TEXAS

ROCKDALE

EST 1874

MUNICIPAL DEVELOPMENT DISTRICT

FY 2025 PROPOSED BUDGET

FY 2025 BUDGET
ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT

PRINCIPAL OFFICIALS AND ACKNOWLEDGEMENTS

RMDD BOARD OF DIRECTORS

Nathan Bland – Board President

John King – Board Vice President

Denise Wallace – Board Secretary

Brian Wallis – Board Treasurer

Joyce Dalley – Board Member

Rebecca Luckey – Board Member

Bob Slobod – Board Member

ECONOMIC DEVELOPMENT DIRECTOR
James P. Gibson, CEcD MEDP

EXECUTIVE ASSISTANT
Michelle Toungate

CITY OF ROCKDALE

City Council Members

Ward Roddam – Mayor

Lin Perry – Mayor Pro Tem – West Ward

Scott Starnes – East Ward

Brad Caffey – West Ward

Esme Olivares – East Ward

Kyle Walker – West Ward

Dave Melton – East Ward

City Manager
Tim Kelty

City Secretary
Shanna Johnson

City Finance Director
Roxanne Proudley

FY 2025 BUDGET

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FY 2025
ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT
BUDGET-AT-A-GLANCE

Revenues	Total - $627,400	*Most of the MDD's revenue is from sales tax. Sales tax revenue is projected to be 5% more than FY 2024*
Expenditures	Total - $1,625,600	*116% increase from FY 2024 estimate, due to planned one time project expense for proposed new industrial park ($1.1 million).*
Projected Ending Fund Balance	Total - $575,845	*Ending fund balance is 92% of total annual budgeted revenues. Exceeds 3 month minimum reserve requirement.*

TOP PROJECTS TO ACCOMPLISH IN FY 2025

1. Advance the new industrial park as a viable real estate product
   Complete the infrastructure extension design and install the highway/railroad bores [$1.1 million]
2. Complete community infrastructure projects
   Provide the grant match for the Community Development Block Grant (CDBG) to reconstruct the East Cameron lift station [$50,000]
3. Aggressively market Rockdale to target audiences
   Begin the marketing campaign [$140,900]
4. Beautify Rockdale
   Funding the facade grant [$20,000]

FY 2025 Proposed Budget by Strategic Plan Area		
Community Leadership and Organizational Development	64,050	3.9%
Quality of Place/Life - Rockdale as an Investment Location	35,300	2.2%
Attracting New Industry	1,349,200	83%
Workforce Development	8,800	0.5%
Housing Development	26,300	1.6%
Entrepreneur Ecosystem	0	0%
Retail Expansion	76,200	4.7%
Organization Wide	65,750	4%
Total	**1,625,600**	

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT

ORGANIZATIONAL VISION STATEMENT

The Rockdale Municipal Development District will be the premier economic development organization in the Central Texas region that helps businesses and residents prosper.

ORGANIZATIONAL VALUES STATEMENT

Stability. The Rockdale Municipal Development District will be an organization that is financially stable by producing a balanced budget, engaging in long-term financial planning, and being prudent stewards of public funds. The MDD will be operationally secure by establishing sound financial and internal control policies and governance structures. The MDD will also carefully manage and consider the risks (operational and financial) inherent in managing an economic development organization.

Transparency. The Rockdale Municipal Development District will share all available information willingly and openly.

Operational Excellence. The Rockdale Municipal Development District will follow current economic development best practices. The RMDD will strive to execute our mission to the best of everyone's ability. Any work product will be of the highest quality for our best efforts.

Innovation. The Rockdale Municipal Development District will be engaged in continuous learning. This learning will inspire everyone involved with the RMDD to uniquely approach problems.

Tenacity. The Rockdale Municipal Development District will not give up until our mission is complete.

Inspiring. The Rockdale Municipal Development District will be thought leaders for other community leaders and the broader business and economic development community.

Collaboration. The Rockdale Municipal Development District will openly and eagerly work as a resource with other economic development entities and local business and community organizations to help them achieve their goals.

Planning. The Rockdale Municipal Development District will view its work and actions in terms of a long range effort. This will include creating viable and realistic strategic plans that will secure the enduring success of the community.

TEXAS
ROCKDALE
EST 1874
MUNICIPAL DEVELOPMENT DISTRICT

Date: June 21, 2024

To: Rockdale Municipal Development District Board of Directors

Rockdale City Council Members

From: James P. Gibson, Jr. CEcD MEDP

Subject: FY 2025 RMDD Budget Transmittal Letter

On behalf of the Rockdale Municipal Development District, I am pleased to submit this Fiscal Year 2024-2025 (FY 2025) Budget. This budget book is intended to provide a significant level of detail in the RMDD's budget in a transparent manner and accomplish the four recognized purposes of a budget.

- Budget as a Financial Document – provide thorough financial information about the composition, historic performance, and current assumptions about revenue streams and expenditures to be clear in how the RMDD acts as a fiscal steward over the public funds it is entrusted.

- Budget as a Planning Document – describe the methods in which the RMDD will achieve its goals through ongoing operational service, special programs, and capital projects.

- Budget as a Policy Document – define the policies that guide the management of the RMDD. Whether they are explicit like the Purchasing, Investment, Debt, Fund Balance Policies, or a description of choices that guide financial decisions.

- Budget as a Communication Tool – summarize information in an understandable format for public consumption and explanation of choices and options made by the RMDD.

Each budget year tends to adopt a certain theme or element which creates a particular personality. Following a leadership change in 2021, the FY 2022 theme could be described as improving/enhancing governance. The theme for FY 2023 could be described as setting the community up for anticipated growth. The FY 2024 theme could be characterized as product development – working on getting a new industrial park property ready to market. FY 2025 is going to be characterized as the year that Rockdale in general and the Rockdale MDD in particular achieve a certain level of market brand awareness. A conceptual economic development program progression is shown on the next page. This represents an effort to systematically construct a sustainable economic development program which builds on prior accomplishments.

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT
ECONOMIC DEVELOPMENT PROGRAM PROGRESSION

FY 2021
Governance Improvements

FY 2022
Liquidate the FM 487 Property

FY 2023
Planning
Comprehensive Plan
Utility Assessment
Parks Master Plan
Branding and Marketing Plan
Economic Development Strategic Plan

FY 2024
Product Development
Rockdale Enterprise District product preparation
Other commercial properties
Infrastructure extension

FY 2025
Marketing
Industrial
Talent Attraction
Other Business Attraction

FY 2026
Landing Projects
Incentive Deals

Future Items

Workforce Development Projects
Business Creation/Entrepreneurship Program
Downtown Revitalization

One of the largest challenges facing Rockdale is also its greatest opportunity. The Central Texas region is currently a hot spot for new industrial development. Businesses which would like to be close to Austin have difficulties achieving that goal, specifically water and utility availability and higher land costs - Rockdale offers a viable alternative. The challenge is to create real estate product which will be attractive for investors to choose. This budget primarily seeks to work towards activating the new Rockdale Enterprise District by paying for the final engineering design for infrastructure extensions and paying to install the necessary highway and railroad bores. This work will get the project to as near a completed state as possible. The intent is that a construction contract will be executed once the first viable tenant/buyer has made sufficient progress. We are confident, once the first user is established in the park, that the new Rockdale Enterprise District will be an attractive alternative location and contribute greatly to the community's economic development.

The RMDD is in an excellent financial position with nearly six months of financial reserves and receiving record sales tax allocations. The RMDD's financial forecast shows that there are no structural or incoming deficits in the future. The FY 2025 Budget is modest – the largest expenses coming from infrastructure development being paid for using its large fund balance earned by prior surpluses and remaining proceeds from the sale of the FM 487 property.

Great things are going to happen in Rockdale and the RMDD is excited to be on the leading edge of change as the community transitions away from being a sleepy railroad town to a Central Texas community of choice.

FY 2025 BUDGET
BUDGET USER GUIDE

The Budget User Guide provides foundational knowledge for the reader to gain a deeper understanding of the Rockdale Municipal Development District's budget. This section is organized under the following topics:

Basis of Budgeting. This section defines the RMDD's fund, its function, which method of accounting and budgeting it uses.

Budget Format. This is a description of how the RMDD's budgetary information is presented to the reader.

Budget Formulation and Development Process. Creating the RMDD's annual budget is an involved process with many different parts. This section provides an overview of the budget development process. A calendar of key budgetary milestones is provided.

Budget Management. Once the budget is adopted, there are certain activities that occur to ensure the RMDD stays within its budget. This section describes some operational detail on how the RMDD manages its finances.

BASIS OF BUDGETING

The Rockdale Municipal Development District annual budget is prepared consistent with Generally Accepted Accounting Principles (GAAP). A basis of accounting refers to the point in time where revenues and expenditures are recognized in the RMDD's financial system and statements.

The RMDD uses the modified accrual basis of accounting, where revenues are recognized when they become available and liabilities when they are incurred.

Some exceptions to the modified accrual basis are as follows:

- Capital outlay and expenditures are capitalized and recorded as assets on a GAAP basis (if the threshold is met), but expenses annually on the budgetary basis. The budgetary method provides a more accurate description of the actual capital outlays made and planned during the year.
- Capital outlays are expressed as expenses in the budget. Any calculated depreciation expense will not be shown in the budget as expenses in the budget.
- The budgetary basis does not show the value of employee leave balances that are recorded as a liability on the RMDD's balance sheet in the audit report.
- The budget includes debt principal payments as budgetary expenditures. However, in the RMDD's audit report, debt principal payments are treated as a reduction from the associated liability.

BUDGET FORMAT

The budget format for the FY 2025 Budget is enhanced to present more information than prior budgets.

Financial Format

The information included in the budget is organized into columns (financial data over time) and budget units. The financial information contained in the budget is as follows:

FY 2022 Actual. Actual revenues, expenditures, and fund balances recorded for the period ending September 30, 2022

FY 2023 Actual. Actual revenues, expenditures, and fund balances recorded for the period ending September 30, 2023.

FY 2024 Amended Budget. The budget as approved and amended by the RMDD Board – and approved by the Rockdale City Council – for the current fiscal year ending September 30, 2024, including revenues, expenditures, and fund balances.

FY 2024 Estimate. Estimated revenues, expenditures, and fund balances recorded for the period ending September 30, 2024. The estimate is calculated as of June 30, 2024.

FY 2025 Proposed. Budgeted amounts for each category for the fiscal year ending September 30, 2025.

Prime Accounts

A prime account is a line item which gives a sub-total amount to revenue or expense accounts of a similar nature. For example, all accounts associated with personnel costs are sub-totaled to "Personnel Services". This budget employs the following prime accounts.

Personnel – All costs associated with RMDD employees, including salary/wages, retirement contributions (TMRS), health insurance, Social Security, workers compensation, unemployment insurance, etc.

Board of Directors – All costs associated with providing training and meeting expenses for the RMDD Board of Directors.

Economic Development – All project costs associated with the economic development mission of the Rockdale Municipal Development District.

Community Marketing – All costs associated with marketing and advertising Rockdale.

Training and Development – All costs related to staff professional development.

Contractual Service – All other costs associated with the management of the RMDD.

Supplies – All costs related to supplies required by the RMDD.

Maintenance - All costs related to the maintenance and operation of the RMDD office building.

Debt – All costs related to the management of the RMDD's debt instruments.

BUDGET FORMULATION AND DEVELOPMENT PROCESS

Each year, the Rockdale Municipal Development District is required by its by-laws to adopt a balanced budget where revenues are greater than or equal to expenditures. The RMDD's budget book serves as a guide for implementing Rockdale's economic development plan. The budget contains general information regarding Rockdale's strategic economic development plan, financial projections for the next five years, objectives to achieve, and major accomplishments.

Budget Pre-Planning

The RMDD's fiscal year runs from October 1 through September 30. In the middle of March, RMDD staff begin developing a mid-year budget review and estimate. This estimate informs the development of the annual Financial Forecast, a five-year projection into the future that evaluates the interplay between growth in sales tax revenue, personnel costs, debt obligations, outstanding project commitments, operational costs, and fund balance projections.

In mid-Spring of each year, the RMDD Board of Directors reviews the Strategic Plan and Annual Action Plan, accomplishments made toward the plan, aspects of the plan that need review or alteration, and if there are desires for new initiatives.

The Board's feedback is directed to the RMDD staff who begin work creating the annual revenue budget in mid-April.

Budget Development and Adoption

An update of the annual action plan and draft version of the budget is prepared and presented to the RMDD Board in May for the Board's review. The Board then deliberates the budget in June and adopts it in July. The budget is then transmitted to the City of Rockdale for the August City Council budget workshop. The RMDD budget is a component part of the City of Rockdale's budget which is adopted in September.

The new budget goes into effect October 1.

BUDGET CALENDAR

March 25, 2024	Review strategic plan. Set broad goals for the year. Receive update from Freese & Nichols on the comprehensive plan.
April 22, 2024	Marketing program workshop Mid-year estimates

May 20, 2024	Budget requests RMDD Financial Forecast
June 24, 2024	Draft FY 2025 Action Plan FY 2025 Budget review
July 29, 2024	FY 2025 Budget approval
August 12, 2024	Present to City Council for review
September 9, 2024	Council adopts FY 2025 Budget

BUDGET MANAGEMENT

The RMDD Board is presented with monthly revenue and expense reports which contain the current year's budget, the current month's spending, any outstanding encumbrances, the year-to-date total, and remaining available budget. The RMDD's purchase order system assists the Board and staff with managing the budget. Please reference the RMDD's Purchasing Policy in the Appendix for more information about the purchasing process.

Budget Transfers
As the fiscal year progresses, unanticipated situations may arise that could affect the budget. Items that require a simple transfer from one account to another within the RMDD budget that would not affect the total budget, can be made upon the Economic Development Director's request and approval by the Board President. The RMDD's Financial Policies, included in the Appendix, provide more information about this process.

Budgetary Reporting
Each month, RMDD staff prepare a revenue and expense report for the Board of Directors. Staff also prepares a cash & investment report which reflects the RMDD's cash position and change throughout the fiscal year; and, staff prepares a project report which deducts projects and obligations from the stated cash position.

Audit
At the close of each fiscal year, the RMDD conducts an independent audit from a qualified CPA firm licensed by the State of Texas. While the audit process examines the RMDD's books, it also studies the RMDD's financial processes, internal controls, and compliance.

BALANCED BUDGET

According to the RMDD's by-laws, it shall be the responsibility of the Economic Development Director to submit a balanced budget to the Board of Directors. It is the responsibility of the Board of Directors to submit a balanced budget to the Rockdale City Council. A balanced budget is defined as one where revenues are greater than or equal to expenditures.

FOR MORE INFORMATION

The budget document summarizes and condenses a substantial amount of information. However, more detailed information may be needed or further explanation required. In these instances, citizens and users may contact the Rockdale Municipal Development District office at 512/446-2111 with questions. The RMDD office is open Monday through Friday from 8:00 am to 5:00 pm.

For additional information about the Rockdale Municipal Development District, to download important forms and applications, and to view meeting agendas and minutes, please visit the RMDD website at RockdaleMDD.org

FY 2025 BUDGET

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT

BUDGET PHILOSOPHY

The Rockdale Municipal District Board of Directors adopts a spending and revenue plan to fund services for the Citizens and businesses of Rockdale. Over the long term, the Board seeks to make revenue and spending decisions operate within established principles or philosophical foundations. These values provide guidance for staff in developing the budget.

1. To link comprehensive and strategic plan components to the annual operating budget.

2. The long-term financial stability of the organization.

3. The alignment of organizational priorities to focus efforts on those projects that will affect long term growth of the City. These projects include:

    a. Planning projects that establish a smooth long-term community growth pattern.
    b. Real estate improvement and infrastructure projects which create industrial sites for development with the intent of landing major industries which will increase economic activity in the community.
    c. Quality of life projects that seek to make Rockdale a community of choice.

4. Maintaining competitive pay and benefits for RMDD employees.

5. The maintenance of financial reserves to a targeted level ensuring the RMDD has sufficient cash to continue operations through a short-term income disruption.

6. Continue to be good stewards of the public's funds by keeping a balanced budget where expenditures do not exceed revenues.

FY 2025 BUDGET

PROFILE OF ROCKDALE, TEXAS

Although the FY 2025 Budget is primarily a financial document, it is also an opportunity to acquaint the reader with some of the history, highlights, facilities, and economy of Rockdale, which make it a great place to visit, live, work and do business.

City Government

The City of Rockdale operates under a Home Rule Charter with a Council-Manager form of government. The governing body, the Rockdale City Council, is composed of a Mayor and six council members, three members each represent East Ward and West Ward. The Mayor and Council members serve staggered three-year terms. The Mayor and Council are responsible for casting a vision and direction for the city, enacting legislation in the form of ordinances and resolutions, adopting and amending budgets, making appointments to city boards and commissions, and determining the general policies of the City.

Rockdale Municipal Development District

The Rockdale Municipal Development District serves as the economic development arm of the City. The RMDD is authorized under Chapter 377 of the Texas Local Government Code and is governed by a seven-member Board of Directors, which serve staggered two-year terms. The RMDD was created by an act of the voters on May 8, 2010. The Board selects from among its members the offices of Board President, Vice-President, Secretary, and Treasurer. The Board is responsible for hiring and supervising an Economic Development Director. The RMDD collects a one-half cent sales tax collected on each taxable purchase in the City and extra-territorial jurisdiction (ETJ) of Rockdale.

