

VICTORIA SALES TAX DEVELOPMENT CORPORATION

FY2022-2023 ADOPTED BUDGET

SEPTEMBER 26, 2022

Victoria Sales Tax Development Corporation

FY2022-2023 Adopted Budget

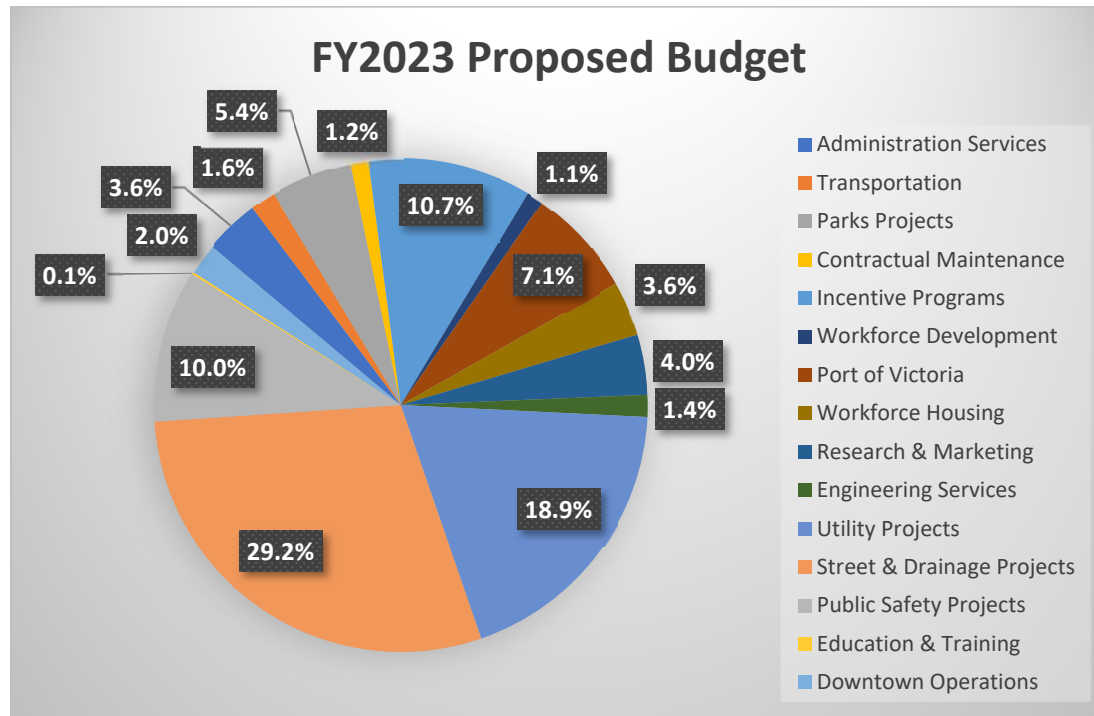
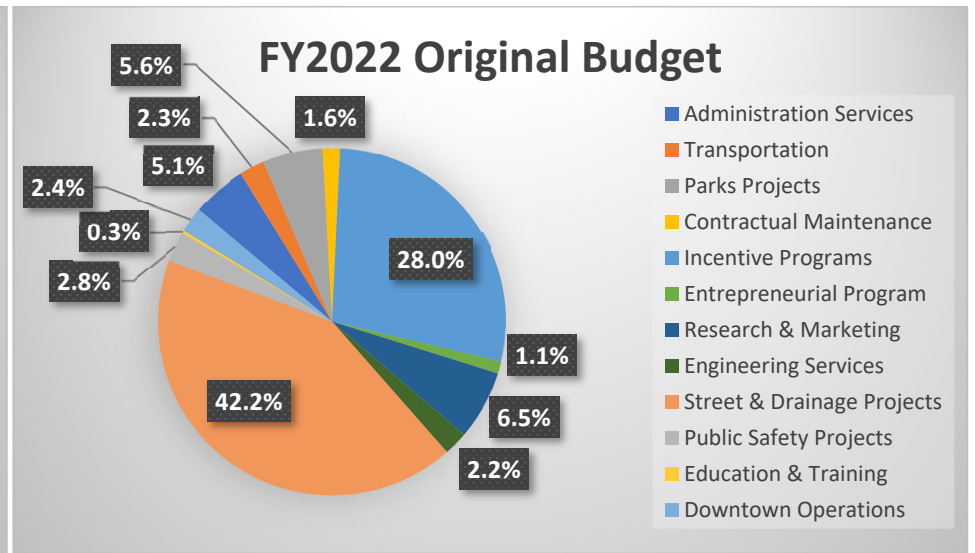
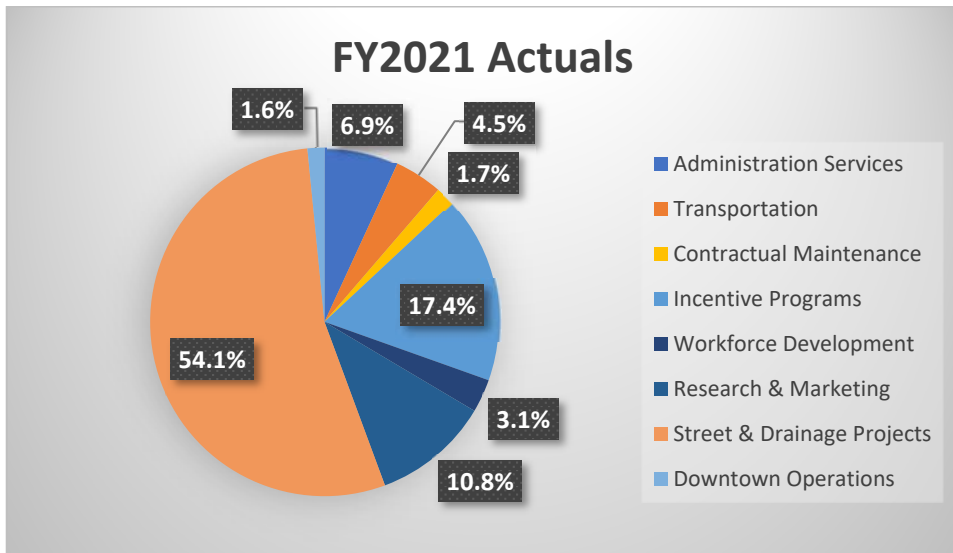
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	Fiscal Year Fiscal Year 2020-2021 Actual	Fiscal Year 2021-2022 Original Budget	Fiscal Year 2021-2022 Amended Budget	Fiscal Year 2021-2022 Projected Actual	Fiscal Year 2022-2023 Proposed Budget	Fiscal Year 22-23 Budget vs 21-22 Budget	Fiscal Year 22-23 Budget vs 21-22 Budget Percent
Beginning Fund Balance:							
Undesignated Operating Fund Balance	\$ 10,880,113	\$ 11,041,610	\$ 11,130,046	\$ 11,130,046	\$ 16,692,180	\$ 5,650,571	51.2%
Designated Fund Balance - Outstanding Projects	7,581,977	-	12,959,018	12,959,018	-	-	0.0%
Total Beginning Fund Balance	\$ 18,462,090	\$ 11,041,610	\$ 24,089,064	\$ 24,089,064	\$ 16,692,180	\$ 5,650,571	51.2%
Revenues:							
Sales Tax Receipts	\$ 8,872,017	\$ 8,592,500	\$ 8,592,500	\$ 9,499,000	\$ 8,675,000	\$ 82,500	1.0%
Interest Income	20,148	75,000	75,000	175,000	125,000	50,000	66.7%
Miscellaneous Income	76,875	30,000	30,000	30,000	30,000	-	0.0%
Deallocated Funds Transferred In	128,082	-	-	1,189,862	-	-	0.0%
Sale of Land	837,511	-	-	679,170	-	-	0.0%
Loss of Revenue - ARP Funds	386,984	-	-	-	-	-	0.0%
Total Revenues:	\$ 10,321,617	\$ 8,697,500	\$ 8,697,500	\$ 11,573,032	\$ 8,830,000	\$ 132,500	1.5%
Expenditures:							
Administration Services	\$ 322,767	\$ 454,100	\$ 520,396	\$ 520,396	\$ 506,685	\$ 52,585	11.6%
