

**AGENDA FOR REGULAR MEETING**

**CITY OF KERRVILLE, TEXAS**

**ECONOMIC IMPROVEMENT CORPORATION**

**MONDAY, MARCH 19, 2018 AT 4:00 P.M.**

**KERRVILLE CITY HALL CITY COUNCIL CHAMBERS**

**701 MAIN STREET, KERRVILLE, TEXAS**

**AGENDA FOR REGULAR MEETING OF THE**  
**CITY OF KERRVILLE, TEXAS**  
**ECONOMIC IMPROVEMENT CORPORATION**  
**MONDAY, MARCH 19, 2018, 4:00 P.M.**  
**KERRVILLE CITY HALL COUNCIL CHAMBERS**  
**701 MAIN STREET, KERRVILLE, TEXAS**

**CALL TO ORDER**

**INVOCATION**

**1. VISITORS / CITIZENS FORUM:**

Any citizen with business not scheduled on the agenda may speak to the Economic Improvement Corporation. No deliberation or action can be taken on these items because the Open Meetings Act requires an item be posted on an agenda 72 hours before the meeting. Visitors are asked to limit their presentation to three minutes.

**2. APPROVAL OF MINUTES:**

2A. Approval of minutes for the regular meeting held on February 19, 2018, and the special meeting held on February 7, 2018.

**3. MONTHLY REPORTS:**

3A. Monthly financials for February 2018. (staff)

3B. Projects update:

River Trail

Reuse Distribution Lines

Tennis Center Improvements

**4. PUBLIC HEARING AND POSSIBLE ACTION:**

4A. Public hearing and funding agreement between the City of Kerrville, Texas Economic Improvement Corporation and the City of Kerrville in an amount not to exceed \$100,000 for an aquatics feasibility study for the Olympic Pool. (staff)

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The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive service must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time March 16, 2018, at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Cheryl Brown

Deputy City Secretary, City of Kerrville, Texas

## **5. EXECUTIVE SESSION:**

The Economic Improvement Corporation may, as permitted by law, adjourn into executive session at any time to discuss any matter listed above including if they meet the qualifications in Section 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code, including the following matters:

5A. Grant application for funding of public infrastructure extension along Thompson Road related to a private development. (Sections 551.071 and 551.087, TX. Gov't Code) (staff)

5B. Deliberation regarding economic development negotiations in accordance with the Texas Open Meetings Act, Section 551.087, discussion regarding commercial or financial information received from a business prospect(s). (Sections 551.087, TX Gov't Code) (staff)

## **6. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION**

6A. Direction to staff regarding the development of a Funding Agreement, and setting a Public Hearing date, for a public infrastructure extension along Thompson Road related to a private development. (staff)

## **7. ITEMS FOR FUTURE AGENDAS**

## **8. ANNOUNCEMENTS**

## **9. ADJOURNMENT.**

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I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time March 16, 2018, at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

\_\_\_\_\_  
Cheryl Brown

Deputy City Secretary, City of Kerrville, Texas

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## **Agenda Item:**

2A. Approval of minutes for the regular meeting held on February 19, 2018, and the special meeting held on February 7, 2018.

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION**  
**REGULAR MEETING** **FEBRUARY 19, 2018**

On Monday, February 19, 2018, the regular meeting of the members of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by Kenneth Early, President, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas. Ms. Pattillo offered the invocation.

**Members Present:**

Kenneth Early, President  
Sheri Pattillo, Vice President  
George Baroody  
Mike Bosma  
Gary Cooper  
Robert Naman

**Members Absent:**

Kent McKinney

**City Executive Staff Present:**

Mark McDaniel, City Manager  
E.A. Hoppe, Deputy City Manager  
Mike Hayes, City Attorney  
Cheryl Brown, Deputy City Secretary  
Sandra Yarbrough, Finance Director  
Ashlea Boyle, Parks Department Director

**Visitors Present:** Visitor list available in the City Secretary's Office for the required retention period.

1. **VISITORS/CITIZENS FORUM:** No one spoke.

2. **APPROVAL OF MINUTES:**

2A. Approval of minutes for the regular meeting held on January 22, 2018.

Ms. Pattillo moved to approve the minutes for the regular EIC meeting held on January 22, 2018. Mr. Cooper seconded, and the motion passed 6-0.

3. **MONTHLY REPORTS:**

3A. Monthly financials for January 2018. (staff)

Ms. Yarbrough reported a beginning balance of \$2,098,917; with \$279,424 revenue, and \$101,601 expenditures; leaving an ending cash balance on January 31, 2017 of \$2,276,741. She reviewed the capital projects status summary, and included the 4<sup>th</sup> Quarter Report from James Avery Craftsman.

3B. Projects update:

Mr. Hoppe made the following reports:

River Trail:

Construction was underway for the westward portion of the trail from Lowry Park to the Dietert Center.

Reuse Distribution Lines:

Most of the lines were now installed.

Tennis Center Improvements:

The initial draft was received by staff, marked up and sent back to the design team. Staff was working with the consultant on a date in March or April to have additional public feedback on the proposed design. Construction work was tentatively scheduled to begin in late summer.

