

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

**August 27, 2012**

On Monday, August 27, 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, 800 Junction Highway, Kerrville, Texas.

**Members Present:**

David Wampler, President  
Kenneth Early, Vice President  
Rex Boyland, Secretary (arrived at 4:10 p.m.)  
Gary Cochran  
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  
Keith Magnell, Technical Support Analyst  
Sergei Smet, Systems Administrator  
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 Mr. Erwin, Director of Finance for the city of Kerrville.

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

2. **APPROVAL OF THE MINUTES:**

2A. Minutes of the regular meeting with City Council held July 16, 2012. Mr. Early moved for approval of the minutes of July 16; Ms. Rickert seconded the motion and it passed 6-0. Mr. Boyland was not present when the motion was made.

3. **MONTHLY REPORTS:**

3A. Monthly financials for July 2012. Mr. Erwin reported:  
Sales tax revenue for July, 2012 was up 5% from 2011.

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

Harper Highway Project Phase II: The project was proceeding on schedule.

Commercial Improvement Program: There were no new applications.

Hill Country Shooting Center: Mr. Burch gave an update. He said they were various competitions and programs that were taking place at the shooting center, and he also spoke of upcoming events.

Hill Country Home Opportunity: The final plat was to be done soon by Planning and Zoning.

#### **4. PUBLIC HEARING AND POSSIBLE ACTION:**

4A. Funding Agreement with Hill Country District Junior Livestock Show Association (HCDJLSA): Mr. Wampler opened the public hearing at 4:19 p.m. and the following persons spoke:

1. Charlie Bierschwale spoke in favor of HCDJLSA.
2. Tim Lafferty of the Inn of the Hills, spoke in favor of HCDJLSA.
3. David Fritz, of Mini Mart, spoke in favor of HCDJLSA.

Mr. Wampler closed the public hearing at 4:24 p.m.

Ms. Wendele answered several questions from the board regarding the funding agreement. Mr. Parton spoke about the list of equipment, and suggested adding language to indicate that the funds contributed by the EIC were one-half of the total expenses for the equipment, and that the funds were not to exceed \$150,000.00.

Mr. Howard moved to approve the funding agreement, contingent upon the deletion of paragraph D of Article II, adding the additional language suggested by Mr. Parton regarding the funds contributed by the EIC in Exhibit A, and the addition of the words "up to" in Part A of Article I. Mr. Boyland seconded, and the motion was approved 7-0.

#### **5. CONSIDERATION AND POSSIBLE ACTION:**

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

Mr. Erwin summarized the Fiscal Year 2013 proposed budget, and answered several questions from the board. Ms. Rickert suggested that the board delay any further discussion regarding this item to later in the meeting. Mr. Parton also spoke regarding the budget. The board agreed to delay further discussion until they discussed agenda item 5D.

5B. Consider and approve Administrative Services Contract (Erwin)

Mr. Erwin summarized the Administrative Services Contract. Mr. Parton explained the process that City staff and the members of the EIC that met with staff in order to draft the comprehensive administrative services contract. Mr. Wampler expressed his gratitude to both staff and board members who helped draft the contract. Ms. Rickert asked Mr. Hayes the reason for the highlighted words in the contract, and the board made suggestions to clarify the language in those portions of the contract.

Mr. Boyland made the motion to accept the Administrative Services Contract with the changes made that were recommended by Mr. Erwin to add the article from the City charter on page 1, section 4, changing the order of the requirements on page 2, section 8, and adding the word suitability on page 2, item 9.c.ii. Mr. Howard seconded the motion and it was approved 7-0.

5C. Consider and approve a contract between the Economic Improvement corporation and the Kerrville Economic Development Corporation (Parton):

Mr. Parton stated that the EIC did not, at this time, have the complete information necessary to finalize an agreement with the KEDC. Mr. Parton then summarized the information and criteria needed for the finalization. Mr. Parton suggested the EIC designate a sub-committee to meet with the KEDC to reach an agreement. Mr. Howard, Mr. Boyland and Mr. Early volunteered to form the sub-committee. Ms. Rickert made the motion to designate the three-member sub-committee comprised of Mr. Howard, Mr. Boyland and Mr. Early, to create a new agreement with KEDC supported by City staff. Mrs. Keeble seconded the motion and it passed 7-0.

5D. Provide an update on the quality of life projects for the golf course, soccer improvements, downtown wireless and discuss the Economic Development Strategy. (Parton)

Mr. Parton gave a report of his presentation and recommendation to the City Council in their July 24, 2012 meeting regarding the projects. He reported that City Council voted to postpone a vote on any of the projects until they had more information regarding the projects, and the cost to complete them. Mr. Parton reviewed the current requests for funding agreements, and potential pending funding requests. Mr. Parton stated that his recommendation to the Council at their meeting on August 28, 2012 would be to approve the requests for the golf course and the downtown wireless projects, and to defer the request for funding the soccer complex projects until 2014.

Mr. Parton stated he also reviewed the economic development strategy for Kerrville, and he was satisfied that the recommendations he made to the City Council were in line with that strategy.

Mr. Parton also reviewed the “revolving loan program” that was suggested to the EIC for consideration for the FY2013 budget.

