



TAX INCREMENT REINVESTMENT ZONE AGENDA

WEDNESDAY, AUGUST 14, 2024, 3:00 PM

Kerrville City Hall, City Council Chambers

701 Main Street, Kerrville, Texas



CALL TO ORDER:

INVOCATION:

1. VISITORS / CITIZENS FORUM: Any citizen with business not scheduled on the agenda may speak to the Tax Increment Reinvestment Zone #1. No deliberation or action can be taken on these items because the Open Meetings Act requires an item be posted on an agenda 72 hours before the meeting. Visitors are asked to limit their presentation to three minutes.

2. APPROVAL OF MINUTES:

2.A Minutes from the regular Tax Increment Reinvestment Zone (TIRZ) meeting held on June 5, 2024. (K Franchina, Deputy City Secretary)
Attachment: 20240814_TIRZ Minutes 6-5-2024.pdf

3. INFORMATION AND DISCUSSION:

3.A Kerrville 2050 Comp Plan Update. (D Paxton, Director of Planning & Development)

3.B Proposed engineering/design scope and fee for a roundabout at the intersection of Schreiner Street and Clay Street. (M Hornes, Assistant City Manager)
Attachment: Schreiner Roundabout Design Scope and Fee.pdf

4. CONSIDERATION AND POSSIBLE ACTION:

4.A Tax Increment Reinvestment Zone (TIRZ) #1 Proposed Budget for Fiscal Year 2025. (J Behrens, Director of Finance)
Attachments: 20240814_TIRZ FY2025 Proposed Budget.pdf
20240814_TIRZ Cash Flow report.pdf

4.B Creation of the Tax Increment Reinvestment Zone (TIRZ) #1 Go Team. (M Hornes, Assistant City Manager)

4.C Tax Increment Reinvestment Zone (TIRZ) Board Procedures. (J Behrens, Director of Finance)
Attachment: 20240814_TIRZ Revised Proposed TIRZ#1 Procedures.pdf

5. 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), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code.

6. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY.

7. ITEMS FOR FUTURE AGENDAS:

ADJOURN:



**TO BE CONSIDERED BY THE
TAX INCREMENT REINVESTMENT
ZONE
CITY OF KERRVILLE, TEXAS**

SUBJECT: Minutes from the regular Tax Increment Reinvestment Zone (TIRZ) meeting held on June 5, 2024. (*K Franchina, Deputy City Secretary*)

AGENDA DATE OF: August 14, 2024 **DATE SUBMITTED:** June 6, 2024

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:

RECOMMENDED ACTION:

Approve minutes as presented.

ATTACHMENTS:

[*20240814_TIRZ Minutes 6-5-2024.pdf*](#)

**CITY OF KERRVILLE, TAX INCREMENT REINVESTMENT ZONE BOARD OF
DIRECTORS REGULAR MEETING, JUNE 5, 2024 4:00PM**

On Wednesday, June 5, 2024, the City of Kerrville, Texas TIRZ Board of Directors regular meeting was called to order at 3:00pm by Kenneth Early, Chair, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas.

Members Present:

Kenneth Early, Chair
Fred Gamble
John Harrison
Pat Murray
Bruce Stracke

Members Absent:

Katherine Howard
Mindy Wendele, Vice-Chair

City Executive Staff Present:

Dalton Rice, City Manager
Michael Hornes, Assistant City Manager
Kesha Franchina, Deputy City Secretary
Stuart Barron, Executive Director of Public Works and Engineering
Julie Behrens, Director of Finance
Kyle Burow, Director of Engineering
Drew Paxton, Director of Planning and Development
Trina Rodriguez, Assistant Director of Finance
Anello Zanoni, Management Intern

1 **CALL TO ORDER:** Kenneth Early opened the meeting at 3:00pm, and led the Invocation.

2 **VISITORS / CITIZENS FORUM:** No citizen speakers.

3 **APPROVAL OF MINUTES:**

3.A Minutes from the Tax Increment Reinvestment Zone (TIRZ) workshop held on April 24, 2024.

Corrections to the date on workshop and meeting were noted. Fred Gamble motioned to approve the workshop and meeting minutes with corrections, and Pat Murray seconded. Bruce Stracke recused himself from voting, as he was not present at said meetings. The motion passed 4-0.

3.B Minutes from the regular Tax Increment Reinvestment Zone (TIRZ) meeting held on April 24, 2024.

4 MONTHLY REPORTS:

4.A Financial Update.

Julie Behrens presented the financial update, and responded to questions.

4.B Project Status Update.

Kyle Burow presented the project status update. He, and Drew Paxton, responded to questions.

5 INFORMATION AND DISCUSSION:

5.A City of Kerrville CIP Process.