**4. CONSIDERATION AND POSSIBLE ACTION:**

4A. Funding Applications for the Aquatics Feasibility Study. (staff)

Ashlea Boyle reported on the current pool facilities. She reviewed the condition of the pool, locker room, and lobby area. She presented options for repair or replacement of the pool and amenities that could be added for the public.

Ms. Pattillo moved to direct staff to draft a funding agreement for a feasibility study, and present it to the EIC at the March meeting. Mr. Bosma seconded, and the motion passed 6-0.

4B. Review the EIC Funding Application and application process. (staff)

Mr. Hoppe reviewed the application, and the direction from the EIC to staff at the January meeting to return with a revised version for review.

Mr. McDaniel suggested creating a committee with 2 or 3 EIC members to meet with staff to determine exactly what should be included in the application.

Mr. Early asked for volunteers for the committee. Mr. Bosma suggested the two members of the "GO Team" representatives be on the committee.

Mr. Bosma moved to form a committee to include Mr. Naman, Mr. Cooper and Mr. Baroody. Mr. Early seconded, and the motion passed 6-0.

**5. EXECUTIVE SESSION:** None

**6. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:** None

**7. ITEMS FOR FUTURE AGENDAS:** None

**8. ANNOUNCEMENTS:** None

9. **ADJOURNMENT**

Ms. Pattillo moved to adjourn, Mr. Barody seconded and the motion passed 6-0. Mr. Early adjourned the meeting at 4:53 p.m.

APPROVED: \_\_\_\_\_

\_\_\_\_\_  
Kenneth Early, President

ATTEST:

\_\_\_\_\_  
Cheryl Brown, Deputy City Secretary

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION**  
**SPECIAL MEETING** **FEBRUARY 7, 2018**

On Wednesday, February 7, 2018, a special meeting of the members of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 3:00 p.m. by Kenneth Early, President, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas.

**Members Present:**

Kenneth Early, President  
Sheri Pattillo  
George Baroody  
Gary Cooper  
Robert Naman  
Mark Bosma  
Kent McKinney

**Members Absent:**

None

**City Executive Staff Present:**

Mark McDaniel, City Manager  
E.A. Hoppe, Deputy City Manager  
Mike Hayes, City Attorney  
Cheryl Brown, Deputy City Secretary

**Visitors Present:** Visitor list available in the City Secretary's Office for the required retention period.

**1. DISCUSSION AND POSSIBLE ACTION:**

1A. Review the Corporation's funding application process.

The board discussed the following:

- The role of KEDC in the application process.
- The role of the "GO Team" in the application process.
- The differences between a quality of life project, business development projects, and public infrastructure projects.
- The possible need for a cost benefit analysis for each project.
- The possible need for a pro forma for each applicant and their project.

Mr. McDaniel was asked to bring more information to the board at a future meeting, regarding the items discussed.

1B. Select "GO Team" member.

Mr. Naman moved to appoint Mr. Cooper as the EIC representative to the "GO Team". Mr. McKinney seconded, and the motion passed 7-0.

Mr. McKinney moved to appoint Mr. Naman as the alternate EIC representative to the "GO Team". Mr. Cooper seconded, and the motion passed 7-0.

**2. ADJOURNMENT.**

Mr. Early adjourned the meeting at 4:11 p.m.

APPROVED: \_\_\_\_\_

\_\_\_\_\_  
Kenneth Early, President

ATTEST:

\_\_\_\_\_  
Cheryl Brown, Deputy City Secretary

## **Agenda Item:**

3A. Monthly financials for February 2018. (staff)

**TO BE CONSIDERED BY THE EIC  
CITY OF KERRVILLE, TEXAS**

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**SUBJECT:** EIC Financials ending February 28, 2018

**FOR AGENDA OF:** March 19, 2018

**DATE SUBMITTED:** March 12, 2018

**SUBMITTED BY:** Sandra G. Yarbrough  
Director of Finance

**CLEARANCES:** E. A. Hoppe  
Deputy City Manager

**EXHIBITS:** Monthly Financials

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**

<b>Expenditure</b>	<b>Current Balance</b>	<b>Amount</b>	<b>Account</b>
<b>Required:</b>	<b>in Account:</b>	<b>Budgeted:</b>	<b>Number:</b>
<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OR FINANCE:**

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**SUMMARY STATEMENT**

Kerrville Economic Improvement Corporation operating fund received sales tax revenue in the amount of \$354,753 for February 2018 compared to same period in prior year in the amount of \$357,098 and \$1,436,519 fiscal year to date.

Interest earned for February was \$6,432 and \$27,252 fiscal year to date.

Kerrville Economic Improvement Corporation capital projects fund had transfers in \$787,500 for project funding.

River Trail project had \$282 expense in the month of February with the remaining project balance available being \$748,065.

**RECOMMENDED ACTION**

Report is for information only.

