

AGENDA FOR REGULAR MEETING

CITY OF KERRVILLE, TEXAS

ECONOMIC IMPROVEMENT CORPORATION

MONDAY, AUGUST 19, 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, AUGUST 19, 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 July 15, 2019.

3. MONTHLY REPORTS:

3A. Monthly Financial Report.

3B. Projects Update:

River Trail Extension to Schreiner University
Tennis Center Improvements
Aquatics Feasibility Study
Legion Lift Station
EconoLodge/Hobby Lobby
Thompson/Spur 98 Infrastructure Extension
Olympic Drive Infrastructure Extension
Downtown Streetscape/Parking Garage

3C. Monthly update from Kerr Economic Development Corporation. (KEDC)

4. CONSIDERATION AND POSSIBLE ACTION:

4A. Administrative Services Contract between City of Kerrville, Texas and City of Kerrville, Texas Economic Improvement Corporation.

4B. Economic Development Grant Agreement between Kerr Economic Development Corporation (KEDC) and the City of Kerrville, Texas Economic Improvement Corporation.

4C. Resolution creating a subcommittee of the City of Kerrville, Texas Economic Improvement Corporation to review the Bylaws of the corporation and recommend any amendments.

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. 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)

6. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION

7. ITEMS FOR FUTURE AGENDAS

8. ANNOUNCEMENTS

9. ADJOURNMENT.

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: August 16, 2019 at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Kayla McInturff

Kayla McInturff, Deputy City Secretary, City of Kerrville, Texas

Agenda Item:

2A. Approval of minutes for the regular EIC meeting held on July 15, 2019.

CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING **JULY 15, 2019**

On Monday, July 15, 2019, the regular meeting of the members of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:01 p.m. by Kenneth Early, President, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas. Greg Richards offered the invocation.

Members Present:

Kenneth Early, President
Kent McKinney, Vice President
Danny Almond
Don Barnett
Maggie Megee
Gregory Richards
Aaron Yates

Members Absent:

None

City Executive Staff Present:

Mark McDaniel, City Manager
E.A. Hoppe, Deputy City Manager
Mike Hayes, City Attorney
Amy Dozier, Finance Director
Kayla McInturff, Executive 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 June 17, 2019.

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

3. PROJECTS UPDATE:

3A. Projects update:

Mr. Hoppe made the following reports:

River Trail Extension to Schreiner University:

Out for bid right now with bids due on July 16, 2019.

Tennis Center Improvements: There have been some rain weather delays. Staff hopes for an early spring/late winter completion of this project.

Aquatics Feasibility Study: Staff met with a contractor and finalizing a phasing plan to look at ways to continue progress accomplishing the stakeholder input.

Legion Lift Station:

Project is on track to be wrapped up by first quarter of 2020.

Reuse Distribution Lines:

Successful grant award with disaster recovery funds with intentions to put equipment on Loop 534 bridge.

EconoLodge/Hobby Lobby

Hobby Lobby still has targeted end date of September, beginning of October.

Thompson/Spur 98 Infrastructure Extension

Let by the private developer and first phase of digging water line and next phase will continue on to lay waste water line.

Olympic Drive Extension:

Construction project documents in progress.

Downtown Streetscape:

Construction project documents in progress.

4. CONSIDERATION AND POSSIBLE ACTION:

4A. Proposed Economic Improvement Corporation Budget for Fiscal Year 2020.

Ms. Dozier reported on the proposed Economic Improvement Budget for FY 2020.

Gregory Richards moved to approve the proposed EIC budget for Fiscal Year 2020. Maggie seconded the motion and the motion passed 7-0.

4B. Kerr Economic Corporation (KEDC) monthly update and FY 2020 Budget request.

Gilberto Salinas presented monthly update of KEDC regarding marketing plan, economic development, Kerrville wants and needs, roadmap with indicators, year-to-date deliverables and budget proposal.

Walt Koenig presented the budget proposal with the additional budget request. Mr. Koenig and Mr. Salinas responded to questions from EIC members.

The following person spoke:

George Baroody

Don Barnett moved to approve creating a funding agreement for KEDC FY2020 budget request. Kent McKinney seconded the motion but would like to see matrix of measures in funding agreement presented next month. Motion passed 7-0.

4C. Appointment of a sub-committee of EIC members to review potential Bylaw changes.

Discussion was had regarding the creation of a sub-committee to review potential Bylaw changes. Kent McKinney, Aaron Yates, Kenneth Early and Gregory Richards volunteered. Resolution to be created and presented in next meeting.

5. EXECUTIVE SESSION:

Mr. Yates 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. Richards seconded, and the motion passed 7-0.

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)
At 5:32 p.m. the regular meeting recessed. EIC went to executive closed session at 5:32 p.m. At 5:50 p.m., the executive closed session recessed and EIC returned to open session at 5:50 p.m. No action was taken at executive session.

6. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:

None

7. ITEMS FOR FUTURE AGENDAS:

None

8. ANNOUNCEMENTS:

None

9. ADJOURNMENT

Mr. Early adjourned the meeting at 5:51 pm.

APPROVED:

Kenneth Early, President

ATTEST:

Kayla McInturff, Deputy City Secretary

Agenda Item:

3A. Monthly Financial Report.



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

SUBJECT: Monthly Financial Report

AGENDA DATE OF: 8/19/2019

DATE SUBMITTED: 8/16/2019

SUBMITTED BY: Amy Dozier, CFO

EXHIBITS: July 2019 Financial Reports
James Avery Craftsman Quarterly Report
Fox Tank Monthly Report

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

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

Kerrville 2050 Item?

Yes: ☐

No: ☒

Key Priority Area

Choose an item.

Guiding Principle

Choose an item.

Action Item

N/A

SUMMARY STATEMENT:

Sales tax revenue in July (representing May sales) totaled \$315,626, which is the second highest monthly revenue amount this year. On a year to date basis, sales tax is up a healthy 4.8% compared to the prior year.

On the expense side, Thompson Road Partners provided the construction contract documentation required for their first installment payment. Per the terms of the executed agreement, EIC paid \$283,333 within 30 days of receiving the documentation. In addition, EIC paid recurring monthly charges for administrative services and debt service in July.

Following this activity, EIC ended the month with a cash balance of \$3,638,344. Looking forward, EIC has signed contractual commitments during FY2020 that we anticipate will reduce the cash balance down to a low of \$1.4 million by the end of March.

EIC's funds are invested in TexPool, a completely liquid municipal pool account that is currently earning 2.35%.

Also attached is James Avery's June 2019 quarterly report and Fox Tank's monthly report for July. Both companies continue to meet employment targets from their respective EIC funding agreements.

RECOMMENDED ACTION:

Information only; no action required.

Economic Improvement Corporation
Cash Flow Forecast
July 31, 2019

	FY2019		FY2020			
	Jul-19	Aug 2019 to Sep 2019	Oct 2019 to Dec 2019	Jan 2020 to Mar 2020	Apr 2020 to Jun 2020	Jul 2020 to Sep 2020
Beginning Cash Balance	\$ 3,705,801	\$ 3,638,344	\$ 3,942,775	\$ 1,458,220	\$ 1,409,739	\$ 1,658,544
Revenue	323,558	635,296	872,337	939,577	920,198	990,889
Expenditures						
Administrative Expense						
Administrative Fee	15,000	30,500	46,750	46,250	46,250	46,250
KEDC	-	-	62,500	62,500	62,500	62,500
Total Administrative Expense	15,000	30,500	109,250	108,750	108,750	108,750
Debt Service	92,682	185,364	279,309	279,309	279,309	279,310
Project Expense						
Legion Lift Station	-	-	1,000,000	-	-	-
Thompson Drive Partners	283,333	-	283,333	-	283,333	-
Schreiner River Trail	-	-	750,000	-	-	-
Olympic Drive	-	115,000	935,000	-	-	-
KFOR - Arcadia	-	-	-	600,000	-	-
Total Project Expense	283,333	115,000	2,968,333	600,000	283,333	-
Total Expenditures	391,015	330,864	3,356,892	988,059	671,392	388,060
Ending Cash Balance	\$ 3,638,344	\$ 3,942,775	\$ 1,458,220	\$ 1,409,739	\$ 1,658,544	\$ 2,261,373

ECONOMIC IMPROVEMENT CORPORATION
STATEMENT OF ACTIVITIES
MONTH ENDED JULY 31, 2019

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
REVENUES					
Sales and Use Tax	\$ 3,469,051	\$ 315,626	\$ 2,974,327	85.7%	\$ (494,724)
Interest Income	45,000	7,932	78,501	174.4%	33,501
TOTAL REVENUES	3,514,051	323,558	3,052,828	86.9%	(461,223)
EXPENDITURES					
Administrative					
Office Supplies	500	-	-	0.0%	500
Administrative Services Fee	180,000	15,000	150,000	83.3%	30,000
Kerr Economic Development Corp	140,000	-	140,000	100.0%	-
Total Administrative	320,500	15,000	290,000	90.5%	30,500
Debt Service					
Debt Service - Series 2011A (River Trail)	258,506	21,542	215,421.70	83.3%	43,084
Debt Service - Series 2012 (River Trail)	250,330	20,861	208,608.30	83.3%	41,722
Debt Service - Series 2015 (KSC)	603,350	50,279	502,791.70	83.3%	100,558
Total Debt Service	1,112,186	92,682	926,822	83.3%	185,364
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)
Thompson Drive Partners (The Landing)	-	283,333	283,333		(283,333)
Downtown Streetscape	-	-	(367,132)		367,132
Unknown Projects (Set Aside)	800,000	-	-	0.0%	800,000
	1,800,000	283,333	2,291,201	127.3%	(491,201)
TOTAL EXPENDITURES	3,232,686	391,015	3,508,023	108.5%	(275,337)
CHANGE IN NET POSITION	\$ 281,365	\$ (67,457)	\$ (455,195) *		

*This number shows an intentional drawdown of accumulated fund balance to fund projects in the current year.

Project Analysis as of July 31, 2019			
Project Description	EIC Commitment	Disbursed Funding	Remaining Funding
Committed Projects:			
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	283,333	766,667
KFOR - Arcadia	600,000	-	600,000
Committed Project Total	\$ 6,000,000	\$ 2,033,333	\$ 3,966,667

Cash Analysis as of July 31, 2019		
by Type - Placement - Amount		
Type	Placement	Amount
Short Term	EIC TexPool	\$ 3,638,344
Investment	Total Cash and Investments	\$ 3,638,344

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	304,930	6.52%	5.91%
July	282,792	306,165	307,930	315,626	3.09%	2.50%
August	306,807	323,628	325,494			
September	275,901	288,215	289,876			
YTD Total	\$ 3,360,592	\$ 3,449,171	\$ 3,469,051	\$ 2,974,327	4.83%	4.23%

JAMES AVERY
artisan jewelry

July 30, 2019

HAND DELIVERED WITH RECEIPT

MARK MCDANIEL, CITY MANAGER
CITY OF KERRVILLE, TEXAS
701 MAIN STREET
KERRVILLE, TEXAS 78028

Re: Reporting under the Economic Development Incentive Agreement ("Agreement") (Section 380)
Dear Mr. McDaniel:

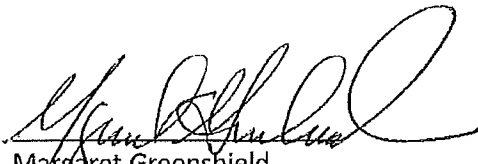
This letter and its enclosure are being filed with the City of Kerrville ("City") by James Avery Craftsman, Inc. ("James Avery") pursuant to the Section 4.7 Employment Positions in the above-referenced Agreement, which Agreement has an effective date of January 14, 2015 (its "Effective Date").

