



4B ANNUAL REPORT

Fiscal Year October 1, 2015 – September 30, 2016

Board of Directors

Diane Wright, President

David Burris, Vice President

Shirley Roberts, Treasurer

Larry Allen, Secretary

Nadine Ward

Bennye Rice

**Presented to City Council on
March 6, 2017**

OFFICE OF ECONOMIC DEVELOPMENT
Thomas E. Palmer, Chief Administrative Officer

4B ANNUAL REPORT

Fiscal Year October 1, 2015 – September 30, 2016

The Mesquite Quality of Life Corporation (Corporation) shall make an annual report no later than the first Monday of March each year to the Mesquite City Council. The annual report shall include, but not be limited to, the following:

- A. A review of the accomplishments of the Board; and
- B. The activities of the Board for the budget year addressed in the annual report, together with any change in the activity as it relates to projects.

This Annual Report covers the period of fiscal year 2015-16, October 1, 2015 to September 30, 2016.

Formation of the Corporation

The Mesquite Quality of Life Corporation was created by the Mesquite City Council following an election by the citizens of Mesquite on August 14, 1999, which authorized an additional, one-half cent sales tax known as the economic development sales tax 4B. The ballot language stated:

THE ADOPTION OF A SECTION 4B SALES AND USE TAX AT THE RATE OF ONE-HALF OF ONE PERCENT TO UNDERTAKE PROJECTS AS DESCRIBED IN SECTION 4B OF ARTICLE 5190.6, VERNON'S TEXAS CIVIL STATUTES, AS AMENDED, LIMITED TO THE FOLLOWING:

- A. TRANSPORTATION***
- B. PUBLIC SAFETY; AND***
- C. PUBLIC PARKS AND RECREATION***

ALL REVENUES RECEIVED WILL BE USED FOR PROJECTS IN THE THREE AREAS DESCRIBED ABOVE AND FUNDS MAY BE USED FOR THE MAINTENANCE AND OPERATION EXPENSES FOR ANY OF THE ABOVE-DESCRIBED PROJECTS.

The State statute that allowed the creation of the Corporation allows expenditures of revenues by the Corporation to be used for land, buildings, equipment and improvements for items that fit under the definition of “project” under Section 2(10) of the Development Corporation Act (V.T.C.S. Article 5190.6), which encompasses the land, buildings, equipment, facilities and improvements that are suitable for any of the following:

1. Promotion of manufacturing and industrial facilities;
2. Recycling facilities;
3. Distribution facilities;
4. Small warehouse and storage facilities;
5. Air or water pollution control facilities;
6. Development or redevelopment of closed military bases; and
7. Facilities related to these projects.

Additionally, Section 4B of the Act specifically permits expenditures of Section 4B tax proceeds for land, buildings, equipment and improvements suitable for the following nine types of projects:

1. Athletic facilities;
2. Parks and related public space improvements;
3. Tourism and entertainment facilities;
4. Commercial facilities;
5. Certain public facility improvements;
6. Transportation improvements;
7. Infrastructure improvements;
8. Other business related improvements; and
9. Affordable housing.

House Bill No. 2912 made significant amendments to the Act; however, the Mesquite Quality of Life Corporation may only expend money for projects within the three areas allowed in the ballot language: Transportation; Public Safety; and Parks and Recreation.

The initial Board of Directors was appointed by the City Council on August 19, 1999, and Articles of Incorporation were filed with the State of Texas on August 20, 1999, formally creating the Corporation. The Bylaws for the Corporation were adopted by the Board on September 28, 1999, and approved by the City Council on October 4, 1999. An amendment to the Articles of Incorporation and the Bylaws were adopted during fiscal year 2002-03, which allows the Corporation to issue revenue bonds if the need arises.

Mesquite Quality of Life Mission Statement

The Mesquite Quality of Life Corporation identifies and funds public projects within the areas of Transportation, Public Safety, and Parks and Recreation that maintain and/or enhance the quality of life for Mesquite residents and businesses.

The Corporation selects projects that:

- Reflect community values and priorities;
- Are visionary;
- Enhance Mesquite as a destination location;
- Balance the needs between the three project areas; and
- Are fiscally responsible for both current and future residents, visitors and businesses in our community.

The Mission Statement was adopted by the Board of Directors on September 28, 1999.