Stuart Barron presented the CIP process. He, and Julie Behrens, responded to questions.

5.B Kerrville 2050 Comp Plan Update.

Drew Paxton presented the K2050 update. He, and Michael Hornes, responded to questions.

6 CONSIDERATION AND POSSIBLE ACTION:

6.A Tax Increment Reinvestment Zone (TIRZ) Board Procedures.

Julie Behrens presented the TIRZ Board Procedures. She, and Michael Hornes, responded to questions.

7 EXECUTIVE SESSION: None.

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

9 ITEMS FOR FUTURE AGENDAS:

- TIRZ “Go Team”
- TIRZ Funding Application, application process, and procedure
- Special-Called meetings

10 ADJOURN. Fred Gamble motioned to adjourn the meeting, and Pat Murray seconded. Chair Early adjourned the meeting at 4:08pm.

APPROVED: _____

APPROVED: _____ Kenneth Early, Chairman

ATTEST: _____ Kesha Franchina, Deputy City Secretary



**TO BE CONSIDERED BY THE
TAX INCREMENT REINVESTMENT
ZONE
CITY OF KERRVILLE, TEXAS**

SUBJECT: Kerrville 2050 Comp Plan Update. (*D Paxton, Director of Planning & Development*)

AGENDA DATE OF: August 14, 2024 **DATE SUBMITTED:** May 31, 2024

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.



**TO BE CONSIDERED BY
THE TAX INCREMENT REINVESTMENT
ZONE
CITY OF KERRVILLE, TEXAS**

SUBJECT: Proposed engineering/design scope and fee for a roundabout at the intersection of Schreiner Street and Clay Street. (*M Hornes, Assistant City Manager*)

AGENDA DATE OF: August 14, 2024 **DATE SUBMITTED:** August 9, 2024

SUBMITTED BY: Michael Hornes, Assistant City Manager

EXHIBITS:

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

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item? Yes

Key Priority Area C - Community / Neighborhood Character and Place Making

Guiding Principle N/A

Action Item C4.9 - Consider the installation of a roundabout at Clay and Schreiner with a design that incorporates the history of the city and/or sense of place

SUMMARY STATEMENT:

6S Engineering has provided city staff with a scope and fee for design engineering, bid and construction phase services for a roundabout at the intersection of Schreiner Street and Clay Street. The design portion of the scope is what we will be discussing today. This information has not been before the City Council and still needs to weigh in on the project. Based on the discussion at this meeting, staff will move forward accordingly.

Scope of Design Services:

A. Project Start-up- A 6S manager will meet with the City as a preliminary kickoff meeting and visit the site. This segment of the project includes initial budgeting and setup for the project.

B. Utility Coordination- 6S will continue to coordinate utilities to be adjusted. Water and sewer is not anticipated to be designed.

C. Plan Development- 6S will develop a plan set that includes the following sheets:

- Cover Sheet (1 Sheet)
- General Construction notes and special notes (1 Sheet)

Existing Roadway Section and Proposed Typical Section and project quantities (1 sheet)

- Plan Sheets (3 Sheets) – Plans will be designed and placed at a layout of 22"x34". These sheets will include a centerline stationing offset from a stationary point. Two additional sets will be provided as 11"x17" sheets
- Special Detail Sheets (1 Sheet) – It is anticipated that only one special detail sheet will be necessary. SW3P- Stormwater Pollution Prevention – (1 Sheet) EPIC narrative Sheet. BMP measures will be indicated on the plan sheets.
- A Subsurface drainage design upgrade is necessary. 6S will visit the project site and coordinate with the city to provide a design. The proposed drainage system is intended to tie into the existing outfall system within the project limits. Design will not be provided any further than 50 ft from the intersection. The drainage design will be provided on a max of two plan sheets with no more than 2 detail sheets.
- A signage and striping plan sheet will be provided.

D. Front end bidding documents, general conditions and special project specifications will be provided for select items as deemed necessary by the Engineer to reduce design cost.

E. Traffic Control Plans- 6S will provide one traffic control and project phasing sheet. TxDOT typical detail sheets will be used to support the traffic control plan sheets.

F. Opinions of Probable Construction Cost – Opinions of Probable construction cost will be estimated at Final Design. These will be based on experience and using regional bid unit prices

and quantities from agencies such as TxDOT and other local government area bids.

G. There will be 2 design submittals; 60% and Final Design.

H. Project Geotechnical (Additional Service)- 6S will utilize a Geotechnical Engineering firm to provide one (1) geotechnical bore holes for the project site. Existing soil conditions for the project site will be documented as well as the development of a potential pavement section for the project. A general budget number has been provided.

