



## **ECONOMIC IMPROVEMENT CORPORATION AGENDA**

**MONDAY, MAY 15, 2023, 4:00 PM**

**Kerrville City Hall Council Chambers**

**701 Main Street, Kerrville, Texas**

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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 Economic Improvement Corporation (EIC) meeting held on April 17, 2023.

Attachments:

[\*EIC MINUTES 4-17-2023 .pdf\*](#)

**5 MONTHLY REPORTS:**

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

5.B Kerrville Economic Improvement Corporation (EIC) project status update including the following:

- Tranquility Island Electrical Infrastructure
- KERV Airport Improvements
- Killdeer Mountain Manufacturing
- Peterson Medical Center Campus Infrastructure Improvements
- Louise Hays Park Fitness Court
- Downtown Area Streetscape
- Downtown River Trail Extension
- River Trail, Nimitz Lake

Attachments:

[\*20230515\\_EIC Project Update.pdf\*](#)

5.C Monthly Financial Report.

Attachments:

[\*April 2023 financial presentation.pdf\*](#)

**6 CONSIDERATION AND POSSIBLE ACTION:**

- 6.A Set Annual Economic Improvement Corporation (EIC) meeting for June 2023.
- 6.B Application for funding the Travis Street Pump Station Project, and scheduling of Public Hearing.

**Attachments:**

*[Project C7 - Travis Street Pump Station upgrade.pdf](#)*

**7 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:*

- 7.A Project Mount Saddle (551.071, 551.073, 551.087).
- 7.B Workforce Housing development projects (551.071, 551.072, 551.087).

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

**9 ITEMS FOR FUTURE AGENDAS:**

**10 ADJOURN.**



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

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**SUBJECT:** Minutes from the regular Economic Improvement Corporation (EIC) meeting held on April 17, 2023.

**AGENDA DATE OF:** May 15, 2023      **DATE SUBMITTED:** April 18, 2023

**SUBMITTED BY:** Kesha Franchina, Deputy City Secretary

**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

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**Kerrville 2050 Item?** No

**Key Priority Area** N/A

**Guiding Principle** N/A

**Action Item** N/A

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**SUMMARY STATEMENT:**

Approve minutes from the regular Economic Improvement Corporation (EIC) meeting held on April 17, 2023.

**RECOMMENDED ACTION:**

Approve minutes from the regular Economic Improvement Corporation (EIC) meeting held on April 17, 2023.

**ATTACHMENTS:**

[\*\*EIC MINUTES 4-17-2023 .pdf\*\*](#)

## **CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION REGULAR MEETING – APRIL 17, 2023**

On Monday, April 17, 2023, at 4:00 p.m., the regular meeting of the City of Kerrville, Texas Economic Improvement Corporation (EIC) was called to order by President Gregory Richards, in the Council Chambers at City Hall, 701 Main Street, Kerrville, Texas.

### **MEMBERS PRESENT:**

Gregory Richards, President

Gregg Appel

John Anderson (arrived and joined bench 4:01 p.m.)

Kyle Bond (arrived and joined bench 4:01 p.m.)

Kim Clarkson

Gary Cochrane

### **MEMBERS ABSENT:**

Danny Almond, Vice-President

John Anderson

Kyle Bond

### **CHIEF EXECUTIVE STAFF:**

EA Hoppe, City Manager

Michael Hornes Assistant City Manager

Kesha Franchina, Deputy City Secretary

Jacob Bogusch, Accounting Assistant

Mike Hayes, City Attorney

Kim Meismer, Assistant City Manager

Stuart Baron, Executive Director of

**VISITORS PRESENT:** No citizen speakers registered to speak during the Visitors/Citizens forum.

**1    CALL TO ORDER:** President Richards called the meeting to order at 4:00 p.m.

**2    INVOCATION:** Gary Cochrane led the invocation.

At 4:01 p.m., John Anderson and Kyle Bond arrived at the meeting, and joined EIC bench.