History of Rockdale

Rockdale, Texas, is located at the intersection of US Hwys. 79 and 77, situated perfectly in the center of the major markets of Austin/Round Rock, Bryan-College Station, and Temple/Waco. Rockdale was originally established as a railroad community as the International-Great Northern Railroad was laying the line from Austin to Hearne. The sale of town lots occurred on September 3, 1873 after B.F. Ackerman, George Green, and Frank Smith sold 400 acres to the railroad. The new town was named by Mrs. B.F. Ackerman for a nearby large rock which was twelve feet high. Rockdale was incorporated in 1874 and quickly became a shipping and supply point for area farmers to deliver their goods for transport to market.

Shallow lignite coal was discovered in the area in the 1890's and the town received an additional economic boost, which also resulted in more railroad traffic in the area. In the 1920's, oil was discovered in the area and the widespread adoption of oil as a fuel source quickly displaced the demand for coal.

In the early 1950's, the Aluminum Corporation of America (ALCOA) established an aluminum smelting facility outside of Rockdale to take advantage of the local coal deposits. This new industry revitalized the local economy and attracted many new residents.

Eventually, two power plants were constructed adjacent to the ALCOA facility and the industrial complex provided most of the employment opportunities for the area. In 2008, the ALCOA smelting plant closed and in 2013, the power plant ceased operations. The result was that all associated job opportunities and tax base disappeared.

Things began to turn around for Rockdale in 2016 when BitMain, a Chinese crypto currency miner, announced that it was going to lease the former ALCOA plant and convert it into a BitCoin mining operation. In late 2019, American company Whinstone announced that it was going to construct a new BitCoin mining facility adjacent to the former ALCOA plant. In October 2021, the 31,000 ALCOA property was sold to an industrial development firm.

In the early 2020's, there were a host of large industrial locations and expansions in the Austin Texas MSA. This increased demand for real estate started to spill over into Rockdale and Milam County. In late 2021, Samsung announced that it selected Taylor, Texas, (30 miles west of Rockdale) as the site for a large semiconductor chip manufacturing plant that looks to create at least 1,600 direct jobs. This further contributes to spillover effects that are driving demand for real estate in Rockdale.

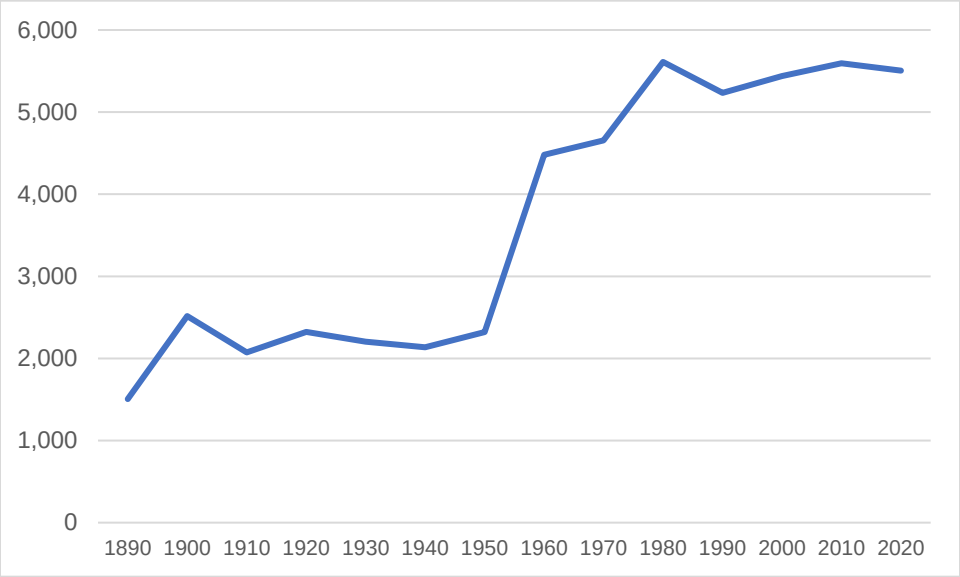
Also in the Fall of 2021, XEBEC Realty announced the closure of the sale of the 31,000 acre ALCOA property. In Summer 2023, XEBEC announced the development of a 3,300 acre industrial park, the Advanced Manufacturing and Logistics Center; the development of which will be a major economic catalyst in Milam County.

Rockdale Economy

This section is intended to provide a brief snapshot of the Rockdale and Milam County economy. The topics discussed will be population, the size of Milam County's economy as measured in Gross Domestic Product (GDP), the size of the labor force, the number of job opportunities, and the unemployment rate.

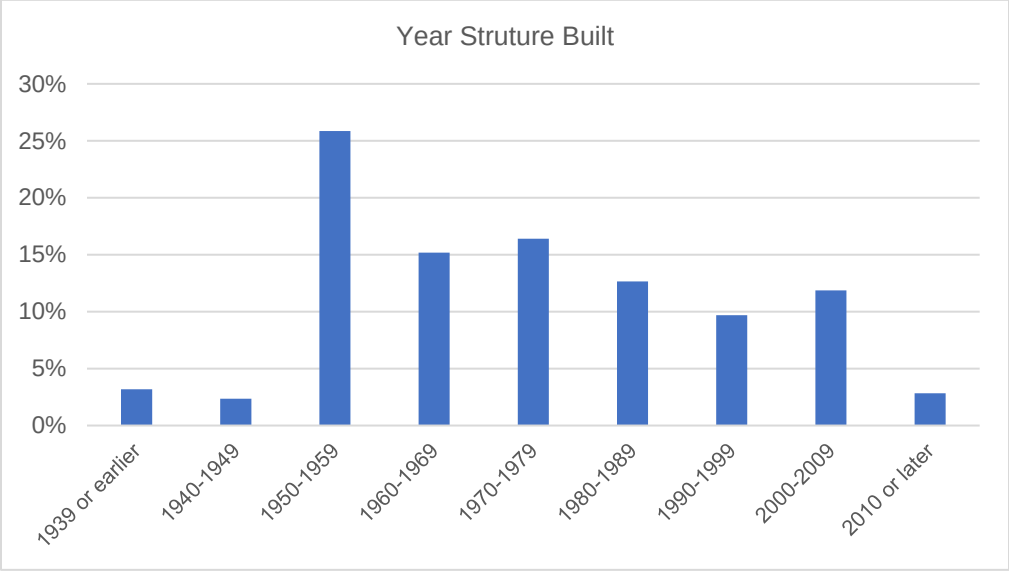
Population

The population of Rockdale went through a dramatic change in the 1950's and 1960's and has essentially plateaued since the 1980's. As graph 1 illustrates, one can see this population trend.

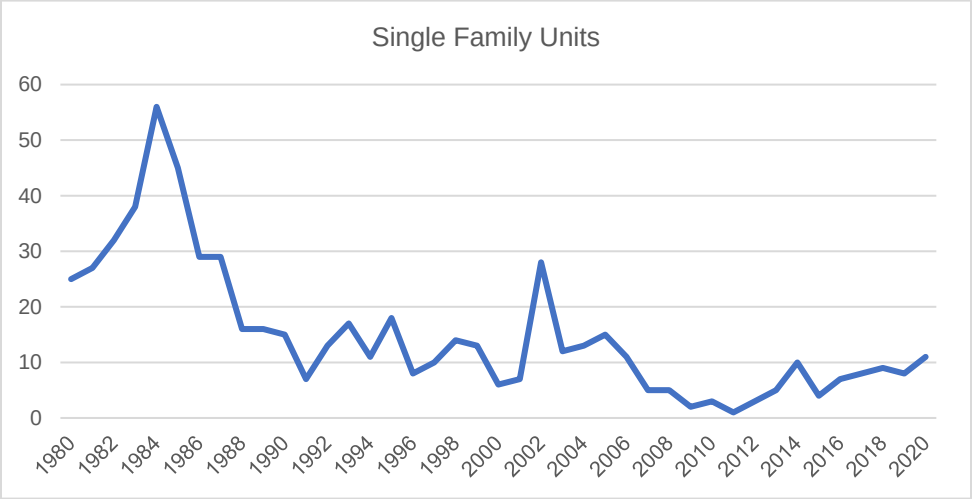


Graph 1 – US Census Population figures for Rockdale, Texas
Source: Texas State Historical Association. www.tshaonline.org

This pattern can be corroborated by exploring the patterns of housing construction and age of the local housing stock.



Graph 2 – Age of Rockdale Residential Structures
Source: ESRI Business Analyst



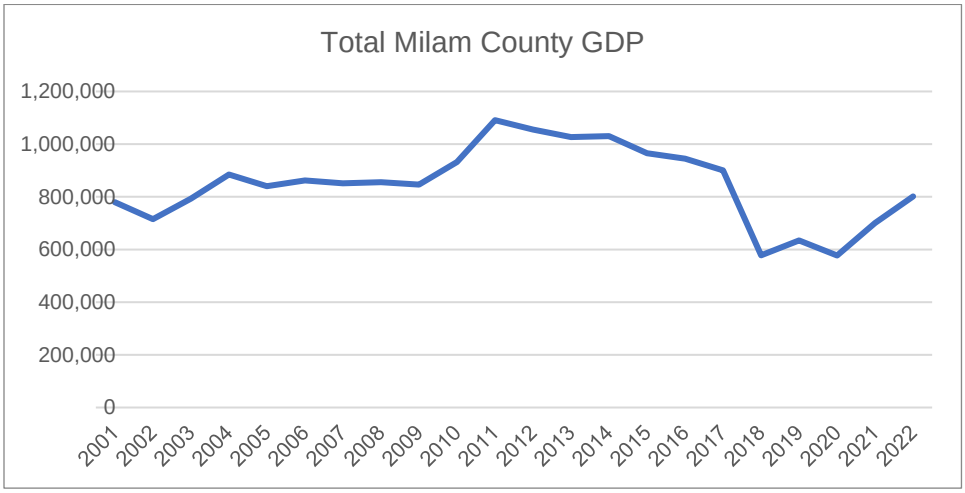
Graph 3 – Rockdale Residential Building Permits Issued
Source: Texas A&M Real Estate Research Center

In December 2022, the City of Rockdale and RMDD sold its 166-acre FM 487 property (the Rockdale Industrial Park) to a development group who proposed to develop 672 single-family lots as the Cornerstone subdivision. The project broke ground in June 2023 with the first houses expected to be ready for sale by the 3rd quarter of 2024.

Size of the Economy

Gross Domestic Product (GDP) is the sum of all the goods produced and services consumed within a particular economy for a given time. It is considered the best measurement for the size of an economy. The Bureau of Economic Analysis (BEA) releases annual calculations for GDP by County; this therefore becomes the best available tool to measure the size of Milam County's economy.

Milam County's economy peaked in 2011, following the final closures of the ALCOA and power plant facilities. Since then, the size of the economy has nearly halved, shrinking 47% in ten years. The Milam County economy reached its low spot in 2020 while managing the COVID-19 pandemic. After languishing a couple of years, the economy experienced a slight rebound in 2021 and is expected to rapidly grow in the near term, initially driven by construction activity and sustained by the manufacturing sector.

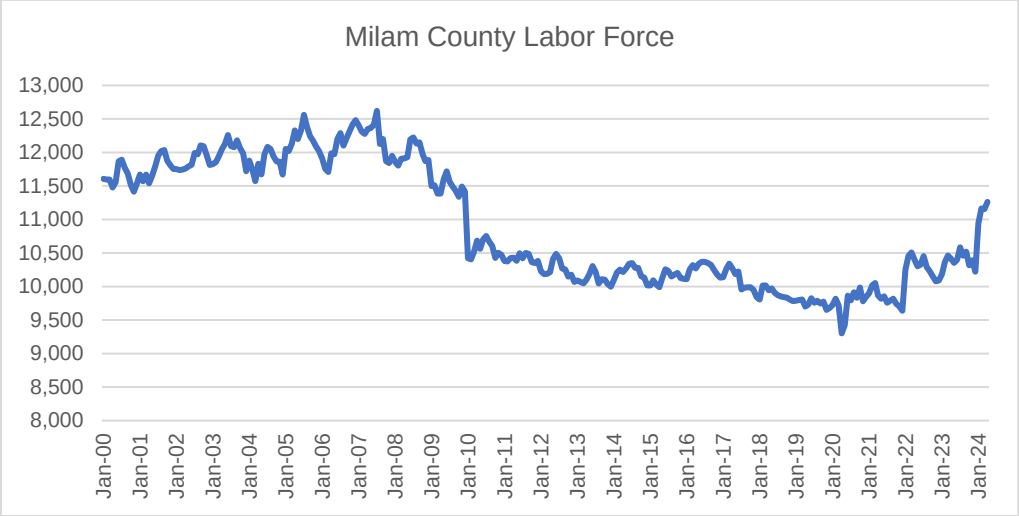


Graph 4 – Milam County GDP
Source: Bureau of Economic Analysis

Labor Force, Job Opportunities, and Unemployment Rate

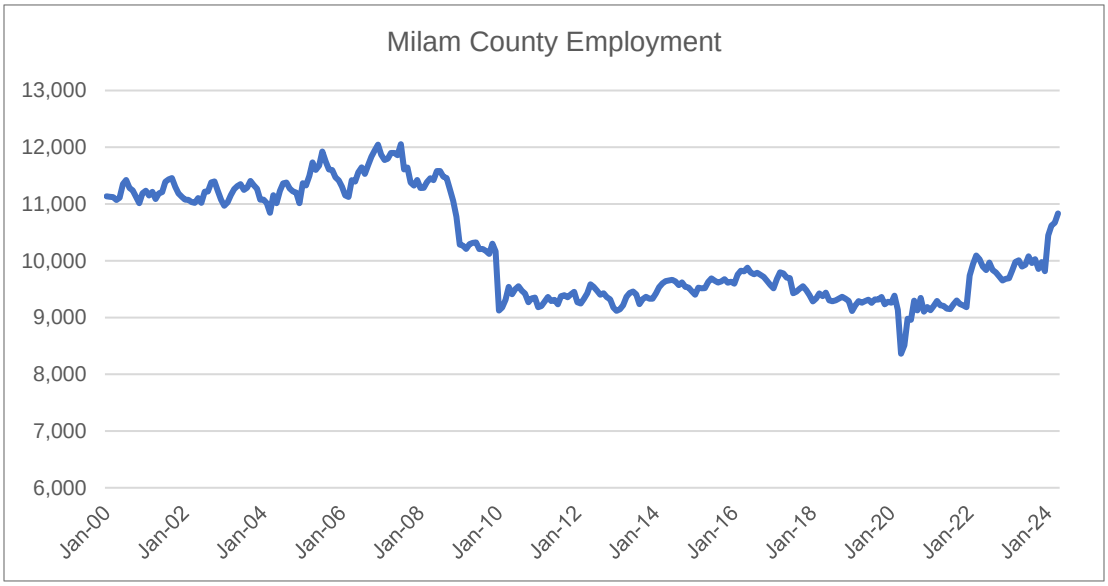
Special attention needs to be made to the analysis of the local labor market as the RMDD is charged with helping to create employment opportunities in Rockdale. This can be accomplished by examining trends regarding the size of the Milam County labor force, the number of job opportunities in the County, and unemployment rate trends.

Milam County's labor force, or the number of residents who are actively participating (either working or actively seeking work) in the labor market, was in a steady decline since January 2016. However, this figure has taken a large upswing in 2022 as a result of the nationwide tight labor market and has consistently been above 10,000 since early 2022. The size of the civilian labor force is now at record levels post-ALCOA closure.



Graph 5 – Milam County Civilian Workforce
Source: Local Area Unemployment Statistics. TexasLMI.com

The number of job opportunities in Milam County also has an interesting pattern. From January 2000 to 2009, the number of jobs were fairly stable. This period represents the time prior to the closing of ALCOA and the power plants. There is a decline following the closures which then levelled off to another plateau. One can clearly observe the dip in early 2020 as a result of COVID. But at the far right of chart 6, one can see an uptick in the number of jobs in Milam County. This figure briefly exceeded the 10,000 job threshold –and is now approaching the 11,000 mark. With additional economic activity in the County, it is expected this figure will soon reach and exceed this key threshold.



Graph 6 – Milam County Employment
Source: Local Area Unemployment Statistics. TexasLMI.com

The final metric to analyze is the Milam County unemployment rate, which reached its lowest point in history in April 2022 at 3.6%., representing the lowest rate since April 2008. Recently, the unemployment rate has slightly increased, getting as high as 5.2% in February 2023 before falling to 3.8% in April 2024. If 5% unemployment is considered to be "full-employment", then Milam County is in a tight labor market.