The scope and fee is also attached for reference.

RECOMMENDED ACTION:

Information only, no action

ATTACHMENTS:

[*Schreiner Roundabout Design Scope and Fee.pdf*](#)



June 5, 2024

City of Kerrville
701 Main Street
Kerrville, Texas 78028

Attn: Mr. Kyle Burow, P.E., Director of Engineering

Regarding: 2024 Schreiner Street Roundabout Design
6S Project No. 2024-004-02

Dear Mr. Burow:

6S Engineering, Inc. is pleased to provide you this proposal to perform professional engineering services for the City of Kerrville ("City"). The project is defined as a roundabout design at the intersection of Schreiner Street and Clay Street.

PROJECT DESCRIPTION:

6S will provide design engineering, bid and construction phase services for a roundabout at the intersection of Schreiner Street and Clay Street.

SCOPE OF SERVICES TO BE PERFORMED BY ENGINEER ON THE PROJECT:

6S will provide design engineering services for the project described above. The scope of work to complete the design includes the following:

Design Engineering

- A. Project Start-up- A 6S manager will meet with the City as a preliminary kickoff meeting and visit the site. This segment of the project includes initial budgeting and setup for the project.
- B. Utility Coordination- 6S will continue to coordinate utilities to be adjusted. Water and sewer is not anticipated to be designed.
- C. Plan Development- 6S will develop a plan set that includes the following sheets:
 - Cover Sheet (1 Sheet)
 - General Construction notes and special notes (1 Sheet)
 - Existing Roadway Section and Proposed Typical Section and project quantities (1 sheet)
 - Plan Sheets (3 Sheets) – Plans will be designed and placed at a layout of 22"x34". These sheets will include a centerline stationing offset from a stationary point. Two additional sets will be provided as 11"x17" sheets
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- SW3P- Stormwater Pollution Prevention – (1 Sheet) EPIC narrative Sheet. BMP measures will be indicated on the plan sheets.
- A Subsurface drainage design upgrade is necessary. 6S will visit the project site and coordinate with the city to provide a design. The proposed drainage system is intended to tie into the existing outfall system within the project limits. Design will not be provided any further than 50 ft from the intersection. The drainage design will be provided on a max of two plan sheets with no more than 2 detail sheets.
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F. Opinions of Probable Construction Cost – Opinions of Probable construction cost will be estimated at Final Design. These will be based on experience and using regional bid unit prices and quantities from agencies such as TxDOT and other local government area bids.

G. There will be 2 design submittals; 60% and Final Design.

H. Project Geotechnical (Additional Service)- 6S will utilize a Geotechnical Engineering firm to provide one (1) geotechnical bore holes for the project site. Existing soil conditions for the project site will be documented as well as the development of a potential pavement section for the project. A general budget number has been provided.

QA/QC:

6S will provide a Quality Assurance/Quality Control review on the project prior to final plan reproduction.

Bid Phase Services (Additional Service)

6S will prepare the advertisement of the bid for the City.

Prepare and provide complete sets of the bid package, including plans, specifications, and instructions to bidders, general provisions, and bid proposal as documentation for the City to advertise for bids for construction. This project will be bid on CivCAST. Questions will be answered on CivCAST only.

Attend pre-bid conference and prepare necessary addenda to provide clarification and interpretation to bidders. This meeting may be held on Web-X if necessary due to current public health concerns.

Complete a bid tabulation and analysis of bids and furnish a recommendation on the award of the construction contract.

Construction Administration Services

Attend the Pre-Construction conference with the representatives of the interested City departments and the contractor. Prepare a summary record of the Pre-Construction conference as scheduled by the City.

Attend bi-weekly construction meetings (once every 2 weeks) to discuss job progress, revisions, plan clarification and coordination. Sub-consultants shall be included as attendees as necessary in these meetings. 6S will prepare summary record to be distributed to all attendees after review by the City.

6S will visit the site to observe as an experienced and qualified design professional the progress and quality of the executed work, and to determine in general if the work is proceeding in accordance with the plans and specifications. During such visits and on the basis of on-site observations, 6S shall consult and advise the City during construction, and submit bi-weekly reports to the City relating to such visits. 6S shall not be required to make exhaustive or continuous on-site inspections to check the quality and quantity of the work; 6S shall not be responsible to the means, methods, techniques, sequences or procedures of construction selected by the contractor or the safety precautions and programs incident to the work of the contractor. 6S's efforts will be directed towards providing 6S's best judgment to the City that the completed project will conform to the plans and specifications. 6S shall not be responsible for the failure of the contractor to perform the construction work in accordance with plans and specifications and the contractor's contract; however, 6S shall report to the City any deficiencies in the work actually observed by 6S. During such visits and on the basis of on-going observations, 6S shall consult and advise the City during construction.

