# SPECIAL CALLED MEETING AGENDA
# ANNA COMMUNITY DEVELOPMENT CORPORATION
# AND
# ANNA ECONOMIC DEVELOPMENT CORPORATION

**Thursday, July 21, 2022 @ 6:00 PM**

**The EDC/CDC of the City of Anna will meet at 6:00 PM, on July 21, 2022, at the Anna Fire Station, located at 305 S. Powell Parkway, Anna, Texas, 75409, to consider the following items below.**

1. **Call to Order, Roll Call, and Establishment of Quorum.**
2. **Invocation and Pledge of Allegiance.**
3. **Neighbor Comments.**
   *Persons may address the Board of Directors on items not on the agenda; please observe the time limit of three (3) minutes. Members of the Board cannot comment on or deliberate statements of the public except as authorized by Section 551.042 of the Texas Government Code.*
4. **Consent Agenda.**
   a. Approve minutes from the July 7, 2022, Joint Community Development Corporation and Economic Development Corporation Meeting. (CDC)

   b. Approve minutes from the July 7, 2022, Joint Community Development Corporation and Economic Development Corporation Meeting. (EDC)
5. **Individual Consideration.**
   a. Hear a presentation from the City of Anna's Finance Director and:

      1. Consider/Discuss/Act on a resolution authorizing the Finance Director to: (a) invest funds for the Anna Community Development Corporation including the opening of accounts per the City of Anna Investment Policy, and (b) update signatories for the Anna CDC. (CDC)

      2. Consider/Discuss/Act on a resolution authorizing the Finance Director to: (a)

---

IMPORTANT LEGAL NOTICE: The Corporation may vote and/or act upon each of the items listed in this agenda. The Corporation reserves the right to retire into executive session concerning any of the items listed on this agenda, whenever it is considered necessary and legally justified under the Open Meetings Act. Disabled persons who want to attend this meeting and who may need assistance should contact the City Secretary at 972-924-3325 two working days prior to the meeting so that appropriate arrangements can be made.

invest funds for the Anna Economic Development Corporation including the opening of accounts per the City of Anna Investment Policy, and (b) update signatories for the Anna CDC. (EDC)

b. Conduct a Public Hearing and act on a Resolution approving the Anna CDC Fiscal Year 2023 Budget and authorizing publication of the adopted budget. (CDC)

c. Consider/Discuss/Act on a resolution approving the Fiscal Year 2022-2023 budget. (EDC)

d. Consider/Discuss/Act on a resolution approving an agreement with Swimming Duck, LLC for digital media services. (CDC)

e. Consider/Discuss/Act on a Resolution amending an Incentive Agreement with Zablink Hospitality. (CDC)

6. **Director's Report.**

a. Development Forum Update

b. Special Meeting September 8th and Cancel September 1st Meeting

7. **Closed Session.**

a. Deliberate regarding the purchase, exchange, lease or value of real property. (Tex. Gov't Code §551.072) possible property acquisition; possible land sale/purchase; Anna Business Park.

b. Consult with legal counsel on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code (Tex. Gov't Code §551.071); Grant program; Lease agreement and professional services contract.

c. Discuss or deliberate Economic Development Negotiations: (1) To discuss or deliberate regarding commercial or financial information that the Board of Directors has received from a business prospect that the Board of Directors seeks to have locate, stay, or expand in or near the territory of the City of Anna and with which the Board is conducting economic development negotiations; or, (2) To deliberate the offer of a financial or other incentive to a business prospect described by subdivision (1). (Tex. Gov't Code §551.087) Anna Business Park Property; potential retail and medical projects.

8. **Reconvene into open session and take any action on closed session items.**

9. **Receive reports from staff or Board Members about items of community interest.**

10. **Adjourn.**

This is to certify that I, Joey Grisham, Director of Economic Development, posted this agenda at a place readily accessible to the public at the Anna City Hall and on the City Hall bulletin board at or before 5:00 p.m. on July 18, 2022.

______________________________________

Joey Grisham, Director of Economic

---

IMPORTANT LEGAL NOTICE: The Corporation may vote and/or act upon each of the items listed in this agenda. The Corporation reserves the right to retire into executive session concerning any of the items listed on this agenda, whenever it is considered necessary and legally justified under the Open Meetings Act. Disabled persons who want to attend this meeting and who may need assistance should contact the City Secretary at 972-924-3325 two working days prior to the meeting so that appropriate arrangements can be made.

Development

IMPORTANT LEGAL NOTICE: The Corporation may vote and/or act upon each of the items listed in this agenda. The Corporation reserves the right to retire into executive session concerning any of the items listed on this agenda, whenever it is considered necessary and legally justified under the Open Meetings Act. Disabled persons who want to attend this meeting and who may need assistance should contact the City Secretary at 972-924-3325 two working days prior to the meeting so that appropriate arrangements can be made.

Item No. 2.

EDC/CDC Agenda
Staff Report

Meeting Date: 7/21/2022
Staff Contact:

**AGENDA ITEM:**
**Invocation and Pledge of Allegiance.**

**SUMMARY:**

**STAFF RECOMMENDATION:**

**ATTACHMENTS:**

Item No. 3.

EDC/CDC Agenda
Staff Report

Meeting Date: 7/21/2022
Staff Contact:

**AGENDA ITEM:**
**Neighbor Comments.**

**SUMMARY:**

**STAFF RECOMMENDATION:**

**ATTACHMENTS:**

Item No. 4.

EDC/CDC Agenda
Staff Report

| | |
|---|---|
| Meeting Date: | 7/21/2022 |
| Staff Contact: | |

**AGENDA ITEM:**
**Consent Agenda.**

**SUMMARY:**

**STAFF RECOMMENDATION:**

**ATTACHMENTS:**

Item No. 4.a.

EDC/CDC Agenda
Staff Report

Meeting Date: 7/21/2022
Staff Contact:

**AGENDA ITEM:**
Approve minutes from the July 7, 2022, Joint Community Development Corporation and Economic Development Corporation Meeting. (CDC)

**SUMMARY:**

**STAFF RECOMMENDATION:**

**ATTACHMENTS:**
1. July 7 2022 CDC EDC Joint Meeting Minutes_FINAL

| Officers: | Staff: |
| --- | --- |
| Bruce Norwood, President | Joey Grisham, Director of Economic Development |
| Shane Williams, Vice-President | Taylor Lough, Assistant Director of Economic Development |
| Rocio Gonzalez, Secretary | Kimberly Garduno, Economic Development Coordinator |

# Anna Community Development Corporation and Anna Economic Development Corporation Meeting Minutes

## Thursday, July 7, 2022, at 6:00 pm
## City of Anna Fire Station EOC Conference Room
## 305 S. Powell Parkway, Anna, Texas 75409

The Anna Community Development Corporation and the Anna Economic Development Corporation conducted a meeting at 6:00 p.m. on Thursday, July 7, 2022, at the Anna Fire Station EOC Conference Room, located at 305 S. Powell Parkway (Highway 5) Anna, Texas 75409.

A video recording of the open session portions of the meeting may be viewed online at the City of Anna's website: https://www.annatexas.gov/962/AgendasMinutes

**CDC and EDC Board Members Present:** Bruce Norwood, Rocio Gonzalez, Kylee Kelley, Shane Williams, Ronnie Kerr and Gina Maria Ottavio **CDC and EDC Board Members Absent:** Michelle Hawkins. **Others Present:** Joey Grisham (Director of Economic Development), Taylor Lough (Assistant Director of Economic Development), Kimberly Garduno (Economic Development Coordinator), Chris Talbot (IT Manager), Lee Miller (Mayor Pro Tem), and Pete Cain (Councilmember).

1. **Call to Order. Roll Call and Establishment of Quorum.**
   The meeting was called to order by Board President Bruce Norwood at **6:05** p.m.

2. **Invocation and Pledge of Allegiance.**
   Invocation and Pledge of Allegiance were led by Bruce Norwood.

3. **Neighbor Comments.**
   None.

4. **Consent Agenda.**
   - **a.** Consider/Discuss/Act on approving minutes from the June 9, 2022, Joint City Council, Community Development Corporation and Economic Development Corporation Special-Called Meeting. (CDC)
   - **b.** Consider/Discuss/Act on approving minutes from the June 9, 2022, Joint City Council, Community Development Corporation and Economic Development Corporation Special-Called Meeting. (EDC)

*Shane Williams made a motion on behalf of the CDC and EDC to approve the consent agenda with modification. Rocio Gonzalez seconded the motion. All were in favor. Motion passed.*

5. **Individual Consideration**

**a.** Receive Preliminary FY2022-23 Budget Presentation.

Joey Grisham welcomed new members Ronnie Kerr and Gina Maria-Ottavio and provided a budget presentation for the EDC and CDC. Mr. Grisham shared that the CDC is required to adopt its budget 60 days prior to the City of Anna. He reviewed the continued annual increases in sales tax, CDC revenue, fiscal year 2023 projected revenue, proposed projects such as implementing the Downtown Master Plan, and fund balance projections. The EDC receives no sales tax revenue. As the EDC and CDC both owned the Business Park, the revenue from the sale of the property was split evenly. He stated that the next step was for another meeting before August 1 for budget approval.

**b.** Consider/Discuss/Act on a resolution updating the expenditure of funds for maintenance and operation of the Inc-Cube security system. (EDC)

Joey Grisham explained that as the EDC has vacated the Inc-Cube and recommended paying off the remaining balance of the Stanley Security contract.

*Bruce Norwood made a motion on behalf of the EDC Board authorizing the Economic Development Director to update the expenditure of funds with Stanley Services and charge the EDC's maintenance and building repair line item in an amount not to exceed $10,502.48 in the Fiscal Year 2021-2022 for operation and management of the security system by Stanley Security for the property located at 312 N. Powell Parkway. Economic Development Director to expend funds for maintenance and operation of the Inc-Cube security system. Kylee Kelley seconded the motion. All were in favor. Motion passed.*

**c.** Consider/Discuss/Act on a resolution adopting a Downtown Anna Incentive Policy. (CDC) (EDC)

Joey Grisham explained that following the creation of the Downtown Master Plan and current rezoning initiative, we expect current and future property owners to need support building new buildings and assist in redevelopment. He also stated that providing incentives for Downtown is necessary to kickstart development.

*Gina Maria Ottavio made a motion on behalf of the EDC Board to approve and adopt the Downtown Anna Incentive Policy resolution. Shane Williams seconded the motion. All were in favor. Motion passed.*

*Gina Maria Ottavio made a motion on behalf of the CDC Board to approve and adopt the Downtown Anna Incentive Policy resolution. Shane Williams seconded the motion. All were in favor. Motion passed.*

**d.** Consider/Discuss/Act on a resolution approving an agreement with Swimming Duck, LLC for digital media services. (CDC)

*Shane Williams made a motion on behalf of the CDC Board to take no action on an agreement with Swimming Duck, LLC for digital media services. Kylee Kelley seconded the motion. All were in favor. Motion passed.*

6. **Director's Report**

**a. Development Forum**
Joey Grisham shared the second annual forum will be held Thursday, July 21st at 9:00 a.m. The event is sponsored by Carey Cox Company. Joey Grisham will provide and update as well as Kent Sharp, Economic Development Director in Sherman.

**b. Strategic Plan Update**
This past month we sponsored the Chamber golf tournament and attended the Parmore Senior Living Groundbreaking. Assistant Director of Economic Development Taylor Lough was recognized by the Texas City Management Association

**c. Special Meeting July 28th and Cancel August 4th Meeting**
With travel plans, the Board decided to meet to review the budget Thursday, June 21st at 6:00 p.m. The August 4th meeting will be cancelled. Staff will follow up with the Board as the regularly scheduled meeting is prior to a holiday weekend. Staff may also be attending the Retail Live trade show in Austin September 1st. The Board may choose to meet on September 8th.

**d. Financial Report/Sales Tax Update**
Sales tax reports were included in the packet. The April sales tax revenue was 31.6% or $118,649 over April 2021.

7. **CLOSED SESSION (exceptions):**

**a. Deliberate regarding the purchase, exchange, lease or value of real property.** (Tex. Gov't Code §551.072) possible property acquisition; possible land sale/purchase; Inc-Cube Building.

**b. Consult with legal counsel on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code** (Tex. Gov't Code §551.071); Grant program; Lease agreement and professional services contract.

**c. Discuss or deliberate Economic Development Negotiations**:

(1) To discuss or deliberate regarding commercial or financial information that the Board of Directors has received from a business prospect that the Board of Directors seeks to have locate, stay, or expand in or near the territory of the City of Anna and with which the Board is conducting economic development negotiations; or,

(2) To deliberate the offer of a financial or other incentive to a business prospect described by subdivision (1). (Tex. Gov't Code §551.087) Anna Business Park Property; potential retail and medical projects.

| Officers: | Staff: |
|---|---|
| Bruce Norwood, President | Joey Grisham, Director of Economic Development |
| Shane Williams, Vice-President | Taylor Lough, Assistant Director of Economic Development |
| Rocio Gonzalez, Secretary | Kimberly Garduno, Economic Development Coordinator |

*Shane Williams made a motion to enter closed session. Bruce Norwood seconded the motion. All were in favor. Motion passed. CDC Board entered closed session at 7:10 p.m.*

8. **Reconvene into open session and take any action on closed session items.**
*Rocio Gonzalez made a motion to reconvene into open session. Ronnie Kerr seconded the motion. All were in favor. Motion passed. The CDC reconvened into open session at 8:10 p.m.*

9. **Receive reports from staff or Board Members about items of community interest.**
Bruce Norwood shared that commercial real estate professionals and developers are invited to the Development Forum Thursday, July 21, 2022, at 9:00 a.m.

10. **Adjourn.**
*Kylee Kelley made a motion to adjourn the meeting at 8:12 p.m. Gina Maria-Ottavio seconded the motion. All were in favor. Motion passed.*

**APPROVED**: **ATTESTED:**

______________________________ ______________________________

Bruce Norwood
President of CDC/EDC

Rocio Gonzalez
Secretary of CDC/EDC

Item No. 4.b.

EDC/CDC Agenda
Staff Report

Meeting Date: 7/21/2022
Staff Contact:

**AGENDA ITEM:**
Approve minutes from the July 7, 2022, Joint Community Development Corporation and Economic Development Corporation Meeting. (EDC)

**SUMMARY:**

**STAFF RECOMMENDATION:**

**ATTACHMENTS:**
1. July 7 2022 CDC EDC Joint Meeting Minutes_FINAL

Officers:
Bruce Norwood, President
Shane Williams, Vice-President
Rocio Gonzalez, Secretary

Staff:
Joey Grisham, Director of Economic Development
Taylor Lough, Assistant Director of Economic Development
Kimberly Garduno, Economic Development Coordinator

# Anna Community Development Corporation and Anna Economic Development Corporation Meeting Minutes

## Thursday, July 7, 2022, at 6:00 pm
## City of Anna Fire Station EOC Conference Room
## 305 S. Powell Parkway, Anna, Texas 75409

The Anna Community Development Corporation and the Anna Economic Development Corporation conducted a meeting at 6:00 p.m. on Thursday, July 7, 2022, at the Anna Fire Station EOC Conference Room, located at 305 S. Powell Parkway (Highway 5) Anna, Texas 75409.

A video recording of the open session portions of the meeting may be viewed online at the City of Anna's website: https://www.annatexas.gov/962/AgendasMinutes

**CDC and EDC Board Members Present:** Bruce Norwood, Rocio Gonzalez, Kylee Kelley, Shane Williams, Ronnie Kerr and Gina Maria Ottavio **CDC and EDC Board Members Absent:** Michelle Hawkins. **Others Present:** Joey Grisham (Director of Economic Development), Taylor Lough (Assistant Director of Economic Development), Kimberly Garduno (Economic Development Coordinator), Chris Talbot (IT Manager), Lee Miller (Mayor Pro Tem), and Pete Cain (Councilmember).

1. **Call to Order. Roll Call and Establishment of Quorum.**
   The meeting was called to order by Board President Bruce Norwood at **6:05** p.m.

2. **Invocation and Pledge of Allegiance.**
   Invocation and Pledge of Allegiance were led by Bruce Norwood.

3. **Neighbor Comments.**
   None.

4. **Consent Agenda.**
   - **a.** Consider/Discuss/Act on approving minutes from the June 9, 2022, Joint City Council, Community Development Corporation and Economic Development Corporation Special-Called Meeting. (CDC)
   - **b.** Consider/Discuss/Act on approving minutes from the June 9, 2022, Joint City Council, Community Development Corporation and Economic Development Corporation Special-Called Meeting. (EDC)

*Shane Williams made a motion on behalf of the CDC and EDC to approve the consent agenda with modification. Rocio Gonzalez seconded the motion. All were in favor. Motion passed.*

5. **Individual Consideration**

**a.** Receive Preliminary FY2022-23 Budget Presentation.

Joey Grisham welcomed new members Ronnie Kerr and Gina Maria-Ottavio and provided a budget presentation for the EDC and CDC. Mr. Grisham shared that the CDC is required to adopt its budget 60 days prior to the City of Anna. He reviewed the continued annual increases in sales tax, CDC revenue, fiscal year 2023 projected revenue, proposed projects such as implementing the Downtown Master Plan, and fund balance projections. The EDC receives no sales tax revenue. As the EDC and CDC both owned the Business Park, the revenue from the sale of the property was split evenly. He stated that the next step was for another meeting before August 1 for budget approval.