# City of Kerrville - Economic Improvement Corportation

<b>Sales Tax Improvement Fund - Summary</b> <b>For the month ending February 28, 2018</b>
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<b>Beginning Cash Balance</b>		<b>\$2,276,741</b>
Income:		
Sales Tax	\$ 354,753	
Interest Revenue	\$ 6,432	
Total Income	<u>\$ 361,186</u>	
Expenses:		
Administrative Service Fee	\$ 8,333	
Transfer for Debt Service	\$ 93,345	
Transfer out - Category 2 - Quality of Life	\$ 287,500	
Transfer out - Category 3 - Public Infrastructure	\$ 500,000	
Total Expenses	<u>\$ 889,178</u>	
Revenues Over (Under) Expenditures		<u>\$ (527,992)</u>
<b>Ending Cash Balance</b>		<u><u><b>\$1,748,749</b></u></u>

<b>Capital Projects Fund - Summary</b> <b>For the month ending February 28, 2018</b>
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<b>Beginning Cash Balance</b>		<b>\$ 2,662,500</b>
Income:		
Transfer In - Category 2 - Quality of Life	\$ 287,500	
Transfer in - Category 3 - Public Infrastructure	\$ 500,000	
Total Income:	<u>\$ 787,500</u>	
Expenses:		
Total Expenses:	<u>\$ -</u>	
Revenues Over (Under) Expenditures		<u>\$ 787,500</u>
<b>Ending Cash Balance</b>		<u><u><b>\$ 3,450,000</b></u></u>

# Economic Improvement Corporation

## Sales Tax Improvement Fund - Revenue and Expense Detail For the month ending February 28, 2018

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>BEGINNING CASH BALANCE</b>	\$2,272,941		\$2,272,941		
<b>REVENUE:</b>					
Sales and Use Tax	\$ 3,482,826	\$ 354,753	\$ 1,436,519	41.25%	\$ 2,046,307
Interest	\$ 15,000	\$ 6,432	\$ 27,252	181.68%	\$ (12,252)
Fox Tank Agreement Reimbursement	\$ -		\$ 10,000		
<b>TOTAL REVENUE</b>	<b>\$ 3,497,826</b>	<b>\$ 361,186</b>	<b>\$ 1,473,771</b>	<b>42.13%</b>	<b>\$ 2,034,055</b>
	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>EXPENDITURES:</b>					
Administrative					
Local Meetings	\$ 500		\$ 40	8.00%	\$ 460
Administrative Services Fee	\$ 100,000	\$ 8,333	\$ 41,667	41.67%	\$ 58,333
Economic Development Governing Body	\$ 140,000		\$ 140,000	100.00%	\$ -
<b>Total Administrative</b>	<b>\$ 240,500</b>	<b>\$ 8,333</b>	<b>\$ 181,707</b>	<b>75.55%</b>	<b>\$ 58,793</b>
Category I - Business Development					
ED Set Aside	\$ 500,000			0.00%	\$ 500,000
<b>Total Category I</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 500,000</b>
Category II - Quality of Life					
Tennis Center	\$ 750,000	\$ 187,500	\$ 375,000	50.00%	\$ 375,000
Downtown Streetscape Enhancements	\$ 200,000	\$ 100,000	\$ 100,000	50.00%	\$ 100,000
Debt Service - Series 2011A (River Trail)	\$ 259,890	\$ 21,696	\$ 108,015	41.56%	\$ 151,875
Debt Service - Series 2012 (River Trail)	\$ 253,413	\$ 21,169	\$ 105,846	41.77%	\$ 147,567
Debt Service - Series 2015 (Sports Complex)	\$ 605,350	\$ 50,479	\$ 252,396	41.69%	\$ 352,954
<b>Total Category II</b>	<b>\$ 2,068,653</b>	<b>\$ 380,845</b>	<b>\$ 941,257</b>	<b>45.50%</b>	<b>\$ 1,127,396</b>
Category III - Public Infrastructure					
Housing	\$ 250,000	\$ 125,000	\$ 125,000	0.00%	\$ 125,000
Reuse Distribution Lines	\$ 1,500,000	\$ 375,000	\$ 750,000	0.00%	\$ 750,000
*Debt Service - Legion Lift Station	\$ 200,000			0.00%	\$ 200,000
<b>Total Category III</b>	<b>\$ 1,950,000</b>	<b>\$ 500,000</b>	<b>\$ 875,000</b>	<b>0.00%</b>	<b>\$ 1,075,000</b>
Contingency	\$ -	\$ -	\$ -	0.00%	\$ -
	\$ -	\$ -	\$ -		\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,759,153</b>	<b>\$ 889,178</b>	<b>\$ 1,997,963</b>	<b>41.98%</b>	<b>\$ 2,761,190</b>
<b>NET REVENUES TO EXPENDITURES</b>	<b>\$ (1,261,326)</b>	<b>\$ (527,992)</b>	<b>\$ (524,192)</b>		
<b>ENDING CASH BALANCE</b>	<b>Budget \$ 1,011,614</b>		<b>Actual \$1,748,749</b>		