**3    VISITORS/CITIZENS FORUM:** None

**4    APPROVAL OF MINUTES:**

4.A Minutes from the regular EIC meeting held on March 20, 2023.

Gregg Appel motioned to approve the minutes, seconded by Gary Cochrane. The motion passed 6-0.

**5    MONTHLY REPORTS:**

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

Gil Salinas and Katie Milton Jordan presented the KEDC update.

5.B. EIC project status update including the following:

- Tranquility Island Electrical Infrastructure
- KERV Airport Improvements
- Killdeer Mountain Manufacturing
- Peterson Medical Center Campus Infrastructure Improvements
- Louise Hays Park Fitness Court
- Downtown Area Streetscape

- Downtown River Trail Extension
- River Trail, Nimitz Lake

Michael Hornes presented the EIC Project Status update, and responded to questions.

**5.C Monthly Financial Report.**

Jacob Bogusch presented the Monthly Financial Report, and responded to questions. Gil Salinas responded to questions.

Kyle Bond made a motion to convene into closed Executive Session under 551.071, 551.072, 551.073, and 551.087, seconded by Kim Clarkson. The motion passed 6-0. President Richards convened closed Executive Session at 4:21 p.m.

**6 EXECUTIVE SESSION:**

6.A Project Mount Saddle (551.071, 551.073, 551.087)

6.B Workforce Housing development projects (551.071, 551.072, 551.087).

President Richards adjourned the closed Executive Session, and returned to open session at 5:21 p.m. No action was taken in Executive Session.

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

**8 ITEMS FOR FUTURE AGENDAS: None**

**9 ADJOURN.** President Richards adjourned the meeting at 5:21 p.m.

**Minutes Approved:** \_\_\_\_\_.

\_\_\_\_\_.  
Gregory Richards, EIC President

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



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

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

**AGENDA DATE OF:** May 15, 2023      **DATE SUBMITTED:** May 11, 2023

**SUBMITTED BY:** Gil Salinas, KEDC Executive Director

**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

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**Kerrville 2050 Item?** Yes

**Key Priority Area** N/A

**Guiding Principle** N/A

**Action Item** N/A

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**SUMMARY STATEMENT:**

**RECOMMENDED ACTION:**

Information only; no action required.



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

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

- Tranquility Island Electrical Infrastructure
- KERV Airport Improvements
- Killdeer Mountain Manufacturing
- Peterson Medical Center Campus Infrastructure Improvements
- Louise Hays Park Fitness Court
- Downtown Area Streetscape
- Downtown River Trail Extension
- River Trail, Nimitz Lake

**AGENDA DATE OF:** May 15, 2023

**DATE SUBMITTED:** May 10, 2023

**SUBMITTED BY:** Michael Hornes, Assistant City Manager

### EXHIBITS:

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

**Kerrville 2050 Item?** Yes

**Key Priority Area** N/A

**Guiding Principle** N/A

**Action Item** N/A

### SUMMARY STATEMENT:

### RECOMMENDED ACTION:

Information only; no action.

### ATTACHMENTS:

[20230515\\_EIC Project Update.pdf](#)

