

**AGENDA FOR REGULAR MEETING**

**CITY OF KERRVILLE, TEXAS**

**ECONOMIC IMPROVEMENT CORPORATION**

**MONDAY, JUNE 17, 2019 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, JUNE 17, 2019, 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 EIC meeting held on May 20, 2019.

**3. NOMINATE AND ELECT OFFICERS:**

3A. Nominate and elect President, Vice President, Secretary and Treasurer.

**4. APPOINTMENT OF EIC REPRESENTATIVE TO THE KERR ECONOMIC DEVELOPMENT CORPORATION:**

4A. Nominate and approve EIC representative to the Kerr Economic Development Corporation.

**5. APPOINTMENT OF EIC REPRESENTATIVE TO THE "GO TEAM":**

5A. Nominate and approve EIC representative to the "GO Team".

**6. MONTHLY REPORTS:**

6A. Monthly financials for May 2019. (staff)

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

I hereby certify that this agenda was posted as notice of the meeting on the bulletin board at the City Hall of the City of Kerrville, Texas, and on the City's website on the following date and time: June 14, 2019 at 4:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

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Cheryl Brown  
Cheryl Brown, Deputy City Secretary  
City of Kerrville, Texas

6B. Projects update:

River Trail Extension to Schreiner University

Reuse Distribution Lines

Tennis Center Improvements

Aquatics Feasibility Study

Olympic Drive Extension

Downtown Streetscape

Econolodge/HL Kerr

Thompson Road/The Landing Infrastructure Extension

6C. Monthly update from Kerr Economic Development Corporation. (KEDC)

**7. CONSIDERATION AND POSSIBLE ACTION:**

7A. Update and direction to City staff regarding Economic Improvement Budget for Fiscal Year 2019. (staff)

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

8A. Economic Development Agreement with Kerrville 4<sup>th</sup> on the River, Inc. for renovation of the Arcadia Theater, 717 Water Street, Kerrville, Texas.

**9. 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:

9A. Deliberation regarding economic development negotiations in accordance with the Texas Open Meetings Act; discussion regarding commercial or financial information received from a business prospect(s), and/or to deliberate the offer of a financial or other incentive to a business prospect(s). (Section 551.087, TX Government Code)

**10. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION**

**11. ITEMS FOR FUTURE AGENDAS**

**12. ANNOUNCEMENTS**

**13. ADJOURNMENT.**

## **Agenda Item:**

2A. Approval of minutes for the regular EIC meeting held on May 20, 2019.

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

**MAY 20, 2019**

On Monday, May 20, 2019, 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. Sigerman offered the invocation.

**Members Present:**

Kenneth Early, President  
Kent McKinney, Vice President  
Don Barnett  
Gary Cooper  
Maggie Megee  
Robert Naman  
Delayne Sigerman

**Members Absent:**

None

**City Executive Staff Present:**

Mark McDaniel, City Manager  
E.A. Hoppe, Deputy City Manager  
Mike Hayes, City Attorney  
Amy Dozier, Assistant Finance Director  
Cheryl Brown, Deputy City Secretary

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

**1. VISITORS/CITIZENS FORUM:** None

**2. APPROVAL OF MINUTES:**

2A. Approval of minutes for the regular EIC meeting held on April 15, 2019. Mr. Barnett asked that the minutes be corrected to reflect that he did not offer the invocation at the April 15<sup>th</sup> meeting.

Mr. McKinney moved to approve the minutes with the above correction. Mr. Barnett seconded the motion and the motion passed 7-0.

**3. MONTHLY REPORTS:**

3A. Monthly financials for April 2019.

Ms. Dozier reported that the EIC operating fund received sales tax revenue of \$284,581 in April 2019, which was a 17.7% increase compared to April 2018. April 2019 included two of the largest taxpayers pre-paid taxes that would normally be received in May. After

adjusting for those prepayments, sales tax revenue was up 7.2% compared to the prior year. The City's two largest sales tax categories, retail trade and food services, continue to show strong growth.

