



## **ALTERNATIVE CITIZEN/PUBLIC PARTICIPATION GUIDELINES (Due to COVID-10 Pandemic Disaster Declaration)**

***Despite the necessity to restrict public access to Economic Improvement Corporation meetings in the interest of public health during the COVID-19 pandemic, citizens and visitor are welcome to participate in EIC meetings in several alternative ways as outlined below.***

### **Instructions for callers:**

Dial one of the following numbers:  
800-832-5611 (Toll Free) or  
346-248-7799 or 253-215-8782

If you cannot get through on one of the numbers due to network congestion, please try the other number.)

When your call is answered you will hear "Welcome to Zoom, enter your Meeting ID followed by pound." Enter in the Meeting ID below followed by the pound sign (#).

The Meeting ID is **917 9790 7125#**

If the moderator has not started the meeting yet, you will hear "The meeting has not started yet, please hold or call back later." If you decide to call back later, please do so before 3:45 p.m.

Once you have called into the meeting, your microphone will be placed on mute and your call will be placed in the call queue. At this point, you will hear silence on the phone. Please do not hang up. The moderator will unmute your microphone as he/she is going down the list. Once the meeting has started, you will be able to listen to proceedings even if your microphone is muted.

The moderator will be accepting calls starting at 3:00 p.m. Please place your call before the 3:45 p.m. deadline to participate in order to allow time for calls to be loaded and queued. Calls made after this time will not be answered.

### **Instructions for written comments:**

Written comments will be read into record, and can be provided in two different ways:

**OPTION 1 by hard copy** – Comments may be dropped off at the City Hall Utility Payments Drop-Box on the north side of City Hall by 3:45 p.m. the afternoon of the EIC Meeting. You are required to provide your first and last name, address, and identify the item you wish to comment on.

**OPTION 2 by email** - Comments can be emailed to **kesha.franchina@kerrvilletx.gov** and must be received by 3:45 p.m. the afternoon of the EIC Meeting. You are required to provide your first and last name, address, and identify the item you wish to comments on.

For either option, please provide **all required information** in order for your comments to be accepted. Thank you for your participation!



**ECONOMIC IMPROVEMENT CORPORATION AGENDA**  
**FEBRUARY 15, 2021, 4:00 PM**  
**Kerrville City Hall Council Chambers**  
**701 Main Street, Kerrville, Texas**

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The purpose of the Economic Improvement Corporation is to improve economic prosperity in the City of Kerrville.

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**1 CALL TO ORDER:**

**2 INVOCATION:**

**3 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.*

**4 APPROVAL OF MINUTES:**

4.A. Minutes from the regular EIC meeting held on December 14, 2020

Attachments:

[EIC 12-14-2020.pdf](#)

**5 MONTHLY REPORTS:**

5.A. Kerr Economic Development Corporation (KEDC) update

5.B. Kerrville Economic Improvement Corporation (EIC) project status update

Attachments:

[EIC Project Update - 20210215.pdf](#)

5.C. Monthly Financial Report

Attachments:

[20210215\\_Presentation\\_January Financial Update.pdf](#)

[EIC debt considerations.pdf](#)

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## **6    CONSIDERATION AND POSSIBLE ACTION:**

6.A. Application for funding from the Kerrville Christmas Lighting Corporation to enhance electrical infrastructure on Tranquility Island

Attachments:

[KCLC Summary Intro - 20210212.pdf](#)

[KCLC - EIC Presentation 2-15-21 final.pdf](#)

[KCLC EIC Application - 20210215.pdf](#)

6.B. Requested Amendment to the Economic Development Grant Agreement between the Doyle School Community Center, Inc. and the City of Kerrville, Texas Economic Improvement Corporation.

Attachments:

[Handout of presentation 2.2021.pdf](#)

[2020-22 EIC Grant Agreement between Doyle School Community Center and EIC.pdf](#)

6.C. KPUB Loan - March 2021 Payment

Attachments:

[2020-64 Loan Agreement City of Kerrville and KPUB - Killdeer Mountain Manufacturing.pdf](#)

## **7    EXECUTIVE SECTION:**

*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:*

7.A. Application for funding from the Kerrville Christmas Lighting Corporation to enhance electrical infrastructure on Tranquility Island

Attachments:

[KCLC Summary Intro - 20210212.pdf](#)

[KCLC - EIC Presentation 2-15-21 final.pdf](#)

[KCLC EIC Application - 20210215.pdf](#)

7.B. Requested Amendment to the Economic Development Grant Agreement between the Doyle School Community Center, Inc. and the City of Kerrville, Texas Economic Improvement Corporation.

Attachments:

Handout of presentation 2.2021.pdf

2020-22 EIC Grant Agreement between Doyle School Community Center and EIC.pdf

7.C. 2015 Economic Development Agreement with James Avery Craftsman

**8 POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:**

**9 ITEMS FOR FUTURE AGENDAS:**

**10 ANNOUNCEMENTS:**

**11 ADJOURN.**

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

I hereby certify that this agenda was posted as notice of the meeting on the bulletin board at the City Hall of the City of Kerrville, Texas, and on the City's website on the following date and time: 2/12/2021 at 3:30 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Kesha Franchina

Kesha Franchina, Deputy City Secretary, City of Kerrville, Texas

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



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**SUBJECT:** Minutes from the regular EIC meeting held on December 14, 2020

**AGENDA DATE OF:** February 15, 2021      **DATE SUBMITTED:** Jan 05, 2021

**SUBMITTED BY:** Kesha Franchina

**EXHIBITS:** [EIC 12-14-2020.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
NA	NA	NA	NA

**PAYMENT TO BE MADE TO:** NA

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<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

Approval of regular EIC meeting held on December 14, 2020

**RECOMMENDED ACTION:**

Approve minutes

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION  
REGULAR MEETING – DECEMBER 14, 2020**

On Monday, December 14, 2020, at 4:00 p.m. the regular meeting of the City of Kerrville, Texas Economic Improvement Corporation, was called to order by President Gregory Richards, in the Council Chambers at City Hall, 701 Main Street, Kerrville, Texas.