**Monthly EIC Project Status Report**

	Project Name	Description	Estimated Design Completion	Estimated Construction Completion	Comments
1	Tranquility Island Electrical Infrastructure	Partnership with City and Kerrville Christmas Lighting Corporation to help further enhance seasonal and Christmas lighting on Tranquility Island	Complete	Phase 1 Complete	Phase 1 construction complete. Parks department staff is evaluating use of remaining funds to expand project.
2	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 on Box Hangar site work in parallel with eventual Row-Hangar improvements.
3	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	2023	Staff has been conducting inspections for plumbing and electrical work on the main building finish out.
4	Peterson Medical Center Campus Infrastructure Improvements	Campus improvements including extension of public utilities and roadway	Private	2023	Partnership Agreement approved January 2022. Construction in progress for Surgery Center. Construction in progress for off-site parking with completion anticipated early Summer 2023.
5	Louise Hays Park Fitness Court	Collaboration between BCBSTX, National Fitness Campaign and local donors to provide quality outdoor fitness equipment in Louise Hays Park.	N/A	Spring, 2023	Concrete pad and sidewalks are poured. Anticipate opening by Summer 2023.
6	Downtown Area Streetscape	Relocate overhead utility lines to underground; improved beautification of the garage with stone veneer panels, stone planter boxes, LED light upgrades and xeriscaped planter beds.	TBD	Summer, 2023	KPUB received bids and is analyzing a path forward.
7	Downtown River Trail extension	River Trail extension from G Street to Tranquility Island	Summer 2023	TBD	Funding application approved by EIC in November, 2022. Design approximately 30% complete. Easement acquisition in progress with construction commencement anticipated for Summer, 2023.
8	River Trail, Nimitz Lake	Feasibility study of extending trail around lake	Fall 2023	TBD	EIC approved funding for feasibility study for extension of the Kerrville River Trail around Nimitz Lake. Council approved funding agreement January 24, 2023.



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

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**SUBJECT:** Monthly Financial Report.

**AGENDA DATE OF:** May 15, 2023      **DATE SUBMITTED:** May 11, 2023

**SUBMITTED BY:** Trina Rodriguez, Assistant Director of Finance

**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

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**Kerrville 2050 Item?** No

**Key Priority Area** N/A

**Guiding Principle** N/A

**Action Item** N/A

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**SUMMARY STATEMENT:**

**RECOMMENDED ACTION:**

Information only; no action.