Section 4.7(a) of the Agreement requires that James Avery create and fill New Full-Time Positions within the City, beginning January 14, 2015, and maintain the contractual Minimum Number Total New Full-Time Positions by the End of Subject Calendar Years (2017-2021). James Avery has created and filled New Full-Time Positions, as defined in the Agreement: (1) by more than the 2016 Minimum Number of 72, (2) by more than the 2017 Minimum Number of 62 and the 2017 Total Minimum Number of 134 (72 + 62), and (3) by more than the 2018 Minimum Number of 57 and the 2018 Total Minimum Number of 191 (72 + 62 + 57). James Avery has met this requirement, as shown on the attached Weekly Kerr County Employment Headcount report ("Report").

Section 4.7(a) of the Agreement also requires that James Avery report to the City on a quarterly basis the cumulative number of New Full-Time Positions in weekly increments. The attached Report constitutes James Avery's 2nd Quarter 2019 report and confirms James Avery's compliance. See the last row on the Report which shows the cumulative number of Full-Time Positions within the City in weekly increments beginning with the first full Work Week in the 2nd Quarter of 2019. To determine the number of New Full-Time Positions (since 1/14/15) to the beginning of a particular work week, subtract 388 from the Total Full-Time Positions on the Report for the beginning date of that week. The Report documents to the City the exact number of Full Time Positions that are new to James Avery's business locations within the City of Kerrville to the first day of the Work Week beginning on June 29, 2019, which number of positions is greater than the 2018 Total Minimum Number of 191 [677 - 388 (1/14/15 headcount) = 289].

As required by the Agreement, James Avery will continue to provide (1) the subsequent reports quarterly, and (2) the subsequent annual sworn statements by February 1st of each year confirming compliance.

JAMES AVERY CRAFTSMAN, INC.



Margaret Greenshield
Chief HR Officer

Enclosure: 2019 2nd Quarter Report

cc: Mike Hayes, City Attorney
City of Kerrville, Texas
701 Main Street
Kerrville, Texas 78028



EOM Report to KEDC July 2019

Affidavit

I hereby certify, under penalty of perjury, the business statements presented to the City of Kerrville, for the month of July 2019, to the best of my knowledge, are true, accurate and complete statements.

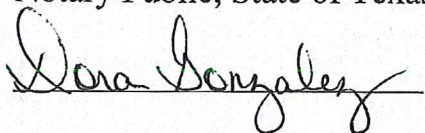

R. Nathan Fox

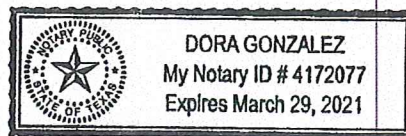
State of Texas
County of Kerr

SWORN to and SUBSCRIBED before me, the undersigned authority, on the

2nd day of August, 2019, by R. Nathan Fox.

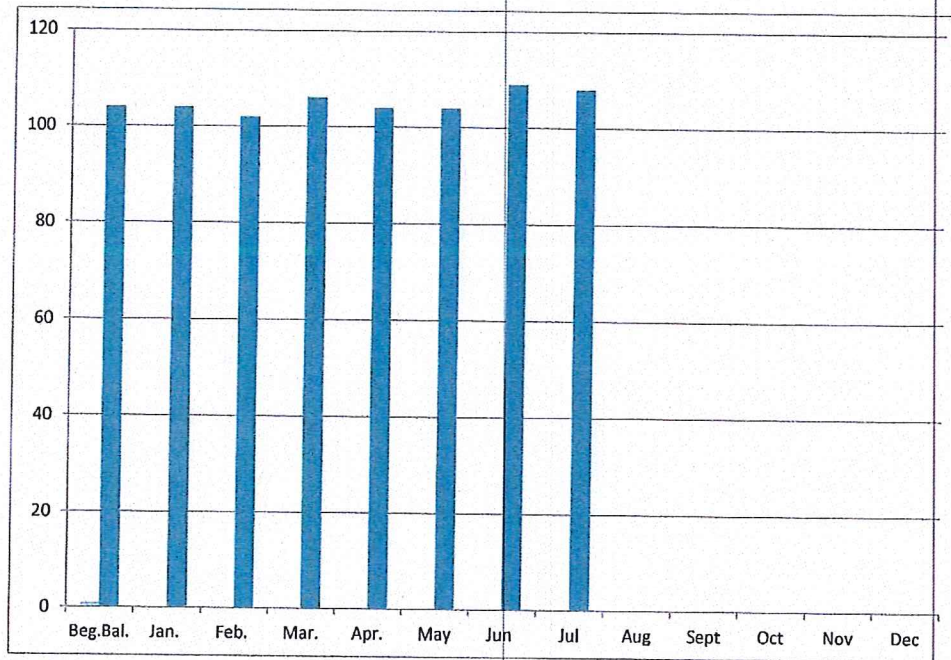
Notary Public, State of Texas



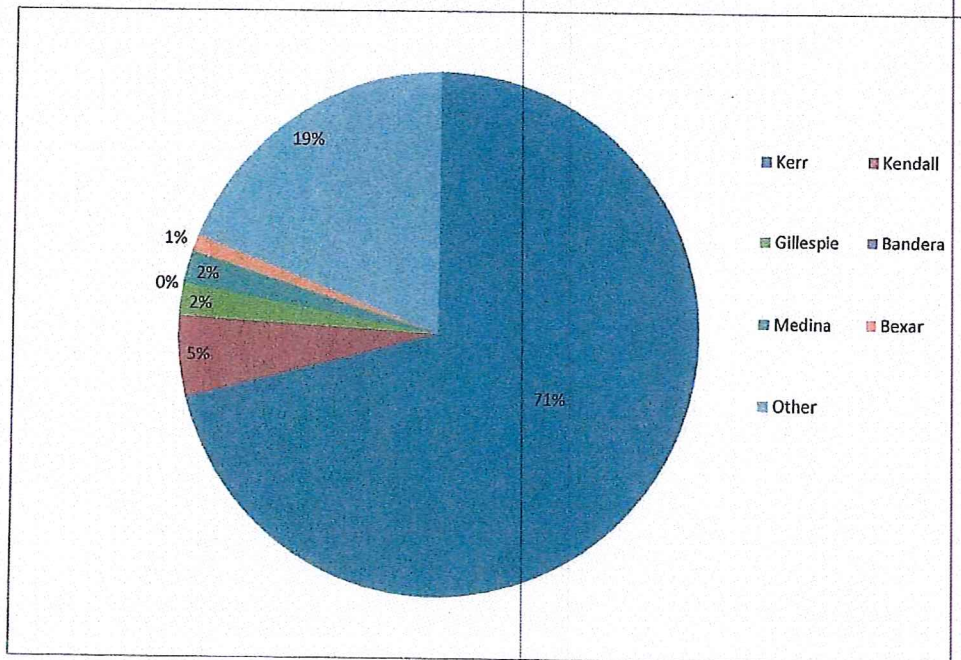


Seal

Fox Tank Company
2019 Employee Chart



Fox Tank Company
2019 Employee by County



Kerr	Kendall	Gillespie	Bandera	Medina	Bexar	Other	Total
69	3	3	0	2	1	30	108

Sales and Use Tax

Original Return for Period Ending 06/30/2019 (1906)

Confirmation: You Have Filed Successfully

Please do NOT send a paper return.

If you need to enroll or make changes to an existing TEXNET account click the following link:

[TEXNET](#)

Call 1-800-442-3453 for questions about TEXNET Payments.

Print this page for your records.

Reference Number: 19619036071

Date and Time of Filing: 07/15/2019 08:51:03 AM

Taxpayer ID: 12644806999

Taxpayer Name: FOX TANK COMPANY

Taxpayer Address: PO BOX 2260 ALBANY, TX 76430 - 8011

Entered by: Shannon Williams

Email Address: shannon@foxtankcompany.com

Telephone Number: (830) 792-0770

IP Address: 169.130.211.49

Credits Taken

Are you taking credit to reduce taxes due on this return?

Taking Credit?
No**Licensed Customs Broker Exported Sales**

Did you refund sales tax for this filing period on items exported outside the United States based on a Texas Licensed Customs Broker Export Certification?

Refund Sales
Tax?
No

Loc #	Total Texas Sales	Taxable Sales	Taxable Purchases	Subject to State Tax (Rate .0625)	State Tax Due	Subject to Local Tax	Local Tax Rate	Local Tax Due
00001	445,451	1,400	0	1,400	87.50	1,400	.02000	28.00
00003	2,141,766	599,197	0	599,197	37,449.81	599,197	.02000	11,983.94
Subtotal	2,587,217	600,597	0	600,597	37,537.31	600,597		12,011.94
Total Tax for Locations								49,549.25

Total Tax Due: = 49,549.25**Timely Filing Discount: - 247.75****Balance Due: = 49,301.50****Pending Payments: - 0.00****Total Amount Due and Payable: = 49,301.50**

(State amount due is 37,349.62)

(Local amount due is 11,951.88)

Payment Summary

State Amount: 37349.62

Local Amount: 11951.88

Amount to Pay: \$49,301.50

Total TEXNET Payment: \$49,301.50

TEXNET:

Identification #: 67284 Location #: 53902

Trace Number: 34290006

Settlement Date: 07/19/2019

[Print](#)
[Return to Menu](#)
[File for Another Taxpayer](#)

texas.gov |
 [Texas Records and Information Locator \(TRAIL\)](#) |
 [State Link Policy](#) |
 [Texas Homeland Security](#) |
 [Texas Veterans Portal](#)
 Glenn Hegar, Texas Comptroller • [Home](#) • [Contact Us](#)
[Privacy and Security Policy](#) |
 [Accessibility Policy](#) |
 [Link Policy](#) |
 [Public Information Act](#) |
 [Compact with Texans](#)

Agenda Item:

- 3B. Projects update:
- River Trail Extension to Schreiner University
 - Tennis Center Improvements
 - Aquatics Feasibility Study
 - Legion Lift Station
 - EconoLodge/Hobby Lobby
 - Thompson/Spur 98 Infrastructure Extension
 - Olympic Drive Infrastructure Extension
 - Downtown Streetscape/Parking Garage

There is no agenda bill for this item.

Agenda Item:

3C. Monthly update from Kerr Economic Development Corporation (KEDC).

There is no agenda bill for this item.

Agenda Item:

4A. Administrative Services Contract between City of Kerrville, Texas and City of Kerrville, Texas Economic Improvement Corporation.

**ADMINISTRATIVE SERVICES CONTRACT
BETWEEN CITY OF KERRVILLE, TEXAS AND
CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION**

THIS CONTRACT is entered into as of the ____ day of August 2019, by and between the City of Kerrville, Texas, ("City"), and the City of Kerrville, Texas Economic Improvement Corporation ("EIC") for and in consideration of the following promises and conditions:

**ARTICLE I
SERVICES PROVIDED BY CITY**

City shall provide the following services to EIC subject to the limitations and conditions set forth below:

- A. **Engineering and Project Management Services:** City agrees to provide engineering and project management services, to include design, bid, and construction phases, for EIC-funded projects that involve improvements to City and/or public property. City may contract for engineering, project management, or construction services that may be necessary and EIC agrees to pay for such services as part of a project, which will be specified within a project agreement, and which is authorized by the EIC to be funded in whole or in part by sales tax revenues generated pursuant to the authority of Chapters 501, 502, and 505 of the Texas Local Government Code.
- B. **Legal Services:** City agrees the City Attorney will be the legal advisor of, and attorney for, EIC, which representation will include review of documents, contracts, and other instruments as to form and legality, the conduct of legal research, and, if requested, the issuance of legal opinions. In the provision of legal services by the City Attorney, the City Attorney shall provide such services only if the provision of legal services to EIC does not unreasonably impair his ability to provide legal services to the City. For example, in the event the City Attorney determines that a legal or ethical conflict exists between the City and the EIC, the EIC agrees that the City Attorney may continue to represent the City on such matter notwithstanding such conflict, provided the City Attorney has made reasonable disclosure of the conflict to the president of the EIC. Where a conflict exists, EIC may hire counsel of its own choice at EIC expense, subject to its budget, to include any undesignated reserve cash balance but not to exceed an overall expense of \$50,000.00. The City Attorney may contract at times for specialized legal services with respect to a project approved by EIC and EIC shall pay for such services.
- C. **Financial Services:** City agrees to provide accounting, banking, and investment services, including accounts receivable, accounts payable, disbursement of funds per agreements, investments, record keeping, financial reporting, and an audit of

all funds. The City will provide a report at each regular monthly meeting of the EIC, such report to include a statement of revenues and expenditures for all funds and a cash flow analysis on a form approved by the EIC.