**Members Present:**

Danny Almond, Vice President  
Don Barnett  
Gary Cochrane  
Kent McKinney  
Maggie Megee  
Gregory Richards, President  
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  
Kesha Franchina, Deputy City Secretary

**1    INVOCATION:** Vice President Danny Almond offered the invocation.

**2    VISITORS PRESENT:** No Citizens were present. Theresa Metcalf (KEDC). In addition, a ZOOM webinar was offered.

**3    APPROVAL OF MINUTES:**

3.A. Minutes from the regular EIC meeting held on October 19, 2020

Maggie Megee moved to approve the minutes as presented. Kent McKinney seconded, and the motion passed 7-0.

**4    MONTHLY REPORTS:**

4.A. Kerr Economic Development Corporation (KEDC) Update

Gil Salinas presented and answered questions. Theresa Metcalf presented and answered questions.

4.B. Kerrville Economic Improvement Corporation (ECI) Project Status Update

EA Hoppe presented and answered questions.

4.C. Monthly Financial Report

Amy Dozier presented and answered questions.

**5 PUBLIC HEARING AND POSSIBLE ACTION:**

5.A. Funding Agreement between the City of Kerrville, TX Economic Improvement Corporation and the City of Kerrville, TX to fund a Concept Feasibility Study for an extension of the Kerrville River Trail from G Street to Downtown Kerrville.

President Richards opened the Public Hearing at 4:24 p.m. No Citizens were present, no callers participated through ZOOM, and President Richards closed the Public Hearing at 4:24 p.m.

Gary Cochran motioned to approve Funding Agreement Study, Maggie Megee Seconded, and the motioned passed 6-0. 1 Opposed, Don Barnett

**6 EXECUTIVE SECTION:**

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:

The EIC did not break into Executive Session.

**7 POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:** None

**8 ITEMS FOR FUTURE AGENDAS:** None

**9 ANNOUNCEMENTS:**

Maggie Megee referenced Martin Luther King Day as the next regularly scheduled EIC meeting, noting that City offices were closed for the holiday, and requested to change the next meeting date. The EIC decided to schedule the January meeting on Thursday, January 14<sup>th</sup> in Council Chambers at 4:00 p.m. with the possibility of cancelling the January meeting.

**10 ADJOURN.** President Richards adjourned the meeting at 4:34 p.m.

Minutes Approved: \_\_\_\_\_

President Greg Richards: \_\_\_\_\_

Attest:

Kesha Franchina, Deputy City Secretary: \_\_\_\_\_



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



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**SUBJECT:** Kerr Economic Development Corporation (KEDC) update

**AGENDA DATE OF:** February 15, 2021      **DATE SUBMITTED:** Jan 05, 2021

**SUBMITTED BY:** Kesha Franchina

**EXHIBITS:**

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
NA	NA	NA	NA

**PAYMENT TO BE MADE TO:** NA

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<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

**RECOMMENDED ACTION:**

No action



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



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**SUBJECT:** Kerrville Economic Improvement Corporation (EIC) project status update

**AGENDA DATE OF:** February 15, 2021      **DATE SUBMITTED:** Jan 05, 2021

**SUBMITTED BY:** EA Hoppe

**EXHIBITS:** [EIC Project Update - 20210215.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
NA	NA	NA	NA

**PAYMENT TO BE MADE TO:** NA

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<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

**RECOMMENDED ACTION:**

Presentation

**Monthly EIC Project Status Report**

	Project Name	Description	Estimated Design Completion	Estimated Construction Completion	Comments
1	Olympic Drive Extension	Extension of roadway and utilities from existing Olympic Drive to Loop 534	Complete	Mar-2021	Utilities have been extended and connected. Final paving has been completed and punch list items will be finalized over the next several weeks as the pavement cures. Some auxiliary utility work is still ensuing around the edges of the Right of Way. Roadway opening anticipated in March 2021.
2	Aquatics Center Feasibility Study	Assessment of the Olympic Pool complex to include public/stakeholder meetings and recommendations for enhancement	Mar-2020	N/A	Community presentation will be rescheduled due to pandemic.
3	Thompson/Spur 98 Infrastructure Ext.	Extension of water and wastewater infrastructure along the Spur 98 corridor to the The Landing development	Private	Complete	The off-site utility work has been completed, inspected, and accepted by the City. The Landing has begun to receive Certificates of Occupancy and is in the process of finishing a substantial amount of their proposed multi-family housing units. The 120-unit multifamily complex is being marketed for near-term occupancy.
4	Doyle Community Center Improvements	Significant enhancements to the building and site work to add functionality	Fall 2020	TBD/private	Temporary building have moved onsite and connected to utilities. Revised construction estimates have been received. Significant construction progress anticipated in early 2021.
5	KERV Airport Improvements	Partnership with KERV, TxDOT, City and County to build T-Hangars, Box Hangars, and other building improvements	TBD	TBD	Partnership Agreement approved Fall 2019. KERV working with TxDOT for T-hangar design effort. KERV has completed demolition of the "Horseshoe Building." Box Hangar site work pending TxDOT T-hangar project.
6	Killdeer Mountain Manufacturing	Renovation of 40,000 sq ft building on 8.2 acres in Airport Commerce Park for 400+ employee Tier-1 aerospace manufacturer	Private	2021	Land and existing building shell have been conveyed to KMM. Annexation and Zoning have been completed. Utility work is ensuing. Design professionals have been engaged by KMM for the renovation effort, which is anticipated to begin in 2021.
6	Downtown River Trail Concept Study	The concept study will evaluate the feasibility of extending the River Trail in the downtown area north of the Guadalupe River between G Street and the bridge at Tranquility Island.	Summer 2021	N/A	The Funding Agreement with the City of Kerrville for the concept study was finalized and approved in January 2021 and a subsequent contract was executed with Hewitt Engineering to complete the work. Project kick off and site evaluations are ensuing.



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



**SUBJECT:** Monthly Financial Report

**AGENDA DATE OF:** February 15, 2021      **DATE SUBMITTED:** Jan 05, 2021

**SUBMITTED BY:** Amy Dozier

**EXHIBITS:** [20210215\\_Presentation\\_January Financial Update.pdf](#)  
[EIC debt considerations.pdf](#)

<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
NA	NA	NA	NA

**PAYMENT TO BE MADE TO:** NA

<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

See the attached monthly financial report that will be presented. In addition, see the attached general debt information that will be discussed.