### Sales Tax Revenue Analysis - FY18

Revenue Month	Actual FY 2016	Actual FY 2017	Budget FY 2018	Actual FY2018	FY2017 vs FY2018	Budget vs Actual
October	\$ 227,707	\$ 264,806	\$ 274,944	\$ 277,430	4.77%	0.90%
November	277,653	278,707	289,377	278,698	0.00%	-3.69%
December	254,834	260,757	270,741	252,047	-3.34%	-6.90%
January	255,848	273,741	284,222	273,590	-0.06%	-3.74%
February	347,778	357,098	370,772	354,753	-0.66%	-4.32%
March	223,790	248,560				
April	237,432	240,783				
May	307,046	308,696				
June	243,070	261,944				
July	249,278	282,792				
August	290,011	306,807				
September	260,084	264,180				
<b>YTD Total</b>	<b>\$ 3,174,529</b>	<b>\$ 3,348,871</b>	<b>\$ 1,490,055</b>	<b>\$ 1,436,519</b>	<b>-3.52%</b>	<b>-0.99%</b>

### Cash and Investments by Type - Placement - Amount

Type	Investment Placement	Amount	Period Ending
Cash	Wells Fargo Checking	\$ 10,000	2/28/2018
Short Term Investment	EIC TexPool	\$ 4,938,749	2/28/2018
Certificate of Deposit	Texas Hill Country Bank	\$ 250,000	2/28/2018
<b>Total Cash and Investments</b>		<b>\$ 5,198,749</b>	<b>2/28/2018</b>

### Committed Project Funding Status Summary

Fiscal Years	Current Budgeted Projects	Budgeted Commitment	From EIC Operating Fund	Funding to Outside Source	Funding Applied to Project	Committed Cash Balance
2012-13	Downtown Streetscape	\$ 765,100	\$ 665,100	\$ -	\$ 565,100	\$ 100,000
2014-15	ED Set Aside	1,500,000	1,500,000	-	-	1,500,000
2015-16	Olympic Pool	100,000	100,000	-	100,000	-
2015-16	Housing	850,000	725,000	-	-	725,000
2016-17	Tennis Center	1,500,000	1,125,000	-	750,000	375,000
2016-17	Distribution Lines	3,000,000	2,250,000	-	1,500,000	750,000
<b>TOTALS</b>		<b>\$ 7,265,100</b>	<b>\$ 6,365,100</b>	<b>\$ -</b>	<b>\$ 2,915,100</b>	<b>\$ 3,450,000</b>

### Capital Improvement Projects In Progress - including EIC support

Funding Years	Projects	Project Budget	EIC Portion Agreement Commitment	General Fund	Water and Sewer Fund	Other Funds/Loans /Grants	Bond Proceeds	Project Expense To Date	Project Balance
2011-12	River Trail	6,525,000	6,000,000	-	-	-	525,000	5,251,935	748,065
2011-12	Louise Hays/Lehmann Monroe parks	2,656,207	2,600,000	18,785	-	37,422	-	2,641,207	15,000
2012-18	Downtown Streetscape	765,100	765,100	-	-	-	-	47,968	717,132
2014-15	Kerrville Sports Complex	10,500,000	9,000,000	-	-	1,590,000	8,910,000	10,445,250	54,750
2015-16	Olympic Pool	100,000	100,000	-	-	-	-	-	100,000
2016-17	Reuse System	23,003,000	3,000,000	-	4,235,421	7,731,625	8,035,954	14,613,593	8,389,407
2016-17	Tennis Center	1,500,000	1,500,000	-	-	-	-	15,399	1,484,601

## **Agenda Item:**

- 3B. Projects update:  
River Trail  
Reuse Distribution Lines  
Tennis Center Improvements

*There is no agenda bill for this item. There will be a presentation at the meeting regarding the projects update.*

## **Agenda Item:**

4A. Public hearing and funding agreement between the City of Kerrville, Texas Economic Improvement Corporation and the City of Kerrville in an amount not to exceed \$100,000 for an aquatics feasibility study for the Olympic Pool. (staff)

**TO BE CONSIDERED BY THE  
ECONOMIC IMPROVEMENT CORPORATION,  
CITY OF KERRVILLE, TEXAS**

**SUBJECT:** Public Hearing and Funding Agreement between the City of Kerrville, Texas Economic Improvement Corporation and the City of Kerrville in an amount not to exceed \$100,000 for an aquatics feasibility study for the Olympic Pool

**FOR AGENDA OF:** 3/19/2018 **DATE SUBMITTED:** 3/14/2018

**SUBMITTED BY:** Ashlea Boyle  
Director of Parks and Recreation

**CLEARANCES:** E.A. Hoppe  
Deputy City Manager

**EXHIBITS:**

Funding Agreement  
EIC Funding Application  
Letters of Support from KISD and Schreiner University

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**

<b>Expenditure Required:</b>	<b>Current Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
Not to exceed \$100,000	\$100,000	\$100,000	70-7000-5100 Project # B68 70-16004

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OF FINANCE:**

**SUMMARY STATEMENT**

As discussed in previous meetings and workshops, the Economic Improvement Corporation (EIC) has programmed dollars into their budget to fund a feasibility study for the Olympic Pool. This allocation in the EIC's budget was included in the FY16 budget that was adopted by City Council. These funds are still allocated as an EIC project.