**b.** Consider/Discuss/Act on a resolution updating the expenditure of funds for maintenance and operation of the Inc-Cube security system. (EDC)

Joey Grisham explained that as the EDC has vacated the Inc-Cube and recommended paying off the remaining balance of the Stanley Security contract.

*Bruce Norwood made a motion on behalf of the EDC Board authorizing the Economic Development Director to update the expenditure of funds with Stanley Services and charge the EDC's maintenance and building repair line item in an amount not to exceed $10,502.48 in the Fiscal Year 2021-2022 for operation and management of the security system by Stanley Security for the property located at 312 N. Powell Parkway. Economic Development Director to expend funds for maintenance and operation of the Inc-Cube security system. Kylee Kelley seconded the motion. All were in favor. Motion passed.*

**c.** Consider/Discuss/Act on a resolution adopting a Downtown Anna Incentive Policy. (CDC) (EDC)

Joey Grisham explained that following the creation of the Downtown Master Plan and current rezoning initiative, we expect current and future property owners to need support building new buildings and assist in redevelopment. He also stated that providing incentives for Downtown is necessary to kickstart development.

*Gina Maria Ottavio made a motion on behalf of the EDC Board to approve and adopt the Downtown Anna Incentive Policy resolution. Shane Williams seconded the motion. All were in favor. Motion passed.*

*Gina Maria Ottavio made a motion on behalf of the CDC Board to approve and adopt the Downtown Anna Incentive Policy resolution. Shane Williams seconded the motion. All were in favor. Motion passed.*

**d.** Consider/Discuss/Act on a resolution approving an agreement with Swimming Duck, LLC for digital media services. (CDC)

*Shane Williams made a motion on behalf of the CDC Board to take no action on an agreement with Swimming Duck, LLC for digital media services. Kylee Kelley seconded the motion. All were in favor. Motion passed.*

6. **Director's Report**

**a. Development Forum**
Joey Grisham shared the second annual forum will be held Thursday, July 21st at 9:00 a.m. The event is sponsored by Carey Cox Company. Joey Grisham will provide and update as well as Kent Sharp, Economic Development Director in Sherman.

**b. Strategic Plan Update**
This past month we sponsored the Chamber golf tournament and attended the Parmore Senior Living Groundbreaking. Assistant Director of Economic Development Taylor Lough was recognized by the Texas City Management Association

**c. Special Meeting July 28th and Cancel August 4th Meeting**
With travel plans, the Board decided to meet to review the budget Thursday, June 21st at 6:00 p.m. The August 4th meeting will be cancelled. Staff will follow up with the Board as the regularly scheduled meeting is prior to a holiday weekend. Staff may also be attending the Retail Live trade show in Austin September 1st. The Board may choose to meet on September 8th.

**d. Financial Report/Sales Tax Update**
Sales tax reports were included in the packet. The April sales tax revenue was 31.6% or $118,649 over April 2021.

7. **CLOSED SESSION (exceptions):**

**a. Deliberate regarding the purchase, exchange, lease or value of real property.** (Tex. Gov't Code §551.072) possible property acquisition; possible land sale/purchase; Inc-Cube Building.

**b. Consult with legal counsel on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Government Code** (Tex. Gov't Code §551.071); Grant program; Lease agreement and professional services contract.

**c. Discuss or deliberate Economic Development Negotiations**:

(1) To discuss or deliberate regarding commercial or financial information that the Board of Directors has received from a business prospect that the Board of Directors seeks to have locate, stay, or expand in or near the territory of the City of Anna and with which the Board is conducting economic development negotiations; or,

(2) To deliberate the offer of a financial or other incentive to a business prospect described by subdivision (1). (Tex. Gov't Code §551.087) Anna Business Park Property; potential retail and medical projects.

| Officers: | Staff: |
|---|---|
| Bruce Norwood, President | Joey Grisham, Director of Economic Development |
| Shane Williams, Vice-President | Taylor Lough, Assistant Director of Economic Development |
| Rocio Gonzalez, Secretary | Kimberly Garduno, Economic Development Coordinator |

*Shane Williams made a motion to enter closed session. Bruce Norwood seconded the motion. All were in favor. Motion passed. CDC Board entered closed session at 7:10 p.m.*

8. **Reconvene into open session and take any action on closed session items.**
*Rocio Gonzalez made a motion to reconvene into open session. Ronnie Kerr seconded the motion. All were in favor. Motion passed. The CDC reconvened into open session at 8:10 p.m.*

9. **Receive reports from staff or Board Members about items of community interest.**
Bruce Norwood shared that commercial real estate professionals and developers are invited to the Development Forum Thursday, July 21, 2022, at 9:00 a.m.

10. **Adjourn.**
*Kylee Kelley made a motion to adjourn the meeting at 8:12 p.m. Gina Maria-Ottavio seconded the motion. All were in favor. Motion passed.*

| **APPROVED**: | **ATTESTED:** |
|---|---|
| _____________________________ | _____________________________ |
| Bruce Norwood | Rocio Gonzalez |
| President of CDC/EDC | Secretary of CDC/EDC |

Item No. 5.

EDC/CDC Agenda
Staff Report

| | |
|---|---|
| Meeting Date: | 7/21/2022 |
| Staff Contact: | |

**AGENDA ITEM:**
**Individual Consideration.**

**SUMMARY:**

**STAFF RECOMMENDATION:**

**ATTACHMENTS:**

Item No. 5.a.

EDC/CDC Agenda
Staff Report

Meeting Date: 7/21/2022
Staff Contact:

**AGENDA ITEM:**
Hear a presentation from the City of Anna's Finance Director and:

1. Consider/Discuss/Act on a resolution authorizing the Finance Director to: (a) invest funds for the Anna Community Development Corporation including the opening of accounts per the City of Anna Investment Policy, and (b) update signatories for the Anna CDC. (CDC)

2. Consider/Discuss/Act on a resolution authorizing the Finance Director to: (a) invest funds for the Anna Economic Development Corporation including the opening of accounts per the City of Anna Investment Policy, and (b) update signatories for the Anna CDC. (EDC)

**SUMMARY:**
City Finance Director Alan Guard will be on hand to discuss investment strategies for the Business Park proceeds.

**STAFF RECOMMENDATION:**
Approve resolutions.

**ATTACHMENTS:**
1. EDC.CDC CD Request Memo July 2022
2. CDC Investment Resolution C08009D20220717CR1 redline
3. EDC Investment Resolution C08010D20220717CR1 redline
4. City of Anna Investment Policy 05-24-2022

THE CITY OF Anna

# MEMORANDUM

TO: EDC/CDC Board
Joey Grisham, Director of Economic Development
FROM: Alan Guard, Finance Director
DATE: July 15, 2022
SUBJECT: EDC/CDC Funds Investment

---

One of the responsibilities of the Finance Department is to invest City funds. The three main goals of the City's investment policy are (in priority order):

1. Safety
2. Liquidity
3. Return on investment

Since the sale of the business park, the EDC/CDC bank accounts are now in excess of $13 million dollars. During the last two years, the City has received an interest rate of 0.55% on our deposits in Independent Bank. Since the Federal Reserve has begun to raise interest rates, we have been notified that the bank has been offering 1-year, 18-month, and 2-year Certificates of Deposit at 1.5%, 2.0% and 2.1%, respectively.

If the EDC/CDC does not expect to expend all of these funds during the next 12 months, it would be in their best interest to invest a portion of these funds in a Certificate of Deposit. These are very safe investments and would increase the return on investment significantly.

I would request that the board discuss this matter at the next regularly scheduled board meeting and provide me with some direction on whether or not there is a desire in making such an investment, and in what amount, and for what time period. Please let me know how you would like to proceed.

**ANNA COMMUNITY DEVELOPMENT CORPORATION**

**RESOLUTION NO. _________**

**A RESOLUTION OF THE ANNA COMMUNITY DEVELOPMENT CORPORATION APPROVING AND AUTHORIZING THE CITY OF ANNA FINANCE DIRECTOR TO OPEN ACCOUNTS AND INVEST CDC FUNDS PER THE CITY OF ANNA INVESTMENT POLICY; AND UPDATING BANK SIGNATORIES FOR THE ANNA CDC**

**WHEREAS,** the Anna Community Development Corporation (the “CDC”) wishes to invest funds received through the sale of the Anna Business Park, and update bank signatories for the CDC.

**NOW THEREFORE, BE IT RESOLVED BY THE ANNA COMMUNITY DEVELOPMENT CORPORATION, THAT:**

Section 1. **Recitals Incorporated**

The recitals set forth above are incorporated herein for all purposes as if set forth in full.

Section 2. **Approval**

The CDC hereby authorizes the City of Anna Finance Director to invest CDC funds per the City of Anna Investment Policy and to update bank signatories for the CDC.

PASSED AND APPROVED by the Anna Community Development Corporation this 21st day of July~~,~~ 2021.

APPROVED: ATTEST:

_____________________________ _____________________________

Bruce Norwood, CDC President Rocio Gonzalez, CDC Secretary

**ANNA ECONOMIC DEVELOPMENT CORPORATION**

**RESOLUTION NO. __________**

**A RESOLUTION OF THE ANNA ECONOMIC DEVELOPMENT CORPORATION APPROVING AND AUTHORIZING THE CITY OF ANNA FINANCE DIRECTOR TO OPEN ACCOUNTS AND INVEST EDC FUNDS PER THE CITY OF ANNA INVESTMENT POLICY; AND UPDATING BANK SIGNATORIES FOR THE ANNA EDC**

**WHEREAS,** the Anna Economic Development Corporation (the "EDC") wishes to invest funds received through the sale of the Anna Business Park, and update bank signatories for the EDC.

**NOW THEREFORE, BE IT RESOLVED BY THE ANNA ECONOMIC DEVELOPMENT CORPORATION, THAT:**

Section 1. **Recitals Incorporated**

The recitals set forth above are incorporated herein for all purposes as if set forth in full.

Section 2. **Approval**

The EDC hereby authorizes the City of Anna Finance Director to invest EDC funds per the City of Anna Investment Policy and to update bank signatories for the EDC.

PASSED AND APPROVED by the Anna Economic Development Corporation this 21st day of July~~,~~ 2021.

| | |
|---|---|
| APPROVED: | ATTEST: |
| ______________________________ | ______________________________ |
| Bruce Norwood, EDC President | Rocio Gonzalez, EDC Secretary |

# City of Anna, Texas

# Investment Policy

May 24, 2022

TABLE OF CONTENTS


I. Policy ..... 3
II. Scope ..... 3
III. Investment Objective and Strategy ..... 3
A. Preservation and Safety of Principal ..... 4
B. Liquidity ..... 4
C. Public Trust ..... 4
D. Yield ..... 5
E. Strategy ..... 5
IV. Standards of Care ..... 6
A. Prudence ..... 6
B. Ethics and Conflict of Interest ..... 6
C. Delegation of Authority ..... 7
D. Internal Control ..... 7
V. Authorized Investments and Parameters ..... 8
A. Authorized Investments ..... 8
B. Prohibited Investments ..... 9
C. Investments with Required Ratings ..... 9
D. Diversification ..... 9
E. Maximum Maturity ..... 10
F. Exemption for Existing Investments ..... 10
VI. Selection of Banks and Dealers ..... 10
A. Depository ..... 10
B. Authorized Brokers/Dealers ..... 11
C. Competitive Bid ..... 11
D. Delivery vs. Payment ..... 11
VII. Custodial Credit Risk Management ..... 11
A. Safekeeping and Custody ..... 11
B. Collateralization ..... 12
VIII. Reporting ..... 13
IX. Investment Policy and Adoption ..... 13
X. Financial Glossary ..... 13

# INVESTMENT POLICY

## I. POLICY

The City will conform to all federal, state, and local statutes, rules, and regulations governing the investment policy of the City of Anna (the "City"). It is the City's policy to administer and invest its funds in a manner that will preserve the principal, maintain liquidity, and optimize earnings while meeting the daily cash flow requirements of the of the City and the guidelines to be followed in achieving its objectives.

The City's policy is to hold investments to maturity; however, securities may be sold in order to minimize the potential loss of principal and interest whose credit quality has declined; or to meet unanticipated liquidity needs of the City.

The policy and strategy shall be reviewed by the Investment Committee and City Council at least annually. Any modifications will be formally approved by the City Council. The investment policy, as approved, is in compliance with the provisions of the Public Funds Investment Act of the Texas Government Code Chapter 2256. The investment policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City's funds.

## II. SCOPE

This policy applies to all financial assets and investment activities of all current funds of the City of Anna, Texas and any new funds created in the future, unless specifically exempt or excluded hereafter, will be administered in accordance with the objectives and restrictions set forth in this Investment Policy. These funds are accounted for in the City's Comprehensive Annual Financial Report and include: General Fund, Special Revenue Funds, Grant Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, Trust Funds, and the City's component units.

This policy does not apply to the assets administered for the benefit of the City by outside agencies under deferred compensation programs, retirement programs, or defeased bonds held in trust escrow accounts.

Except for cash in certain restricted and special funds, the City of Anna will combine cash balances from all funds in a pooled fund group to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles. In addition, all the bond fund proceeds (to include capital projects, debt service and reserve funds) will be managed by the governing debt ordinance and the provisions of the Internal Revenue Code of 1986 applicable to the issuance of tax-exempt obligations and the investment of debt proceeds.

## III. INVESTMENT OBJECTIVE AND STRATEGY

The primary objectives of the City of Anna's investment activities, listed in priority order, shall be as follows:

## A. Preservation and Safety of Principal

Preservation and safety of principal is the foremost objective of the City. Each investment transaction shall seek first to ensure that capital losses are avoided, whether they are from issuer defaults, erosion of market value, or other risks. The objectives will be to mitigate credit and interest rate risk.

i. Credit Risk and Concentration of Credit Risk – The City will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, and concentration of credit risk, the risk of loss attributed to the magnitude of investment in a single issuer, by:
   - Limiting investments to the types listed in safest types of investments,
   - Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business, and
   - Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

ii. Interest Rate Risk – The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:
   - Limiting investments to the safest types of investments,
   - Limiting maximum weighted average maturity of the investment portfolio to 365 days,
   - Structure the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity, and
   - Diversify maturities and staggering purchase dates to minimize the impact of market movements over time.

## B. Liquidity

The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that can be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demand cannot be anticipated, a portion of the portfolio will be invested in money market funds that seek a stable $1.00 NAV or local government investment pools that offer same-day liquidity for short-term needs.

## C. Public Trust

All employees involved in the City’s investment program shall seek to act responsibly as custodians of the public trust. Investment Officers shall at all times be cognizant of the standard of care and investment objectives and shall avoid any transaction that might impair public confidence in the City’s ability to govern effectively.

## D. Yield

The investment portfolio of the City shall be designed to attain a market rate of return throughout budgetary and economic cycles taking into account risk constraints and liquidity needs. Return on investment, while important, is of less importance than safety and liquidity. The investment portfolio shall be designed with the objective of regularly exceeding the average rate of return on a six-month U.S. Treasury Bill.

Funds held for future capital projects will be invested in securities that can reasonably be expected to produce enough income to offset inflationary costs increases. However, such funds will never be unduly exposed to market price risks that will jeopardize that asset's availability to accomplish their stated goal or be invested in a matter inconsistent with applicable federal and state regulations. Yields on debt proceeds that are not exempt from federal arbitrage regulations are limited to the arbitrage yield of the debt obligation. Investment officials will seek to preserve principal and maximize the yield of these funds in the same manner as all other City funds. However, it is understood that if the yield achieved by the City is higher than the arbitrage yield, positive arbitrage income will be averaged over a five-year period and netted against any negative arbitrage income and the positive arbitrage amount shall be rebated to the federal government as required by current regulations.

