HEDC Board Members

Raymond Elmore, President
Norma Harlin
Artis Johnson
Aurora Madrigal

Steve Nichols, Vice President
DeMarcus Odom
Mario Vasquez
Guy Brown, Executive Director

AGENDA
HUTCHINS ECONOMIC DEVELOPMENT CORPORATION (HEDC)
REGULAR BOARD OF DIRECTORS MEETING
THURSDAY, JULY 13, 2023 – 6:30 P.M.
HUTCHINS ECONOMIC DEVELOPMENT CORPORATION OFFICE
103 WEST PALESTINE, HUTCHINS, TEXAS 75141

NOTICE OF POSSIBLE CITY COUNCIL QUORUM
A QUORUM OF COUNCIL MEMBERS MAY OR MAY NOT BE PRESENT AT THIS MEETING. HOWEVER, NO OFFICIAL CITY COUNCIL ACTION WILL BE CONSIDERED DURING THIS MEETING.

Pursuant to Section 551 of the Texas Government Code, notice is hereby given that the Board of Directors of the City of Hutchins will meet on July 13, 2023 at 6:30 p.m. to conduct a Regular Meeting at the HEDC Office located at 103 West Palestine St, Hutchins, Texas, 75141 at which time the following items will be discussed and considered:

As authorized by Section 551.071 of the Texas Government Code, the Board of Directors reserves the right to convene in Executive Session for the purpose of seeking confidential legal advice from the city attorney on any agenda item listed herein.

A. CALL MEETING TO ORDER
   1. Roll Call
   2. Invocation

B. CITIZEN COMMENTS The Citizen Comments portion of the Agenda is an opportunity for the public to address the Board on any subject. However, in accordance with the Texas Open Meetings Act, the Board cannot discuss issues raised or make any decision at this time. Issues raised may be referred to HEDC Staff for research and possible future action.

C. CONSENT AGENDA: All items presented in the Consent Agenda require no deliberation by the Board. Each Board member has the opportunity of removing an item from this agenda so that it may be considered separately.

D. PUBLIC HEARINGS
E. REGULAR AGENDA

1. Discuss And Consider Hutchins Economic Development Corporation Resolution 23-07-13-01, A RESOLUTION AUTHORIZING THE TERMS AND CONDITIONS OF AN AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE CITY OF HUTCHINS AND FREESE AND NICHOLS, INC. (FFNI) FOR ENGINEERING SERVICES AND CONCEPTUAL PLANNING OF A GRADE-SEPARATED CROSSING FOR PALESTINE STREET AT THE UNION PACIFIC RAILROAD AND AGREEING TO PAY 50% OF THE COST OF SAID AGREEMENT.


3. Update on HEDC Activities.

F. EXECUTIVE SESSION

None

G. RECONVENE INTO REGULAR SESSION and take any action necessary as a result of Executive Session.

H. ADJOURNMENT

Certification: I certify that a copy of the July 13, 2023 agenda of items to be considered by the Hutchins Economic Development Corporation was posted on the City Hall bulletin board, a place convenient and readily accessible to the general public at all times, and to the City's website www.cityofhutchins.org, in accordance with Chapter 551 of the Texas Government Code. Posted on Friday, July 7, 2023, before 5:00 p.m.

_Guy Brown_
Executive Director

ACCESSIBILITY STATEMENT

A request for special services must be received at least 24 hours in advance of scheduled meeting. For assistance please call the HEDC office at 972-225-4449 or email the Executive Director at gbrown@cityofhutchins.org.
MINUTES
HUTCHINS ECONOMIC DEVELOPMENT CORPORATION (HEDC)
REGULAR BOARD OF DIRECTORS MEETING
THURSDAY, MAY 25, 2023 – 6:30 P.M.
HEDC OFFICE – 103 WEST PALESTINE
500 W. HICKMAN ST., HUTCHINS, TEXAS 75141

The Hutchins Economic Development Corporation Board of Directors met on May 25, 2023 at 6:30 p.m. to conduct a Special Meeting at the Hutchins Community Center located at 321 West Palestine St, Hutchins, Texas, 75141 at which time the following items were be discussed and considered:

ATTENDANCE:

BOARD MEMBERS
Raymond Elmore, President
Norma Harlin
Artis Johnson
Aurora Madrigal
Steve Nichols, Vice President
Demarcus Odom
Mario Vasquez
Guy Brown, Executive Director

A. Call Meeting to Order
The meeting was called to order at 6:30 p.m. The meeting was held at the Hutchins Economic Development Corporation office located at 103 Palestine, Hutchins, Texas, 75141.

1. Roll Call
A quorum of the Board of Directors was established. At Roll Call, Ms. Madrigal was absent. All other members of the Board of Directors were present.

Invocation
Invocation was given by Mr. Johnson.

B. Citizen Comments.
There were no comments from citizens.

C. CONSENT AGENDA: All items presented in the Consent Agenda require no deliberation by the Board. Each Board member has the opportunity of removing an item from this agenda so that it may be considered separately.

Mr. Nichols made a motion to approve the minutes of March 16, 2023. The motion was seconded by Mr. Johnson and passed unanimously.
D. PUBLIC HEARINGS
NONE.

E. REGULAR AGENDA

1. Consideration and action approving Resolution 230525-1, a Resolution of the Hutchins Economic Development Corporation Board of Directors recommending HEDC Budget for the 2023 – 2024 Fiscal Year to the Hutchins City Council.
   The Executive Director presented the Board of Directors with a draft budget for FY 2023-2024. After discussion, Mr. Vasquez made a motion approving Resolution 230525-1, a Resolution of the Hutchins Economic Development Corporation Board of Directors recommending HEDC Budget for the 2023 – 2024 Fiscal Year to the Hutchins City Council. The motion was seconded by Mr. Johnson and passed unanimously. This item will be sent to the City Council for final consideration.

2. Consideration and action approving an Amended and Restated Economic Development Incentive Agreement between Hutchins Economic Development Corporation and SUP & AHK LLC related to property located at 801 West Palestine Street.
   The Board of Directors reviewed discussed the Amended and Restated Economic Development Incentive Agreement between Hutchins Economic Development Corporation and SUP & AHK LLC. Mr. Nichols made a motion to approve the Amended and Restated Agreement and establish the Completion Date of the Project to December 31, 2023. The motion was seconded by Mr. Odom and passed unanimously.

3. Update on HEDC Activities.
   The Executive Director presented the board with an update on current HEDC activities and city projects. The Board asked questions and discussed the status of the projects. No action was taken on this item.

F. EXECUTIVE SESSION
NONE

G. RECONVENE INTO REGULAR SESSION and take any action necessary as a result of Executive Session.
NONE.

H. Adjournment.
   No further business was conducted Mr. Nichols made a motion to adjourn the meeting. Mr. Vasquez seconded the motion. The Board by unanimous vote adjourned the meeting at 7:05 p.m.

   Approved:

______________________________
Raymond Elmore, President
Background Information

During the November 2022 City Council meeting, the disruption of traffic flow and delays on Palestine Street caused by Union Pacific Rail was discussed, along with the need to find solutions to reduce wait times at the Palestine Rail Crossing to assist residents and businesses.

To address this problem, Staff presented a Scope of Work from Freese and Nichols at the April 17, 2023 City Council meeting to explore solutions. The plan presented at the meeting included the preparation of four alternative conceptual-level alignments, both horizontally and vertically. These alignment alternatives included the following options:

a. Construct a two-lane overpass with connecting streets that run parallel to and within the Palestine Street right of way.
b. Construct a four-lane overpass with connecting streets that run parallel to and within the Palestine Street right of way.
c. Construct a two-lane overpass with connecting streets located within both the Palestine Street and UPRR right of way.
d. Construct a two-lane underpass with connecting streets that run parallel to and within the Palestine Street right of way.

During the same April 17, 2023 Council meeting, the HEDC Executive Director received instructions to focus solely on Option A, which entails constructing a two-lane overpass with connecting streets parallel to and within the Palestine Street right of way.

The two-lane overpass Scope of Work was presented at the June 20th Council Meeting and was approved by the City Council.

Budget Implications

The final Scope of Work approved by the City Council was $39,600, roughly half
the cost presented at the April 17th meeting. The EDC Executive Director is requesting the HEDC fund one-half of the cost or $19,800.

If the City Council settles on a preferred method of improvement to Palestine, the ultimate project could cost several million dollars. This would most likely require participation from the Regional Transportation Council and the Federal Government to fund the project.

Bridge construction involves many different steps and components, including:

Planning and Design: A team of engineers and architects must first plan and design the bridge, taking into account factors such as the intended use of the bridge, the terrain, and the environmental conditions.

Site Preparation: Before construction can begin, the site must be cleared of any obstacles or debris. This may involve excavation, grading, and other earthwork.

Foundation: The foundation of the bridge is critical for providing stability and support. Depending on the location and soil conditions, the foundation may be made of concrete, steel, or other materials.

Substructure: The substructure of the bridge includes the piers or abutments that support the bridge deck.