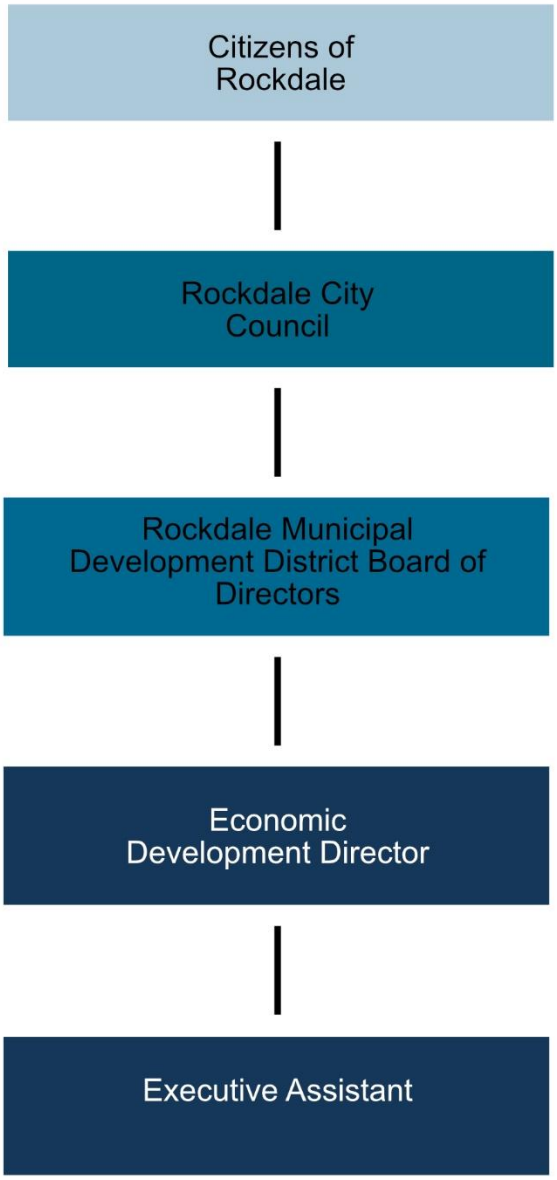
Summary and Application

In summary, the data points indicate that the Rockdale local economy is healthy, yet still recovering from an economic trauma – the upside is that it is primed for growth. There are indications – the new Cornerstone subdivision, industrial attention, and the new industrial park – that the growth will happen.

A growing economy provides justification to reasonably expect growing sales tax revenues for the organization.

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT

ORGANIZATIONAL CHART



STAFFING CHART

Job Title	FY 2024	FY 2025
Economic Development Director	1	1
Executive Assistant	1	1
Marketing Intern	0	0.3
Total	**2**	**2.3**

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT

STRATEGIC PLAN

In 2023, the Rockdale MDD Board approved a new Strategic Plan. This document takes a deep dive into Rockdale's economic history, explores many data points which both explain Rockdale's current condition and provide points of resilience.

The chief outcome of this analysis was creating the problem statement for Rockdale's economy, that investment risk/capital avoidance in Rockdale is too high. The opportunity costs of choosing Rockdale over other communities which present a smaller risk profile are too great. The result is a market failure.

Policy solutions can then be created to correct the chief problem. Rockdale's risk profile can be improved by eliminating or ameliorating certain risks such as real estate, political, perception/reputation, workforce, financial, and time risks. While the strategic plan takes an overall view on how to accomplish these things, the annual budget serves a different purpose.

Strategic Plan Alignment

The purpose of this section of the budget book is to outline how the strategic plan and the annual budget are to be aligned. A strategic plan takes a longer time horizon into account, usually over three to five years. An annual budget allocates resources for a shorter time, a single twelve-month fiscal year for these purposes.

The intent is to have organizational resources (time and money) properly aligned with the goals of the strategic plan so that the organization, and by extension the Rockdale community, can achieve its desired goals.

Strategic Plan Summary

As stated above, the root problem to address is Rockdale's elevated investment risk profile. This has been allowed to develop over a very long time period. This risk profile starts with the fact that Rockdale was a company town when ALCOA was in operation and many of those features linger in the community today. Rockdale will need to address the following risk profiles:

- No viable industrial properties – real estate risk
- Deteriorated community appearance – perception/reputation risk
- Inadequate City water/wastewater utility system – real estate, operational, and time risk
- Lack of skilled workforce/undesirable demographics – workforce risk

Rockdale is in a unique position to capitalize on recent exuberant regional economic activity. As stated in the economic profile, Rockdale can take advantage of regional economic spillover effects which will bring Rockdale into the regional economy and allow it to have the resources needed to grow its own economy.

Essentially, by capitalizing on these trends, Rockdale can generate the needed financial resources (i.e., tax revenue) to make investments and improvements into the community, which will work to reduce its overall risk profile, which will attract other private investment, which will generate even more financial resources. A virtuous cycle then begins which can pull Rockdale towards its desired state.

The Strategic Plan identifies seven areas of action to achieve the plan goal of reducing investment risk in Rockdale:

- Community Leadership and Organizational Development – The Rockdale MDD will build consensus in the community around its vision and mission, its capacity to achieve the community's vision, and exhibit competence to the public.
- Quality of Place/Life – Rockdale as an Investment Location – Rockdale will become an aesthetically pleasing community which will offer desirable community amenities with a reasonable tax rate.
- Attracting New Industry – Rockdale will take advantage of its' strategic location and current industrial trends to attract other industry to the community.
- Workforce Development – Rockdale will partner with key stakeholders and partners to take steps to invest in human capital so that new industry locating to the area can rely on a documented talent pipeline.
- Housing Development – Building upon improvements in Rockdale's quality of place, Rockdale will be able to deliver quality housing for all price points.
- Entrepreneur Ecosystem – Rockdale will be known as a community that is supportive of entrepreneurs
- Retail Expansion – Rockdale will grow into a commercial and retail hub for the Greater Milam County area and capture retail leakage, ensuring imported dollars circulate multiple times in the community before flowing out.

An annual action plan is the method of which to link elements of the strategic plan to the annual budget. The annual action plan selects the elements which are either ongoing or scheduled for implementation in a particular time period (in this case 2024-2025) and allocates the needed financial resources.

For the purposes of this document, the following strategic plan elements have been identified for the FY 2025 Action Plan

Community Leadership

1.1	Evaluate the RMDD's role to reflect additional work areas identified in the Comprehensive Plan
1.2	Update the RMDD's organizational mission statement and other internal documents
3.1	Maintain staff professional development and credentials
2.1	Successfully produce: Annual budgets, annual clean audits, reporting requirements
3.3	Apply for and receive other economic development awards - TEDC, IEDC
4.1	Consistently produce content and publish it on local and social media

Quality of Place/Life

1.2	Manage a Tax Increment Reinvestment Zone #2 for Downtown and the East Cameron Ave Corridor
1.4	Implement targeted building demolitions along the East Cameron Avenue corridor
4.3	Ensure Rockdale has sufficient water resources to accommodate future growth
7.1	Evaluate and explore implementation of the Rockdale Tourism Plan

Attracting New Industry

1.1	Complete the Rockdale Enterprise District site documentation plan
1.6	Execute an MOU with the City, MDD, and property owner clarifying development responsibilities
3.2	Designate the Rockdale Enterprise District as an Industrial District by the City Council
1.3	Complete engineering final design of utility extensions
2.2	Complete the branding study and identify key messaging concepts for candidate companies
2.3	Formalize a marketing plan to identify methods of communicating to candidate companies
3.4	Communicate and educate other elected boards on economic development and their role in the process
1.7	Construct infrastructure to the site - upon the first viable tenant/industrial park user

Workforce Development

1.1	Help RISD and Temple College secure EDA funding for College and Career Center construction
2.4	Review the incentive policy and make adjustments to include a locally-funded training assistance grant
2.3	Assist with firms' applications to the TWC Skills Development Fund grant to meet needs
3.3	Participate in RISD's Career and Technical Education committee

Housing

1.1	Use the new brand and marketing plan to target residential audiences/recruit talent
2.2	Evaluate utility capacity in these areas
2.3	Coordinate key infrastructure sizing relative to these areas with the City's CIP
2.4	Outreach to residential/master planned community developers

Retail Expansion

1.1	Identify areas on the future land use map for candidate areas for commercial development
2.3	Identify target anchor retail and market to them
2.1	Identify commercial developers and consistently communicate Rockdale's message
2.2	Continue to update the Rockdale Retail Market Report
2.4	Continue outreach efforts to small regional entrepreneurs and business owners

The Rockdale Municipal Development District Board held a budget workshop in April 2024 and determined that the top two areas to focus efforts on for FY 2025 are: Retail Expansion and New Industry Attraction.

FY 2025 will have an emphasis on creating brand awareness as the overall economic development program is progressing from organizational development towards marketing.

The FY 2025 Budget has several new activities/expenses identified:

- The Rockdale MDD will become a sponsor and participate in Team Texas, a statewide coalition which promotes investment in member communities.
- Further, as part of the MDD's involvement in Team Texas, MDD staff will travel to select trade shows and participate in site selector meetings
- Making a contribution to a regional effort to create a regional economic forecast
- Attending retail market trade shows
- Meeting with foreign trade consulate offices
- Direct outreach to site selector consultants
- Purchasing limited digital advertising
- Hiring a local student intern to assist with social media and community outreach

FOR ROCKDALE/MILAM COUNTY TO FULLY RECOVER FROM THE ALCOA/LUMINANT PLANT CLOSURES, THE FOLLOWING NEEDS TO HAPPEN:

Larger Civilian Labor Force	12,620 (July 2007)
More Total Jobs	12,054 (July 2007)
More Total Manufacturing Jobs	1,812 (2000)
Larger County Gross Domestic Product (GDP)	1,091,014 (2011) (in thousands)
Larger County Manufacturing Sector	222,393 (2007) (in thousands)

AS OF MAY 2024, THE FIGURES STAND AT:

Civilian Labor Force	11,263 - 89% Recovery
Total Jobs	10,834 - 90% Recovery
Total Manufacturing Jobs	222 - 12% Recovery; 1,590 jobs needed
County Gross Domestic Product (GDP)	801,674 (in thousands) - 73.4% Recovery
County Manufacturing Sector	32,146 (in thousands) - 14% Recovery

FY 2025 BUDGET

REVENUE

The Rockdale Municipal Development District is funded by the collection of a half-cent sales tax on all taxable goods and services inside the City of Rockdale and its Extra Territorial Jurisdiction (ETJ). This is unlike the City of Rockdale, which derives its revenue from multiple streams.

Sales Tax Composition

It would be an incomplete thought to assume that only retail sales are sales-taxable transactions under Texas law. A broad array of transactions across multiple industries makes up the sales tax allocated to the RMDD. The State of Texas Comptroller of Public Accounts provides information to the RMDD detailing where sales taxes are generated. The data set begins in January 2020 and runs through May 2024, providing insight into sales tax generated by industrial classification code. Table 2 provides the percent of receipts by industry code for the given fiscal year.

NAICS Codes		FY 2021	FY 2022	FY 2023	FY 2024
100000	Agriculture, Forestry	0.0%	0.0%	0.0%	0.0%
200000	Mining, Utilities, Construction	2.1%	11.6%	7.5%	8.0%
300000	Manufacturing	1.8%	2.3%	2.0%	2.2%
400000	Wholesale/Retail Trade	66.3%	59.0%	52.9%	61.4%
500000	Finance, Real Estate, Profess.	12.5%	10.0%	22.8%	10.9%
600000	Education	0.0%	0.1%	0.1%	0.0%
700000	Accommodations & Food	15.5%	14.9%	12.6%	15.2%
800000	Other	1.3%	1.7%	1.5%	1.4%
900000	Public Admin	0.5%	0.6%	0.6%	0.7%

Table 2 – Percentage of Sales Tax Received by Industrial Classification
Source: Texas Comptroller of Public Accounts

Most of Rockdale's sales tax revenue originates from retail sales (4000's), however a significant portion (an additional 23%) comes from local restaurants and utilities meaning that nearly 90% of Rockdale's sales tax comes from these three industrial sectors.

The Comptroller will often give a sales tax adjustment to the City or RMDD; these can be in the form of a refund back to a payor or an additional payment to the RMDD. In October 2022, the RMDD was the beneficiary of a large one-time payment adjustment. This skews the data in favor of the 500's classification code in FY 2023.

Finally, the sales tax data reveals how much of Rockdale's sales tax is generated from local merchants. Table 3 provides summary information that shows around 70% of Rockdale's total sales tax comes from local vendors. This is a fairly consistent pattern with the exception of year-to-date FY 2024 which shows a slight

decline. This could partially be explained by consumer patterns returning to pre-COVID activities of travelling to larger markets for retail shopping or an increase in online shopping.

The data also is coded to identify the amount of sales tax generated from local retailers. The percentage of sales tax from local retailers is divided by total retail sales tax (the sum of all payors in the 400's NAICS code). The pattern also shows a fairly consistent pattern of local retail sales tax in the high 70%. There is a slight decline in year-to-date in FY 2024. A similar explanation could be presented of changing consumer behaviors.

However, any weakness in this data could be corrected with a growing local customer base resulting from the new housing development and additional retailers moving into Rockdale.

To demonstrate this, a new Dollar Tree store is opening in Rockdale in Fall 2024 and a new auto parts store is slated for construction. The first batch of new homes in the Cornerstone subdivision is scheduled for owner occupancy in Summer 2024 with approximately 25% being purchased by owners from out of town.

	Local	Total	Percent Local		Local Retail	Total Retail	Percent Local Retail
FY 2021	$316,072	$450,964	72%		$232,262	$298,781	78%
FY 2022	$396,387	$556,178	72%		$253,781	$327,923	77%
FY 2023	$364,374	$513,541	71%		$265,557	$338,566	78%
FY 2024 – YTD	$259,334	$380,621	68%		$176,877	$233,779	76%

Table 3 – Sales Tax Collections by Geography

Source – Texas Comptroller of Public Accounts

Sales Tax Collection History

The RMDD's sales tax collection history has been stable but has recently experienced growth, which is indicative of greater economic activity within the District. Between Fiscal Year's 2016, 2017, and 2018, sales tax allocations were essentially flat, declining 1.1% and then 0.5%. Since Fiscal Year 2019, the RMDD's allocations have been growing. The effect of the one-time allocation adjustment can clearly be seen in the surge FY 2023. Fiscal year 2024 saw a return to the standard growth pattern. If the one-time payment were pulled out from the FY 2023 total, then FY 2024 is approximately 3.4% higher. Please reference table 4 below for additional detail.

Year	Total	Percent Change
FY 2016	377,926	
FY 2017	373,736	-1.1%
FY 2018	372,049	-0.5%
FY 2019	391,671	5.3%
FY 2020	431,397	10.1%
FY 2021	475,038	10.1%
FY 2022	521,573	9.8%
FY 2023	641,860	23.1%
FY 2024	586,000	-8.7%
FY 2025	617,400	5.0%

Table 4 – RMDD Sales Tax Collection History

For Fiscal Year 2025, a conservative estimate is that the RMDD will receive a total sales tax allocation of $617,400, which is a 5% increase from the FY 2024 Estimate. This is created by using trend analysis.

Sales Tax Projections

To complete the RMDD's financial forecast, a simple 6% increase was applied to the prior year. This is graphically shown in Chart 7 below. Past years are colored in blue, the current fiscal year is green, the proposed budget year is in yellow, and the forecast period years are in red.

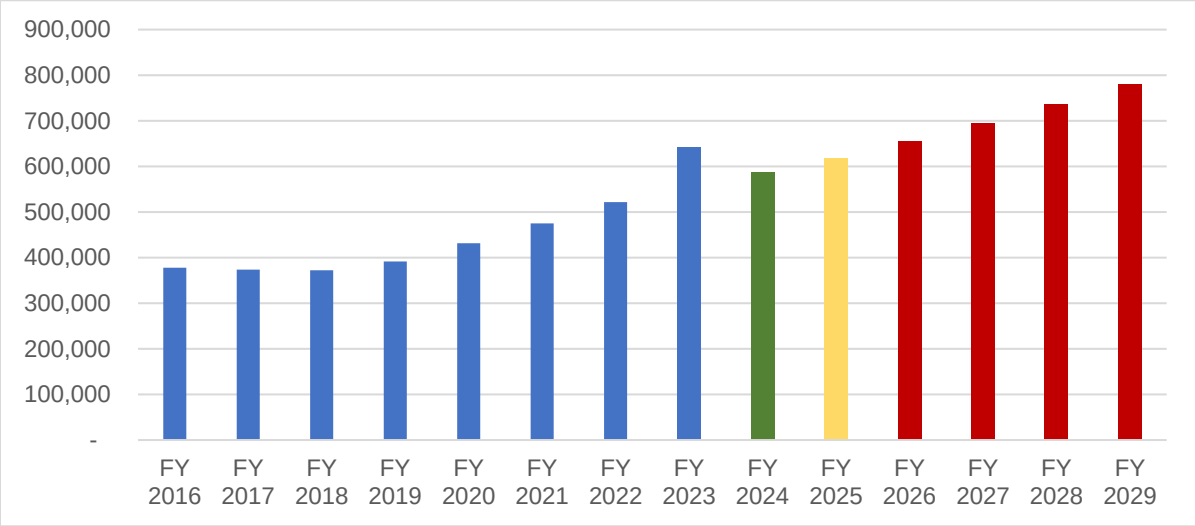


Chart 7 – Projection of RMDD Sales Tax Revenue FY 2016 – FY 2029

A sales tax revenue figure of $617,400 is used for the FY 2025 Proposed Budget. This is a conservative 5% increase over the FY 2024 estimate of $586,000.