Transportation	209,000	209,000	209,000	209,000	228,855	19,855	9.5%
Parks Projects	-	500,000	1,000,000	1,000,000	750,000	250,000	50.0%
Contractual Maintenance	80,780	143,600	159,270	159,270	163,600	20,000	13.9%
Incentive Programs	816,087	2,500,000	2,407,262	1,682,262	1,500,000	(1,000,000)	-40.0%
Entrepreneurial Program	-	100,000	100,000	100,000	-	(100,000)	-100.0%
Workforce Development	145,450	-	-	-	150,000	150,000	0.0%
Port of Victoria	-	-	1,000,000	1,000,000	1,000,000	1,000,000	0.0%
Airport	-	-	245,000	245,000	-	-	0.0%
Workforce Housing	-	-	1,000,000	1,000,000	500,000	500,000	0.0%
Research & Marketing	508,540	576,790	691,790	691,790	566,790	(10,000)	-1.7%
Engineering Services	-	200,000	400,000	400,000	200,000	-	0.0%
Education & Training	-	25,000	25,000	10,000	20,000	(5,000)	-20.0%
Downtown Operations	73,568	210,000	256,418	256,418	285,000	75,000	35.7%
Utility Projects	-	-	2,500,000	-	2,651,804	2,651,804	0.0%
Street & Drainage Projects	2,538,451	3,765,985	11,195,779	11,195,779	4,087,674	321,689	8.5%
Public Safety Projects	-	250,000	500,000	500,000	1,400,000	1,150,000	460.0%
Total Expenditures:	\$ 4,694,643	\$ 8,934,475	\$ 22,209,915	\$ 18,969,915	\$ 14,010,408	\$ 5,075,933	56.8%
Ending Fund Balance:							
Undesignated Operating Fund Balance	\$ 11,130,046	\$ 8,185,290	\$ 7,959,056	\$ 10,922,229	\$ 6,279,419	\$ (1,905,871)	-23.3%
Designated Fund Balance - Outstanding Projects	12,959,018	-	-	-	-	-	0.0%
Reserve for Future CIP Projects	-	2,884,015	2,617,593	5,769,951	5,232,353	2,348,338	81.4%
Total Ending Fund Balance	\$ 24,089,064	\$ 11,069,305	\$ 10,576,649	\$ 16,692,180	\$ 11,511,772	\$ 442,467	4.0%