Interest income for the month was \$7,887. EIC's money is invested entirely in TexPool, which was earning 2.55% as of May 17, 2019. Rates fell slightly after peaking at 2.60% on May 1, 2019. The investment is completely liquid and can be used to fund projects at any time.

Expenditures for the month were \$407,682, which included budgeted transfers for debt service and the administrative service fee plus a \$300,000 transfer to the project fund.

During April, the Project Fund received the aforementioned \$300,000 transfer. The transfer was allocated equally between saving for remaining commitments on the Schreiner University River Trail project and the Olympic Drive project. As of April 30<sup>th</sup>, the project fund has \$1,167,132 in set aside money not yet allocated to a specific project and \$1,500,000 in funding still required for signed agreements.

Current projections show an approximate uncommitted cash balance of \$660,000 at the end of the fiscal year on September 30, 2019.

Ms. Dozier also reviewed a cash flow forecast chart.

3B. Projects update:

Mr. Hoppe made the following reports:

River Trail Extension to Schreiner University

The construction documents were approximately 90% finished.

Tennis Center Improvements:

There were some rain delays, but the project was on-point. The projected completion time frame was spring 2020.

Aquatics Feasibility Study:

The project was paused due to re-plastering of the pool.

Legion Lift Station:

Much work was being done at Loop 534 and State Highway 27. The project was on schedule, and within budget, with a projected completion time from of early 2020.

Reuse Distribution Lines

Forensic analysis was continuing.

EconoLodge/Hobby Lobby

The property was transferred to Hobby Lobby mid-April. There was still a projected opening time frame of September 2019.

Thompson/Spur 98 Infrastructure Extension

Easements were fully acquired. Bids were being accepted. The projected completion time frame was the end of the first quarter of Fiscal Year 2020.

3C. Monthly update from Kerr Economic Development Corporation (KEDC). Walt Koenig gave a report for KEDC. The Stakeholder Retreat was scheduled for May 21, 2019.

**4. CONSIDERATION AND POSSIBLE ACTION:**

4A. Economic development funding request for renovation of the Arcadia Theater. Mr. Hoppe presented the request. The property was recently acquired by the Kerrville 4<sup>th</sup> on the River non-profit group. He introduced Ann Overby, Executive Director of Kerrville 4<sup>th</sup> on the River, who reviewed the plans for obtaining funding for the renovations. She hoped to have 70-75% of the funds by the end of July, with a projected opening date of April 3, 2020.

The following people spoke:

Linda Bullard

Greg Bitcour

Ms. Sigerman moved for EIC to go into executive closed session to discuss subject matter under Section 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code. Mr. McKinney seconded, and the motion passed 5-0. (Mr. Naman and Ms. Megee left the chambers prior to the vote on the motion)

**5. EXECUTIVE SESSION:**

5A. Deliberation regarding economic development negotiations in accordance with the Texas Open Meetings Act; discussion regarding commercial or financial information received from a business prospect(s), and/or to deliberate the offer of a financial or other incentive to a business prospect(s). (Section 551.087, TX Government Code) inc

5B. Economic development funding request for renovation of the Arcadia Theater.

At 4:53 p.m., the executive closed session recessed and EIC returned to open session at 5:36 p.m. Mr. Early announced that no action was taken at executive session.

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

Ms. Sigerman moved to direct staff to draft a request for funding for the renovation of the Arcadia Theater, and to get it to the EIC members prior to their 6-17-19 meeting; and to hold a public hearing for the funding request at that meeting. Mr. McKinney seconded, and the motion passed 7-0.

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

**8. ANNOUNCEMENTS:** None

**9. ADJOURNMENT**

Mr. Early adjourned the meeting at 5:38 p.m.

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

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

ATTEST:

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

## **Agenda Item:**

3A. Nominate and elect President, Vice president, Secretary and Treasurer.