**RECOMMENDED ACTION:**

Information only; no action required



# **Financial update for the month ended January 31, 2021**

**Economic Improvement Corporation Meeting  
February 15, 2021**



**Economic Improvement Corporation**  
**Statement of Activities**  
**Month Ended January 31, 2021**

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Remaining Budget
<b>Revenues</b>					
Sales and Use Tax	\$ 3,511,307	\$ 334,661	\$ 1,343,280	38.3%	\$ (2,168,026)
Interest Income	9,000	273	1,386	15.4%	(7,614)
<b>Total Revenues</b>	<b>3,520,307</b>	<b>334,934</b>	<b>1,344,666</b>	<b>38.2%</b>	<b>(2,175,641)</b>
<b>Expenditures</b>					
Administrative					
Office Supplies	500	-	-	0.0%	500
Professional Services	10,000	-	-	0.0%	10,000
Administrative Services Fee	185,000	15,417	61,667	33.3%	123,333
Kerr Economic Development Corp.	197,500	49,375	98,750	50.0%	98,750
Total Administrative	393,000	64,792	160,417	40.8%	232,583
Debt Service					
Debt Service - Series 2019 Ref (River Trail)	251,344	20,945	83,781	33.3%	167,563
Debt Service - Series 2020 Ref (River Trail)	247,830	20,278	81,112	32.7%	166,718
Debt Service - Series 2015 (KSC)	603,150	50,263	201,050	33.3%	402,100
Debt Service - KPUB (KMM)	20,000	1,667	6,667	33.3%	13,333
Total Debt Service	1,122,324	93,153	372,610	33.2%	736,380
Projects					
Thompson Drive Partners (The Landing)	283,333	-	283,333	100.0%	-
Airport Projects	225,000	-	25,400	11.3%	199,600
Doyle School	450,000	-	38,525	8.6%	411,475
Killdeer Mountain Manufacturing	-	-	477	-	(477)
Downtown River Trail Feasibility Study	50,000	-	-	0.0%	50,000
Total Projects	1,008,333	-	347,735	34.5%	660,598
<b>Total Expenditures</b>	<b>2,523,657</b>	<b>157,944</b>	<b>880,762</b>	<b>34.9%</b>	<b>1,642,895</b>
<b>Change in Net Position</b>	<b>\$ 996,650</b>	<b>\$ 176,990</b>	<b>\$ 463,903</b>		

# Economic Improvement Corporation

## Cash Flow Forecast

As of January 31, 2021

	FY2021 Actual	FY2021 Projected			
		Oct 2020 to Jan 2021	Feb 2021 to Mar 2021	Apr 2021 to June 2021	Jul 2021 to Sep 2021
		\$ 2,397,892	\$ 2,861,796	\$ 2,688,716	\$ 2,718,724
<b>Beginning Cash Balance</b>					
<b>Revenue</b>					
Sales Tax	1,343,280	620,168	862,020	915,944	
Interest Income	1,386	1,500	2,250	2,250	
<b>Total Revenue</b>	1,344,666	621,668	864,270	918,194	
<b>Expenditures</b>					
Administrative					
Administrative Fee & Supplies	61,667	30,833	46,500	46,250	
Professional Services	-	-	10,000	-	
KEDC	98,750	-	49,375	49,375	
Total Administrative	160,417	30,833	105,875	95,625	
Debt Service	372,610	280,581	280,581	280,581	
Projects					
Thompson Drive Partners (The Landing)	283,333	283,333	-	-	
Airport Projects	25,400	-	-	-	
Doyle School	38,525	150,000	197,807	-	
Downtown River Trail Feasibility Study	-	50,000	-	-	
Killdeer Mountain Manufacturing	477	-	250,000	-	
Total Projects	347,735	483,333	447,807	-	
<b>Total Expenditures</b>	880,762	794,747	834,263	376,206	
<b>Ending Cash Balance</b>	\$ 2,861,796	\$ 2,688,716	\$ 2,718,724	\$ 3,260,712	

# Financial Analysis

Project Analysis as of January 31, 2021			
Project Description	EIC Commitment	Disbursed Funding	Remaining Funding
<b>Committed Projects:</b>			
Thompson Drive Partners (The Landing)	\$ 850,000	\$ 566,666	\$ 283,334
Airport Projects	375,000	32,767	342,233
Doyle School	500,000	152,193	347,807
Killdeer Mountain Manufacturing	2,095,000	1,819,422	275,578
<b>Committed Project Total</b>	<b>\$ 3,820,000</b>	<b>\$ 2,571,049</b>	<b>\$ 1,248,951</b>

Cash Analysis as of January 31, 2021		
by Type - Placement - Amount		
Type	Placement	Amount
Short Term Investment	EIC TexPool	\$ 2,861,796
	<b>Total Cash and Investments</b>	<b>\$ 2,861,796</b>

Sales Tax Revenue Analysis - FY2021					
Month	Actual FY2020	Budget FY2021	Actual FY2021	FY2020 vs. FY2021	Budget vs. Actual
October	\$ 294,752	\$ 278,543	\$ 311,718	5.76%	11.91%
November	301,001	286,414	376,028	24.93%	31.29%
December	297,620	270,746	320,874	7.81%	18.51%
January	292,966	277,472	334,661	14.23%	20.61%
February	393,938	366,686			
March	270,955	253,482			
April	262,275	252,162			
May	318,521	321,737			
June	326,259	288,122			
July	350,459	288,759			
August	367,921	329,872			
September	342,775	297,314			
YE Adjustment*	92,904				
<b>YTD Total</b>	<b>\$ 3,912,345</b>	<b>\$ 3,511,307</b>	<b>\$ 1,343,280</b>	<b>13.23%</b>	<b>20.67%</b>

\*to convert from cash to accrual basis for financial reporting purposes

## **EIC Debt Considerations**

### **Debt currently supported by EIC**

1. Debt is ISSUED by the City, but SUPPORTED by EIC
2. Debt is secured by property taxes, which lowers interest rate
3. City debt is currently rated AA
4. Current interest rates are approximately 2.0%
5. Impacts City's ability to issue debt - must be coordinated with other City needs

