

AGENDA FOR REGULAR MEETING

CITY OF KERRVILLE, TEXAS

ECONOMIC IMPROVEMENT CORPORATION

MONDAY, FEBRUARY 18, 2019 AT 4:00 P.M.

KERRVILLE CITY HALL CITY COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

AGENDA FOR REGULAR MEETING OF THE
CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
MONDAY, FEBRUARY 18, 2019, 4:00 P.M.
KERRVILLE CITY HALL 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 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.

2. APPROVAL OF MINUTES:

2A. Approval of minutes for the regular EIC meeting held on January 14, 2019.

3. MONTHLY REPORTS:

3A. Monthly financials for January 2019.

3B. Projects update:

Tennis Center Improvements

Aquatics Feasibility Study

Legion Lift Station

EconoLodge/Hobby Lobby

Thompson/Spur 98 Infrastructure Extension

4. CONSIDERATION AND POSSIBLE ACTION:

4A. Application for Project Funding Request to the Kerrville Economic Improvement Corporation regarding Downtown Parking Garage/Streetscape.

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive service must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: February 15, 2019 at 1:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Cheryl Brown

Deputy City Secretary, City of Kerrville, Texas

5. 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:

5A. Deliberation regarding economic development negotiations in accordance with the Texas Open Meetings Act; discussion regarding commercial or financial information received from a business prospect(s), and/or to deliberate the offer of a financial or other incentive to a business prospect(s). (Section 551.087, TX Government Code)

7. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION

8. ITEMS FOR FUTURE AGENDAS

9. ANNOUNCEMENTS

10. ADJOURNMENT.

Agenda Item:

2A. Approval of minutes for the regular EIC meeting held on January 14, 2019.

CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING **JANUARY 14, 2019**

On Monday, January 14, 2019, the regular meeting of the members of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:01 p.m. by Kenneth Early, President, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas. Mr. Naman offered the invocation.

Members Present:

Kenneth Early, President
Maggie Megee
Gary Cooper
Robert Naman
Delayne Sigerman
Don Barnett

Members Absent:

Kent McKinney, Vice President

City Executive Staff Present:

Mark McDaniel, City Manager
E.A. Hoppe, Deputy City Manager
Mike Hayes, City Attorney
Sana Waller, Interim Deputy City Secretary
Amy Dozier, Finance Director

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

1. VISITORS/CITIZENS FORUM: None

2. APPROVAL OF MINUTES:

2A. Approval of minutes for the regular EIC meeting held on December 17, 2018.

Ms. Sigerman moved to approve the minutes. Mr. Cooper seconded the motion and the motion passed 6-0.

3. MONTHLY REPORTS:

3A. Monthly financials for November 2018.

Ms. Dozier reported that the EIC operating fund received sales tax revenue of \$295,154 for December 2018, which was a 17.1% increase compared to December 2017. December 2018 Sales tax included prepayment by a large retailer and a prior period payment from a utility. After adjusting for the one-time activity, sales tax is up 5.6% led by increases in food service, construction and retail.

Interest income for the month was \$7,318. EIC's money is invested entirely in TexPool, which is earning 2.59% as of January 9, 2019. The investment is completely liquid and can be used to fund projects at any time.

Expenditures for the month were \$277,682, which included a payment to KEDC for the first 2 quarters of the year, budgeted transfers for debt service and the administrative service fee plus a \$100,000 transfer to the Project Fund for the Administrative Set Aside (\$50,000), and remaining Tennis Center funding (\$50,000).

During December, the Project Fund received the \$100,000 transfer noted above.

3B. Projects update:

Mr. Hoppe made the following reports:

River Trail Extension to Schreiner University

This was approved by the City Council at their first meeting in January. We are moving forward with the Scope of the Design Engineering Services and anticipate having that on an upcoming Council agenda in the near term.

Reuse Distribution Lines

Basically complete and we are going back through and continuing the analysis of reworking the situation along the Guadalupe River crossing and continue to assess disaster recovery fund for both the removal of the aerial pipe bridge, as well as the long term fix for that.

We just completed the preliminary Texas Water Development Board application for that effort and are hopeful that it has been pre-approved so we are moving that process forward and we think we will have a very viable funding source for it to be completed. We are evaluating interim strategies to make sure we are covered during the spring into summer, the high demand period, to see what we need to do to meet our customer needs.

Tennis Center Improvements:

We have let that construction project and have a preconstruction meeting later this month and this project is moving forward.