FY 2025 BUDGET
FINANCIAL FORECAST

The RMDD developed a formal process of considering a multi-year financial forecast. The Forecast's purpose is to look prospectively to anticipate problems and assess opportunities. This exercise allows the Board to plan future goals. Some issues addressed in the financial forecast are:

- Fund Balance. Ensuring the RMDD's fund balance and cash reserve position are such that it complies with the Fund Balance policy.
- Revenue and Expense Policy. Each year the Board reviews revenue levels in relation to proposed expenditures. The forecast allows for expenditures to managed over time.
- Debt capacity and payment requirements.

This forecast has been prepared to provide the following benefits for the RMDD Board and for City leaders:

1. Orchestrating policy decisions with long term implications.
2. Anticipating future fiscal conditions so that strategies can be developed and action implemented to correct, minimize, or counteract potential difficulties.
3. Assist the Board in operational planning.
4. Provide more accurate estimates of revenues and expenditures during the annual budget process.
5. Indicate to bond rating, financial institutions, and other interested parties that the RMDD has a systemic financial planning process in place.
6. Help the general public understand long-term costs associated with and implications of current and proposed RMDD and City plans.

Forecast Preparation

A forecast is only one component of a financial planning program. The financial forecast, as presented, does not attempt to predict the future; current economic and regulatory conditions can be volatile, indicating the forecast is only as good as its' underlying assumptions. However, the forecast's true benefit is the potential for accuracy and the discussion and stimulated deliberation.

The RMDD uses three basic techniques to forecast revenue and expenditures: expert judgement, trend analysis, and incremental change. The expert judgement, also known as the 'best guess' approach, is used to project some revenues, specifically interest earnings and Other. Trend analysis assumes that revenues and expenditures are a function of linear factors, most often a function of time. Expenditures and revenues are also forecast using an incremental and deterministic model unless specifically noted. This assumes a constant level of services and programs offered by the RMDD. Personnel expenditures reflect expected cost of living adjustments and increases to volatile health insurance costs, yet does not show any staffing increases. As mentioned in the Revenue section, sales tax revenues are expected to increase 5% each year in the forecast period.

Forecast Analysis

Assuming RMDD staffing remains constant, sales tax continues to grow at 5%, there are no other major programs created, and a debt instrument is issued in the future, then the RMDD is structurally solvent through the forecast period.

Under these assumptions, the RMDD will expend 82%-99% of its annual revenues, resulting in small increases to its Fund Balance.

	FY 2022 Actual	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Estimate	FY 2025 Proposed Budget	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Revenues	528,064	2,152,930	593,000	656,000	627,400	656,100	695,400	737,000	781,100
Expenditures									
Personnel	154,451	196,623	229,500	224,800	251,300	275,400	285,100	295,000	305,500
Board of Directors	4,623	1,503	3,600	2,600	7,200	7,200	7,200	7,200	7,200
Economic Development	118,923	376,088	1,629,200	437,200	1,232,000	78,000	76,000	76,000	76,000
Community Marketing	18,653	16,040	25,400	15,100	28,000	34,000	39,500	39,800	56,300
Training & Development	600	1,744	9,000	2,000	10,200	12,000	12,000	15,000	15,000
Contractual Service	30,792	24,991	25,300	50,100	71,600	59,300	59,300	59,300	59,300
Supplies	10,201	10,268	8,000	8,000	15,600	8,000	8,000	8,000	8,000
Maintenance	30,834	18,488	10,700	11,100	9,700	8,700	8,700	8,900	9,400
Debt Service	48,246	390,567	0	0	0	175,000	220,000	220,000	220,000
Total	**417,323**	**1,036,312**	**1,940,700**	**750,900**	**1,625,600**	**658,000**	**715,800**	**729,200**	**756,700**
Unreserved Fund Balance									
Beginning Fund Balance	441,586	552,326	1,465,726	1,668,944	1,574,044	575,844	574,344	553,944	561,744
Change in Fund Balance	110,741	1,116,618	(1,347,700)	(92,900)	(998,200)	(1,500)	(20,400)	7,800	24,000
Ending Fund Balance	552,326	1,668,944	118,026	1,576,044	575,844	574,344	553,944	561,744	586,144

FY 2025 BUDGET

PRIOR YEAR ACCOMPLISHMENTS

The following section is a summary of the chief accomplishments of the MDD in FY 2024 and how these relate back to the new Strategic Plan structure.

Strategic Plan Concept		FY 2024 Accomplishment/Activity
Community Leadership		
3.1	Maintain staff professional development and credentials	Attended professional development training opportunities
2.1	Successfully produce: Annual budgets, annual clean audits, reporting requirements	Received FY 2023 clean audit report
3.3	Apply for and receive other economic development awards - TEDC, IEDC	Received the 2023 TEDC Economic Excellence Award
4.1	Consistently produce content and publish it on local and social media	Created more content for local paper and social media for community outreach.
4.2	Continue to produce the board education lunch & learns	Held various board training events: Dave Porter, County Commissioners, Russ Boles
Quality of Place/Life		
1.2	Manage a Tax Increment Reinvestment Zone #2 for Downtown and the East Cameron Ave Corridor	Created Tax Increment Reinvestment Zone #2 – Downtown and East Cameron. Prepared all plans, ordinances, and other documents in house. First payment to TIRZ expected in February 2025. The RMDD led efforts on the successful $500,000 Downtown Revitalization Program grant application.
1.4	Implement targeted building demolitions along the East Cameron Avenue corridor	Bought Cameron Ave. property and successfully abated the asbestos and demolished the building.
Attracting New Industry		
1.1	Complete the Rockdale Enterprise District site documentation plan	Successfully secured Project Bluebird – OSS Fab Shop and Lone Star School Bus System. Managed process of tax abatement agreement with the City and County. All documents completed in-house.
1.6	Execute an MOU with the City, MDD, and property owner clarifying development responsibilities	The new industrial park project is ongoing with developer team: finance, engineering, construction company, industrial real estate broker, rail operator.
2.3	Formalize a marketing plan to identify methods of communicating to candidate companies	New logo complete and new website launched. Became more involved with Opportunity Austin and Williamson County Economic Development Partnership. Submitted 16 prospect responses, including one site visit from a Korean company. MDD has hosted many site visits and meetings with investors, developers, real estate agents.

Workforce Development

1.1	Help RISD and Temple College secure EDA funding for College and Career Center construction	Worked with RISD to submit their EDA grant application

Housing

2.4	Outreach to residential/master planned community developers	The new Cornerstone subdivision is successfully underway. The first 20 houses are under construction.

Retail Expansion

2.3	Identify target anchor retail and market to them	Residential construction activity has induced retail development in Rockdale – the new Dollar Tree and Auto Zone.
2.4	Continue outreach efforts to small regional entrepreneurs and business owners	Joe's Italian is in Rockdale as a result of efforts via the ReSquared platform and the RMDD's retail outreach efforts.

FY 2025 BUDGET
ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT

ANNUAL ACTION PLAN

Based upon the tenets of the Strategic Plan, the Board approves an annual plan representing the steps the Board will take within the current year to make progress on the Strategic Plan and, by extension, the City's Comprehensive Plan.

Individual action plan steps are identified in the Strategic Plan section of this budget document, pages 24 and 25. Specific budget requests and cost centers can be allocated to the individual goals, creating approximate dollar amounts for each goal.

Community Leadership and Organizational Development

Board of Directors Items	8,800
Staff trainings and conferences	10,200
Memberships	2,930
CGFO annual certification	120
Zoho Survey Subscription	500
Subtotal	22,550
Personnel Allocation	41,500
TOTAL	**64,050**

Quality of Place/Life - Rockdale as an Investment Location

Façade grant - buildings	20,000
Holiday decorations	5,000
Personnel Allocation	10,300
TOTAL	**35,300**

Attracting New Industry

New Industrial Park infrastructure	1,100,000
CDBG Match - new lift station for industrial park area	50,000
Contribution for regional economic growth study	5,000
Marketing, advertising, & travel	102,400
Subtotal	1,257,400
Personnel Allocation	91,800
TOTAL	**1,349,200**

Workforce Development

Personnel Allocation	8,800

Housing Development

Personnel Allocation	26,300

Entrepreneur Ecosystem 0

Retail Expansion

Retail market data	22,500
Outreach platform	8,400
Marketing matching grant	6,000
Retail trade shows	2,800
Subtotal	39,700
Personnel Allocation	36,500
TOTAL	**76,200**

Organization Wide

Audit	5,000
Technology items	2,000
1 new staff computer	2,000
Office decorations and supplies	2,300
Hospitality	500
Other	200
Office 365 & Rackspace	3,300
Office utilities and maintenance	14,300
Newspaper subscriptions	150
Subtotal	29,750
Personnel Allocation	36,000
TOTAL	**65,750**

TOTAL	**1,625,600**

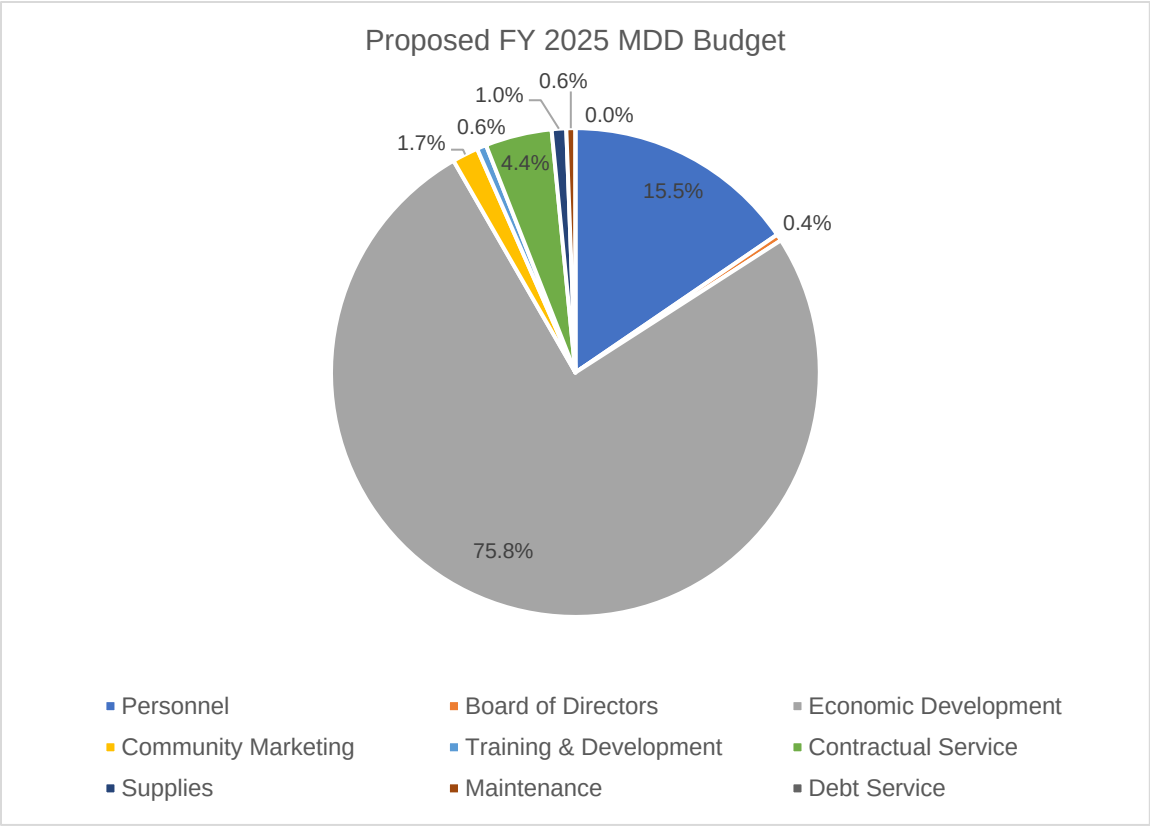
FY 2025 BUDGET
BUDGET OVERVIEW

Budget Summary	FY 2022 Actual	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Estimate	FY 2025 Proposed Budget
Revenues	528,064	2,152,931	593,000	656,000	627,400
Expenditures					
Personnel	154,451	196,623	229,500	224,800	251,300
Board of Directors	4,623	1,503	3,600	2,600	7,200
Economic Development	118,923	376,088	1,387,000	437,200	1,232,000
Community Marketing	18,653	16,040	25,400	15,100	28,000
Training & Development	600	1,744	9,000	2,000	10,200
Contractual Service	30,792	24,991	25,300	50,100	71,600
Supplies	10,201	10,268	8,000	8,000	15,600
Maintenance	30,834	18,488	10,700	11,100	9,700
Debt Service	48,246	390,567	0	0	0
Total	417,323	1,036,312	1,698,500	750,900	1,625,600
Unreserved Fund Balance					
Beginning Fund Balance	441,586	552,326	1,465,726	1,668,945	1,574,045
Change in Fund Balance	110,741	1,116,618	(1,105,500)	(94,900)	(998,200)
Ending Fund Balance	552,326	1,668,945	360,226	1,574,045	575,845
Reserve Requirement - 3 months	68,631	62,592		73,500	87,050
Net Fund Balance	483,695	1,606,352		1,500,545	488,795

FY 2025 BUDGET

BUDGET OVERVIEW

Personnel	251,300	15.5%
Board of Directors	7,200	0.4%
Economic Development	1,232,000	75.8%
Community Marketing	28,000	1.7%
Training & Development	10,200	0.6%
Contractual Service	71,600	4.4%
Supplies	15,600	1.0%
Maintenance	9,700	0.6%
Debt Service	0	0%
Total	**1,625,600**	



Personnel	15.5%
Economic Development	75.8%
Debt Service	0.0%
Other	8.8%
Total	100.0%

TEXAS ROCKDALE EST 1874 MUNICIPAL DEVELOPMENT DISTRICT

FY 2025 BUDGET

BUDGET DETAIL

	FY 2022 Actual	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Estimate	FY 2025 Proposed Budget
REVENUE					
Sales Tax	522,024	641,860	588,000	586,000	617,400
Interest	6,040	76,581	5,000	70,000	10,000
Other	0	1,434,489	0	0	0
Total	**528,064**	**2,152,930**	**593,000**	**656,000**	**627,400**
EXPENDITURES					
Personnel					
Salaries	121,106	155,454	170,400	170,400	186,400
Car Allowance	0	1,800	7,200	7,200	7,200
COR Payroll Processing	500	2,500	2,500	2,500	5,000
Payroll Tax	8,967	11,948	17,800	12,900	20,200
Health Insurance	12,396	11,657	14,400	14,800	14,400
Retirement	11,481	12,234	17,000	16,800	17,900
Worker's Comp	0	30	200	200	200
Subtotal	**154,451**	**196,623**	**229,500**	**224,800**	**251,300**
Board of Directors					
Training	325	0	1,000	1,000	4,600
Other	422	0	200	100	200
Meeting Expense	3,876	1,503	2,400	1,500	2,400
Subtotal	**4,623**	**1,503**	**3,600**	**2,600**	**7,200**
Economic Development					
Projects	118,923	340,674		417,200	1,201,000
Project Bluebird	0		10,000	10,000	0
Property purchase & clean up	0		150,000	127,000	0
Community Brand /Market. Plan	0		23,600	23,600	0
Marketing Contract	0		38,300	38,300	51,000
City Comp Plan	0		134,900	134,900	0
RED Industrial Park Infrastructure Ext.	0		1,100,000		1,100,000
Retail Market Data & Outreach	0		27,400	8,400	0
CDBG Grant Match	0		50,000		50,000
DRP Grant Match	0		75,000	75,000	0
Regional Economic Impact Study	0	0	0	0	5,000
Façade Grants	0	35,414	20,000	20,000	26,000
Subtotal	**118,923**	**376,088**	**1,629,200**	**437,200**	**1,232,000**

Community Marketing					
Advertising & Promotions	2,176	5,491	5,000	5,000	6,000
Shows/Conventions/Conf	4,763	2,227	7,300	5,000	5,500
Meals & Entertainment	3,315	2,301	1,600	1,600	1,600
Prospect Host Expenses	0	1,513	0	500	1,500
Travel Expenses	5,914	4,508	4,000	3,000	13,400
Website	2,484	0	7,500	0	0
Subtotal	**18,653**	**16,040**	**25,400**	**15,100**	**28,000**
Training & Development	**600**	**1,744**	**9,000**	**2,000**	**10,200**
Contractual Service					
Postage	144	161	200	200	200
Cell Phone Allowance	277	300	300	300	300
Dues & Membership	2,476	14,306	17,000	40,500	63,300
Insurance	855	845	1,200	1,200	1,200
Storage	600	480	600	500	600
Professional Other	5,190	3,284	0	0	0
Legal	8,751	543	1,000	2,400	1,000
Accounting/Bookkeeping	12,500	5,072	5,000	5,000	5,000
Subtotal	**30,792**	**24,991**	**25,300**	**50,100**	**71,600**
Supplies					
Office Supplies & Equipment	10,201	10,268	8,000	8,000	15,600
Maintenance					
Phone & Internet	1,730	1,222	0	1,500	0
Repairs & Maintenance	24,171	13,063	3,500	3,500	2,500
Utilities	3,833	3,173	4,800	4,800	4,800
Janitorial	1,100	1,030	2,400	1,300	2,400
Subtotal	**30,834**	**18,488**	**10,700**	**11,100**	**9,700**
Debt					
Principal					
Series 2016 Bonds	37,813	387,290	0	0	0
Interest Expense					
Series 2016 Bonds	10,434	3,277	0	0	0
Subtotal	**48,246**	**390,567**	**0**	**0**	**0**
TOTAL EXENDITURES	**417,323**	**1,036,312**	**1,698,500**	**750,900**	**1,625,600**

APPENDIX A

ROCKDALE MDD FINANCIAL POLICIES

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT
GENERAL FINANCIAL POLICIES

I. Internal Controls

The Rockdale Municipal Development District (RMDD) will maintain a system of internal controls to safeguard its assets against loss, prevent fraud and theft, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

The broad definition can be subdivided into two components: accounting and administrative, as follows:

- Accounting controls comprise the plan of organization and all the methods and procedures that are concerned mainly with, and relate directly to, the safeguarding of assets and the reliability of financial records.