### **EIC Issued Debt**

1. EICs can issue revenue bonds
2. Revenue bond features:
  - a. NOT secured by property tax
  - b. Backed by sales tax
  - c. Requires a separate rating, which may be lower than AA
  - d. Interest rates are higher than rates for tax secured debt (likely 20 - 50 basis points)
  - e. Sales tax revenue bonds are considered riskier than "essential service" revenue bonds
  - f. Reserve fund and coverage ratio requirements
    - Likely required to hold 1 year of debt service in a reserved fund unless available revenues are 2x annual debt service
    - Strong inverse correlation between coverage and interest rate

### **Capacity Estimates**

1. FY2021 debt service is equal to 32% of budgeted revenues
2. Available revenue after fixed expenditures is approximately \$2 million per year
3. Using a 2x debt service coverage ratio, EIC could issue approximately \$15 million in debt, making debt service approximately 60% of revenue
4. Future revenue may not be fully available for direct project expenditures due to debt service coverage requirements



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



**SUBJECT:** Application for funding from the Kerrville Christmas Lighting Corporation to enhance electrical infrastructure on Tranquility Island

**AGENDA DATE OF:** February 15, 2021    **DATE SUBMITTED:** Jan 22, 2021

**SUBMITTED BY:** EA Hoppe

**EXHIBITS:**

<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$100,000	N/A	N/A	N/A

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

<b>Kerrville 2050 Item?</b>	Yes
<b>Key Priority Area</b>	D - Downtown Revitalization
<b>Guiding Principle</b>	D1. Create a “living room” for the community and a “front door” for visitors—a full-service destination that attracts anchor uses and increased residential and mixed-use development.
<b>Action Item</b>	D1.12 - Expand/Grow Christmas light installation to the entire Downtown area and Louise Hays Park

**SUMMARY STATEMENT:**

The Kerrville Christmas Lighting Corporation (KCLC) mission is to enhance Christmas lighting within the greater Kerrville area in order to promote Christmas spirit and boost tourism and quality of life. In 2020, KCLC raised \$40,000 for 44 ornaments along Sidney Baker. For 2021, the organization’s focus is shifting toward making improvements to the Tranquility Island electrical grid to support holiday lighting and attractions.

KCLC has made application to the Kerrville Economic Improvement Corporation (EIC) for funding assistance with a matching-grant that would provide for a total of \$200,000 in electrical improvements. Their application requests \$100,000 from the EIC if \$100,000 can be raised in private donations from Kerrville citizens and other businesses. Their

application was reviewed by the Go TEAM in January and was determined to be administratively complete and ready for review by the EIC.

**RECOMMENDED ACTION:**

Provide feedback and direct staff on the potential development of a Funding Agreement and Public Hearing date.



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



**SUBJECT:** Requested Amendment to the Economic Development Grant Agreement between the Doyle School Community Center, Inc. and the City of Kerrville, Texas Economic Improvement Corporation.

**AGENDA DATE OF:** February 15, 2021      **DATE SUBMITTED:** Jan 22, 2021

**SUBMITTED BY:** EA Hoppe

**EXHIBITS:**

<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$150,000	N/A	N/A	N/A

**PAYMENT TO BE MADE TO:** Doyle School Community Center

<b>Kerrville 2050 Item?</b>	Yes
<b>Key Priority Area</b>	C - Community / Neighborhood Character and Place Making
<b>Guiding Principle</b>	C4. Promote design that is in keeping with Kerrville, its natural beauty, history, culture and diversity using art, landscaping and other aesthetic features, including "random order" (sameness that doesn't seem forced); encourage design that promotes interaction, a sense of community and gatherings
<b>Action Item</b>	C4.8 - When and where reasonable, promote the preservation and/ or renovation of historic homes/buildings by offering incentives and/or tax breaks

**SUMMARY STATEMENT:**

The Kerrville Economic Improvement Corporation (EIC) entered into an Economic Development Grant Agreement with the Doyle School Community Center, Inc. in April 2020 for \$500,000 to help facilitate over \$1,000,000 in improvements for various renovations to their location along Paschal Avenue. As further design efforts have been refined and project bidding has occurred, the projected cost of improvements for Phase I are more than originally anticipated. The non-profit has asked to amend the Agreement for

an additional \$150,000 in grant funding. A presentation is attached further outlining the status of the renovation and the requested Agreement amendment.

**RECOMMENDED ACTION:**

Provide direction on amending the existing Economic Development Grant Agreement. Set a public hearing date if necessary.



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



**SUBJECT:** KPUB Loan - March 2021 Payment

**AGENDA DATE OF:** February 15, 2021      **DATE SUBMITTED:** Feb 05, 2021

**SUBMITTED BY:** Amy Dozier

**EXHIBITS:** [2020-64 Loan Agreement City of Kerrville and KPUB - Killdeer Mountain Manufacturing.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

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

<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

In September 2020, the City borrowed \$1 million from the Kerrville Public Utility Board (KPUB). The City transferred the \$1 million to the Kerrville Economic Improvement Corporation (EIC) to be used for an Economic Development Grant Agreement with Killdeer Mountain Manufacturing. EIC agreed to pay the debt service on the loan.

The loan has a 2% interest rate and is structured for interest-only payments until a balloon payment of the entire \$1 million principal amount is due in 2024.

The first \$10,000 interest only payment is due on March 15th. There is no penalty for prepayment on the principal of the loan. EIC has a cash balance of \$2.9 million as of

January 31, 2021. Given current projects, EIC's cash balance is projected to stay at \$2.7 million or higher for the rest of the 2021 fiscal year. EIC's cash funding is currently invested in a local government pool account earning 0.10%.

The EIC Board previously requested that a discussion regarding the March 15, 2021 payment amount be placed on its February agenda.

**RECOMMENDED ACTION:**

Consideration and possible action

## LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Agreement") is made and entered into by and between **KERRVILLE PUBLIC UTILITY BOARD** ("Lender") and **CITY OF KERRVILLE**, a Texas home rule municipality ("Borrower").

In consideration of their respective obligations, undertakings and commitments herein set forth and subject to the terms, provisions and conditions hereof, the parties hereto agree as follows:

### SECTION 1. THE LOAN

1.01 Loan. Subject to and upon the terms and conditions herein set forth, Lender agrees to loan to the Borrower an amount not to exceed **\$1,000,000** (the "Credit Amount") on a term basis, in accordance with the provisions hereof (the "Loan").