Aquatics Feasibility Study:

We are reviewing the elements that the community has shown an interest in pursuing and putting some numbers to that. We have some preliminary estimates and are evaluating what all the community desires, what the City can afford, and see how that matches up.

Legion Lift Station:

The construction contract was let at the last City Council meeting, allowing us to move forward. The winning bid came in at \$5.5M making the total project at \$7.7M. The project was pre-funded with TWDB funding and EIC funding to be at about \$10M. The EIC funding will be "first in first out" in regards to construction process. Those will be the first dollars spent, then we will be re-evaluating that \$2.2 (approx.) remainder with our City Council on how they want to proceed with the TWDB funds to see if they want to take the \$5.7M "difference" or see if they want to look at reapplying with TWDB for some other applicable project that would be within that TWDB budget.

3C. Report from Kerr Economic Development Corporation (KEDC):

Mr. Gil Salinas gave an update of the meetings he has had over the past month most of which were in Austin. He also presented his schedule of upcoming meetings while answering some general questions from the Members.

4. APPOINTMENT OF EIC SECRETARY:

4A. Appoint Sana Waller as EIC Secretary.

Mr. Barnett moved to appoint Sana Waller as EIC Secretary. Ms. Megee seconded the motion and the motion passed 6-0.

5. INFORMATION AND DISCUSSION:

5A. Presentation of the City of Kerrville multi-year Community Improvement Plan as presented in the FY18-19 City of Kerrville Budget. Additional items related to general community capital improvements and other EIC-contemplated community investments may also be presented and discussed.

Mr. Hoppe gave a presentation of the Community Improvement Plan as pertains to the General Capital Projects Fund and Water Capital Projects Fund. He and Mr. McDaniel answered general questions from the Members as well as explaining how the plan would possibly be funded and achieved.

6. EXECUTIVE SESSION:

Mr. Cooper moved for EIC to go into executive closed session to discuss subject matter under Section 551.087 (deliberation regarding economic development negotiations) and 551-071 (consultation with attorney) of Chapter 551 of the Texas Government Code.

At 4:58 p.m. the regular meeting recessed. EIC went to executive closed session at 4:58 p.m. At 5:09 p.m., the executive closed session recessed and EIC returned to open session at 5:09 p.m. No action was taken at executive session.

6. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:

None

7. ITEMS FOR FUTURE AGENDAS:

Review of the 2019 calendar because of Monday holidays that could possibly interfere with EIC scheduled meetings.

8. ANNOUNCEMENTS:

None

9. ADJOURNMENT

Mr. Early adjourned the meeting at 5:12.

APPROVED: _____

Kenneth Early, President

ATTEST:

Sana Waller, Interim Deputy City Secretary

Agenda Item:

3A. Monthly financials for January 2019.



**TO BE CONSIDERED BY THE EIC BOARD
CITY OF KERRVILLE, TEXAS**

SUBJECT: EIC Monthly Financial Statements for the month ended January 31, 2019

AGENDA DATE OF: 2/18/2019

DATE SUBMITTED: 2/14/2019

SUBMITTED BY: Amy Dozier, CFO

EXHIBITS: Financial Reports
James Avery Quarterly Report
Fox Tank January 2019 Report

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
n/a	n/a	n/a	n/a

PAYMENT TO BE MADE TO: Click or tap here to enter text.

Kerrville 2050 Item?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
Key Priority Area	Choose an item.	
Guiding Principle	Choose an item.	
Action Item	N/A	

SUMMARY STATEMENT:

The EIC operating fund received sales tax revenue of \$271,314 in January 2019. This is a decrease of 0.8% compared to January 2018. December 2018 sales tax included a prepayment by a large retailer and a prior period payment from a utility. After adjusting for the one-time activity, sales tax is up 5.1% led by increases in manufacturing, food service, and retail.

Interest income for the month was \$7,948. EIC's money is invested entirely in TexPool, which is earning 2.58% as of February 14, 2019. The investment is completely liquid and can be used to fund projects at any time.

Expenditures for the month were \$232,682, which included budgeted transfers for debt service and the administrative service fee plus a \$125,000 transfer to the Project Fund for the Business Development Set Aside (\$125,000).

During January, the Project Fund received the \$125,000 transfer noted above.

Also attached, please find reports from James Avery and Fox Tank. James Avery's report for the quarter ended December 31, 2018 continues to show significantly higher than required employment numbers, keeping them in compliance with their EIC agreement. Fox Tank's January 2019 report shows the company to be in compliance with employment obligations for both number of employees and percent residing in Kerr County.

