



AGENDA
REGULAR MEETING
ECONOMIC DEVELOPMENT SALES TAX CORPORATION (Type A)
MONDAY, NOVEMBER 21ST, 2016, AT 6:30 PM
City Council Chambers, 450 Cypress Creek Road, Building #4, Cedar Park, TX

BOARD MEMBERS

Kevin Lancaster, President (Place 5)
Vacant, Vice President

Tom Moody, Place 1	Christie Goodman, Place 2
Mark Ayotte, Place 3	Karen Wind, Place 4
Christine Blair, Place 6	Kelly Brent, Place 7

- 1) Call to Order
- 2) Roll Call
- 3) Citizens Communication
- 4) Introduction of New Board Member – Kelly Brent
- 5) Board Opening Comments
- 6) Consent Agenda
 - a. Approval of Minutes from August 15th, 2016, Regular Board Meeting.
 - b. Approval of Minutes from August 29th, 2016, Special Called Board Meeting.
- 7) Reports
 - a. Finance Report Type A Development Corporation – No Report
- 8) Discussion and Possible Action
 - a. Consider Approving A Performance Based Economic Development Agreement With Revenue Cycle, Inc., In An Amount Not To Exceed \$433,200. Phil Brewer, Director Economic Development.
- 9) Board Closing Comments
- 10) Adjournment

The above agenda schedule represents an estimate of the order for the indicated items and is subject to change at any time.

All agenda items are subject to final action by the Type A Board

All unscheduled closed executive sessions may be held if the discussion of any of the above agenda items concerns the purchase, exchange, lease or value of real property; the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; the deployment or use of security personnel or equipment; or requires consultation with the City Attorney.

At the discretion of the Type A Corporation Board, non-agenda items under the headings of "Citizen Communications" may be presented to the Board for informational purposes; however, by law, the Board shall not discuss, deliberate or vote upon such matters except that a statement of factual information, a recitation of existing policy, and deliberations concerning the placing of the subject on a subsequent agenda may take place.

The City Attorney has approved the Executive Session Items on this agenda.

CERTIFICATE

I certify that the above notice of the Regular Scheduled Economic Development Sales Tax Corporation (Type A) Meeting of the City of Cedar Park, Texas was posted on the bulletin board of the City of Cedar Park City Hall, 450 Cypress Creek Road, Building #4, Cedar Park, Texas. This notice was posted on:

Date Stamped (Month, Day, Year, AM/PM, Time)

The Cedar Park City Council Chambers is wheelchair accessible and disabled parking spaces are available. Requests for accommodations or interpretative services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (512)-401-5002 for further information.

Phil Brewer
Economic Development Director

Notice Removed: _____
Date Stamped (Month, Day, Year, AM/PM, Time)

Any item on this posted agenda may be discussed in Executive Session provided it is within one of the permitted categories under Chapter 551 of the Texas Government Code.



Cedar Park Economic Development (Type A) Corporation
November 21, 2016
6(a)

Item/Subject: Minutes from August 15th, 2016, Regular Board Meeting.



MINUTES
REGULAR MEETING
ECONOMIC DEVELOPMENT SALES TAX CORPORATION (Type A)
MONDAY, AUGUST 15, 2016, AT 6:30 PM
City Council Chambers, 450 Cypress Creek Road, Building # 4, Cedar Park, TX

BOARD MEMBERS

Kevin Lancaster, President (Place 5)
Bob Ingraham, Vice President (Place 7)

Tom Moody, Place 1	Christie Goodman, Place 2
Mark Ayotte, Place 3	Karen Wind, Place 4
Christine Blair, Place 6	

1) Call to Order

The meeting was called to order at 6:31 PM.

2) Roll Call

In attendance: Bob Ingraham, Mark Ayotte, Christine Blair, Tom Moody
Absent: Kevin Lancaster, Christie Goodman, Karen Wind

3) Citizens Communication

None

4) Board Opening Comments

Bob asked the new Board members to introduce themselves which Christine and Tom did.

5) Consent Agenda

a. Approval of Minutes from May 16, 2016, Regular Board Meeting.

Mark Ayotte made the motion to approve the minutes, Christine Blair seconded the motion and all approved the minutes from May 16, 2016.

6) Reports- Finance Report, Kent Meredith, Director of Finance presented the quarterly update report. There's been \$3.9m in revenues to date thru May which is 8% up over last year during the same period. Expenditures are down 4% from last year at \$3.6m. Total transfers are at \$2.4m. General merchandise and bars make up the largest amount of contributors to the sales tax revenue followed by home improvements. Fund balance at the end of FY16 should be about the same as last years ending balance.

