

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING**

December 17, 2012

On Monday, December 17, 2012, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by David Wampler, President, in the City Hall Council Chambers, 701 Main Street, Kerrville, Texas.

Members Present:

David Wampler, President
Stacie Keeble
Kenneth Early, Vice President
Rex Boyland, Secretary
Larry Howard
Polly Rickert
Gary Cochrane

Members Absent:

City Executive Staff Present:

Todd Parton, City Manager
Kristine Ondrias, Assistant City Manager
Mike Hayes, City Attorney
Cheryl Brown, Deputy City Secretary
Ashlea Boyle, Special Projects Coordinator
Mike Erwin, Finance Director
Sai Vongchampa, Budget/Purchasing Manager
Malcolm Matthews, Director of Parks and Recreation
Keith Magnell, Technical Support Analyst
Sergei Smet, Systems Administrator
Jason Lutz, Senior Planner
Kimberly Meismer, Director of General Operations

Visitors Present: Visitor list available in the City Secretary's Office for the required retention period.

Jonas Titas, Executive Director of the Kerrville Economic Development Corporation

INVOCATION: Given by Mr. Howard.

1. VISITORS/CITIZENS FORUM: No one spoke.

2. APPROVAL OF THE MINUTES:

2A. Minutes of the regular meeting with City Council held November 19, 2012.
Mr. Early moved for approval of the minutes of November 17; Mr. Howard seconded the motion and it passed 6 to 0.

3. MONTHLY REPORTS:

3A. Monthly financials for November 2012. Mr. Vongchampa reported on the November, 2012 financials.

3B. Capital Projects Update: Mr. Parton reported:

Harper Highway Project Phase II: The project was proceeding on schedule. It was about 90% complete. The project came in under budget and any monies remaining after completion would be refunded back to the EIC.

Hill Country Junior Livestock Association: There were no invoices received yet from the HCJLSA, therefore, there was no activity on the funding agreement.

3C. Update regarding River Trail and Parks projects: Mr. Matthews reported that Package A had the ribbon cutting on December 15, 2012. Mr. Matthews thanked the EIC members for attending the opening. Package B and the Parks project were being considered by the City Council. The contractor was Half Associates. Louise Hays Park would be closed for 16-18 months to allow for the completion of the utilities project in the park as well. Events that were scheduled to take place at the park during that time period had been moved. Mr. Matthews stated that after review of the scope of the work in the park, he would bring the master plan to the EIC members. Regarding dredging the river, Mr. Matthews said there would be some clean-up of the refuse in the swimming areas of the river; however, dredging could create other problems, e.g. possible harm to endangered species.

3D. Kerrville Economic Development Corporation (KEDC) update regarding KEDC activities: Mr. Titas reported that KEDC was working with a manufacturing company and a pizza manufacturing company that are considering a move to Kerrville. He stated he would like to work with the EIC to prepare a guidance document for applicants for funding.

4. PUBLIC HEARING AND POSSIBLE ACTION:

4A. Public hearing for the Project Funding Agreement between the City of Kerrville Economic Improvement Corporation and the City of Kerrville, Texas downtown streetscape enhancements: Mr. Parton gave the scope of the project that would implement strategies and a budget for the various components of the plan. The EIC and Main Street would be involved throughout the project.

Mr. Wampler opened the public hearing at 4:15 p.m. There was no comments from the public, and the public hearing was closed at 4:16 p.m.

Mr. Howard moved to approve the funding agreement for the downtown streetscape project; Mr. Boyland seconded; and the motion passed 7-0.

5. DISCUSSION AND POSSIBLE ACTION:

5A. Funding agreement between the Kerrville Economic Development Corporation and the City of Kerrville Economic Improvement Corporation: Mr. Titas stated that some changes were made pursuant to EIC's request, and those changes had been approved by the KEDC.

Mr. Hayes stated that the City Council would consider the agreement and it would be effective when approved by City Council.

Mr. Early moved to approve the agreement, Mr. Boyland seconded; and the motion passed 7-0.