## E. Strategy

The City maintains pooled investments which are an aggregation of the majority of City funds including tax receipts, enterprise funds, fine and fee revenues, special revenues, grants, and non-bond capital project funds. This portfolio is maintained to meet anticipated daily cash needs for City operations and capital projects. The objectives of this portfolio are to ensure safety of principal; ensure adequate investment liquidity; limit market and credit risk through diversification; and attain a market rate of return in accordance with the objectives and restrictions set for in this Policy. All investments will be of high quality with no perceived default risk.

i. Operating Funds – Operating Funds generally have greater cash flow needs than other types of funds and therefore require the greatest short-term liquidity of the Fund types. Investment strategies for operating funds and commingled pools containing funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure which will experience minimal volatility during economic cycles. This may be accomplished by purchasing quality, short to medium term securities which will complement each other in a laddered structure. Of utmost importance is the preservation and safety of the investment principal.

ii. Debt Service Funds – Investment strategies for Debt Service Funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date. Surplus funds outside the debt service dates will be invested according to the investment guidelines for operating funds.

iii. Capital Project Funds and Special Purpose Funds – The investment objective of capital project funds is to schedule maturities to maximize investment earnings while preserving principal. Funds for capital projects or special purposes should allow for flexibility and unanticipated project outlays by having a portion of their investments in highly liquid securities. The key to an effective strategy is to be aware of project needs and match maturities to the period funds. The stated final maturity dates of securities held should not exceed the estimated project completion date.

## IV. STANDARDS OF CARE

### A. Prudence

The standard of prudence to be used by investment officers shall be the "prudent person" rule. This rule states that "Investments shall be made with judgement 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 probable income to be derived". The determination of whether an investing officer has exercised prudence with respect to an investment decision shall be applied in the context of managing an overall portfolio rather than a consideration as to the prudence of a single transaction.

Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control unfavorable developments.

### B. Ethics and Conflict of Interest

Each Investment Officer shall act as custodian of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. An Investment Officer shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair his/her ability to make impartial investment decisions.

They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio and shall refrain from undertaking personal investment transactions with any individual with whom business is conducted on behalf of the City of Anna. Additionally, an Investment Officer shall file with the Texas Ethics Commission and the City Council a statement disclosing any material interest they hold in financial institutions with which they conduct business with on behalf of the City or any relationship with an entity seeking to sell investments to the City or any relationship with the second degree by affinity or consanguinity to an individual seeking to sell investments to the City as determined under Chapter 573 of the Texas Government Code.

## C. Delegation of Authority

i. Investment Officers and Training - The Assistant City Manager, Finance Director, and Accounting Manager shall be the Investment Officers. The Investment Officers shall oversee and approve any deposit, withdrawal, investment, transfer, documentation, and otherwise manage City funds according to this Policy. No person may engage in an investment transaction or the management of funds except as provided under the terms of the Investment Policy, the Statement of Investment Strategy, and other operational procedures established by the Finance Director.

   As stipulated in the PFIA Chapter 2256.008, in order to ensure qualified and capable investment management, within twelve (12) months after taking office or assuming duties, each Investment Officer shall attend training relating to his/her investment responsibilities and accumulate not less than ten (10) hours of instruction. On an ongoing basis, all Investment Officers shall receive not less than eight (8) hours of instruction in each subsequent two-year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date. Training will be conducted by an independent source approved by the Investment Committee and must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Public Funds Investment Act.

ii. Investment Committee - The Committee shall monitor the investment activities; assist in the development of investment policies, strategies and procedures; and annually review and approve the City’s broker/dealers and independent training sources.

## D. Internal Control

The Finance Director will establish and maintain a system of internal controls to ensure that the assets are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgement by management.

Accordingly, the Finance Director shall establish a process for an independent review by an external officer to assure compliance with policies and procedures. This annual compliance is required by the "Public Funds Investment Act" (PFIA) [Section 2256.005m]. Controls deemed most important include, but are not limited to:

- Control of collusion
- Separation of duties
- Separating transaction authority from accounting and record-keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority
- Documentation of transactions
- Dual authorization of fed wire transfers
- Compliance with investment policies
- Accurate and timely investment reports
- Documentation of investment bidding

## V. AUTHORIZED INVESTMENTS AND PARAMETERS

### A. Authorized Investments

Funds of the City may be invested in the following instruments described below consistent with Chapter 2256 of the State of Texas Government Code, known as the "Public Funds Investment Act" (PFIA) and as authorized by this policy. Investments not specifically listed below will not be permitted by policy.

1. Obligations of the United States government or its agencies and instrumentalities, including the Federal Home Loan Banks.
2. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.
3. Direct obligations of this State or its agencies and instrumentalities.
4. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by at least one nationally recognized rating firm not less than A or its equivalent.
5. Certificates of Deposit, and other forms of deposit, issued in compliance with the PFIA, and insured by the FDIC, or when applicable, collateralized in accordance with this Policy and the Public Funds Collateral Act that are issued by a depository institution that has its main office or a branch office in the state of Texas.
6. Repurchase agreements, with the execution of a Master Repurchase Agreement, placed and secured in compliance with the PFIA and, collateralized

with a minimum market value of 102% of the dollar value of the transaction plus accumulated accrued interest.

7. SEC-registered, AAAm, or its equivalent, (as rated by Fitch, Moody's or Standard & Poor's), no-load money market mutual funds. The investment objective of the fund must be to maintain a stable dollar net asset value of $1.0000. The City may not invest funds under its control in an amount that exceeds 10% of total assets of any individual money market mutual fund. A fund prospectus shall be reviewed for compliance with this Policy prior to depositing monies.
8. Interest bearing checking accounts that are fully collateralized at 102% of the ledger balance less the amount insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund or their respective successors.
9. Local government investment pools which meet the requirements of Chapter 2256.016 of the Public Funds Investment Act, are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, seek to maintain a $1.00 net asset value, and are authorized by resolution or ordinance by the City Council.

**B. Prohibited Investments**

The Investment Officers shall not knowingly permit City funds to be invested with any of the following investment instruments that are strictly prohibited:

1. Options trading or futures contracts
2. Hedging or purchasing any security that is not authorized by Texas State law
3. Any investment in asset backed or mortgage-backed securities
4. Any other restricted instruments or limitations that involve outright speculation.

**C. Investments with Required Ratings**

If an investment is downgraded below minimum required ratings, the city will take all prudent measures to liquidate the investment.

**D. Diversification**

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. When appropriate and applicable, diversification by investment type shall be maintained by ensuring an active and efficient secondary market in portfolio investments, and by controlling the market and opportunity risks associated with specific investment types. Undue concentrations of assets in a specific maturity sector shall be avoided. Bond proceeds may be invested to comply with Federal arbitrage restrictions or to facilitate arbitrage record-keeping and calculation.

In establishing specific diversification strategies, the following general policies and constraints shall apply:

1. Portfolio maturities and potential call dates shall be staggered in a way that protects interest income from volatility of interest rates and avoids undue concentration of securities from a specific maturity or callable sector. Securities shall be selected which provide for stability of income and reasonable liquidity.
2. Continuously investing a portion of the portfolio in readily available funds such as government investment pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The Investment Officers shall conduct a quarterly review of these diversification guidelines and shall evaluate the probability of market and default risk in various instrument sectors as part of its consideration.

### E. Maximum Maturity

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities more than three (3) years from the date of purchase. The composite portfolio will have a weighted average maturity of 365 days or less. This dollar weighted average maturity will be calculated using the stated maturity date(s) of each security.

### F. Exemption for Existing Investments

Any investment currently held that does not meet the guidelines of this policy, but was authorized at the time of purchase, shall be exempted from the requirements of this policy and investment officers shall not be required to liquidate the investment. At Maturity or liquidation, such monies shall be reinvested only as provided by this policy.

## VI. SELECTION OF BANKS AND DEALERS

### A. Depository

At least once every five years, a qualified depository shall be selected through the City's banking services procurement process, which shall include a formal request for proposal and be consistent with state law. In selecting depositories, the service cost, hours of operation, yield on deposits, credit worthiness, location of depository, ability to meet service requirements and banking relationship of the institutions shall be considered.

All depository balances shall be insured or collateralized in compliance with applicable State law. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards depository deposits. Depositories will be required to sign a Depository Agreement with the

City. The Agreement shall address any concerns in relation to acceptable collateral, levels of collateral, substitution and addition of collateral, and reporting and monitoring of collateral. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The Agreement must be in writing,
- The Agreement must be executed by the Depository and the City contemporaneously with the acquisition of the asset,
- The Agreement must be approved by the Board of Directors or Designated Committee of the Depository and a copy of the meeting minutes must be delivered to the City, and
- The Agreement must be part of the Depository's "official record" continuously since its execution.

### B. Authorized Brokers/Dealers

Brokers and dealers are approved by the Investment Committee. At least once annually, the Committee will review, revise, and adopt a list of qualified banks, brokers, and dealers that are authorized to engage in investment transactions with the City.

Evaluation of security dealers and financial institutions are based upon (1) Financial conditions, strength, and capability to fulfill commitments; (2) overall reputation with other dealers or investors (3) regulatory status of the dealer; and (4) background and expertise of the individual representatives. All brokers and dealers must be on the approved list in order to transact business with the City.

All local government investment pools and discretionary investment management firms must sign a certification acknowledging that the organization has received and reviewed the City's Investment Policy, and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the City's Policy.

### C. Competitive Bid

It is the policy of the City to require competitive bidding for all individual security purchases except for money market mutual funds and local government investment pools, which are deemed to be made at prevailing market rates. All other securities will be competitively bid with at least three competitive offers or bids.

### D. Delivery vs. Payment

All investment transactions, except local government investment pools and mutual funds, must be settled on a delivery versus payment basis. That is, funds shall not be released or paid until verification has been made that the collateral or security was received by the Trustee or custodian.

## VII. CUSTODIAL CREDIT RISK MANAGEMENT

### A. Safekeeping and Custody

Safekeeping and custody of securities and collateral shall be in accordance with state law. The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure financial institution deposits.

Securities owned by the City shall be held in the City's account as evidenced by safekeeping receipts of the institution holding the securities. Safekeeping institutions shall be independent from the parties involved in the investment transaction.

Collateral will be held by a third-party custodian designated by the City, the Federal Reserve Bank, branch of the Federal Reserve Bank, or a Federal Home Loan Bank and pledged to the City as evidenced by pledge receipts of the institution with which the collateral is deposited. The original copy of the safekeeping receipt shall be delivered to the City.

### B. Collateralization

All time and demand deposits and repurchase (and reverse) agreements shall be secured by pledged collateral with a market value equal to or not less than 102% of the deposits plus accrued interest less an amount insured by the FDIC and evidenced by original safekeeping receipts. Evidence of the pledged collateral shall be maintained by the Finance Director or designee and held by an independent party with whom the City has a current custodial agreement with.

Any substitutions of collateral must meet the requirements of the Public Funds Collateral Act, Public Funds Investment Act and this investment policy. Substitution of collateral must be approved by at least one Investment Officer of the City. Written notice must be provided to the bank or safekeeping agent prior to any security release.

Collateral shall be reviewed on a monthly basis to ensure the market value of the securities pledged equals or exceeds the related time and deposit accounts or repurchase (and reverse) agreements.

The City of Anna shall accept only the following securities as collateral:

- FDIC Insurance coverage
- Direct obligations of the United States or other obligations of the United States, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the United States

- Direct debt obligations of an agency or instrumentality of the United States
- Direct debt of states, agencies, counties, cities, and other political subdivisions of any state rate as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
- Letter of credit issued to the City by the Federal Home Loan Bank
- Other securities specifically authorized by the Investment Committee and this Investment Policy

The City expressly prohibits the acceptance of Interest-only (IO) and Principal-only (PO) Collateralized Mortgage Obligations (CMOs) as collateral for bank deposits or repurchase agreements. The City's Investment Officers reserve the right to accept or reject any form of collateral or enhancement at their sole discretion.

## VIII. REPORTING

The Investment Officers shall prepare an investment report at least quarterly in compliance with the PFIA. This report will be prepared in a manner that will allow the City to ascertain whether investment activities during the reporting period have conformed to this Policy. The report will be provided to the City Council. In conjunction with the annual audit, the external auditor will perform a formal review of the quarterly reports with the results reported to the City Council.

Market value of all securities in the portfolio will be calculated on a quarterly basis and disclosed to the governing body quarterly in the investment report. Pricing information will come from Bloomberg, Intercontinental Exchange, Inc. (ICE), International Data Corporation (IDC), or any other reputable and independent source deemed reliable by the Director of Finance.

## IX. INVESTMENT POLICY AND ADOPTION

The investment policy and investment strategies shall be adopted by Resolution of the City Council. The Resolution so adopted shall record any changes made to either the policy or the strategies. The City Council shall review the investment policy not less than annually. The investment policy strategies shall be reviewed at least annually by the Investment Committee.

## X. FINANCIAL GLOSSARY

**Accretion of Discount**: An accounting method for realizing the additional income earned through the purchase of a discounted, or zero-coupon security where the difference between the discounted purchase price and the par value is credited to an income account, gradually increasing the book value until it reaches par at maturity. *Also see amortization*.

**Accrued Interest**: The interest accumulated on a security from its issue date or since the last payment of interest up to but not including the purchase date. The purchaser of the security pays to the seller the market price plus accrued interest.

**Agency**: A category of investments that include Government Sponsored Enterprises (GSEs) of Fannie Mae, Freddie Mac, the Federal Home Loan Bank (FHLB), and the Federal Farm Credit Bank (FFCB). Federal agencies are generally considered to be government securities, and all carry the highest possible senior debt rating from both Moody's and S&P.

**Amortization of Premium**: Period straight-line decreases in the book or carrying value of a security so that the premium paid for a bond above its face value or call prices is completely eliminated.

**Ask or Asking Price**: The price at which securities are offered by the broker/dealer; the price at which a governmental entity buys a security; also referred to as an "offer" or "offering price".

**Asset-Backed Security (ABS)**: A broad term used to describe a security created by pooling certain loans together, whereby principal and interest payments made on the loans are used to pay the security holders.

**Basis Points**: The unit of measurement for yield equal to 1/100$^{th}$ of 1 percent; e.g., ¼ of 1 percent is equal to 25 basis points.

**Benchmark**: A comparative base for performance evaluation. A good benchmark should be verifiable, easy to understand and appropriate to the portfolio to which it is being compared. Typical benchmarks used in the public sector include the three-month, six-month, and one-year T-bill averages over a similar measurement timeframe.

**Bid**: The price offered for securities by purchasers. (When selling securities, one asks for a bid.)

**Bond**: A very broad term used to describe a debt obligation. A bond may have a fixed or floating coupon rate; may be issued by the U.S. Treasury or an agency or a corporation; and may be callable or non-callable.

**Book Entry Securities**: Stocks, bonds, other securities, and some certificates of deposit that are purchased, sold, and held as electronic computer entries on the records of a central holder. These securities are not available for purchase in physical form; buyers get a receipt or confirmation as evidence of ownership.

**Book Value**: The original cost of the security as adjusted for amortization for any premium paid or accretion of discount since the date of purchase.

**Broker**: A party who brings buyers and sellers together. Brokers do not take ownership of the property being traded. They are compensated by commissions. They are not the same as dealers; however, the same firms that act as brokers in some transactions may act as dealers in other transactions.

“**Bullet**”: Slang term for a type of bond that repays the entire principal amount on the maturity date.

“**Buy-and-Hold**”: A common investment strategy for conservative investors with specific cash flow objectives or cyclical cash flow patterns, whereby securities are purchased with no intention to sell prior to maturity.

**Callable Bond**: A bond that the issuer has the right to redeem prior to maturity at a specified price. Some callable bonds may be redeemed on one call date while others have multiple call dates.

**Certificate of Deposit (CD)**: A time deposit with a specific maturity evidenced by a certificate.

**Capital Gain**: The profitable result of the sale of a security or asset, whereby the principal exceeds the book value of a security.

**Capital Loss**: The resulting loss when the principal amount on the sale of a security or asset is less than the book value of a security.

**Collateral**: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Collateralized Mortgage Obligation (CMO):** A type of mortgage-backed security created by dividing the rights to receive the principal and interest cash flows from an underlying pool of mortgages in separate classes or tiers.

**Commercial Paper**: Short-term unsecured promissory notes issued by corporations for a maturity specified by the buyer. It is used primarily by corporations for short-term financing needs at a rate which is generally lower than the prime rate.

**Confirmation**: The document used to state in writing the terms of the trade which had previously been agreed to verbally.

**Coupon Rate**: The stated annual rate of interest payable on a coupon bond expressed as a percentage of the bond’s face value.

**Constant Dollar Fund or Pool**: A type of money market fund or investment pool whose stated objective is to offer safety of principal and liquidity by maintaining a $1 dollar share value for all its participants, meaning that the dollar value of the original deposit is expected to be maintained through conservative management practices; also referred to as a “dollar in/dollar out” fund or pool.

**Credit Risk**: The risk that (1) the issuer is downgraded to a lower quality category and/or (2) the issue fails to make timely payments of principal and interest.

**Cusip Number**: A nine-digit number established by the Committee on Uniform Securities Identification Procedures that is used to identify publicly traded securities.

Each publicly traded security receives a unique CUSIP number when the security is issued.