- Administrative controls comprise the plan of organization and all the methods and procedures that are concerned mainly with operational efficiency and adherence to managerial policies and usually relate only indirectly to financial records.

A. Objectives

A system of internal controls should provide the Citizens of Rockdale, the City Council, and the RMDD Board of Directors reasonable, but not absolute, assurance that assets are safeguarded against loss, that transactions are executed in accordance with management's authorization and established policies, and be able to provide reasonable assurance that these objectives have been met:

1. Recording Transactions. Transactions are recorded as necessary to permit preparation of financial statements and to maintain accountability for assets.
2. Access to Assets. Access to assets and records should be permitted only with management's authorization.
3. Periodic Independent Verification. The records should be checked against the assets by someone other than the persons responsible for the records or the assets. Examples of independent verification are monthly bank reconciliations and inventory counts.
4. Segregation of Duties. The organizational plan should separate functional responsibilities. In general, when the work of one employee is checked by another, and when the responsibility for custody of assets is separate from the responsibility of maintaining records relating to those assets, then there are appropriate segregation of duties.

B. Responsibilities

The RMDD Board is responsible for designing appropriate controls and the RMDD Executive Director is responsible for implementation. Inherent in these responsibilities is the recognition that the cost of internal controls should not exceed the benefits expected to be derived. Also, internal controls may become inadequate as conditions change, thus requiring review and modification.

C. Written Procedures

Written procedures shall be maintained by the RMDD Executive Assistant for all functions involving the handling of cash and other assets. These procedures shall embrace sound internal control principles.

II. Financial Reporting and Auditing

The purpose of this policy is to keep the RMDD Board of Directors apprised of the financial status of RMDD funds and assets.

A. The RMDD will prepare monthly financial reports for the Board to review and transmitted as a component of the Consent Agenda. This report will include:
   a. Revenue from the prior month
   b. Expenditure summary, by account, of the prior month and year to date

c. A list of all checks and payments made in the prior closed month
d. Any other requested reporting instrument can be made upon Board member request and prepared by the RMDD staff

B. The RMDD will prepare, as part of the requirement of the Investment Policy, a monthly Cash and Investment Report. This formal presentation will highlight the RMDD's financial position by fund and type of investment.

C. The RMDD will also prepare monthly sales tax report to the Board of Directors to continually monitor this elastic revenue source. At least two times throughout the fiscal year, the RMDD will request the Confidential Sales Tax Data from the Comptroller's Office and prepare a detailed report to the RMDD. The purpose of the report is to identify any anomalies in sales tax collection or to identify any trends.

D. The RMDD shall have an annual audit conducted by an independent certified public accounting firm. The RMDD will approve the audit report no less than eight (8) months after the close of the fiscal year.

III. Expenditures and Accounts Payable

The purpose of this policy is to ensure that the vendors doing business with the RMDD are paid in accordance with the set accounts payable procedures. The Rockdale Municipal Development District and the City of Rockdale finance personnel will strive to make timely and accurate payments to all vendors.

A. The RMDD Executive Director will approve each invoice for payment.

B. Invoices presented to the RMDD will be collected and then delivered to City Hall weekly. City Hall finance staff will keep all RMDD checks at City Hall. City finance staff will prepare checks no less than bi-weekly. RMDD staff will pick up checks prior to the monthly RMDD Board meeting for signatures. RMDD staff will collect signature(s) from Board members if a check needs to be issued prior to the next Board meeting. Checks will then be mailed the day after they are signed.

C. Checks less than $500 will require only one Board member signature. Checks over $500 will require two signatures. Signature stamps may be used on any check if there is written (e.g., e-mail) approval from the Board member. A copy of this email approval will be attached to the invoice and placed in the file.

D. Account Signators. The Board President and Treasurer will be the only two individuals authorized to sign checks on behalf of the RMDD.

E. Credit Card Payments. The conditions for use of the RMDD credit card will be as follows:
   - Minor purchases
   - Online purchases with the approval of the RMDD Board
   - Training and travel
   - No office utility payments will be made with the credit card

   The staff member making the purchase will deliver the receipt to the RMDD Executive Assistant who will maintain a folder of receipts. The receipt will include the General Ledger account the transaction will be coded to. Once a month, or whenever necessary, the Executive Assistant will log onto the credit card account website and print a statement of activity. The receipts will be reconciled to the activity. A Credit Card Payment form will be filled out with details of each transaction (transaction date, item description, vendor, amount, General Ledger number, etc.). This payment form will be approved by the RMDD Executive Director and signed by one or more Board Members. Once all approvals are made, the Executive Assistant will make the payment as indicated in the approved form. A payment processing receipt will be attached to this packet and

delivered to City Hall. City Hall finance staff will then enter this information into the financial system as a paid draft and file the documentation.

F. Petty Cash. No petty cash will be maintained in the Rockdale Municipal Development District office.

IV. Accounts Receivable

The purpose of this policy is to ensure that the Rockdale MDD is invoicing appropriate customers and capturing all of the receivables owed to the MDD. Accounts receivable (A/R) is an asset account reflecting amounts owed to the RMDD from people, firms, and other governmental units. The RMDD will strive to treat all customers consistently through established collection procedures to ensure the collection of delinquent accounts.

Any Accounts Receivable invoice that needs to be processed and submitted to a customer for payment will be billed through the RMDD office. All billings will occur monthly – within 45 days of the service or event. Accommodation will be provided for all items that require an earlier billing cycle.

The RMDD will use proper internal controls in the handling of monies and make timely deposit of monies received.

The RMDD will properly and timely record the various receivables and provide for the appropriate collection methods of these receivables.

A. Collection Policy

The following guidelines will be followed whenever an item has been on the Accounts Receivable aging report for 30 days or over:

- 30 days – statement mailed by the RMDD office
- 60 days – account will be turned over to the Executive Director for direct contact
- 120 days – registered letter from the RMDD Director (demand letter – 15 days to pay)
- 150 days – account will be turned over to an appropriate collection firm.

V. Budgetary Management

Each year, the RMDD will prepare a balanced budget per the RMDD By-Laws and Articles of Incorporation.

A. Budget Adjustments

1. The RMDD staff may shift money from one line item to another within the same prime account upon informing the RMDD Board.

2. Funds may be transferred from one prime account to the other upon an affirmative vote of the RMDD Board of Directors

3. The total expenditure budget of the RMDD may be increased with a vote of the RMDD Board of Directors with approval of the Rockdale City Council.

APPENDIX B

ROCKDALE MDD FUND BALANCE POLICY

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT
FUND BALANCE POLICY

The Rockdale Municipal Development District (RMDD) recognizes the importance of maintaining an appropriate level of Unassigned Fund Balance. After evaluating the RMDD's operating characteristics, diversity of tax base, reliability of sales tax generating sources, working capital needs, impact on bond ratings, State and Local economic outlooks, emergency and disaster risk, and current financial best practices, the RMDD Board of Directors establishes the following goals regarding the Unassigned Fund Balance/Reserves for the RMDD.

The goal for this policy is that the RMDD would retain in reserves a minimum of 25% of annual expenditures with a goal of 30%. This would equate to 90 to 120 days of operating reserves which would allow the RMDD to continue providing the same level of services without receiving additional funding.

Once the RMDD achieves its minimum goal of an appropriate level of Unassigned Fund Balance, any excess funds may be utilized for other municipal fiscal purposes. These can include, but not be limited to:

- Other municipal capital improvement projects
- Other economic development program projects
- Additional debt payments
- Other one-time, non-recurring purchases

The RMDD Board of Directors recognizes the financial importance of a stable and sufficient level of Unassigned Fund Balance. However, the RMDD Board, by adopting an official action, reserves the right to appropriate funds from Fund Balance for emergencies and other unanticipated requirements the Board believes to be in the best interests of the RMDD and the City.

If the RMDD Board wishes to grow Fund Balance in anticipation of a future capital project, then progress toward that goal will be clearly identified in financial reports.

APPENDIX C

ROCKDALE MDD DEBT POLICY

ROCKDALE MUNICIPAL DEVELOPMENT DISTRICT
DEBT MANAGEMENT POLICY

A. Introduction

The purpose of this policy is to ensure that the Rockdale Municipal Development District (RMDD) is responsible with the debt it has issued and with any future debt; that it maintains sufficient amounts of financial reserves to meet its debt obligations; and, that the RMDD can fund long range capital projects.

By adopting this policy, the RMDD Board of Directors agrees that some long-range projects should be funded by means of debt. Certain capital projects have a cost which exceeds the ability of the RMDD to save funds and then pay with cash. Inflationary costs may push the cost of a project to the point where it is more financially feasible to pay for the project in current rather than in future dollars. Also, the project may be needed in the short term, which precludes the option of saving and then paying with cash. Further, an opportunity may arise that the RMDD Board and the City deem as mission-critical and the only funding mechanism is debt financing. Finally, the financial burden of some projects should be borne by those individuals who are receiving the benefit of the project.

B. Policy

1. The RMDD may authorize Certificate of Obligation (CO) bonds or any other appropriate debt instrument in the amount necessary to make capital purchases.

2. The RMDD shall issue debt when the use of debt is appropriate and specifically approved by the Rockdale City Council and expenditure of such debt proceeds shall be in strict accordance with the designated purpose.

3. In no case shall the term of the issued debt be longer than a period of 25 years. If the debt issue is for a single project, the term of the debt shall be no longer than the expected life of the project.

4. Long term debt shall not be used to finance current operations. Debt proceeds may also not be used to pay project management personnel costs related to the capital project.

5. In the budgetary process, the RMDD Board will ensure that any and all debt instruments will be properly funded in accordance with the appropriate bond covenants.

C. Debt Limitations

Expenditures financed with debt may be made in accordance with other established RMDD policies and for projects as allowed by State Law and the RMDD By-Laws.

Annual debt service payments shall not exceed 20% of the total RMDD revenue budget.

D. Debt Structuring

1. The RMDD will not issue debt for a term not to exceed 25 years, but will prefer a period of 20 years. In no case shall the term exceed the planned replacement life of the asset purchased.

2. The repayment schedule shall approximate level debt service payments unless operational matters or emergency situations dictate otherwise or if market conditions indicate a significant potential savings.

E. Bond Insurance

RMDD staff will analyze whether the cost of bond insurance outweighs the additional interest cost without bond insurance. RMDD staff shall recommend which approach saves the RMDD the most in interest payment costs.

F. Disclosure

Full and accurate disclosure of economic conditions and operations shall be made to the bond rating agencies and other consumers of financial information. RMDD staff, with the assistance of the financial advisor and bond counsel, shall prepare the necessary materials for presentation to the rating agencies, and shall aid in the production of Offering/Official Statements (OS).

The RMDD will maintain communication with the financial advisor, bond counsel, and rating agencies. The RMDD will follow a policy of full disclosure in every financial report and official bond statement.

G. Debt Refinancing/Early Retirement

It is incumbent upon the RMDD Board to be good stewards of taxpayer funds. As such, it is the responsibility of the RMDD Board of Directors and Management to save as much money as possible on debt service payments. The Board may authorize the refinancing of debt when:

1. The debt instrument is eligible for refinance
2. The interest rate will be lower than the current interest rate.
3. The RMDD will realize substantial net savings compared to the existing debt instrument.
4. The refinance will not extend the life of the debt.
5. The issuance costs will be less than the estimated interest savings

H. Capital Projects

The RMDD will not engage in proposing additional capital projects, which could include incurring additional debt, until all projects in a debt issuance have been completed or will be completed within three months of debt package proposal.

I. Federal Requirements

The RMDD will maintain procedures to comply with arbitrage rebate and other Federal requirements.

APPENDIX D

ROCKDALE MDD INVESTMENT POLICY

ROCKDALE MUNICIPAL DEVLEOPMENT DISTRICT
INVESTMENT POLICY

I. POLICY

It is the policy of the Rockdale Municipal Development District that after allowing for the expected cash flow requirements of the District and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines and to the maximum extent possible, at the highest interest rate obtainable at the time of investment.

Investment shall be made with the primary objectives of:

- Safety and preservation of principal
- Maintenance of sufficient liquidity to meet operating needs
- Maximization of yield on the portfolio
- Public trust from prudent investment activities

II. PURPOSE

The purpose of this investment policy is to comply with Chapter 2256 of the Texas Government Code, (the Public Funds Investment Act) which requires each unit of local government to adopt a written investment policy regarding the investment of its funds as well as all funds under its control. This investment policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal management of the District's funds.

III. SCOPE

This investment policy shall govern the investment of all financial assets of the District. These funds will be accounted for in the District's annual audit.

The District may choose to consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds on their respective participation and in accordance with generally accepted accounting principles.

This investment policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds. However, this policy does not apply to the assets administered for the benefit of the District by outside agencies under deferred compensation programs or pension funds.

Investment of bond proceeds must also adhere to individual Bond ordinances or covenants.

IV. INVESTMENT OUTCOMES

The District shall manage and invest its cash with four primary objectives, listed in order of priority: **safety, liquidity, yield, and public trust.** The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

The District shall maintain a comprehensive cash management program, which includes collection of accounts receivables, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to assure maximum cash availability and maximum yield on short-term investment of idle cash.

Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

- Credit Risk – The District will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by:

    1. Limiting investments to the safest types of investments;

    2. Pre-qualifying the financial institutions and broker/dealers with which the District will do business; and

    3. Diversifying the investment portfolio so that potential losses on individual investments will be minimized

- Interest Rate Risk – The District will minimize the risk that the market value of investments in the portfolio will fail due to changes in general interest rates by:

    1. Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity; and

    2. Investing operating funds primarily in certificate of deposit, shorter-term securities, money market mutual funds, or similar local government investment pools functioning as money market mutual funds.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrent with cash needs to meet anticipated demands.

Because all possible cash demands cannot be anticipated, a portion of the portfolio should consist of either securities with active secondary or resale markets.

A portion of the portfolio shall be placed in money market mutual funds or local government investment pools that offer same day liquidity.

Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

Public Trust
All participants in the District's investment process shall seek to act responsibly as custodians of the public trust.

The District's investment officers shall avoid any transaction that might impair public confidence in the District's ability to govern effectively.

V. RESPONSIBILITY AND CONTROL

Delegation of Authority
In accordance with the Public Funds Investment Act, the Board designates the Director of Economic Development and Board President as the District's investment officers. An investment officer is authorized to execute investment transactions on behalf of the District. No person may engage in an investment transaction or the management of District funds except as provided under the terms of this Investment Policy as approved by the Board. The investment authority granted is effective until rescinded by the Board.

Training Requirement
Each Investment Officer of the District shall attend at least one training session containing at least 10 hours of instruction from an independent source relating to the officer's responsibilities described herein within 12 months after assuming duties; and on a continuing basis shall attend an investment training session not less than once in a two-year period and receive not less than 10 hours of instruction relating to investment responsibilities from an independent source. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio and compliance with the Texas Public Funds Investment Act.

Internal Controls
The District Director of Economic Development is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

Accordingly, the Board shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion;
- Separation of transaction authority from accounting and record keeping;
- Custodial safekeeping;
- Avoidance of physical delivery securities;
- Clear delegation of authority to subordinance staff members;
- Written confirmation for telephone (voice) transaction for investments and wire transfers; and

- Development of a wire transfer agreement with the depository bank or third party custodian.

Prudence

The standard of prudence to be applied shall be the "prudent investor" rule. This rule states that, "investments shall be made with judgement and care, under circumstance then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as probable income to be derived."

In determining whether an investment officer has exercised prudence with respect to an investment decision, the following shall be taken into consideration:

- The investment of all funds under the Board's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and

- Whether the investment decision was consistent with the written approved investment policy of the District.

Indemnification

The investment officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investments' credit risk or market price change, provided that these deviations are reported immediately and the appropriate action is taken to control adverse developments.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

Employees and investment officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

Employees and officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the District.

An investment officer of the District who has a personal business relationship with an organization seeking to sell an investment to the District shall file a statement disclosing that personal business interest.

An investment officer who is related with the second degree of consanguinity to an individual seeking to sell an investment to the District shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the Board.

VI. SUITABLE AND AUTHORIZED INVESTMENTS

Portfolio Management

The District currently has a “buy and hold” portfolio strategy. Maturity dates are matches with cash flow requirements and investments are purchased with the intent to be held until maturity. However, investments may be liquidated prior to maturity for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal; and

- Cash flow needs of the District require that the investment be liquidated.

