



[TAX INCREMENT REINVESTMENT ZONE AGENDA](#)  
[SEPTEMBER 8, 2022, 4:00 PM](#)  
[Kerrville City Hall, City Council Chambers](#)  
[701 Main Street, Kerrville, Texas](#)



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The purpose of the Tax Increment Reinvestment Zone is to encourage private investment, create new taxable value, and increase economic activity in downtown Kerrville.

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**1 CALL TO ORDER:**

**2 INVOCATION:**

**3 APPROVAL OF MINUTES:**

3.A. Minutes from the regular Tax Increment Reinvestment Zone meeting held on January 27, 2022.

Attachments:

[TIRZ Minutes 1-27-2022.pdf](#)

**4 SEMI-ANNUAL REPORTS:**

4.A. Update on various Downtown projects, to include, water, streets and beautification projects, within the TIRZ district.

**5 CONSIDERATION AND POSSIBLE ACTION:**

5.A. Tax Increment Reinvestment Zone (TIRZ) Number One Financial Update, and Proposed Budget for Fiscal Year 2023.

Attachments:

[FY2023 Proposed Budget Presentation.pdf](#)

5.B. Request from City of Kerrville, TX for project funding (matching funds) in an amount not to exceed \$100,000 for work within the TIRZ regarding Community Development Block Grant (CDBG) - Downtown Revitalization Program -2021.

Attachments:

[CDBG Improvement Locations.pdf](#)

**6 EXECUTIVE SESSION:**

*The Tax Increment Reinvestment Zone 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 POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:**

**8 ITEMS FOR FUTURE AGENDAS:**

**9 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: 9/2/2022 at 2:30 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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# **Tax Increment Reinvestment Zone Agenda Bill Report**

Submitted by: Kesha Franchina, Deputy City Secretary  
Submitting Department: City Secretary  
Meeting Date: September 8, 2022

## **SUBJECT:**

Minutes from the regular Tax Increment Reinvestment Zone meeting held on January 27, 2022.

## **SUMMARY STATEMENT:**

Minutes from the regular Tax Increment Reinvestment Zone meeting held on January 27, 2022.

## **EXHIBITS:**

## **RECOMMENDED ACTION:**

Approve minutes from the regular Tax Increment Reinvestment Zone (TIRZ) meeting held on January 27, 2022.

## **EXPENDITURE REQUIRED:**

N/A

## **CURRENT BALANCE IN ACCOUNT:**

N/A

## **AMOUNT BUDGETED:**

N/A

## **ACCOUNT NUMBER:**

N/A

## **PAYMENT TO BE MADE TO:**

N/A

## **ATTACHMENTS**

- [TIRZ Minutes 1-27-2022.pdf](#)

**CITY OF KERRVILLE, TAX INCREMENT REINVESTMENT ZONE BOARD OF DIRECTORS REGULAR MEETING, JANUARY 27, 2022, 4:00 P.M.**

On Thursday, January 27, 2022, the City of Kerrville, Texas TIRZ Board of Directors regular meeting was called to order at 4:00 p.m. by Kenneth Early, Chairman, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas.

**Members Present:**

Kenneth Early, Chairman  
Mindy Wendele, Vice-Chair  
Fred Gamble  
John Harrison  
Katherine Howard  
Pat Murray  
Bruce Stracke

**Members Absent:** None

**City Executive Staff Present:**

E.A. Hoppe, City Manager  
Kesha Franchina, Deputy City Secretary  
Julie Behrens, Director of Finance  
Kristin Akers, Finance Administrator

**1 CALL TO ORDER:** Kenneth Early opened the meeting at 4:02 pm.

**2 INVOCATION:** Kenneth Early led the Invocation.

**3 APPROVAL OF MINUTES:**

3.A. Minutes from the regular Tax Increment Reinvestment Zone meeting held on August 12, 2021.

Bruce Stracke motioned to approve the minutes, Mindy Wendele seconded, and the motion passed 7-0.

**4 MONTHLY REPORTS:**

4.A. Update on various Downtown projects

EA Hoppe presented the update on Downtown projects and responded to questions.

4.B. Annual Financial Report.

Julie Behrens presented the Annual Financial report and responded to questions. EA Hoppe responded to questions. Julie Behrens was asked to email TIRZ members with

information regarding 2021-2022 Kerr County property acquisitions, values, and how this will affect the TIRZ budget.

5     **EXECUTIVE SESSION:** None.

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

7     **ANNOUNCEMENTS:** None.

8     **ITEMS FOR FUTURE AGENDAS:** Community Development Block Grant update.

9     **ADJOURN.** Kenneth Early adjourned the meeting at 4:29 pm.

**APPROVED BY TIRZ BOARD:** \_\_\_\_\_

\_\_\_\_\_  
Kenneth Early, Chairman

**ATTEST:**

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

# **Tax Increment Reinvestment Zone Agenda Bill Report**

Submitted by: Michael Hornes, Assistant City Manager  
Submitting Department: City Administration  
Meeting Date: September 8, 2022

## **SUBJECT:**

Update on various Downtown projects, to include, water, streets and beautification projects, within the TIRZ district.

