



**ECONOMIC IMPROVEMENT CORPORATION AGENDA MONDAY,
SEPTEMBER 18, 2023, 4:00 PM
Kerrville City Hall Council Chambers 701
Main Street, Kerrville, Texas**

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 August 28, 2023.

Attachments:

[*EIC Minutes 8-28-2023.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:

- 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
- Travis Street Pump Station Upsizing

Attachments:

[*20230918_EIC Project Status Update.pdf*](#)

5.C Monthly Financial Report.

Attachments:

[*20230918_August 2023 financial presentation.pdf*](#)

6 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:

6.A Economic Development projects: (551.071, 551.087)

- Project Litecrete, Inc.

6.B Economic Development Grant Agreement between Lennar Homes of Texas Land and Construction, Ltd., and the City of Kerrville, Texas Economic Improvement Corporation (551.071, 551.087).

7 POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:

8 ITEMS FOR FUTURE AGENDAS:

9 ADJOURN.

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: 9/15/2023 at 11:30 a.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



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

SUBJECT: Minutes from the regular Economic Improvement Corporation (EIC) meeting held on August 28, 2023.

AGENDA DATE OF: September 18, **DATE SUBMITTED:** September 15, 2023

SUBMITTED BY: Kesha Franchina, Deputy City Secretary

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? No

Key Priority Area N/A

Guiding Principle N/A

Action Item N/A

SUMMARY STATEMENT:

Approve minutes from the regular Economic Improvement Corporation (EIC) meeting held on August 28, 2023.

RECOMMENDED ACTION:

Approve minutes from the regular Economic Improvement Corporation (EIC) meeting held on August 28, 2023.

ATTACHMENTS:

[*EIC Minutes 8-28-2023.pdf*](#)

CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION REGULAR MEETING – August 28, 2023

On Monday, August 28, 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 Kim Clarkson, in the Council Chambers at City Hall, 701 Main Street, Kerrville, Texas.

MEMBERS PRESENT:

Kim Clarkson - President
Gary Cochrane - Vice-President
John Anderson - KEDC
Gregg Appel
Kyle Bond - “GO Team”
Celeste Hamman
Joe Herring Jr. - Councilmember

MEMBERS ABSENT: None

CHIEF EXECUTIVE STAFF:

Kim Meismer, Interim City Manager
Mike Hayes, City Attorney
Michael Hornes, Deputy City Manager
Kesha Franchina, Deputy City Secretary
Stuart Barron, Executive Director of Public Works
Julie Behrens, Director of Finance
Jacob Bogusch, Finance Compliance Coordinator
Ashlea Boyle, Director of Parks and Recreation
Rosa Ledesma, Recreation Manager
Trina Rodriguez, Assistant Director of Finance

VISITORS PRESENT: Dalton Rice, to-be Kerrville City Manager

- 1 **CALL TO ORDER:** President Kim Clarkson called the meeting to order at 4:00 p.m.
- 2 **INVOCATION:** Councilmember Joe Herring Jr. led the invocation.

Michael Hornes introduced Dalton Rice, the to-be Kerrville City Manager.

- 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.*

- Barbara Dewell Ferguson

4 APPROVAL OF MINUTES:

- 4.A Minutes from the regular Economic Improvement Corporation (EIC) meeting held on July 17, 2023.
- 4.B Minutes from the special-called City Council and Economic Improvement Corporation (EIC) meeting held on August 15, 2023.

Councilmember Herring motioned to approve the minutes, Vice-President Gary Cochrane seconded. The motion passed 7-0.

5 MONTHLY REPORTS:

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

Gil Salinas and Katie Milton Jordan presented the KEDC update, there were no questions.

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

- 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.

Speakers were as follows:

- John Hewitt, Hewitt Engineering, presented an overview with cost and time estimates to continue the River Trail around Nimitz Lake.
- Russel Nemke, declined to speak

President Clarkson requested the overview material, presented from Hewitt Engineering, be sent to the EIC members. No action was taken.

5.C Monthly Financial Report.