After contractor's approval, 6S shall review and take appropriate action (approve with modifications, reject, etc.) upon the contractor's submittals such as shop drawings, product data and samples, but only for conformance with the design concept of the project and compliance with the information given in the contract documents. Such action shall be taken with reasonable promptness so as to minimize delay. Such reviews and approvals or other action shall not extend to means, methods, techniques, sequences, or procedures of construction or the safety precautions and programs incident thereto. The approval of a specific item shall not indicate approval of an assembly of which the item is a component.

Review monthly estimates and recommend approval or other appropriate action on estimates submitted by the contractor.

Develop, at the request of the City, any changes, alterations or modifications to the project that appear to be advisable and feasible and in the best interest of the City. Routine changes made during construction (change orders/field alterations) that are within the original scope of the project will be made at no additional cost to the City. Such alterations shall appear on or be attached to the City's form "Field Alteration Request". At the direction of the City, 6S shall obtain the contractor's price of the proposed alteration prior to submitting it to the City for its approval.

Perform in company with the City representative(s) a "conditional approval" and a "Final" inspection of the project to observe any apparent defects in the completed construction with regard to conformance with design concept and intent of the contract documents. Assist the City in consultation and

discussions with contractor(s) concerning such deficiencies, and make recommendations as a replacement or correction of the defective work.

After completion of the work, and before final payment to the contractor, the City shall receive from the contractor two (2) sets of "Record Drawings". 6S, after receiving the information, shall transfer the information to AutoCAD files (CD's) showing all items of work actually installed in the project (hereinafter called "Plan of Record") for the City's permanent file. 6S shall not be held liable for the information supplied by the contractor and/or City representative.

The City will require the contractor to submit to 6S who shall review and deliver to the City, manufacturer's warranties or bonds on materials and equipment incorporated in the project for which such warranties or bonds were required by the specifications.

Prepare the "Final Field Alteration" recapitulations (over and under) of the project in conjunction with the final request for payment.

Term of Construction Phase Service (estimated not to exceed 5 months). Additional Services will be necessary after this period.

Exclusions:

- Traffic Impact Analysis
- Utility Design
- ADA Review
- Construction inspection

OWNER'S RESPONSIBILITIES:

City shall coordinate with Engineer and provide engineer with As-Built documentation for existing sanitary sewer, water mains, and other City services in the project area.

PERIOD OF DESIGN SERVICE:

Design Engineering- 4 Month from authorization

PAYMENTS TO ENGINEER:

6S Engineering Group proposes the following lump sum fees for the above referenced services:

Design Engineering

Project Start-up	\$500.00
Utility Coordination:	\$700.00
Roadway Design	\$21,000.00
Drainage Design.....	\$14,000.00
Front End Documents & Specifications:.....	\$3,500.00

Mr. Kyle Burow, P.E.

City of Kerrville

June 5, 2024

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Signage and striping plan	\$2,500.00
Traffic Control Phasing Plans:.....	\$3,000.00
Opinions of Construction Cost:	\$2,000.00
QA/QC:.....	\$2,000.00
Final Plan Submittal:.....	\$1,500.00

Design Engineering (Lump Sum):.....\$50,700.00

Additional Services

Geotechnical Engineering (Budget).....	\$6,800.00
Water and Sewer Main Adjustment Sheet(6S)	\$4,500.00
Survey Control update from 2019	\$3,500.00

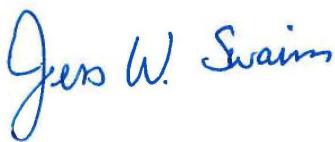
Bid & Construction Phase

Bid Phase	\$3,000.00
Construction Admin Phase (Anticipated 8 months).....	\$24,000.00
Mileage and Expenses	\$1,600.00

Total Project Cost (Lump Sum):.....\$94,100.00

Invoicing will occur monthly on a percent complete basis. If this proposal is acceptable to you, please indicate by signing in the space provided below and return the original to this office. If you have any questions, please call our office. We appreciate the opportunity to submit this proposal and look forward to being of service. Signature of this professional services agreement is understood to constitute authorization to proceed as of the date signed by the client. Limit of liability shall not exceed the proposal amount.

Sincerely,



Jess W. Swaim, P.E.

Vice President

ACCEPTED:

Signature: _____

Name: _____

Title: _____

Date: _____

6S Engineering, Inc.
Attachment "A" – Terms and Conditions

1. AUTHORIZATION TO PROCEED

Signing this Agreement shall be construed as express authorization by CLIENT for 6S to proceed with the work, unless otherwise provided for in the Agreement.