- D. **Administrative Services**: City will provide services from the City Manager to include secretarial and other clerical services, including taking minutes and preparation of resolutions and correspondence related to the operation of EIC. The City Manager or designee will engage with the EIC in a manner comparable to the role identified by Section 6.04 of the City Charter.
- E. **Investment Officer**: The City's Chief Financial Officer will serve as the EIC's investment officer in accordance with the EIC's Investment Policy, as may be amended.
- F. **Regulatory Financial Reporting**: The City's Chief Financial Officer shall prepare all financial reports required by state and federal regulatory agencies.
- G. **Annual Audit**: The City's Chief Financial Officer shall include the EIC's financial information as part of the City's Comprehensive Annual Financial Report (CAFR).
- H. **Project Reports**: The City Manager or designee shall provide a report at each regular monthly meeting of the EIC on all ongoing projects, which are subject to a funding agreement with the EIC. These reports shall include the status and estimated completion date of each project and verification that performance criteria are being met.
- I. **Staff Reports**: The City Manager or designee shall prepare a report on each application for EIC funds, such report to include the following information:
 - 1. Complete Application
 - 2. Financial Impact Analysis
 - a. Total payroll
 - b. Payroll multiplier
 - c. Sales and ad valorem tax generation
 - 3. Return on Investment Analysis
 - a. Property tax – City, County, and KISD
 - b. Sales tax – City and County

- c. Payroll multiplier
- d. Timeline by which return is realized
- 4. Feasibility Analysis
 - a. Land – size, zoning, platting, building/fire codes
 - b. Building – size, suitability, condition
 - c. Infrastructure – water, wastewater, streets, drainage, electricity, public safety
- J. **Prospect Support Services:** The City Manager or designee shall ensure that the following support services as provided by City staff are provided to the EIC in the review and processing of applications for EIC funds:
 - 1. receive applications;
 - 2. evaluate applications for completeness;
 - 3. determine eligibility;
 - 4. facilitate submission before the EIC;
 - 5. provide technical evaluation;
 - 6. provide recommendations;
 - 7. coordinate with other aligned agencies/entities; and
 - 8. identify appropriate incentives and programs.

ARTICLE II **COMPENSATION**

In consideration of the provision by City to EIC of the services described in Article I, above, EIC shall pay City **\$185,000.00** for the term specified below. It is agreed by the parties that this compensation is equal to the reasonable value of the services anticipated to be provided by City to the EIC. City shall deduct the payment required hereunder upon receipt of said sales tax revenues from the Comptroller of Public Accounts for the State of Texas.

ARTICLE III **TERM**

The term of this Contract commences on October 1, 2019, and ends on October 1, 2020, subject to earlier termination as provided herein and extension by agreement of the parties hereto.

ARTICLE IV
TERMINATION

This Contract may be terminated by City or EIC for any reason, with or without cause, not earlier than thirty (30) days prior to delivery to the non-terminating party of a written notice of termination. EIC agrees to pay City the reasonable cost of services rendered by City up to the date of termination.

ARTICLE V
GOVERNING LAW

This Contract is subject to, governed by, and construed in accordance with the laws of the State of Texas.

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

CITY OF KERRVILLE, TEXAS

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

By: _____
Mark L. McDaniel, City Manager

By: _____
Kenneth Early, President

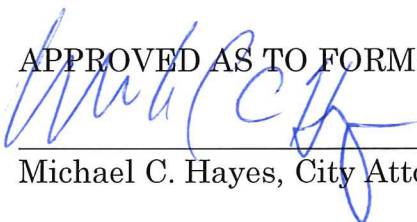
ATTEST:

ATTEST:

Shelley McElhannon, City Secretary

Kayla McInturff, Secretary of EIC

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

Agenda Item:

4B. Economic Development Grant Agreement between Kerr Economic Development Corporation (KEDC) and the City of Kerrville, Texas Economic Improvement Corporation.

**ECONOMIC DEVELOPMENT GRANT INCENTIVE
AGREEMENT BETWEEN KERR ECONOMIC DEVELOPMENT
CORPORATION AND THE CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION**

This Agreement entered into by and between **KERR ECONOMIC DEVELOPMENT CORPORATION** ("KEDC"), a Texas nonprofit corporation; and the **CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION** ("EIC"), a Texas nonprofit corporation established pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 (otherwise known as the Development Corporation Act of 1979, and now codified in Chapters 501-505 of the Texas Local Government Code), hereafter referred to as "the Act"; each acting by and through their duly authorized officers. KEDC and EIC are sometimes collectively referred to herein as "Parties" and individually as "Party".

WITNESSETH:

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 to enhance economic development and/or the quality of life within the Kerrville area; and

WHEREAS, pursuant to the Act, EIC is authorized to provide funding for promotional expenses, such expenses which are used to advertise or publicize the City for the purpose of developing new and expanded business enterprises; and

WHEREAS, KEDC is a 501(c)6 private non-profit entity whose purpose is to support and promote the retention, expansion, and attraction of business entities within Kerr County in a manner that complements the efforts of its economic development partners and enhances the quality of life for residents of Kerrville and surrounding areas; and

WHEREAS, KEDC has applied for funding from EIC for marketing to expand and increase its efforts toward the promotion of economic development and for programming to facilitate retention and recruitment of businesses, workforce development, entrepreneur development, stakeholder communication, and development of policy and incentives in the Kerrville area; and

WHEREAS, EIC finds that the formation of KEDC was intended to promote and develop new or expanded business enterprises and to foster the creation or retention of "primary jobs," as that term is defined by the Act; and

WHEREAS, Section 505.102 of the Act provides that a Type B corporation may contract with another private corporation to (1) carry out an industrial development program or objective; or (2) assist with the development or operation of an economic development program or objective consistent with the purposes and duties specified by the Act; and

WHEREAS, pursuant to Section 505.103 of the Act, EIC is limited to spending not more than 10 percent of its current annual revenues for promotional expenses in any given year; and

WHEREAS, EIC has determined that such a grant ("Grant") complies with the Act and is in keeping with the mission of EIC and *City of Kerrville Economic Improvement Corporation 4B Sales Tax Funding Request Guidelines and Procedures* in that it will enhance business development and/or the "quality of life" within the community; and

WHEREAS, EIC finds that it will be in the public interest to enter into an agreement with KEDC to provide sales tax revenues collected pursuant to the Act ("4B Revenues") to KEDC for costs related to marketing expenses for economic development; and

WHEREAS, on August 19, 2019, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, EIC held a meeting related to the proposed expenditure of 4B revenues for the purposes provided above;

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

ARTICLE I EIC'S OBLIGATIONS

- A. Subject to terms found elsewhere in this Agreement, EIC shall pay KEDC \$250,000.00 for the Term as defined below, in quarterly payments (\$62,500.00) within ten (10) business days after the beginning of each calendar quarter.
- B. EIC's payment to KEDC is solely intended for KEDC's costs directly related to:
 - i) carrying out an industrial development program or objective as more specifically described in Article II., below; and
 - ii) assisting with the development and operation of an economic development program or objective consistent with the purposes and duties specified by the Act. Such activities are collectively referred to herein as "Economic Development."
- C. Payment to be made by EIC to KEDC for the Term of this Agreement is subject to the following:
 - (1) EIC's appropriation of funds for such payment in the budget year for which it is paid. Any payment made by EIC to KEDC must be made solely from the annual budgeting and appropriations of EIC. In the event that EIC does not appropriate funds for payment under this Agreement, EIC will not be liable to KEDC for any such or future payment and KEDC will have the right to terminate this Agreement; and

(2) EIC's annual review, consideration, and approval of KEDC's fulfillment of its obligations, as specified within Article II.

- D. KEDC specifically agrees that EIC shall only be liable to KEDC for the actual amount of the Grant to be conveyed to KEDC and shall not be liable to KEDC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or costs of court for any act of default by EIC under the terms of this Agreement.

ARTICLE II. KEDC'S OBLIGATIONS

- A. Pursuant to the purposes for which the Grant was awarded and in strict accordance with Section 505.102 of the Texas Local Government Code, KEDC shall use the Grant for only those costs directly resulting from its Economic Development. Toward this end, KEDC will conduct Economic Development pursuant to its adopted "mission", "objectives", and "target markets" as specified in its *2018-2022 Business Plan* (the "Business Plan") dated July 12, 2018 and attached hereto as **Exhibit A**. In addition, in fulfilling its obligations under this Agreement, KEDC shall comply fully with its *2-Year Roadmap and Economic Development Ecosystem* (the "Plan of Work") as presented to the EIC during its regularly scheduled meeting held July 15, 2019, and which is attached as **Exhibit B**, and associated performance metrics, attached as **Exhibit C**, "metrics for FY 2019-2020." KEDC may not change the Business Plan or Plan of Work without providing prior written notice to EIC.
- B. KEDC shall hire and employ sufficient professional personnel to perform its Economic Development obligations, including but not limited to, an Executive Director.
- C. KEDC shall maintain complete and accurate records relating to the costs and expenditures made for Economic Development as specified in KEDC's 2019-20 budget as approved by its Board of Directors and attached as **Exhibit D**. KEDC shall maintain such records separate and identifiable from its other records and for three (3) years following the termination of this Agreement. EIC and its representatives shall be entitled to inspect the records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice.
- D. KEDC, either through its Executive Director or another KEDC representative (collectively referred to herein as "Executive Director"), shall appear at each regular meeting of the EIC and make a presentation regarding its Economic Development pursuant to a regularly posted agenda item. Additionally, the Executive Director shall attend the "GO TEAM" meetings as scheduled by the City of Kerrville for the vetting of projects and applications for 4B Revenues.

- F. KEDC shall only be liable to EIC for the actual amount of the Grant to be conveyed to KEDC and shall not be liable to EIC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by KEDC under the terms of this Agreement.

**ARTICLE III.
KEDC'S REPRESENTATIONS AND WARRANTIES**

- A. KEDC represents and warrants as of the date hereof:
- (1) KEDC is a Texas 501(c)6 private non-profit corporation existing in good standing and authorized to do business in the State of Texas;
 - (2) Execution of this Agreement has been duly authorized by KEDC and this Agreement is not in contravention of KEDC's corporate charter, or any agreement or instrument to which KEDC is a party or by which it may be bound as of the date hereof;
 - (3) No litigation or governmental proceeding is pending, or, to the knowledge of the Executive Director, threatened against or affecting KEDC, which may result in a material adverse change in KEDC's business, properties or operations sufficient to jeopardize KEDC's legal existence; and
 - (4) No written application, written statement or correspondence delivered by KEDC to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of the Executive Director, contains any untrue statement of a material fact or fails to state any material fact necessary to keep the statements contained therein from being misleading.
- B. Except as expressly set forth in this Article III, KEDC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE IV.
EIC'S REPRESENTATIONS AND WARRANTIES**

- A. EIC represents and warrants as of the date hereof:
- (1) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the statute under which it is governed and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;
 - (2) Execution of this Agreement has been duly authorized by EIC;

- (3) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and
 - (4) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.
- B. Except as expressly set forth in this Article IV, EIC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

ARTICLE V. MAJOR FORCES PREVENTING KEDC FROM CARRYING OUT ITS OBLIGATIONS UNDER THIS AGREEMENT

If, by reason of force majeure, such as fire, flood, windstorm, drought, or other act of God, act of war, act of terrorism, labor strike, or economic downturn affecting KEDC, KEDC is reasonably unable to fulfill its obligations under this Agreement, KEDC shall use reasonable and diligent efforts to rectify the situation to allow it to perform its obligations specified herein with all due haste. In the event that the situation cannot be rectified within six (6) months after the occurrence of the force majeure, either party may terminate this Agreement by providing thirty (30) days advance written notice to the other without further liability hereunder. To the extent that KEDC has not expended funds from the Grant, KEDC shall immediately, but in any event within ten (10) days, return such funding to the EIC and to other funding stakeholders on a pro-rata basis.