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

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**SUBJECT:** Appoint of Officers for the Economic Improvement Corporation

**AGENDA DATE:** June 17, 2019

**DATE SUBMITTED:** June 14, 2019

**SUBMITTED BY:** E.A. Hoppe  
Deputy City Manager

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

**EXHIBITS:** None

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**

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

**PAYMENT TO BE MADE TO:** N/A

**REVIEWED BY THE FINANCE DIRECTOR:** N/A

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**SUMMARY STATEMENT**

The Economic Improvement Corporation's Bylaws dictate that, at their annual meeting, the Corporation nominate and appoint a President, Vice-President, Treasurer, and Secretary

**RECOMMENDED ACTION**

Appoint Officers.

## **Agenda Item:**

4A. Nominate and approve EIC representative to Kerr Economic Development Corporation.

**There is no agenda bill for this item.**

## **Agenda Item:**

5A. Nominate and approve EIC representative to the “GO Team”.

**There is no agenda bill for this item.**

## **Agenda Item:**

6A. Monthly financials for May 2019.



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

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**SUBJECT:** EIC Monthly Financial Statements for the month ended May 31, 2019

**AGENDA DATE OF:** 6/17/2019

**DATE SUBMITTED:** 6/14/2019

**SUBMITTED BY:** Amy Dozier, CFO

**EXHIBITS:** Financial Reports

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<b>Expenditure Required:</b>	<b>Current Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
n/a	n/a	n/a	n/a

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**PAYMENT TO BE MADE TO:** Click or tap here to enter text.

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<b>Kerrville 2050 Item?</b>	<b>Yes:</b> <input type="checkbox"/>	<b>No:</b> <input checked="" type="checkbox"/>
<b>Key Priority Area</b>	Choose an item.	
<b>Guiding Principle</b>	Choose an item.	
<b>Action Item</b>	N/A	

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**SUMMARY STATEMENT:**

The EIC operating fund received sales tax revenue of \$299,073 in May 2019. This is a decrease of 7.85% compared to May 2018. We were expecting the decrease because two of our largest tax payers pre-paid taxes in April that would normally be received in May. Year to date, sales tax is up 4.85%. Our two largest sales tax categories, retail trade and food services, continue to show strong growth.

Interest income for the month was \$7,259. EIC's money is invested entirely in TexPool, which is earning 2.52% as of June 13, 2019. Rates are continuing to fall some, but remain surprising strong considering that 12 month, 2 year and 5 year treasury rates are below 2%. The investment is completely liquid and can be used to fund projects at any time.

Expenditures for the month were \$326,702, which included budgeted transfers for debt service and the administrative service fee plus a \$219,020 transfer to the project fund.

During April, the Project Fund received the aforementioned \$219,020 transfer. As of May 31st, the project fund has an ending cash balance of \$3,536,152 and signed agreements for committed funding of \$3,650,000. The remaining \$113,848 needed to fully fund those commitments will be transferred to the project fund in June.

The format of the monthly financial report has changed some for the month of May. The new format is intended to improve clarity and readability. For your reference, I have also included May statements using the old format.

