scope consists of replacing High Pressure Sodium (HPS) light bulbs with more efficient LED fixtures on all streetlights throughout the city. The project will be installed in five phases. This project is split funded between the City of Victoria and VSTDC.

Future Capital Improvement Projects

Requested Funding FY2021-22: \$2,884,015

These funds will be reserved for future capital improvement projects and be shown as a “Reserve for Future CIP Projects” in VSTDC’s fund balance. These funds would also be used on contracts coming in over budget on approved projects without requiring bringing a budget amendment to the Board and City Council.

Total Street, Sidewalk, Drainage & Other Infrastructure Projects

Requested Funding FY2021-22 including Reserve: \$6,650,000

Historical Funding	Amount
2019-20	\$6,666,238
2020-21	\$3,120,350

Public Safety Projects

Fire Station #1 Remodel Project

Requested Funding FY2021-22: \$250,000

This would provide additional funding needed to complete the City’s Fire Station #1 Remodel Project. Scope of work includes hardening the station to withstand hurricane winds, remodeling office space for administrative staff, and constructing a warehouse for storage of inventory. The total project cost is estimated at \$2 million.

Historical Funding	Amount
2019-20	\$-0-
2020-21	\$-0-

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Education & Training

Board Member Training & Professional Memberships

Requested Funding FY2021-22: \$25,000

This funding will be for various training opportunities for VSTDC board members and City administration and for membership fees for the International Economic Development Council and the Texas Economic Development Council.

Historical Funding	Amount
2019-20	\$-0-
2020-21	\$25,000

Downtown Operations

Downtown Main Street – Maintenance Program

Requested Funding FY2021-22: \$85,000

The City of Victoria Main Street Program functions to revitalize the Main Street / Downtown area to bring in new businesses and restaurants as well as completing beautification projects to encourage more shoppers to frequent this part of the City. This funding would be for a maintenance contract for mowing, tree trimming, landscaping, leaf blowing of 700 Main Center, Street of 10 Friends, Library, Deleon Plaza and City Hall.

Historical Funding	Amount
2019-20	\$-0-
2020-21	\$85,000

Downtown Main Street – Façade Grant Program

Requested Funding FY2021-22: \$100,000

The program would provide 50% match grant funding up to \$20,000 per applicant for façade restoration or other improvements necessary to stabilize a structure, to move a historic structure to another location within the historic district or other locations as approved by City Council, and/or to meet building code requirements.

Historical Funding	Amount
2019-20	\$-0-
2020-21	\$50,000

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Downtown Tax Increment Reinvestment Zone (TIRZ) Guidelines Project

Requested Funding FY2021-22: \$25,000

These funds would be used to prepare guidelines for a TIRZ in downtown Victoria. Tax Increment Reinvestment Zones are special zones created by City Council to attract new investment in an area. These zones help finance costs of redevelopment and promote growth in areas that would otherwise not attract sufficient market development in a timely manner.

Historical Funding	Amount
2019-20	\$-0-
2020-21	\$-0-