7) Discussion & Possible Action-

a. Consider Approving a Performance Based Economic Development Agreement with Swagelok in an amount not to exceed \$150,000. Larry Ruggiano, Assistant Director Economic Development made the presentation and it included the project overview. Swagelok will construct a new 25,000sf building for \$3.5m (not including land costs) and

employ at least 25 FTE's with an annual payroll of \$2.5m. Swagelok should generate approx. \$30m in annual sales tax dollars to the city. Performance measures are as such: Build & receive their C/O from city no later than November 30, 2017 and employ not less than 25FTE's with annual payroll not less than \$2.5m by May 1, 2018. Incentive payments would be \$75,000 no earlier than October 1, 2017 and the second payment of \$75,000 would be payable no earlier than March 1, 2018. Tom Moody made a motion to approve the agreement with Swagelok, Christine Blair seconded the motion and all approved. Motioned carried.

b. Discussion and Consideration to Adopt FY 17 Type A Corporation Budget. Kent Meredith made the presentation. Gave quick review of quarterly report again then presented sales tax assumptions by adding 2% natural increase over current year base projections. With the new Parke retail development coming on line in 2017 this percentage was increased to 5% bringing the overall projected revenues to \$6.3m and expenditures at \$5.3m. The fund balance for FY 16 will be \$8m without the \$1m contingency that was included previously. FY 17 fund balance is projected to be \$8.9m. Mark Ayotte made the motion to approve the FY 17 Type A Corporation budget for council's approval. Tom Moody seconded the motion, all approved and motion was passed.

c. Discussion and Consideration to adopt FY 17 Economic Development Budget. Phil Brewer, Director of Economic Development made the presentation. Phil highlighted a few line items such as the GIS Planning and Site Inventory (\$15,000) and the Legislative Affairs item (\$20,000). Also mentioned was the Economic Development Impact Analysis item for \$11,000 and discussed many of the marketing activities the ED office undertakes. Overall the budget is similar to last years (\$2.2m) and with that Christine made a motion to approve, Bob seconded the motion and the motion passed unanimously.

8) Board Closing Comments

Christine said she was looking forward to working with this board and Tom said he was glad to be here.

9) Adjournment

The meeting adjourned at 7:15 PM

PASSED AND APPROVED THIS 17th day of October 2016.

ATTEST:

Kevin Lancaster
President

Phil Brewer
Economic Development Director



Cedar Park Economic Development (Type A) Corporation
November 21, 2016
6(b)

Item/Subject: Minutes from August 29th, 2016, Special Called Board Meeting.



MINUTES
SPECIAL CALLED MEETING
ECONOMIC DEVELOPMENT SALES TAX CORPORATION (Type A)
MONDAY, AUGUST 29th, 2016, AT 6:00 PM
City Council Chambers, 450 Cypress Creek Road, Building # 4, Cedar Park, TX

BOARD MEMBERS

Kevin Lancaster, President (Place 5)
Bob Ingraham, Vice President (Place 7)

Tom Moody, Place 1	Christie Goodman, Place 2
Mark Ayotte, Place 3	Karen Wind, Place 4
Christine Blair, Place 6	

1) Call to Order

The meeting was called to order at 6:04 PM

2) Roll Call

Present: Kevin Lancaster, Bob Ingraham, Mark Ayotte, Christie Goodman, Christine Blair and Tom Moody.

Absent: Karen Wind

3) Citizens Communication

There was none.

4) Board Opening Comments

There were no opening comments.

5) Discussion and Possible Action

a. Discussion and Consideration to amend FY 17 Economic Development Department Budget. – Phil Brewer, Director Economic Development

Brewer stated that the amendment is the result of discussions at the recent City Council Budget Workshop. He said that the ED Department Budget approved earlier this month contained \$30,000 in the Contingency line item, which is being removed from the budget. In the past these funds have been used to cover unanticipated expenses that arise during the year that are not budgeted for. He noted that some years the funds have been used but if not the funds are returned to the Corporation's fund balance. If a need arise during the year he said he would come to the Board with a request to amend the budget.

He said the other item was more of a clean up item related to the ED Incentive line item which is being increased from \$1,705,496 to \$1,739,793. Lancaster asked exactly what the clean-up item was. Brewer explained that this line item covers the incentive payments from the three Chapter

380 agreements the City has entered into with Endeavor on 1890 Ranch, Costco/Town Center and Endeavor's The Parke project. The changes reflected are the result of refining the sales tax estimates on the The Parke project based on sales projections and anticipated opening dates of the stores in the development.

Ingraham asked how we covered smaller (\$1,000 to \$2,000) expenses associated with consultants and/or reports during the year. Brewer stated there was a line item under Contract Services in the amount of \$10,000 that covered these expenses during the year. There being no more questions a motion was made by Christie Goodman to approve the amendments to the ED Department budget, seconded by Bob Ingraham and passed unanimously.

b. Discussion and Consideration to amend FY 17 Type A Corporation

Budget. – Kent Meredith, Director Finance.

Kent Meredith stated that any changes made to the ED Department budget affect the Corporation's budget. He quickly reviewed the original budget that was presented and approved by the Board on August 15, 2016. He said removing the \$30,000 in the Contingency line item and adjusting the E.D. Incentive line item from \$1.705 million to \$1.739 million changes the overall budget to \$2.2 million. The change to the Corporation's budget is the reduction of the transfer payment from \$515,894 to \$485,894 reducing the Corporation expenditures from \$5,334,530 to \$5,301,530. There being no questions a motion was made by Tom Moody to approve the amendments to the Corporation budget, seconded by Christie Goodman and passed unanimously.

c. Discussion and Consideration to Renew Professional Services Agreement Between the Type A Economic Development Corporation and the City of Cedar Park.