2. USE OF DOCUMENTS

All documents produced by 6S under this Agreement shall be considered "Instruments of Service" for which 6S retains the copyright. Notwithstanding the foregoing, 6S grants to CLIENT a nonexclusive license to reproduce such Instruments of Service for the completion of the Project, provided that CLIENT complies with all obligations, including prompt payment of all sums when due, under this Agreement. ~~Should CLIENT use any documents in circumstances in which 6S is no longer involved in the Project, the CLIENT shall defend and indemnify 6S on account of any such use and any claims made arising out of any modifications or changes to any such documents.~~ O/S

Unless specifically provided for in the Agreement, files in electronic media will not be transmitted. Files in electronic media format of text, data, graphics, or other types, if any, will be furnished by 6S only for convenience of the receiving party. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.

3. STANDARD OF CARE

6S shall use the care and skill ordinarily used by members of the design profession practicing under similar conditions at the same time and locality of the Project. Where construction phase services are included, it is understood that the proposed services specifically exclude any review of the Contractor's means and methods of construction and safety procedures. The means, methods and safety procedures will remain the sole responsibility of the Contractor and 6S shall have no liability or obligation with respect thereto.

4. COST ESTIMATES

Any cost estimates provided by 6S will be on a basis of experience and judgment, but since it has no control over market conditions or bidding procedures, 6S cannot and does not warrant that 6S's ultimate construction costs will not vary from these cost estimates.

5. PAYMENT TO 6S

Monthly invoices will be issued by 6S for all work performed under the terms of this Agreement. Invoices are due and payable in full on receipt. Interest at the rate of 1.5% per month will be charged on all past-due amounts (45 days after invoice date), unless not permitted by law, in which case, interest will be charged at the highest amount permitted by law. No retainage will be withheld from payment.

6. DIRECT EXPENSES

Certain expenses incurred by 6S in performing this assignment will be billed to the CLIENT at direct cost. These include regulatory fees, reproduction costs, travel expenses when traveling outside 6S's local office and adjacent counties, including meals, lodging, use of automobile at the current IRS approved rate and airline fares. Reimbursement for these EXPENSES shall be on the basis of actual charges when furnished by commercial sources and on the basis of usual commercial charges when furnished by 6S.

7. OUTSIDE SERVICES

When technical or professional services are furnished by an outside source, when approved by CLIENT, an additional amount shall be added to the cost of these services for 6S's administrative costs, as provided for in this Agreement.

8. ADDITIONAL SERVICES

Services in addition to those specified in Scope will be provided by 6S if authorized by CLIENT. Additional services will be paid by CLIENT as provided for in this Agreement.

9. SALES TAX

~~In accordance with the State Sales Tax Codes, certain professional and surveying services are taxable. Applicable sales tax is not included in the proposed fee. Sales tax at the applicable rate will be indicated on invoice statements and shall become part of the amount due and payable pursuant to the Agreement.~~ O/S

10. SUSPENSION/TERMINATION

When invoices are delinquent for more than forty-five (45) days, CLIENT will be considered in breach of this Agreement and all services may be suspended. 6S shall not be responsible for delays in the Project caused by such suspension. Either CLIENT or 6S may terminate this Agreement by giving 30 days written notice to the other party. In such event CLIENT shall forthwith pay 6S in full for all work previously authorized and performed prior to effective date of termination or receipt of such notice, whichever is later. If no notice of termination is given, relationships and obligations created by this Agreement shall be terminated upon completion of all applicable requirements of this Agreement.

11. LIMITATION OF LIABILITY

6S's liability to the CLIENT for any cause or combination of causes is in the aggregate, limited to an amount no greater than the fees earned under this Agreement.

~~To the fullest extent permitted by law, neither Company, nor the Consultant, nor their sub-consultants, if any, nor their respective affiliates shall be liable for any special, indirect, consequential, incidental, punitive or exemplary damages (extraordinary damages), whether or not foreseeable, arising out of or in connection with this Agreement, regardless of whether liability is based on breach of contract, breach of warranty, tort (including negligence and strict liability) or any other basis of liability.~~ O/S

12. MEDIATION

~~All claims, disputes, and other matters in question arising out of, or relating to, this Agreement or the breach thereof may be decided by mediation. Either CLIENT or 6S may initiate a request for such mediation, but consent of the other party to such procedure shall be mandatory. No mediation arising out of, or relating to this Agreement may include, by consolidation, joinder, or in any other manner, any additional party not a party to this Agreement.~~ O/S

13. LITIGATION

This Agreement shall be construed under and in accordance with the internal law, and not the law of conflicts, of the State of Texas. In the event legal action is brought by CLIENT or 6S against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the prevailing party such reasonable amounts for fees, costs and expenses as may be set by the court.