## **SUMMARY STATEMENT:**

Update on various Downtown projects, to include, water, streets and beautification projects, within the TIRZ district.

## **EXHIBITS:**

## **RECOMMENDED ACTION:**

Information only; no action.

## **EXPENDITURE REQUIRED:**

N/A

## **CURRENT BALANCE IN ACCOUNT:**

N/A

## **AMOUNT BUDGETED:**

N/A

## **ACCOUNT NUMBER:**

N/A

## **PAYMENT TO BE MADE TO:**

N/A

## **ATTACHMENTS**

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# **Tax Increment Reinvestment Zone Agenda Bill Report**

Submitted by: Julie Behrens , Assistant Director of Finance  
Submitting Department: Finance  
Meeting Date: September 8, 2022

## **SUBJECT:**

Tax Increment Reinvestment Zone (TIRZ) Number One Financial Update, and Proposed Budget for Fiscal Year 2023.

## **SUMMARY STATEMENT:**

## **EXHIBITS:**

## **RECOMMENDED ACTION:**

Approve FY2023 Proposed Budget.

## **EXPENDITURE REQUIRED:**

## **CURRENT BALANCE IN ACCOUNT:**

## **AMOUNT BUDGETED:**

## **ACCOUNT NUMBER:**

## **PAYMENT TO BE MADE TO:**

## **ATTACHMENTS**

- [FY2023 Proposed Budget Presentation.pdf](#)



# **TIRZ FINANCIAL UPDATE & FY2023 PROPOSED BUDGET**





# TIRZ – HISTORICAL DATA

- Base Year Collected \$542,237
- FY2020 Increment Collections: \$22,899
- FY2021 Increment Collections: \$35,641
- FY2022 Increment Collections (to-date): \$50,888
  - Budget: \$62,641
  - Refunds issued for exemption filings
  - Outstanding collections: \$5,324
- Estimated FY2022 year-end fund balance: \$115,192



# CERTIFIED ROLL COMPARISON

	FY2022	FY2023	Change in Value from Prior Year	% Change in Value from Prior Year
<b>Land</b>				
Homesite	2,801,033	2,876,383	75,350	2.7%
Non Homesite	45,181,504	45,089,975	(91,529)	-0.2%
<b>Total Land</b>	<b>47,982,537</b>	<b>47,966,358</b>	<b>(16,179)</b>	<b>0.0%</b>
<b>Improvement</b>				
Homesite	10,849,184	13,309,006	2,459,822	22.7%
Non Homesite	96,975,698	132,476,095	35,500,397	36.6%
<b>Total Improvement</b>	<b>107,824,882</b>	<b>145,785,101</b>	<b>37,960,219</b>	<b>35.2%</b>

- Total increase in market value: \$38M
- Significant increase in commercial value
- Certified TIRZ properties: 567
  - Freeze Adjusted Taxable Value - \$145,902,070
- Unsettled protests properties : 11
  - Lower Value - \$4,129,830

	FY2022	FY2023	Change in Value from Prior Year	% Change in Value from Prior Year
Market Value	155,807,419	193,751,459	37,944,040	24.4%
Appraised Value	155,807,419	193,751,459	37,944,040	24.4%
Homestead Cap	537,607	1,045,859	508,252	94.5%
Assessed Value	155,269,812	192,705,600	37,435,788	24.1%
Exemptions	35,373,787	42,359,675	6,985,888	19.7%
Net Taxable	119,896,025	150,345,925	30,449,900	25.4%
Freeze Taxable	3,932,760	4,443,855	511,095	13.0%
Freeze Adjusted Taxable	115,963,265	145,902,070	29,938,805	25.8%

# FY2023 PROPOSED BUDGET

	FY2021 Actual	FY2022 Original Budget	FY2022 Estimated	FY2023 Budget
<b>Beginning Restricted Fund Balance</b>	<b>\$ 22,914</b>	<b>\$ 58,605</b>	<b>\$ 58,605</b>	<b>\$ 121,496</b>
<b>Revenues</b>				
Property Tax	35,641	62,641	56,212	280,000
<b>Total Tax Revenue</b>	<b>35,641</b>	<b>62,641</b>	<b>56,212</b>	<b>280,000</b>
Interest Revenue	50	250	375	1,000
<b>Total Interest and Miscellaneous</b>	<b>50</b>	<b>250</b>	<b>375</b>	<b>1,000</b>
<b>Total Revenues</b>	<b>35,691</b>	<b>62,891</b>	<b>56,587</b>	<b>281,000</b>
<b>Net Revenue (Expenditures)</b>	<b>35,691</b>	<b>62,891</b>	<b>56,587</b>	<b>281,000</b>
<b>Ending Restricted Fund Balance</b>	<b>\$ 58,605</b>	<b>\$ 121,496</b>	<b>\$ 115,192</b>	<b>\$ 402,496</b>

- With potential protest appeals, caution is recommended when budgeting expenses relating to FY2023 revenue until mid-year meeting.