Brewer said that when the ED Department was created in 2005 the City and the 4A Corporation entered into an agreement for general and administrative services to fund the department. It's a five year agreement and it recently expired so it's time to renew it again. Brewer said there were copies of the agreement at everyone's place and that the City Attorney was available to answer any questions.

Tom Moody asked if there were any changes from the previous agreement. JP LeCompte stated there were some minor changes throughout but specifically changing 4A Corporation to Type A Corporation and cleaning up some formatting issues. One substantive change made was removing the wording for actual expenses where it contemplated paying actual expenses. He said that our accounting system doesn't contemplate reimbursement of actual expenses at the end of the year. It's more a percentage pro rata allocation throughout the departments so that one change was made otherwise it's substantially the same agreement.

Bob Ingraham asked if it was another five year agreement. LeCompte said it was five years but that he had added some "evergreen" language to the agreement meaning that it will renew automatically unless either the City or the Corporation decide to terminate the agreement in the future.

Kevin Lancaster asked if there was an escape clause contained in the agreement and if the agreement automatically renews each year or every five years. LeCompte said it was a five year agreement and that it can be terminated at any time with written notice but that a 12 month notice needs to be given mainly for budgeting purposes.

There being no further questions a motion to approve renewing the agreement as presented was made by Bob Ingraham, seconded by Kevin Lancaster and passed unanimously.

6) Board Closing Comments

None

7) Adjournment

The meeting adjourned at 6:15 PM.

PASSED AND APPROVED THIS 17th day of October 2016.

ATTEST:

Kevin Lancaster
President

Phil Brewer
Economic Development Director



**Cedar Park Economic Development Corporation (Type A)
November 21st, 2016
Agenda Item 8(a)**

Item/Subject: Consideration To Approve An Economic Development Incentive Agreement Between Revenue Cycle Inc., And The Cedar Park Economic Development (Type A) Corporation In An Amount Not To Exceed \$433,200.

Commentary:

The performance based economic development agreement for consideration is with Revenue Cycle Inc., an oncology medical billing and consulting services company.

Revenue Cycle, Inc., was established in 2002 and is recognized as a leader in the business of medical and radiation oncology. Since its inception Revenue Cycle and has expanded their initial services to include a variety of medical and radiation oncology services which include:

- Oncology service line planning
- Oncology coding, billing and reimbursement
- Cancer center development
- Full service oncology consulting

As a recognized leader in the industry staffed with broad-based oncology consultants, Revenue Cycle Inc. provides its clients focused and accessible education and training.

Currently located in Austin on West Braker Lane, Revenue Cycle, Inc., will be purchasing the 30,000 office building currently under construction at Scottsdale Crossing. The estimated cost of the facility is approximately \$5.0 million with an additional investment of \$250,000 in FFE bringing the total capital investment in the project to \$5.25 million (excluding land).

The project will employ 114 people with an estimated annual payroll over \$5.8 million.

Total Incentive:

- \$433,200 equates to a per job incentive of \$3,800.
- The project has a rate of return of 13.3% and payback period of 7.1 years.

Performance Measures:

- #1 Construction of a 30,000 square foot headquarters facility representing a capital investment of not less than \$5.0 million no later than November 30, 2017.
- #2 Employ not less than ninety eight (98) FTEs with a total annual payroll of not less than \$5,000,000 by no later than December 31, 2017.
- #3 Employ not less than one hundred two (102) FTEs with a total annual payroll of not less than \$5,200,000 by no later than December 31, 2018.
- #4 Employ not less than one hundred six (106) FTEs with a total annual payroll of not less than \$5,400,000 by no later than December 31, 2019.
- #5 Employ not less than one hundred ten (110) FTEs with a total annual payroll of not less than \$5,600,000 by no later than December 31, 2020.
- #6 Employ not less than one hundred sixty five (114) FTEs with a total annual payroll of not less than \$5,800,000 by no later than December 31, 2021.

Incentive Payments:

- #1 & #2 \$372,400 payable as a single lump sum, but no earlier than October 1, 2017. Proof of Copy of Certificate of Occupancy issued for facility and paid invoices and/or statement reflecting capital investment. Payroll records evidencing employment and payroll at the Cedar Park Facility.
- #3 \$15,200 payable as a single lump sum, but no earlier than October 1, 2018. Payroll records evidencing employment and payroll at the Cedar Park Facility.
- #4 \$15,200 payable as a single lump sum, but no earlier than October 1, 2019. Payroll records evidencing employment and payroll at the Cedar Park Facility.
- #5 \$15,200 payable as a single lump sum, but no earlier than October 1, 2020. Payroll records evidencing employment and payroll at the Cedar Park Facility.
- #6 \$15,200 payable as a single lump sum, but no earlier than October 1, 2021. Payroll records evidencing employment and payroll at the Cedar Park Facility.

If approved the expenditure will facilitate additional job creation and capital investment and generate new sales tax and property tax revenues within the Corporate Limits of the City of Cedar Park.