**ATTACHMENTS:**

*April 2023 financial presentation.pdf*

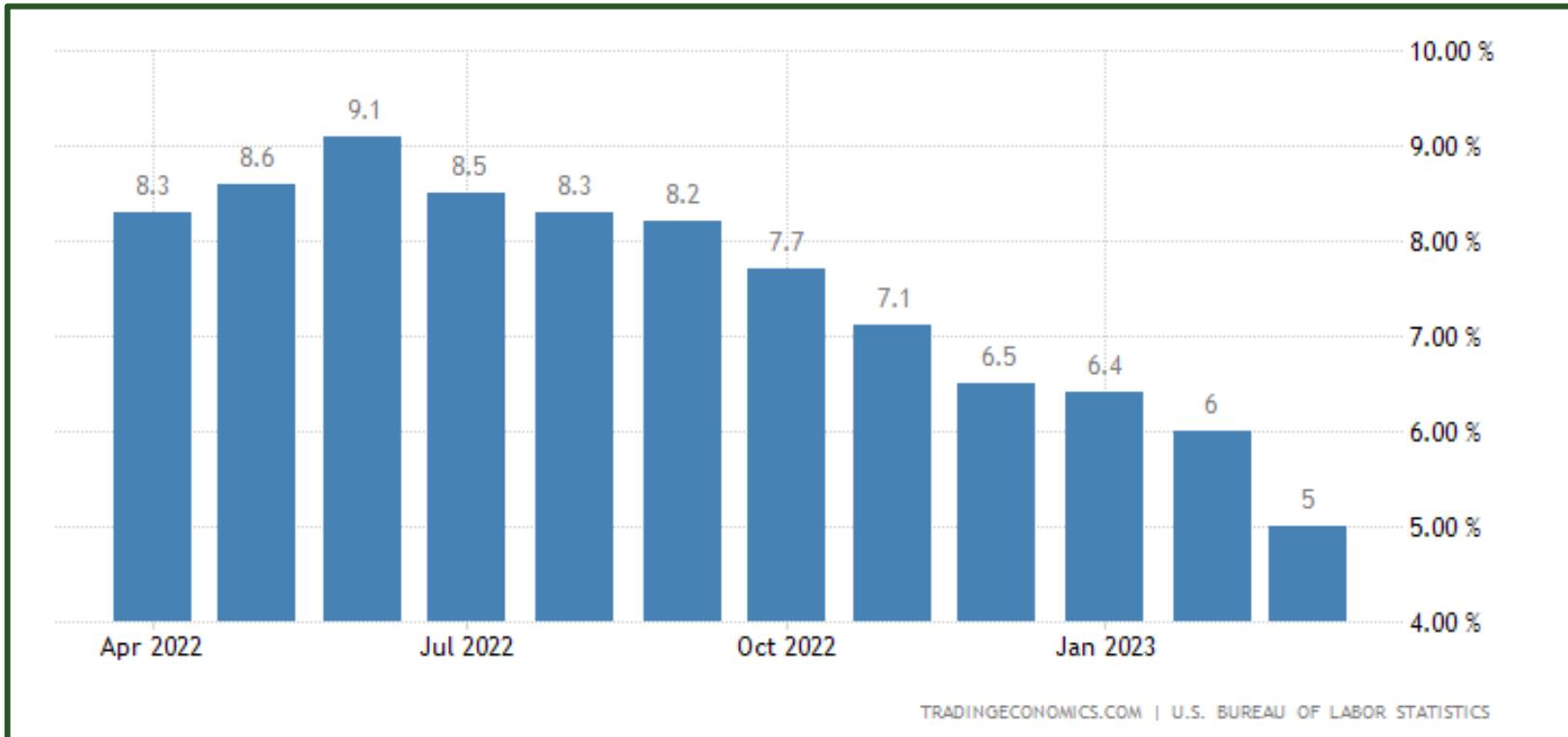


# **Financial update for the month ended April 30, 2023**

**Economic Improvement Corporation Meeting  
May 15, 2023**



# Economy - Inflation



- 5% Inflation - April 2023
- 9 consecutive months of decline
- Consumables expected to grow more slowly in 2023 compared to 2022



# Federal Interest Rates

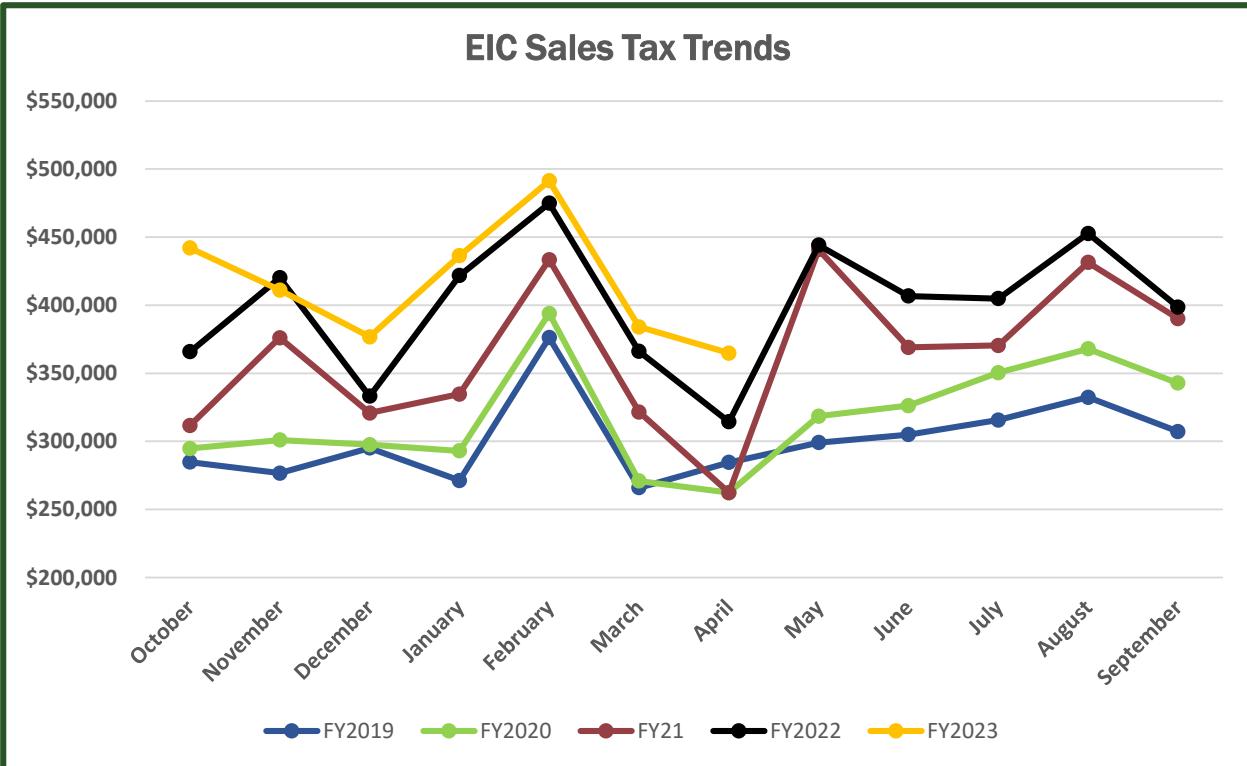
FOMC Meeting Date	Rate Change (bps)	Federal Funds Rate
May 3, 2023	+25	5.00% to 5.25%
March 2, 2023	+25	4.75% to 5.00%
Feb 1, 2023	+25	4.50% to 4.75%
Dec 14, 2022	+50	4.25% to 4.50%
Nov 2, 2022	+75	3.75% to 4.00%
Sept 21, 2022	+75	3.00% to 3.25%
July 27, 2022	+75	2.25% to 2.50%
June 16, 2022	+75	1.50% to 1.75%
May 5, 2022	+50	0.75% to 1.00%
March 17, 2022	+25	0.25% to 0.50%