1.02 Promissory Note Evidencing the Loan. The Loan will be evidenced by and payable in accordance with a Promissory Note ("Note") in a principal amount not to exceed **\$1,000,000**, dated September 15, 2020. The Loan matures on September 15, 2024 (the "Maturity Date"), and will bear interest at the rate set forth in the Note. All payments under the Note will be made in immediately available funds to Lender's address as set out in Paragraph 6.06, prior to 3:00 p.m., Kerrville time, on or before the due date thereof; funds received after that time will be deemed to have been received by Lender on the next following banking day. Borrower has agreed to pay the Note in accordance with **SCHEDULE 1**, attached hereto (and the Note) and made a part hereof for all purposes. **SCHEDULE 1** sets out interest only payments for the first three and one half years and then interest plus principal payment on the Maturity Date.

1.03 Voluntary Prepayments. Prior to demand or maturity of the Loan, the Borrower has the right to prepay the Loan, in whole or in part, at any time and from time to time, without premium or penalty.

### SECTION 2. CONDITIONS PRECEDENT

The following are conditions precedent to the funding of the Loan:

2.01 No Event of Default (hereinafter defined) or Unmatured Event of Default (hereinafter defined) will then exist.

2.02 The representations and warranties herein will be true and correct in all material respects.

2.03 Lender will have received a copy, duly certified by the City Secretary of the Borrower, of the resolution of the City Council of the Borrower authorizing the borrowing hereunder and the execution and delivery of this Agreement, the Note and

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all other applicable Loan Documents and of the specimen signatures of the officers of the Borrower authorized to sign this Agreement, the Note and all other applicable Loan Documents.

### SECTION 3. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to Lender the following:

3.01 Organization and Existence. The Borrower is the City of Kerrville, Texas, a home rule municipality.

3.02 Authorization, Enforceability, Etc. Borrower has legal authorization to borrow the Credit Amount and has the legal authority to place the Loan proceeds into its Economic Improvement Corporation ("EIC") operating fund ("EIC Fund"). The execution, delivery and performance by the Borrower of the Agreement, Note, and all other applicable loan documents (the "Loan Documents") does not and will not (i) violate any provision of any agreement, law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect which adversely affects or could adversely affect the financial condition of the Borrower; or (ii) result in a breach of or constitute a default under the Borrower's City Charter or any indenture or any payment obligation or loan or credit agreement or any other agreement or instrument to which the Borrower is a party or by which the Borrower is bound or affected, and will not result in the creation or imposition of any lien, charge or encumbrance on, or security interest in, any of their respective properties pursuant to the provisions of any such agreement or instrument; and (iii) the Loan Documents, when duly executed and delivered, will constitute legal, valid and binding obligations of the Borrower, respectively, enforceable against such parties in accordance with their respective terms.

3.03 Full Disclosure. No information furnished by the Borrower in connection with the transactions contemplated hereby contains any materially untrue statement or omission of material fact.

3.04 Litigation. There is no litigation, proceeding or investigation pending or threatened against or affecting the Borrower that would impact the Agreement.

### SECTION 4. COVENANTS

4.01 EIC Fund, Special Use and Project Budget. All of the Loan proceeds will be deposited into the EIC Fund for EIC to use for the purchase of a building near the Kerrville Airport to support economic development.

4.02 Funding Source and City Budget. In addition to the terms set out on the Promissory Note, Borrower will pay the Note: (i) from revenues held in the EIC Fund; and (ii) this debt obligation and the amount of the annual payments due must be shown in the annual City budget, until paid in full. The Note is not collateralized but is secured

solely by Lender's pledge of and authority to withhold future franchise fees to Borrower for the term of this Agreement.

4.03 Notice of Default. Promptly upon becoming aware of the occurrence thereof, the Borrower will furnish to Lender written notification of any Event of Default or any event which, with the giving of notice or the lapse of time, or both, could constitute an Event of Default (an "Unmatured Event of Default"), specifying in connection with such notification all actions the Borrower proposes to take or is taking in order to remedy such circumstances.

4.04 Further Assurances. The Borrower will promptly deliver to Lender such information (not otherwise required to be furnished pursuant to the Loan Documents) respecting its business, affairs, assets, and liabilities, and such opinions, certifications, and documents, in addition to those mentioned in this Agreement, as Lender may reasonably request.

## SECTION 5. EVENTS OF DEFAULT

5.01 Event of Default. As used herein and as set forth in the Note, the term "Unmatured Event of Default" means an event or condition, which with the passing of time or giving of notice or both would constitute an Event of Default. After 10 days written notice for a monetary default or 30 days written notice for a non-monetary default, an "Event of Default" will exist if any of the following occurs:

- (a) Payment. The Borrower fails to make any payment of principal or interest on the Note when due or fails to make any payment of fees or other amounts with respect to the Loan when such payment is due; or
- (b) Performance. The Borrower fails to perform or observe any covenant or provision contained herein; or
- (c) Loan Documents. A default occurs under any of the Loan Documents; or
- (d) Warranties or Representations. Any warranty, representation or other statement by or on behalf of the Borrower or any Guarantor contained in the Loan Documents, or in any instrument furnished in compliance with or in reference to the Loan Documents, is false, misleading, or incorrect in any material respect as of the date made.

### 5.02 Certain Rights of Lender.

- (a) Remedies Upon Default. Should an Event of Default occur, Lender may, in its discretion, do any one or more of the following:

(i) Acceleration. Declare the unpaid balance of the Loan immediately due and payable, whereupon it will be due and payable.

(ii) Termination. Terminate any commitment of Lender to lend hereunder in its entirety or as to any portion thereof, to the extent Lender will deem appropriate.

(iii) Setoff. Setoff any amounts due and owing to Lender by Borrower, whether principal, interest or fees, including any amounts accelerated pursuant to the terms hereof, against any funds contained in any account maintained by Borrower at Lender.

(iv) Exercise of Rights. Exercise any and all rights afforded by the Loan Documents, including without limitation, the Note, or by any applicable laws, whether at law, in equity or otherwise, as Lender will deem appropriate, including, but not limited to, the rights to bring suit or other proceeding before any court or any governmental department, agency or instrumentality of any sort whatsoever, either for specific performance of any covenant or condition contained in the Loan Documents or in aid of the exercise of any right granted to Lender in the Loan Documents.

(b) Lender Not in Control. None of the covenants or other provisions contained in this Agreement will give Lender the right or power to exercise control over the affairs and/or management of the Borrower.