**ECONOMIC IMPROVEMENT CORPORATION  
OPERATING FUND  
STATEMENT OF ACTIVITIES  
FOR THE MONTH ENDED MAY 31, 2019**

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>BEGINNING CASH BALANCE</b>	<b>\$1,242,648</b>		<b>\$1,242,648</b>		
<b>REVENUES</b>					
Sales and Use Tax	3,469,051	299,073	2,353,770	67.9%	(1,115,281)
Interest Income	45,000	7,259	63,169	140.4%	18,169
<b>TOTAL REVENUES</b>	<b>3,514,051</b>	<b>306,332</b>	<b>2,416,940</b>	<b>68.8%</b>	<b>(1,097,112)</b>
<b>EXPENDITURES</b>					
Administrative					
Office Supplies	500	-	-	0.0%	500
Administrative Services Fee	180,000	15,000	120,000	66.7%	60,000
Kerr Economic Development Corp	140,000	-	105,000	75.0%	35,000
Total Administrative	320,500	15,000	225,000	70.2%	95,500
Debt Service					
Debt Service - Series 2011A (River Trail)	258,506	21,542	172,337	66.7%	86,169
Debt Service - Series 2012 (River Trail)	250,330	20,861	166,887	66.7%	83,443
Debt Service - Series 2015 (Sports Complex)	603,350	50,279	402,233	66.7%	201,117
Total Debt Service	1,112,186	92,682	741,457	66.7%	370,729
Transfers to Project Fund	2,050,000	219,020	2,694,020	131.4%	(644,020)
<b>TOTAL EXPENDITURES</b>	<b>3,482,686</b>	<b>326,702</b>	<b>3,660,477</b>	<b>105.1%</b>	<b>(177,791)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 31,365</b>	<b>\$ (20,370)</b>	<b>\$ (1,243,538)</b>		
<b>ENDING CASH BALANCE</b>	<b>\$ 1,274,013</b>		<b>\$0</b>		

**ECONOMIC IMPROVEMENT CORPORATION  
PROJECT FUND  
STATEMENT OF ACTIVITIES  
FOR THE MONTH ENDED MAY 31, 2019**

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>BEGINNING CASH BALANCE</b>	<b>\$2,850,000</b>		<b>\$2,850,000</b>		
<b>REVENUES</b>					
Transfer In - EIC Operating Fund	2,050,000	219,020	2,694,020	131.4%	644,020
<b>TOTAL REVENUES</b>	<b>2,050,000</b>	<b>219,020</b>	<b>2,694,020</b>	<b>131.4%</b>	<b>644,020</b>
<b>EXPENDITURES</b>					
Project Contribution					
Legion Lift Station	1,000,000	-	1,000,000	100.0%	-
Tennis Center	-	-	250,000		(250,000)
Schreiner - River Trail	-	-	750,000		(750,000)
HL Kerr	-	-	375,000		(375,000)
Downtown Streetscape	-	-	(367,132)		367,132
<b>TOTAL EXPENDITURES</b>	<b>1,000,000</b>	<b>-</b>	<b>2,007,868</b>	<b>200.8%</b>	<b>(1,007,868)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 1,050,000</b>	<b>\$ 219,020</b>	<b>\$ 686,152</b>		
<b>ENDING CASH BALANCE</b>	<b>\$ 3,900,000</b>		<b>\$3,536,152</b>		
Committed Funding					
Legion Lift Station			1,000,000		
Thompson Drive Partners			850,000		
Schreiner River Trail			750,000		
Olympic Drive			1,050,000		
Total Committed Funding			<b>\$ 3,650,000</b>		

Project Analysis				
Project Description	EIC Commitment	Prior Funding	Current Year Funding	Remaining Funding
<b>Committed Projects:</b>				
Legion Lift Station	2,000,000	-	1,000,000	1,000,000
Thompson Drive Partners	850,000	-	-	850,000
Schreiner River Trail	1,500,000	-	750,000	750,000
Olympic Drive	1,050,000	-	-	1,050,000
<b>Committed Project Total</b>	<b>5,400,000</b>	-	<b>1,750,000</b>	<b>3,650,000</b>
<b>Fully Paid Projects:</b>				
Tennis Center	1,750,000	1,500,000	250,000	-
HL Kerr	375,000	-	375,000	-
<b>Fully Paid Projects Total</b>	<b>2,125,000</b>	<b>1,500,000</b>	<b>625,000</b>	-
<b>Total</b>	<b>7,525,000</b>	<b>1,500,000</b>	<b>2,375,000</b>	<b>3,650,000</b>