# **Tax Increment Reinvestment Zone Agenda Bill Report**

Submitted by: Michael Hornes, Assistant City Manager  
Submitting Department: City Administration  
Meeting Date: September 8, 2022

## **SUBJECT:**

Request from City of Kerrville, TX for project funding (matching funds) in an amount not to exceed \$100,000 for work within the TIRZ regarding Community Development Block Grant (CDBG) - Downtown Revitalization Program - 2021.

## **SUMMARY STATEMENT:**

### **Authorized Project Costs**

Chapter 311 of the Texas Tax Code defines Project Costs as "the expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the municipality or county designating a reinvestment zone that are listed in the project plan as costs of public works, public improvements, programs, or other projects benefiting the zone, plus other costs incidental to those expenditures and obligations."

The Tax Increment Reinvestment Zone #1 Project and Financing Plan, approved in 2018, discusses the various public improvement projects that fall within the authority of the TIRZ. These include streets, water and sewer improvements, parks and open spaces and economic development grants. Outlined in the breakdown of Project Costs within the plan, are "Street and Intersection Improvements". 15% of all projects were allocated towards that goal. The estimate, at the time, was that cost being \$2,559,861, over the life of the TIRZ.

### **History of this project**

In December 2020, staff presented the Community Development Block Grant (CDBG) opportunity to the Main Street Advisory Board for consideration and recommendation to proceed with application. Once approved, staff began the formal procurement process in January-February 2021 for a grant administrator and engineering firm for the application. In March, staff received authorization from city council to submit the application to CDBG for three main project areas identified and engineered along Water St., in the downtown area. The application was completed and submitted at the end of April 2021. Staff was later notified in November 2021 that Kerrville's application had been recommended for funding. The formal award notification and agreement with Texas Department of Agriculture (TDA) was executed in March 2022. Staff took post-award resolutions for contractual documents to council this summer, which allowed the engineering firm to begin design services. The project design is currently underway and projected to begin construction in early 2023. Please see the attached document showing the location of the planned improvements on Water, Clay and Earl Garrett.

As a part of the grant the City is required to have a "match" to help pay for the costs of the improvements. The City is requesting the TIRZ board approve an amount, not to exceed \$100,000 for the cost of the City's match and any additional project costs not covered by the grant.

Staff's recommended motion, should you approve of the project, is "Recommend to City Council approval of funding for project costs related to "CDBG - Downtown Revitalization Program - 2021" in an amount not to exceed \$100,000".

## **EXHIBITS:**

## **RECOMMENDED ACTION:**

Recommend to City Council approval of funding for project costs related to "CDBG - Downtown Re vitalization Program - 2021" in an amount not to exceed \$100,000.

**EXPENDITURE REQUIRED:**

\$100,000

**CURRENT BALANCE IN ACCOUNT:**

\$0

**AMOUNT BUDGETED:**

\$0

**ACCOUNT NUMBER:**

NA

**PAYMENT TO BE MADE TO:**

To be determined.

**ATTACHMENTS**

- [CDBG Improvement Locations.pdf](#)

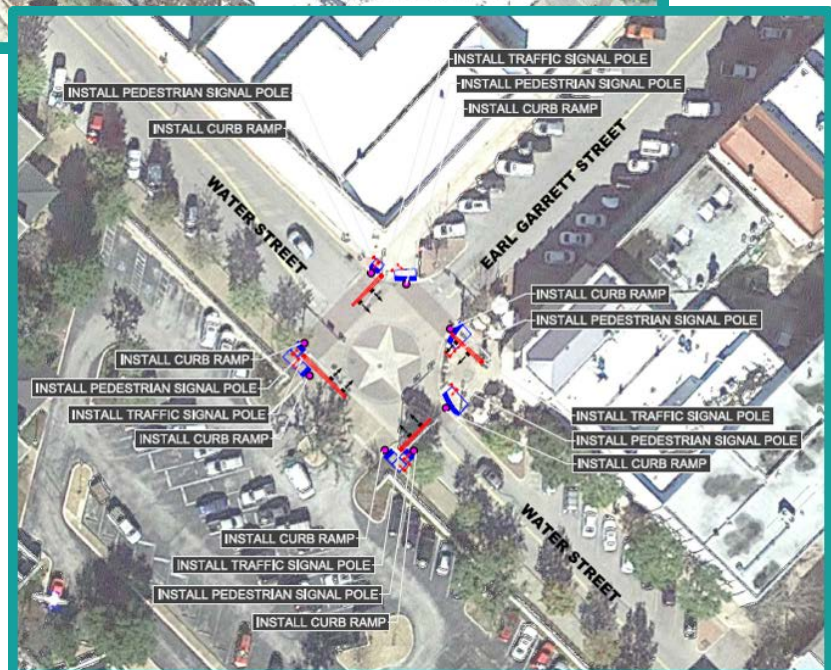




## Clay and Water Street



Water Street



## Ear Garret and Water Street