Superstructure: The superstructure is the part of the bridge that spans the gap, and includes the deck, girders, and trusses.

Decking: The deck is the surface that vehicles or pedestrians travel on, and must be designed to withstand the weight and movement of traffic.

Finishing: After the bridge is constructed, finishing touches such as painting, lighting, and landscaping may be added to enhance its appearance and functionality.

Overall, bridge construction requires careful planning, design, and execution to ensure a safe and durable structure that can withstand the demands of its intended use.

**Operational Impact**

As the project progresses, there are several important factors to consider:

Improved Access: Constructing a bridge would greatly improve access for our residents, effectively eliminating wait times at the Rail Crossing.

Grade Separation: It’s important to recognize that building a bridge will likely result in the separation of streets that were previously connected. This can have significant social and economic consequences, as residents and businesses may feel isolated and cut off from their former access points.
Height and Clearance: The height of the overpass must meet the necessary requirements to ensure sufficient clearance for vehicles passing underneath it. This is particularly crucial for bridges over railroads, as there are specific regulations governing height and width restrictions. In this case, the overpass will need to be elevated 26 feet above the entire Union Pacific Right of Way, typically with a 4% grade that necessitates an approach of approximately 500 feet.

Visual Impact: The design and aesthetics of the bridge will also play a role in the community. A well-designed and visually appealing bridge can enhance the character of the area, contributing to its overall appeal. Conversely, a poorly designed bridge may detract from the visual quality of the surroundings and have a negative impact on the community.

By taking these factors into account, the Council can ensure that the project progresses in a way that maximizes improved access, addresses grade separation concerns, meets necessary height and clearance requirements, and considers the visual impact on the community.

**Legal Review**

The agreement with Freese and Nichols has been drafted by the City Attorney.

**Staff Recommendation**

Staff is asking the HEDC Board of Directors to fund ½ the cost of the Overpass Study. The Council approved the attached Scope of Work on June 20, 2023.

**Supporting Documentation and Attachments**

1. PowerPoint Palestine Overpass
2. Resolution Approving Professional Service Agreement and Agreeing to Fund ½ the Cost of the Study.
3. Agreement and Proposal for Palestine St at UPRR Crossing June 2023
Hutchins Economic Development Corporation
Board of Directors
Palestine Street Overpass
June 20, 2023

Palestine Rail Crossing

• In November of 2022, City Council members discussed issues related to Union Pacific rail disrupting traffic on Palestine Street and the need to develop solutions to mitigate wait times at the Palestine Rail Crossing.
• In an effort to address this issue, Staff asked Freeze and Nichols to provide a scope of work to explore potential solutions.
• The initial Scope of Work includes the preparation of up to four (4) alternative, conceptual-level alignments (horizontal and vertical alignments).
• At the April 17 Council Meeting, the Executive Director was instructed to bring back a Scope for Option A, a two (2) lane overpass with connecting streets parallel to and within the Palestine Street right of way.
• At the June 20, 2023 Council Meeting, the City Council approve a Scope of Work with Freeze and Nichols to study the two (2) lane overpass with connecting streets parallel to and within the Palestine Street right of way.

Palestine Rail Crossing Alternatives

The alignment alternatives will include:
A. A two (2) lane overpass with connecting streets parallel to and within the Palestine Street right of way;
B. A four (4) lane overpass with connecting streets parallel to and within the Palestine Street right of way;
C. A two (2) lane underpass with connecting streets parallel to and within the Palestine Street right of way;
D. A two (2) lane overpass with connecting streets within Palestine Street and UPRR right of way; and,
Council Action

- At the April 17, 2023 Council Meeting:
  - The Council discussed the four alternatives.
  - The Executive Director was instructed to revise the Scope of work and bring back Option A, a two (2) lane overpass with connecting streets parallel to and within the Palestine Street right of way.

- At the June 20, 2023 Council Meeting:
  - Council discussed the Project for a Third Time and:
  - Council Approved a Scope of Work from Freese and Nichols to study the Two Lane Overpass at a Cost of $399,500.

Considerations

- Must be 26 Feet above entire UP Right of Way
- 4% Grade means ramps begin about 500 to 600 feet.
- Could effect:
  - Main/Willis Ferry
  - Pacific
  - xiii
  - Panin
  - Austin
- Cost
  - If the City Council settles on a preferred method of improvement to Palestine, the ultimate project could cost several million dollars.
  - This would most likely require participation from the Regional Transportation Council and the Federal Government to fund the project.

Scope of Work

1. Schedule and attend one (1) meeting with Client to discuss project goals, direction, and/or requirements (including one (1) site walk, collect data and photograph existing conditions from adjacent roadway connections) for further review and analysis and to document potential property impacts.
2. Schedule and attend one (1) meeting with Client and UPRR officials to discuss the crossing and potential options for grade separation, discuss possible UPRR design criteria for the proposed grade separation.
3. Collect and secure information from Client, Dallas Central Appraisal District, NETCOG, UPRR, etc. to include property boundaries, property owner(s), GIS shapefiles, contours, natural features (trees,-footprints, wetlands, etc.), and available features to prepare electronic base maps.
4. Prepare one (1) alternative, nonvertical-level alignment (horizontal and vertical alignment).
   - The alignment alternative includes:
     1. A two (2) lane overpass with connecting streets parallel to and within the Palestine Street right of way.
2. The proposed alignment envelope with potential adjacent property impacts will be included with the alternative.
5. Schedule and attend one (1) follow-up meeting with Client and UPRR to review alignment and discuss alternative.
6. Prepare revised, alignment addressing comments received from Client and/or UPRR.
7. Prepare schematic-level Opinion of Probable Construction Cost (OPCC).
Deliverables

1. 1 preliminary roll-plot copy and 1 pdf copy of the alignment alternative
2. 1 revised, final roll-plot copy and 1 pdf copy of revised alignment alternative
3. 1 preliminary Opinion of Probable Construction Cost
4. 1 final Opinion of Probable Construction Cost

Resolution

- Council approved the City and Freese and Nichols will study a two (2) lane overpass with connecting streets parallel to and within the Palestine Street right of way.
- Contained in you packet is the Scope of Work from Freese and Nichols.
- The Study will cost $39,600
- The HEDC Director is recommending $19,800 come from the HEDC for the project.
- The original cost was $88,500 prior to the Council scaling back the Scope of Work.
WHEREAS, the City Council of the City of Hutchins was presented with the proposed Agreement for Professional Services (the “Agreement”) by and between the City of Hutchins and Freese And Nichols, Inc. (FNI), for engineering services and conceptual planning of a grade-separated crossing for Palestine Street at the Union Pacific Railroad; and

WHEREAS, the City Council found that it is in the public interest to approve the Agreement between the City of Hutchins and FNI on June 20, 2023; and

WHEREAS, upon full review and consideration of the Agreement, and all matters related thereto, the City Council is of the opinion and finds that the terms and conditions thereof should be approved, and that the City Administrator is authorized to negotiate and execute the Agreement on behalf of the City of Hutchins, Texas.

NOW, THEREFORE, BE IT RESOLVED BY THE HUTCHINS ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF HUTCHINS, TEXAS, THAT:

SECTION 1. The Hutchins Economic Development Corporation agrees to fund one half (½) the cost of the Agreement for Professional Services at an estimated cost of $19,800 to the HEDC.

SECTION 2. This Resolution shall become effective immediately upon its passage.

DULY RESOLVED AND ADOPTED by the Economic Development Corporation Board of Directors of the City of Hutchins, Texas, this the 13th day of JULY 2023.

Hutchins Economic Development Corporation

__________________________
Raymond Elmore, President

ATTEST:

__________________________
Guy Brown, Executive Director
EXHIBIT "A"
Agreement for Professional Services
STATE OF TEXAS §
COUNTY OF DALLAS §

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement for Professional Services ("Agreement") is made by and between the City of Hutchins, Texas ("City") and Freese and Nichols, Inc., a domestic corporation ("Professional"), (each a "Party" and collectively the "Parties"), acting by and through their authorized representatives.

RECITALS:

WHEREAS, the City desires to engage the services of the Professional as an independent contractor, and not as an employee, to provide the services described in Exhibit "A" (the "Scope of Services") to assist the City with the conceptual planning of a grade-separated crossing for Palestine Street at the UPRR (the "Project") under the terms and conditions set forth in this Agreement; and

WHEREAS, the Professional desires to render services for the City on the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants set forth herein, and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

Article I
Term

1.1 This Agreement shall commence on the last date of execution hereof ("Effective Date") and shall continue until completion of the services, which shall be ninety (90) days from the Notice to Proceed issued by the City, unless sooner terminated as provided herein.

1.2 Either Party may terminate this Agreement by giving thirty (30) days prior written notice to the other Party. In the event of such termination the Professional shall deliver to City all finished and unfinished documents, data, studies, surveys, drawings, maps, models, reports, photographs or other items prepared by the Professional in connection with this Agreement. Professional shall be entitled to compensation for any services completed to the reasonable satisfaction of the City in accordance with this Agreement prior to such termination.