ARTICLE VI. CONDITIONS UNDER WHICH EIC MAY SUSPEND PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT

Under any of the following conditions EIC may, at its option, after fifteen (15) days written notice to KEDC, suspend its further performance under this Agreement until such time as KEDC shall have cured the condition(s) and so notified EIC, in writing, that the condition(s) have been cured:

- A. The KEDC becomes insolvent. "Insolvent" is defined to mean one either has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, or is insolvent within the meaning of the federal bankruptcy law.

- B. The appointment of a receiver of KEDC, or of all or any substantial part of its property, and the failure of such receiver to be discharged within sixty (60) days thereafter.
- C. The adjudication of KEDC as bankrupt.
- D. The filing by KEDC of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

Should any of these conditions not be cured by KEDC within a period of three (3) months EIC may, at its option, with written notice to KEDC, terminate this Agreement and KEDC shall have no further obligations hereunder.

ARTICLE VII. REMEDIES

- A. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement, by any party hereto, or any successor to such party, such defaulting or breaching party (or successor) shall upon written notice from the other, proceed immediately to cure or remedy such default or breach, and, in any event, within sixty (60) days after receipt of such notice. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time (but in no event later than ninety (90) days from the date of notification of such breach), the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including but not limited to, seeking specific performance and/or injunctive relief, enforcement by mandamus or by the appointment of a receiver in equity with power to charge and collect rents, purchase price payments, and loan payments and to apply the revenues from the project in accordance with this Agreement, as required by the Act.
- B. Upon breach of this Agreement by either party and the failure to cure as permitted by this Article VII, the non-breaching party shall have the sole right and discretion to either terminate this Agreement or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that no party hereunder shall be entitled to recover any amounts in excess of the Grant contracted for under this Agreement and that no party hereunder shall be liable to the other party for any other actual or consequential damages for any act of default by such party under the terms of this Agreement.
- C. Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not, so long as the breach or default by another party shall be continuing, operate as a waiver of such rights or to

deprive it of or limit such rights in any way; nor shall any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

ARTICLE VIII. GENERAL PROVISIONS

- A. Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court having competent jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.
- B. Amendment. This Agreement may be amended only by written amendment signed by both parties.
- C. Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement shall be made or performed in Kerrville, Kerr County, Texas. Venue shall lie in Kerr County, Texas; and this Agreement shall be governed by and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof.
- D. Notices. All notices given with respect to this Agreement shall be in writing and shall be deemed to have been properly given for all purposes (i) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

1. EIC
President
City of Kerrville, Texas, Economic Improvement Corporation
701 Main Street
Kerrville, Texas 78028
Facsimile: (830) 792-3850

With a copy to:
City Manager

City of Kerrville
City Hall, 701 Main Street
Kerrville, Texas 78028
Facsimile: (830) 792-3850

2. KEDC
Executive Director
1700 Sidney Baker, Suite 100
Kerrville, Texas 78028
Phone: (830) 896-1175

- E. Assignment. This Agreement shall be binding upon the parties hereto and their successors and assigns. This Agreement may not be assigned by either party without the specific prior written consent of the other, which consent will not be unreasonably withheld. In the event that a party consents to any valid assignment of this Agreement by the other party hereto, the assigning party shall be relieved of any and all obligations and liabilities on the part of such assigning party under this Agreement. KEDC may, without written consent of EIC, assign this Agreement to any entity controlled and 100 percent owned by KEDC or by the parent, subsidiary or affiliate of KEDC provided the entity assumes all of KEDC's obligations and liabilities under this Agreement; agrees to comply with all provisions of this Agreement; has the legal, managerial, technical and financial ability to properly perform and discharge such obligations and liabilities; and such abilities are each at least as great as those of KEDC and KEDC provides a written guarantee of such assignee's performance in a form reasonably acceptable to EIC. EIC shall be advised in writing of such assignment and of the entity's qualifications at least sixty (60) days before such assignment occurs.
- F. Parties In Interest. Nothing in this Agreement shall entitle any party other than KEDC or EIC to any claim, cause of action, remedy or right of any kind except as expressly provided in Article VII.
- G. Term. The term of this Agreement (the "Term") shall commence on October 1, 2019 (the "Effective Date"), and shall terminate on the earlier of: (i) September 30, 2020; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Article VII; (iv) at KEDC's sole and absolute discretion but only upon and subject to KEDC's return of all Grant funding to EIC that it has received under this Agreement; or, (v) upon KEDC's repayment of all monies that are demanded by EIC. Upon termination of this Agreement as specified herein, all rights, duties and obligations of any kind under this Agreement shall automatically expire and terminate and be of no other force and effect.
- H. Interpretation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall

therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arm's length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.

- I. Indemnity. IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES THAT KEDC, IN PERFORMING ITS OBLIGATIONS HEREUNDER, IS ACTING INDEPENDENTLY, AND EIC ASSUMES NO RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH TO KEDC. KEDC AGREES TO INDEMNIFY AND HOLD HARMLESS EIC, ITS OFFICERS AND AGENTS, AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS THAT MAY ARISE OUT OF OR BE OCCASIONED BY KEDC'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR BY ANY NEGLIGENT ACT OR OMISSION OF KEDC, ITS OFFICER, AGENTS, ASSOCIATES OR EMPLOYEES, IN THE PERFORMANCE OF THIS AGREEMENT; AND NOTHING HEREIN SHALL BE CONSTRUED AS A WAIVER OF ANY GOVERNMENTAL IMMUNITY AVAILABLE TO EIC UNDER TEXAS LAW.
- J. No Joint Venture. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties.
- K. Survival of Terms. All rights, duties, liabilities and obligations accrued prior to termination shall survive termination.
- L. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof.

EXECUTED AND EFFECTIVE, as of the date indicated above, by the City of Kerrville, Texas, Economic Improvement Corporation, by and through its Board President, duly authorized to execute same by action of the Board, and by Kerrville Economic Development Corporation, acting through its Executive Director.

(signature page to follow)

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

**KERRVILLE ECONOMIC
DEVELOPMENT CORPORATION**

Kenneth Early, President

Walt Koenig, Executive Director

ATTEST:

Kayla McInturff, Secretary to the Corporation

APPROVED AS TO FORM:



Michael C. Hayes, Attorney for the EIC

Exhibit A



2018-2022 Business Plan

July 12, 2018

EXECUTIVE SUMMARY

VISION

The Kerr Economic Development Corporation (KEDC) is a 501(c)(6) non-profit public-private regional economic development organization committed to creating a more prosperous and diverse regional economy. To better serve the region, KEDC proposes to form a Partnership with the Kerrville Chamber of Commerce. As a result, the Partnership, will combine the Chamber's business-to-business network of 1,000 members and access to local resources with the KEDC's technical expertise and connection to regional resources to provide optimum economic development services throughout Kerr County.

Moreover, the newly formed Partnership will seek to eliminate administrative redundancies, reduce operating expenses as well as create a unified vision and voice for penetration into new business markets through enhanced communication efforts, a broad regional business network that will improve KEDC's business retention and recruitment efforts.

MISSION

It is KEDC's mission to adopt a more comprehensive approach to economic development and to aggressively attract, start-grow and retain higher wage industries, talent and jobs. KEDC and Chamber of Commerce will also collaborate with the Convention & Visitors Bureau's regional marketing platform to promote Kerr County and its communities as a primary location for economic investment and business expansion.

KEDC will continue to serve as the area's lead regional economic development organization to recruit and encourage new and expanded business development and a talented business employment pool. Leadership for both organizations will be unified, and the current President and CEO of the Kerrville Area Chamber of Commerce will also serve as the Executive Director of the Kerr Economic Development Corporation.

More specifically, the Partnership will:

- Help existing companies with their expansion needs when requested by the locality or the company.
- Identify and target regional and national companies for recruitment to Kerr County.
- Aggressively market the competitive advantages of Kerr County.
- Develop and promote a region inclusive of and bolstered by its individual community brands.
- Focus on achieving regional success that is broad-based and inclusive of each partner in the community.
- Organize, grow and strengthen higher wage industry across the region.
- Maintain a regional economic development information, research and resource center.
- Promote entrepreneurship and support startup businesses.
- Identify and support regional efforts that lead to a broad and diversified economic base.

Formation of the Partnership will benefit both organizations by:

- Creating a unified vision and voice.
- Delivering additional value to Chamber members through Economic Development technical support.
- Providing KEDC access to the Chamber's relationships and network of members to enhance Business Retention and Expansion activities.
- Enhancing marketing efforts to improve business retention and recruitment efforts.
- Providing a more comprehensive approach to economic development to aggressively attract, grow and retain higher wage industries, talent, and jobs.
- Streamlining resources and eliminating administrative redundancies.
- Improving regional competitiveness through greater awareness of available real estate, financial incentives, workforce and quality of life.
- Strengthen the Chamber's Core Mission to bring together a wide range of business that can share information on competitiveness.
- Creating a "One-Stop Shop" for existing and prospective businesses
- Providing additional professional development for staff.

STRATEGY

It is the KEDC's belief that economic development should increase opportunities for today's businesses, while expanding the possibilities for younger people in Kerr County to stay in the region and obtain nationally competitive jobs.

Therefore, KEDC will aggressively pursue a higher wage job creation strategy that will be developed through a broad-based and inclusive planning effort during 2018. A Five-Year Higher Wage Job Creation Strategy plan will be developed based on industry research and higher wage job creation models focusing on the region's current and emerging advanced industrial sectors. The plan will drive the creation of higher wage jobs in the region overall through new-to-market business recruitment.

STRATEGIC APPROACH & PRIORITIES

The four areas of primary focus for developing a Higher Wage Job Creation Strategy were first developed through a series of strategic planning sessions that were facilitated by Avalanche Consulting of Austin, Texas on December 12, 2017 and January 29, 2018.

1. Business Retention and Expansion (BR&E)
2. Strategic Development Leveraging Existing Community Infrastructure
3. Talent Development
4. Business Recruitment

Revenue to support Kerr County's economic development efforts comes from funding provided by the City and County government and local utility partners. Future funding models will be reviewed as part of the 2018 planning process.

KEDC will continue to focus on the growth of "Primary Jobs" through the use of various tools authorized by Stakeholders and other entities. "Primary Employer" means a business that provides or manufactures goods, services, supplies and/or inventory that are sold predominantly (more than

50%) to customers that permanently reside outside of the immediate region (more than 30 travel miles from the intersection of State Highway 16 and State Highway 27). Primary Job means a job or position employed by a Primary Employer.

Examples of Primary Employers are:

- A manufacturer that produces a good its sales can be predominantly attributed to customers who reside outside of the immediate region.
- A company that provides a service and its sales can be predominantly attributed to customers who reside outside of the immediate region.
- An educational or training institution of higher education that has a student body who predominantly resides outside of the immediate region on a permanent basis.

1. BUSINESS RETENTION AND EXPANSION

KEDC will successfully develop and maintain a proactive direct outreach and prospecting program focused on generating quality leads that can be nurtured and converted into job creation, and job diversification opportunities for the region.

Accelerating regional business and industry expansion is a key component of KEDC's primary business attraction strategy. Maintaining and growing employment, payroll, capital investment and corporate partners foster stability in the regional economy. Therefore, KEDC will continue to address primary industry needs through engagement in cluster development, expansion of financial incentives, technical support and real estate assistance.

Since fierce global competition forces many companies to continually evaluate the best location for their business, KEDC will work in close alignment with its public-sector partners to conduct outreach to target sector firms and encourage/support economic growth and expansion projects. Outreach visits to these sectors will provide valuable insight on business drivers, workforce challenges, and regional competitiveness.

In support of the direct outreach and prospecting program, KEDC offers a full range of services to assist companies as they evaluate Kerr County as a premier and high-quality location in which to locate and grow their companies. Business development activities and strategies will be focused on targeted industries through organized marketing for both inbound and outbound promotion.