Trina Rodriguez presented the Monthly Financial Report, and responded to questions.

6 PUBLIC HEARING AND POSSIBLE ACTION:

6.A Consider Economic Development Project Application to The City of Kerrville, Economic Improvement Corporation (EIC), from Litecrete, Inc. (Project Mount Saddle), for the Economic Improvement Corporation to convey property it owns at 300 Peterson Farm Road, such conveyance to be without any payment to the Economic Improvement Corporation. **(TO BE POSTPONED)**

The Public Hearing was postponed. There was no date set for future consideration.

7 CONSIDERATION AND POSSIBLE ACTION:

7.A Administrative Services contract between City of Kerrville Texas Economic Improvement Corporation and City of Kerrville.

Michael Hornes presented a possible contract amendment to change the annual renewal to a five-year renewal with an increase of 2.5% cost increase, per year. He, Ashlea Boyle, and Julie Behrens responded to questions.

Kyle Bond motioned to approve the EIC Administrative Services contract, seconded by Gregg Appel. The motion passed 7-0.

7.B Consider a grant application from the City of Kerrville for a quality of life project package, not to exceed \$20,000,000, issuance of sales tax revenue bonds, and annual funding for projects including the Scott Schreiner Golf Course, the Cailloux Theater, the Olympic Pool, the A.C. Schreiner House, Granger McDonald Park and other related projects to recreational and community facilities within the City of Kerrville.

Michael Hornes presented the grant application request from City Council. He and Ashlea Boyle responded to questions.

Julie Behrens presented the process of the issuance of sales tax bonds and scenarios of future debt and responded to questions.

Speakers were as follows:

- Russel Nemke, Parks and Recreation Advisory Board
- Barbara Dewell Ferguson
- David Bartels, Parks and Recreation Advisory Board
- Angela Kennedy, Heart of the Hills Heritage Center
- Lisa Nye-Salladin, Parks and Recreation Advisory Board
- Larry Howard
- Layng Guerriero
- Maggie Megee

Councilmember Herring motioned to approve the option as approved by Council, seconded by Celeste Hamman. The motion passed 4-3; President Clarkson, Vice-President Cochrane, and Kyle Bond opposed.

7.C A resolution by the board of directors of the City of Kerrville, Texas Economic Improvement Corporation moving forward with the financing of various projects in the approximate principal amount of \$20,000,000 and setting a public hearing on the expenditure of sales tax revenues relating thereto; providing a notice of the specific projects or type of general projects to be undertaken; approving and authorizing the publication of a notice of the public hearing relating to these matters; and approving other matters in connection therewith.

Michael Hornes discussed the next steps for the resolution, financing, and the scheduling of a public hearing at the next regular EIC meeting on November 13, 2023.

Speakers were as follows:

- Barbara Dewell Ferguson, left the meeting
- Larry Howard, left the meeting
- Maggie Megee, left the meeting

Councilmember Herring motioned to approve 7.C., seconded by Celeste Hamman. The motion passed 6-1; Vice-President Cochrane opposed.

Councilmember Herring motioned to convene into closed Executive Session under 551.071, 551.087, seconded by Gregg Appel. The motion passed 7-0. President Clarkson convened closed Executive Session at 6:38 p.m.

8 EXECUTIVE SESSION:

8.A Economic Development Grant Agreement between Lennar Homes of Texas Land and Construction, Ltd., and the City of Kerrville, Texas Economic Improvement Corporation (551.071, 551.087).

President Clarkson adjourned from closed Executive Session and entered into open session at 6:53 p.m.

9 POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION: None.

10 ITEMS FOR FUTURE AGENDAS: None.

ADJOURN. President Clarkson adjourned the meeting at 6:54 p.m.

Minutes Approved: _____.

_____.
Kim Clarkson, EIC President

_____.
Attest: Kesha Franchina, Deputy City Secretary



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

SUBJECT: Kerr Economic Development Corporation (KEDC) update.