RECOMMENDED ACTION:

Information only; no action required.

**ECONOMIC IMPROVEMENT CORPORATION
OPERATING FUND
STATEMENT OF ACTIVITIES
FOR THE MONTH ENDED JANUARY 31, 2019**

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
BEGINNING CASH BALANCE	\$1,242,648		\$1,242,648		
REVENUES					
Sales and Use Tax	3,469,051	271,314	1,127,937	32.5%	(2,341,114)
Interest Income	45,000	7,948	31,583	70.2%	(13,417)
TOTAL REVENUES	3,514,051	279,263	1,159,521	33.0%	(2,354,530)
EXPENDITURES					
Administrative					
Office Supplies	500	-	-	0.0%	500
Administrative Services Fee	180,000	15,000	60,000	33.3%	120,000
Kerr Economic Development Corp	140,000	-	70,000	50.0%	70,000
Administrative Set Aside	50,000	-	50,000	100.0%	-
Total Administrative	370,500	15,000	180,000	48.6%	190,500
Category I - Business Development					
Business Development Set Aside	500,000	125,000	125,000	25.0%	375,000
HL Kerr Agreement	-	-	375,000		(375,000)
Total Category I	500,000	125,000	500,000	100.0%	-
Category II - Quality of Life					
Quality of Life Set Aside	250,000	-	-	0.0%	250,000
Tennis Center	-	-	250,000		(250,000)
Debt Service - Series 2011A (River Trail)	258,506	21,542	86,168.68	33.3%	172,337
Debt Service - Series 2012 (River Trail)	250,330	20,861	83,443.32	33.3%	166,887
Debt Service - Series 2015 (Sports Complex)	603,350	50,279	201,116.68	33.3%	402,233
Total Category II	1,362,186	92,682	620,729	45.6%	741,457
Category III - Public Infrastructure					
Workforce Housing Set Aside	250,000	-	-	0.0%	250,000
Legion Lift Station	1,000,000	-	1,000,000	100.0%	-
Total Category III	1,250,000	-	1,000,000	80.0%	250,000
TOTAL EXPENDITURES	3,482,686	232,682	2,300,729	66.1%	1,181,957
CHANGE IN NET POSITION	\$ 31,365	\$ 46,580	\$ (1,141,208)		
ENDING CASH BALANCE	\$ 1,274,013		\$102,330		

**ECONOMIC IMPROVEMENT CORPORATION
PROJECT FUND
STATEMENT OF ACTIVITIES
FOR THE MONTH ENDED JANUARY 31, 2019**

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
BEGINNING CASH BALANCE	\$2,850,000		\$2,850,000		
REVENUES					
Transfer In - EIC Operating Fund	2,050,000	125,000	1,800,000	87.8%	(250,000)
TOTAL REVENUES	2,050,000	125,000	1,800,000	87.8%	(250,000)
EXPENDITURES					
Project Contribution Legion Lift Station	1,000,000	-	1,000,000	100.0%	-
TOTAL EXPENDITURES	1,000,000	-	1,000,000	100.0%	-
CHANGE IN NET POSITION	<u>\$ 1,050,000</u>	<u>\$ 125,000</u>	<u>\$ 800,000</u>		
ENDING CASH BALANCE	\$ 3,900,000		\$3,650,000		

Sales Tax Revenue Analysis - FY2019

Month	Actual FY2017	Actual FY2018	Budget FY2019	Actual FY2019	FY2018 vs. FY2019	Budget vs. Actual
October	\$ 264,806	\$ 277,430	\$ 279,029	\$ 284,752	2.64%	2.05%
November	278,707	278,698	280,305	276,717	-0.71%	-1.28%
December	260,757	252,047	253,500	295,154	17.10%	16.43%
January	273,741	273,590	275,167	271,314	-0.83%	-1.40%
February	357,098	354,753	356,798			
March	248,560	242,127	243,523			
April	240,783	241,702	243,095			
May	308,696	324,560	326,431			
June	261,944	286,255	287,905			
July	282,792	306,165	307,930			
August	306,807	323,628	325,494			
September	275,901	288,215	289,876			
YTD Total	\$ 3,360,592	\$ 3,449,171	\$ 3,469,051	\$ 1,127,937	4.27%	3.67%