Action Items

- Plan and execute a targeted program of regional and national business development.
- Outreach missions targeting select high-impact companies in select markets.
- Plan and execute focused outreach to site selectors, consultants and advisors in key markets.
- Leverage resources by engaging and coordinating business development efforts within Kerr County.
- Support and participate in Governor's Small Business Forum.
- Plan a biennial event to bring Texas site selectors to Kerr County as part of familiarity tour.
- Participate in or sponsor booths at selected targeted industry trade shows/conferences.
- Support the region's communities as needed by hosting select business delegations.

2. STRATEGIC DEVELOPMENT OF INFRASTRUCTURE

Infrastructure is not the end result of economic activity; rather it is the framework that makes economic activity possible.

Action Items

- Continue to develop the Location One Information System (LOIS) property inventory to track changes in commercial and industrial property inventory.
- Create an Industrial Park Plan specific to development of the Hwy 27 corridor.
- Site selectors most often consider hard infrastructure assets when representing clients. Therefore, marketing materials will include information on: 1) number and quality of roadways; 2) airport capacity; 3) availability of electrical, natural gas, water and sewer.
- Work with private property owners to market shovel-ready property.

3. TALENT DEVELOPMENT

Education has been identified as an important determinant of economic growth. Higher levels of educational attainment lead to a more skilled and productive workforce, providing a higher standard of goods and services, which in turn forms the basis for faster economic growth and rising living standards.

Action Items

- Establish a local chapter of the SCORE Association or similar business mentoring program. SCORE is a nonprofit association dedicated to helping small businesses get off the ground, grow and achieve their goals through education and mentorship. SCORE is supported by the U.S. Small Business Administration and volunteers; SCORE delivers services at little or no cost. Kerr County has a significant number of retired Executives that could be used more effectively as mentors, advisors and investors.
- Create strong innovation ecosystems, particularly through initiatives like cluster organizations, business accelerators, and innovation districts.
- Update the Avalanche Consulting Labor Shed Analysis to identify Kerr County's strengths that can be promoted through local training and educational institutions.
- Work with Alamo Colleges, the University of Texas at San Antonio, Workforce Solutions and others to increase regional workforce initiatives in the construction trades that could eventually encourage the development of affordable housing.
- Build solid bridges between the world of work and training programs in order to match skills provision to the needs of local business.
- Create sustained dialogue between employers and trainers, by providing labor market and employment services information as steps to an early identification of skills needs.
- Develop relationships between employers and educators by centralizing data on job placement and workforce trends.
- Develop common definitions of credentials and streamlining the process for employers to implement apprenticeship and cooperative education programs.

4. BUSINESS RECRUITMENT

Although revitalizing a community is less about what you can attract from outside and more about what you can grow yourself, some effort should be made to recruit new business to Kerr County.

Action Items

- Work with Kerr County's more prominent companies to identify suppliers and vendors that may be interested in moving to the area.
- Direct market to companies and site selectors within Kerr County's target industries for relocation to the area.
- Create a local environment/culture for early-stage business through 1) micro-loans, business incubators, business accelerators to cultivate a niche market.
- Work with Mooney International to approach airplane partners about relocation opportunities.
- Work with Mooney International to establish sources of Aviation Engineering for future R&D expansion.

PRIORITY AREAS

In support of a creating a Higher Wage Job Creation Strategy, the KEDC will concentrate time, energy and financial resources in five priority areas.

1. COMPETITIVENESS IMPROVEMENT

- **Regional Business Identity and Brand:** Launch a collaborative community-based effort supported by the CVB, to strengthen, merchandise and promote the region's business identity with a focus on Kerr County and the City of Kerrville as business-friendly and a good place for business.
- **Higher Wage Industry Growth:** Support and assist in efforts to organize, develop and accelerate growth and the competitive position of the region's current and emerging higher wage industry sectors.
- **Competitive Product Strategy:** Partner with (Alamo Colleges, Schreiner University, UTSA, KISD, Workforce Solutions and others) to improve the region's competitive position in the areas of workforce and talent recruitment.

2. MARKETING AND PROMOTION

- **Middle-Market Recruitment:** Focus business outreach efforts on attraction and recruitment of small to mid-sized businesses, within Austin and San Antonio MSA, identified within the target industry sectors that can broaden the local employment base while allowing the local infrastructure to develop.

3. BUSINESS DEVELOPMENT AND PROMOTION

- **Site Locaters, Consultants and Advisors:** Elevate awareness of the opportunities in Kerr County through proactive outreach to site locaters, consultants and industry advisors.

4. BUSINESS NETWORKING

▪ **Economic Forum:** Work with City and County leaders to organize and launch an Economic Forum to create a peer region benchmarking program with Fredericksburg and Boerne to inform/educate regional leadership about common issues/concerns such as workforce, affordable housing and education/skills development.

▪ **Enhanced Company/Industry Research Platform:** Collaborate with UTSA, Alamo Colleges, Texas A&M Real Estate Center and Schreiner University to strengthen research capability and data collection in target sectors.

5. INVESTOR RELATIONS AND ENGAGEMENT

▪ **Investor Relations and Engagement:** Bring together a cross section of business community members to review, analyze and understand investor opportunities, frame new investment tiers and support opportunities.

PROGRAM MEASUREMENT AND EVALUATION

KEDC is a strong proponent of the belief that “what gets measured gets done”. Measurement can be a powerful catalyzing force to engender a more inclusive overall economy. Therefore, the KEDC’s approach to program evaluation includes three types of assessment.

1. **Monitor Progress:** Success in carrying out program activities on schedule and within budget.
2. **Evaluate Effectiveness:** Determine whether efforts achieve prescribed objectives.
3. **Measure Impact:** Assess positive changes in the overall environment that relate to program actions.

Within this context, the KEDC will develop a system of performance assessments that evaluates both historical performance and functions as a management tool to drive future actions and results. With a clear understanding of what performance areas should be measured, KEDC can also develop a best practice approach to setting specific performance targets and goals.

TOP-LEVEL METRICS AND PERFORMANCE INDICATORS

The following chart illustrates potential top-level Key Performance Indicators (KPIs) that have been identified to measure future performance. Specific threshold and target goals will be determined as performance is measured and monitored in the future.

Annual Metric or Performance Measure	Threshold Goals	Target Goals
Projects Completed		
Jobs Announced		
Payroll Announced		
Capital Investment Announced		
Absorption of Commercial/Industrial Space (S.F.)		
Average Wage		
Lead Generation		
Project Generation		
Prospects Hosted		
Return on Investment		
Utilization of 4B Funding		

Action Items

- Design and implement a Quarterly Project Activity Report (Exhibit D) covering regional progress and organizational performance.
- Conduct specialized research, reports as required to highlight Kerr County's: business climate and cost; industry base; physical infrastructure; real estate availability; and talent pool.
- Convene biannual workshops with partnering agencies (City, County, EIC and KPUB) to refine program benchmarks.

TARGETED INDUSTRIES & SECTORS

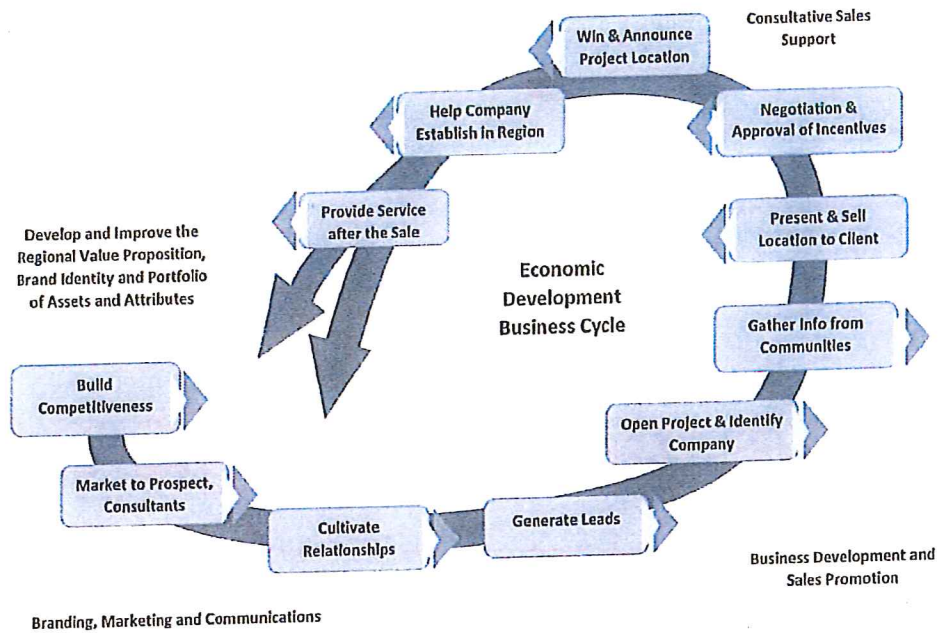
KEDC will continue to target industries where Kerr County has a natural advantage. Industry sectors that job creation efforts are focused on will periodically be reevaluated. The sectors currently being focused on include:

- Advanced Manufacturing
- Aviation, Aerospace & Defense
- Craft Agriculture
- Energy
- Food Processing & Storage
- Information, Analytics & Security
- Life Sciences & Healthcare

STRATEGIES, OPERATIONAL PLANS AND TACTICS

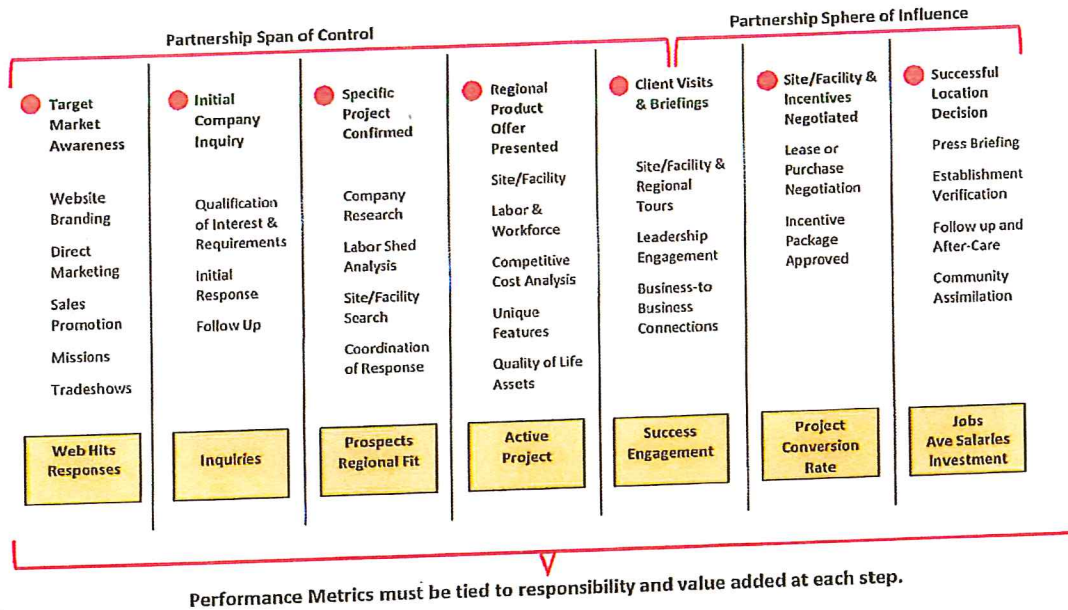
KEDC will concentrate its efforts where it can add value in the economic development business cycle.

Exhibit B



The chart below illustrates, how through “The Partnership,” KEDC will be more capable of shifting resources throughout the site selection process to ensure better business recruitment and attraction results.