AGENDA DATE OF: September 18, **DATE SUBMITTED:** August 9, 2023

SUBMITTED BY: Gil Salinas, KEDC

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 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:

- 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
- Travis Street Pump Station Upsizing

AGENDA DATE OF: September 18, **DATE SUBMITTED:** August 9, 2023
2023

SUBMITTED BY: Michael Hornes, Deputy 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:

[*20230918_EIC Project Status Update.pdf*](#)

Monthly EIC Project Status Report

	Project Name	Description	Estimated Design Completion	Estimated Construction Completion	Comments
1	KERV Airport Improvements	Partnership with KERV, TX DOT, 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.
2	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.
3	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 is substantially complete. Contractor working punchlist items.
4	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	Complete	Installation complete. Working off punchlist items.
5	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	Sep-23	Electric utility construction in progress with intersection of Water Street/Clay street complete. KPUB contractor is continuing north on Clay street towards Main street, to be followed by alignment on Water street near parking garage with anticipated completion September, 2023. Sidewalk and ramp reconstruction complete.
6	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 complete. Easement acquisition in progress.
7	River Trail, Nimitz Lake	Feasibility study of extending trail around lake	Aug-2023	TBD	Feasibility study information presented to EIC August 28, 2023.
8	Travis Street Pump Station Upsizing	Increase distribution capacity of the Travis St pump station to meet TCEQ requirements for future developments.	TBD	TBD	Presentation to City Council on September 13, 2023.



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

SUBJECT: Monthly Financial Report.

AGENDA DATE OF: September 18, **DATE SUBMITTED:** August 9, 2023

SUBMITTED BY: Trina Rodriguez, Assistant Director of Finance

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? No

Key Priority Area N/A

Guiding Principle N/A

Action Item N/A

SUMMARY STATEMENT:

RECOMMENDED ACTION:

Information only; no action.

ATTACHMENTS:

[*20230918_August 2023 financial presentation.pdf*](#)



Financial update for the month ended August 31, 2023

**Economic Improvement Corporation Meeting
September 18, 2023**

Economic Improvement Corporation
Statement of Activities
Month Ended August 31, 2023

	Annual Budget	Current Period	YTD Actual	YTD Budget Estimate	Better/Worse YTD Estimate
Revenues					
Sales and Use Tax	\$ 5,262,270	\$ 449,932	\$ 4,643,393	\$ 4,693,924	\$ (50,531)
Interest Income	28,373	35,215	287,886	25,958	261,928
Investment Maturity	3,000,000	480,161	2,457,160	2,457,160	-
Transfers In	-	44,273	44,273	44,273	-
Total Revenues	8,290,643	1,009,581	7,432,712	7,221,315	211,398
 Expenditures					
Administrative					
Supplies and Miscellaneous	650	-	50	50	-
Legal Services	10,000	200	200	200	-
Professional Services	200,000	16,667	186,333	186,333	-
Kerr Economic Development Corp.	312,500	-	312,500	312,500	-
Total Administrative	523,150	16,867	499,083	499,083	-
Debt Service					
Debt Service - Series 2019 Ref (River Trail)	251,291	20,941	230,350	230,350	-
Debt Service - Series 2020 Ref (River Trail)	231,000	19,250	211,750	211,750	-
Debt Service - Series 2015 (KSC)	602,850	50,238	552,613	552,613	-
Total Debt Service	1,085,141	90,428	994,712	994,712	-
Investment Purchases	2,500,000	-	1,955,171	1,955,171	-
Projects					
Tranquility Island - KCLC Refund	- *	24,213	24,213	24,213	-
Airport Projects	95,901 *	-	76,433	76,433	-
Sid Peterson Memorial Hospital	800,000	800,000	800,000	800,000	-
Outdoor Fitness Court	100,000 *	-	100,000	100,000	-
Downtown Utilities/Streetscape	400,000 *	-	-	-	-
Downtown River Trail	1,020,280 *	-	375,000	375,000	-
Travis Street Pump Station Upgrades	750,000 *	-	-	-	-
Total Projects	3,166,181	824,213	1,375,646	1,375,646	-
Total Expenditures	7,274,472	931,508	4,824,613	4,824,613	-
Change in Net Position	\$ 1,016,171	\$ 78,073	\$ 2,608,100		