<https://www.forbes.com/advisor/investing/fed-funds-rate-history/>

## Fed Rate Hikes 2022-2023: Taming Inflation



# Sales Tax



- Sales Tax is received 2 months after sales activity
- Month over month seeing some leveling compared to double digit increases in prior 2 years
- April shows a 16% increase over last year, primarily due to a future period collection of \$63k
- FY2023 rolling average = 7.8% increase
- Continuing to monitor in detail each month
- Expected to meet budget \$5,262,270

**Economic Improvement Corporation**  
**Statement of Activities**  
**Month Ended April 30, 2023**



	Annual Budget	Current Period	YTD Actual	YTD Budget Estimate	Better/Worse YTD Estimate
<b>Revenues</b>					
Sales and Use Tax	\$ 5,262,270	\$ 364,763	\$ 2,906,473	\$ 2,838,805	\$ 67,668
Interest Income	28,373	26,301	157,684	16,508	141,176
Investment Maturity	3,000,000	-	1,976,999	1,976,999	-
<b>Total Revenues</b>	<b>8,290,643</b>	<b>391,065</b>	<b>5,041,156</b>	<b>4,832,311</b>	<b>208,844</b>
<b>Expenditures</b>					
Administrative					
Supplies and Miscellaneous	650	-	-	-	-
Legal Services	10,000	-	-	-	-
Professional Services	200,000	16,667	119,667	119,667	-
Kerr Economic Development Corp.	312,500	78,125	234,375	234,375	-
<b>Total Administrative</b>	<b>523,150</b>	<b>94,792</b>	<b>354,042</b>	<b>354,042</b>	<b>-</b>
Debt Service					
Debt Service - Series 2019 Ref (River Trail)	251,291	20,941	146,586	146,586	-
Debt Service - Series 2020 Ref (River Trail)	231,000	19,250	134,750	134,750	-
Debt Service - Series 2015 (KSC)	602,850	50,238	351,663	351,663	-
<b>Total Debt Service</b>	<b>1,085,141</b>	<b>90,428</b>	<b>632,999</b>	<b>632,999</b>	<b>-</b>
Investment Purchases	2,500,000		1,955,171	1,955,171	-
Projects					
Airport Projects	95,901	*	2,290	2,765	2,765
Sid Peterson Memorial Hospital	800,000	-	-	-	-
Outdoor Fitness Court	100,000	*	-	100,000	100,000
Downtown Utilities/Streetscape	400,000	*	-	-	-
Downtown River Trail	1,020,280	*	125,000	250,000	250,000
<b>Total Projects</b>	<b>2,416,181</b>	<b>127,290</b>	<b>352,765</b>	<b>352,765</b>	<b>-</b>
<b>Total Expenditures</b>	<b>6,524,472</b>	<b>312,510</b>	<b>3,294,976</b>	<b>3,294,976</b>	<b>-</b>
Change in Net Position	\$ 1,766,171	\$ 78,555	\$ 1,746,179		