Article II
Scope of Service

2.1 The Professional shall perform the services in connection with the Project as set forth in the Scope of Services. The Professional shall perform the services with: (i) the professional skill and care ordinarily provided by competent architects or engineers, as the case may be, practicing in the same or similar locality and under the same or similar circumstances and professional license; and (ii) as expeditiously as is prudent considering the ordinary professional
skill and care of a competent architect or engineer, as the case may be. If the Professional is not a licensed engineer or registered architect, the Professional shall perform the services: (i) with the skill and care ordinarily provided by similar consultants practicing in the same or similar locality and under the same circumstances and applicable licenses or certifications; and (ii) as expeditiously as is prudent considering the ordinary skill and care of similar competent consultants.

2.2 The City shall, prior to commencement of services, provide the Professional with the information set forth in the Scope of Services, if any.

2.3 Licenses. Professional represents to City that Professional possesses any and all licenses which may be required by the State of Texas or any other governmental entity having jurisdiction as may be necessary for the performance of Professional's services pursuant to this Agreement.

2.4 Information/Confidentiality. City will furnish to Professional such information with respect to the Project as Professional may reasonably request in order to render Professional's services effectively. Professional will hold in strict confidence all information with respect to the Project which is furnished to Professional by City in confidence and which is not otherwise publicly available and/or not required, as a matter of law or proper business practice, to be disclosed to a third party in connection with the consulting services for the Project.

2.5 Deliverables. All files, documents, data and other information generated under this Agreement, of any nature whatsoever furnished by, or developed by Professional, shall be and remain the property of City.

2.6 Conflict of Interest. Professional agrees to notify City and seek City's approval prior to Professional's retention by any other individuals or entities, which either directly or indirectly may create a conflict of interest in Professional's services under this Agreement. City may deny any such approval for Professional's retention set forth above, in the event City, in City's sole and absolute discretion, should conclude that such retention would have an adverse effect on Professional's services under this Agreement.

Article III
Schedule of Work; Time Limits and Time Charge

Professional agrees to commence services upon a Notice to Proceed from the City and to complete the required services within ninety (90) days from the Notice to Proceed. Any work performed or expenses incurred by Professional prior to Professional’s receipt of a Notice to Proceed from the City shall be entirely at Professional’s own risk.

Article IV
Compensation and Method of Payment

4.1 The City shall compensate Professional in a lump sum fee of Thirty Nine Thousand Six Hundred Dollars ($39,600.00). Unless otherwise provided herein, payment to the Professional
shall be monthly based on the Professional’s monthly progress report and detailed monthly itemized statement for services that shows the names of the Professional’s employees, agents, contractors performing the services, the time worked, the actual services performed, the rates charges for such service, reimbursable expenses, the total amount of fee earned to date, and the amount due and payable as of the current statement, in a form reasonably acceptable to the City. Monthly statements shall include authorized non-salary expenses with supporting itemized invoices and documentation. The City shall pay such monthly statements within thirty (30) days after receipt and City verification of the services and expenses unless otherwise provided herein.

4.2 Unless otherwise provided in the Scope of Services the Professional shall be responsible for all expenses related to the services provided pursuant to this Agreement including, but not limited to, travel, copying and facsimile charges, telephone, internet and email charges.

4.3 The hourly rates set forth in the Scope of Services, if any, shall remain in effect during the term of this Agreement. Any changes to established hourly rates shall require the prior written consent of the City.

Article V
Devotion of Time; Personnel; and Equipment

5.1 The Professional shall devote such time as reasonably necessary for the satisfactory performance of the services under this Agreement. Should the City require additional services not included under this Agreement, the Professional shall make reasonable effort to provide such additional services within the time schedule without decreasing the effectiveness of the performance of services required under this Agreement, and shall be compensated for such additional services on a time and materials basis, in accordance with Professional’s standard hourly rate schedule, or as otherwise agreed between the Parties.

5.2 To the extent reasonably necessary for the Professional to perform the services under this Agreement, the Professional shall be authorized to engage the services of any agents, assistants, persons, or corporations that the Professional may deem proper to aid or assist in the performance of the services under this Agreement. The Professional shall provide written notice to and obtain written approval from the City prior to engaging services not referenced in the Scope of Services. The cost of such personnel and assistance shall be included as part of the total compensation to be paid Professional hereunder, and shall not otherwise be reimbursed by the City unless otherwise provided herein.

5.3 The Professional shall furnish the facilities, equipment and personnel necessary to perform the services required under this Agreement unless otherwise provided herein.

5.4 The Professional shall submit monthly progress reports and attend monthly progress meetings as may be required by the City from time to time based upon Project demands. Each progress report shall detail the work accomplished and special problems or delays experienced on the Project during the previous report period, and the planned work activities and special problems or delays anticipated for the next report period.
Article VI
Miscellaneous

6.1 Entire Agreement. This Agreement constitutes the sole and only agreement between the Parties and supersedes any prior understandings written or oral agreements between the Parties with respect to this subject matter.

6.2 Assignment. The Professional may not assign this Agreement without the prior written consent of City. In the event of an assignment by the Professional to which the City has consented, the assignee shall agree in writing with the City to personally assume, perform, and be bound by all the covenants, and obligations contained in this Agreement.

6.3 Successors and Assigns. Subject to the provisions regarding assignment, 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 assigns.

6.4 Governing Law. The laws of the State of Texas shall govern this Agreement without regard to any conflict of law rules; and venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

6.5 Amendments. This Agreement may be amended by the mutual written agreement of the Parties.

6.6 Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

6.7 Independent Contractor. It is understood and agreed by and between the Parties that the Professional, in satisfying the conditions of this Agreement, is acting independently, and that the City assumes no responsibility or liabilities to any third party in connection with these actions. All services to be performed by Professional pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of the City. Professional shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement.

6.8 Right-of-Access. The Professional shall not enter onto private property without lawful right-of-access to perform the required surveys, or other necessary investigations. The Professional will take reasonable precautions to minimize damage to the private and public property in the performance of such surveys and investigations. Any right-of-access to public or private property shall be obtained in accordance with the Scope of Services.

6.9 Notice. Any notice required or permitted to be delivered hereunder may be sent by first class mail, courier or by confirmed telefax or facsimile to the address specified below, or to
such other Party or address as either Party may designate in writing, and shall be deemed received three (3) days after delivery or on the day actually received if sent by courier or otherwise hand delivered:

If intended for City, to:
City of Hutchins, Texas  
Attn: James W. Quin  
City Administrator  
321 North Main Street  
P. O Box 500  
Hutchins, Texas 75141  
Phone: (972) 225-6121

With a copy to:
Joseph J. Gorfida, Jr.  
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.  
500 North Akard  
1800 Ross Tower  
Dallas, Texas 75201  
Phone: (214) 965-9900

If intended for Professional:

Freese and Nichols, Inc.  
Attn: Chris Bosco, PE  
Principal/Vice President  
801 Cherry Street, Suite 2800  
Fort Worth, Texas 76102  
Phone: (817) 735-7300

6.10 **Insurance:**

(a) Professional shall during the term hereof maintain in full force and effect the following insurance: (i) a comprehensive general liability policy of insurance for bodily injury, death and property damage insuring against all claims, demands or actions relating to the Professional’s performance of services pursuant to this Agreement with a minimum combined single limit of not less than $2,000,000.00 per occurrence for injury to persons (including death), and for property damage; policy of automobile liability insurance covering any vehicles owned and/or operated by Professional, its officers, agents, and employees, and used in the performance of this Agreement with policy limits of not less than $500,000.00 combined single limit and aggregate for bodily injury and property damage; statutory Worker’s Compensation Insurance at the statutory limits and Employers Liability covering all of Professional’s employees involved in the provision of services under this Agreement with policy limit of not less than $500,000.00; and (iv) Professional Liability covering negligent acts, errors and omissions in the performance of professional services with policy limit of not less than $2,000,000.00 per claim and $2,000,000.00 in the aggregate.

(b) All policies of insurance shall be endorsed and contain the following provisions: (1) name the City, its officers, and employees as additional insureds as to all applicable coverage with the exception of Workers Compensation Insurance and Professional Liability; and (2) provide for at least thirty (30) days prior written
notice to the City for cancellation of the insurance; (3) provide for a waiver of subrogation against the City for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance, except for Professional Liability Insurance. The Professional shall provide written notice to the City of any material change of or to the insurance required herein.

(c) All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least “A” by AM Best or other equivalent rating service.

(d) A certificate of insurance and copies of the policy endorsements evidencing the required insurance shall be submitted prior to commencement of services and upon request by the City.

6.11 Debarment and Suspension.

(a) In accordance with 2 CFR section 180.300, the principal of this Agreement as described in 2 CFR section 180.995 being duly sworn or under penalty of perjury under the laws of the United States, certifies that neither Professional nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency, the State of Texas or any of its departments or agencies.