(c) Cumulative Rights. All rights available to Lender hereunder and under the Loan Documents will be cumulative of and in addition to all other rights granted to Lender at law or in equity, whether or not Lender will have instituted any suit for collection or other action in connection with the Loan Documents.

(d) Waiver by Borrower. Borrower hereby waives any and all demands for payment, presentments for payment, notices of intention to accelerate, notices of acceleration of maturity, protests and notices of protests regarding the Loan.

## SECTION 6. MISCELLANEOUS

6.01 Term. This Agreement continues, unless sooner terminated or extended as provided herein, until the Maturity Date. Upon any such termination, the Borrower's obligations and the powers and rights of Lender hereunder will continue in full force and effect until the Loan has been paid in full and all other liabilities and obligations of the Borrower hereunder have been satisfied.

6.02 Controlling Agreement. All agreements between the Borrower and Lender, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency or event whatsoever, whether by reason of

demand or acceleration of the maturity hereof or otherwise, will the amount contracted for, charged, received, paid or agreed to be paid to Lender for the use, forbearance, or detention of the funds evidenced hereby or otherwise, or for the performance or payment of any covenant or obligation contained in any instrument securing the payment thereof, exceed the maximum amount permissible under applicable law. If, from any circumstance whatsoever, interest would otherwise be payable to Lender in excess of the maximum lawful amount, the interest payable to Lender will be reduced to the maximum amount permitted under applicable law; and if from any circumstance Lender will ever receive anything of value deemed interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive interest will be applied to the reduction of the principal hereof and not to the payment of interest or if such excessive interest exceeds the unpaid balance of principal hereof, such excess will be refunded to the Borrower. All interest paid or agreed to be paid to Lender will, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full period until payment in full of the principal (including the period of any renewal or extension hereof) so that the interest hereon for such full period will not exceed the maximum amount permitted by applicable law. The term "applicable law" as used herein means the laws of the state of Texas or the laws of the United States, whichever laws allow the greater rate of interest, as such laws now exist or, to the extent allowed by law, may be changed or amended or come into effect in the future. This paragraph will control all agreements between Borrower and Lender.

6.03 No Third Party Beneficiary. This Agreement is for the sole benefit of the Borrower and Lender and is not for the benefit of any third party.

6.04 Number and Gender. Whenever used herein and where the context requires, the singular member includes the plural, and the plural includes the singular, and the use of any gender will be applicable to all genders.

6.05 Notices. All notices permitted hereunder will be given to the addressee at the following address:

If to Lender: Kerrville Public Utility Board  
2250 Memorial Blvd.  
Kerrville, Texas 78028  
Attention: Chief Executive Officer

Mailing Address  
P.O. Box 294999  
Kerrville, Texas 78029-4999  
Attention: Chief Financial Officer

If to Borrower: City of Kerrville  
701 Main Street  
Kerrville, Texas 78028

Attn: City Manager

All notices given hereunder will be in writing and will be considered properly given if mailed by first-class United States mail, postage prepaid, registered or certified with return receipt requested, or by delivering same in person to the addressee, or by prepaid telegram. All notices permitted herein to be given by mail will be effective upon deposit in to the care and custody of the U.S. Postal Service. Notice given in any other manner will be effective upon receipt at the address of the addressee. Either party may change its address for purposes of receiving notice hereunder upon not less than 15 days notice given in the manner prescribed herein.

**6.06 Governing Law.** This Agreement will be governed by and construed in accordance with the internal laws of the state of Texas and the laws of the United States of America applicable to transactions in the State of Texas. Borrower and Lender agree that the sole and exclusive place of jurisdiction for resolution of any dispute arising out of or relating to this Agreement will be Kerrville, Kerr County, Texas.

**6.07 Invalid Provisions.** If any provision herein or in the Loan Documents is held to be illegal, invalid, or unenforceable under present or future laws effective during the term hereof, such provision will be fully severable, the document affected will be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part thereof, and the remaining provisions thereof will remain in full force and effect and will not be affected by the severance herein provided. Furthermore, in lieu of such illegal, invalid, or unenforceable provision there will be added automatically a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid and enforceable.

**6.08 Successors and Assigns.** This Agreement will be binding upon and inure to the benefit of the Borrower, Lender and their respective successors and assigns; provided, however, Borrower may not transfer or assign any of its rights or obligations hereunder without the express written consent of Lender.

**6.09 Amendment.** Except as provided herein, this Agreement may not be amended or modified except by written instrument signed by the parties hereto.

**6.10 Expenses.** Whether or not any advance is made hereunder the Borrower agrees to pay the reasonable expenses of Lender in connection herewith, including all legal fees, all filing and recording fees, costs of credit reports and of inspections of any collateral, and all costs involved in enforcement and collection pursuant to the terms of the Loan Documents, which expenses will be due and payable on demand therefor. Without limiting the generality of the foregoing, Borrower will, except in connection with a billing error inquiry, pay to Lender a fee of \$20.00 per hour for any research requested or authorized, whether orally or in writing, by Borrower with respect to the Loan. Borrower will further pay \$1.00 per copy for any photocopies requested or authorized, whether orally or in writing, by Borrower with respect to the Loan.

6.11 Entire Agreement. This Agreement and the Loan Documents constitute the entire understanding and agreement between the Borrower and Lender with respect to the transactions contemplated hereby and supersede all prior written or oral understandings and agreements between the Borrower and Lender with respect thereto. The Borrower hereby acknowledges that, except as incorporated in writing herein and in the Loan Documents, there are not and were not, and no persons are or were authorized by Lender to make, any representations, understandings, stipulations, agreements or promises, whether oral or written.

6.12 Captions and Section Headings. Captions and section headings used herein are for convenience only and will not be used in construing this Agreement.

6.13 Loan Agreement Governs. In the event of any conflict between the terms of this Agreement and any terms of any other Loan Document, the terms of this Agreement will govern. All of the Loan Documents are by this reference incorporated into this Agreement.

6.14 USA Patriot Act Notice. Lender hereby notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Lender to identify Borrower in accordance with the Act.

6.15 Note Not a Public Security. None of the Loan Documents, including the Note, will be deemed to be a "public security" pursuant to Chapter 1201.002(2), as amended, under the Texas Government Code.