14. SURVEYING SERVICES

In accordance with the Professional Land Surveying Practices Act of 1989, revised July 1999, CLIENT is informed that any complaints about surveying services may be forwarded to the Texas Board of Professional Land Surveying, 12100 Park 35 Circle, Building A, Suite 156, Austin, Texas 78753, (512) 239-5263.

15. SEVERABILITY

~~In case any one or more of the provisions contained in this Agreement shall be held illegal or invalid, the enforceability of the remaining provisions contained herein shall not be impaired thereby and the provision which is determined to be illegal or invalid shall be replaced by a legal and valid provision which reflects the expressed intent of the parties to the maximum extent allowed by applicable law.~~ O/S



**TO BE CONSIDERED BY
THE TAX INCREMENT REINVESTMENT
ZONE
CITY OF KERRVILLE, TEXAS**

SUBJECT: Tax Increment Reinvestment Zone (TIRZ) #1 Proposed Budget for Fiscal Year 2025. (*J Behrens, Director of Finance*)

AGENDA DATE OF: August 14, 2024 **DATE SUBMITTED:** August 8, 2024

SUBMITTED BY: Julie Behrens , 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:

Tax Increment Reinvestment Zone (TIRZ) #1 Proposed Budget for Fiscal Year 2025.

RECOMMENDED ACTION:

Approve Tax Increment Reinvestment Zone (TIRZ) #1 Proposed Budget for Fiscal Year 2025 as presented.

ATTACHMENTS:

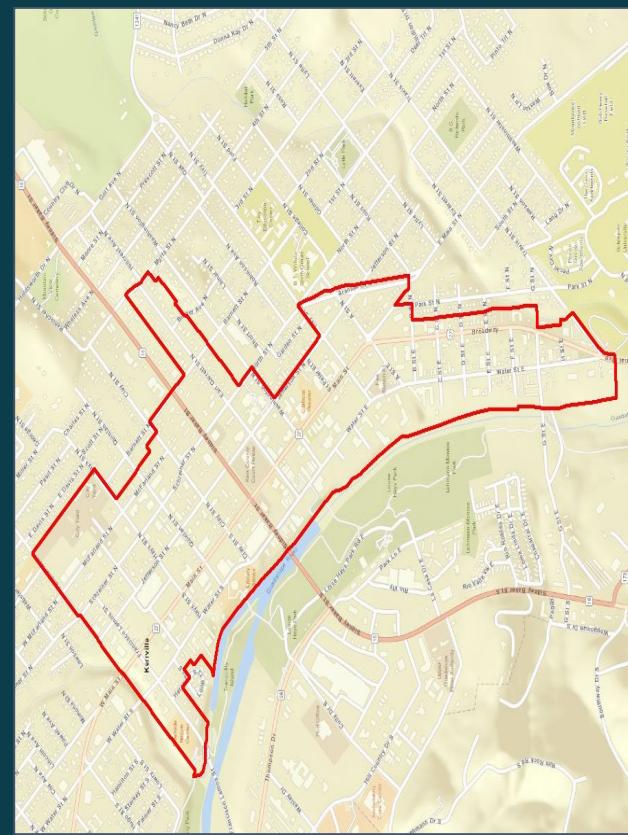
[*20240814_TIRZ FY2025 Proposed Budget.pdf*](#)
[*20240814_TIRZ Cash Flow report.pdf*](#)



(TIRZ #1)

FINANCIAL UPDATE AND FY2025 PROPOSED BUDGET

AUGUST 14, 2024



FY2025 Citywide Budget

- Focused on sustainability
- Facility Condition Assessment
- Facility/System Fund
- Focus on overall assets
- Planning & saving for the future



CERTIFIED ROLL COMPARISON

- Base Value FY2019: \$ 97,488,489
- Value FY2024: \$156,749,848
- Value FY2025: \$155,813,621
- Decrease in Value:
 - \$514,705
- Affected by KCAD settlement of 1 large property dispute
- Addition of exempt property
- FY2025 New Value: \$527,904
- FY2024 New Value: \$974,037
- Certified TIRZ #1 Property Count: 588
- Unsettled Protests: 1

Citywide assessed valuations increased 5%

TIRZ #1 HISTORICAL DATA

- FY2020 Property Tax Revenue: \$ 22,899
- FY2021 Property Tax Revenue: \$ 35,641
- FY2022 Property Tax Revenue: \$ 51,112
- FY2023 Property Tax Revenue: \$302,040
- FY2024 Property Tax Revenue Budget: \$338,411