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Administration Services - \$506,685

<i>Retail and Economic Development Services</i>	\$197,585
<i>Contract Management & City's Administration Services</i>	<u>309,100</u>
Total:	<u>\$506,685</u>

Transportation - \$228,855

<i>Victoria Transit</i>	<u>\$228,855</u>
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Parks Projects - \$750,000

<i>Deleon Plaza Improvement Project</i>	\$500,000
<i>Future Parks Project</i>	<u>250,000</u>
Total:	<u>\$750,000</u>

Contractual Maintenance - \$163,600

<i>Lone Tree Business Park I and II Projects</i>	\$27,600
<i>Loop 463 Right of Way Mowing Program</i>	56,000
<i>Loop 463 Entryway Maintenance Program</i>	<u>80,000</u>
Total:	<u>\$163,600</u>

Incentive Programs - \$1,500,000

<i>Future Incentive Programs</i>	<u>\$1,500,000</u>
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Workforce Development - \$150,000

<i>Workforce Development</i>	<u>\$150,000</u>
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Port of Victoria - \$1,000,000

<i>Port of Victoria</i>	<u>\$1,000,000</u>
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Workforce Housing - \$500,000

<i>Odem Street Apartments Utility Oversize</i>	<u>\$500,000</u>
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Research & Marketing - \$566,790

<i>Contract with Victoria Economic Development Corporation</i>	\$501,250
<i>Retail Economic Development Plan and Recruitment Services Project</i>	50,000
<i>Sales Tax Analysis and Reporting System Project</i>	<u>15,540</u>
Total:	<u>\$566,790</u>

Engineering Services - \$200,000

<i>Feasibility Studies</i>	<u>\$200,000</u>
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Utility Projects - \$2,651,804

<i>Laurent St. Water Line Replacement</i>	\$1,701,700
<i>ASR Well Project</i>	<u>950,104</u>
Total:	<u>\$2,651,804</u>