(b) If, during the term of this Agreement, Professional becomes debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation, Professional shall immediately inform the City of Hutchins.

(c) For agreements that are financed by Federal or State grants, Professional agrees that this section will be enforced on each of its subcontractors and will inform the City of Hutchins of any violations of this section by subcontractors to the Agreement.

(d) The certification in this section is a material representation of fact relied upon by the City in entering into this Agreement.

6.12 Indemnification. PROFESSIONAL DOES HEREBY COVENANT AND CONTRACT TO WAIVE ANY AND ALL CLAIMS, RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS CITY, ITS OFFICERS AND EMPLOYEES, FROM AND AGAINST ALL LIABILITY, CAUSES OF ACTION, CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LOSSES, PENALTIES OR SUITS, TO THE EXTENT CAUSED BY OR RESULTING FROM PROFESSIONAL’S NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED BY PROFESSIONAL, ITS AGENT, ITS CONSULTANT UNDER CONTRACT, OR ANY OTHER ENTITY OVER WHICH PROFESSIONAL EXERCISES
CONTROL SUBJECT TO THE LIMITATIONS IN TEXAS LOCAL GOVERNMENT CODE § 271.904 AND TEXAS CIVIL PRACTICE AND REMEDIES CODE, § 130.002 (B).

INDEMNIFIED ITEMS SHALL INCLUDE REASONABLE ATTORNEYS’ FEES AND COSTS, COURT COSTS, AND SETTLEMENT COSTS IN PROPORTION TO PROFESSIONAL’S LIABILITY.

PROFESSIONAL’S OBLIGATIONS UNDER THIS SECTION SHALL NOT BE LIMITED TO THE LIMITS OF COVERAGE OF INSURANCE MAINTAINED OR REQUIRED TO BE MAINTAINED BY PROFESSIONAL UNDER THIS AGREEMENT. THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

6.13 Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the Parties hereto.

6.14 Exhibits. The exhibits attached hereto are incorporated herein and made a part hereof for all purposes.

6.15 Boycott Israel; Boycott Energy Companies; and Prohibition of Discrimination against Firearm Entities and Firearm Trade Associations.

(a) Professional verifies that it does not Boycott Israel and agrees that during the term of the Agreement will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended.

(b) Professional verifies that it does not Boycott Energy Companies and agrees that during the term of this Agreement will not Boycott Energy Companies as that term is defined in Texas Government Code Section 809.001, as amended.

(c) Professional verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association as those terms are defined in Texas Government Code Section 2274.001, as amended; and (ii) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

(d) This section does not apply if Professional is a sole proprietor, a non-profit entity, or a governmental entity; and only applies if: (i) Professional has ten (10) or more fulltime employees and (ii) this Agreement has a value of $100,000.00 or more to be paid under the terms of this Agreement.

6.16 Lone Star Infrastructure Protection Act Verification. If under this Agreement, Professional is granted direct or remote access to the control of critical infrastructure, excluding access specifically allowed for product warranty and support, Professional verifies, pursuant to
Chapter 2274 of the Texas Government Code (as added by Senate Bill 2116, 87th Legislature Regular Session), that neither Professional, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Professional, nor any of its sub-contractors (i) is owned or controlled by (a) individuals who are citizens of China, Iran, North Korea, Russia or any designated country; or (b) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, of any designated country; and (ii) is headquartered in China, Iran, North Korea, Russia or a designated country. The term “designated country” means a country designated by the Governor as a threat to critical infrastructure under Section 113.003 of the Texas Business & Commerce Code. The term “critical infrastructure” means a communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility.

6.17 Anti-Terrorism Verification. Professional hereby represents and warrants that at the time of this Agreement neither Professional, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Professional: (i) engages in business with Iran, Sudan, or any foreign terrorist organization pursuant to Subchapter F of Chapter 2252 of the Texas Government Code; or (ii) is a Company listed by the Texas Comptroller pursuant to Section 2252.153 of the Texas Government Code. The term “foreign terrorist organization” has the meaning assigned to such term pursuant to Section 2252.151 of the Texas Government Code. For purposes of this paragraph, “Company” means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or other entity or business association whose securities are publicly traded, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit.

(Signature Page to Follow)
EXECUTED this ______ day of ________________________ , 2023.

City of Hutchins, Texas

By: __________________________________________
    James W. Quin, City Administrator

Approved as to form:

By: __________________________________________
    Joseph J. Gorfida, Jr., City Attorney
    (05-31-2023:TM 135274)

EXECUTED this ______ day of ________________________ , 2023.

Freese and Nichols, Inc.

By: __________________________________________
    Name: Chris Bosco, PE
    Title: Principal/Vice President
EXHIBIT “A”
SCOPE OF WORK

SCOPE OF SERVICES AND RESPONSIBILITIES OF CLIENT

PROJECT UNDERSTANDING

The City of Hutchins (Client) desires assistance with conceptual planning of a grade-separated crossing for Palestine Street at the UPRR (see Exhibit A). Since this location is approximately two miles north of the UPRR intermodal facility, Palestine Street is frequently blocked for long periods of time by waiting trains causing a hardship for citizens and emergency services. Client has the possibility of funding support from either federal or regional sources. Freese and Nichols, Inc. (FNI) will prepare conceptual layout and Opinion of Probable Construction Cost (OPCC) for a 2-lane overpass.

The Phase 1 project planning / design will be conceptual in nature. Detailed design may follow as Phase 2.

ARTICLE I

BASIC SERVICES: FNI shall render the following professional services in connection with the development of the Project:

A. FNI shall provide professional services in Phase 1 as follows:

1. Schedule and attend one (1) meeting with Client to discuss project goals, direction, and/or limitations (including one (1) site visit). Collect data and photograph existing conditions (from adjacent roadway connections) for further review and analysis and to document potential property impacts.
2. Schedule and attend one (1) meeting with Client and UPRR officials to discuss the crossing and potential options for grade separation; discuss possible UPRR design criteria for the proposed grade separation.
3. Collect and secure information from Client, Dallas Central Appraisal District, NCTCOG, UPRR, etc. including property boundary, property owner(s), GIS shapefiles, contours, natural features (creeks, floodplain, wetlands, etc), and manmade features to prepare electronic base map.
4. Prepare one (1) alternative, conceptual-level alignment (horizontal and vertical alignment). The alignment alternative includes:
   a. A two (2) lane overpass with connecting streets parallel to and within the Palestine Street right of way
   The proposed ROW envelope with potential adjacent property impacts will be included with the alternative.
5. Schedule and attend one (1) follow up meeting with Client and UPRR to review alignment and discuss alternative.
6. Prepare revised, alignment addressing comments received from Client and/or UPRR.
7. Prepare schematic-level Opinion of Probable Construction Cost (OPCC).

Deliverables
1. 1 preliminary roll-plot copy and 1 pdf copy of the alignment alternative
2. 1 revised, final roll-plot copy and 1 pdf copy of revised alignment alternative
3. 1 preliminary OPCC
4. 1 final OPCC

SC-1
ARTICLE II

SPECIAL SERVICES: FNI shall render the following professional services, which are not included in the Basic Services described above, in connection with the development of the Project:

1. Not Applicable in Phase 1.

ARTICLE III

ADDITIONAL SERVICES: Any services performed by FNI that are not included in the Basic Services or Special Services described above are Additional Services. Additional Services to be performed by FNI, if authorized by Client, are described as follows:

A. Field surveying required for the preparation of designs and drawings.
B. Field layouts or the furnishing of construction line and grade surveys.
C. GIS mapping services or assistance with these services except as needed for thoroughfare corridor alternatives.
D. Making property, boundary and right-of-way surveys, preparation of easement and deed descriptions, including title search and examination of deed records.
E. Revisions to drawings, specifications, or other documents when such revisions are 1) not consistent with approvals or instructions previously given by Client or 2) due to other causes not solely within the control of FNI.
F. Providing environmental support services including the design and implementation of ecological baseline studies, environmental monitoring, impact assessment and analyses, permitting assistance, and other assistance required to address environmental issues.
G. Visits to the site in excess of the number of trips included in Article I for periodic site visits, coordination meetings, or contract completion activities.
H. Providing basic or additional services on an accelerated time schedule. The scope of this service include cost for overtime wages of employees and consultants, inefficiencies in work sequence and plotting or reproduction costs directly attributable to an accelerated time schedule directed by the Client.
I. Preparing statements for invoicing or other documentation for billing other than for the standard invoice for services attached to this professional services agreement.
J. Provide Geotechnical investigations, studies, and reports.

ARTICLE IV

TIME OF COMPLETION: FNI is authorized to commence work on the Project upon execution of this Agreement and agrees to complete the services in ninety (90) days from Notice to Proceed.