Cash Analysis

Cash and Investment Balances by Fund		
<u>Fund</u>	<u>Fund Name</u>	<u>Balance</u>
40	Sales Tax Improvement Fund (operating fund)	\$ 102,330
75	EIC Projects Fund	3,650,000
	Total Cash and Investments	\$ 3,752,330

Cash and Investments by Type - Placement - Amount		
<u>Type</u>	<u>Investment Placement</u>	<u>Amount</u>
Short Term Investment	EIC TexPool	\$ 3,752,330
	Total Cash and Investments	\$ 3,752,330

Project Fund Balance

Project Description	EIC Contribution	Funding Transferred to Project	Funding Transferred to EIC Project Fund
Set Aside:			
Business Development	\$ 275,000	\$ -	\$ 275,000
Workforce Housing	850,000	-	850,000
Administrative	50,000	-	50,000
Set Aside Total	1,175,000	-	1,175,000
Committed Projects:			
Tennis Center	1,750,000	1,500,000	250,000
Legion Lift Station	2,000,000	1,000,000	1,000,000
HL Kerr Agreement	375,000	-	375,000
Thompson Drive Partners	850,000	-	850,000
Committed Project Total	4,975,000	2,500,000	2,475,000
PROJECT FUND TOTAL	\$ 6,150,000	\$ 2,500,000	\$ 3,650,000



January 23, 2019

HAND DELIVERED WITH RECEIPT

MR. MARK MCDANIEL, CITY MANAGER
CITY OF KERRVILLE
701 MAIN STREET
KERRVILLE, TX 78028

Re: Reporting under the Economic Development Incentive Agreement ("Agreement") (Section 380)

Dear Mr. McDaniel:

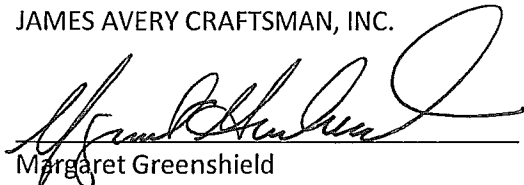
This letter and its enclosure is being filed with the City of Kerrville ("City") by James Avery Craftsman, Inc. ("James Avery") pursuant to Section 4.7 New Employment Positions in the above-referenced Agreement, which Agreement has an effective date of January 14, 2015 (its "Effective Date").

Section 4.7(a) of the Agreement requires that James Avery create, fill, and maintain New Full-Time Positions within the City, beginning January 14, 2015, and maintain the contractual Minimum Number Total New Full-Time Positions by the End of Subject Calendar Years (2017-2021). James Avery has created and filled or maintained New Full-Time Positions, as defined in the Agreement: (1) by more than the 2016 Minimum Number of 72; (2) by more than the 2017 Minimum Number of 62 and the 2017 Total Minimum Number of 134 (72 + 62), and (3) by more than the 2018 Minimum Number of 57 and the 2018 Total Minimum Number of 191 (72 + 62 + 57). James Avery has met this requirement, as shown on the attached Weekly Kerr County Employment Headcount report ("Report").

Section 4.7(a) of the Agreement also requires that James Avery report to the City on a quarterly basis the cumulative number of New Full-Time Positions in weekly increments. The attached Report constitutes James Avery's 4th Quarter report and confirms James Avery's compliance. See the last row on the Report which shows the cumulative number of Full-Time Positions within the City in weekly increments beginning with the first full work week in the 4th Quarter of 2018. To determine the number of New Full-Time Positions (since 1/14/15) to the beginning of a work week, subtract 388 from the Total Full-Time Positions on the Report for the beginning date of that week. The Report documents to the City the exact number of Full Time Positions that are new to James Avery's business locations within the City of Kerrville through December 29, 2018, which number of positions is greater than the 2018 Total Minimum Number of 191 [677 – 388 (1/14/15 headcount) = 289].

As required by the Agreement, James Avery will continue to provide the subsequent Reports quarterly; Additionally, James Avery will provide annual sworn statements confirming compliance with each payment request.

JAMES AVERY CRAFTSMAN, INC.



Margaret Greenshield
Chief Human Resources Officer

Enclosure: 2018 Weekly Kerr County Employment Headcount Report including the 4th Quarter Report

cc: Mike Hayes, City Attorney
City of Kerrville, Texas
701 Main Street
Kerrville, TX 78028

James Avery Craftsman, Inc.: Weekly Kerr County Employment Headcount 2018

[illegible][illegible][illegible][illegible]

Agenda Item:

3B. Projects update:

Tennis Center Improvements

Aquatics Feasibility Study

Legion Lift Station

EconoLodge/Hobby Lobby

Thompson/Spur 98 Infrastructure Extension

There is no agenda bill for this item.