Actions of the Corporation

The Corporation held nine Board meetings during the fiscal year and all Board meetings were held within the City of Mesquite. Dates and locations are shown below.

October 28, 2015	City Hall, 757 N. Galloway Ave.
January 27, 2016	City Hall, 757 N. Galloway Ave.
February 17, 2016	City Hall, 757 N. Galloway Ave.
March 23, 2016	City Hall, 757 N. Galloway Ave.
April 27, 2016	City Hall, 757 N. Galloway Ave.
June 22, 2016	City Hall, 757 N. Galloway Ave.
July 27, 2016	City Hall, 757 N. Galloway Ave.
August 24, 2016	City Hall, 757 N. Galloway Ave.
September 28, 2016	City Hall, 757 N. Galloway Ave.

In FY 2015-16 the Corporation approved 22 projects totaling \$12,498,641 and \$160,000 for administrative expenses. In FY 2015-16, \$12,658,641 was allocated and combined with prior-year allocations; total expenditures for the Corporation were \$10,208,922.

In FY 2015-16, total revenues received by the Corporation were \$11,156,035. Of this amount, \$10,797,774 was sales tax revenue, \$23,375 net interest revenue, and \$334,886 in grants and reimbursements. Combined with the beginning fund balance of \$7,077,598 the ending fund balance as of September 30, 2016 was \$8,024,711.

The Corporation has approved expenditures throughout the community for projects that directly benefit the residents and businesses of Mesquite. The Board of Directors approved the following projects for Fiscal Year 2015-16:

APPROVED PROJECTS in FY 2015-16

Transportation

	\$323,978
Debt Service (Town East Boulevard, Military Parkway to Skyline)	
Military Parkway Trail	332,000
Town East Boulevard (US 80 to Skyline)	500,000
Traffic Management Center Operations	125,000
Airport Maintenance Project	50,000
Compass Bus Service	935,000
Video Camera Signal Detection Retrofit	100,000
Total Transportation Projects	\$2,365,978

Public Safety

Thermal Imaging Cameras	\$32,000
Emergency Warning Siren	10,500
Total Public Safety Projects	\$42,500

Parks and Recreation

Park Operations and Public Safety Equipment	\$6,664,208
PARD System Maintenance (ongoing)	450,000
Westlake Tennis Courts	250,000
Eastfield Soccer Lease	49,855
Median Landscaping (ongoing)	25,000
Eastfield Goalposts	50,000
Vanston Athletic Complex	1,500,000
Trail System Maintenance	50,000
Town East Pool Updates	125,000
Downtown Heritage Square	301,100
DeBusk Park Improvements – Grove of Honor	80,000
Opal Lawrence Park – parking lot lighting & entrance gate	45,000
Camp Rorie Galloway Pavilion	500,000
Total Parks and Recreation Projects	\$10,090,163

Total Administration

	\$160,000
FY 2015-16 PROJECTS TOTAL	\$12,658,641

Mesquite Quality of Life Corporation
4B Sales Tax Fund Fiscal Year 2015-16

Beginning Fund Balance (October 1, 2015) **\$7,077,598**

Revenues:

General Sales Tax	\$10,797,774
Interest on Investments	23,785
Market Gain (Loss) on Investments	(410)
Contributions and Reimbursements	15,000
Grant Revenue	319,886
Other Revenue	-
Total Revenues	\$11,156,035

Expenditures:

Transportation	\$1,543,666
Public Safety	41,816
Parks and Recreation	8,463,440
Administration	160,000
Total Expenditures	\$10,208,922

ENDING FUND BALANCE (September 30, 2016) **\$8,024,711**

Mesquite Quality of Life Corporation 4B Sales Tax Fund History since Inception October 1, 1999

Beginning Fund Balance (October 1, 1999) ~ 0 ~

Revenues:

General Sales Tax	\$150,669,827
Interest on Investments	2,639,099
Market Gain (Loss) on Investments	(21)
Contributions and Reimbursements	7,683,880
Grant Revenue	1,514,919
Other Revenue	261,768
Transfer-In Towne Centre TIF Funds	1,964,025

Total Revenues **\$164,733,497**

Expenditures:

Transportation	\$56,748,614
Public Safety	11,192,447
Parks and Recreation	87,945,758
Administration	821,967

Total Expenditures **\$156,708,786**

Ending Fund Balance (September 30, 2016) **\$8,024,711**