



September 12, 2017

Village of San Marcos
ATTN: Carole Belver, President
P.O. Box 748
San Marcos, TX 78666

Dear Ms. Belver:

The City of San Marcos received an amended funding request on July 19, 2017 asking the City to participate in the construction funding for the proposed 22,000 square foot Village Main Facility. The approximate cost to construct the Village Main facility will approximate \$4,422,578 of which the City has been requested to fund \$442,000 of that estimate. The Village main project is located on a 29 acre multi-social service complex located in San Marcos off Reimer Avenue. This complex will house 4 partner agencies including Community Action, Early Childhood Intervention-Homespun, Family Justice Center of San Marcos and the City of San Marcos Women, Infants and Children Program. The Operations and Maintenance (M&O)/Insurance operating expense for the City of San Marcos WIC program is expected to approximate \$760 a month once construction is complete. Village of San Marcos is asking for some flexibility in this estimate until final O&M expenses can be finalized.

The San Marcos City Council discussed this during their budget workshops in July and were agreeable to funding the \$442,000 from the City's 25% share of the anticipated Best Buy Call Center sales tax collections, which is anticipated to start this month. Although Best Buy will start submitting sales tax under their new sales tax identification number this month, the detailed report of how much was submitted to the State of Texas will not be available to the City until the month of November. It should also be noted that the City only receives the detailed information quarterly, so we are recommending that the payments to your organization be made quarterly. We are proposing that the first payment will be made by the end of February 2018 and then continue quarterly thereafter in the months of May 2018, August 2018 and November 2018. The first payment in February 2018 should include 4 months of revenue as opposed to 3 because we will include September 2017 receipts as well as the months of October, November and December. We anticipate based on our predictions that the payments in August and November may not be needed but this is completely contingent on sales forecast remaining unchanged. We are also requesting that a formal approved building permit for the Village Main be submitted before any payments are made on behalf of the Village Main project. To summarize:

1. No payments will be made without an approved building permit.
2. The first payment will be made by the end of February 2018 and will include the months of September, October, November and December.
3. Following payments will be submitted in May 2018, August 2018 and November 2018.
4. Payments will not exceed \$442,000.
5. Payments are totally dependent and contingent from the Best Buy Call Center located in San Marcos Texas and does not include sales tax collections that are scheduled to be rebated back to the Best Buy corporation per the City's Chapter 380 agreement.

If the terms and conditions of this agreement are amenable to you and your organization, please sign below.

Steve Parker, City of San Marcos Representative

Date:

Carole Belver, Village Main Representative

Date: