

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

July 16, 2012

On Monday, July 16, 2012, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:02 p.m. by Kenneth Early, Vice-President, in the City Hall Council Chambers, 800 Junction Highway, Kerrville, Texas. David Wampler, President, arrived at 4:05 p.m.

Members Present:

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

Members Absent:

City Executive Staff Present:

Todd Parton, City Manager
Mike Hayes, City Attorney
Cheryl Brown, Administrative Assistant to the City Secretary
Kristine Ondrias, Assistant City Manager
Mike Erwin, Director of Finance
Mindy Wendele, Director of Business Programs
Malcolm Matthews, Director of Parks and Recreation
Travis Cochrane, IT Director
Keith Magnell, Technical Support Analyst
Kimberly Meisner, Director of General Operations

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

INVOCATION: Given by Vice-President Kenneth Early.

1. **VISITORS/CITIZENS FORUM:** No one spoke.

2. **APPROVAL OF THE MINUTES:**

2A. Minutes of the joint meeting with City Council held June 12, 2012, and the regular meeting held on June 18, 2012. Mr. Howard moved for approval of the minutes of June 12 and June 18, 2012; Ms. Rickert seconded the motion and it passed 7-0.

3. **MONTHLY REPORTS:**

3A. Monthly financials for June 2012. Mr. Erwin reported: \$195,775 received in Sales tax revenue in June. There was also \$608 in interest revenue and \$76,513 refund from the airport/Kerr County. Total expenditures were

\$50,425. The ending cash balance as of June 30, 2012 was \$2,100,670. The sales tax revenue collected in June 2012 was greater than June, 2012.

Mr. Howard moved to approve the monthly financial report. Mr. Boyland seconded, and the motion passed 7-0.

3B. Capital Projects Update: Ms. Wendele reported:

Harper Highway Project Phase II: The contractor would begin in two weeks.

Commercial Improvement Program: There was some discussion regarding discontinuing this program, but no decision was reached.

Hill Country Shooting Center: Project was almost completed.

Hill Country Home Opportunity: There was nothing new to report.

4. PUBLIC HEARING AND POSSIBLE ACTION:

4A. Nature Blinds, LLC's request for funding agreement for business expansion project in the amount of \$730,000: Mr. Wampler opened the public hearing at 4:10 p.m. and the following persons spoke:

1. Amos Barton spoke in favor of Nature Blinds, LLC, stating that he had visited their facility, and believed they would be of benefit to the City of Kerrville.

2. Dennis Deering, Store Manager of Lowe's, stated that Lowe's sold the blinds, and he hoped the EIC would approve the funding agreement.

3. Robert Naman asked the EIC if the money requested from Nature Blinds, LLC was a loan or a gift. Mr. Wampler replied that it was a funding request for creation of jobs, not a loan.

4. Max Greiner, local artist and President of the Coming King Association, stated that he believed the people in charge of Nature Blinds, LLC were good people, and that Kerrville was a good place for their business.

5. Kevin LaFavers from Sherwin Williams spoke in support of Nature Blinds, LLC.

Mr. Wampler read an email from Barbara Burton, stating her concerns for the environmental impact of the materials that Nature Blinds, LLC used in the construction of their products.

David Carpenter, warehouse manager for Nature Blinds, LLC stated he had been in contact with TECQ and several other environmental groups. He stated their product was made of basically soy-based compounds, and it had no volatile organic compounds. There are no requirements by TECQ or any other environmental group that he spoke with regarding filters in the materials they use in their products; it is very similar to the Styrofoam packing.

The public hearing was closed by Mr. Wampler at 4:34 p.m.

The EIC discussed:

The sales tax impact from the Nature Blinds, LLC. Projects and the suitability of their new building for Nature Blinds, LLC. Ms. Wendele noted that Nature Blinds, LLC's use of the building was a lesser use than the previous occupant, and therefore the certificate of occupancy was issued.

The proposed funding agreement was consistent with EIC's direction to staff at the previous meeting.

Mr. Howard moved to defer further discussion of the funding agreement for Nature Blinds, LLC to Executive Session; Rex Boyland seconded, and the motion passed 7-0.

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Consider and approval of Fiscal Year 2013 Budget.

Mr. Erwin reported on the Fiscal Year 2013 proposed budget. After discussion of the various line items, Mr. Boyland moved to postpone the budget, and have a sub-committee work with City staff on the budget, and report back to the EIC at the August, 2012 meeting. Ms. Rickert seconded the motion, and it passed 7-0. Members appointed to the subcommittee were Mr. Boyland, Mr. Wampler and Mr. Howard.

5B. Presentation and funding request from Hill Country District Junior Livestock Association for improvements to Kerr County Ag Barn.

Ms. Wendele asked the EIC to consider the "Go" Team's recommendation of a two-phase agreement: 1.) \$250,000 payment to the HCDJLA to purchase new equipment to remain at Kerr County, but owned by the HCDJLA. 2.) A matching grant of the HCDJLA's fund raising events, up to \$250,000.