Mr. Parton reported that the Main Street Board was currently working on a design strategy for the downtown streetscape, and that they were working with Peter Lewis to get a concept of the budget and phases for that. The streetscape is not currently in the budget, but Mr. Parton stated that when the design committee’s recommendations were completed, the EIC, and ultimately the City Council, would determine the budget aspect of a streetscape project.

Upon request by the EIC, Mr. Parton agreed to make the recommendation to the City Council at their meeting August 28, 2012 to schedule a joint meeting with the EIC twice a year. The EIC also discussed the procedures they have in place regarding funding requests, and how they might streamline those procedures. The EIC discussed the streetscape project, and what it consisted of, and agreed that they needed more information about the project, and they directed staff to return next month with that information.

The board asked questions regarding the “revolving loan fund” that was listed on the proposed FY13 budget. Mr. Erwin and Mr. Parton answered the board’s questions. Mr.

Jonas Titas also commented on the fund, explaining what, in his experience, the purpose of such a fund was.

Mr. Early moved to approve the FY2013 budget. Mr. Howard seconded, and the motion passed 7-0.

5E. Update regarding Economic Development Grant Agreement between Nature Blinds, LLC and the City of Kerrville, Texas Economic Development Corporation. (Parton)

Mr. Parton reported that the funding agreement was to go before the City Council at their meeting on August 28, 2012. Mr. Early moved to approve the funding agreement with the changes that were discussed at the EIC meeting in July. Ms. Keeble seconded, and the motion passed 6-1 with Mr. Early, Ms. Keeble, Ms. Rickert, Mr. Cochrane, Mr. Wampler and Mr. Howard voting in favor and Mr. Boyland voting against the motion.

5F. Review of EIC Funding Agreements for Performance and Clawbacks. (Rickert)

The EIC agreed to defer this item to their next meeting on September 17, 2012. The board directed staff to forward the board members a list of all of the funding agreements from 1998 to present.

5G. Consider and approve EIC Investment Policy. (Erwin)

Mr. Erwin gave a report of the investment policy. There was much discussion by the EIC of the policy, with an agreement by the board members to change the language on page 7, paragraph f to 10 percent; to delete paragraph g on page 7; to correct the last paragraph on page 7 to j; and to change the language in paragraph j to entities within the state of Texas, rather than "any state." Mr. Boyland moved to approve the Investment Policy contingent upon the requested revisions. Mr. Early seconded the motion, and it passed 7-0.

5H. Discussion for direction to City staff regarding the Airport Commerce Park. (Parton)

Mr. Parton gave a report. He stated that all but two of the lots in phase 1 had been sold. Mr. Parton stated that in the original contract, there were triggers in place which, when surpassed, required the developer to proceed to the next phase of the project. Mr. Parton said he had been contacted by the broker representing the current owner of the property contacted, who stated the owners would like to revise the triggers for the next phase of the project, as they were within 1.8 acres of selling the amount of property that would trigger phase 2. Mr. Parton reviewed the triggers with the EIC. Mr. Parton suggested that the EIC direct the KEDC and City staff to evaluate the potential of the property, and then decide if they should contact the current owner and invite them to come make a presentation for their proposal for the revisions to the agreement to an EIC meeting. Mr. Parton stated that in the original contract, there was a repayment provision for \$100,000 to be paid back to the EIC. It was to be paid at \$2,000 per acre that was leased or sold from the original 75 acres. As of now, approximately \$30,000 had been collected. These funds were paid to the EIC. There was also a provision for repayment of \$1,000 per acre for sale of the 14 acres adjacent to the property, which was owned by one of the original sellers. Mr. Parton stated that the 14 acres that are outside the property had been foreclosed upon and resold; which negated the possibility of the repayment of the \$1,000 per acre. There was some discussion as to the EIC's right to the repayment, with Mr. Hayes stating that he did not believe there was any recourse for the EIC to obtain those funds, but that he had not completed his research into the matter.

The EIC asked Mr. Hayes to investigate whether or not they had any recourse against the previous owners that were foreclosed upon, to collect the \$1,000 per acre, as was stated in the original agreement. Mr. Parton will work with KEDC to determine the marketability of the property, and a zoning analysis of the property. The EIC also wanted Mr. Parton to determine the current owners of the 14 acres. Staff was directed to report back to the EIC at the September 17, 2012 meeting with the results of their research.

**6. INFORMATION AND DISCUSSION:**

6A. Update regarding Hill Country Shooting Sports Center (Burch)

No further report was made, as Mr. Burch spoke earlier in the meeting.

6B. Update regarding River Trail and Parks projects (Rickert)

Mr. Matthews reported that Package A is past the 50% mark, and they are proceeding on schedule. The City is proceeding with the metes and bounds for the other phases of this project.

6C. Update on Kerrville Economic Development Corporation. (Titas)

Mr. Titas gave a report on the KEDC.

6D. Update regarding "Go" Team activities (Wendele).

Ms. Wendele reported that the "Go" Team had not met since the last EIC meeting, and no applications had been submitted.

**7. EXECUTIVE SESSION:** There was no Executive Session

**8. ADJOURNMENT**

Mr. Boyland moved to adjourn, Mr. Howard seconded the motion, it passed 7-0; the meeting was adjourned at 7:10 p.m.

APPROVED: \_\_\_\_\_, 2012

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David Wampler, President

ATTEST:

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Cheryl Brown  
Recording Secretary