Economic Improvement Corporation
Cash Flow Forecast
As of August 31, 2023

	FY2023 Actual	FY2023 Estimate	FY2024 Projections				
			Oct 2022 to Aug 2023	Sep 2023	Oct 2023 to Dec 2023	Jan 2024 to Mar 2024	Apr 2024 to Jun 2024
Beginning Cash Balance	\$ 3,606,229	\$ 5,706,506	\$ 5,580,627	\$ 6,634,768	\$ 7,300,317	\$ 6,862,626	\$ 7,437,791
Revenue							
Sales Tax	4,643,393	568,347	1,217,918	1,329,325	1,251,085	1,463,942	
Interest Income	287,886	41,288	40,250	40,250	40,250	40,250	
Investment Maturity	2,457,160	-	500,000	2,000,000	-	-	
Transfers In	44,273	-	-	-	-	-	
Total Revenue	7,432,712	609,635	1,758,168	3,369,575	1,291,335	1,504,192	
Expenditures							
Administrative							
Supplies and Miscellaneous	50	163	163	163	163	163	
Legal Services	200	2,500	2,500	2,500	2,500	2,500	
Training	-	-	2,500	2,500	2,500	2,500	
Professional Services	186,333	16,667	51,250	51,250	51,250	51,250	
Kerr Economic Development Corp.	312,500	-	85,938	85,938	85,938	85,938	
Total Administrative	499,083	19,329	142,350	142,350	142,350	142,350	
Debt Service	994,712	90,428	272,677	272,677	272,677	272,677	
Projects							
Tranquility Island - KCLC Refund	24,213	-	-	-	-	-	
Airport Box Hangar	76,433	19,469	-	-	-	-	
Sid Peterson Memorial Hospital	800,000	-	-	-	800,000	-	
Outdoor Fitness Court	100,000	-	-	-	-	-	
Downtown Utilities/Streetscape	-	100,000	150,000	150,000	-	-	
Downtown River Trail	375,000	-	125,000	125,000	125,000	125,000	
Travis Street Pump Station Upgrade	-	-	-	-	375,000	375,000	
Total Projects	1,375,646	119,469	275,000	275,000	1,300,000	500,000	
Investment Purchase	2,455,171	500,000	-	2,000,000	-	-	
Total Expenditures	5,324,613	729,226	690,027	2,690,027	1,715,027	915,027	
Interest Receivable	8,101	6,288	14,000	14,000	14,000	14,000	
Ending Cash Balance	\$ 5,706,506	\$ 5,580,627	\$ 6,634,768	\$ 7,300,317	\$ 6,862,626	\$ 7,437,791	



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	459,697	3.51%	-3.18%
June	406,782	436,660	380,598	-6.44%	-12.84%
July	404,917	447,426	446,694	10.32%	-0.16%
August	452,674	496,262	449,932	-0.61%	-9.34%
September	398,579	449,446	403,383	1.21%	-10.25%

Cash Analysis as of August 31, 2023		
Type	Placement	Amount
Pool	EIC TexPool	\$ 5,706,506
ST Investment	FHLB Call Note-3130ATRA7	\$ 499,537
ST Investment	Fannie Mae Note-3135G0V34	\$ 987,265
Total Cash and Investments		\$ 7,193,308

Project Analysis as of August 31, 2023			
Project Description	EIC Commitment	Disbursed Funding	Remaining Funding
Committed Projects:			
Travis Street Pump Station Upgrades	\$ 750,000	-	\$ 750,000
Downtown Utilities/Streetscape	400,000	-	400,000
Downtown River Trail	1,020,280	375,000	645,280
Sid Peterson Memorial Hospital	1,600,000	800,000	800,000
Airport Box Hangar	132,767	113,298	19,469
Committed Project Total	\$ 3,903,047	\$ 1,288,298	\$ 2,614,749



Questions?