Sales Tax Revenue Analysis - FY2019						
Month	Actual FY2017	Actual FY2018	Budget FY2019	Actual FY2019	FY2018 vs. FY2019	Budget vs. Actual
October	\$ 264,806	\$ 277,430	\$ 279,029	\$ 284,752	2.64%	2.05%
November	278,707	278,698	280,305	276,717	-0.71%	-1.28%
December	260,757	252,047	253,500	295,154	17.10%	16.43%
January	273,741	273,590	275,167	271,314	-0.83%	-1.40%
February	357,098	354,753	356,798	376,154	6.03%	5.42%
March	248,560	242,127	243,523	266,024	9.87%	9.24%
April	240,783	241,702	243,095	284,581	17.74%	17.07%
May	308,696	324,560	326,431	299,073	-7.85%	-8.38%
June	261,944	286,255	287,905			
July	282,792	306,165	307,930			
August	306,807	323,628	325,494			
September	275,901	288,215	289,876			
<b>YTD Total</b>	<b>\$ 3,360,592</b>	<b>\$ 3,449,171</b>	<b>\$ 3,469,051</b>	<b>\$ 2,353,770</b>	<b>4.85%</b>	<b>4.25%</b>

**ECONOMIC IMPROVEMENT CORPORATION  
OPERATING FUND  
STATEMENT OF ACTIVITIES  
FOR THE MONTH ENDED MAY 31, 2019**

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>BEGINNING CASH BALANCE</b>					<b>\$1,242,648</b>
<b>REVENUES</b>					
Sales and Use Tax	3,469,051	299,073	2,353,770	67.9%	(1,115,281)
Interest Income	45,000	7,259	63,169	140.4%	18,169
<b>        TOTAL REVENUES</b>	<b>3,514,051</b>	<b>306,332</b>	<b>2,416,940</b>	<b>68.8%</b>	<b>(1,097,112)</b>
<b>EXPENDITURES</b>					
Administrative					
Office Supplies	500	-	-	0.0%	500
Administrative Services Fee	180,000	15,000	120,000	66.7%	60,000
Kerr Economic Development Corp	140,000	-	105,000	75.0%	35,000
Administrative Set Aside	50,000	-	50,000	100.0%	-
Total Administrative	370,500	15,000	275,000	74.2%	95,500
Category I - Business Development					
Business Development Set Aside	500,000	-	125,000	25.0%	375,000
HL Kerr Agreement	-	-	375,000		(375,000)
Total Category I	500,000	-	500,000	100.0%	-
Category II - Quality of Life					
Quality of Life Set Aside	250,000	-	-	0.0%	250,000
Tennis Center	-	-	250,000		(250,000)
Schreiner University River Trail	-	109,510	634,510		(634,510)
Olympic Drive	-	109,510	259,510		
Debt Service - Series 2011A (River Trail)	258,506	21,542	172,337	66.7%	86,169
Debt Service - Series 2012 (River Trail)	250,330	20,861	166,887	66.7%	83,443
Debt Service - Series 2015 (Sports Complex)	603,350	50,279	402,233	66.7%	201,117
Total Category II	1,362,186	311,702	1,885,477	138.4%	(523,291)
Category III - Public Infrastructure					
Workforce Housing Set Aside	250,000	-	-	0.0%	250,000
Legion Lift Station	1,000,000	-	1,000,000	100.0%	-
Total Category III	1,250,000	-	1,000,000	80.0%	250,000
<b>        TOTAL EXPENDITURES</b>	<b>3,482,686</b>	<b>326,702</b>	<b>3,660,477</b>	<b>105.1%</b>	<b>(177,791)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 31,365</b>	<b>\$ (20,370)</b>	<b>\$ (1,243,538)</b>		
<b>ENDING CASH BALANCE</b>					<b>\$ 1,274,013</b>
					<b>\$0</b>