Investments
District funds governed by this policy may be invested in the instruments described below, all of which are authorized by Chapter 2256 of the Government Code (Public Funds Investment Act).

Investment of District funds in any instrument or security not authorized for investment under the Act is prohibited.

A. Authorized

The following are authorized investments:

- Obligations of or guaranteed or insured by the United States Government or its agencies and instrumentalities with a maximum final stated maturity limited to 397 days for fixed rate securities and 24 months for variable rate notes;

- Fully collateralized repurchase agreement and reverse repurchase agreements with a defined termination date not to exceed 95 calendar days unless the repurchase agreement has a put option that allows the fund to liquidate the position at par (principal plus accrued interest) with no more than 7 days notices to the counterparty and secured by any obligation of the United States or its agencies or its instrumentalities. The repurchase and reverse repurchase agreements must be placed with primary government securities dealers and/or national banks doing business in the State of Texas.

- No-load money market mutual funds registered with and regulated by the United States Securities and Exchange Commission (“SEC”) and rated AAA or equivalent by at least one nationally recognized rating service. Additionally, the money market mutual fund must maintain a dollar-weighted average stated maturity of 90 days or less, provide the District with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940, and include in its investment objectives the maintenance of a stable net asset value of $1.00 per share.

- Investment Pools formed in accordance with Public Funds Investment Act (2256.016) which invests funds received from the District in authorized investments permitted by Chapter 2256 of the Texas Government Code.

B. Not Authorized

The Rockdale Municipal Development District Cash Reserve Funds will NOT invest in:

- Derivatives, which include instruments which have embedded features that alter their character or income stream or allow holders to hedge or speculate on a market or

spreads between markets that are external to the issuer or are not correlated on a one-to-one basis to the associated index or market; or

- Commercial paper.

VII. INVESTMENT PARAMETERS

Maximum Maturities
The longer the maturity of investments, the greater their price volatility. Therefore, it is the District's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risk caused by changes in interest rates.

The District attempts to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than six months from the date of purchase, because no secondary market exists for repurchase agreements, the maximum maturity shall be 120 days except in the case of a flexible repurchase agreement for bond proceeds. The maximum maturity for such an investment shall be determined in accordance with project cash flow projections and the requirements of the governing bond ordinance.

The composite portfolio will have a weighted average maturity not to exceed 60 days calculated in accordance with SEC Rule 2a-7. This dollar-weighted average maturity will be calculated using the stated final maturity dates of each security.

Diversification
The District recognizes that investment risks are controlled through portfolio diversification.

VIII. SELECTION OF BANKS AND DEALERS

The Board shall review, revise, and adopt a list of qualified broker/dealers and financial institutions authorized to engage in securities transactions with the District.

All investment providers, including broker/dealers, banks, money market mutual funds, and local government investment pools, must sign a certification acknowledging that the organization has received and reviewed the District's investment policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the District's policy.

Competitive Bids
It is the policy of the District to require at least three competitive bids on individual security purchases and sales except for money market mutual funds, investment pools, and new issue agencies.

Delivery vs. Payment
Securities shall be purchased using the delivery vs. payment method with the exception of investment pools and money market mutual funds. Funds will be released after notification that the purchased security has been received.

IX. SAFEKEEPING OF SECURITIES AND COLLATERAL

Safekeeping and Custodian Agreement

The District shall contract with a bank or banks for the safekeeping of securities either owned by the District as part of its investment portfolio or held as collateral to secure demand or time deposits.

Securities owned by the District shall be held in the District's name as evidenced by safekeeping receipts of the institution holding the securities.

Collateral for deposits will be held by a third party custodian designated by the District and pledged to the District as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be obtained.

Collateral may be held by the depository bank's trust department, a Federal Reserve Bank, a Federal Home Loan Bank, or a third party bank approved by the District.

Collateral Policy

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the District to require full collateralization of all District investments and funds on deposit with a depository bank, other than investments, which are obligations of the U.S. Government and its agencies and instrumentalities.

In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less any amount insured by FDIC.

At its discretion, the District may require a higher level of collateralization for certain investment securities.

Securities pledged as collateral should be held by an independent third party with whom the District has a current custodial agreement.

The Investment Officers are responsible for entering into collateralization agreements with third party custodians in compliance with this Policy.

The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and method of valuation of securities.

A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the District and retained. Collateral shall be reviewed at least quarterly to ensure that the market value of the pledged securities is adequate.

Collateral Defined

The District shall accept only the following types of collateral:

- FDIC insurance coverage;
- Obligations of the United States or its agencies and instrumentalities;
- Direct obligations of the State of Texas or its agencies and instrumentalities;

- Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.;
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment grade quality by a nationally recognized rating firm not less than "A" or its equivalent with a remaining maturity of ten (10) years or less;
- A bond issued by an insurance company rated (as to investment quality) by a nationally recognized rating firm not less than "A"; or
- A letter of credit issued to the District by the Federal Home Loan Bank.

Subject to Audit
All collateral shall be subject to inspection and audit by the District's investment officers or the District's independent auditors.

X. PERFORMANCE

Performance Standards
The District's investment portfolio will be managed in accordance with the parameters specified within this policy.

The portfolio shall be designed with the objective of obtaining a rate of return through budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirements of the District.

Performance Benchmark
It is the policy of the District to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, the District attempts to purchase the highest yielding allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value of those securities to determine portfolio performance during that period of time.

The District's portfolio shall be designed with the objective of regularly earning up to or exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to the District's weighted average maturity in days.

XI. REPORTING

Methods
The investment officers shall prepare an investment report on a monthly basis that summarizes investment strategies employed in the most recent month and describes the portfolio in terms of investment securities, maturities, and shall explain the total investment return for the month.

The monthly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principles. This summary will be prepared in a manner that will allow the District to make certain that investment activities during the reporting period have conformed to the Investment Policy. The report will be provided to the Board and shall include the following:

- A listing of individual securities held at the end of the reporting period;

- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period;
- Additions and changes to the market value during the period;
- Average weighted yield to maturity of portfolio as compared to applicable benchmark;
- Listing of investments by maturity date;
- Fully accrued interest for the reporting period;
- The percentage of the total portfolio that each type of investment represents; and
- Statement of compliance of the District's investment portfolio with State law and the investment strategy and policy approved by the Board.

An independent auditor will perform a formal annual review of the monthly reports with the results included in the annual audit report presented to the Board.

Marketing to Market
Market value of all securities in the portfolio will be determined on a quarterly basis. These values will be obtained from a reputable and independent source and disclosed to the Board quarterly in a written report.

XII. INVESTMENT STRATEGY ASSESSMENT

In order to minimize risk loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Investment guidelines by fund type are as follows:

A. Operating Funds

- Suitability – Any investment eligible in the Policy is suitable for Operating Funds
- Safety of Principal – All investments shall be of high quality with no perceived default risk
- Marketability – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement
- Liquidity – Operating Funds requires the greatest short-term liquidity of any of the fund types. Investment pools and money market funds shall help provide adequate liquidity.
- Diversification – It is the intent of the District to diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities.
- Yield – The investment portfolio shall be designed to attain a market value rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The portfolio's performance shall be compared to the yield on the U.S. Treasury security which most closely matches the portfolio's weighted average maturity.

B. Bond Proceeds/Capital Funds

- Suitability – Any investment eligible in the Policy is suitable for bond proceeds
- Safety of Principal – All investments shall be of high quality with no perceived default risk
- Marketability – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement
- Liquidity – The District's funds used for construction and capital improvement programs have reasonably predictable draw down schedules. Therefore, investment maturities shall generally follow the anticipated cash flow requirements. Investment pools, money

market funds, repurchase agreements and commercial paper shall be used to provide readily available funds to meet anticipated cash flow needs. A flexible repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy an expenditure request.

- Diversification – It is the intent of the District to diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities.
- Yield – Achieving the best possible yield, consistent with risk and arbitrage limitations is the desired objective for bond proceeds.

XIII. INVESTMENT POLICY ADOPTION

The District's investment policy shall be adopted by resolution of the Board. It is the District's intent to comply with state laws and regulations. The District's investment policies shall be subject to revisions consistent with changing laws, regulations, and needs of the District. The Board shall annually review the policy and approve any changes or modifications.

APPENDIX E

ROCKDALE MDD INCENTIVE POLICY

Rockdale, Texas
Incentives Policy

WHEREAS, the Board of the Rockdale Municipal Development District (RMDD), on February 28, 2022 considered and recommended approval of this Incentives Policy (Policy) to the Rockdale City Council (Council); and

WHEREAS, upon full review and consideration of this Policy, the Council is of the opinion that this Policy will assist in implementing programs whereby economic development will be promoted and business and commercial activity will be stimulated in the City.

BE IT KNOWN, that the Council on _____, 2022 approved Ordinance _____ adopting the following guidelines and criteria as the City of Rockdale's Incentives Policy.

Section 1.
Introduction & Goals

It is the intent of this Policy to provide guidelines and criteria, requirements, and procedures to evaluate and approve any Incentives deemed necessary by the City for the furtherance of its economic development and community goals. This Policy shall include provisions for Tax Abatement as well as use of RMDD economic development sales tax funds, general funds of the City, and any other resources as approved by the Council. Incentives may be considered for both new facilities and for the Expansion or Modernization of existing Facilities and structures. Nothing herein shall imply or suggest that the City is under any obligation to provide any Incentive to any Applicant. The City retains the right to evaluate applications and grant Incentives, if any, as deemed appropriate on a case-by-case basis without the necessity of amending any contrary provisions of this Policy. Following are the goals of this Policy:

1.1. When in the best interests of the City, provide Incentives to existing businesses that will enhance the commercial viability and sustainability of existing commercial properties in the City;

1.2. When in the best interests of the City, provide Incentives to attract desired businesses or developers to invest in the City;

1.3. Encourage redevelopment of targeted areas in the City;

1.4. Incentivize those projects that will have a substantial impact to the Community and will enhance either functional or visual characteristics, have high visibility or a positive impact on the community's aesthetics, be located in an area that might not otherwise receive a substantial level of investment activity, and serve as a prototype and catalyst for other development projects.

1.5. Create or enhance diverse employment opportunities for all residents of the City;

1.6. Increase the non-residential ad-valorem tax and / or sales and use tax revenue base for the City; and

1.7. Ensure that all policies, procedures and any resulting Incentive Agreements related to the provision of Incentives to stimulate economic development shall comply with all applicable state statutes.

Section 2.
Definitions

The following definitions shall apply to the terms used in this Policy.

Agreement: Shall mean an Incentive Agreement as defined herein.

Agreement in Principle (AIP): Shall mean a non-binding draft of performance requirements of a Project and any Incentives to be offered by the City.

Agreement-Incentive: Shall mean a written agreement summarizing the performance requirements of a business or developer and the Incentives to be provided by the City upon fulfillment of those performance requirements (e.g. Tax Abatement Agreement, Chapter 380 Agreement, and Performance Agreement).

Applicant: Shall mean the Property owner or business occupant signing the Incentives Application.

Application: Shall mean the Incentives Application as maintained by Staff.

Appraisal District: Shall mean the Milam County Appraisal District.

Base Year Value: Shall mean the assessed value of the Facility on the 1st of January preceding the execution of an Incentive Agreement.

Benefits: Any combination of group benefits for health care, dental care, vision care, disability insurance, or life insurance and paid time off (e.g. vacation, sick time, holidays, maternity/paternity leave).

Board: Shall mean the Board of the Rockdale Municipal Development District of the City.

City: The City of Rockdale, Texas. Where "City" is used in this Policy as an action to be taken or an incentive to be offered, City shall include the Board as authorized or permitted by State Law.

Code Violations: Shall be as defined in the City's adopted building or zoning codes.

Construction Costs: The cost of permits, fees, construction materials, and installation labor. All other associated costs are deemed excluded, including, but not exclusively, the following costs: design, engineering, construction document preparation, bidding, and construction financing.

Council: The City Council of the City.

County: Shall mean Milam County, Texas.

Director: Shall mean the Economic Development Director for the City.

Effective Date: The date this Policy was approved by the Council.

Employee, Full-Time: Shall mean any employee of the company that regularly works a minimum of thirty (30) hours per week.

Employee, Part-Time: Shall mean any employee that regularly works less than thirty (30) hours a week.

Employee, Qualifying: Shall mean an FTE Employee meeting certain wage requirements and receiving a defined minimum benefits threshold. Only Qualifying Employees shall be used to determine compliance with any employment requirements in an Agreement.

Employees, Full-Time Equivalent (FTE): Shall mean the number of employees equivalent to full-time employees, e.g. two part-time employees working 20 hours each is equal to one full-time employee.

Expansion: Shall mean the addition of buildings, structures, fixed equipment or machinery for the purpose of increasing production capacity.

Facility: Shall mean the Property, building and Improvements.

Freeport Exemption: Shall mean an exemption from ad valorem taxation applies only if qualifying goods, wares, merchandise, ores, and certain aircraft and aircraft parts have been detained in the state for 175 days or less for the purpose of assembly, storage, manufacturing, processing, or fabricating.

Grants: Funds provided by the City for a particular Project in accordance with this Policy.

Impact Fees: Fees adopted by the City in accordance with Chapter 395 of the Texas Local Government Code.

Improvements: Shall mean the New Construction or Modernization of buildings, interiors, site work, Public Works Improvements, parking and drives, landscaping, irrigation, lighting and specifically excluding land and / or Business Personal Property.

Incentives: Shall be as defined in Section 5 herein.

Minimum Performance Requirements: Shall be as defined in Section 6 herein.

Modernization: Shall mean the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology, or substantially lowers the unit cost of the operation, and extends the economic life of the Facility. This shall not include reconditioning, refurbishing, repairing or completion of deferred maintenance on the Facility or its equipment.

Municipal Development District: Shall mean the Municipal Development District of the City established pursuant to Title 12, Subtitle A, Chapter 377 of the Texas Local Government Code.

New Construction: Shall mean the first-time construction of Improvements utilizing newly purchased materials, and specifically excluding any remodeling or renovations undertaken after issuance of the first Certificate of Occupancy.

Payroll: The company's total expenditures for all employees for the month immediately preceding the Application, multiplied by twelve (12).

Performance Agreement: Shall mean an agreement meeting the provisions of Section 501.158 of the Texas Local Government Code and entered into by a Municipal Development District prior to providing a direct incentive or making an expenditure on behalf of a business enterprise.

Policy: Shall mean this Incentives Policy.

Primary Job: A job that is 1) available at a company for which a majority of the products or services of that company are ultimately exported to regional, statewide, national, or international markets, infusing new dollars into the local economy; and 2) included in an acceptable sector of the North American Industry Classification System (NAICS) as identified in Section 501.002 (12) of the Act.

Project: The initiative or investment to be provided in accordance with the performance standards of any Incentive Agreement providing Incentives.

Project Applicability: Shall be as defined in Section 7 herein.

Property: Shall mean the physical parcel of land for which Incentives are being granted.

Property – Business Personal: Shall mean the tangible and movable items used in the course of business not permanently affixed to, or part of, the real estate. Examples of Business Personal Property (BPP) include: furniture, machinery and equipment, computers, vehicles, inventory and supplies.

Property - Real: Shall mean the Property and the Improvements constructed on the Property.

Public Works Improvements: Shall mean improvements that upon completion and acceptance shall be owned and maintained by the City. (e.g. water, sewer, streets, drainage)

Recapture (aka Claw-back): A provision in an Incentive Agreement that states how and to what extent any Incentives provided must be paid back to the City if the required performance criteria are not met.

Staff: The City Manager or their designee.

Tax Abatement: Shall mean the full or partial exemption from paying ad valorem taxes on real property or tangible personal property in accordance with provisions of Chapter 312 of the Texas Tax Code.

Tax Abatement Agreement: Shall mean an agreement to provide Tax Abatement as authorized by Chapter 312 of the Texas Tax Code. It may also be referenced herein as an Incentive Agreement.

Section 3.
General Eligibility

The following shall establish the minimum eligibility for receiving Incentives identified in this Policy.

3.1. Properties: Only properties meeting the following requirements at the time an Application is submitted shall be eligible to receive Incentives outlined by this Policy.

3.1.1. Within the City or ETJ: Property must be located within the City's municipal boundaries or their Extraterritorial Jurisdiction (ETJ) unless provisions for annexation into the City are part of the Incentive Agreement.

3.1.2. Zoning: Property must be zoned for the proposed uses or the Applicant must state their intent to submit a rezoning request to the appropriate district. Any Incentives shall be conditional upon successful rezoning process.

3.1.3. Regulatory Compliance: Property must conform to all City ordinances and regulations.

3.1.4. Taxes: Property shall be in good standing as it relates to taxes due to the City.

3.1.5. Liens: Property shall be in good standing as it relates to any liens held by the City.

3.1.6. Ownership: Property owners must provide sufficient proof of ownership.

3.1.7. Code Violations: Property must not have any outstanding code violations with the City.

3.1.8. Construction Commencement: Construction for the Facility must not have commenced prior to the approval of an Incentive Agreement.

3.1.9. Conflict of Interest: If a member of the City Council, Planning and Zoning Commission, or Municipal Development District has an ownership interest in either the property or the business receiving incentives, the Board / Council member must disclose their business involvement / relationship and then recuse themselves from any discussion or vote.