## Economic Improvement Corporation

### Cash Flow Forecast

As of April 30, 2023



		<b>FY2023 Actual</b>		<b>FY2023 Projection</b>	
		Oct 2022 to Apr 2023		May 2023 to Jun 2023	
		\$	3,606,229	\$	5,325,601
<b>Beginning Cash Balance</b>					\$ 5,597,182
<b>Revenue</b>					
Sales Tax		2,906,473		911,431	1,512,034
Interest Income		157,684		48,839	66,873
Investment Maturity		1,976,999		-	500,000
<b>Total Revenue</b>		5,041,156		960,270	2,078,907
<b>Expenditures</b>					
Administrative					
Supplies and Miscellaneous		-		163	163
Legal Services		-		2,500	2,500
Professional Services		119,667		33,333	50,000
Kerr Economic Development Corp.		234,375		-	78,125
Total Administrative		354,042		35,996	130,788
Debt Service		632,999		271,285	271,285
Projects					
Airport Projects		2,765		46,569	46,568
Sid Peterson Memorial Hospital		-		-	800,000
Outdoor Fitness Court		100,000		-	-
Downtown Utilities/Streetscape		-		200,000	200,000
Downtown River Trail		250,000		125,000	125,000
Total Projects		352,765		371,569	1,171,568
Investment Purchase		1,955,171		-	500,000
<b>Total Expenditures</b>		3,294,976		678,849	2,073,640
Interest Receivable		27,086		9,839	8,373
<b>Ending Cash Balance</b>		\$ 5,325,601		\$ 5,597,182	\$ 5,594,077



# Financial Analysis

Sales Tax Revenue Analysis - FY2023					
Month	Actual FY2022	Budget FY2023	Actual FY2023	FY2022 vs. FY2023	Budget vs. Actual
October	\$ 365,850	\$ 385,387	\$ 442,046	20.83%	14.70%
November	420,172	432,879	411,128	-2.15%	-5.02%
December	333,189	378,611	376,754	13.08%	-0.49%
January	421,736	413,564	436,330	3.46%	5.50%
February	474,948	516,676	491,396	3.46%	-4.89%
March	366,033	378,656	384,056	4.92%	1.43%
April	314,340	333,031	364,763	16.04%	9.53%
May	444,108	474,771	458,538	3.25%	-3.42%

Cash Analysis as of April 30, 2023		
Type	Placement	Amount
Pool	EIC TexPool	\$ 5,325,601
ST Investment	Toyota Motor Credit CP-8923A1VR9	\$ 491,432
ST Investment	FHLB Call Note-3130ATRA7	\$ 499,060
ST Investment	Fannie Mae Note-3135G0V34	\$ 981,241
<b>Total Cash and Investments</b>		<b>\$ 7,297,334</b>

Project Analysis as of April 30, 2023			
Project Description	EIC Commitment	Disbursed Funding	Remaining Funding
<b>Committed Projects:</b>			
Airport Projects	132,767	39,630	93,137
Sid Peterson Memorial Hospital	1,600,000	-	1,600,000
Outdoor Fitness Court	100,000	100,000	-
Downtown Utilities/Streetscape	400,000	-	400,000
Downtown River Trail	1,020,280	250,000	770,280
<b>Committed Project Total</b>	<b>\$ 3,253,047</b>	<b>\$ 389,630</b>	<b>\$ 2,863,417</b>



# Questions?



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

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**SUBJECT:** Set Annual Economic Improvement Corporation (EIC) meeting for June 2023.