**ECONOMIC IMPROVEMENT CORPORATION  
PROJECT FUND  
STATEMENT OF ACTIVITIES  
FOR THE MONTH ENDED MAY 31, 2019**

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>BEGINNING CASH BALANCE</b>	\$2,850,000		\$2,850,000		
<b>REVENUES</b>					
Transfer In - EIC Operating Fund	2,050,000	219,020	2,694,020	131.4%	644,020
<b>TOTAL REVENUES</b>	<b>2,050,000</b>	<b>219,020</b>	<b>2,694,020</b>	<b>131.4%</b>	<b>644,020</b>
<b>EXPENDITURES</b>					
Project Contribution					
Legion Lift Station	1,000,000	-	1,000,000	100.0%	-
Tennis Center	-	-	250,000		(250,000)
Schreiner - River Trail	-	-	750,000		(750,000)
HL Kerr	-	-	375,000		(375,000)
Downtown Streetscape	-	-	(367,132)		367,132
<b>TOTAL EXPENDITURES</b>	<b>1,000,000</b>	<b>-</b>	<b>2,007,868</b>	<b>200.8%</b>	<b>(1,007,868)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 1,050,000</b>	<b>\$ 219,020</b>	<b>\$ 686,152</b>		
<b>ENDING CASH BALANCE</b>	<b>\$ 3,900,000</b>		<b>\$3,536,152</b>		

### Project Analysis

Project Description	EIC Commitment	Funding Transferred to EIC Project Fund	Funding Transferred to Project	Remaining Funding Required
<b>Committed Projects:</b>				
Legion Lift Station	2,000,000	1,000,000	1,000,000	
Thompson Drive Partners	850,000	850,000		
Schreiner River Trail	1,500,000	259,510	750,000	490,490
Olympic Drive	1,050,000	259,510		790,490
<b>Committed Project Total</b>	<b>5,400,000</b>	<b>2,369,020</b>	<b>1,750,000</b>	<b>1,280,980</b>
<b>Fully Paid Projects:</b>				
Tennis Center	1,750,000		1,750,000	
HL Kerr	375,000		375,000	
<b>Fully Paid Projects Total</b>	<b>2,125,000</b>		<b>2,125,000</b>	
<b>Set Aside:</b>				
Business Development		367,132		
Workforce Housing		750,000		
Administrative		50,000		
<b>Set Aside Total</b>		<b>1,167,132</b>		
<b>Total Project Fund Balance</b>		<b>3,536,152</b>		

### Sales Tax Revenue Analysis - FY2019

Month	Actual FY2017	Actual FY2018	Budget FY2019	Actual FY2019	FY2018 vs. FY2019	Budget vs. Actual
October	\$ 264,806	\$ 277,430	\$ 279,029	\$ 284,752	2.64%	2.05%
November	278,707	278,698	280,305	276,717	-0.71%	-1.28%
December	260,757	252,047	253,500	295,154	17.10%	16.43%
January	273,741	273,590	275,167	271,314	-0.83%	-1.40%
February	357,098	354,753	356,798	376,154	6.03%	5.42%
March	248,560	242,127	243,523	266,024	9.87%	9.24%
April	240,783	241,702	243,095	284,581	17.74%	17.07%
May	308,696	324,560	326,431	299,073	-7.85%	-8.38%
June	261,944	286,255	287,905			
July	282,792	306,165	307,930			
August	306,807	323,628	325,494			
September	275,901	288,215	289,876			
<b>YTD Total</b>	<b>\$ 3,360,592</b>	<b>\$ 3,449,171</b>	<b>\$ 3,469,051</b>	<b>\$ 2,353,770</b>	<b>4.85%</b>	<b>4.25%</b>

### Cash Analysis

#### by Fund

Fund	Fund Name	Balance
40	Operating Fund (Uncommitted)	\$ 0
75	Projects Fund (Committed)	3,536,152
	<b>Total Cash and Investments</b>	<b>\$ 3,536,152</b>

#### by Type - Placement - Amount

Type	Investment Placement	Amount
Short Term Investment	TexPool	\$ 3,536,152
	<b>Total Cash and Investments</b>	<b>\$ 3,536,152</b>

## **Agenda Item:**

### 6B. Projects Update:

- River Trail Extension to Schreiner University
- Reuse Distribution Lines
- Tennis Center Improvements
- Aquatics Feasibility Study
- Olympic Drive Extension
- Downtown Streetscape
- Econolodge/HL Kerr
- Thompson Road/The Landing Infrastructure Extension

**There is no agenda bill for this item.**

## **Agenda Item:**

6C. Monthly update from Kerr Economic Development Corporation.