IN WITNESS WHEREOF, the Borrower and Lender have caused this Agreement to be executed this 15th day of September, 2020.

**BORROWER:**

City of Kerrville, a Texas home rule municipality

By: Mark McDaniel  
Name: Mark McDaniel  
Its: City Manager

LENDER:  
Kerrville Public Utility Board

BY: 

Name: Mike Wittler  
Its: Chief Executive Officer

## SCHEDULE 1

### Amortization Schedule

City of Kerrville  
Amortization Schedule - Loan with KPUB

Principal Amount \$ 1,000,000  
Interest Rate 2.0%  
Term (in years) 4  
Issue Date 9/15/2020  
First Payment Date 3/15/2021  
Last Payment Date 9/15/2024

Date	Principal	Interest	Total	Balance
3/15/2021		10,000	10,000	1,000,000
9/15/2021		10,000	10,000	1,000,000
3/15/2022		10,000	10,000	1,000,000
9/15/2022		10,000	10,000	1,000,000
3/15/2023		10,000	10,000	1,000,000
9/15/2023		10,000	10,000	1,000,000
3/15/2024		10,000	10,000	1,000,000
9/15/2024	1,000,000	10,000	1,010,000	
	1,000,000	80,000	1,080,000	

## Promissory Note

### Basic Information

Date: September 15, 2020

Borrower: City of Kerrville, a Texas home rule municipality

Borrower's Mailing Address: 701 Main Street  
Kerrville, Kerr County, Texas 78028  
Attn: City Manager

Lender: Kerrville Public Utility Board

Place for Payment: Office:  
2250 Memorial Blvd.  
Kerrville, Texas 78028  
Attn: Chief Executive Officer

Mailing Address: P.O. Box 294999  
Kerrville, Texas 78029-4999  
Attn: Chief Financial Officer

Principal Amount: One Million and NO/100  
(\$1,000,000.00)

Annual Interest Rate: Two and 00/100 percent (2.0%), based on a 360 day year,  
with twelve 30-day months

Maturity Date: September 15, 2024

Annual Interest Rate on Matured, Unpaid Amounts: Ten and No/100 percent (10%)

Terms of Payment (principal and interest): Payments of all accrued interest and certain mandatory principal reductions as set out on the payment schedule attached hereto and made a part hereof as **SCHEDULE 1**; such payments to be made bi-annually beginning on March 15, 2021 and continuing on or before March 15 and September 15 of each year until September 15, 2024 ("Maturity Date") when all unpaid principal and all accrued, but unpaid interest, is payable in full.

Security for Payment: Lender's pledge of and authority to withhold future franchise fees to Borrower for the term of this Agreement.

**Promise to Pay**

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Borrower promises to pay to the order of Lender the Principal Amount plus interest at the Annual Interest Rate. This note is payable at the Place for Payment and according to the Terms of Payment. All unpaid amounts are due by the Maturity Date. If any amount is not paid either when due under the Terms of Payment or on acceleration of maturity, Borrower promises to pay any unpaid amount plus interest from the date the payment was due to the date of payment at the Annual Interest Rate on Matured, Unpaid Amounts.

### **Defaults and Remedies**

Notwithstanding any other provision of this note, in the event of a default or failure to pay any principal or interest when is due on this Note, before exercising any of Lender's remedies under this Note, Lender will first give Borrower written notice of default and Borrower will have ten days after notice is given in which to cure the default. If the default is not cured ten days after notice, Borrower and each surety, endorser, and guarantor waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law. The Lender may cure any default hereunder by withholding City transfer payments established in Section 35(c) Third of Ordinance No. 2013-21 until the default is cured.

### **Waivers**

Borrower waives, to the extent permitted by law, all (i) demand for payment, (ii) presentation for payment, (iii) notice of intention to accelerate maturity, (iv) notice of acceleration of maturity, (v) protest and (vi) notice of protest.

### **Attorney's Fees**

Borrower also promises to pay reasonable attorney's fees and any other related costs if an attorney is retained to collect or enforce the note. These expenses will bear interest from the date of advance at the Annual Interest Rate on Matured, Unpaid Amounts. Borrower will pay Lender these expenses and interest on demand at the Place for Payment. These expenses and interest will become part of the debt evidenced by the note and will be secured by any security for payment.

### **Prepayment**

Borrower may prepay this Note at any time without premium or penalty.

### **Usury Savings**

Interest on the debt evidenced by this note will not exceed the maximum rate or amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the Principal Amount or, if the Principal Amount has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the Principal Amount or,

if the Principal Amount has been paid, refunded. This provision overrides any conflicting provisions in this note and all other instruments concerning the debt.

#### **Other Clauses**

Borrower is responsible for all obligations represented in this Note.

When the context requires, singular nouns and pronouns include the plural.

BORROWER

CITY OF KERRVILLE, a Texas home rule  
municipality

By:   
Name: Mark McDaniel  
Title: City Manager

## SCHEDULE 1

### City of Kerrville Amortization Schedule - Loan with KPUB

Principal Amount \$ 1,000,000  
Interest Rate 2.0%  
Term (in years) 4  
Issue Date 9/15/2020  
First Payment Date 3/15/2021  
Last Payment Date 9/15/2024

Date	Principal	Interest	Total	Balance
3/15/2021		10,000	10,000	1,000,000
9/15/2021		10,000	10,000	1,000,000
3/15/2022		10,000	10,000	1,000,000
9/15/2022		10,000	10,000	1,000,000
3/15/2023		10,000	10,000	1,000,000
9/15/2023		10,000	10,000	1,000,000
3/15/2024		10,000	10,000	1,000,000
9/15/2024	1,000,000	10,000	1,010,000	-
	1,000,000	80,000	1,080,000	

Schedule 1

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**RESOLUTION NO. 20-15**

**A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD APPROVING A PROMISSORY NOTE AND LOAN AGREEMENT WITH THE CITY OF KERRVILLE, TEXAS SUBJECT TO CERTAIN REQUIREMENTS.**

**WHEREAS**, the City of Kerrville, Texas ("City") is a home rule city under the Constitution and laws of the State of Texas operating under its Charter as amended June 10, 2014; and