**Custody**: The service of an organization, usually a financial institution, of holding (and reporting) a customer's securities for safekeeping. The financial institution is known as the custodian.

**Dealer**: A firm which buys and sells for its own account. Dealers have ownership, even if only for an instant, between a purchase from one party and a sale to another party. They are compensated by the spread between the price they pay and the price they receive. Dealers are not the same as brokers; however, the same firms which act as dealers in some transactions may act as brokers in other transactions.

**Delivery Versus Payment (DVP)**: DVP requires that the delivery is made at the same time payment for those securities is received in the account.

**Depository Trust Company (DTC)**: An organization that holds physical certificates for stocks and bonds and issues receipts to owners. Securities held by DTC are immobilized so that they can be traded on a book entry basis.

**Discount**: The amount by which the price paid for a security is less than its face value.

**Discount Securities**: Securities that do not pay periodic interest. Investors earn the difference between the discount issue price and the full-face value paid at maturity.

**Diversification**: Dividing the investment funds among a variety of securities offering independent returns, to reduce risk inherent in particular securities.

**Duration**: A sophisticated measure of the weighted average maturity of a bond's cash flow stream, where the present values of cash flows serve as the weights.

**Face Value**: The principal amount due and payable to a bondholder at maturity; par value. Also, the amount on which coupon interest is computed.

**Fair Value**: The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Federal Deposit Insurance Corporation (FDIC**): A federal agency that insures bank deposits.

**Federal Farm Credit Banks (FFCB):** A government-sponsored corporation what was created in 1916 and is a nationwide system of banks and associations providing mortgage loans, credit, and related services to farmers, rural homeowners, and agricultural and rural cooperatives. The banks and associations are cooperatively owned, directly or indirectly, by their respective borrowers. The Federal Farm Credit System is supervised by the Farm Credit Administration, an independent agency of the U.S. government. (See Government Sponsored Enterprises)

**Federal Funds Rate**: The rate of interest at which banks with excess reserves charge banks lacking reserves for overnight loans to meet reserve requirements. This key overnight rate determines, in large part, the rate at which overnight repurchase agreements will trade. When the Federal Reserve "raises rates", the target fed funds rate is increased and other short-term security yields follow. Since pools and money market funds invest heavily in short-term securities, their rates often approximate the fed funds rate at any given point in time.

**Federal Home Loan Banks (FHLB):** Government-sponsored wholesale banks (currently twelve regional banks) which lend funds and provide correspondent banking services to member commercial bank, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank. (See Government Sponsored Enterprises)

**Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac):** A government-sponsored corporation that was created in July 1970, by the enactment of Title III of the Emergency Home Finance Act of 1970. Freddie Mac was established to help maintain the availability of mortgage credit for residential housing, primarily through developing and maintaining an active, nationwide secondary market in conventional residential mortgages. (See Government Sponsored Enterprises)

**Federal National Mortgage Association (FNMA or Fannie Mae):** FNMA, like GNMA was chartered under the Federal National Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae is a private stockholder-owned corporation. FNMA securities are highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest. (See Government Sponsored Enterprises)

**Federal Open Market Committee (FOMC):** A group of Federal Reserve Officials that meet eight times per year to set U.S. monetary policy (raise and lower interest rates). The Committee must balance its two primary and often conflicting objectives of achieving stable economic growth and keeping inflation at acceptable levels.

**Federal Reserve System**: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., twelve regional banks and about 5,700 commercial banks that are members of the system.

**Government-Sponsored Enterprises (GSE's**): Payment of principal and interest on securities issues by these corporations is not guaranteed explicitly by the U.S. government; however, must investors consider these securities to carry an implicit U.S. government guarantee. The debt is fully guaranteed by the issuing corporations. GSE's include: Farm Credit System, Federal Home Loan Bank System, Federal Home

Loan Mortgage System, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association.

**Interest Rate Risk**: The risk that the general level of interest rates will change, causing unexpected price appreciations or depreciations.

**Ladder**: A common investment strategy whereby securities are purchased to mature at regular intervals so that cash is always available to meet known obligations or be reinvested back into the market at prevailing rates.

**Liquidity**: An entity's capacity to meet future monetary outflows (whether they are required or optional) from available resources. Liquidity is often obtained from reductions of cash or by converting assets into cash.

**Liquidity Risk**: The risk that an investment will be difficult to sell at a fair market price in a timely fashion.

**Market Risk**: The risk that the value of a security will rise or decline as a result of changes in market conditions. It is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification; also known as systematic risk.

**Market Value**: the price at which a security is trading and could presumably be purchased or sold.

**Master Repurchase Agreement**: A written contract coverall all future transactions between the parties to repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer to liquidate the underlying securities in the event of default by the seller.

**Maturity Date**: The date on which the principal or face value of an investment becomes due and payable.

**Mortgage-Backed Securities**: Securities composed of, or collateralized by, loans that are themselves collateralized by liens on real property.

**Offer**: The price asked by a seller of a security. (When purchasing securities, one asks for an offer).

**PAR**: See Face Value

**Pooled Fund Group**: An internally created fund of an investing entity in which one or more institutional accounts of the investing entity are invested.

**Premium**: The amount by which the price paid for a security exceeds its face value.

**Primary Dealer**: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include

Securities and Exchange Commission (SEC), registered securities broker-dealers, banks, and few unregulated firms.

**Principal**: The face or par value of an instrument, exclusive of accrued interest.

**Prudent Person Rule**: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**Rate of Return**: The amount of income received from an investment, expressed as a percentage. A market rate of return is yield that an investor can expect to receive in the current interest-rate environment utilizing a buy-and-hold to maturity investment strategy.

**Reinvestment Rate**: The interest rate earned on the reinvestment of coupon payments.

**Reinvestment Rate Risk**: The risk that the actual reinvestment rate falls short of the expected or assumed reinvestment rate.

**Repurchase Agreement (RP or REPO**): A type of agreement in which an investor exchanges cash for securities with a primary dealer or bank and earns a fixed rate of interest for a specific period. At the end of the period, securities are returned for principal along with accrued interest. Dealers and banks use repo proceeds to finance their inventory positions.

**Safekeeping**: A procedure where securities are held by a third party acting as custodian for a fee.

**Secondary Market**: A market made for the purchase and sale of outstanding issues following initial distribution.

**Securities and Exchange Commission (SEC**): Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**Settlement Date**: The purchase (or sale) date of a security on which the money actually changes hand.

**Spread**: Most commonly used when referring to the difference between the bid and asked prices in a quote. Additionally, it may also refer to additional basis points that a non-Treasury security earns over and above a Treasury with a comparable maturity date.

**Treasury Bills**: A non-interest-bearing discount security issued by the U.S. Treasury, generally having initial maturities of 3 months, 6 months, or 1 year.

**Treasury Bonds**: Long-term, coupon bearing U.S. Treasury securities having initial maturities of more than 10 years.

**Treasury Notes**: Intermediate-term, coupon bearing U.S. Treasury securities having initial maturities of 2-10 years.

**Unrealized Gain or Loss**: The amount of profit (or loss) that would be reflected on the sale of a security if that security were sold. The unrealized gain or loss is calculated by taking the difference between book value and market value of the security at any given point in time.

**Weighted Average Maturity (WAM)**: This common term, usually expressed in number of days, represents a dollar-weighted average of the remaining term to maturity of all assets in a pool or securities portfolio. A longer WAM generally indicates higher market risk.

**Yield**: The return, expressed as a percentage, that a security will earn as a result of both the coupon rate and any discount earned or premium paid. A yield will exceed the coupon if purchased at a discount (and vice-versa).

**Yield Curve**: The relationship between yields and maturity dates for a set of similar bonds, usually Treasuries, at a given point in time. A yield curve is a standard measure of risk and return and answers the question “How much additional yield will I earn if I extend my maturity and assume additional market risk?”~~.~~

**Yield-to-Maturity**: The expected rate of return of a bond if it is held to its maturity date; calculated by taking into account the current market price, stated redemption value, coupon payments and time to maturity and assuming all coupons are reinvested at the same rate; equivalent to the internal rate of return (IRR).

Item No. 5.b.

EDC/CDC Agenda
Staff Report

Meeting Date: 7/21/2022
Staff Contact:

**AGENDA ITEM:**
Conduct a Public Hearing and act on a Resolution approving the Anna CDC Fiscal Year 2023 Budget and authorizing publication of the adopted budget. (CDC)

**SUMMARY:**
The staff is proposing a $2,922,673 Budget based on discussions at the Preliminary Budget Meeting a few weeks ago. FY 23 will be focused heavily on the Downtown Plan implementation and continuing to attract new businesses and developments to the community.

**STAFF RECOMMENDATION:**
Hold a Public Hearing and approve a Resolution adopting the FY 2023 Annual CDC Budget and authorizing publication of the adopted budget.

**ATTACHMENTS:**
1. CDC Budget Resolution
2. Exhibit A- FY2023 Line item detail CDC EDC
3. FY2023 Fund Summaries CDC EDC

**ANNA COMMUNITY DEVELOPMENT CORPORATION**

**RESOLUTION NO. _________**

**A RESOLUTION OF THE ANNA COMMUNITY DEVELOPMENT CORPORATION ADOPTING THE FY 2022-2023 FISCAL YEAR BUDGET AND AUTHORIZING PUBLICATION OF NOTICE OF PROJECTS**

**WHEREAS,** to be effective October 1, 2022, the Anna Community Development Corporation (the "CDC") and subject to approval of the City of Anna City Council, the Board of directors of the CDC desires to approve and adopt the CDC budget for the 2022-2023 fiscal year;

**WHEREAS,** the Board of Directors (the "Board of Directors") of the Anna Community Development Corporation (the "Corporation"), created by the City of Anna, Texas (the "City"), in accordance with Article 5190.6, V.A.T.C.S., Section 4B, and now operating under Texas Local Government Code, Chapter 505 (the "Act") has determined that it is advisable and in the best interests of the Corporation to give notice of the intention of the Corporation to undertake the following projects:

> Land and building improvements, equipment purchases, park facilities and improvements, capital expenditures, targeted infrastructure, site improvements, promotional expenditures, engineering and/or legal services, administrative personnel services, and other purposes permitted by law, in order to provide improved community development and/or to promote new or expanded business enterprises for the benefit of the public. The costs of the Projects are estimated not to exceed $2,922,673 including but not limited to the specific projects or general types of projects set forth in the Anna Community Development Corporation's 2022-2023 fiscal year budget.

The Projects will be financed and/or paid from the proceeds of sales tax revenue and other resources of the Corporation.

**WHEREAS**, such projects are authorized under the Act and found by the Board of Directors to promote new or expanded business development pursuant to Section 505.158, Texas Local Government Code; 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 of said meeting was given, all as required by Chapter 551, Texas Government Code;

**NOW THEREFORE, BE IT RESOLVED BY THE ANNA COMMUNITY DEVELOPMENT CORPORATION, THAT:**

Section 1. **Recitals Incorporated**

The recitals set forth above are incorporated herein for all purposes as if set forth in full.

Section 2. **Adoption of Fiscal Year 2022-2023 Budget**

The CDC Board of Directors hereby approves adopting the Anna Community Development Corporation 2022-2023 fiscal year budget as set forth in Exhibit A, attached hereto and incorporated herein for all purposes as if set forth in full, subject to approval by the City of Anna City Council.

PASSED AND APPROVED by the Anna Community Development Corporation this 21st day of July, 2022.

| APPROVED: | ATTEST: |
|---|---|
| _____________________________ | ________________________________ |
| Bruce Norwood, CDC President | Rocio Gonzalez, CDC Secretary |

THE CITY OF Anna

ANNA, TX

# Budget Listing

For Fiscal: 2022-2023 Period Ending: 10/31/2022

| Account Number | Account Name | 2022-2023 PB 2022-2023 |
|---|---|---|
| **Fund: 890 - Community Development Corporation** | | |
| 890-400-98100 | Transfers Out | 0.00 |
| 890-825-61010 | Salaries | 353,203.00 |
| 890-825-61019 | Miscellaneous Payroll | 0.00 |
| 890-825-61110 | Payroll Taxes-City Part FICA | 27,021.00 |
| 890-825-61210 | Health Insurance | 36,009.00 |
| 890-825-61220 | TMRS Retirement | 49,758.00 |
| 890-825-61230 | Unemployment | 750.00 |
| 890-825-61240 | Worker's Compensation | 1,589.00 |
| 890-825-62011 | Office Supplies | 2,500.00 |

**Budget Detail**

| Budget Code | Description | Units | Price | Amount |
|---|---|---|---|---|
| PB 2022-2023 | basic needs | 1.00 | 2,500.00 | 2,500.00 |

| Account Number | Account Name | 2022-2023 PB 2022-2023 |
|---|---|---|
| 890-825-62012 | Other Supplies - Misc. | 4,500.00 |

**Budget Detail**

| Budget Code | Description | Units | Price | Amount |
|---|---|---|---|---|
| PB 2022-2023 | meals, meetings supplies, or other administrative | 1.00 | 4,500.00 | 4,500.00 |

| Account Number | Account Name | 2022-2023 PB 2022-2023 |
|---|---|---|
| 890-825-62210 | Postage | 100.00 |

**Budget Detail**

| Budget Code | Description | Units | Price | Amount |
|---|---|---|---|---|
| PB 2022-2023 | mailing bills, etc | 1.00 | 100.00 | 100.00 |

| Account Number | Account Name | 2022-2023 PB 2022-2023 |
|---|---|---|
| 890-825-62310 | Clothing Supplies | 1,500.00 |

**Budget Detail**

| Budget Code | Description | Units | Price | Amount |
|---|---|---|---|---|
| PB 2022-2023 | new logo, new councilmembers, new board members | 1.00 | 1,500.00 | 1,500.00 |

| Account Number | Account Name | 2022-2023 PB 2022-2023 |
|---|---|---|
| 890-825-62910 | IT Supplies | 4,500.00 |
| 890-825-66040 | Telecom | 0.00 |
| 890-825-67000 | Contract Services | 492,248.00 |

**Budget Detail**

| Budget Code | Description | Units | Price | Amount |
|---|---|---|---|---|
| PB 2022-2023 | CDC Share of Budget and Financial Services | 1.00 | 4,800.00 | 4,800.00 |
| PB 2022-2023 | Cooksey Marketing Plan & Website Hosting | 1.00 | 75,000.00 | 75,000.00 |
| PB 2022-2023 | Costar | 1.00 | 6,000.00 | 6,000.00 |
| PB 2022-2023 | Downtown Plan Implementation | 1.00 | 350,000.00 | 350,000.00 |
| PB 2022-2023 | Impact Data Source | 1.00 | 6,148.00 | 6,148.00 |
| PB 2022-2023 | Navi Retail Attraction Plan | 1.00 | 42,000.00 | 42,000.00 |
| PB 2022-2023 | Residential Strategies | 1.00 | 2,000.00 | 2,000.00 |
| PB 2022-2023 | Resimplifi Real Estate Data | 1.00 | 4,800.00 | 4,800.00 |
| PB 2022-2023 | Revenue Bonds | 1.00 | 1,500.00 | 1,500.00 |

| Account Number | Account Name | 2022-2023 PB 2022-2023 |
|---|---|---|
| 890-825-67016 | Promotion Expense | 200,000.00 |