**There is no agenda bill for this item.**

## **Agenda Item:**

7A. Update and direction to City staff regarding Economic Improvement Corporation Budget for Fiscal Year 2019.



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

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**SUBJECT:** FY2020 Budget Discussion

**AGENDA DATE OF:** 6/17/2019

**DATE SUBMITTED:** 6/14/2019

**SUBMITTED BY:** Amy Dozier, CFO

**EXHIBITS:** Draft FY2020 Budget

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<b>Expenditure Required:</b> n/a	<b>Current Balance in Account:</b> n/a	<b>Amount Budgeted:</b> n/a	<b>Account Number:</b> n/a
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**PAYMENT TO BE MADE TO:** Click or tap here to enter text.

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<b>Kerrville 2050 Item?</b>	<b>Yes:</b> <input type="checkbox"/>	<b>No:</b> <input checked="" type="checkbox"/>
<b>Key Priority Area</b>	Choose an item.	
<b>Guiding Principle</b>	Choose an item.	
<b>Action Item</b>	N/A	

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**SUMMARY STATEMENT:**

The attached document is a first draft of a FY2020 budget. Staff requests direction from the EIC Board regarding this draft.

Staff will incorporate EIC Board direction into the budget and bring the proposed FY2020 Budget back for a vote on July 17, 2019.

**RECOMMENDED ACTION:**

Information only; no action required.

**City of Kerrville  
Economic Improvement Corporation  
FY2020 Draft Budget**

	FY19 Estimated	FY20 Draft Budget	FY21 Projected	FY22 Projected	FY23 Projected
<b>OPERATING FUND</b>					
<b>BEGINNING CASH BALANCE</b>	\$1,242,648	\$662,094	\$2,902,358	\$5,233,007	\$7,655,916
<b>REVENUE:</b>					
Sales Tax	3,570,000	3,689,250	3,763,035	3,838,296	3,915,062
Interest and Miscellaneous	90,000	33,750	50,000	76,000	100,000
Total Revenue	3,660,000	3,723,000	3,813,035	3,914,296	4,015,062
<b>EXPENSE:</b>					
Administrative					
Supplies and Miscellaneous	500	500	500	500	500
KEDC	140,000	180,000	180,000	180,000	180,000
Administrative Services Fee	180,000	185,000	190,000	195,000	200,000
Total Administrative	320,500	365,500	370,500	375,500	380,500
Debt Service					
Debt Service - Series 2011A (River Trail)	258,506	259,756	260,906	257,006	260,390
Debt Service - Series 2012 (River Trail)	250,330	251,630	247,830	254,030	249,030
Debt Service - Series 2015 (KSC)	603,350	605,850	603,150	604,850	602,825
Total Debt Service	1,112,186	1,117,236	1,111,886	1,115,886	1,112,245
Transfer to Project Fund	2,807,868	-	-	-	-
<b>TOTAL EXPENSE</b>	<b>4,240,554</b>	<b>1,482,736</b>	<b>1,482,386</b>	<b>1,491,386</b>	<b>1,492,745</b>
<b>NET REVENUE (EXPENSE)</b>	<b>(580,554)</b>	<b>2,240,264</b>	<b>2,330,649</b>	<b>2,422,909</b>	<b>2,522,317</b>
<b>ENDING CASH BALANCE</b>	<b>\$662,094</b>	<b>\$2,902,358</b>	<b>\$5,233,007</b>	<b>\$7,655,916</b>	<b>\$10,178,233</b>