If funded, the City intends to hire a consulting firm, via a Request for Qualifications (RFQ) process, that will conduct the feasibility study. This process will engage various aquatics-related community stakeholders such as Kerrville Independent School District (KISD) and Schreiner University, who have expressed interest in a year-round competitive aquatics facility with the intent of their active use, to include possibly fielding competitive swim teams. The study will be utilized for a subsequent project design effort, if found to be feasible, and ultimately the public bidding process for construction of a project.

If funded, the feasibility study is to include the following:

- evaluation of the condition of the existing complex in its entirety including applicable local, state, and federal code;
- needs assessment including public/stakeholder input;

- recommended improvements/enhancements and conceptual planning of the entire facility;
- necessary research to appropriately evaluate the viability of such improvements;
- evaluation of the amount of local work force needed to support an extended season/year-round facility; and
- cost analysis for construction and operation

On January 23, 2018, City Council authorized City staff to submit a funding application to the EIC in an amount not to exceed \$100,000 for this study. As a reminder, for City-sponsored Public Infrastructure and Quality of Life projects, authorization from the City Council is required in order for an application to be made to the EIC.

On February 19, 2018, EIC considered the funding application and directed staff to prepare a funding agreement in addition to holding the required public hearing. If approved, the last step in this process is consideration and final approval by City Council on March 27, 2018.

#### **RECOMMENDED ACTION**

Staff recommends holding a public hearing and approval of this funding agreement as presented.

**PROJECT FUNDING AGREEMENT BETWEEN THE CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION AND THE CITY OF KERRVILLE, TEXAS FOR AN ACQUATICS FEASIBILTIV STUDY**

**THIS PROJECT FUNDING AGREEMENT** is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by and between the City of Kerrville, Texas Economic Improvement Corporation ("EIC"), a Texas non-profit corporation established by City pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 and now codified in Chapters 501, 502, and 505 of the Texas Local Government Code (otherwise known as the Development Corporation Act of 1979 and hereafter called "the Act") and the City of Kerrville, Texas ("City"), a Texas home-rule municipality.

**WITNESSETH:**

**WHEREAS**, pursuant to Chapter 505 of the Act, the EIC is authorized to undertake, or to provide funding to City to undertake, projects which the EIC finds to be encompassed by the definition of "projects" as that word is defined in Chapters 501 and 505 of the Act; and

**WHEREAS**, EIC was formed to administer the sales and use tax approved by the citizens of Kerrville, Texas, in May 1995 and collected for projects as defined by the Act, including:

*Projects related to recreational or community facilities, to include land, buildings, equipment, facilities, and improvements found by the Board to be required or suitable for use for professional and amateur sports, including children's sports, athletic, entertainment, tourist, convention, and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, parks and park facilities, open space improvements, museums, exhibition facilities, and related store, restaurant, concession, and automobile parking facilities, related area transportation facilities, and related roads, streets, and water and sewer facilities, and other related improvements that enhance any of the items described by this section; and*

**WHEREAS**, City proposes to enter into an agreement with a professional firm to analyze and develop an aquatics feasibility study with respect to the City's existing pool and community input (the "Project"); and

**WHEREAS**, the EIC finds that the Project as described generally above constitutes a "project" as defined by the Act; and

**WHEREAS**, the EIC finds that the Project is required or suitable for the study and consideration of a proposed recreational and community facility; and

**WHEREAS**, the EIC finds that it will be in the public interest to enter into this Agreement with City to provide sales tax revenues collected pursuant to the Act ("4B Revenues") to City for costs related to the Project; and

**WHEREAS**, on March 19, 2018, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, the EIC held a public hearing pursuant to Section 501.072 of the Act related to the proposed expenditure of 4B Revenues for the Project;

**NOW THEREFORE**, for and in consideration of the recitals set forth above and the promises made herein, the EIC and City agree as follows:

1. **"Project" Defined:** When used in this Agreement, the phrase "Project" means the project summary as described in **Exhibit A** attached hereto and included herein for all purposes. City shall not substantively alter the description of the Project in any respect without the prior approval of the EIC.
2. **Agreement to Fund Project:** the EIC agrees to provide City an amount up to and not to exceed \$100,000.00 in 4B Revenues to be used for the Project. City is authorized to make payments for the herein described purposes directly from the Sales Tax Improvement Fund (Fund 40) or by making a transfer of 4B Revenues from the Sales Tax Improvement Fund (Fund 40) to one or more funds described in the City's approved budget. The City shall limit transfers to the actual amount of the payment draws submitted by architect related to the Project.
3. **Eligible Costs:** Payments made by City from 4B Revenues as authorized by Section 2, above, are limited to the payment of "costs" as defined in the Act.
4. **Applicable Law:** This Agreement is governed by and construed in accordance with the laws of the State of Texas. The Agreement is entered into and fully performable within Kerr County, Texas. Accordingly, venue for any cause of action arising pursuant to this Agreement is proper only in Kerr County, Texas.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement in the year and as of the date indicated.