**Budget Detail**

| Budget Code | Description | Units | Price | Amount |
|---|---|---|---|---|
| PB 2022-2023 | Chamber Event Sponsorship | 1.00 | 7,500.00 | 7,500.00 |
| PB 2022-2023 | Development Forum Event | 1.00 | 2,500.00 | 2,500.00 |
| PB 2022-2023 | Marketing Plan Implementation - digital, social, p | 1.00 | 190,000.00 | 190,000.00 |

| Account Number | Account Name | 2022-2023 PB 2022-2023 |
|---|---|---|
| 890-825-67019 | Legal Expense | 22,000.00 |
| 890-825-67020 | Audit Expense | 7,500.00 |

| Account Number | | Account Name | 2022-2023 PB 2022-2023 | Units | Price | Amount |
|---|---|---|---|---|---|---|
| | **Budget Detail** | | | | | |
| | **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| | PB 2022-2023 | CPA services - audit, 990, 1099s | | 1.00 | 7,500.00 | 7,500.00 |
| 890-825-67022 | | Engineering | 0.00 | | | |
| 890-825-67031 | | Public Notices - Advertising | 250.00 | | | |
| | **Budget Detail** | | | | | |
| | **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| | PB 2022-2023 | publish notices | | 1.00 | 250.00 | 250.00 |
| 890-825-67053 | | Economic Development Grant Expense | 1,484,990.00 | | | |
| | **Budget Detail** | | | | | |
| | **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| | PB 2022-2023 | Hotel | | 1.00 | 209,990.00 | 209,990.00 |
| | PB 2022-2023 | Other Targeted Area Economic Development Grants | | 1.00 | 750,000.00 | 750,000.00 |
| | PB 2022-2023 | Sales Tax Reimbursement agreement with Chief Partn | | 1.00 | 525,000.00 | 525,000.00 |
| 890-825-67058 | | Insurance - Property & Liability | 0.00 | | | |
| 890-825-67061 | | Dues, Publications & Licenses | 9,200.00 | | | |
| | **Budget Detail** | | | | | |
| | **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| | PB 2022-2023 | Anna Chamber of Commerce Membership | | 1.00 | 3,000.00 | 3,000.00 |
| | PB 2022-2023 | Dallas Morning News | | 1.00 | 175.00 | 175.00 |
| | PB 2022-2023 | DBJ | | 1.00 | 350.00 | 350.00 |
| | PB 2022-2023 | ICMA/TCMA for TL and KG | | 2.00 | 400.00 | 800.00 |
| | PB 2022-2023 | ICSC | | 10.00 | 50.00 | 500.00 |
| | PB 2022-2023 | ICSC | | 50.00 | 10.00 | 500.00 |
| | PB 2022-2023 | IEDC | | 3.00 | 350.00 | 1,050.00 |
| | PB 2022-2023 | NAIOP | | 1.00 | 600.00 | 600.00 |
| | PB 2022-2023 | NTCAR | | 1.00 | 450.00 | 450.00 |
| | PB 2022-2023 | TEDC | | 1.00 | 75.00 | 75.00 |
| | PB 2022-2023 | TEDC | | 3.00 | 500.00 | 1,500.00 |
| | PB 2022-2023 | Texas Downtown Association | | 1.00 | 200.00 | 200.00 |
| 890-825-67200 | | Travel/Training Expense | 31,190.00 | | | |
| | **Budget Detail** | | | | | |
| | **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| | PB 2022-2023 | Bisnow Event Registrations | | 1.00 | 1,000.00 | 1,000.00 |
| | PB 2022-2023 | International Council of Shopping Centers Annual C | | 1.00 | 11,500.00 | 11,500.00 |
| | PB 2022-2023 | International Council of Shopping Centers Texas Co | | 1.00 | 6,000.00 | 6,000.00 |
| | PB 2022-2023 | International Economic Development Council Annual | | 2.00 | 1,250.00 | 2,500.00 |
| | PB 2022-2023 | OU EDI Courses for AD | | 2.00 | 595.00 | 1,190.00 |
| | PB 2022-2023 | Texas City Managers Assn. Annual Meeting | | 2.00 | 500.00 | 1,000.00 |
| | PB 2022-2023 | Texas Downtown Association Conference (San Marcos) | | 1.00 | 1,000.00 | 1,000.00 |
| | PB 2022-2023 | Texas Economic Development Council Annual Conferen | | 2.00 | 2,000.00 | 4,000.00 |
| | PB 2022-2023 | Texas Women in Economic Development Conference | | 2.00 | 1,000.00 | 2,000.00 |
| | PB 2022-2023 | Texas Womens Leadership Institute | | 1.00 | 1,000.00 | 1,000.00 |
| 890-825-67790 | | Interest Expense | 93,865.00 | | | |
| | **Budget Detail** | | | | | |
| | **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| | PB 2022-2023 | Bond Debt Series 2012-B August payment | | 1.00 | 17,902.50 | 17,902.50 |
| | PB 2022-2023 | Bond Debt Series 2012-B February payment | | 1.00 | 19,552.50 | 19,552.50 |
| | PB 2022-2023 | Bond Debt Series 2016 (Business Park) Aug | | 1.00 | 28,205.00 | 28,205.00 |
| | PB 2022-2023 | Bond Debt Series 2016 (Business Park) Feb | | 1.00 | 28,205.00 | 28,205.00 |
| 890-825-67850 | | Bad Debt Expense | 0.00 | | | |
| 890-825-67950 | | Bond Fees | 0.00 | | | |
| 890-825-67999 | | Other Services - Misc. | 0.00 | | | |
| 890-825-69010 | | Construction in Progress | 0.00 | | | |

| Account Number | Account Name | 2022-2023 PB 2022-2023 | | | |
|---|---|---|---|---|---|
| 890-825-69110 | Machinery & Equipment | 0.00 | | | |
| 890-825-69310 | Land & Improvements | 0.00 | | | |
| 890-825-71090 | Debt-Service Principal | 100,000.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | Bond Debt Series 2012-B | | 1.00 | 100,000.00 | 100,000.00 |
| 890-825-71221 | Bond Fees | 0.00 | | | |
| 890-825-71490 | Other Financing Use - Debt Refundings | 0.00 | | | |
| 890-825-98100 | Transfers Out | 0.00 | | | |
| | **Total Fund: 890 - Community Development Corporation:** | **2,922,673.00** | | | |

| Account Number | Account Name | 2022-2023 PB 2022-2023 | | | |
|---|---|---|---|---|---|
| **Fund: 900 - Economic Development Corporation** | | | | | |
| 900-826-62012 | Other Supplies - Misc. | 0.00 | | | |
| 900-826-62210 | Postage | 0.00 | | | |
| 900-826-63012 | Maint. & Repair - Buildings | 3,000.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | MIsc building Maintanence and Repairs - 312 N Powe | | 1.00 | 3,000.00 | 3,000.00 |
| 900-826-66010 | Electricity | 3,500.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | Based on three year history | | 1.00 | 3,500.00 | 3,500.00 |
| 900-826-66020 | Gas - Natural/Propane | 1,050.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | Based on three year history | | 1.00 | 1,050.00 | 1,050.00 |
| 900-826-66030 | City Utilities Water/Sewer/Trash | 0.00 | | | |
| 900-826-66040 | Telecom | 1,800.00 | | | |
| 900-826-67000 | Contract Services | 762,000.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | Economic Development Grant Expense | | 1.00 | 750,000.00 | 750,000.00 |
| PB 2022-2023 | Janitorial | | 1.00 | 900.00 | 900.00 |
| PB 2022-2023 | Mowing and Landscaping - 312 North Powell Pkwy | | 1.00 | 2,700.00 | 2,700.00 |
| PB 2022-2023 | New contract for Ricoh Printer at Inc-Cube | | 1.00 | 1,500.00 | 1,500.00 |
| PB 2022-2023 | Pest Control | | 1.00 | 600.00 | 600.00 |
| PB 2022-2023 | Professional Services (target industry analysis, b | | 1.00 | 6,300.00 | 6,300.00 |
| 900-826-67008 | IT Support Services | 0.00 | | | |
| 900-826-67016 | Promotion Expense | 0.00 | | | |
| 900-826-67019 | Legal Expense | 10,000.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | legal fees | | 1.00 | 10,000.00 | 10,000.00 |
| 900-826-67020 | Audit Expense | 5,000.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | CPA Services - Audit, 1099 form 990 | | 1.00 | 5,000.00 | 5,000.00 |
| 900-826-67058 | Insurance - Property & Liability | 0.00 | | | |
| 900-826-67200 | Travel/Training Expense | 0.00 | | | |
| 900-826-67999 | Other Services - Misc. | 0.00 | | | |
| 900-826-69010 | Construction in Progress | 0.00 | | | |
| 900-826-69310 | Land & Improvements | 0.00 | | | |
| 900-826-69410 | Other Capital Expenditures | 0.00 | | | |
| 900-826-98100 | Transfers Out | 0.00 | | | |
| | **Total Fund: 900 - Economic Development Corporation:** | **786,350.00** | | | |
| | **Report Total:** | **3,709,023.00** | | | |

| | Actual 2020-21 | Budget 2021-22 | Estimated 2021-22 | Budget 2022-23 |
|---|---|---|---|---|
| BEGINNING BALANCES | $ 1,393,075 | $ 1,613,338 | $ 1,791,879 | $ 7,734,793 |
| REVENUES: | | | | |
| Property Taxes | $ - | $ - | $ - | $ - |
| Sales Tax | 1,757,926 | 1,630,000 | 2,120,000 | 2,460,000 |
| Charges for Services | - | - | - | - |
| Permits, Licenses and Fees | - | - | - | - |
| Franchise and Local Taxes | - | - | - | - |
| Investment Income | 7,507 | 5,000 | 5,000 | 5,000 |
| Other Revenues | 180 | - | 5,615,652 | - |
| Intergovernmental | - | - | - | - |
| Fines | - | - | - | - |
| TOTAL OPERATIONAL REVENUE | $ 1,765,613 | $ 1,635,000 | $ 7,740,652 | $ 2,465,000 |
| Transfers from other funds | - | - | - | - |
| TOTAL REVENUES | $ 1,765,613 | $ 1,635,000 | $ 7,740,652 | $ 2,465,000 |
| TOTAL AVAILABLE RESOURCES | $ 3,158,688 | $ 3,248,338 | $ 9,532,531 | $ 10,199,793 |
| EXPENDITURES: | | | | |
| Payroll | $ 127,479 | $ 389,530 | $ 389,530 | $ 468,330 |
| Supplies | 8,007 | 10,600 | 10,600 | 13,100 |
| Maintenance | - | - | - | - |
| Services | 902,186 | 1,070,145 | 1,070,145 | 2,247,378 |
| Debt Service | 329,137 | 327,463 | 327,463 | 193,865 |
| Capital Outlay | - | - | - | - |
| Capital Improvement | - | - | - | - |
| TOTAL OPERATIONAL EXPENDITURES | $ 1,366,809 | $ 1,797,738 | $ 1,797,738 | $ 2,922,673 |
| Transfers to other funds | - | - | - | - |
| TOTAL EXPENDITURES | $ 1,366,809 | $ 1,797,738 | $ 1,797,738 | $ 2,922,673 |
| ENDING FUND BALANCES | $ 1,791,879 | $ 1,450,600 | $ 7,734,793 | $ 7,277,120 |
| Fund Balance Percentage | 131.1% | 80.7% | 430.3% | 249.0% |

| | Actual 2020-21 | Budget 2021-22 | Estimated 2021-22 | Budget 2022-23 |
|---|---|---|---|---|
| BEGINNING BALANCES | $ 460,382 | $ 351,708 | $ 408,227 | $ 5,923,224 |
| REVENUES: | | | | |
| Property Taxes | $ - | $ - | $ - | $ - |
| Sales Tax | - | - | - | - |
| Charges for Services | 11,276 | 10,000 | 10,000 | 10,000 |
| Permits, Licenses and Fees | - | - | - | - |
| Franchise and Local Taxes | - | - | - | - |
| Investment Income | 2,457 | 2,000 | 2,000 | 2,000 |
| Other Revenues | - | 1,500 | 5,617,152 | - |
| Intergovernmental | - | - | - | - |
| Fines | - | - | - | - |
| TOTAL OPERATIONAL REVENUE | $ 13,733 | $ 13,500 | $ 5,629,152 | $ 12,000 |
| Transfers from other funds | - | - | - | - |
| TOTAL REVENUES | $ 13,733 | $ 13,500 | $ 5,629,152 | $ 12,000 |
| TOTAL AVAILABLE RESOURCES | $ 474,115 | $ 365,208 | $ 6,037,379 | $ 5,935,224 |
| EXPENDITURES: | | | | |
| Payroll | $ - | $ - | $ - | $ - |
| Supplies | - | - | - | - |
| Maintenance | 1,244 | 3,000 | 3,000 | 3,000 |
| Services | 64,644 | 111,155 | 111,155 | 783,350 |
| Debt Service | - | - | - | - |
| Capital Outlay | - | - | - | - |
| Capital Improvement | - | - | - | - |
| TOTAL OPERATIONAL EXPENDITURES | $ 65,888 | $ 114,155 | $ 114,155 | $ 786,350 |
| Transfers to other funds | - | - | - | - |
| TOTAL EXPENDITURES | $ 65,888 | $ 114,155 | $ 114,155 | $ 786,350 |
| ENDING FUND BALANCES | $ 408,227 | $ 251,053 | $ 5,923,224 | $ 5,148,874 |
| Fund Balance Percentage | 619.6% | 219.9% | 5188.8% | 654.8% |

Item No. 5.c.

EDC/CDC Agenda
Staff Report

Meeting Date: 7/21/2022
Staff Contact:

**AGENDA ITEM:**
Consider/Discuss/Act on a resolution approving the Anna EDC Fiscal Year 2022-2023 budget. (EDC)

**SUMMARY:**
The staff is proposing a $786,350 Anna EDC budget for FY 23.

**STAFF RECOMMENDATION:**
Approve a resolution adopting the FY 23 Anna EDC Budget.

**ATTACHMENTS:**
1. EDC Budget Resolution
2. Exhibit A- FY2023 Line item detail CDC EDC

**ANNA ECONOMIC DEVELOPMENT CORPORATION**

**RESOLUTION NO. _________**

**A RESOLUTION OF THE ANNA ECONOMIC DEVELOPMENT CORPORATION ADOPTING THE FY 2022-2023 FISCAL YEAR BUDGET**

**WHEREAS,** to be effective October 1, 2022, the Anna Economic Development Corporation (the "EDC") and subject to approval of the City of Anna City Council, the Board of Directors of the EDC desires to approve and adopt the EDC budget for the 2022-2023 fiscal year;

**NOW THEREFORE, BE IT RESOLVED BY THE ANNA ECONOMIC DEVELOPMENT CORPORATION, THAT:**

Section 1. **Recitals Incorporated**

The recitals set forth above are incorporated herein for all purposes as if set forth in full.

Section 2. **Adoption of Fiscal Year 2022-2023 Budget**

The EDC Board of Directors hereby approves adopting the Anna Economic Development Corporation 2022-2023 fiscal year budget as set forth in Exhibit A, attached hereto and incorporated herein for all purposes as if set forth in full, subject to approval by the City of Anna City Council.

PASSED AND APPROVED by the Anna Economic Development Corporation this 21st day of July, 2022.

| APPROVED: | ATTEST: |
|---|---|
| ______________________________ | ______________________________ |
| Bruce Norwood, EDC President | Rocio Gonzalez, EDC Secretary |

# Budget Listing

THE CITY OF Anna

ANNA, TX

For Fiscal: 2022-2023 Period Ending: 10/31/2022

| Account Number | Account Name | 2022-2023 PB 2022-2023 |
|---|---|---|
| **Fund: 890 - Community Development Corporation** | | |
| 890-400-98100 | Transfers Out | 0.00 |
| 890-825-61010 | Salaries | 353,203.00 |
| 890-825-61019 | Miscellaneous Payroll | 0.00 |
| 890-825-61110 | Payroll Taxes-City Part FICA | 27,021.00 |
| 890-825-61210 | Health Insurance | 36,009.00 |
| 890-825-61220 | TMRS Retirement | 49,758.00 |
| 890-825-61230 | Unemployment | 750.00 |
| 890-825-61240 | Worker's Compensation | 1,589.00 |
| 890-825-62011 | Office Supplies | 2,500.00 |

**Budget Detail**

| Budget Code | Description | Units | Price | Amount |
|---|---|---|---|---|
| PB 2022-2023 | basic needs | 1.00 | 2,500.00 | 2,500.00 |

| Account Number | Account Name | 2022-2023 PB 2022-2023 |
|---|---|---|
| 890-825-62012 | Other Supplies - Misc. | 4,500.00 |

**Budget Detail**

| Budget Code | Description | Units | Price | Amount |
|---|---|---|---|---|
| PB 2022-2023 | meals, meetings supplies, or other administrative | 1.00 | 4,500.00 | 4,500.00 |

| Account Number | Account Name | 2022-2023 PB 2022-2023 |
|---|---|---|
| 890-825-62210 | Postage | 100.00 |

**Budget Detail**

| Budget Code | Description | Units | Price | Amount |
|---|---|---|---|---|
| PB 2022-2023 | mailing bills, etc | 1.00 | 100.00 | 100.00 |

| Account Number | Account Name | 2022-2023 PB 2022-2023 |
|---|---|---|
| 890-825-62310 | Clothing Supplies | 1,500.00 |

**Budget Detail**

| Budget Code | Description | Units | Price | Amount |
|---|---|---|---|---|
| PB 2022-2023 | new logo, new councilmembers, new board members | 1.00 | 1,500.00 | 1,500.00 |

| Account Number | Account Name | 2022-2023 PB 2022-2023 |
|---|---|---|
| 890-825-62910 | IT Supplies | 4,500.00 |
| 890-825-66040 | Telecom | 0.00 |
| 890-825-67000 | Contract Services | 492,248.00 |