KEDC Action Chart

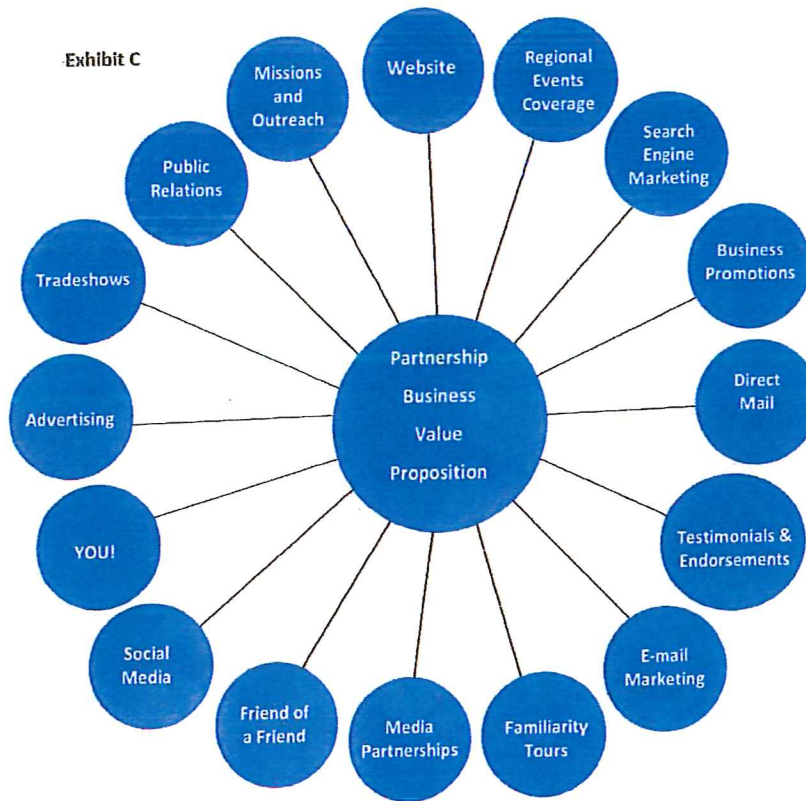


MARKETING & COMMUNICATIONS

As 2018 is the initial year of the KEDC’s revised organizational structure and business plan, a marketing and promotional campaign will be required. A marketing campaign is necessary to create more opportunities to present the region’s locational advantages to qualified business and industry prospects.

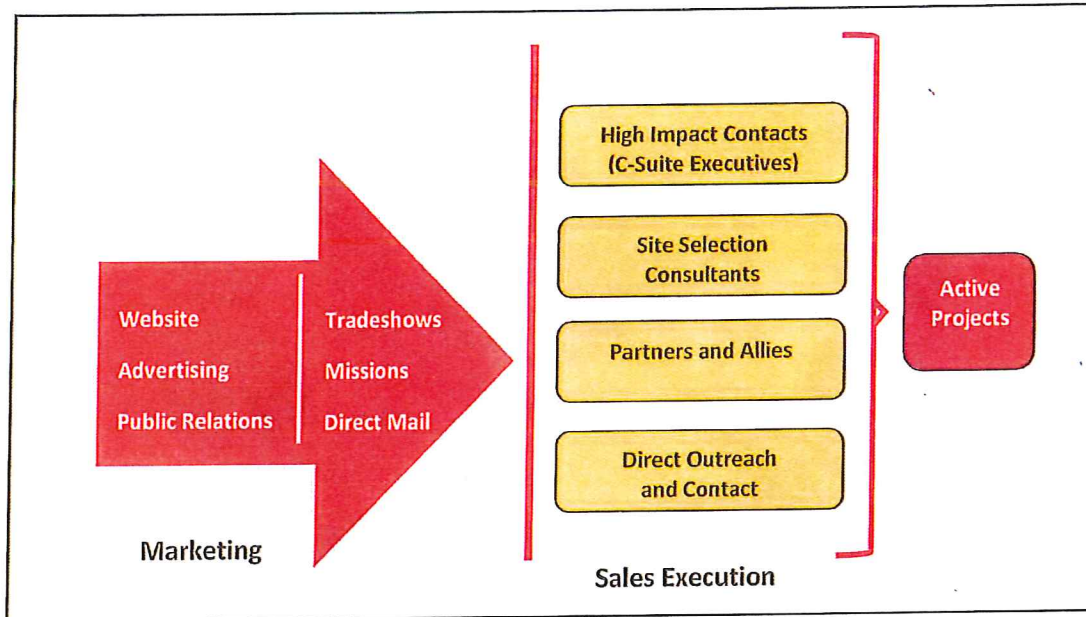
The program includes a stronger branding program along with specific marketing and promotional program enhancements. The marketing campaign’s focus is on enhancing and building perceptions about Kerr County. This will be accomplished by marketing through a variety of means including advertising, direct mail, and website content as demonstrated in (Exhibit C).

Exhibit C



Impact measures will include new leads that come directly as a result of the marketing and promotional campaign within targeted industries. The ultimate goal of the marketing campaign is to convert these leads into new business opportunities, new capital investment and new job creation for the region.

The image below demonstrates how coordinated marketing and branding efforts drive traffic to KEDC and manifests itself in terms of inquiries, leads and prospective business and industry clients. The Chamber of Commerce and the KEDC in collaboration with its regional partners will work to convert the increased traffic, leads and prospects into new business investment projects.



Action Items

- KEDC will conduct baseline research, regional identity/brand audit and prepare regional positioning assessment, retail and labor shed analysis, and business case.
- Organize and drive development of a regional identity and brand strategy platform, and an overall regional marketing and communications strategy and plan.
- Design and implement direct marketing and outreach to both site selection consultants and c-suite executives within targeted industries.
- Directly support and assist in the implementation of out-of-market business development missions to spread the Kerr County business identity message, positively change perceptions and generate leads.
- Continually refine and upgrade the messaging of the KEDC and Chamber website to coordinate messaging.
- Plan and executive a comprehensive regional communications program to ensure business and government leaders, stakeholders, partners and investors are educated and informed about the KEDC's efforts to implement the Five-Year Higher Wage Job Creation Strategy.
- Strategically involve local partners, stakeholders and investors in all efforts to spread the message of the Kerr County business identity.

INVESTOR RELATIONS & EVENTS

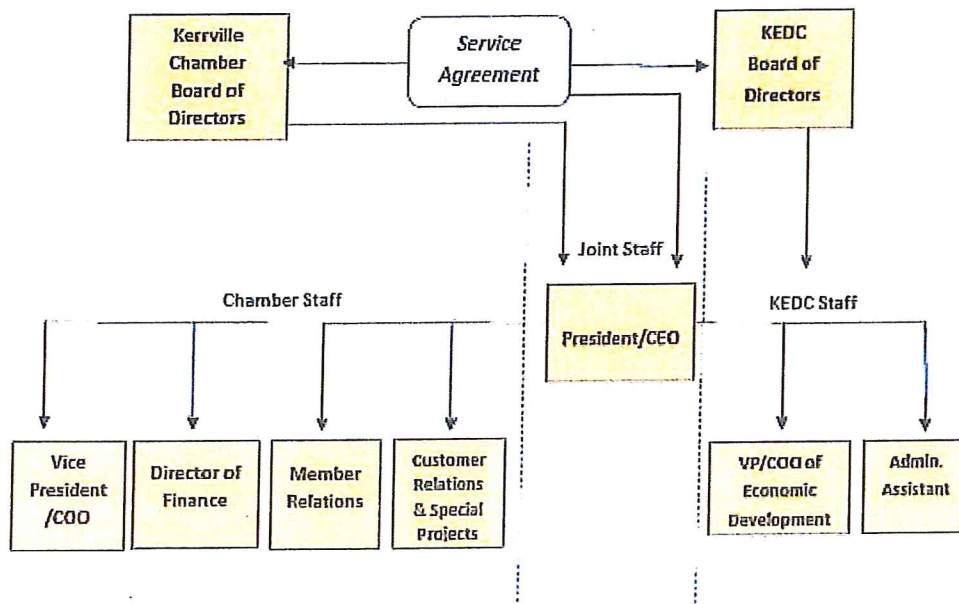
The KEDC's value is enhanced by effectively engaging both public and private stakeholders.

Action Items

- Organize and staff investor relations meetings to review, analyze and understand investor concerns, new investment opportunities and regional support efforts.
- Plan, organize and recruit attendance for two (2) Investor Update sessions across the region.

MANAGEMENT & OPERATIONS

The Partnership team is organized in a way to bring staff members of the Chamber and KEDC closer together under a single Executive responsible to both Boards. This organization is expected to eliminate administrative redundancies, streamline resources, and create a unified vision and voice. The Chamber retains the Executive as an employee and the KEDC contracts for services from the Chamber through a Service Agreement. The Executive will be the initial shared resource and other sharing will be considered as the Partnership develops. Formation of the Partnership does not require modification to either Organizations' Bylaws, and the Service Agreement will have a cancellation option with notice requirements. KEDC Staff will be hired through a KEDC Board approved process that involves the Joint President/CEO.

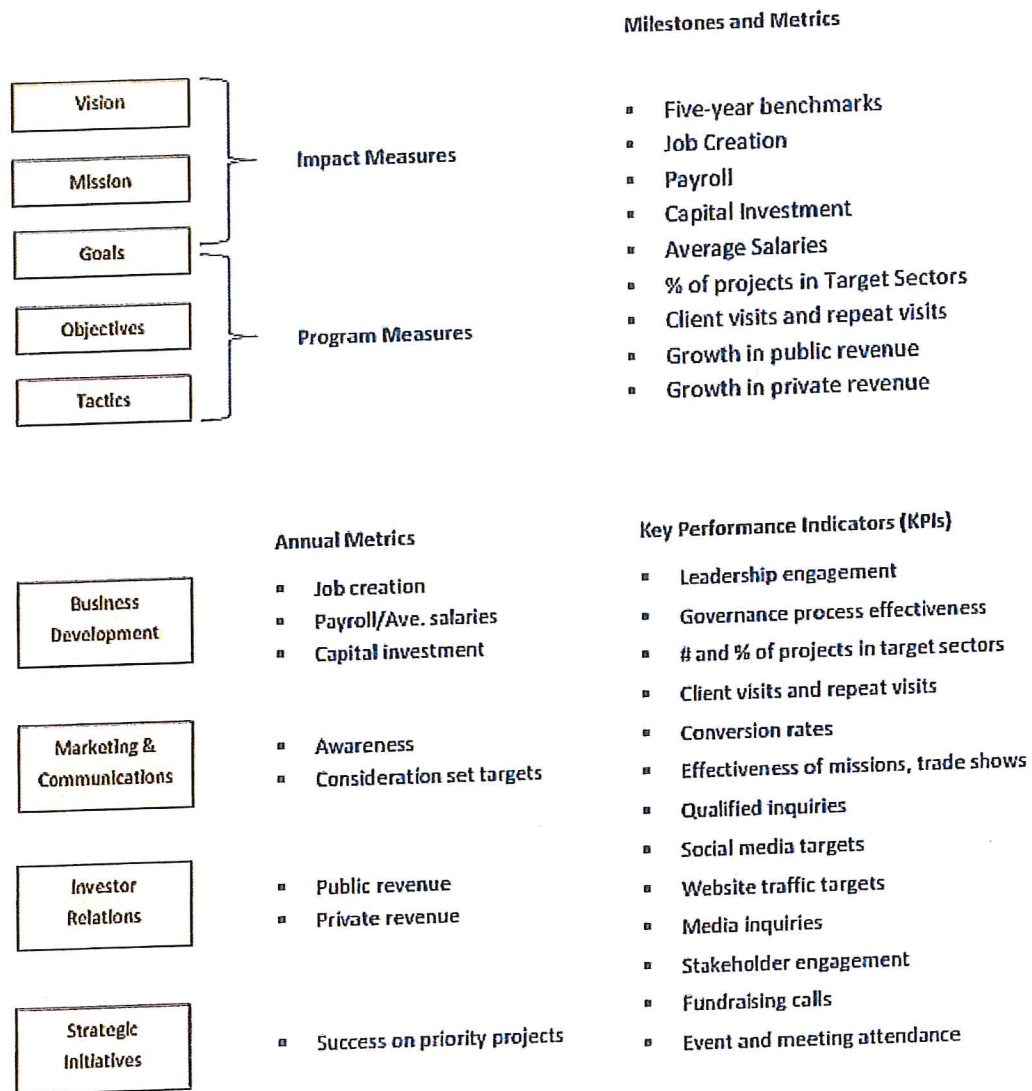


BUDGETS & FUNDING

The proposed operating budget is shown below in Table 1. The table shows the current year, 2017/2018 Budget, 2017/2018 Forecast Year End Budget Performance, and the Proposed 2018/2019 Budget. Funding requests for 2018/2019 are the same as 2017/2018. Contract Services are increased primarily due to the engagement of a recruiter to fill the vacant VP/COO of Economic Development position. Operations is down due to reduced office lease cost with the Chamber Partnership. We recognize that there is a need to enhance the efficiency of our economic development efforts and believe that there are opportunities to make improvements through economies of scale and efficiency improvements.