TIRZ #1 Projects 2019 - Present			
Project Name	Fiscal Year	Total Funding	
Community Development Block Grant (CDBG)	2023	52,500	
Downtown Revitalization			
ADA Accessibility Clay & Water St. Intersection	2023	40,000	
Downtown Comp Plan Update	2024	50,000	
Total Active/Completed and Committed:		\$ 142,500	

FINANCIAL UPDATE & FY2025 PROPOSED BUDGET

	FY2023 Actual	FY2024 Original Budget	FY2024 Estimate	FY2025 Proposed Budget	\$ Change Compared to FY2024 Original	% Change Compared to FY2024 Original	• FY2024 Estimate includes refund of \$20K from KCAD settlement with property owner
Beginning Fund Balance	\$ 110,255	\$ 327,985	\$ 327,985	\$ 636,985			
Revenues							
Property Tax	302,040	338,411	335,000	339,470	1,059	0.3%	
Total Tax Revenue	302,040	338,411	335,000	339,470	1,059	0.3%	• Beginning Fund Balance:
Interest Revenue	8,190	4,210	24,000	25,574	21,364	507.4%	• \$638,985
Total Interest and Miscellaneous	8,190	4,210	24,000	25,574	21,364	507.4%	• Proposed Budget Assumes City's Proposed Property Tax
Total Revenues	310,230	342,621	359,000	365,044	22,423	6.5%	• \$0.5595 / \$100 Assessed Value Same Rate from FY2024
Expenditures							
Project Contribution	40,000	-	-	-	-	-	
Transfer Out - General Capital Projects	52,500	-	50,000	-	-	-	
Total Transfer Out	52,500	-	50,000	-	-	-	
Total Expenditures	92,500	-	50,000	-	-	-	
Net Revenue (Expenditures)	217,730	342,621	309,000	365,044			• FY2025 Estimated Ending Fund Balance:
Ending Fund Balance	\$ 327,985	\$ 670,606	\$ 636,985	\$ 1,002,028			• \$1,002,028

No project commitments budgeted in FY2025

QUESTIONS?



TIRZ #1
Cash Flow Forecast
With Potential Future Projects

Assumptions:																
Growth in Property Tax 2%																
Interest Revenue: % of fund balance FY25 - then 3%																
Proposed Reserved Fund Balance: \$100K																
Beginning Fund Balance (Unrestricted)	\$ 58,605	\$ 110,255	\$ 634,985	\$ 327,985	\$ 634,985	\$ 750,029	\$ 873,881	\$ 958,476	\$ 1,052,777	\$ 1,157,217	\$ 1,272,247	\$ 1,398,335	\$ 1,535,964	\$ 1,685,635	\$ 1,847,869	\$ 1,923,202
Revenue																
Property Tax	51,112	302,040	335,000	339,470	351,351	358,378	365,546	372,857	380,314	387,920	395,679	403,592	411,664	419,898	428,295	
Interest Income	538	8,190	22,000	25,574	22,501	26,216	28,754	31,583	34,717	38,167	41,950	46,079	50,569	55,436	57,696	
Total Revenue	51,650	310,230	357,000	365,044	373,852	384,395	394,300	404,440	415,031	426,088	437,629	449,671	462,233	475,334	485,992	
Expenditures																
Projects																
Clay & Water Project																
CDBG Downtown Grant Match																
Downtown Comp Plan																
Potential I Projects																
Total Projects																
Total Expenditures																
Ending Unrestricted Fund Balance	\$ 110,255	\$ 327,985	\$ 634,985	\$ 750,029	\$ 873,881	\$ 958,476	\$ 1,052,777	\$ 1,157,217	\$ 1,272,247	\$ 1,398,335	\$ 1,535,964	\$ 1,685,635	\$ 1,847,869	\$ 1,923,202	\$ 2,009,194	