**Budget Detail**

| Budget Code | Description | Units | Price | Amount |
|---|---|---|---|---|
| PB 2022-2023 | CDC Share of Budget and Financial Services | 1.00 | 4,800.00 | 4,800.00 |
| PB 2022-2023 | Cooksey Marketing Plan & Website Hosting | 1.00 | 75,000.00 | 75,000.00 |
| PB 2022-2023 | Costar | 1.00 | 6,000.00 | 6,000.00 |
| PB 2022-2023 | Downtown Plan Implementation | 1.00 | 350,000.00 | 350,000.00 |
| PB 2022-2023 | Impact Data Source | 1.00 | 6,148.00 | 6,148.00 |
| PB 2022-2023 | Navi Retail Attraction Plan | 1.00 | 42,000.00 | 42,000.00 |
| PB 2022-2023 | Residential Strategies | 1.00 | 2,000.00 | 2,000.00 |
| PB 2022-2023 | Resimplifi Real Estate Data | 1.00 | 4,800.00 | 4,800.00 |
| PB 2022-2023 | Revenue Bonds | 1.00 | 1,500.00 | 1,500.00 |

| Account Number | Account Name | 2022-2023 PB 2022-2023 |
|---|---|---|
| 890-825-67016 | Promotion Expense | 200,000.00 |

**Budget Detail**

| Budget Code | Description | Units | Price | Amount |
|---|---|---|---|---|
| PB 2022-2023 | Chamber Event Sponsorship | 1.00 | 7,500.00 | 7,500.00 |
| PB 2022-2023 | Development Forum Event | 1.00 | 2,500.00 | 2,500.00 |
| PB 2022-2023 | Marketing Plan Implementation - digital, social, p | 1.00 | 190,000.00 | 190,000.00 |

| Account Number | Account Name | 2022-2023 PB 2022-2023 |
|---|---|---|
| 890-825-67019 | Legal Expense | 22,000.00 |
| 890-825-67020 | Audit Expense | 7,500.00 |

| Account Number | Account Name | 2022-2023 PB 2022-2023 | | | |
|---|---|---|---|---|---|
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | CPA services - audit, 990, 1099s | | 1.00 | 7,500.00 | 7,500.00 |
| 890-825-67022 | Engineering | 0.00 | | | |
| 890-825-67031 | Public Notices - Advertising | 250.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | publish notices | | 1.00 | 250.00 | 250.00 |
| 890-825-67053 | Economic Development Grant Expense | 1,484,990.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | Hotel | | 1.00 | 209,990.00 | 209,990.00 |
| PB 2022-2023 | Other Targeted Area Economic Development Grants | | 1.00 | 750,000.00 | 750,000.00 |
| PB 2022-2023 | Sales Tax Reimbursement agreement with Chief Partn | | 1.00 | 525,000.00 | 525,000.00 |
| 890-825-67058 | Insurance - Property & Liability | 0.00 | | | |
| 890-825-67061 | Dues, Publications & Licenses | 9,200.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | Anna Chamber of Commerce Membership | | 1.00 | 3,000.00 | 3,000.00 |
| PB 2022-2023 | Dallas Morning News | | 1.00 | 175.00 | 175.00 |
| PB 2022-2023 | DBJ | | 1.00 | 350.00 | 350.00 |
| PB 2022-2023 | ICMA/TCMA for TL and KG | | 2.00 | 400.00 | 800.00 |
| PB 2022-2023 | ICSC | | 10.00 | 50.00 | 500.00 |
| PB 2022-2023 | ICSC | | 50.00 | 10.00 | 500.00 |
| PB 2022-2023 | IEDC | | 3.00 | 350.00 | 1,050.00 |
| PB 2022-2023 | NAIOP | | 1.00 | 600.00 | 600.00 |
| PB 2022-2023 | NTCAR | | 1.00 | 450.00 | 450.00 |
| PB 2022-2023 | TEDC | | 1.00 | 75.00 | 75.00 |
| PB 2022-2023 | TEDC | | 3.00 | 500.00 | 1,500.00 |
| PB 2022-2023 | Texas Downtown Association | | 1.00 | 200.00 | 200.00 |
| 890-825-67200 | Travel/Training Expense | 31,190.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | Bisnow Event Registrations | | 1.00 | 1,000.00 | 1,000.00 |
| PB 2022-2023 | International Council of Shopping Centers Annual C | | 1.00 | 11,500.00 | 11,500.00 |
| PB 2022-2023 | International Council of Shopping Centers Texas Co | | 1.00 | 6,000.00 | 6,000.00 |
| PB 2022-2023 | International Economic Development Council Annual | | 2.00 | 1,250.00 | 2,500.00 |
| PB 2022-2023 | OU EDI Courses for AD | | 2.00 | 595.00 | 1,190.00 |
| PB 2022-2023 | Texas City Managers Assn. Annual Meeting | | 2.00 | 500.00 | 1,000.00 |
| PB 2022-2023 | Texas Downtown Association Conference (San Marcos) | | 1.00 | 1,000.00 | 1,000.00 |
| PB 2022-2023 | Texas Economic Development Council Annual Conferen | | 2.00 | 2,000.00 | 4,000.00 |
| PB 2022-2023 | Texas Women in Economic Development Conference | | 2.00 | 1,000.00 | 2,000.00 |
| PB 2022-2023 | Texas Womens Leadership Institute | | 1.00 | 1,000.00 | 1,000.00 |
| 890-825-67790 | Interest Expense | 93,865.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | Bond Debt Series 2012-B August payment | | 1.00 | 17,902.50 | 17,902.50 |
| PB 2022-2023 | Bond Debt Series 2012-B February payment | | 1.00 | 19,552.50 | 19,552.50 |
| PB 2022-2023 | Bond Debt Series 2016 (Business Park) Aug | | 1.00 | 28,205.00 | 28,205.00 |
| PB 2022-2023 | Bond Debt Series 2016 (Business Park) Feb | | 1.00 | 28,205.00 | 28,205.00 |
| 890-825-67850 | Bad Debt Expense | 0.00 | | | |
| 890-825-67950 | Bond Fees | 0.00 | | | |
| 890-825-67999 | Other Services - Misc. | 0.00 | | | |
| 890-825-69010 | Construction in Progress | 0.00 | | | |

| Account Number | Account Name | 2022-2023 PB 2022-2023 | | | |
|---|---|---|---|---|---|
| 890-825-69110 | Machinery & Equipment | 0.00 | | | |
| 890-825-69310 | Land & Improvements | 0.00 | | | |
| 890-825-71090 | Debt-Service Principal | 100,000.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | Bond Debt Series 2012-B | | 1.00 | 100,000.00 | 100,000.00 |
| 890-825-71221 | Bond Fees | 0.00 | | | |
| 890-825-71490 | Other Financing Use - Debt Refundings | 0.00 | | | |
| 890-825-98100 | Transfers Out | 0.00 | | | |
| | **Total Fund: 890 - Community Development Corporation:** | **2,922,673.00** | | | |

| Account Number | Account Name | 2022-2023 PB 2022-2023 | | | |
|---|---|---|---|---|---|
| **Fund: 900 - Economic Development Corporation** | | | | | |
| 900-826-62012 | Other Supplies - Misc. | 0.00 | | | |
| 900-826-62210 | Postage | 0.00 | | | |
| 900-826-63012 | Maint. & Repair - Buildings | 3,000.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | MIsc building Maintanence and Repairs - 312 N Powe | | 1.00 | 3,000.00 | 3,000.00 |
| 900-826-66010 | Electricity | 3,500.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | Based on three year history | | 1.00 | 3,500.00 | 3,500.00 |
| 900-826-66020 | Gas - Natural/Propane | 1,050.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | Based on three year history | | 1.00 | 1,050.00 | 1,050.00 |
| 900-826-66030 | City Utilities Water/Sewer/Trash | 0.00 | | | |
| 900-826-66040 | Telecom | 1,800.00 | | | |
| 900-826-67000 | Contract Services | 762,000.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | Economic Development Grant Expense | | 1.00 | 750,000.00 | 750,000.00 |
| PB 2022-2023 | Janitorial | | 1.00 | 900.00 | 900.00 |
| PB 2022-2023 | Mowing and Landscaping - 312 North Powell Pkwy | | 1.00 | 2,700.00 | 2,700.00 |
| PB 2022-2023 | New contract for Ricoh Printer at Inc-Cube | | 1.00 | 1,500.00 | 1,500.00 |
| PB 2022-2023 | Pest Control | | 1.00 | 600.00 | 600.00 |
| PB 2022-2023 | Professional Services (target industry analysis, b | | 1.00 | 6,300.00 | 6,300.00 |
| 900-826-67008 | IT Support Services | 0.00 | | | |
| 900-826-67016 | Promotion Expense | 0.00 | | | |
| 900-826-67019 | Legal Expense | 10,000.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | legal fees | | 1.00 | 10,000.00 | 10,000.00 |
| 900-826-67020 | Audit Expense | 5,000.00 | | | |
| **Budget Detail** | | | | | |
| **Budget Code** | **Description** | | **Units** | **Price** | **Amount** |
| PB 2022-2023 | CPA Services - Audit, 1099 form 990 | | 1.00 | 5,000.00 | 5,000.00 |
| 900-826-67058 | Insurance - Property & Liability | 0.00 | | | |
| 900-826-67200 | Travel/Training Expense | 0.00 | | | |
| 900-826-67999 | Other Services - Misc. | 0.00 | | | |
| 900-826-69010 | Construction in Progress | 0.00 | | | |
| 900-826-69310 | Land & Improvements | 0.00 | | | |
| 900-826-69410 | Other Capital Expenditures | 0.00 | | | |
| 900-826-98100 | Transfers Out | 0.00 | | | |
| | **Total Fund: 900 - Economic Development Corporation:** | **786,350.00** | | | |
| | **Report Total:** | **3,709,023.00** | | | |

Item No. 5.d.

EDC/CDC Agenda
Staff Report

Meeting Date: 7/21/2022
Staff Contact:

**AGENDA ITEM:**
Consider/Discuss/Act on a resolution approving an agreement with Swimming Duck, LLC for digital media services. (CDC)

**SUMMARY:**
Last year Cooksey Communication formulated a Marketing and Communications Strategy. One of the primary recommendations was to pursue a digital media campaign and utilize Swimming Duck, LLC. Staff meets monthly with Swimming Duck and Cooksey Communications to review digital media planning, buying, optimization and management services to the Anna Economic Development Corporation. Since June 1, 2021, Swimming Duck’s strategy and approach continues to be highly successful with digital ads viewed 3.7 million times. Included in the packet is the agreement and Fiscal Year 2021-2022 Performance Metrics report.

**STAFF RECOMMENDATION:**
Approve a resolution approving an Agreement with Swimming Duck, LLC for digital media services not to exceed $35,000 from the CDC's promotional line item.

**ATTACHMENTS:**
1. Digital Marketing Resolution July 2022 Swimming Duck
2. Anna EDC Letter of Agreement 2022-2023
3. Anna EDC FY 2021-2022 Performance Metrics

**ANNA COMMUNITY DEVELOPMENT CORPORATION**

**RESOLUTION NO. 7.21.2022**

**A RESOLUTION OF THE ANNA COMMUNITY DEVELOPMENT CORPORATION APPROVING AND AUTHORIZING AN AGREEMENT AND THE EXPENDITURE OF FUNDS FOR MARKETING AND PROMOTIONAL PURPOSES**

**WHEREAS,** the Anna Community Development Corporation (the "CDC") wishes to expend funds for marketing and promotional purposes to provide digital media services.

**NOW THEREFORE, BE IT RESOLVED BY THE ANNA COMMUNITY DEVELOPMENT CORPORATION, THAT:**

Section 1. **Recitals Incorporated**

The recitals set forth above are incorporated herein for all purposes as if set forth in full.

Section 2. **Approval of Funding**

The CDC hereby authorizes the Economic Development Director to execute a contract attached hereto as Exhibit A for marketing, advertising, and promotional services and to charge the CDC's promotional line item in an amount not to exceed $35,000 in the Fiscal Year 2022-2023 for marketing and promotional services for community and economic development purposes.

PASSED AND APPROVED by the Anna Community Development Corporation this 21st day of July 2022.

| APPROVED: | ATTEST: |
|---|---|
| ______________________________ | ______________________________ |
| Bruce Norwood, CDC President | Rocio Gonzalez, CDC Secretary |

469 227 3400
Swimming Duck, LLC
208 North Market Street
Suite 125
Dallas, Texas 75202

# LETTER OF AGREEMENT 2022-2023

**June 1, 2022**

469 227 3400
Swimming Duck, LLC
208 North Market Street
Suite 125
Dallas, Texas 75202

Swimming Duck LLC ("Agency") will provide digital media planning, buying, optimization and management services to the Anna Economic Development Corporation ("Client") beginning June 1, 2022. Specific services to be provided include but are not necessarily limited to the following:

- Planning, negotiating, placing and managing the FY 2023 October-September digital media buys. Cooksey Communications will develop creative assets for all media platforms.
- As part of our media management services, Agency will develop monthly media performance reports which will be shared with Client on a monthly Zoom call.

Agency will be compensated based on a commission equivalent to 10% of the monthly billing. Agency will pay the media directly under sequential liability terms, that is, Agency will be solely liable for payment to the extent that proceeds have cleared from Client to the Agency. For sums owing but not cleared to the Agency, the media will hold Client solely liable.

Client will be provided with Estimates prior to final negotiation and placement of media buys as authorized by Client. Agency will not incur expenses on Client's behalf that exceed the Approved Estimate Amount. Any out-of-pocket expenses such as FedEx, copy, courier services or similar charges Agency may pay directly will be invoiced to Client at net cost.

Agency agrees to protect all proprietary and confidential information communicated to it by Client using the same degree of care as Agency uses to protect its own confidential information of a like nature, but no less than a reasonable degree of care. Client agrees to expressly identify proprietary and confidential information as such at the time of disclosure to Agency. Agency agrees to return to Client any written confidential information given to Agency should either party terminate the relationship.

If the terms of this Agreement are agreeable to Client, please sign and date below.

| | |
|---|---|
| Gordon Law | Joey Grisham |
| President | Director |
| Swimming Duck, LLC. | Anna Economic Development Corporation |
| Date: June 1, 2022 | Date: |

# Anna EDC FY 2021-2022 Performance Metrics

July 15, 2022

# The Ask

- We were asked to determine the return on investment for the media dollars spent on the Anna EDC's behalf this fiscal year.
- As we do not have access to end-to-end conversion data (i.e., media generated lead to actual business generated), we can report on two key media measures that collectively determine the success of our digital advertising efforts:
  - Clicks to the website directly attributable to our advertising
  - Conversions on the website directly attributable to our advertising

swimming duck

# Media Measures

- Clicks
  - Since the start of the current fiscal year, our digital advertising has been seen 3.7 million times and has caused 7,637 targeted consumers to click through to the website.
    - Our target audiences are commercial real estate brokers and business leaders in DFW
  - Our cost per click can be computed at $2.68
- Conversions
  - The 7,637 consumers who have clicked through to the Anna EDC website as a direct result of our advertising has accounted for 202 conversions (2.65% conversion rate)
    - We define conversions as persons who clicked the *View Available Properties* and/or the *Download Area Map* tabs on the website
  - Our cost per conversion can be computed at $101.30

swimming duck

Item No. 5.e.

EDC/CDC Agenda
Staff Report

Meeting Date: 7/21/2022
Staff Contact:

**AGENDA ITEM:**
Consider/Discuss/Act on a Resolution amending an Incentive Agreement with Zablink Hospitality. (CDC)

**SUMMARY:**
The CDC Board approved an Incentive Agreement with Zablink Hospitality back in March, and it has been held up because of financing and construction delays. They plan to start soon on the parking lot before going vertical on the 93-room Holiday Inn Express behind Walmart. The Amended Agreement includes a 30-day extension to commence vertical construction and substantially complete the project.

**STAFF RECOMMENDATION:**
Approve a resolution amending an Incentive Agreement with Zablink Hospitality.

**ATTACHMENTS:**
1. Zablink Hotel Project Res C08009D20220719CR1
2. Zablink Hospitality Amdendment--Exhibit A-1
3. Hotel Agreement--Exhibit 1

**ANNA COMMUNITY DEVELOPMENT CORPORATION**

**RESOLUTION NO. _________**

**A RESOLUTION OF THE ANNA COMMUNITY DEVELOPMENT CORPORATION APPROVING A FIRST AMENDED INCENTIVE AGREEMENT FOR NEW ECONOMIC DEVELOPMENT FOR HOTEL PROJECT**

**WHEREAS,** the Anna Community Development Corporation (the "CDC") entered into that certain Incentive Agreement For New Economic Development with Zablink Hospitality LLC, a Texas limited liability company (the "Developer") to incentivize a hotel project (the "Project"); and

**WHEREAS,** the Developer has requested a 30-day extension of time to commence vertical construction of the Project and a 30-day extension of time to complete vertical construction of the Project; and

**WHEREAS,** the CDC Board of Directors (the "Board") finds that the requested extensions are warranted and that the Project will promote new or expanded business development in and near the City of Anna, Texas; and

**WHEREAS,** the Board desires to enter into that certain First Amended Incentive Agreement for New Economic Development Agreement attached hereto as Exhibit A-1 (the "Amendment");

**NOW THEREFORE, BE IT RESOLVED BY THE ANNA COMMUNITY DEVELOPMENT CORPORATION, THAT:**

Section 1. **Recitals Incorporated**

The recitals set forth above are incorporated herein for all purposes as if set forth in full.