If FNI’s services are delayed through no fault of FNI, FNI shall be entitled to adjust contract schedule consistent with the number of days of delay. These delays may include but are not limited to delays in Client or regulatory reviews, delays on the flow of information to be provided to FNI, governmental approvals, etc. These delays may result in an adjustment to compensation as outlined on the face of this Agreement and in Attachment CO.
ARTICLE V

RESPONSIBILITIES OF CLIENT: Client shall perform the following in a timely manner so as not to delay the services of FNI:

A. Designate in writing a person to act as Client’s representative with respect to the services to be rendered under this Agreement. Such person shall have contract authority to transmit instructions, receive information, interpret and define Client’s policies and decisions with respect to FNI’s services for the Project.

B. Provide all criteria and full information as to Client’s requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations; and furnish copies of all design and construction standards which Client will require to be included in the drawings and specifications.

C. Assist FNI by placing at FNI’s disposal all available information pertinent to the Project including previous reports and any other data relative to design or construction of the Project.

D. Arrange for access to and make all provisions for FNI to enter upon public and private property as required for FNI to perform services under this Agreement.

E. Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by FNI, obtain advice of an attorney, insurance counselor and other consultants as Client deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay, or cause rework in, the services of FNI.

F. Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

G. Client shall make or arrange to have made all subsurface investigations, including but not limited to borings, test pits, soil resistivity surveys, and other subsurface explorations. Client shall also make or arrange to have made the interpretations of data and reports resulting from such investigations. All costs associated with such investigations shall be paid by Client.

H. Provide such accounting, independent cost estimating and insurance counseling services as may be required for the Project, such legal services as Client may require or FNI may reasonably request with regard to legal issues pertaining to the Project including any that may be raised by Contractor(s), such auditing service as Client may require to ascertain how or for what purpose any Contractor has used the moneys paid under the construction contract, and such inspection services as Client may require to ascertain that Contractor(s) are complying with any law, rule, regulation, ordinance, code or order applicable to their furnishing and performing the work.

I. Give prompt written notice to FNI whenever Client observes or otherwise becomes aware of any development that affects the scope or timing of FNI’s services, or any defect or nonconformance of the work of any Contractor.

J. Furnish, or direct FNI to provide, Additional Services as stipulated in Attachment SC, Article III of this Agreement or other services as required.

K. Bear all costs incident to compliance with the requirements of this Article V.
ARTICLE VI

DESIGNATED REPRESENTATIVES: FNI and Client designate the following representatives:

Client's Designated Representative – James Quin, 321 N. Main Street, Hutchins, Texas 75141, 972-225-6121

FNI's Designated Representative – Alan Hendrix, 2711 N. Haskell Street, Suite 3300, Dallas, Texas 75204, 214-217-2358

FNI's Accounting Representative – Erin Westbrook, 801 Cherry Street, Suite 2800, Fort Worth, Texas 76102, 817-735-7395
Hutchins EDC  
July 13, 2023 – Item #E. 2.

<table>
<thead>
<tr>
<th>AGENDA TYPE</th>
<th>Reviewed by Finance</th>
<th>Reviewed by Legal</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Regular</td>
<td>☑ Yes</td>
<td>☑ Yes</td>
</tr>
<tr>
<td>☐ Special</td>
<td>☐ No</td>
<td>☐ No</td>
</tr>
<tr>
<td>☐ Consent</td>
<td>☐ No</td>
<td>☐ No</td>
</tr>
<tr>
<td>☐ Workshop</td>
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<td>☐ No</td>
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<tr>
<td>☐ Executive Session</td>
<td>☐ No</td>
<td>☐ No</td>
</tr>
<tr>
<td>☐ Public Hearing</td>
<td>☐ No</td>
<td>☐ No</td>
</tr>
</tbody>
</table>

**ACTION REQUESTED:**

☐ RESOLUTION _________ ☐ Ordinance # _____ ☑ APPROVAL ☑ OTHER ACCEPTANCE

**AGENDA CAPTION**


**FINANCIAL SUMMARY**

☒ N/A ☐ REVENUE ☐ BUDGETED ☐ NON-BUDGETED/WILL REQUIRE BUDGET AMENDMENT

**BACKGROUND/SUMMARY OF ITEM**

Attached to you packet is the annual audit performed by the City of Hutchins’ auditors.

**STAFF OPTIONS & RECOMMENDATION**

The Executive Director recommends discussion and acceptance of the audit.

**SUPPORTING DOCUMENTS/EXHIBITS ATTACHED:**

Annual Audit Period Ending September 30, prepared by BrooksWatson & Company.
ANNUAL FINANCIAL REPORT

of the

Hutchins Economic Development Corporation

For the Year Ended
September 30, 2022
# Hutchins Economic Development Corporation

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_September 30, 2022_

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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors of the
Hutchins Economic Development Corporation:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, including each major fund, of the Hutchins Economic Development Corporation (the “Corporation”) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Corporation’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Corporation as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Corporation’s management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for one year after the date that the financial statements are issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

**Other Matters**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and general fund budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information.
in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BrooksWatson & Co.
Certified Public Accountants
Houston, Texas
May 9, 2023
MANAGEMENT'S DISCUSSION
AND ANALYSIS
Hutchins Economic Development Corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2022

As management of the Hutchins Economic Development Corporation (the “Corporation”), we offer readers of the Corporation’s financial statements this narrative overview and analysis of the financial activities of the Corporation for the fiscal year ended September 30, 2022.

Financial Highlights

- The Corporation had a net position of $3,397,790 at September 30, 2022. This balance is comprised of net investment in capital assets of $14,175 and unrestricted net position of $3,383,615.

- At the close of the current fiscal year, the Corporation’s governmental fund reported a fund balance of $3,777,037, an increase of $943,542 compared to the prior year.

- The Corporation had an overall increase in net position of $1,062,482.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Corporation’s basic financial statements. The Corporation’s basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes required supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Corporation’s finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Corporation’s assets, liabilities, and deferred inflows/outflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating. Other non-financial factors, such as the City’s economic activity need to be considered in order to assess the overall health of the Corporation.

The statement of activities presents information showing how the Corporation’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).
FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the Corporation. They are usually segregated for specific activities or objectives. The Corporation uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The Corporation only utilizes governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating the Corporation’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Corporation maintains one individual governmental fund; the General Fund. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for these funds which are all considered to be major funds.

The Corporation adopts an annual budget for this fund. A budgetary comparison schedule has been provided to demonstrate compliance with the respective budgets.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information. This includes a budgetary comparison schedules, which can be found after the basic financial statements.
Hutchins Economic Development Corporation

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued

September 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the Corporation’s financial position. For the Corporation, assets exceeded liabilities by $3,397,790 as of September 30, 2022. These assets are restricted to fund Type B projects as defined in the Attorney General’s Economic Development Handbook.

Total current assets increased by $1,077,112 when compared to the prior year. The primary reason for the increase in current assets is due to a rise in cash on hand, resulting from a reduction in the operating deficit previously caused by contributions made to the City for street projects. Total capital assets decreased by $1,060 due current year depreciation during the year. Total liabilities increased by $13,570, which was primarily due to the timing of payments made to third party vendors.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

<table>
<thead>
<tr>
<th></th>
<th>9/30/2022</th>
<th>9/30/2021</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities</td>
<td>$3,984,785</td>
<td>$2,907,673</td>
<td>$1,077,112</td>
<td>37%</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>14,175</td>
<td>15,235</td>
<td>(1,060)</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>3,998,960</td>
<td>2,922,908</td>
<td>1,076,052</td>
<td>44%</td>
</tr>
<tr>
<td><strong>Accounts payable &amp;</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>207,748</td>
<td>74,178</td>
<td>133,570</td>
<td>180%</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>393,422</td>
<td>513,422</td>
<td>(120,000)</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>601,170</td>
<td>587,600</td>
<td>13,570</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>14,175</td>
<td>15,235</td>
<td>(1,060)</td>
<td>7%</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>3,383,615</td>
<td>2,320,073</td>
<td>1,063,542</td>
<td>46%</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>$3,397,790</td>
<td>$2,335,308</td>
<td>$1,062,482</td>
<td>45%</td>
</tr>
</tbody>
</table>
Hutchins Economic Development Corporation

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued

September 30, 2022

Statement of Activities:

The following table provides a summary of the Corporation’s changes in net position:

<table>
<thead>
<tr>
<th></th>
<th>9/30/2022 Governmental Activities</th>
<th>9/30/2021 Governmental Activities</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>General revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales taxes</td>
<td>$ 1,346,751</td>
<td>$ 1,129,144</td>
<td>$ 217,607</td>
<td>19%</td>
</tr>
<tr>
<td>Investment income</td>
<td>6,877</td>
<td>1,465</td>
<td>5,412</td>
<td>369%</td>
</tr>
<tr>
<td>Other revenues</td>
<td>-</td>
<td>6,003</td>
<td>(6,003)</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>1,353,628</strong></td>
<td><strong>1,136,612</strong></td>
<td><strong>217,016</strong></td>
<td><strong>19%</strong></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic development</td>
<td>253,397</td>
<td>261,390</td>
<td>(7,993)</td>
<td>3%</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>19,099</td>
<td>1,020,169</td>
<td>(1,001,070)</td>
<td>100%</td>
</tr>
<tr>
<td>Interest on long term debt</td>
<td>18,650</td>
<td>23,525</td>
<td>(4,875)</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>291,146</strong></td>
<td><strong>1,305,084</strong></td>
<td><strong>(1,013,938)</strong></td>
<td><strong>-78%</strong></td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>1,062,482</td>
<td>(168,472)</td>
<td>1,230,954</td>
<td>-731%</td>
</tr>
<tr>
<td>Beginning Net Position</td>
<td>2,335,308</td>
<td>2,503,780</td>
<td>168,472</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Ending Net Position</strong></td>
<td><strong>$ 3,397,790</strong></td>
<td><strong>$ 2,335,308</strong></td>
<td><strong>$ 1,062,482</strong></td>
<td><strong>45%</strong></td>
</tr>
</tbody>
</table>

For the year ended September 30, 2022, revenues totaled $1,353,628. This represents an increase of $217,016 or 19% when compared to the prior year primarily due to economic growth and an increase in local purchases.