**CITY OF KERRVILLE, TEXAS**

**CITY OF KERRVILLE, TEXAS  
ECONOMIC IMPROVEMENT CORPORATION**

By: \_\_\_\_\_  
Bonnie White, Mayor

By: \_\_\_\_\_  
Kenneth Early, President

ATTEST:

ATTEST:

\_\_\_\_\_  
Brenda G. Craig, City Secretary

\_\_\_\_\_  
Cheryl Brown, Secretary for the EIC

APPROVED AS TO FORM:

\_\_\_\_\_  
Michael C. Hayes, City Attorney

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**PROJECT FUNDING AGREEMENT BETWEEN THE CITY OF KERRVILLE,  
TEXAS ECONOMIC IMPROVEMENT CORPORATION AND THE CITY OF KERRVILLE - PAGE 2**

# APPLICATION FOR 4B SALES TAX FUNDS

## CITY OF KERRVILLE ECONOMIC IMPROVEMENT CORPORATION

Both the Economic Improvement Corporation Board of Directors (EIC) and the Kerrville City Council must approve all expenditures of 4B funding. Before a project may be considered and awarded any funds, the attached application must be completed and submitted to:

**Kerr Economic Development Corporation**  
**1700 Sidney Baker, Ste. 100**  
**Kerrville, TX 78028**  
**(830) 896-1157**

All actions of the EIC are subject to the Development Corporation Act of 1979, article 5190.6 Vernon's Civil Statutes, Section 4B (now codified in Chapters 501, 502, and 505 of the Texas Local Government Code). The EIC is a legal entity with statutory authority to spend economic development sales tax dollars. The Corporation is city-chartered and governed by a Council-appointed board of directors. The EIC is a 4B Corporation and may fund "projects" focused on the creation of "primary jobs" and / or to provide an economic benefit to the City of Kerrville, as well as "Quality of Life" projects. Application approvals are subject to funding availability.

## APPLICATION SECTION 1 - DEFINITIONS

**Business Incentives** - Economic incentives for a Primary Employer to induce the creation or retention of primary jobs and Capital Investment that may include, but not limited to job, land, facilities, equipment and infrastructure grants or reimbursements of new facilities or modernizations of current facilities to be determined by the EIC and the City Council.

**Capital Investment** - The increase in the assessed value of an eligible property as a result of 'expansion' or 'modernization' of an 'existing facility' or construction of a 'new facility'.

**City** - City of Kerrville, Texas

**Clawback** - That provision in a Funding Agreement, which states how and to what extent any incentive payments from public funds must be repaid if the stated Performance Standards are not met.

**Current Payroll** - The company's total expenditure for all employees for the month immediately preceding this application multiplied by 12.

**Deferred Maintenance** - Improvements necessary for continued operations which do not improve productivity or are preformed to meet regulatory obligations.

**Economic Life** - The number of years a property improvement or manufacturing / processing equipment is expected to be in service in a facility.

**EIC** - Kerrville Economic Improvement Corporation

**Employee Benefit** - Incentives offered to employees and paid for by the employer such as health care coverage, vacation, etc. If an employee pays 30% of the cost, or more, it should not be considered a "benefit" for purposes of this application.

**Facility** - Property Improvements completed or in the process of construction which together compromise an integral whole, as well as new fixed machinery and equipment. Includes an existing building purchased for expansion or relocation

**Full Time Job** - The employment of a person for a minimum of 35 hours per week and offering that person all those benefits adopted by company policy for Full Time Employees. Major stockholders or immediate family members should not be included in this number when considering "New Full-Time Jobs Created."

**Funding Agreement** - A written contract designed to protect the interest of local taxpayers by putting a businesses' job creation or capital investment commitments in writing and by linking the payment of any financial incentive to the business fulfilling its written commitments (i.e. clawbacks).

**Hourly Wage** - The gross amount paid to the employee for each hour worked not including the Employer's portion of FICA or FWH. Benefits should not be included in this figure, but should be listed separately under the compensation per employee section of the application.

**KEDC** - The Kerr Economic Development Corporation

**Modernization** - The replacement and upgrading of existing facilities which increase the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facilities. Modernization may result in from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing or the completion of deferred maintenance.

**New Facility** - Property previously undeveloped which is placed into service by means other than in conjunction with an expansion or modernization.

**Owner** - The owner of a facility or program subject to business incentives. If the facility is constructed on a leased property, the owner shall be the party which owns the property subject to the business incentive. A lessee or other interested third party may, at the discretion of the City, be required to join in the execution of the Agreement but shall not be obligated to assure performance of the party receiving the Business Incentive.

**Part-Time Job** - A person working less than 35 hours per week. Major stockholders or immediate family members should not be included in this category when completing the application under New Part-Time Jobs Created.

**Public Capital Project** - Improvements owned and maintained by the City of Kerrville included in the Capital Improvement Plan and funded by the capital budget.

**Payoff Period** - The amount of time in years that it will take the EIC and the City to recover the costs of business incentives from additional revenues it will receive from the facility.

**Primary Employer** - A business in which at least 51% of its goods and / or services are sold to customers that are located outside Kerr County, Texas and / or are in one of the following three digit NAICS codes: 31-33 Manufacturing, 42 Wholesale Trade, 48-49 Transportation and Warehousing, 52 Finance and Insurance, 54 Professional and Technical, or 55 Management of Companies (as defined by Texas Legislature HB 2912, 2003 Regular Session); or is a supplier who supplies at least 70% of its non-retail goods and/or services to local primary employer(s) that are located outside of Kerr County, Texas.