Section 2. **Approval of Amendment**

The CDC hereby authorizes the Board President to execute the Amendment.

PASSED AND APPROVED by the Board of Directors of the Anna Community Development Corporation this 21st day of July 2022.

APPROVED: ATTEST:

______________________________ ______________________________

Bruce Norwood, CDC President Rocio Gonzalez, CDC Secretary

**FIRST AMENDED INCENTIVE AGREEMENT FOR NEW ECONOMIC DEVELOPMENT**

THIS FIRST AMENDED INCENTIVE AGREEMENT FOR NEW ECONOMIC DEVELOPMENT (this "Amendment") is entered into by and between the Anna Community Development Corporation (the "CDC") and Zablink Hospitality LLC, a Texas limited liability company ("Developer").

WHEREAS, the CDC and Developer entered into that certain Incentive Agreement for New Economic Development (the "Agreement") a copy of which is attached hereto as **Exhibit 1**; and

WHEREAS, the CDC and Developer desire to amend the Agreement as set forth herein and all terms and provisions not expressly amended herein shall remain in full force and effect;

NOW, THEREFORE, in consideration of the covenants, promises, and conditions stated in this Amendment, the CDC and Developer agree as follows:

**Section 1. Amendment**

Section 4.01 of the Agreement is deleted in its entirety and replaced to read as follows:

4.01. Construction, Location, and Operation of the Hotel Project; Impact Fees and Permit Fees. The Hotel Project shall be located and constructed within the Property consistent with the site plan attached hereto as **Exhibit B**. The Deadline for Developer to Commence Construction of the Hotel Project is 180 days after the Effective Date. The Deadline for Developer to obtain a Certificate of Occupancy for the Hotel Project is 578 days after the Effective Date. In addition, Developer must timely pay the City under applicable City Regulations at least $253,023.96 in development fees consisting of the following:

- $148,624.06 Roadway Impact Fees
- $30,259.00 Water Impact Fees
- $25,640.00 Wastewater Fees
- $4,467.00 Irrigation fees
- $42,073.90 Building Permit fees
- $1,960.00 Meter fees

**Section 2. No Other Amendments**

The amendment set forth in Section 1 of this Amendment is the sole amendment to the Agreement and all other terms and provisions of the Agreement are in full force and effect.

EXECUTED BY THE PARTIES:

**ZABLINK HOSPITALITY LLC** a Texas limited liability company

By:______________________________________
Saad Aziz, its Member

State of Texas
County of __________

Before me, on this day personally appeared Saad Aziz, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in his capacity as Member of Zablink Hospitality LLC for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of ________________ 2022.

_____________________________
Notary – State of Texas

**ANNA COMMUNITY DEVELOPMENT CORPORATION**

By:______________________________
Bruce Norwood, its President

State of Texas
County of Collin

Before me, on this day personally appeared Bruce Norwood, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in his capacity as President of Anna Community Development Corporation for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of ________________ 2022.

_____________________________
Notary – State of Texas

**INCENTIVE AGREEMENT FOR NEW ECONOMIC DEVELOPMENT**

THIS INCENTIVE AGREEMENT FOR NEW ECONOMIC DEVELOPMENT (this "Agreement") is entered into by and between the Anna Community Development Corporation (the "CDC") and Zablink Hospitality LLC, a Texas limited liability company ("Developer").

WHEREAS, Developer owns real property consisting of approximately 2.002 acres and described and depicted in further detail in the attached **Exhibit A** (the "Property"); and

WHEREAS, the Property is currently undeveloped and the Developer plans to develop the Property and use the Property solely as the site for a Holiday Inn Express Hotel that shall contain a minimum of 93 hotel rooms; (the "Hotel"); and

WHEREAS, a proposed site plan of the Property is attached hereto as **Exhibit B**, which sets forth the layout of parking lots, traffic areas, fire lanes, buildings, and other development aspects planned for development of the Property; and

WHEREAS, the City of Anna, Texas (the "City") currently lacks an establishment similar to the Hotel Project to serve hospitality and lodging needs of the City and nearby areas and the CDC's Board of Directors has found that the Hotel Project will promote new or expanded business development; and

WHEREAS, it is projected that the location and operation of the Hotel in the City will directly create a minimum of 10 jobs; and

WHEREAS, the CDC recognizes the positive economic impact that Hotel will bring to the City through development and diversification of the economy, reduction of unemployment and underemployment through the production of new jobs, the attraction of new businesses, and the additional tax revenue; and

WHEREAS, as an incentive to develop the Hotel, the Developer has requested a reimbursement of a certain portion of development fees that Developer shall pay to the City (the "Incentive Grant") and the CDC is willing to pay the Incentive Grant under and subject to the terms and conditions of this Agreement.; and

WHEREAS, the CDC is authorized to grant the Incentive Grant under Chapter 505 of the Texas Local Gov't Code;

NOW, THEREFORE, in consideration of the covenants, promises, and conditions stated in this Agreement, the CDC and Developer agree as follows:

**Section 1. Effective Date.**

The Effective Date of this Agreement shall be the date that the last of the following events have occurred: (1) the CDC Board of Directors has approved and adopted this Agreement and the CDC's President has executed same; (2) Developer has duly executed this Agreement and delivered same to the CDC; and the City of Anna, Texas City Council has approved the Hotel Project by resolution after two separate readings.

**Section 2. Term and Termination.**

2.01 The term of this Agreement shall commence on the Effective Date and it shall continue in effect until such time as the parties have fulfilled their obligations hereunder, unless terminated earlier under the provisions of this Agreement.

2.02 The CDC may, at its sole discretion, terminate this Agreement if Developer defaults by: (1) failing to timely commence construction of the Hotel Project in accordance with Section 4.01; (2) by failing to timely obtain a Certificate of Occupancy in accordance with Section 4.01; (3) by failing to timely pay the Impact Fees and Permit Fees in accordance with Section 4.01; or (4) otherwise breaching its obligations or warranties under this Agreement. If this Agreement is terminated by the CDC under this paragraph, then the CDC shall have no obligation to pay the Incentive Grant to Developer. The CDC may cause this Agreement to terminate by following the notice and cure provisions set forth in Section 8.08 and 8.09 of this Agreement.

**Section 3. Recitals Incorporated and Definitions.**

3.01 The recitals in the preamble to this Agreement are hereby incorporated for all purposes.

3.02 The following words or phrases shall have the following meanings:

"Certificate of Occupancy" means a document entitled "Certificate of Occupancy" (or other similar title) issued by City upon substantial completion of the Hotel Project in accordance with applicable City Regulations that permits the Hotel Project to open to the public and operate. A Certificate of Occupancy shall not include a certificate issued in error, mistake or misrepresentation of facts, but shall include any temporary certificate of occupancy or other document authorizing temporary or conditional occupancy.

"City Code" means the Anna City Code of Ordinances.

"City Council" means the governing body of the City of Anna, Texas.

"City Regulations" mean City Code provisions, ordinances, design standards, uniform codes, and other policies duly adopted by the City.

"Commence Construction" means to obtain a building permit from the City and commence the work of constructing any part of the vertical structure composing any part of the Hotel Project.

"Development" means the Development including the construction of Public Improvements necessary to serve the Property, the features shown on the site plan attached herein as **Exhibit B**, and the construction of the Hotel Project.

"Effective Date" means the date described in Section 1 of this Agreement.

"Incentive Grant" means the dollar amount of $208,990.06.

"Parties" mean the CDC and Developer.

"Public Improvements" mean those certain utility, roadway, drainage and other improvements that Developer is required to construct/install and dedicate to the City.

**Section 4. Developer Obligations.** The obligations—including without limitation the requirements to meet all deadlines—set forth in this Section 4 are conditions for the Developer to receive the Incentive Grant.

4.01. Construction, Location, and Operation of the Hotel Project; Impact Fees and Permit Fees. The Hotel Project shall be located and constructed within the Property consistent with the site plan attached hereto as **Exhibit B**. The Deadline for Developer to Commence Construction of the Hotel Project is 150 days after the Effective Date. The Deadline for Developer to obtain a Certificate of Occupancy for the Hotel Project is 548 days after the Effective Date. In addition, Developer must timely pay the City under applicable City Regulations at least $253,023.96 in development fees consisting of the following:

- $148,624.06 Roadway Impact Fees
- $30,259.00 Water Impact Fees
- $25,640.00 Wastewater Fees
- $4,467.00 Irrigation fees
- $42,073.90 Building Permit fees
- $1,960.00 Meter fees

4.02. Public Improvements Generally. Developer shall provide or cause to be provided all Public Improvements, and any required or necessary public improvement not identified in this Agreement that are required by City Regulations in connection with Development, such as streets, utilities, drainage, sidewalks, trails, street lighting, street signage, and all other required improvements, at no cost to the City and in accordance with City Regulations, and as approved by the City's engineer or his or her agent. Developer shall cause the timely installation of such improvements in accordance with the City Regulations unless otherwise approved herein. Developer shall provide engineering studies, plan/profile sheets, and other construction documents at the time of platting as required by City Regulations. Such plans must be approved by the City's engineer or his or her agent prior to approval of a final plat of any portion of the Development. Construction of such improvements shall not be commenced until a preconstruction conference has been held regarding the proposed construction and City has issued a written notice to proceed.

4.03. Approval of Plats/Plans. Approval by the City, the City's Engineer or other City employee or representative, of any plans, designs or specifications submitted by Developer pursuant to this Agreement or pursuant to City Regulations shall not constitute or be deemed to be a release of the responsibility and liability of Developer, its engineer, employees, officers or agents for the accuracy and competency of their design and specifications. Further, any such approvals shall not be deemed to be an assumption of such responsibility and liability by the City for any defect in the design and specifications prepared by Designer's engineer, his officers, agents, servants or employees.

4.04. Insurance.

(a) Developer shall or shall cause the construction contractor(s) that will perform the construction work related to the Public Improvements to acquire and maintain, during the period of time when any of the Public Improvements are under construction (and until the full and final completion of the Public Improvements and acceptance thereof by the City: (a) workers compensation insurance in the amount required by law; and (b) commercial general liability insurance including personal injury liability, premises operations liability, and contractual liability, covering, but not limited to, the liability assumed under any indemnification provisions of this Agreement, with limits of liability for bodily injury, death and property damage of not less than $1,000,000.00. Such insurance shall also cover any and all claims which might arise out of the Public Improvements construction contracts, whether by Developer, a contractor, subcontractor, materialman, or otherwise.

(b) Coverage must be on a "per occurrence" basis. All such insurance shall: (i) be issued by a carrier which is rated "A-1" or better by A.M. Best's Key Rating Guide and licensed to do business in the State of Texas; and (ii) name the City as an additional insured and contain a waiver of subrogation endorsement in favor of the City. Upon the execution of Public Improvement construction contracts, Developer shall provide to the City certificates of insurance evidencing such insurance coverage together with the declaration of such policies, along with the endorsement naming the City as an additional insured. Each such policy shall provide that, at least 30 days prior to the cancellation, non-renewal or modification of same, the City shall receive written notice of such cancellation, non-renewal or modification.

4.05. Developer Pays All Fees and Costs. Developer shall timely pay, or cause third parties to timely pay, its engineering, planning, accounting, architectural, legal fees and expenses, survey, testing, laboratory costs, license fees, development fees, land clearing and grading costs, advertising and other bidding costs, amounts due under construction contracts, costs of labor and material, inspection fees, impact fees, insurance premiums, interest, carry cost, financing fees and all other fees, costs and expenses incurred in connection with the construction of the Public Improvements.

4.06. City Regulations. Developer acknowledges that Development must comply with all applicable City Regulations. Except to the extent this Agreement provides for stricter or more restrictive requirements than those in applicable City Regulations, the applicable City Regulations shall control.

**Section 5. Incentive Grant.**

Provided that the CDC has not terminated or initiated termination of this Agreement under Section 2.02, the CDC hereby approves the payment of the Incentive Grant to the Developer, which shall be paid to Developer within 30 days after Developer timely obtains a Certificate of Occupancy for the Hotel Project.

**Section 6. Buy Local Provision.**

6.01. Developer agrees to use its commercially reasonable efforts to give preference and priority to local manufacturers, suppliers, contractors, and labor, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operating efficiency in the normal course of business.

6.02. For the purposes of this section, the term "local" as used to describe manufacturers, suppliers, contractors, and labor includes firms, businesses, and persons who reside in or maintain an office within a 50-mile radius of Collin County.

**Section 7. Warranties.** The accuracy of the warranties set forth in this Section 7 are additional conditions for Developer to receive the Incentive Grant. Developer shall notify the CDC if and when any of the following warranties are no longer accurate. The failure to so notify the CDC is a material breach of this Agreement. Developer warrants and represents to the CDC the following:

7.01. Developer is a Texas limited liability company duly organized, validly existing, and in good standing under the laws of the State of Texas. Developer has all corporate power and authority to carry on its business as presently conducted in the State of Texas.

7.02. Developer has the authority to enter into and perform, and will perform, the terms of this Agreement to the best of its ability.

7.03. Developer has timely filed and will timely file all local, State, and Federal tax reports and returns required by law to be filed and all taxes, assessments, fees, and other governmental charges related to the Development, including applicable ad valorem taxes, have been timely paid, and will be timely paid, during the term of this Agreement.

7.04. Any entity(ies)/individual(s) executing this Agreement on behalf of Developer are duly authorized to execute this Agreement on behalf of Developer.

7.05. In accordance with Chapter 2264 of the Texas Government Code, Developer certifies that neither it, nor a branch, division, or department of Developer, will ever knowingly employ an undocumented worker and that if, after receiving any public subsidies under this Agreement, Developer, or a branch, division, or department of Developer, is convicted of a violation under 8 U.S.C. §1324a(f), as amended or recodified, Developer shall repay the total amount of all public subsidies and/or incentives theretofore received under this Agreement with interest at two percent (2%) per annum not later than the 120th day after the date the CDC notifies Developer in writing of the violation. The Developer does not boycott Israel and will not boycott Israel during the term of this Agreement.

7.06. No litigation or governmental proceeding is pending or, to the knowledge of Developer and its general partner and officers, is threatened against or affecting Developer, or the Development or the Property, that may result in any material adverse change in Developer's business, properties or operation.

7.07. Developer shall not be in breach of any other contract by entering into and performing this Agreement. Developer shall amend or enter into any other contract that may be necessary for Developer to fully and timely perform its obligations under this Agreement.

**Section 8. Miscellaneous.**

8.01. <u>Compliance with Laws</u>. Developer shall observe and obey all applicable laws, ordinances, regulations, and rules of the Federal, State, county, and city governments related to the Development.

8.02. <u>Non-Discrimination</u>. Developer covenants and agrees that Developer will not discriminate nor permit discrimination against any person or group of persons, with regard to employment and the provision of services for the Development on the grounds of race, religion, national origin, marital status, sex, age, disability, or in any manner prohibited by the laws of the United States or the State of Texas.

8.03. <u>Time Periods</u>. Time is of the essence in the performance of this Agreement.

8.04. Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended equal to the time period the Party was delayed, except that the obligation of any Party to make any payments required pursuant to this Agreement shall not be suspended by force majeure. The term "force majeure" shall include any delay due to any of the following acts or events: (a) wars, terrorism, civil disturbances, riots, insurrections, civil unrest, vandalism and sabotage; (b) transportation disasters, whether by sea, rail, air or land; (c) strikes, lockouts, work stoppage or slowdown or other labor disputes or material shortages; (d) adverse weather conditions, including rain of unusual duration or volume, hurricanes, lightning, tornadoes, earthquakes, floods or acts of God; (e) epidemics or pandemics or any governmental orders, actions, shut-downs, mandates, restrictions or quarantines, or any quasi-governmental orders, actions, shut-downs, mandates, restrictions or quarantines resulting from any epidemics or pandemics, and any public health emergencies, whether declared by local, state or federal governmental authorities or agencies; (f) labor shortages or moratoriums; (g) fire or other material casualty; (h) mechanical failure of equipment; (i) utility delays or interruptions; (j) any emergency event that threatens imminent harm to property or injury to persons; (k) any other causes of any kind whatsoever, whether similar to those enumerated or not, which are beyond the control of such Party in the performance of its obligations hereunder; provided, however, in all cases, only to the extent that the Party claiming force majeure (1) did not cause such force majeure condition, and (2) throughout the pendency of such force majeure condition, utilizes commercially reasonable efforts to minimize the impact and delays caused by such force majeure condition. If a Party is delayed due to force majeure, then such Party shall provide written notice of the delay and applicable extension of time periods to the other Party. In addition, a Party that has claimed the right to temporarily suspend its performance under this section shall provide written reports to the other Party at least once every week detailing: (i) the extent to which the force majeure event or circumstance continue to prevent the Party's performance; (ii) all of the measures being employed to regain the ability to perform; and (iii) the projected date upon which the Party will be able to resume performance, which projected date the Parties agree and acknowledge is only an estimate and not a binding commitment by the Party claiming force majeure.