	\$2,850,000	\$3,251,667	\$0	\$0	\$0
<b>PROJECT FUND</b>					
<b>BEGINNING PROJECT CASH BALANCE</b>	<b>\$2,850,000</b>	<b>\$3,251,667</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>REVENUE:</b>					
Transfer In from EIC Operating	2,807,868	-	-	-	-
Total Revenue	2,807,868	-	-	-	-
<b>EXPENSE:</b>					
Projects:					
Legion Lift Station	1,000,000	1,000,000	-	-	-
Olympic Drive	115,000	935,000			
Tennis Center	250,000	-	-	-	-
HL Kerr Agreement	375,000	-	-	-	-
Thompson Drive Agreement	283,333	566,667	-	-	-
River Trail to Schreiner University	750,000	750,000	-	-	-
Downtown Streetscape	(367,132)	-	-	-	-
<b>TOTAL EXPENSE</b>	<b>2,406,201</b>	<b>3,251,667</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET REVENUE (EXPENSE)</b>	<b>401,667</b>	<b>(3,251,667)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ENDING PROJECT CASH BALANCE</b>	<b>\$3,251,667</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **Agenda Item:**

8A. Economic Development Agreement with Kerrville 4<sup>th</sup> on the River, Inc. for renovation of the Arcadia Theater, 717 Water Street, Kerrville, Texas.

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

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**SUBJECT:** Public Hearing regarding an Economic Incentive Agreement between Kerrville's 4<sup>th</sup> on the River, Inc. and the City of Kerrville, Texas, Economic Improvement Corporation.

**AGENDA DATE:** June 17, 2019

**DATE SUBMITTED:** June 14, 2019

**SUBMITTED BY:** E.A. Hoppe  
Deputy City Manager

**EXHIBITS:**

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<b>Expenditure Required:</b>	<b>Current Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$600,000	N/A	N/A	N/A

**PAYMENT TO BE MADE TO: Kerrville 4<sup>th</sup> on the River (KFOR)**

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**SUMMARY STATEMENT**

The Arcadia Theater located in Downtown Kerrville along Water Street was recently acquired by the non-profit entity, Kerrville 4<sup>th</sup> on the River. The non-profit intends to conduct a \$2.3 million renovation of the facility in order to utilize the building for live music and other performances. These performances would have a catalyzing effect for Downtown Kerrville and its merchants by increasing patron foot traffic in the area. The scale and quality of the proposed performances could also have a likely effect of drawing in patrons from outside the local market, enhancing the local tourism industry and hotel occupancy rates.

Supporting the conversion of the Arcadia Theater to a live music event venue was identified as a specific Action Item in the Kerrville 2050 Comprehensive Plan under the Downtown Revitalization Guiding Principal of creating a "living room" for the community and a "front door" for visitors – a full service destination that attracts anchor uses and increased residential and mixed-use development. As such, the non-profit entity has requested public assistance with the funding of the renovation effort. Kerrville 4<sup>th</sup> on the River has requested \$600,000 from the Economic Improvement Corporation (EIC) towards the overall \$2.3 million construction budget as part of a combination Quality of Life and Business Development project. An additional \$400,000 has been requested from previously collected Hotel Occupancy Tax (HOT) Funds, which will be submitted to the City Council at a later date, as HOT Funds are under the purview of the City of Kerrville City Council. The remainder balance of the renovation funds are intending to be raised via donation and private philanthropy.

## **PROJECT HISTORY**

Winter/Spring 2019: City/KEDC receives EIC funding request application from Kerrville 4<sup>th</sup> on the River (KFOR). Additional project materials are sought, including an updated construction budget and 5 year operational proforma.

May 2019: A GO Team meeting was conducted.

May 20, 2019: EIC and City Council received a tour of the Arcadia facility. EIC received a presentation from Kerrville 4<sup>th</sup> on the River regarding their funding request. Staff was directed to draft an economic development grant agreement, and set a public hearing date for June 17<sup>th</sup>.

June 13, 2019: EIC reviewed a draft Agreement in Executive Session.

June 17, 2019: EIC Public Hearing to be conducted.

June 25, 2019: Earliest meeting by which City Council would review the EIC Agreement, and potentially the HOT-related Agreement (CC only review).

## **RECOMMENDED ACTION**

Hold a Public Hearing and consider the Economic Development Incentive Agreement.