Bob Reeves and Brian Compton, representing Hill Country Junior Livestock Show, presented information regarding the HCDJLA and their activities.

5C. Proposed Project Updates:

- Downtown Wi-Fi: Travis Cochrane, IT Director for the City of Kerrville, outlined three options for Wi-Fi coverage areas downtown. Mr. Early moved to instruct staff to prepare a request for proposal, and advertise for bids for the three options, and report bid results to the EIC. Mr. Boyland seconded and it passed 7-0.

- Golf Course pavilion and parking: Ms. Ondrias presented the architect design proposal for the pavilion concepts, at an approximate cost of \$271,000, and noted additional costs for re-shoring the retaining wall of the clubhouse next to the proposed pavilion. Ms. Ondrias presented the proposal for improvements to the parking lot at the golf course, at a projected cost of \$337,141. The issue was tabled to later in this meeting.

- Soccer fields improvements: Mr. Matthews presented the proposal for improvements to the soccer fields; items 1-8 at an approximate cost of \$477,000; items 9-12 at \$209,000.

5D. Review of EIC Funding Agreements for Performance and Clawbacks: Ms. Wendele stated that there were only two active funding agreements with performance

measures, James Avery and Fox Tank, and there were no current funding agreements with clawbacks. Ms. Wendele stated she would review the Kroc Center agreement for any performance measures.

Mr. Early moved to direct staff to do a quarterly report for the EIC regarding all current funding agreements, and any performance or clawback measures, and how the funding recipient was meeting those requirements. Larry Howard seconded, and the motion passed 7-0.

6. INFORMATION AND DISCUSSION:

6A. Update regarding River Trail Project

Mr. Matthews reported that work was proceeding on the River Trail project. Package A was one-third completed and planning for the other packages was progressing.

6B. Update from the Kerrville Economic Development Corporation (KEDC)

Mr. Barnett, President of the KEDC, stated they are looking at several new projects, and he would report on the projects in his annual report to the EIC in September. Mr. Barnett introduced Jonas Titas, the new executive director of KEDC.

6C. Update regarding "Go" Team activities.

Ms. Wendele reported that she had no new information.

6D. Proposal to merge Kerrville Economic Development Corporation (KEDC) and the Kerrville Convention and Visitors Bureau (KCVB). Mr. Wampler noted there had been some discussion regarding joining KEDC and the KCVB. Mr. Barnett stated he had asked Mr. Titas to research other cities that had joined their EDC and CVB, and that they would report their findings to the EIC and City Council.

7. EXECUTIVE SESSION:

Mr. Boyland moved that the Economic Improvement Corporation go into executive closed session under Section 551.071 (consultation with attorney) and Section 551.087 (deliberation regarding real property); Mr. Cochrane seconded the motion, and it passed 7-0 to discuss the following matters:

Sections 551.071 and 551.087:

- Nature Blinds, LLC's request for funding agreement for business expansion project in the amount of \$730,000.00; and
- Funding request from Hill Country District Junior Livestock Association for improvements to Kerr County Ag Barn.

At 6:30 p.m. the regular meeting recessed and the EIC went into executive closed session at 6:32 p.m. At 7:56 p.m. the executive closed session recessed and the Board returned to open session at 7:56 p.m.

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

5C. Proposed Property Updates:

Mr. Howard moved to approve the items as follows: Proceed on the golf course pavilion and parking lot proposals, and items 1-8 of the soccer fields improvement project. The installation of Wi-Fi in the downtown area was deferred until after the bids were received and evaluated by staff. Mr. Cochrane seconded the motion and it passed 6-1 with Members Wampler, Howard, Early, Boyland and Rickert voting in favor of the motion, and Ms. Keeble voting against the motion.

8. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

Nature Blinds LLC: Mr. Howard moved to direct staff to prepare a funding agreement to Nature Blinds, LLC up to \$100,000 per year as a rebate of one-half of the 4B sales tax they generated for the previous year for a seven year period, with a total cap of \$500,000. Ms. Rickert seconded the motion and it passed 6-1 with Members Wampler, Howard, Early, Cochrane, Keeble and Rickert voting in favor of the motion and Member Boyland voting against the motion.

Hill Country District Junior Livestock Association for Improvements to Kerr County Ag Barn: Ms. Rickert moved to direct staff to prepare a funding agreement for improvements to the Kerr County Ag Barn either reimburse or direct pay to the vendor(s) 50% of the actual cost of equipment, defined as those items in the final agreement; subject to the completion and occupancy of the building, up to \$150,000. The EIC would defer Phase II of the HCJLA project to a later date. Mr. Howard seconded the motion, and it passed 7-0.

9. ADJOURNMENT

Mr. Boyland moved to adjourn, Mr. Howard seconded the motion, it passed 7-0; the meeting was adjourned at 8:22 p.m.

APPROVED: _____, 2012

David Wampler, President

ATTEST:

Cheryl Brown
Recording Secretary