8.05. Assignment. Except as provided below, Developer may not assign all or part of its rights and obligations under this Agreement to a third party without prior written approval of CDC, which approval will not be unreasonably withheld or delayed. The CDC agrees, however, that Developer may assign all or part of its rights and obligations under this Agreement to any entity affiliated with Developer by reason of controlling, being controlled by, or being under common control with Developer or to a third-party lender advancing funds for the construction or operation of Public Improvements. The CDC expressly consents to any assignment described in the preceding sentence and agrees that no further consent of the CDC to such an assignment will be required. Developer agrees to provide the CDC with written notice of any such assignment. The foregoing notwithstanding, any assignment of Developer's rights under this Agreement shall not release Developer from its obligations hereunder.

8.06. INDEMNITY. DEVELOPER COVENANTS TO FULLY INDEMNIFY, DEFEND, SAVE, AND HOLD HARMLESS THE CITY, THE CDC AND THEIR RESPECTIVE OFFICIALS, OFFICERS, BOARD MEMBERS, EMPLOYEES, REPRESENTATIVES, AND AGENTS FROM AND AGAINST ANY AND ALL CLAIMS OR SUITS FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING WITHOUT LIMITATION DEATH, TO ANY AND ALL PERSONS, OF WHATSOEVER KIND OR CHARACTER, WHETHER REAL OR ASSERTED (INCLUDING, WITHOUT LIMITATION, REASONABLE FEES AND ASSOCIATED EXPENSES OF ATTORNEYS, EXPERT WITNESSES AND OTHER CONSULTANTS) ARISING OUT OF OR IN CONNECTION WITH, DIRECTLY OR INDIRECTLY, THE NEGLIGENT OR OTHERWISE WRONGFUL ACTS OR OMISSIONS OF DEVELOPER, ITS AGENTS, SERVANTS, CONTRACTORS, SUBCONTRACTORS, MATERIAL MEN OR EMPLOYEES THAT RELATE IN ANY MANNER TO DEVELOPER'S PERFORMANCE OF THIS AGREEMENT OR TO THE DESIGN, CONSTRUCTION, OR INSTALLATION OF THE PUBLIC IMPROVEMENTS AND ANY OTHER IMPROVEMENTS OR CONSTRUCTION RELATED TO THE DEVELOPMENT, INCLUDING WITHOUT LIMITATION INJURY OR DAMAGE TO PUBLIC PROPERTY. THE INDEMNITY PROVIDED FOR ABOVE SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OR FAULT OF CITY OR THE CDC OR THEIR RESPECTIVE OFFICIALS, OFFICERS, BOARD MEMBERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS, AND IN THE EVENT OF JOINT AND CONCURRING NEGLIGENCE OR FAULT OF CITY AND/OR CDC AND DEVELOPER, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS, WITHOUT WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY OR CDC UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. DEVELOPER'S OBLIGATIONS UNDER THIS SECTION 8.06 SHALL SURVIVE THE TERM OF THIS AGREEMENT.

8.07. Events of Default by Developer. In addition to other events of default by Developer set forth in this Agreement, each of the following events constitute a default of this Agreement by Developer:

(a) The CDC reasonably and in good faith determines that any representation or warranty on behalf of Developer contained in this Agreement or in any financial statement, certificate, report, or opinion submitted to the CDC or the City in connection with this Agreement was incorrect or misleading in any material respect when made.

(b) Any attachment or other levy against the Development or any portion thereof with respect to a claim, excluding mechanic's and materialman's liens, remains unpaid, undischarged, or not dismissed for a period of 120 days.

(c) Developer makes an assignment for the benefit of creditors.

(d) Developer files a voluntary petition in bankruptcy or is adjudicated insolvent or bankrupt.

(e) If taxes owed to the City by Developer become delinquent, and Developer fails to timely and properly follow the legal procedures for protest or contest.

(f) Developer fails to timely, fully and completely comply with any one or more of the deadlines, material requirements, obligations, duties, terms, conditions or warranties of this Agreement.

8.08. Notice of Default. Should the CDC determine that Developer is in default according to the terms of this Agreement, the CDC shall notify Developer in writing of the event of default, and provide 30 days from the date of the notice ("Cure Period") for Developer to cure the event of default; provided, however, in the event if such event of default is not able to be cured within such 30-day period, Developer shall be permitted additional time to effectuate such cure, provided, that in no event shall the Cure Period exceed 60 days from the date of notice from the CDC. Should the CDC fail to timely, fully and completely comply with any one or more of its obligations under this Agreement, such failure shall be an act of default by the CDC and the CDC shall have sixty 60 days to cure and remove the Default after receipt of written notice to do so from Developer.

8.09. Results of Uncured Default by Developer. After exhausting good faith attempts to address any default during the Cure Period, and taking into account any extenuating circumstances that might have occurred through no fault of Developer, as determined by the CDC, the Developer shall pay the CDC its reasonable attorney fees and costs of court to collect amounts due to enforce or terminate this Agreement. Upon full payment by Developer of all sums due, the CDC and Developer shall have no further obligations to one another under this Agreement. Neither the CDC nor Developer may be held liable for any special or consequential damages.

8.10. No Waiver. No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, constitutes a waiver of any subsequent breach of the covenant or condition of this Agreement. No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, justifies or authorizes the nonobservance on any other occasion of the covenant or condition or any other covenant or condition of this Agreement. Any waiver or indulgence of Developer's default may not be considered an estoppel against the CDC. It is expressly understood that if at any time Developer is in default in any of its conditions or covenants of this Agreement, the failure on the part of the CDC to promptly avail itself of the rights and remedies that the CDC may have, will not be considered a waiver on the part of the CDC, but the CDC may at any time avail itself of the rights or remedies or elect to terminate this Agreement on account of the default.

8.11. Limitation of Remedies. Developer specifically agrees that the CDC shall not be liable to Developer for any actual or consequential damages, direct or indirect, interest, attorney fees or related expenses, or cost of court for any act of default by the CDC under the terms of this Agreement.

8.12. Notices. Any notice and/or statement required and permitted to be delivered under this Agreement shall be deemed delivered by depositing the same in the United States mail, certified with return receipt requested, proper postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the Parties in writing.

| | |
|---|---|
| DEVELOPER: | Zablink Hospitality LLC<br>Attn: Inayatali Rajani<br>555 Republic Dr., Suite 500<br>Plano, Texas 75074 |
| CDC: | Anna Community Development Corporation<br>Attn.: Economic Development Director<br>111 N. Powell Pkwy<br>Anna, Texas 75409-0776 |
| | Clark McCoy<br>Wolfe, Tidwell & McCoy, LLP<br>2591 Dallas Parkway, Suite 300<br>Frisco, Texas 75034 |

Notice is effective upon deposit in the United States mail in the manner provided above.

8.13. Incorporation of Other Documents. The Exhibits referenced in this Agreement and attached hereto are incorporated herein as if set forth in full for all purposes. Said Exhibits include the following:

Exhibit A, Legal Description of the Property
Exhibit B, Hotel Project Site Plan

8.14. Amendments or Modifications. No amendments or modifications to this Agreement may be made, nor any provision waived, unless in writing signed by a person duly authorized to sign Agreements on behalf of each party.

8.15. Relationship of Parties. In performing this Agreement, both the CDC and Developer will act in an individual capacity, and not as agents, representatives, employees, employers, partners, joint-venturers, or associates of one another. The employees or agents of either party may not be, nor be construed to be, the employees or agents of the other party for any purpose. At no time shall the City or the CDC have any control over or charge of Developer's design, construction or installation of any of the infrastructure or public improvements that are the subject of this Agreement, nor the means, methods, techniques, sequences or procedures utilized for said design, construction or installation. This Agreement does not create a joint enterprise between the CDC and Developer.

8.16. Captions. The captions in this Agreement are for convenience only and are not a part of this Agreement. The captions do not in any way limit or amplify the terms and provisions of this Agreement.

8.17. Severability. If for any reason, any section, paragraph, subdivision, clause, provision, phrase or word of this Agreement or the application of this Agreement to any person or circumstance is, to any extent, held illegal, invalid, or unenforceable under present or future law or by a final judgment of a court of competent jurisdiction, then the remainder of this Agreement, or the application of the term or provision to persons or circumstances other than those as to which it is held illegal, invalid, or unenforceable, will not be affected by the law or judgment, for it is the definite intent of the Parties to this Agreement that every section, paragraph, subdivision, clause, provision, phrase, or word of this Agreement be given full force and effect for its purpose. To the extent that any clause or provision is held illegal, invalid, or unenforceable under present or future law effective during the term of this Agreement, then the remainder of this Agreement is not affected by the law, and in lieu of any illegal, invalid, or unenforceable clause or provision, a clause or provision, as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable, will be added to this Agreement automatically.

8.18. Venue. Venue for any legal action related to this Agreement is in Collin County, Texas.

8.19. Interpretation. The Parties have been represented by counsel of their choosing in the negotiation and preparation of this Agreement. This Agreement was drafted equally by the Parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any Party shall not apply.

8.20. Sole Agreement. This Agreement constitutes the sole agreement between the CDC and Developer as relates to the Development. Any other prior agreements, promises, negotiations, or representations related to the Development, verbal or otherwise, not expressly stated in this Agreement, are of no force and effect.

8.21. Third Party Beneficiaries. This Agreement is not intended to confer any rights, privileges or causes of action upon any third party.

8.22. Binding Agreement. This Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns.

8.23. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and the binding agreement of each Party to the terms herein, but all of which together will constitute one and the same instrument.

8.24. Recording. The Parties agree that neither this Agreement, nor any memorandum or short form of this Agreement, shall be recorded.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

EXECUTED BY THE PARTIES:

**ZABLINK HOSPITALITY LLC** a ~~Texas~~ limited liability company

By:______________________________
Saad Aziz, its Member

State of ~~Texas~~ Georgia
County of Fulton

Before me, on this day personally appeared Saad Aziz, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in his capacity as Member of Zablink Hospitality LLC for the purposes and consideration therein expressed.

Given under my hand and seal of office this 8th day of March 2022.

RAMANA DODDLA NOTARY PUBLIC GEORGIA FULTON COUNTY EXPIRES January 18, 2025

______________________________
Notary – State of Texas

**ANNA COMMUNITY DEVELOPMENT CORPORATION**

By:______________________________
Anthony Richardson, its President

State of Texas
County of Collin

Before me, on this day personally appeared Anthony Richardson, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in his capacity as President of Anna Community Development Corporation for the purposes and consideration therein expressed.

Given under my hand and seal of office this 3rd day of March 2022.

KAREN L AVERY
Notary ID #132840568
My Commission Expires
December 24, 2024

Karen L. Avery
Notary – State of Texas

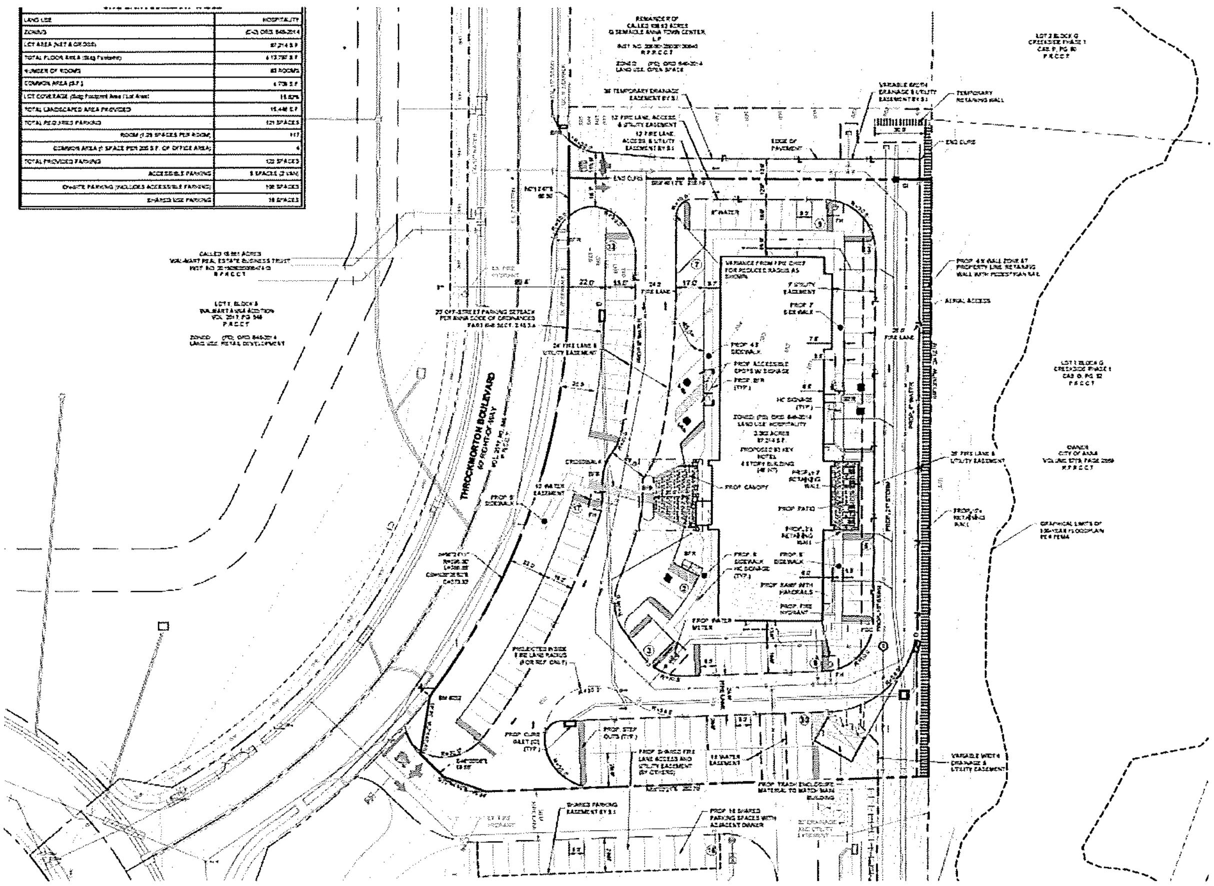
Exhibit A

Legal Description of the Property

# ***ANNA TOWN CENTER HOTEL - LOT 3***

F.T. DAFFAU SURVEY 2.002 ACRES, A-288
THOMAS RATTON SURVEY, A-782,
CITY OF ANNA, COLLIN COUNTY, TEXAS

# Exhibit B- Hotel Site Plan



Item No. 6.

EDC/CDC Agenda
Staff Report

Meeting Date: 7/21/2022
Staff Contact:

**AGENDA ITEM:**
**Director's Report.**

**SUMMARY:**

**STAFF RECOMMENDATION:**

**ATTACHMENTS:**

Item No. 6.a.

EDC/CDC Agenda
Staff Report

Meeting Date: 7/21/2022
Staff Contact:

**AGENDA ITEM:**
Development Forum Update

**SUMMARY:**

**STAFF RECOMMENDATION:**

**ATTACHMENTS:**

Item No. 6.b.

EDC/CDC Agenda
Staff Report

Meeting Date: 7/21/2022
Staff Contact:

**AGENDA ITEM:**
Special Meeting September 8th and Cancel September 1st Meeting

**SUMMARY:**
Since Sept.1 is entering into a holiday weekend, staff recommends moving the Sept. meeting to Sept. 8th.

**STAFF RECOMMENDATION:**

**ATTACHMENTS:**

Item No. 7.

EDC/CDC Agenda
Staff Report

Meeting Date: 7/21/2022
Staff Contact:

**AGENDA ITEM:**
**Closed Session.**

**SUMMARY:**

**STAFF RECOMMENDATION:**

**ATTACHMENTS:**

Item No. 8.

EDC/CDC Agenda
Staff Report

Meeting Date: 7/21/2022
Staff Contact:

**AGENDA ITEM:**
**Reconvene into open session and take any action on closed session items.**

**SUMMARY:**

**STAFF RECOMMENDATION:**

**ATTACHMENTS:**

Item No. 9.

EDC/CDC Agenda
Staff Report

Meeting Date: 7/21/2022
Staff Contact:

**AGENDA ITEM:**
**Receive reports from staff or Board Members about items of community interest.**

**SUMMARY:**

**STAFF RECOMMENDATION:**

**ATTACHMENTS:**