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Street, Sidewalk, Drainage & Other Infrastructure Projects - \$4,087,674

<i>Guy Grant Street Project - Design</i>	\$75,000
<i>North Street Project - Design</i>	75,000
<i>Nursery Drive Reconstruction Project</i>	590,000
<i>John Stockbauer Mill and Overlay Project - Rio Grande to Colony Creek</i>	1,500,000
<i>Crestwood Phase III Reconstruction Project – additional funding</i>	1,213,500
<i>Dairy Road Reconstruction Project</i>	134,174
<i>Lone Tree Drainage Project</i>	250,000
<i>Citywide LED Street Lighting Project</i>	<u>250,000</u>
Total:	<u>\$4,087,674</u>

Future Capital Improvement Projects (Fund Balance Reserve) **\$5,232,353**

Public Safety Projects - \$1,400,000

Public Safety Headquarters Design **\$1,400,000**

Education & Training - \$20,000

Board Member Training & Professional Memberships **\$20,000**

Downtown Operations - \$285,000

<i>Downtown Main Street – Maintenance Program</i>	\$85,000
<i>Downtown Main Street – Façade Grant Program</i>	100,000
<i>Downtown Main Street – Large Grant Program</i>	<u>100,000</u>
Total:	<u>\$285,000</u>

Total FY2022-2023 Budget Requests (excluding Reserves): **\$14,010,408**

Total FY2022-2023 Budget Requests (including Reserves): **\$19,242,761**

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Administration Services

Retail and Economic Development Services

Requested Funding FY2022-23: \$197,585

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

Historical Funding	Amount
2020-21	\$160,000
2021-22	\$145,000

Contract Management & City's Administration Services

Requested Funding FY2022-23: \$309,100

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

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

Historical Funding	Amount
2020-21	\$313,854
2021-22	\$309,100

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Transportation

Victoria Transit

Requested Funding FY2022-23: \$228,855

The agreement authorizes the Golden Crescent Regional Planning Commission (GCRPC) to administrate, oversee, and operate the transit system in the City of Victoria, now in its 24th year of operation, and identifies a proposed match of \$228,855 which had been funded by the City of Victoria prior to FY2020-21.

Historical Funding	Amount
2020-21	\$209,000
2021-22	\$209,000

Parks Projects

Deleon Plaza Improvement Project

Requested Funding FY2022-23: \$750,000

This project scope consists of closing W. Forrest Street between Bridge and Main to provide a festival space along with added amenities including a restroom, performance pavilion, and water feature for \$500,000. An additional \$250,000 will be used to fund a future Parks project.

Historical Funding	Amount
2020-21	\$500,000
2021-22	\$500,000

Contractual Maintenance

Lone Tree Business Park I and II Projects

Requested Funding FY2022-23: \$27,600

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

Historical Funding	Amount
2020-21	\$25,190
2021-22	\$27,600

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Loop 463 Right of Way Mowing Program

Requested Funding FY2022-23: \$56,000

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

Historical Funding	Amount
2020-21	\$56,000
2021-22	\$56,000

Loop 463 Entryway Maintenance Program

Requested Funding FY2022-23: \$80,000

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

Historical Funding	Amount
2020-21	\$-0-
2021-22	\$60,000

Incentive Programs

Requested Funding FY2022-23: \$1,500,000

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

Historical Funding	Amount
2020-21	\$2,500,000
2021-22	\$2,500,000

Workforce Development

Requested Funding FY2022-23: \$150,000

The High Demand Job Training Program is intended to support Workforce Development Boards in partnering with local economic development corporations that use their local economic development sales taxes for high-demand job training. To achieve that purpose, Texas Workforce Commission wants to enable Boards to collaborate with local EDCs and match their local economic development sales tax funds to jointly support the provision of such training. The grant awards are a one-to-one match of local EDC dollars, up to a maximum of \$150,000.00, and will be awarded throughout the fiscal year.

Historical Funding	Amount
2020-21	\$145,450
2021-22	\$-0-

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Port of Victoria

Requested Funding FY2022-23: \$1,000,000

VSTDC approved a project in FY2021-2022 which committed \$3,000,000 to the Victoria Navigation District (“Port of Victoria”) for a railport project that would expand rail access to the Port’s south industrial site. This is the second of three payments.