3.2. Businesses: Only businesses meeting the following requirements shall be eligible to receive Incentives outlined by this Policy.

3.2.1. Taxes: The business shall be in good standing as it relates to taxes due to the City.

3.2.2. Property Owner Approval: Businesses, if not the owner of the property to be occupied, must provide a copy of their lease agreement and support of the Incentives Application from the Property owner prior to City approval of the Application.

3.2.3. Existing Businesses: Existing businesses must have maintained operations in the City for two (2) years consecutively in order to receive Incentives.

3.3. Statutory Limitations: It is the intent of the City to comply with all statutory limitations on the use of any Municipal Development District sales and use tax funds for Projects as authorized by the appropriate statute.

Section 4.
Priorities

The City has determined that the following are priorities for the Incentives potentially granted pursuant to this Policy. The evaluation of the merits of any Application shall take into consideration whether or not the Application also meets these priorities.

4.1. Developments: The following are the City's preferences for providing Incentives to certain types of developments in the City.

4.1.1. High Priority:

A. Manufacturing or other large employers;

B. Retail;

C. Restaurants; and

D. Developments providing housing.

4.1.2. Low Priority:

A. Businesses that primarily mine for crypto currency.

Section 5.
Incentives

Following are Incentives that the City, on a case-by-case basis, could consider granting for specific Projects depending on the merits of the Project. Incentives, including Tax Abatement, are available to new Facilities and structures and the Expansion and Modernization of existing Facilities and structures. This shall include the redevelopment of existing properties. Applicability for each type of Incentive shall be as shown in Section 7 herein. Any Incentives provided pursuant to this Policy shall not reduce the Base Year Value of the Facility.

5.1. Financial – Ad Valorem Taxes: The City may consider granting the following Incentives relative to Ad Valorem Taxes.

5.1.1. Real Property Tax: The City may consider abating the taxes on Real Property by approval of a Tax Abatement Agreement or by approval of an Incentive Agreement granting back Real Property taxes paid to the City (aka Rebate).

5.1.2. Business Personal Property Tax: The City may consider abating the taxes on Business Personal Property by approval of a Tax Abatement Agreement or by approval of an Incentive Agreement granting back Business Personal Property taxes paid to the City.

5.1.3. Inventory Tax: The City grants relief of inventory taxes through their Freeport Exemption. Inventory that is not eligible for Freeport Exemption is also not eligible for Incentives pursuant to this Policy.

5.1.4. Tax Stabilization / Incremental Increase: In a situation where an existing Facility may be Expanded or Modernized, the City may consider stabilizing the ad valorem taxes collected as of the date of completion and / or an incremental yearly increase to market rates. This shall be accomplished by granting back the increase in taxes paid to the City.

5.1.5. Agricultural Exemption: The City may consider granting back all or a portion of the Ag Exemption City taxes due at the time of development.

5.2. Financial – Sales Tax Grants / Reimbursements: Through approval of an Incentive Agreement, the City may provide Grants of all or a portion of the following sales and use taxes. Where the Project is a retail development, for the purposes of evaluating and granting incentives in accordance with this Policy, sales and use taxes shall be measured net of any business relocations occurring within the City. i.e. if a retail business is currently operating in the City, and relocates to the new development, it's sales taxes shall be excluded from the calculation of new sales taxes generated.

5.2.1. General Fund Sales Tax: The sales and use taxes going to the City's general fund.

5.2.2. Municipal Development District Sales Tax: The sales tax going to the City's Municipal Development District Sales Tax funds.

5.2.3. Alcohol Sales Tax: The sales taxes collected by the City from the sale of alcohol in the City, if applicable.

5.3. Financial - Fee Reductions / Credits: The City may consider the reduction or credit of all or a portion of the following fees currently existing or adopted in the future. This shall not include any charges by third-parties assisting the City with implementation of services provided by the fees unless so provided in an approved Incentive Agreement.

5.3.1. Impact Fee - Water: Any water Impact Fee charged by the City. This shall not include the "pass-through" Impact Fees owed to any other Agency.

5.3.2. Impact Fee - Wastewater: Any wastewater (aka sanitary sewer) Impact Fee charged by the City. This shall not include the "pass-through" Impact Fees owed to any other Agency.

5.3.3. Impact Fee - Roadway: Any roadway Impact Fee charged by the City.

5.3.4. Road Participation Fee: Any roadway participation fee charged by the City.

5.3.5. Drainage Improvement Fee: Any fee charged for the improvement of drainage facilities in the City.

5.3.6. Park Dedication Fee: Any fee charged for the improvement of park systems in the City.

5.3.7. Entitlement Fees: Any fee charged for the review of zoning change requests, platting, or other similar development fees.

5.3.8. Building Permit Fee: Any fee related to the review of non-Public Works construction plans and building plans required for the issuance of a building permit.

5.3.9. Plan Review Fee: Any fee related to the review and administrative processing of construction plans for Public Works Improvements.

5.3.10. Inspection Fee: Any fee related to the inspection of the Improvements.

5.4. Financial - Misc.: The City may consider the following miscellaneous financial Incentives.

5.4.1. Lease Guarantee: An Agreement by the City to guarantee any part of a real estate lease for a desired business.

5.4.2. Forgivable Loan: An agreement by the City to provide a loan whose repayment may be forgiven under particular circumstances.

5.5. Sales, Lease or Exchange of Land or Buildings: The City recognizes that the sale and conveyance, lease, or exchange of certain property owned by the City may meet the objectives identified in this Policy. In accordance with State Law, the City may consider the sale, lease or exchange of land without the necessity of accepting written bids pursuant to a published notice and at or below market value to further the objectives identified herein.

5.5.1. Build-to-Suit / Leaseback: An agreement where the City builds a building or facility to suit the needs of the Applicant in exchange for a commitment from the applicant to lease the facility from the City. The agreement will include requirements for a minimum ten percent (10%) down payment and security.

5.5.2. Land Lease: Any provision where the City leases rights to City-owned land to the Applicant to allow construction of their Facility.

5.6. Employment-Related: The City may consider the following employment-related Incentives.

5.6.1. Cash for Employment: Any provision where the City provides for one-time payments to the Business for each new employee of a certain classification established at a new or existing Facility in the City.

5.6.2. Employee Recruitment Assistance: Any provision where the City provides assistance with the recruiting of new employees to a new or existing facility in the City.

5.7. Infrastructure Assistance: The City may consider the following infrastructure assistance Incentives.

5.7.1. Water Line Extensions: Participation in all or a portion of the costs of extending water distribution lines to the Facility.

5.7.2. Sewer Line Extensions: Participation in all or a portion of the costs of extending sanitary sewer lines to the Facility.

5.7.3. Roadway Improvements: Participation in all or a portion of the costs of roadway improvements serving the Facility.

5.7.4. Storm Drainage Improvements: Participation in all or a portion of the costs of storm drainage improvements at or downstream of the Facility.

5.7.5. Franchise Utility Undergrounding: Participation in all or a portion of the costs of placing franchise utility services underground to the Facility.

5.8. Development Cost Participation: The City may consider participation in the following development cost Incentives.

5.8.1. Demolition: Participation in all or a portion of the costs of demolishing existing structures on a property.

5.8.2. Environmental Mitigation: Participation in all or a portion of the costs of mitigating environmental issues on a property.

5.9. Process Related: The City may consider the following process-related Incentives. In all instances, any accelerated or unique process shall meet all statutory requirements.

5.9.1. Fast-track Zoning: Provisions allowing an accelerated consideration of zoning entitlements for the Project.

5.9.2. Fast-track Permitting: Provisions allowing an accelerated review of building and construction plans for the Project.

5.9.3. Fast-track Inspections: Provisions allowing for City inspector(s) to fast-track inspections throughout construction of the Project.

A. Exemptions: This shall not include the costs of "call-back" inspections, weekend inspections, or holiday inspections.

5.10. Economic Development District Establishment: In instances where the Project is of a significant scope and scale, the City may consider the establishment of unique economic development districts (e.g. Tax Increment Reinvestment Zone, Public Improvement District).

5.11. Hotel Occupancy Tax: The City may consider the use of Hotel Occupancy Tax pursuant to Chapter 351 of the Texas Tax Code.

5.12. Support for State Incentives: The City may consider providing support for the Project in the application and processing of State of Texas incentives.

5.13. Support for Federal Incentives: The City may consider providing support for the Project in the application and processing of Federal incentives (Opportunity Zones, New Market Tax Credits, etc.).

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Section 6.
Minimum Performance Requirements

The following shall identify the Minimum Performance Requirements for each project classification. These requirements are new construction, revenues or employees attributable to the Project.

Project Classification	Min. New Construction Cost	Min. New FTE Employees	Min. New Taxable Sales[1]	Notes / Examples
Corporate	$5,000,000	50	-	• Significant office uses, e.g. Corporate HQ or regional HQ
Industrial	$5,000,000	50	-	• Owner occupied, industrial / logistics business
Retail	-	-	$1,000,000	•
Hotel / Conf. Center	$5,000,000	-	-	• Hospitality or entertainment venues including hotels and conference centers
Development	$5,000,000	-	$5,000,000	• New development, housing
Redevelopment	$10,000			• Redevelopment of blighted or substandard structures

[1]Generated annually

Section 7.
Applicability Matrix

The following Applicability Matrix shall provide a framework for identifying the potential Incentives that are applicable to various classifications of Projects as identified above. Term and amount of Incentives shall be determined on a case-by-case basis.

Potential Incentive	Project Classification					
	Corporate	Industrial	Retail	Hotel / Conf. Center	Develop-ment	Redevelop-ment
Tax Abatement	X	X	X	X	-	X
Ad Valorem Tax Grants	X	X	X	X	-	X
Sales Tax Grants	-	-	X	-	X	X
Constr. Sales Tax Grants	X	X	X	X	X	-
Fee Reductions / Credits	X	X	X	X	X	X
Misc. Financial	X	X	-	X	X	-
Land / Building Related	X	X	X	X	-	-
Employment Related	X	X	-	-	-	-
Infrastructure Assistance	X	X	X	X	X	-
Dev. Costs	X	X	X	X	X	X
Process Related	X	X	X	X	X	-
E.D. Districts	X	X	X	X	X	X
HOT	-	-	-	X	X	X
State / Fed. Assistance	X	X	X		X	X

Section 8.
Administrative Procedures

The Applicant shall follow the Administrative Procedures noted below to apply for Incentives as identified herein.

8.1. Pre-Submittal: All Applicants are encouraged to meet with Staff prior to preparation of an Application. Applicants should contact the Director to set up a meeting.

8.2. Application Requirements: The submittal of an Application is required prior to any evaluation of the request for Incentives. The Application shall include the following information.

8.2.1. General Information:

A. The name of the Project.

B. The intended use (e.g. Call center, corporate / regional office, professional office, retail, distribution).

C. If the Project is a relocation, consolidation or expansion of existing facilities, identify the location of the existing facilities.

D. An overview of the Company.

E. The NAICS Code of the Company's business.

F. A description of the experience and qualifications of the Project Team.

G. The type of Project (i.e. retention, expansion, own / lease, new development).

8.2.2. Property Information:

A. Property address.

B. Lot / Block / Subdivision name if platted. If not platted, a legal description will be required prior to executing any Agreements.

C. Appraisal District Property ID numbers.

D. Current Appraisal District valuations for all parcels.

E. Acreage.

F. Current owner and proof of ownership (e.g. deed, appraisal info)

8.2.3. Eligibility of Property: Address the eligibility requirements in Section 3.1.

8.2.4. Eligibility of Business: Address the eligibility requirements in Section 3.2.

8.2.5. Priorities: Address the priorities in Section 4.0.

8.2.6. Project Data:

A. Business name.

B. Describe the type of building proposed (e.g. number of stories, style, materials)

C. Describe the development concept (e.g. single building or campus setting, open space, surface or structured parking)

D. Describe the extent that any infrastructure component is enhanced or expanded.

E. Provide timing estimates for major milestones of the Project.

F. For expansion of a current business, provide a description of how the business is going to grow.

G. Provide estimates of Project data by phase and date, including but not limited to:

i. List the kind, number, use, square footage and location of all the proposed improvements on the property.

ii. Total capital investment including acquisitions, Improvements, building costs and equipment.

iii. Estimated Appraised Value of all Improvements.

iv. Acquisition cost of all Business Personal Property

v. Estimated Appraised Value of all Business Personal Property.

vi. Number, type, quality and wage levels of new Full-Time Equivalent (FTE) employees.

vii. New Payroll added.

viii. Average employees' annual salary.

ix. Employees with salary $50,000 or greater.

x. Benefits provided to employees.

xi. Taxable sales from the Facility.

xii. Hotel Occupancy Tax generated (if applicable).

8.2.7. Requested Incentives: The Applicant shall itemize the Incentives (Section 5) they are requesting from the City. These are to be prioritized by order of preference by the Applicant.

8.2.8. Required attachments and / or exhibits:

A. Legal description of the Property.

B. Proof of ownership, or contract option or offer.

C. Photos of existing conditions

D. Drawings, renderings, plans of the proposed Improvements.

E. Current ad valorem tax appraised value estimates by the applicable appraisal district showing appraised values for three similar type and size projects within the County.

F. If Applicant is not the Property owner:

i. Written approval of the Application from the owner

ii. Copy of the signed lease agreement

8.2.9. Amendments: Staff may amend the form of the Application as needed to more efficiently evaluate the merits of the requested Incentives.

8.3. Review & Evaluation: Following are criteria to review and evaluate the Application.

8.3.1. Review Criteria:

A. Completeness of Application: Completeness of the Application; including all required documentation.

B. Application Information: Any information provided in the Application.

C. Priorities: Does the Application include a high-priority business classification?

D. General Eligibility: Does the Project meet the General Eligibility requirements?

E. Revenues: What are the net tax revenue benefits to the City, both Ad Valorem and Sales Taxes?

F. Employment: How many people will be employed by the Project? What are the education level requirements for employment? Are the wages to be paid higher than the average in the area?

G. Impacts: An estimation of the positive and negative impacts that the Project might have.

i. Cannibalization of Existing Businesses: To what extent does the Project cannibalize the profitability of an existing business?

ii. Private Investment Catalyst: To what extent does the Project act as a catalyst for future private investment?

iii. City Services: To what extent does the Project have a positive or negative impact on the Services or infrastructure of the City?

8.3.2. Staff Evaluation and Recommendation: The coordinating Staff member shall convene a team of the appropriate Staff members to evaluate the Application. Upon review, the Director shall prepare a recommendation to forward to the City or appropriate Board.

A. Site Visit: Prior to formal evaluation of the Application, the Applicant shall allow Staff the opportunity to visit the Property to verify its status prior to any Incentives.

B. Financial Analysis: Staff shall analyze the financial aspects of the incentive proposal using an appropriate method (e.g. timing required for new revenues to "break-even" with the cost of the proposed Incentives). Director shall attach any fiscal / economic impact analysis to their recommendation.

C. Consulting Services: The Applicant may be required to submit additional information not required in the Application for a consulting service to aid in their evaluation (e.g. financial impacts / cost-benefit analysis, infrastructure impacts or capabilities). Additionally, the City may require that the Applicant participate up front in the cost of obtaining these services.

8.4. Preliminary Discussions: Upon receipt of a satisfactory Application, and preparation of a Staff Recommendation, Staff shall hold preliminary discussions with approving bodies as follows.

8.4.1. RMDD Board: Where funds to be used for any Incentive herein are subject to authorization of the RMDD Board, the Board shall consider the request for Incentives and make a recommendation to the Council.

8.4.2. Council: The Council shall be briefed on the merits of the preliminary Incentives request and the recommendation of the Board, if any, and advise Staff whether or not to proceed with negotiations of an Agreement in Principle.

8.5. Agreement in Principle: The Director shall lead the negotiation and drafting of a non-binding Agreement in Principle (AIP) memorializing in writing the Project's performance requirements and the Incentives to be provided by the City. This shall include engagement of Project representatives, the RMDD Board, City Council and their legal representatives if appropriate. Evolution of changes in the AIP shall be documented via redline / strikeout drafts as progress is made.

8.5.1. Preliminary Approval: Staff shall seek preliminary approval of the AIP from Project representatives, the appropriate Board, and City Council prior to preparation of an Incentive Agreement.

8.6. Incentive Agreement: An Incentive Agreement shall be required for all Projects receiving Incentives from the City in accordance with the following.

8.6.1. Preparation: The Director shall work with legal representatives for the City and / or Board to prepare an Incentive Agreement substantially conforming to the provisions of the Agreement in Principle.

A. Allied Agency Engagement: Though not a party to any City Incentive Agreement, Staff shall engage and keep informed any allied agencies (County, School District) contemplating their own incentives for the Project.

8.6.2. Incentive Agreement Minimum Requirements: Any Incentive Agreement including Tax Abatement shall include the following at a minimum:

A. Improvements: List the kind, number, location, costs, and timetable of all the proposed improvements on the Property.

B. Base Year Value: Provide that the Agreement does not include any reduction in Base Year Values.

C. Access: Provide access to and authorize inspection of the property by City employees to ensure that the improvements or repairs are made according to the specifications and conditions in the Agreement.