**AGENDA DATE OF:** May 15, 2023      **DATE SUBMITTED:** May 11, 2023

**SUBMITTED BY:** Kesha Franchina, Deputy City Secretary

**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

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**Kerrville 2050 Item?** No

**Key Priority Area**      N/A

**Guiding Principle**      N/A

**Action Item**      N/A

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**SUMMARY STATEMENT:**

**RECOMMENDED ACTION:**

Discuss and schedule Annual (EIC) meeting.



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

**SUBJECT:** Application for funding the Travis Street Pump Station Project, and scheduling of Public Hearing.

**AGENDA DATE OF:** May 15, 2023

**DATE SUBMITTED:** May 3, 2023

**SUBMITTED BY:** Michael Hornes, Assistant City Manager

### EXHIBITS:

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

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**Kerrville 2050 Item?** Yes

**Key Priority Area** W - Water / Waste-Water / Drainage

**Guiding Principle** N/A

**Action Item** N/A

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### SUMMARY STATEMENT:

The College Cove Pressure Plane will need to add pumping capacity to handle future water connections as the Loop 534 area around Peterson Middle School continues to grow. Without this upgrade development will be delayed or not at all. The challenge in placing these pump upgrades upon the development community is the piecemeal nature of development. Each individual development will be required to add enough pumping capability for their portion of that future capacity. It would be inefficient to mobilize multiple times to upgrade or add new pumps over the course of all the developments.

In appendix G of the Water and Wastewater Master Plan Update, project number C7, the Travis Street Pump Station outlines the estimated project total of \$557,000, which is attached to this agenda bill. This project includes replacement of existing 250 gpm Travis Street Pump Station pumps to increase capacity to 1200 gpm. A capacity expansion is recommended to provide service to proposed future developments.

The \$557,000 estimate is from October of 2022, and while our hope is that the costs have not increased, staff would recommend funding a grant not to exceed \$750,000 to cover any inflation this project may have incurred in the intervening months..

### RECOMMENDED ACTION:

Consider application for the Travis Street Pump Station Project, and schedule Public Hearing.

### ATTACHMENTS:

[Project C7 - Travis Street Pump Station upgrade.pdf](#)


**Water Master Plan**
**Development Improvement Plan Cost Estimate**
**October 2022**

<b>Project Number:</b>	<b>C7</b>	<b>Phase:</b>	<b>Development Scenario C</b>
<b>Project Name:</b>	Travis Street Pump Station	<b>Pressure Plane:</b>	College Cove
<b>Project Description:</b>			

This project includes replacement of existing Travis Street Pump Station pumps to increase capacity. A capacity expansion is recommended to provide service to proposed future developments.

**Project Driver:**

The purpose of this project is to add distribution pumping capacity to meet TCEQ minimum requirements for projected developments. Alignments are provided for planning purposes only, final alignments may be subject to change.

**Itemized Cost Estimate**

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
1	600 gpm Pump	2	EA	\$ 130,000	\$ 260,000
2	Pump Station Header Piping & Appurtenances	1	LS	\$ 80,000	\$ 80,000
<b>Water Facility Condition Rating:</b>				<b>SUBTOTAL:</b>	<b>\$ 340,000</b>
--			MOBILIZATION	5%	\$ 17,000
				<b>SUBTOTAL:</b>	<b>\$ 357,000</b>
			CONTINGENCY	30%	\$ 107,100
				<b>SUBTOTAL:</b>	<b>\$ 464,100</b>
			ENG/SURVEY	20%	\$ 92,900
				<b>SUBTOTAL:</b>	<b>\$ 557,000</b>
					<b>Estimated Project Total:</b> <b>\$ 557,000</b>