Historical Funding	Amount
2020-21	\$-0-
2021-22	\$1,000,000

Workforce Housing

Requested Funding FY2022-23: \$500,000

This funding would support workforce housing projects in the City. In FY2022, VSTDC contributed \$500,000 to the development of Enchanted Gardens Apartments Project and \$500,000 to the Odem Street Apartments Project. In FY2023, an additional \$500,000 is being proposed to go towards the Odem Street Apartments Project due to increases in construction costs.

Historical Funding	Amount
2020-21	\$-0-
2021-22	\$1,000,000

Research & Marketing

Contract with Victoria Economic Development Corporation

Requested Funding FY2022-23: \$501,250

The Victoria Economic Development Corporation’s key objectives are to recruit new businesses, both international and domestic, in order to create jobs and increase the tax base; and to retain and expand existing business by assisting them to increase profitability through exports, strategic alliances, new project development and workforce development improvements.

Historical Funding	Amount
2020-21	\$463,000 (amended)
2021-22	\$501,250

Retail Economic Development Plan and Recruitment Services Project

Requested Funding FY2022-23: \$50,000

This funding is for consulting services to facilitate retail marketing of Victoria.

Historical Funding	Amount
2020-21	\$30,000
2021-22	\$30,000

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Sales Tax Analysis and Reporting System Project

Requested Funding FY2022-23: \$15,540

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

Historical Funding	Amount
2020-21	\$15,540
2021-22	\$15,540

Engineering Services

Feasibility Studies

Requested Funding FY2022-23: \$200,000

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

Historical Funding	Amount
2020-21	\$200,000
2021-22	\$200,000

Utility Projects

Laurent St. Water Line Replacement

Requested Funding FY2022-23: \$1,701,700

In the last five years, the 16" cast iron water main in Laurent Street has had multiple breaks causing damage to Laurent Street which is a TxDOT roadway as well as interrupted a critical source of water to the south and central part of the City. Project scope includes abandoning the existing 16" cast-iron water line in Laurent Street from North Street to Rio Grande Street and installing 1,940 LF of 16" and 975 LF of 12" water line along a new alignment along Laurent and Alma Streets and across the Union Pacific Railroad tracks behind the City's Plant 2 site. The new line will tie-into existing 12" PVC lines within the King Addition Subdivision and will be directionally drilled along the west side of Laurent St to tie-into the existing 12" PVC water line on the northside of Rio Grande. Permits will have to be obtained from Union Pacific Railroad for the new water crossing.

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ASR Well Project

Requested Funding FY2022-23: \$950,104

Project scope consists of the construction of a new ASR (Aquifer Storage and Recovery) Well. Site selection will be determined during the design and construction phase. This project adds additional water for future consumption in lieu of purchasing additional water rights. This well is the first well of other additional wells. Additional funding will be provided via a grant through FEMA.

Total Utility Projects Requested Funding FY2022-23: \$2,651,804

Historical Funding	Amount
2020-21	\$-0-
2021-22	\$-0-

Street, Sidewalk, Drainage & Other Infrastructure Projects

Guy Grant Street Project – Design

Requested Funding FY2022-23: \$75,000

Guy Grant is an important collector for residents traveling on the north side of town and ties N. Navarro to Mockingbird Lane. Project scope consists of preliminary engineering for reconstructing Guy Grant between Salem and Mockingbird, including street, sidewalk, drainage and utility improvements. Underground drainage will tie to the city's existing storm sewer and new sidewalks allow pedestrian movements for schools in the area.

North Street Project – Design

Requested Funding FY2022-23: \$75,000

North Street is an important collector for residents traveling on the south side of town and ties Moody Street to the Community Center and schools. Project scope consists of preliminary engineering for the reconstructing North Street between Moody and Ben Wilson, including street, sidewalk, drainage and utility improvements. Underground drainage will tie to the city's existing storm sewer and new sidewalks allow pedestrian movements for schools in the area.

Nursery Drive Reconstruction Project

Requested Funding FY2022-23: \$590,000

Nursery Drive was completed up to Lake Forest in 2018 and is used as collector to the neighborhood and to the county. Project scope consists of reconstruction of Nursery Drive between Lake Forest to City Limits. Project will utilize lime treated subgrade, geo-grid, and seal coat and hot-mix overlay. This project improves the condition and quality of street infrastructure and prolongs the useful life of heavily traveled collector streets. Post PCI score 92.