D. Uses: Limit the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect.

E. Recapture Provisions: Provide for the recapture of property tax revenue lost or any Incentives provided as a result of the Agreement if the owner of the Property fails to make the improvements or repairs as provided by the Agreement.

F. Term: Describe the term of the Agreement.

G. Certification: Require the owner of the Property to certify annually to the governing body of each taxing unit that the owner is in compliance with each applicable term of the Agreement.

H. Cancellation / Modification: Provide that the City may cancel or modify the Agreement if the property owner fails to comply with the Agreement.

I. Incentives Provided: Clear description of the type of incentive or assistance provided by the City or the RMDD.

J. Performance Requirements: Clear description of the performance the applicant has committed to as well as any specific terms and conditions that are to be met by the Applicant.

K. Regulatory Compliance: Provide a statement whereby the applicant agrees to comply with all other City building codes and regulations, and acknowledges that this agreement does not absolve the applicant from having to receive other City permits or permissions.

8.6.3. Responsiveness: The offer of Incentives by any Incentive Agreement shall expire ninety (90) days from the date it is provided to the Applicant unless extended in writing by the City. The expiration of any offered Incentive Agreement shall not preclude continued negotiations toward the development of an alternative Agreement.

8.6.4. Approvals: Evaluation and any subsequent approval shall be on a case-by-case basis pursuant to the introductory paragraph of Section 1 herein. All Incentive Agreements, including any Tax Abatement Agreement, shall follow and comply with all statutory requirements for notice, hearings and readings where applicable. The following shall be required for approval of Incentives.

A. Board Recommendation / Approval: Where funds to be used for any Incentive herein are subject to authorization of the RMDD Board, the Board shall consider the request for Incentives and make a recommendation to the Council. In instances where the Council has previously approved the expenditures, either through approving the Board's budget or other means as allowed by the Act, the Board shall be the final approval of the Incentive request.

B. Council: Unless final approval is authorized by the Board as noted above, the Council shall make the final decision regarding the merits of the Application and the appropriate Incentives to be provided, if any.

8.6.5. Compliance Reporting: All Incentive Agreements shall include requirements for reporting compliance with the provisions of the Agreement prior to disbursement of incentive funds.

Section 9.
Default and Recapture

All Incentive Agreements shall include a section on Default and Recapture incorporating provisions in this section. A recapture of Incentives (direct or indirect) will occur if a condition of Default occurs at any time prior to the end of the term of the Agreement. A Default and resulting Recapture occurs under any of the following:

9.1.1. When any obligation of the Applicant / owner / party to the Agreement is not fulfilled in strict accordance with the terms thereof.

9.1.2. When it is determined by the City or any other party that such Agreement was obtained through fraud or related criminal or unethical acts.

9.1.3. When the Applicant / owner / party to the Agreement fails to meet other financial obligations to the other public entities, i.e. City of Rockdale, Milam County, Rockdale ISD, State of Texas, United States of America.

9.1.4. When any portion of the property involved in the Application is disposed by any means or in any manner without replacement of equivalent value. The term disposition includes, as an example and not limitation, sale, theft, abandonment, obsolescence due to lack of repair (but not functional obsolescence), destruction by casualty without replacement, or any other cessation of use.

9.1.5. Effects of Default:

A. No default shall be actionable until the Applicant / owner / party has received written notice from the City or other abating entity of the alleged default and the same has not been cured within 30 days following such written notice.

B. Termination of the Agreement and the resulting recapture shall be retroactive to the effective date of the Agreement or the date of default, whichever is determined by the City.

C. Termination of the Agreement shall be effected by resolution of the Council, after notice to the Applicant / owner / party and a public hearing. Written notice of a final resolution terminating the agreement shall be given to the Applicant / owner / party.

D. There is no administrative appeal for such determination once a determination has been made.

E. On termination, the Applicant / owner / party shall then be liable for repayment of any incentive given by the City in an amount as determined by the City. A demand letter will be mailed via Certified Mail with return receipt to the Applicant / owner / party. Any amount shall be paid within sixty calendar days following the date of the notice of termination.

F. The City will engage in all means necessary to recover monies owed to it and other taxing entities.

Section 10.
Applicant / Owner Certifications

The following Applicant / Owner Certifications shall be included in the submitted Application.

10.1. Application Accuracy: The information provided in this Application, and all that may have been affixed hereto, is true and correct, and that the City may rely on all of the information contained herein, and all that may have been affixed hereto, as being true and correct.

10.2. Incentive Agreement: I (we) acknowledge that an Incentive Agreement will have to be executed prior to receiving any Incentives.

10.3. Discretionary Rights: I (we) acknowledge that the City has the absolute right of discretion in deciding whether or not to approve any Incentive relative to this Application, whether or not such discretion is deemed arbitrary or without basis in fact.

Section 11.
General Provisions

11.1. Flexibility: The terms and conditions of this Policy are to be considered guidelines during deliberation and evaluation. The City reserves the right to modify the terms and conditions herein at any time, including for any pending application, and may approve a Tax Abatement Agreement or Incentive Agreement and the Incentives related thereto, on terms and conditions contrary to the guidelines of this Policy.

11.2. Section or Other Headings: Section or other headings contained in this Policy are for reference purposes only and shall not affect in any way the meaning or interpretation of this Policy.

11.3. Severability: In the event that any provision of this Policy is illegal, invalid, or unenforceable under present or future laws, the remainder of this Policy shall not be affected thereby.

11.4. Effective Term: This Policy, upon adoption shall be effective for two years from the date of adoption. The Policy may be amended or repealed at any time with a three-fourths (3/4th) vote of the City Council.

Section 12.
Supplementary Program Exhibits

The following Exhibits are included in this Policy to raise awareness of additional incentive-related programs adopted by the City. Please contact Staff for the most current information. These supplemental schedules or programs may be revised periodically without the need for updating the exhibits in this Policy.

12.1. Appendix A – Tax Abatement Schedules: These schedules are used administratively to determine the appropriate amount of Tax Abatement based on the Investment and employment generated by the project.

12.2. Appendix B – Façade Improvement Incentive Program: The purpose of the Façade Improvement Incentive Program is to provide an incentive to business and / or property owners to encourage renovation and rehabilitation of the exterior of buildings in the City or its ETJ.

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Exhibit A

Tax Abatement Schedules

Please contact Staff for the most current version of this Program as it may be revised from time to time.

Abatement Schedule Determined by:

Investment Level	Qualifying Jobs Created			
	15-20	21-50	51-100	100+
$1,000,000 – 4,999,999	1	2	2	3
$5,000,000 – 9,999,999	1	2	3	4
$10,000,000 – 19,999,999	2	3	4	4
$20,000,000 – 49,999,999	3	3	4	5
$50,000,000 +	4	4	5	5

Abatement Schedule

Year	1	2	3	4	5
1	80%	100%	100%	100%	100%
2	60%	80%	100%	100%	100%
3	40%	60%	100%	100%	100%
4	20%	40%	80%	100%	100%
5	0	20%	60%	80%	100%
6	0	0	40%	70%	80%
7	0	0	20%	60%	70%
8	0	0	0	50%	60%
9	0	0	0	40%	50%
10	0	0	0	20%	30%

Rockdale Reborn Building/Business Incentive Grant Program

Façade Improvements
Building Improvements
Property Redevelopment/Remediation

Administered by:

Rockdale Municipal Development District

September 2022

CURRENT CONDITIONS

Rockdale and Milam County's economy is nearly half what it was during the peak of ALCOA and Luminant's operations in the area. The plant closures resulted in an economic trauma to the community which also resulted in other negative social and economy side effects such as population loss, a rise in poverty, less human capital, and a lack of civic infrastructure. A cumulative effect of this is a loss of businesses in town, a deteriorated local tax base, and lack of maintenance and improvements in commercial areas such as downtown and the US Highway 79 corridor. The deteriorated physical appearance of Rockdale perpetuates a negative impression of the community which creates a negative feedback loop for residents and visitors.

For example, the downtown vacancy rate is 52%; taxable downtown properties make up 2.4% of the City's total tax base; downtown businesses contribute 0.6% to the City's sales tax revenue.

The purpose of this policy document is to try to correct these conditions.

VISION AND GOAL

The City of Rockdale seeks to have a strong, locally grown economy that is kid and dog friendly. Rockdale will become a tourist destination with an emphasis on sports and recreation, a vibrant nightlife, and a strong local eatery/craft food and drink movement.

This policy will address the business aspects of this vision statement by providing targeted incentives to attract entrepreneurs and businesses to invest in Rockdale.

PROGRAM OBJECTIVES

The City of Rockdale and the Rockdale Municipal Development District seek to create a vibrant community where:

- The U.S. Highway 79 corridor and Downtown is attractive so that a positive impression of the community is created.
- Investment in commercial buildings is stimulated so that local jobs are created and tax revenue generated.
- Investment risk in blighted and distressed properties is reduced.

PROGRAM COMPONENTS

The Building/Business Incentive Grant Program has three components which may or may not be used in combination with each other

1. Façade Improvements – a 50% matching grant program to improve the exterior appearance of commercial buildings

2. Building Improvements – a matching grant program to reactivate blighted and distressed buildings through improvements in the plumbing, electrical, and structure.

3. Property Redevelopment/Remediation – a matching grant program meant to reduce investment risk in blighted commercial properties in Rockdale.

ELIGIBLE APPLICANTS

To be eligible to receive assistance in any one of the three program components, all applicants must:

1. Be either a property owners or tenant/business owners of properties located in a business-zoned property (zoning classification commercial or industrial) within the City of Rockdale and its ETJ area.

2. Business owners/tenants must have been at the location for at least six months. New businesses much submit a written Business Plan. Business tenants (non-property-owners) must have the property owner's express consent for the proposed improvements.

3. To participate in the Program, Applicants must complete and submit the Program application form provided by the MDD along with the required attachments.

4. Property taxes must be current, and participants must represent that to the best of their knowledge they have no debts in arrears to the City when a commitment letter is issued.

5. Further, the Applicant must certify that there are no current code enforcement actions pending against the property that would not be mitigated by the project. The applicant must describe measures to remedy active code enforcement actions on the property, if any exist

GENERAL PROGRAM POLICIES

Ineligible Costs

In-kind, donated, "sweat equity" or similar no cost to the Applicant improvements, services, or materials will not be matched and are ineligible costs under the Program.

Design Requirements

Applicants are encouraged to promote historic preservation, energy efficiency, and accessibility standards in designing improvements, to the extent that they are financially feasible or required by law. All improvements must conform to applicable city building codes, zoning ordinances, local and state laws.

Reimbursement

Any reimbursement to an applicant will only be made once project work is completed and under certain conditions of the program components.

Projects That Commence Prior to MDD Board Approval

The MDD recognizes that the speed of business and investment does not always match the speed of government. Applicants are encouraged not to begin a construction project until the MDD Board approves their application if they expect to be fully reimbursed. The Board may, at its own discretion, approve a grant application after work has commenced.

Project Start-Completion Schedule

Projects must begin within 45 consecutive business days from the date of the MDD Board approval. Projects must be complete 180 business days from the date of Board approval. The MDD Board reserves the right to grant extensions on a case-by-case basis. However, applicants must make a formal written request for an extension.

Project Change Orders

The MDD must approve in writing any change orders for the proposed work. MDD staff is allowed to approve minor changes; the MDD Board shall approve changes of substance to the project.

Withdrawal

The MDD Board of Directors reserves the right to withdraw grant approval and funding under any circumstances.

Process of Appeal

There will be no procedure for the appeal of a decision made by the MDD Board of Directors.

Funding Availability

Funding is limited and incentive awards will be subject to funding availability; Project Applicants will be prioritized on a first-come, first-serve basis. The MDD Board reserves the right to propose a Budget Amendment or Adjustment, per established financial policies, to alter program funding for a particular fiscal year.

Repeat Applicants

Applicants are allowed to reapply for further property improvements 2 years after the reimbursement check has been issued to them.

First time applicants will receive priority over repeat applicants

Maintenance Requirements

By accepting Incentive funds, the Applicant commits to properly maintain all improvements, clean and free of graffiti for a minimum of 2 years at the Applicant's own cost and expense. Any damage to the property is to be repaired immediately by the Applicant so that the property remains in good condition and positively contributes to the City of Rockdale and its ETJ. Applicant will be strongly encouraged to touch up painted areas and perform any other repairs needed on an ongoing basis.

Promotional Rights

By accepting Program funds, Applicant authorizes the MDD to promote the project and property including, but not limited to, displaying a sign at the site during and after construction indicating participation in the Program, and using photographs and descriptions of the project and property in the MDD's printed promotional materials, press releases, social media, and websites.

Application Evaluation

The MDD Staff and Board will evaluate applications based on how well the proposed project advances the program's policy goals.

PROGRAM COMPONENT DESCRIPTION

The Building/Business Incentive Grant Program will reimburse grantees for expenses under certain conditions described below.

Façade Improvements
The program provides matching funds for 50% of total façade improvements up to $10,000 that restore, rehabilitate, enhance, or beautify a structure.

Eligible improvements include:

- Signs (new, repairs, replacement, removal)
- Grate and grate box removal or conversion of solid grates to an open mesh style
- Awnings
- Lighting
- Paint
- Removal/replacement of inappropriate or incompatible exterior finishes or materials Recessing/reconfiguring entrances
- Removal of extraneous elements
- Door/window replacement or repair
- Exterior cleaning
- Historical architectural elements
- Labor, design, and material costs
- Permit fees
- Architectural design and engineering

Reimbursement will be granted once work is complete and the applicant can provide proof of payment to contractors.

Building Improvements
The program provides matching funds for 15% of building improvements based on the following guidelines with a maximum award of $15,000:

Eligible improvements include:

- Labor, design, and material costs
- Permit fees
- Architectural design and engineering
- Improvements to bring the building into code compliance, e.g., plumbing, electrical, structural.
- Other structural deficiencies which would prevent the building from being utilized for an active business.

Reimbursement will be granted when the following three conditions are met:
1. Once work is complete,
2. The applicant can provide proof of payment to contractors, and
3. The City has issued a Certificate of Occupancy to the applicant.

Property Redevelopment/Remediation
This program component is meant to incentivize and reduce the risks involved with redeveloping a blighted structure or property. The goal is to use existing commercial properties as locations to construct new buildings once substandard or blighted properties are remediated.

Eligible activities include, but are not limited to
- Structure demolition
- Environmental remediation
- Legal fees necessary for curing deficient property titles

Reimbursement will be granted when the following three conditions are met:
1. Once work is complete, up to an including the construction of a new building,
2. The applicant can provide proof of payment to contractors, and
3. The City has issued a Certificate of Occupancy to the applicant.

Given the wide variety and costs associated with property redevelopment, the following guidelines are implemented. However, the MDD Board reserves the right to customize a grant application to meet a project's particular needs.

Demolition - Single family home or individual structure – the MDD will reimburse the applicant up to 50% of the cost for the demolition and removal of a single family home or individual structure up to $5,000 upon the completion of a new structure on the property.

Demolition - Large building – the MDD will reimburse the applicant up to 50% of the cost for the demolition and removal of a large building up to $15,000 upon the completion of a new structure on the property.

Environmental remediation – The MDD will reimburse the applicant up to 50% of the cost for any necessary environmental remediation up to $25,000 upon the completion of a new structure on the property. Examples of environmental remediation include but are not limited to: tires; oil, gas and chemical tanks; asbestos; other hazardous materials and waste.

Legal fees – The MDD will reimburse the applicant up to 50% of the cost up to $5,000 for any necessary legal fees which may be required to cure a property title so that the property can be developed.

APPLICATION PROCESS

1. An application, attached to this policy document, will need to be completed with all required information.

2. MDD staff will review the application and supporting materials for completeness. If required, staff will contact the applicant to resolve any deficiencies.

3. MDD staff will make a funding recommendation to the MDD Board based on the following criteria and preferences:
    - Appropriateness of Project
    - Creativity
    - Timeliness
    - Community Impact
    - Permanent, Tangible Improvements
    - Economic Impact
    - Preservation
    - Rehabilitation
    - Location and Visibility

    Applicants may be invited to present their applications before the MDD Board.

4. The MDD Board will review and discuss the application at their regular Board meeting and will make the final decision on approving a grant application and funding amount.

5. MDD staff will notify the applicant in writing via email on their application status and provide a notice to proceed.

REIMBURSEMENT PROCESS AND POLICY

Requests for reimbursement will only be processed after the rehabilitation/improvement work is completed and approved following a final field inspection by Rockdale MDD staff to verify compliance with the project scope.

All expenses must be paid by check or Credit/Debit Card. No cash payments to contractors will be accepted.

Reimbursement claims must be accompanied by the following supporting documents: statements from architects, contractors and/or subcontractors acknowledging that all payments have been received; notarized final lien waivers from all contractors and/or subcontractors, if applicable; proof of final City inspections and Certificate of Occupancy (CO), if applicable; and a hard copy and/or digital “after” photograph of the facade improvements.

A photocopy of all Credit/Debit Card receipts and/or the front and back of all cancelled checks must be submitted for reimbursement along with an invoice marked “paid.” All invoices must clearly indicate the work that was performed, the amount of the invoice as well as the corresponding Credit/Debit Card receipt(s) and/or check number(s).

All payments are subject to the review and approval of the Rockdale MDD. Please allow up to 15 business days for receipt of the reimbursement check.