TIRZ #1
Cash Flow Forecast
Without Potential Future Projects

Assumptions:																
Growth in Property Tax 2%																
Interest Revenue: % of fund balance FY25 - then 3%																
Proposed Reserved Fund Balance: \$100K																
Beginning Fund Balance (Unrestricted)	\$ 58,605	\$ 110,255	\$ 634,985	\$ 327,985	\$ 634,985	\$ 1,000,029	\$ 1,381,381	\$ 1,781,201	\$ 2,200,183	\$ 2,639,046	\$ 3,098,531	\$ 3,579,408	\$ 4,082,469	\$ 4,608,535	\$ 5,158,455	\$ 5,733,107
Revenue																
Property Tax	51,112	302,040	335,000	339,470	351,351	358,378	365,546	372,857	380,314	387,920	395,679	403,592	411,664	419,898	428,295	
Interest Income	538	8,190	22,000	25,574	22,501	30,001	41,441	53,436	66,005	79,171	92,956	107,382	122,474	138,256	154,754	
Total Revenue	51,650	310,230	357,000	365,044	373,852	395,820	418,982	438,862	459,485	480,876	503,061	526,066	549,940	574,651	600,289	
Expenditures																
Projects																
Clay & Water Project																
CDBG Downtown Grant Match																
Downtown Comp Plan																
Total Projects																
Total Expenditures																
Ending Unrestricted Fund Balance	\$ 110,255	\$ 327,985	\$ 634,985	\$ 1,000,029	\$ 1,381,381	\$ 1,781,201	\$ 2,200,183	\$ 2,639,046	\$ 3,098,531	\$ 3,579,408	\$ 4,082,469	\$ 4,608,535	\$ 5,158,455	\$ 5,733,107	\$ 6,333,395	



**TO BE CONSIDERED BY
THE TAX INCREMENT REINVESTMENT
ZONE
CITY OF KERRVILLE, TEXAS**

SUBJECT: Creation of the Tax Increment Reinvestment Zone (TIRZ) #1 Go Team. (*M Hornes, Assistant City Manager*)

AGENDA DATE OF: August 14, 2024 **DATE SUBMITTED:** August 8, 2024

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? No

Key Priority Area N/A
Guiding Principle N/A
Action Item N/A

SUMMARY STATEMENT:

RECOMMENDED ACTION:

Approve and create Tax Increment Reinvestment Zone (TIRZ) #1 Go Team.



**TO BE CONSIDERED BY
THE TAX INCREMENT REINVESTMENT
ZONE
CITY OF KERRVILLE, TEXAS**

SUBJECT: Tax Increment Reinvestment Zone (TIRZ) Board Procedures. (*J Behrens, Director of Finance*)

AGENDA DATE OF: August 14, 2024 **DATE SUBMITTED:** August 8, 2024

SUBMITTED BY: Julie Behrens , 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:

Approve Tax Increment Reinvestment Zone (TIRZ) Board Procedures as presented.

ATTACHMENTS:

[*20240814_TIRZ Revised Proposed TIRZ#1 Procedures.pdf*](#)

City of Kerrville

Tax Increment Reinvestment Zone #1 (Downtown TIRZ)

Procedures

The TIRZ #1 Board shall:

General:

- Act in accordance with procedural rules and conduct established for all Boards & Commissions
- Comply with rules established by the TIRZ creation documents, to include City Ordinance #2018-19 and the subsequent City Ordinance #2020-04, amending the board structure of the TIRZ #1
- Comply with all rules outlined within Chapter 311 of the Texas Local Government Code relating to TIRZ
- TIRZ Board will be scheduled to meet the second Wednesday of the following months at 3pm at City Hall:
 - December (if needed for board business)
 - March (presentation of the annual financial report for prior year)
 - June (if needed for board business)
 - August (mandatory for budget consideration)

Financial

- Adopt an annual budget to be approved by City Council
- Review cash flow forecast, provided by City staff and make recommendations for items such as:
 - Reserve funds (proposed \$100,000)
- Review and approve annual financial report
- Consider projects that align with TIRZ creation documents, Chapter 311 of TLGC, the Kerrville 2050 Comprehensive Plan, Downtown Master Plan (TBD), and that support the TIRZ area as a whole
- Make funding recommendations to City Council for TIRZ funded projects

Project Consideration Process

- Projects to be considered by the TIRZ Board
 - Must be located within the TIRZ geographical area
 - Must meet requirements of both Chapter 311 and the TIRZ #1 Project Plan
 - Must be on the Board agenda to be considered for action
 - Must include project cost and timeline
 - Amount must not exceed current fund balance approved for use by the Board
 - Amount must not require pledge of future revenues
- Projects should be brought to the board by City staff based on:
 - Staff recommendations based on project alignment with TIRZ project plans / master plan
 - Recommendations from City Council
 - Requests from citizens, business owners, developers, etc.
- Projects should be vetted by the TIRZ Go Team
- Projects for consideration should be presented by staff and, where necessary, in conjunction with requestor

Application Process (external applicants)

- Eligible persons / entities should contact Assistant City Manager in charge of Economic Development to discuss potential projects
- Projects eligible for potential TIRZ funding will require application to be submitted to appropriate staff, as directed by Assistant City Manager
- Assistant City Manager or appropriate staff will present to GO Team for review
- Eligible projects will be presented to TIRZ Board by staff for direction to proceed with actions necessary to:
 - Seek more information
 - Recommend use of TIRZ funds
- Any project approved by TIRZ must also be approved by City Council