**Submittal Date:** 1 / 16 / 18

**ORGANIZATION**

**City of Kerrville**

Applicant Name

**701 Main Street                      Kerrville                      Texas                      78028**

Address

City

State

Zip

**(830) 257-8000**

Phone

Alt. Phone

Fax

**www.kerrvilletx.gov**

Website

**PROJECT CONTACT**

**Ashlea Boyle**

Director of Parks & Recreation

Contact Person Name

Title

**701 Main Street                      Kerrville                      Texas                      78028**

Address

City

State

Zip

**(830) 258-1153**

Phone

Alt. Phone

Fax

**ashlea.boyle@kerrvilletx.gov**

Email Address

**Amount of Funding Requested: \$** 100,000

Please include a cover letter and supplemental information as deemed appropriate that:

- clearly states the mission statement of the organization(s),
- what the requested funding shall be used for,
- pertinent financial information (costs, revenues, percentage of funding request of total budget and financial history), and
- other information, as requested.

***Continue to Section III***

## Business Development Projects

Submittal Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

### ORGANIZATION

Applicant Name \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Alt. Phone \_\_\_\_\_ Fax \_\_\_\_\_

Website \_\_\_\_\_

### PROJECT CONTACT

Contact Person Name \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Alt. Phone \_\_\_\_\_ Fax \_\_\_\_\_

Email Address \_\_\_\_\_

Type of Business Structure: Corporation ☐ Partnership ☐ Sole Proprietorship ☐

Year Business Started: Year \_\_\_\_\_ Location \_\_\_\_\_

Current Employment: Permanent Full-Time \_\_\_\_\_ Permanent Part-Time \_\_\_\_\_

Average Production Wage \_\_\_\_\_

Full-Time Employees receive the following benefits:

\_\_\_\_\_  
\_\_\_\_\_

Financial Information: Five Years Annual Financials Attached \_\_\_\_\_  
Include: Statement of profit and loss; Balance sheet; Cash Flow  
Statement; IRS reporting forms, Pro forma

Annual Sales for Corporation / Company \$ \_\_\_\_\_

This Facility \$ \_\_\_\_\_

Local Sales Tax paid Annually \$ \_\_\_\_\_

Current Payroll \$ \_\_\_\_\_

Has the Company ever filed for bankruptcy protection under Chapter 7 or  
Chapter 11 of the Bankruptcy Statutes? No ☐ Yes ☐ Details:

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### SECTION III - PROJECT INFORMATION

This application is for a:

- Business Development ☐
- Expansion of Existing Facility ☐ or
  - New Construction ☐
  - Other ( )

Capital Improvements for Public Infrastructure

- Utilities ☐
- Roadways ☐
- Other ( )

Quality of Life

- Community Event ☐
- Project ☒

The proposed improvements are to be located within the following taxing  
district(s): City of Kerrville ☒ Kerr County ☒ Kerrville ISD ☒  
Ingram ISD ☐ Center Point ISD ☐

### SECTION IV - PROJECT DESCRIPTION

Please attach a statement on company letterhead and signed by an officer of the  
company (1) fully explaining the nature and scope of the project; (2) describing the  
proposed site and existing improvements, if any; (3) describing all proposed

improvements; and (4) providing a list of eligible improvements; (5) provide a list of major, fixed equipment along with manufacturer specifications and cost quote from the manufacturer.

Should this project be approved, the Economic Improvement Corporation may require performance criteria as a part of the funding agreement, in addition to this application. The funding agreement is between the Economic Improvement Corporation and the City of Kerrville. Said funding agreement will outline project costs, timelines, other information may be necessary to carry out the project in an efficient manner.

## **SECTION V – ECONOMIC IMPACT INFORMATION**

### **Part A - Project Investment in Improvements**

Total \$ \_\_\_\_\_  
Sq. Footage of New Building (s) \_\_\_\_\_  
Size of Parking \_\_\_\_\_  
Other \_\_\_\_\_

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### **Part B - Project Investment in Fixed Equipment**

(New)\$ \_\_\_\_\_  
Manufacturer of Equipment \_\_\_\_\_  
Anticipated Useful Life of Equipment \_\_\_\_\_  
Purchase Price \$ \_\_\_\_\_ Installation Cost \$ \_\_\_\_\_  
Anticipated Delivery time from Date of Order \_\_\_\_\_

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### **Part C - Permanent Employment Estimates-** (do not include owners, stockholders or their dependents)

Anticipated Number of New Full-Time Employees as a result of this project \_\_\_\_\_  
Anticipated Number within 12 months of Completion of this project \_\_\_\_\_  
Anticipated Number within 24 months of Completion of this project \_\_\_\_\_  
Typical Job Descriptions or Job Titles \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Anticipated starting salaries of these employees: (avg.) \$ \_\_\_\_\_/hour

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### **Part D - Permanent Part-Time Employment Estimates-** (do not include owners, stockholders or their dependents)