Table 1	2017/2018 Budget	2017/2018 Forecast YE	2018/2019 Budget
Beginning Balance	112,873.09	112,873.09	111,546.33
Income			
City of Kerrville	24,500.00		24,500.00
EIC	140,000.00	140,000.00	140,000.00
Kerr County	24,500.00		24,500.00
KPUB	24,500.00		24,500.00
Other Income			
Total Income	213,500.00	140,000.00	213,500.00
Expense			
Business Recruitment	6,500.00	8,250.00	6,500.00
Website	300.00	2,880.93	2,880.00
Marketing	3,450.00	447.46	3,450.00
Business Expenses - Other	20,000.00	235.90	20,000.00
Contract Services	3,500.00	11,227.97	16,166.67
Operations	19,850.00	13,043.01	13,050.00
Liability Insurance	900.00	1,700.00	900.00
Payroll Expenses	181,000.00	102,363.25	177,600.00
Travel and Meetings	18,000.00	1,178.24	18,000.00
Total Expenses	253,500.00	141,326.76	258,546.67
Net Income	-40,000.00	-1,326.76	-45,046.67
Ending Balance	72,873.09	111,546.33	66,499.66

Exhibit A – Performance Measurement Framework



LEGAL ENTITY

The Kerr Economic Development Corporation (KEDC) received its certificate of incorporation from the Texas Secretary of State on July 14, 2015. The business affairs of the KEDC are conducted by a board of 9 directors, all of whom have one vote on any proposition coming before the commission. As of July 2018, the KEDC Bylaws are being revised to add one additional director for the City of Kerrville and one additional director for the Kerr County Commissioners Court.

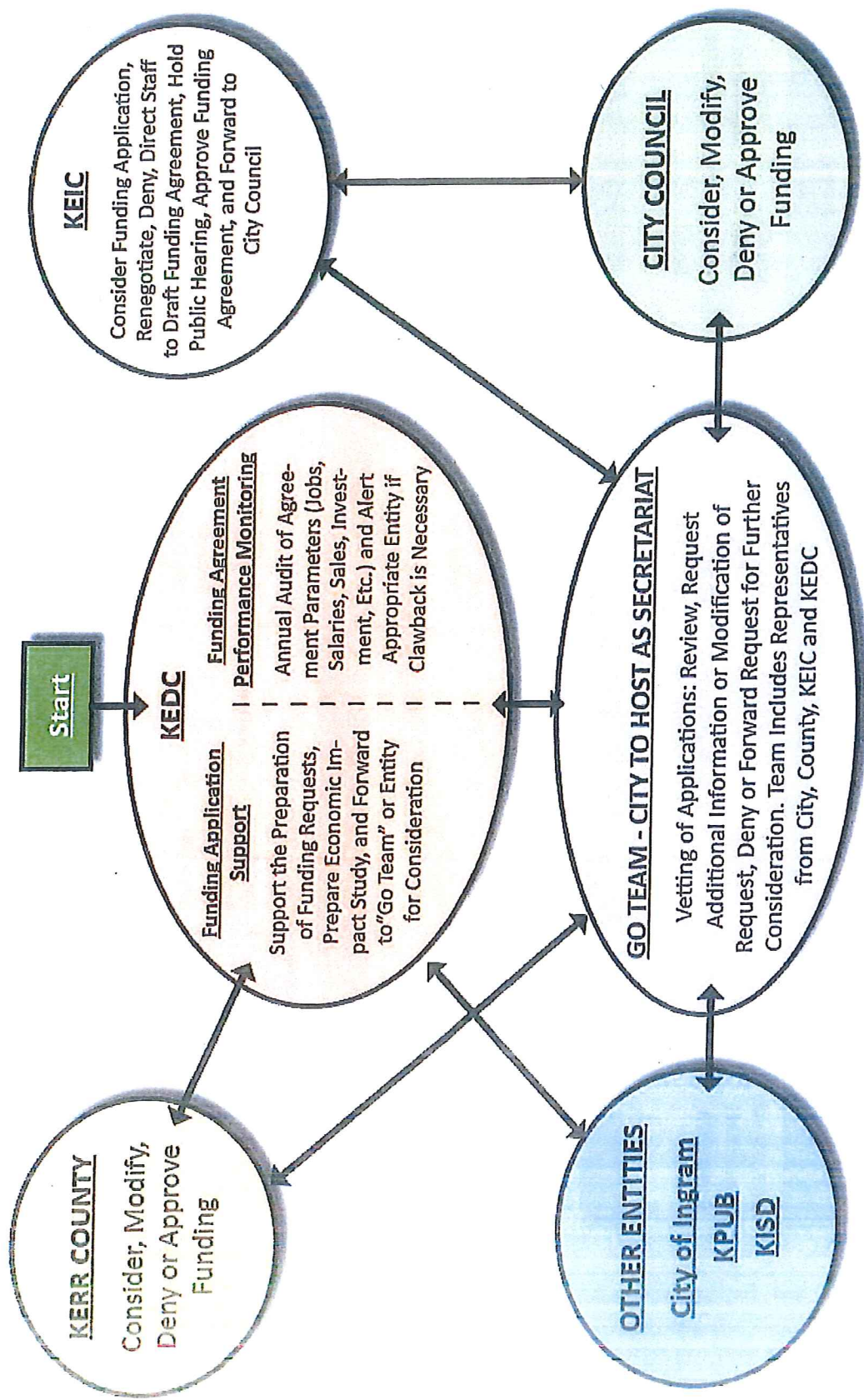
The day-to-day management of the organization is entrusted to a hired executive director that is evaluated annually by the board of directors. The leadership regularly meets the first Thursday of each month at 7:30 A.M. for monthly meetings. The officer seats of chair, vice-chair, treasurer and secretary are selected at the scheduled annual meeting in January.

PROPOSED COMPOSITION OF THE KEDC BOARD OF DIRECTORS

- One (1) representative from the Kerrville City Council (appointed by the City Council)
- One (1) representative from the Kerrville City Administration (appointed by the City Manager)
- Two (2) representatives from the Kerr County Commissioners Court (appointed by the Commissioners Court)
- One (1) representative of the Economic Improvement Corporation (appointed by the Economic Improvement Corporation)
- One (1) representative from the Kerrville Public Utility Board (appointed by the KPUB Board)
- One (1) representative from the Kerrville Chamber of Commerce Board of Directors (appointed by the Chamber of Commerce Board)
- Two (2) representatives from the Business Community (appointed by the KEDC Board)
- One (1) representative from the Kerrville Convention and Visitors Bureau (appointed by the CVB)
- One (1) representative from the Kerrville Independent School District (appointed by the KISD Board)

ECONOMIC DEVELOPMENT STAKEHOLDERS, PROCESSES, ROLES AND TOOLS

The charts below illustrate the current processes, roles and tools for handling funding requests by the Stakeholders in our community. The first chart shows KEDC providing primary support for funding applications and the Go Team vetting those applications. The Go Team routes applications to the appropriate entities to consider those applications. A large project could have multiple applications being considered by different entities at the same time. The second chart illustrates each KEDC Stakeholder's lead role(s) and the types of tools or support provided by that Stakeholder.



KEDC Stakeholders						
Kerr Economic Development Corporation	City of Kerrville	Kerr County	Kerrville Economic Improvement Corporation	Kerrville Area Chamber of Commerce	Kerrville Convention and Visitors Bureau	Kerrville Public Utility Board Kerrville Independent School District
Lead Role						
<ul style="list-style-type: none"> - Entry Point for ED Opportunities - Primary Jobs - Recruitment - Retention and Expansion - Workforce Development & Readiness 	<ul style="list-style-type: none"> - Go Team Secretariat - Housing - Downtown - Infrastructure - Quality of Life - Retail Development 			<ul style="list-style-type: none"> - Start ups - Incubators - Expansion of Business - Small Business Development 	<ul style="list-style-type: none"> - Tourism 	
Tools and Support						
<ul style="list-style-type: none"> - Local Hub for Economic Development - State Incentives 	<ul style="list-style-type: none"> - 380 Agreements - Property tax Abatement - TIRZ Creation - Hotel Occupancy Tax (HOT) Rebates - Retail Incentives - Infrastructure - Tourism Facilitator 	<ul style="list-style-type: none"> - 381 Agreement - Property tax Abatement - TIRZ Participation - Retail Incentives - Infrastructure 	<ul style="list-style-type: none"> - 4B Funding 	<ul style="list-style-type: none"> - KEDC Partner - Liaison for Businesses - SBA/SCORE 	<ul style="list-style-type: none"> - Marketing and Promotion 	<ul style="list-style-type: none"> - Electric Rate Incentives - Workforce Development & Readiness

Exhibit B

KEDC 2-YEAR ROADMAP & ECONOMIC DEVELOPMENT ECOSYSTEM

NOTE: 2020 is for Comprehensive Plan / AV is 2018-2022 Business Plan / COO is Immersion Tour / TIP is Tracyle Andy