5B. 4B Sales Tax Funding Request for the Commercial Improvement Program, from Lemon Tree Cleaners: Mr. Denny Foster, owner of Lemon Tree Cleaners discussed the details of his funding request. Mr. Hayes reviewed the requirements under the 4B Sales Tax Funding laws, and stated that it would depend on the EIC and its findings under the 4B law as to whether the request met the requirements. Mr. Hayes stated however, the only issue that may arise could be the creation of primary jobs component. Mr. Titas stated that the KEDC voted to support this request. Mr. Parton stated that the City staff's recommendation was that the EIC accept this request as a viable project, and authorize staff to create a funding agreement under the capital improvement program, and to determine how the jobs component would be met pursuant to the law.

Mr. Howard moved that the request be approved; Mr. Early seconded and the motion passed 7-0.

5C. 4B Sales Tax Funding Request from Fox Tank Company: Mr. Titas noted that Mr. Fox, stated that he was no longer going to build the fiberglass tanks, but instead proposed to build steel separator tanks for the oil industry which could create up to 30 new primary jobs. The separators are currently being manufactured in Comfort, and this is an opportunity to bring that to Kerrville. The "Go" Team created an impact analysis report.

Mr. Fox stated that the completed tanks were being shipped to west Texas. He is currently looking into getting his American Society of Mechanical Engineers certification, which will increase his business, as well as enable him to sell the tanks to larger oil corporations, thereby increasing tank production as well as sales tax revenue, possibly seeing an increase of as many as 100 jobs. Mr. Fox reviewed the facility improvements that would be required and noted that most of the improvements had been done, but the primary cost involved would be required in the foundations of the building of the tanks. Further discussion of this item was deferred to executive session.

5D. Discuss and consider creation of a revolving loan fund: Mr. Titas noted that recently, there had been several prospects that may have qualified for a revolving loan. EIC discussed particulars of setting up a revolving loan fund, i.e.

monetary limits and requirements would have to be met. Mr. Hayes stated that applicants would have to meet the same requirements under the 4B Sales Tax Funding program. A sub-committee was appointed to discuss such a program. Mr. Titas said that KEDC will schedule a meeting, and Mr. Wampler asked that a city staff person would be present at any meetings of the subcommittee.

Mrs. Keeble moved to appoint Mr. Early, Mr. Boyland, and Mr. Howard to a subcommittee to draft program guidelines for a revolving loan program; Ms. Rickert seconded and the motion passed 7-0.

6. INFORMATION AND POSSIBLE ACTION:

6A. Update regarding "Go" Team Activities: Mr. Parton reported that the "Go" Team met regarding Fox Tank Company's request for funding and looked into all components and viability of the project.

6B. Update regarding the downtown wireless project: Mr. Parton reviewed the monthly usage report for downtown wireless.

7. EXECUTIVE SESSION:

Mr. Howard moved that the Economic Improvement Corporation go into executive closed session under Section 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), and Section 551.087 (deliberation regarding economic development negotiations); Mr. Early seconded the motion, and it passed 6-0 to discuss the following matters:

Sections 551.071 and 551.072:

- The River Trail

Section 551.087:

- Fox Tank funding request

At 5:05 p.m. the regular meeting recessed and the EIC went into executive closed session at 5:10 p.m. At 6:05 p.m. the executive closed session recessed and the Board returned to open session at 6:05 p.m.

Mr. Wampler announced that no action had been taken in executive closed session.

ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

5C. 4B Sales Tax Funding Request from Fox Tank Company:

Mr. Howard moved that the matter be postponed, and the EIC direct staff to continue discussion of the Fox Tank Company's request for funding with Mr. Titas and Mr. Fox; Mr. Boyland seconded and the motion passed 7-0.

7. ADJOURNMENT

Mr. Wampler adjourned the meeting at 6:10 p.m.

APPROVED: _____

David Wampler, President

ATTEST:

Cheryl Brown
Deputy City Secretary