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John Stockbauer Mill and Overlay – Rio Grande to Colony Creek Project

Requested Funding FY2022-23: \$1,500,000

John Stockbauer is a main collector street through town. Project scope consists of mill and overlay of John Stockbauer between Houston Hwy and Colony Creek Drive. This project improves the condition and quality of street infrastructure and prolongs the useful life of heavily traveled collector streets. Project will provide a post PCI score of 91.

Crestwood Phase III Reconstruction Project – additional funding

Requested Funding FY2022-23: \$1,213,500

This project was originally approved in FY2020 and consists of reconstructing Crestwood Drive from Navarro to Main in a three-lane concrete section including an 8' hike and bike trail, a 5' sidewalk, water and sanitary sewer replacement. Due to increases in construction costs, it is estimated that additional funding will be needed to cover this project. This funding would bring total funding to \$5,258,950 for the construction portion of this project.

Dairy Road Reconstruction Project

Requested Funding FY2022-23: \$134,174

Dairy Road is an important collector for residents traveling on the North side of town and ties N. Navarro to Salem Road. Project scope consists of reconstructing Dairy Road (5,169 Sq. Yd.) from Salem to Whispering Creek in a 37' wide hot-mix curb and gutter section including underground drainage and sidewalks. Underground drainage will tie to the city's existing storm sewer and new sidewalks allow pedestrian movements for apartments in the area. Current average street rating is 49. Project will provide a post PCI score of 91.

Lone Tree Drainage Project

Requested Funding FY2022-23: \$250,000

Project scope includes constructing an outfall for the Lone Tree Acres Subdivision from Hyak St. to Lone Tree Creek and regrading of open ditches in both Lone Tree Acres and Lone Tree Acres South. Improving the drainage in this neighborhood increases value of neighborhood. With drainage complete, the streets will be improved and have a longer life due to better drainage.

Citywide LED Street Lighting Project

Requested Funding FY2022-23: \$250,000

This project will enhance lighting throughout the city and over time provide a potential cost savings in the street light maintenance program. Project scope consists of replacing High Pressure Sodium (HPS) light bulbs with more efficient LED fixtures on all streetlights throughout the city. This is phase 2 of the project which will be installed in five phases. This project is split funded between the City of Victoria and VSTDC.

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Future Capital Improvement Projects

Requested Funding FY2022-23: \$5,232,353

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

Total Street, Sidewalk, Drainage & Other Infrastructure Projects

Requested Funding FY2022-23 including Reserve: \$9,320,027

Historical Funding	Amount
2020-21	\$3,120,350
2021-22	\$3,765,985

Public Safety Projects

Public Safety Headquarters Project

Requested Funding FY2022-23: \$1,400,000

Project scope consists of the construction of a new Public Safety Building. The first phases include land purchasing and engineering design. Following will be the construction phase. The City of Victoria purchased land on Main Street in FY2022 for the future site of this facility. This project improves the functions of the police force, currently staffed at City Hall where space is limited causing performance reductions and improves citizen awareness of Public safety.

Historical Funding	Amount
2020-21	\$-0-
2021-22	\$-0-

Education & Training

Board Member Training & Professional Memberships

Requested Funding FY2022-23: \$20,000

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

Historical Funding	Amount
2020-21	\$25,000
2021-22	\$25,000

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Downtown Operations

Downtown Main Street – Maintenance Program

Requested Funding FY2022-23: \$85,000

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

Historical Funding	Amount
2020-21	\$85,000
2021-22	\$85,000

Downtown Main Street – Façade Grant Program

Requested Funding FY2022-23: \$100,000

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

Historical Funding	Amount
2020-21	\$50,000
2021-22	\$100,000

Downtown Main Street – Large Grant Program

Requested Funding FY2022-23: \$100,000

This grant program would primarily fund projects that need new HVAC improvements, fire suppression systems, elevators, grease traps and or projects that involved repurposing the use of the building in downtown Victoria.

Historical Funding	Amount
2020-21	\$-0-
2021-22	\$-0-