BUSINESS RETENTION EXPANSION	MARKETING to KERRVILLE	HUMAN CAPITAL PIPELINE	ENCOURAGING ENTREPRENEURS	CORPORATE RECRUITMENT	STAKEHOLDER COMMUNICATION	ORGANIZATIONAL HOUSEKEEPING
INDUSTRIAL FOOTPRINT (2020-E4) Seek out responsible, strategic growth opportunities to increase property tax revenues – balancing land uses which generate higher tax revenues versus those with higher service costs. SHOVEL READY (AV-Sec.2, TIP) Create an Industrial Park Plan specific to development of the Hwy 27 corridor. TARGET SECTORS (2020-E12; AV) Advanced manufacturing Aviation and aerospace Craft agriculture Food processing, storage Information, Analytics Energy Healthcare and medical	MARKET RESEARCH (COO) Collection of data, combined with identifying and preparing content. MARKET PROFILE (COO) Vital tool for recruitment for the area, which needs to be created, published. BRAND (TIP) Leverage the Hill Country brand. BRANDING (2020-E7) Create a brand to promote Kerrville as the Capital of the Hill Country. PROMOTIONS (AV) Campaign to promote business recruitment for Kerrville. Creating a branding program, focus on building a better perception of Kerrville. ASSETS (AV-Sec.2) Create marketing materials specifically for site selectors: <ul style="list-style-type: none"> Roadway information Airport Capacity Utilities 	LABOR SHED (AV-Sec.3) Update the labor shed analysis done by Avalanche Consulting. COLLABORATE (AV-Sec.3) Increase regional workforce initiatives through the collaboration of the local institutions. BUILD BRIDGES (AV-Sec.3) Between the private sector and workforce training; Build relationships between employers and educators; Form apprenticeship programs. FRESH TALENT (TIP) Schreiner University is the key to drawing fresh talent to Kerrville. KISD (TIP) Partnership with the school district to proactively address workforce needs. WORKFORCE COMMISSION (COO) Host the Texas Workforce Commissioner in order to obtain funding commitment, custom programs for local existing business.	BUSINESS INCUBATION (2020-E1) Develop program to support local entrepreneurs through an incubator facility, where KEDC would provide: <ul style="list-style-type: none"> Technical assistance Access to financing options Low cost, rent for space Tap into, retire, mentors, leverage brain trust BRANDING (2020-E9/E11) Promote Kerrville as a college town, to help build the next generation of local entrepreneurs and help build a campus-oriented retail and entertainment district. SMALL BUSINESS (AV-Sec.1) Support and participate in Gov. Small Business Forum. MENTORING (AV-Sec.3) Establish a SCORE Chapter for small business and entrepreneurs. LOCAL EXPERIENCE (TIP) Leverage local professional experience and wealth to grow small business.	OUTREACH (AV-Sec.1) Outreach missions targeting select high-impact companies. SITE SELECTORS (AV-Sec.1) Host site selectors as part of familiarity tour. DELEGATIONS (AV-Sec.1) Host business delegations. KERV AIRPORT (TIP) Airport has capacity for expansion, specifically in aviation and aerospace sector. TARGET SECTORS (COO) The KEDC will work with the following target sectors and in turn, work to develop subsectors from each: <ul style="list-style-type: none"> Light Manufacturing Advanced manufacturing Aviation and aerospace Back office operations Healthcare and medical Tech spillover from AUS-SA CEO with ties to Kerrville 	REPORTING (AV) Implement Quarterly Reports to stakeholders and Biannual Workshops with partner entities. STAKEHOLDER RETREAT (TIP) Once per year, hosted by the KEDC with or without a consultant. ANNUAL ECONOMIC FORUM (COO) Host a keynote speaker, provide a State of Economic Development to stakeholders and the community. ONE-ON-ONE VISITS (COO) Meetings with KEDC Board and IEC Members on a periodic basis, to provide update and also receive input from each of the members. COMMUNITY PRESENCE (COO) Provide an update at all Kerrville area organizations, once per year for each identified community organization. COLLABORATION (TIP) Increase collaboration and cooperation to develop a regional approach to economic development.	ED MASTER PLAN (2020-E1; TIP) Develop a holistic economic development master plan outlining: <ul style="list-style-type: none"> Goals Roles Target industries 2YR ROADMAP (2020-E1; TIP; COO) This plan of action which becomes the Master Plan for the next 2 years. POLICIES, PROCEDURES (COO) Articles of Incorporation and Bylaws have been created for the KEDC, but the missing component to complete the business are the Policies & Procedures. ECONOMIC INCENTIVES (2020-E2) Re-examine the EIC and City Incentive matrix in terms of: <ul style="list-style-type: none"> Criteria qualifying projects Identify, develop tools Flow, process of incentives CREATIVE INCENTIVES (2020-E5) Develop creative financing mechanisms to diversify the community's economic development toolbox, i.e., state incentives. PROSPECT FLOW CHART (COO) Delineate the prospect development process, specifically with the KEDC and partnering entities. IMPACT STUDIES (2020-E1) Conduct economic impact studies / white papers / executive summaries for local industry and communicating to stakeholders. ANNUAL REVIEW (2020-E2) Periodic review and benchmark of the organization's effectiveness based on the KEDC's adherence to the adopted Strategic Economic Development Vision. Non Committee: KEDC Staff Initiative w/ Board involvement
RELATIONS, LOCAL INDUSTRY Either new construction or existing facility, the KEDC BRE Program will provide guidance and foster: <ul style="list-style-type: none"> Workforce contacts Construction Utility services (all) School districts Local college, university Supplier data base Logistics & distribution Housing Real Estate Expansion plans Ongoing communication with the company, tracking its growth and accommodating their needs. COMMITTEE: Industry Roundtable Group Working group made up of plant managers, executives of top employers whom will meet on a quarterly basis to discuss local trends, opportunities and challenges.	INHOUSE MARKETING PROGRAM Kerrville will create an internal marketing program which in it's first year will be specifically designed to promote to Kerrville stakeholders and community members. After the COO's Immersion Tour, it is evident that the KEDC needs to promote inward and not so much outbound. Marketing tools include: <ul style="list-style-type: none"> New website Social media, messaging YouTube Channel Segments, City channel KEDC Economic Journal Community presentations Collateral material Newspaper editorials Prospect packets Market Profile COMMITTEE: 40-Under-40 The KEDC will work with the committee to coordinate the contest and host the event for the winners.	HUMAN CAPITAL INITIATIVE The biggest challenge for Kerrville is the growing our own workforce. The KEDC will create a program, similar to the BRE, but specifically to address workforce development. The following entities will be involved: <ul style="list-style-type: none"> Kerrville ISD Ingram ISD Workforce Solutions Texas Workforce (State) Alamo Colleges Schreiner University UT-San Antonio Other regional schools The KEDC is supporting the Mayor's Housing Workforce Task Force, providing its expertise in economic development. COMMITTEE: Human Capital Agency heads for the region's different educational and workforce institutions, meet on quarterly basis.	ENTREPRENEUR DEVELOPMENT The KEDC will be in a support role for both, the proposed incubator program being developed by Schreiner University and the Kerrville Chamber. KEDC's contribution, however, will be in promoting and creating tools for 'Community Based Entrepreneur Growth' in the Kerrville area. The KEDC can draw from the following to develop a pipeline of entrepreneurs as well as development tools: <ul style="list-style-type: none"> The Capital Factory Geekdom LiftFund (formerly Accion) Fdi Consultant Local Entrepreneur Network COMMITTEE: Entrepreneur Dev. Will focus on developing a program for Community Based Entrepreneur Growth and consequently a campaign to promote entrepreneurship in Kerrville.	FOCUSED LEAD GENERATION Leads will be coming in from different sources: <ul style="list-style-type: none"> KEDC Research, internal Lead generation Site Selector Network RFPs from Governor's Office Inbound calls and walk ins Website inquiries Referrals from other EDOs Consultants, mission specific The KEDC will be in a support role with the following sectors: <ul style="list-style-type: none"> Retail, commercial Quality of life and tourism Infrastructure, i.e. housing COMMITTEE: Aviation, Aerospace & Space Due to current prospect activity, the KEDC has an opportunity to create a cluster within the airport and at the Airport Commerce Park.	Stakeholder meetings (1-on-1) <ul style="list-style-type: none"> Annual event Stakeholder retreat Quarterly reporting 	Completion, implementation of: KEDC Roadmap, KEDC Policies & Procedures, Incentives Policy, Impact Studies and Flow Chart(s)
KEY PERFORMANCE INDICATORS (Aligned with all plans) <ul style="list-style-type: none"> Companies visited No. of expansion jobs Payroll from expansion Industrial Absorption Rates 	<ul style="list-style-type: none"> Website metrics Distribution of social media No. of earned media Consistency of messaging 	<ul style="list-style-type: none"> Increase in labor force Workforce program(s) Workforce training dollars 	<ul style="list-style-type: none"> No. of entrepreneurs developed No. of seminars, workshops hosted for entrepreneurs 	<ul style="list-style-type: none"> Jobs, payroll and CAP created Lead generation Increase in average wages Prospects hosted Project ROI from EIC Funding 	Non Committee: KEDC Staff Initiative and Tasks	

Exhibit C



Metrics for FY 2019-2020

Business Retention and Expansion

- Companies Visited: 30-34

Marketing to Kerrville

- Social Media Engagement: 52 Posts across various platforms
- Economic Development Articles: 12

Encouraging Entrepreneurs

- Seminars, Workshops, Events: 6-8

Corporate Recruitment

- Lead Generation: 18-22
- Prospects/Site Selectors Hosted: 2-4

Stakeholder Communication

- Annual Economic Development Forum: 1
- Stakeholder Retreat: 1
- Quarterly Reporting: 4 per stakeholder

Exhibit D

Proposed Budget FY19/20

DRAFT

	Projected YE 18-19	18-19 Budget	19/2020
Income			
40000 Income			
40100 City of Kerrville	24,500.00	24,500.00	50,000.00
40200 EIC	140,000.00	140,000.00	250,000.00
40300 Kerr County	24,500.00	24,500.00	50,000.00
40400 KPUB	24,500.00	24,500.00	50,000.00
Total 40000 Income	\$ 213,500.00	\$ 213,500.00	\$400,000.00
Other Income			
71000 Carryover Income	88,083.25	88,083.25	19,196.95
Total Other Income	\$ 88,083.25	\$ 88,083.25	19,196.95
Net Other Income	\$ 88,083.25	\$ 88,083.25	19,196.95
Total Income	\$ 301,583.25	\$ 301,583.25	\$419,196.95
Expenses			
Total 60000 Business Expenses	\$ 30,083.47	\$ 32,830.00	43,000.00
Total 61000 Contract Services	\$ 82,454.31	\$ 66,766.67	71,567.00
Total 63000 Operations	\$ 8,914.72	\$ 8,250.00	21,883.00
Total 65000 Other Types of Expenses	\$ 875.00	\$ 900.00	900.00
Total 66000 Payroll Expenses	\$ 131,800.00	\$ 131,800.00	214,050.00
Total 68000 Travel and Meetings	\$ 22,226.40	\$ 18,000.00	42,600.00
Reimbursements	6,000.00	6,000.00	6,000.00
Uncategorized Expense	32.40		
Total Expenses	\$ 282,386.30	\$ 264,546.67	400,000.00
Net Operating Income	\$ 19,196.95	\$ 37,036.58	19,196.95

EIC Board of Directors Meeting, July 15, 2019

Proposed Budget FY19/20

Business Recruitment \$20,000

- Focused corporate recruitment mission
- Major metro area (*campaign to identify CEOs*)
- C-level executives with ties to Kerrville

Marketing & Design \$23,000

- Website, collateral material, etc.
- Developing local marketing program

Proposed Budget FY19/20

Business Recruitment \$20,000

- Focused corporate recruitment mission
- Major metro area (*campaign to identify CEOs*)
- C-level executives with ties to Kerrville

Marketing & Design \$23,000

- Website, collateral material, etc.
- Developing local marketing program

Proposed Budget FY19/20

Training	\$ 5,000
<ul style="list-style-type: none"> • Staff development 	
Meals & Entertainment	\$12,000
<ul style="list-style-type: none"> • Prospect visits, hosting delegations, etc. 	
Outside Contract Services	\$12,667
<ul style="list-style-type: none"> • Consultants, Economic impact analysis, etc. 	
Conferences	\$10,000
<ul style="list-style-type: none"> • Fees associated with IEDC and TEDC 	

EIC Board of Directors Meeting, July 15, 2019

Proposed Budget FY19/20

Travel

\$17,000

- Conferences
- Site Selectors Guild
- Prospect Activity
- Events, inbound & outbound

EIC Board of Directors Meeting, July 15, 2019

Agenda Item:

4C. Resolution creating a subcommittee of the City of Kerrville, Texas Economic Improvement Corporation to review the Bylaws of the corporation and recommend any amendments.

CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
RESOLUTION NO. 01-2019

**A RESOLUTION CREATING A COMMITTEE CONSISTING OF
DIRECTORS OF THE ECONOMIC IMPROVEMENT
CORPORATION FOR A REVIEW OF THE CORPORATION'S
BYLAWS**

WHEREAS, the City of Kerrville, Texas Economic Improvement Corporation ("EIC") was created in 1995 pursuant to state law and following such creation, Articles of Incorporation and Bylaws were approved for the EIC; and

WHEREAS, the current EIC finds it to be in the public interest to review the Bylaws with respect to whether any amendments should be made; and

WHEREAS, in order to conduct such review, the EIC seeks to appoint a committee made up of a portion of its directors as authorized by Section 2.09 of the Bylaws;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION:

SECTION ONE. The EIC hereby creates a committee in accordance with Section 2.09 of its Bylaws for the purpose of reviewing the Bylaws as to whether any amendments should be made. The current Bylaws, as amended, are attached as **Exhibit A**. The Bylaws were originally adopted by the Kerrville City Council by Resolution No. 95-112 on July 11, 1995.

SECTION TWO. The committee is made up of the following EIC directors:

Aaron Yates
Gregory Richards
Kent McKinnney
Kenneth Early

SECTION THREE. The committee shall meet and conduct its work in accordance with Section 2.09 of the Bylaws.

PASSED AND APPROVED ON this the ____ day of _____ A.D., 2019.

Kenneth Early, President

APPROVED AS TO FORM:

ATTEST:

Michael C. Hayes, Attorney for the EIC

Kayla McInturff, Secretary