The cost of all governmental activities this year was $291,146. This represents a decrease of $1,013,938, which was primarily due to nonrecurring intergovernmental expense contributions to the City’s street construction improvements in the previous year.
FINANCIAL ANALYSIS OF THE CORPORATION’S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the Corporation’s governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Corporation’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Corporation’s net resources available for spending at the end of the year.

At the close of the current fiscal year, the Corporation’s only governmental fund (the general fund) reported a fund balance of $3,777,037. Current year revenues exceeding expenditures by $962,641, offset by other uses of $19,099 contributed to the City for street projects resulted in the an overall increase in fund balance of $943,542.

BUDGETARY HIGHLIGHTS

Original Budget Compared to Final Budget – The Corporation approved an annual budget for the general fund. Budget amendments were approved, increasing total expenses by $334,960. The expenditures were amended to reflect additional economic development projects.

Final Budget Compared to Actual Results – As of the end of the current year, the fund’s revenues and expenditures had a positive budget variance of $552,078 and $2,557,016, respectively. Other sources (uses) met expectations, leaving a total positive budget variance of $3,109,094. The positive variances were primarily a result of sales tax being conservatively budgeted for in addition to an overall increase in economic growth fueling local purchases, in addition to a delay in economic development projects resulting in fewer related expenditures during the year.
Hutchins Economic Development Corporation

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued

September 30, 2022

CAPITAL ASSETS

The Corporation’s investment in capital assets as of September 30, 2022 amounted to $14,175. The Corporation had no new capital additions during the current year. Capital asset activity during the year was annual depreciation of $1,060.

More detailed information about the Corporation’s capital assets is presented in the notes to the financial statements at note IV.C.

LONG-TERM DEBT

The Corporation made principal payments of $120,000. The Corporation had a long-term debt ending balance of $380,000 as of the fiscal year ending September 30, 2022. More detailed information about the Corporation’s long-term debt is presented in note IV.D. of the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

In the fiscal year 2022-2023 budget, General Fund revenues are budgeted at $881,613 with sales tax making up about 99.8% of general fund budgeted revenues. The sales tax revenue source is the most volatile Corporation revenue and is subject to decline if the local economy fails to maintain growth.

CONTACTING THE CORPORATION’S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Corporation’s finances for all those with an interest in the Corporation’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Hutchins Economic Development Corporation, P.O. Box 361, Hutchins, Texas 75141.
FINANCIAL STATEMENTS
Hutchins Economic Development Corporation

*STATEMENT OF NET POSITION*

*September 30, 2022*

<table>
<thead>
<tr>
<th><strong>Assets</strong></th>
<th><strong>Governmental Activities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 3,723,782</td>
</tr>
<tr>
<td>Receivables, net</td>
<td>261,003</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>3,984,785</strong></td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
</tr>
<tr>
<td>Capital assets:</td>
<td></td>
</tr>
<tr>
<td>Net depreciable capital assets</td>
<td>14,175</td>
</tr>
<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td><strong>14,175</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>3,998,960</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Liabilities</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>207,748</td>
</tr>
<tr>
<td>Compensated absences, current</td>
<td>12,080</td>
</tr>
<tr>
<td>Long-term debt obligations, current portion</td>
<td>120,000</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>339,828</strong></td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
</tr>
<tr>
<td>Compensated absences, noncurrent</td>
<td>1,342</td>
</tr>
<tr>
<td>Long-term debt obligations, noncurrent</td>
<td>260,000</td>
</tr>
<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td><strong>261,342</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>601,170</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Net Position</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>14,175</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>3,383,615</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td><strong>$3,397,790</strong></td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
# Hutchins Economic Development Corporation

**STATEMENT OF ACTIVITIES**

For the Year Ended September 30, 2022

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Operating Grants</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Government</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Governmental Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic development</td>
<td>$253,397</td>
<td>$</td>
<td>$(253,397)</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>19,099</td>
<td>-</td>
<td>(19,099)</td>
</tr>
<tr>
<td>Interest on long term debt</td>
<td>18,650</td>
<td>-</td>
<td>(18,650)</td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td>291,146</td>
<td>-</td>
<td>(291,146)</td>
</tr>
</tbody>
</table>

**General Revenues:**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales taxes</td>
<td>1,346,751</td>
</tr>
<tr>
<td>Investment income</td>
<td>6,877</td>
</tr>
<tr>
<td><strong>Total General Revenues</strong></td>
<td>1,353,628</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in Net Position</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Net Position</td>
<td>2,335,308</td>
</tr>
<tr>
<td><strong>Ending Net Position</strong></td>
<td>$3,397,790</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
Hutchins Economic Development Corporation  
*BALANCE SHEET*  
September 30, 2022

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 3,723,782</td>
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</tr>
<tr>
<td>Receivables, net</td>
<td>261,003</td>
<td>261,003</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 3,984,785</td>
<td>$ 3,984,785</td>
</tr>
</tbody>
</table>

|                  |               |             |
| **Liabilities**  |               |             |
| Accounts payable and accrued liabilities | $ 207,748 | $ 207,748 |
| **Total Liabilities** | 207,748       | 207,748     |

|                  |               |             |
| **Fund Balance** |               |             |
| Restricted for:  |               |             |
| Economic development |            |             |
| **Total Fund Balance** | 3,777,037    | 3,777,037   |
| **Total Liabilities and Fund Balance** | $ 3,984,785 | $ 3,984,785 |

See Notes to Financial Statements.
Hutchins Economic Development Corporation

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION

September 30, 2022

Fund Balance - Total $ 3,777,037

Adjustments for the Statement of Net Position:

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

Capital assets - net depreciable 14,175

Deferred outflows of resources represent a consumption of net position that applies to future period(s) and is not recognized as an outflow of resources (excesses/expenditure) until then.

Deferred gain on refunding

Some liabilities, including bonds payable and compensated absences, are not reported as liabilities in the governmental funds.

Compensated absences (13,422)
Non-current liabilities due in one year (120,000)
Non-current liabilities due in more than one year (260,000)

Net Position of Governmental Activities $ 3,397,790

See Notes to Financial Statements.
Hutchins Economic Development Corporation

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

For the Year Ended September 30, 2022

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales taxes</td>
<td>$1,346,751</td>
<td>$1,346,751</td>
</tr>
<tr>
<td>Investment income</td>
<td>6,877</td>
<td>6,877</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>1,353,628</td>
<td>1,353,628</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic development</td>
<td>252,337</td>
<td>252,337</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>120,000</td>
<td>120,000</td>
</tr>
<tr>
<td>Interest and fiscal charges</td>
<td>18,650</td>
<td>18,650</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>390,987</td>
<td>390,987</td>
</tr>
<tr>
<td><strong>Excess of Revenues Over (Under) Expenditures</strong></td>
<td>962,641</td>
<td>962,641</td>
</tr>
</tbody>
</table>

| **Other Financing Sources (Uses)** |       |       |
| Contributions to City       | (19,099)| (19,099)|
| **Total Other Financing Sources (Uses)** | (19,099) | (19,099) |

| **Net Change in Fund Balances** | 943,542 | 943,542 |
| **Beginning fund balance**    | 2,833,495 | 2,833,495 |
| **Ending Fund Balance**       | $3,777,037 | $3,777,037 |

See Notes to Financial Statements.
Hutchins Economic Development Corporation

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds $ 943,542

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense (1,060)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments 120,000

Change in Net Position of Governmental Activities $ 1,062,482

See Notes to Financial Statements.
Hutchins Economic Development Corporation
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

I. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organizational Structure

The Hutchins Economic Development Corporation (the "Corporation") is a component unit of the City of Hutchins, Texas (the "City"). The Corporation was incorporated April 28, 1998 to promote economic development within the City and the State of Texas in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for and on behalf of the City by undertaking, developing, implementing, providing, and financing projects under the Development Corporation Act of 1979, as amended, Article 5190.6, Vernon's Ann. Civ. Stat. Ann. Sect. 4B, as amended, including the payment of maintenance and operating costs of publicly owned and operated projects purchased or constructed under said Section 4B. The accompanying financial statements present the Corporation.