**WHEREAS**, by adoption of Ordinance No. 87-45 on the 24th day of November, 1987, the City Council created a Board of Trustees ("Board") to manage and control a newly acquired electric transmission and distribution system ("system") from the Lower Colorado River Authority which provision has been continued through a succession of subsequent City bond ordinances, the most recent being Ordinance No. 2013-21, adopted October 22, 2013, and the Board has continuously managed the City's system since its members were appointed and qualified for office; and

**WHEREAS**, the Board finds it has accumulated funds to partially finance future electric system improvements, work on which is not planned to commence until approximately 2024; and

**WHEREAS**, the City needs in the near future to purchase a building near the Kerrville Airport to support economic development; and

**WHEREAS**, the Board finds that it would be an economic opportunity and in the interest of the system ratepayers to loan the City a sum not to exceed \$1,000,000 (i) at an interest rate in excess of that which KPUB is earning on its current investments; (ii) on standard commercial terms; and (iii) with an amortization schedule which would repay the funds in time for the Board to commence its planned electric system improvements; and

**WHEREAS**, the Board finds that it is not prohibited by the Charter, Bond Ordinance No. 2013-21, or general law to make the loan to the City, and the loan funds are not needed in the near future by the Board for the reliable, adequate and efficient operation of the system; and

**WHEREAS**, KPUB has offered to make the loan to the City and KPUB Staff has caused to be prepared a Promissory Note and corresponding Loan Agreement consistent with the above findings and requirements of the Board; now, therefore,

**BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD THAT:**

**Section 1.** The Note not to exceed \$1,000,000 and Loan Agreement by and between the City of Kerrville, Texas, and the Board of Trustees of the City of Kerrville, Texas, dated September 15, 2020, is hereby approved.

**Section 2.** The funds from the loan will be dedicated to the purchase of a building near the Kerrville Airport to support economic development.

**Section 3.** The City will repay the loan under the terms and conditions of the Note and Loan Agreement from revenues from its Economic Improvement Corporation operating fund.

**Section 4.** The City Manager shall cause annual budgets to provide for repayment of the principal and interest of the loan to the extent that the City is obligated to make repayment during any fiscal year and shall cause any required disclosures to reflect the obligations of the City for repayment of the loan.

**Section 5.** This action of the Board shall not be precedent for future loans and is approved as a onetime opportunity for the System to earn additional revenue.

**PASSED, APPROVED AND ADOPTED** on this 19<sup>th</sup> day of August, 2020

  
\_\_\_\_\_  
Bill Thomas, Chairman

ATTEST:

  
\_\_\_\_\_  
Mark Cowden, Secretary



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



**SUBJECT:** Application for funding from the Kerrville Christmas Lighting Corporation to enhance electrical infrastructure on Tranquility Island

**AGENDA DATE OF:** February 15, 2021    **DATE SUBMITTED:** Jan 22, 2021

**SUBMITTED BY:** EA Hoppe

**EXHIBITS:**

<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$100,000	N/A	N/A	N/A

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

<b>Kerrville 2050 Item?</b>	Yes
<b>Key Priority Area</b>	D - Downtown Revitalization
<b>Guiding Principle</b>	D1. Create a “living room” for the community and a “front door” for visitors—a full-service destination that attracts anchor uses and increased residential and mixed-use development.
<b>Action Item</b>	D1.12 - Expand/Grow Christmas light installation to the entire Downtown area and Louise Hays Park

**SUMMARY STATEMENT:**

The Kerrville Christmas Lighting Corporation (KCLC) mission is to enhance Christmas lighting within the greater Kerrville area in order to promote Christmas spirit and boost tourism and quality of life. In 2020, KCLC raised \$40,000 for 44 ornaments along Sidney Baker. For 2021, the organization’s focus is shifting toward making improvements to the Tranquility Island electrical grid to support holiday lighting and attractions.

KCLC has made application to the Kerrville Economic Improvement Corporation (EIC) for funding assistance with a matching-grant that would provide for a total of \$200,000 in electrical improvements. Their application requests \$100,000 from the EIC if \$100,000 can be raised in private donations from Kerrville citizens and other businesses. Their

application was reviewed by the Go TEAM in January and was determined to be administratively complete and ready for review by the EIC.

**RECOMMENDED ACTION:**

Provide feedback and direct staff on the potential development of a Funding Agreement and Public Hearing date.



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



**SUBJECT:** Requested Amendment to the Economic Development Grant Agreement between the Doyle School Community Center, Inc. and the City of Kerrville, Texas Economic Improvement Corporation.

**AGENDA DATE OF:** February 15, 2021      **DATE SUBMITTED:** Jan 22, 2021

**SUBMITTED BY:** EA Hoppe

**EXHIBITS:**

<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$150,000	N/A	N/A	N/A

**PAYMENT TO BE MADE TO:** Doyle School Community Center

<b>Kerrville 2050 Item?</b>	Yes
<b>Key Priority Area</b>	C - Community / Neighborhood Character and Place Making
<b>Guiding Principle</b>	C4. Promote design that is in keeping with Kerrville, its natural beauty, history, culture and diversity using art, landscaping and other aesthetic features, including "random order" (sameness that doesn't seem forced); encourage design that promotes interaction, a sense of community and gatherings
<b>Action Item</b>	C4.8 - When and where reasonable, promote the preservation and/ or renovation of historic homes/buildings by offering incentives and/or tax breaks

**SUMMARY STATEMENT:**

The Kerrville Economic Improvement Corporation (EIC) entered into an Economic Development Grant Agreement with the Doyle School Community Center, Inc. in April 2020 for \$500,000 to help facilitate over \$1,000,000 in improvements for various renovations to their location along Paschal Avenue. As further design efforts have been refined and project bidding has occurred, the projected cost of improvements for Phase I are more than originally anticipated. The non-profit has asked to amend the Agreement for

an additional \$150,000 in grant funding. A presentation is attached further outlining the status of the renovation and the requested Agreement amendment.

**RECOMMENDED ACTION:**

Provide direction on amending the existing Economic Development Grant Agreement. Set a public hearing date if necessary.



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



**SUBJECT:** 2015 Economic Development Agreement with James Avery Craftsman

**AGENDA DATE OF:** February 15, 2021      **DATE SUBMITTED:** Feb 08, 2021

**SUBMITTED BY:** Kesha Franchina

**EXHIBITS:**

<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
N/A	N/A	N/A	N/A

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

<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

**RECOMMENDED ACTION:**

Discussion