Anticipated Number of New Part-Time Employees as a result of this project \_\_\_\_\_

Anticipated Number within 12 months of Completion of this project \_\_\_\_\_  
Anticipated Number within 24 months of Completion of this project \_\_\_\_\_  
Typical Job Descriptions or Job Titles of these employees: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Anticipated starting salaries of these employees: (avg.) \$ \_\_\_\_\_ / hour

**Part E - Payroll Impact**

Within 12 months of Project Completion \_\_\_\_\_ Within 24 months of Project  
Completion \_\_\_\_\_

\$ \_\_\_\_\_

FTE X Avg. Wage X 40 hrs X 52 wks

\$ \_\_\_\_\_

PTE X Avg. Wage X 20 hrs X 52 wks

**SECTION VI - OTHER ASSISTANCE**

Has the Company applied for any State or Federal assistance on this project?

No ☐ Yes ☐

Describe:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To the best of my knowledge, the above information is an accurate description of the proposed project details.

Ashlea Boyle

\_\_\_\_\_  
Printed name

January 16, 2018

\_\_\_\_\_  
Date

Director of Parks and Recreation

\_\_\_\_\_  
Title

Ashlea Boyle

\_\_\_\_\_  
Signature



## City of Kerrville

701 MAIN STREET • KERRVILLE, TEXAS 78028 • 830.257.8000 • KERRVILLETX.GOV

### **Aquatics Feasibility Study Scope of Work**

This project will consist of a feasibility study for the City's Olympic Pool located at 601 Olympic Drive in Kerrville, Texas to be funded through the City of Kerrville, Texas Economic Improvement Corporation.

The Olympic Pool was built in 1970 and has not seen significant improvements since. Most of the original infrastructure is still in place and the facility is in need of renovation. The facility is outdated and would be evaluated for basic needs and updates as well as feature and improvement recommendations based on current trends in aquatics (slides, interactive toys, etc.) and the specific needs of the Kerrville community. At a minimum, the mechanical equipment and filtration system needs to be addressed in addition to evaluating pool leaks. Preliminary discussions have been held with Kerrville Independent School District (KISD) and Schreiner University. Both organizations have expressed interest in a year-round competitive aquatics facility with the intent of their active use, to include possibly fielding competitive swim teams. Schreiner University indicated a willingness to consider providing financial support in some capacity. KISD is also willing to consider some financial support. This would require updates in addition to heating the pool. The feasibility study could provide improvement options for a year-round competitive pool, recreational improvements, or a combination of both.

If funded, the City intends to hire a consulting firm, via a Request for Qualifications (RFQ) process, that will conduct the feasibility study. This process will engage various aquatics-related community stakeholders such as KISD, Schreiner University, and the general public. The study will be utilized for a subsequent project design effort, if found to be feasible, and ultimately the public bidding process for construction of a project.

If funded, the feasibility study is to include the following:

- evaluation of the condition of the existing complex in its entirety including applicable local, state, and federal code;
- needs assessment including public/stakeholder input;
- recommended improvements/enhancements and conceptual planning of the entire facility;
- necessary research to appropriately evaluate the viability of such improvements;
- evaluation of the amount of local work force needed to support an extended season/year-round facility; and
- cost analysis for construction and operation.



Phone: (830) 257-2200 ext. 1011  
Fax: (830) 257-2249

Mark J. Foust, Ed.D.  
Superintendent

1009 Barnett Street  
Kerrville, TX 78028

May 1, 2017

City of Kerrville  
ATTN: E.A. Hoppe  
Deputy City Manager  
701 Main Street  
Kerrville, TX 78028

Dear Mr. Hoppe,

On behalf of Kerrville ISD I would like to confirm our interest in exploring the feasibility of developing long term swimming opportunities that would benefit our students, Schreiner University students, and our community. An important step to building a relationship between KISD, Schreiner University, and the City of Kerrville in relation to a swimming program, is determining the potential interest and cost of starting such programs. Data and information related to these questions will be vital in determining our next steps in this joint venture.

Thank you for your willingness to partner with our district in this opportunity to improve the quality of life and educational experiences of our students and our community.

Sincerely,

Mark J. Foust, Ed.D.  
Superintendent

# Schreiner University

LEARNING BY HEART<sup>SM</sup>

OFFICE OF THE  
VICE PRESIDENT FOR  
ADMINISTRATION  
AND FINANCE

2100 MEMORIAL BLVD.  
KERRVILLE, TEXAS 78028-5697  
830.792.7355

May 8, 2017

E. A. Hoppe  
Deputy City Manager  
701 Main Street  
Kerrville, TX 78028

Dear Mr. Hoppe,

E.A.

Pursuant to our discussions, this letter communicates Schreiner University's interest in exploring the feasibility of a project that would enable the university to join with KISD and the City of Kerrville in providing enhanced opportunities for swimming programs that would be of mutual interest and benefit.

We understand that the compilation of data related to costs and potential utilization will be necessary to inform decisions by all parties going forward. We appreciate the interest and willingness of the City and KISD to collaborate with us in our continued efforts to enhance our community and the quality of life afforded its citizens.

Best regards,



Bill Muse