The accompanying financial statements of the Corporation are prepared in conformity with generally accepted accounting principles for governmental entities as prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Corporation's significant accounting policies are described below.

The Corporation has adopted GASB Statements No. 61, The Financial Reporting Entity and amendment of No. 14 The Financial Reporting Entity, and No. 39, Determining Whether Certain Organizations Are Component Units. In accordance with these statements, a financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the Corporation's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the Corporation is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the Corporation's financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other
Hutchins Economic Development Corporation

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2022

state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The City is the primary government which exercises significant influence over the Corporation. Significant influence or accountability is based primarily on operational or financial relationships with the City. Due to the nature of the relationship between the City and the Corporation, the Corporation has been included as a component unit of the City for financial statement purposes.

The Corporation is made up of seven board members appointed by the City Council. The Board has governance responsibilities over all activities related to corporate services within the jurisdiction of the City. The Board is appointed by the City Council and has the exclusive power and duty to govern and oversee the management of the Corporation. The Corporation receives funding from local state sales tax and must comply with the requirements of this funding per the Development Corporation Act of 1979.

B. Financial Statement Presentation

These financial statements include implementation of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. Requirements of the statement include the following:

- A Management’s Discussion and Analysis (MD&A) section providing an analysis of the Corporation’s overall financial position and results of operations;

- Financial statements prepared using full accrual accounting for all of the Corporation’s activities;

- A change in the fund financial statements to focus on the major funds, which are prepared using modified accrual accounting.

GASB Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position and a statement of activities. It requires the classification of net position into three
components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets**—This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- **Restricted**—This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted**—This component of net position consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

C. **Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information about the Corporation as a whole. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Corporation’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs and grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, such as taxes and investment earnings, are presented as general revenues.

Governmental funds are those funds through which most governmental functions are typically financed.
Hutchins Economic Development Corporation
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

The government reports the following governmental funds:

General Fund

The general fund is the Corporation's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

D. Measurement Focus and Basis of Accounting

The government-wide statements of net position and statements of activities are accounted for on a flow of economic resources measurement focus, accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operations of these activities are included on the balance sheet.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing resources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The Corporation utilizes the modified accrual basis of accounting in the governmental fund type. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Corporation considers revenues available if they are collected within 60 days of the end of the current period. Revenues susceptible to accrual include charges for services and interest on temporary investments.

Sales taxes, hotel taxes, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Under modified accrual accounting, expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for interest on general long-term debt, which is recognized when due.
E. Assets, Liabilities, and Fund Equity or Net Position

1. Deposits and Investments

The Corporation’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

In accordance with GASB Statement No. 31, Accounting and Reporting for Certain Investments and External Investment Pools, the Corporation reports all investments at fair value, except for “money market investments” and “2a7-like pools.” Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools’ share price.

The Corporation has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the Corporation is authorized to invest in the following:

- Obligations of the United States or its agencies and instrumentalities
- Direct obligations of the State of Texas
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

2. Fair Value

The Corporation has applied Governmental Accounting Standards Board (“GASB”) Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between the City and the Corporation outstanding at the end of the year are classified as "Note payables to City of Hutchins."
Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as "interfund receivables/payables" (i.e. the current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund statements.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the government-wide financial statements. Capital assets are defined by the Corporation, as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives.

<table>
<thead>
<tr>
<th>Asset Description</th>
<th>Estimated Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinery and equipment</td>
<td>5 -10 years</td>
</tr>
<tr>
<td>Building improvements</td>
<td>15 - 30 years</td>
</tr>
<tr>
<td>Other improvements</td>
<td>10 - 15 years</td>
</tr>
</tbody>
</table>

5. Fund Balance Flow Assumptions

Sometimes the Corporation will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted,
Hutchins Economic Development Corporation
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Corporation’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

6. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Corporation itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the corporation’s highest level of decision-making authority. The governing body is the highest level of decision-making authority for the corporation that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the corporation for specific purposes but do not meet the criteria to be classified as committed. The governing body (Board of Directors) has by resolution authorized the executive director to assign fund balance. The Board of Directors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

7. Compensated Absences

The liability for compensated absences reported in the government-wide consists of unpaid, accumulated vacation balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are
Hutchins Economic Development Corporation
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

included. Vested or accumulated vacation leave and compensated leave of
government-wide and proprietary funds are recognized as an expense and liability
of those funds as the benefits accrue to employees.

It is the Corporation's policy to liquidate compensated absences with future
revenues rather than with currently available expendable resources. Accordingly,
the Corporation's general fund recognizes accrued compensated absences when it is
paid.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term
obligations are reported as liabilities in the statement of net position.

Long-term debt is not reported as liabilities in the fund financial statements until
due. Debt proceeds are reported as other financing sources, net of the applicable
premium or discount and payments of principal and interest reported as
expenditures. Issuance costs, even if withheld from the actual net proceeds received,
are reported as debt service expenditures. However, claims and judgments paid are
reported as a liability in the fund financial statements only for the portion expected
to be financed from expendable available financial resources.

Assets acquired under the terms of capital leases are recorded as liabilities and
capitalized in the government-wide financial statements at the present value of net
minimum lease payments at inception of the lease. In the year of acquisition, capital
lease transactions are recorded as other financing sources and as capital outlay
expenditures in the general fund. Lease payments representing both principal and
interest are recorded as expenditures in the general fund upon payment with an
appropriate reduction of principal recorded in the government-wide financial
statements.

9. Estimates

The preparation of financial statements, in conformity with generally accepted
accounting principles, requires management to make estimates and assumptions
that affect the reported amounts of assets and liabilities and disclosure of contingent
assets and liabilities at the date of the financial statements and the reported amounts
of revenues and expenditures/expenses during the reporting period. Actual results
could differ from those estimates.
II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS


The governmental fund balance sheet includes reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General fund. The legal level of control is the fund level. For the year ending September 30, 2022, current year expenditures did not exceed appropriations at the fund level of control for the General fund.
IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2022, the Corporation had the following investments, which are classified as cash equivalents within the Statement of Net Position:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Carrying Value</th>
<th>Weighted Average Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment pools</td>
<td>$ 957,792</td>
<td>0.10</td>
</tr>
<tr>
<td>Money market funds</td>
<td>$ 957,792</td>
<td></td>
</tr>
<tr>
<td>Portfolio weighted average</td>
<td></td>
<td>0.09</td>
</tr>
</tbody>
</table>

*Interest rate risk* In accordance with its investment policy, the Corporation manages its exposure to declines in fair values by limiting the weighted average of maturity; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

*Credit risk* The Corporation’s investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than “A” or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAAM, or equivalent, by at least one nationally recognized rating service.

*Custodial credit risk – deposits* In the case of deposits, this is the risk that in the event of a bank failure, the Corporation’s deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2022, the Corporation’s bank balances are fully insured and collateralized.

*Custodial credit risk – investments* For an investment, this is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the
value of its investments or collateral securities that are in the possession of an outside party. The Corporation’s investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the Corporation’s safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor’s rate TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor’s, as well as to the office of the Comptroller of Public Accounts for review. At September 30, 2022, the fair value of the portion in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

B. Receivables

The following comprise receivable balances of the Corporation at year end:

<table>
<thead>
<tr>
<th>Hutchins</th>
<th>EDC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales tax</td>
<td>$261,003</td>
<td>$261,003</td>
</tr>
</tbody>
</table>

46
C. Capital Assets

A summary of changes in governmental activities capital assets for the year ended September 30, 2022 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balances</th>
<th>Increases</th>
<th>Decreases/ Reclassifications</th>
<th>Ending Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets, being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building improvements</td>
<td>$23,928</td>
<td>$</td>
<td>$</td>
<td>$23,928</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>36,950</td>
<td></td>
<td></td>
<td>36,950</td>
</tr>
<tr>
<td>Other improvements</td>
<td>14,260</td>
<td></td>
<td></td>
<td>14,260</td>
</tr>
<tr>
<td>Total capital assets being depreciated</td>
<td>75,138</td>
<td></td>
<td></td>
<td>75,138</td>
</tr>
</tbody>
</table>

Less accumulated depreciation

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balances</th>
<th>Increases</th>
<th>Decreases/ Reclassifications</th>
<th>Ending Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building improvements</td>
<td>9,329</td>
<td>743</td>
<td></td>
<td>10,072</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>36,950</td>
<td></td>
<td></td>
<td>36,950</td>
</tr>
<tr>
<td>Other improvements</td>
<td>13,624</td>
<td>317</td>
<td></td>
<td>13,941</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>59,903</td>
<td>1,060</td>
<td></td>
<td>60,963</td>
</tr>
</tbody>
</table>

Net capital assets being depreciated

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balances</th>
<th>Increases</th>
<th>Decreases/ Reclassifications</th>
<th>Ending Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Capital Assets</td>
<td>$15,235</td>
<td>$(1,060)</td>
<td>$</td>
<td>$14,175</td>
</tr>
</tbody>
</table>

Depreciation expense was $1,060 for the year ended September 30, 2022.
Hutchins Economic Development Corporation
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

D. Long-term Liabilities

The Corporation’s long-term liabilities at September 30, 2022 consists of the following:

<table>
<thead>
<tr>
<th>Rate</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Payments</th>
<th>Ending Balance</th>
<th>Amounts Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note Payable - City</td>
<td>$ 500,000</td>
<td>$ -</td>
<td>$(120,000)</td>
<td>$ 380,000</td>
<td>$ 120,000</td>
</tr>
<tr>
<td>Total</td>
<td>$ 500,000</td>
<td>$ -</td>
<td>$(120,000)</td>
<td>$ 380,000</td>
<td>$ 120,000</td>
</tr>
</tbody>
</table>

Long-term liabilities due in more than one year $ 260,000

Debt service requirements at year end are as follows:

<table>
<thead>
<tr>
<th>Year ending September 30,</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
</tr>
<tr>
<td>2023</td>
<td>$ 120,000</td>
</tr>
<tr>
<td>2024</td>
<td>$ 125,000</td>
</tr>
<tr>
<td>2025</td>
<td>$ 135,000</td>
</tr>
<tr>
<td>2026</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td>$ 380,000</td>
</tr>
</tbody>
</table>

In November 2009 the citizens of Hutchins, TX approved of the Corporation using sales tax funds to fund improvements and extensions to the City’s waterworks and sewer system. The City of Hutchins issued bonds in the amount of $1,060,000 and the Corporation has agreed to pay $1,597,449 (including interest) to the City over a period of 14 years.

In November 2011 the citizens of Hutchins, TX approved of the Corporation using sales tax funds to fund the construction of a water well and an overhead water storage tower. The City of Hutchins issued bonds in the amount of $2,000,000 and the Corporation has agreed to pay $2,882,427 (including interest) to the City over a period of 20 years. On August 12, 2020 these bond were refunded by City of Hutchins refunding bonds in the amount of $1,404,000 with an interest rate of 1.21%. The proceeds were used to refund the $1,355,000 of the outstanding 2011 certificate of obligation bonds being paid for by the Corporation. The Corporation agreed to pay $2,298,480 (including interest) to the City over a period of 12 years.
Hutchins Economic Development Corporation  
NOTES TO FINANCIAL STATEMENTS, Continued  
September 30, 2022

In October 1998, the Board of Directors adopted a debt service cap of 60%, meaning that the total monthly required debt service payments are not to exceed 60% of the Sales tax revenue less monthly administrative expenses. As of September 30, 2022, the Corporation is in compliance with this policy.

E. Other Long-term Liabilities

The following is a summary of changes in the EDC’s other long-term liabilities for the year ended. In general, the EDC uses the general fund to liquidate compensated absences.

<table>
<thead>
<tr>
<th>Governmental Activities:</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance</th>
<th>Amounts Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated Absences</td>
<td>$ 13,422</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 13,422</td>
<td>$ 12,080</td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>$ 13,422</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 13,422</td>
<td>$ 12,080</td>
</tr>
</tbody>
</table>

Long-term liabilities due in more than one year $ 1,342

V. OTHER INFORMATION

A. Subsequent Events

There were no material subsequent events warranting disclosure through May 9, 2023, the date the financial statements were available to be issued.
REQUIRED SUPPLEMENTARY INFORMATION
Hutchins Economic Development Corporation  

*BUDGETARY COMPARISON SCHEDULE*  

**GENERAL FUND**  

For the Year Ended September 30, 2022

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales taxes</td>
<td>$ 800,000</td>
<td>$ 800,000</td>
<td>$ 1,346,751</td>
<td>$ 546,751</td>
</tr>
<tr>
<td>Investment income</td>
<td>1,550</td>
<td>1,550</td>
<td>6,877</td>
<td>5,327</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>801,550</td>
<td>801,550</td>
<td>1,353,628</td>
<td>552,078</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic development</td>
<td>2,475,443</td>
<td>2,810,403</td>
<td>252,337</td>
<td>2,558,066</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>120,000</td>
<td>120,000</td>
<td>120,000</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>17,600</td>
<td>17,600</td>
<td>18,650</td>
<td>(1,050)</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>2,613,043</td>
<td>2,948,003</td>
<td>390,987</td>
<td>2,557,016</td>
</tr>
<tr>
<td><strong>Excess of Revenues Over (Under) Expenditures</strong></td>
<td>(1,811,493)</td>
<td>(2,146,453)</td>
<td>962,641</td>
<td>3,109,094</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions to City</td>
<td>(19,099)</td>
<td>(19,099)</td>
<td>(19,099)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Other Financing Sources (Uses)</strong></td>
<td>(19,099)</td>
<td>(19,099)</td>
<td>(19,099)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Change in Fund Balance</strong></td>
<td>$ (1,830,592)</td>
<td>$(2,165,552)</td>
<td>943,542</td>
<td>$ 3,109,094</td>
</tr>
<tr>
<td>Beginning fund balance</td>
<td>2,833,495</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ending Fund Balance</strong></td>
<td></td>
<td>$ 3,777,037</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes to Required Supplementary Information  

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP)
Wintergreen Road Improvement

- 4 Lane Divided Roadway
- From Carpenter Road to Bonnie View Jefferson
- In Design Spring 2024
- Let Project in Spring of 2025
- Begin Construction in Fall of 2025
- Completion in 2026
### Business Locations 2014 - Present

- Shippers Warehouse (1st gen) 660,000 Sq. Ft.
- Shippers 2 (Update) 600,000 Sq. Ft.
- American Standard (Doug) 600,000 Sq. Ft.
- Aizen (Alex) 400,000 Sq. Ft.
- Georgia Pacific (Missoula) 1,000,000 Sq. Ft.
- Core 5 700,000 Sq. Ft.
- Bag (Glendale) 400,000 Sq. Ft.
- Chick Fil A (Vista) 400,000 Sq. Ft.
- 2 Spec Buildings (Majestic) 1,000,000 Sq. Ft.
- ATV 2,400,000 Sq. Ft.
- Charger Logistics 400,000 Sq. Ft.
- USA/Seefried 300,000 Sq. Ft.
- Hynyn Dow 500,000 Sq. Ft.
- Land 250,000 Sq. Ft.
- Approximately 15 Million Square Feet

---

**Cleveland Road Area**

**Majestic**

**USAA Seefried**

**George V**

---

**Arhaus Furniture**

**Seefried 2 Site**

**September 2021**

---

**Arhaus Site January 2023**

**Seefried 3 & 4 July 2022**
Wintergreen Expected in the next 18 Months

- Tract E
  - Wintergreen Road
  - 925,000 Square Feet
  - Jones Development
- Tract F
  - 84 Acres
  - Myers and Crow
  - Started May 11th
- Tract G Building
  - Chick Fil A
  - Project is underway
  - 30% Complete

18 Month Project cont.
Other Parts of Town

- Seefried 2
  - Third and Fourth Building on Cleveland underway
  - 500,000 Square Feet
- Majestic
  - Second Building Complete
  - Needs Tower
Lancaster Hutchins Commercial 3 - 8 years

18 Acre Town Center

- Develop a town center on 18 Acres in the LGI/Warren Development
- Over 750 Residential Units Planned
- Corner of JJ Lemon, Lancaster Hutchins and West Cleveland

Town Center
Industrial Buildout Summary

- Two Industrial Phases
  - 2 – 4 year
    - Cleveland Road
      - Majestic Site
      - Sewer Sides
    - Wintergreen
      - Site E (Hayes Crew)
      - Site F (James Development)
      - Site G (Bagli, Rysa and Company or other)
  - 4 – 8 year
    - Lancaster Hutchinson
    - Allen Grove
    - Dallas Water Utilities

Retail/Commercial Buildout Summary

- 1 – 3 years
  - Hutchins Plaza
  - Commercial Bank
  - Property North of Loves

- 3 – 8 years
  - Hotels Near Quik Trip (Met Last Week)
  - 15 Acres North of McDonalds
  - Town Center Zoned Property on JJ Lemon and Lancaster Hutchins.

EDC Board Directives

- Transition HEDC Mission as Hutchins Reaches Industrial Buildout over the Next 48 Months
- Be more decerning with incentives
- Work on Retail Development with New Residential Development
- Greater Emphasis on Retail and Hotel Marketing
- Evaluate EDC for Community improvement Projects:
  - Parks ($250,000)
  - Rec Center ($3,000,000)
  - Streetscapes

Upcoming Items

- Budget 2023 – 2024
  - Council has already begun budget process
  - Board will undertake HEDC Budget in May
- Council Retreat in May
- Entry Feature at Dowdy Ferry
- Recreation Center Planning
- City Hall Design
- Lancaster Hutchins Property
- Comprehensive Plan Update
- South Haven Development (town center)
- KTN Expansion