Agenda Item:

4A. Application for Project Funding Request to the Kerrville Economic Improvement Corporation regarding Downtown Parking Garage/Streetscape.

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

SUBJECT: Application for Project Funding Request to the Kerrville Economic Improvement Corporation Regarding Downtown Parking Garage/Streetscape

AGENDA DATE: February 18, 2019 **DATE SUBMITTED:** February 15, 2019

SUBMITTED BY: E.A. Hoppe
Deputy City Manager

EXHIBITS: Project scope and construction design contract

	Unencumbered		
Expenditure	Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$350,000	\$717,132	\$765,100	
PAYMENT TO BE MADE TO: N/A			

SUMMARY STATEMENT

Several years ago the Kerrville Economic Improvement Corporation (EIC) funded a concept plan to enhance the Downtown Parking Garage with the help of local architectural firm, Peter Lewis Architect and Associates. In parallel, the EIC identified this item in their annual budget over a number of years and has been allocating project funds towards this quality of life and infrastructure enhancement to the downtown area. In total, the EIC has budgeted up to \$765,100 in Downtown Garage and Streetscape improvements. However, beyond the concept planning effort, no other expenditures have been made and no project funding agreement has been entered into with the City.

The City of Kerrville has recently completed an extensive program to address the deferred maintenance items of the Downtown Parking Garage, as well as greatly enhance the aesthetics of the interior of the facility. The facility is now ready for exterior improvement work to be accomplished, should the City Council and the EIC desire to move forward with all or some of the concept elements that have been developed. The project would entail aesthetic improvements as well as safety and lighting enhancements. The project is eligible for EIC (4B) funds under Local Government Code Sec. 505.152:

“Sec. 505.152. **PROJECTS RELATED TO RECREATIONAL OR COMMUNITY FACILITIES.** For purposes of this chapter, “project” includes land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for use for professional and amateur sports, including children’s sports, athletic, entertainment, tourist, convention, and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, parks and park facilities, open space improvements, museums, exhibition facilities, and related store, restaurant, concession, and automobile parking facilities, related area transportation facilities, and related roads, streets, and water and sewer facilities, and other related improvements that enhance any of the items described by this section.”

Mr. Lewis has provided a sample estimate on anticipated budget costs, as well as a scope of work for the completion of the design work and development of construction documents to complete the facility enhancements. The costs for design, engineering, construction, and contingency come to a total of \$350,000. If the EIC desires, a project funding agreement can be drafted and deliberated at a public hearing as early as March 18, 2019.

RECOMMENDED ACTION

Provide direction on creating a Project Funding Agreement and setting a Public Hearing.



PETER LEWIS

ARCHITECT + ASSOCIATES

Revised February 7, 2019

Mr. Kyle Burow, P.E.
Director of Engineering
City of Kerrville
200 Sidney Baker Street
Kerrville, TX 78028

RE: Professional Design Services Proposal
Parking Center Streetscape

Dear Kyle:

Thank you for the opportunity to be of service to the City of Kerrville!
At your request we have prepared this revised Proposal to provide the following services for the referenced Project.

I. Work Scope

Additions and alterations to Parking Center located at the corner of Sidney Baker and Water Streets as described in Items 1-8, Exhibit A, attached.

II. Scope of Basic Services

A. Meet with City of Kerrville Staff, as required.

B. Construction Document Services (CD)
Construction Drawings detailing all building systems and related site improvements; Technical Specifications, Interior Lighting Compliance and Exterior Lighting Compliance Certificates.

1. Architectural: Peter Lewis Architect + Associates, PLLC
2. Electrical Design: DW Electric.
3. Technical Specifications/Project Manual
4. Assist the City of Kerrville during Bid/Negotiation Phase
5. Statement of Probable Construction Cost

C. Bid Phase Services

1. Assist City of Kerrville in Soliciting and Evaluating Bids
2. Responding to Prospective Bidders questions and Issuing Addenda

D. Construction Contract Administration (CCA)

1. Office Construction Administration
2. Shop Drawing and Submittal Review
3. Periodic Site visits
4. Monthly Site meeting with Owner and Contractor
5. Review Applications for Payment and issue Certificates for Payment
6. Issue Certificate of Substantial Completion
7. Prepare As-built Drawings, based on Contractor's mark-ups

III. Fixed Fee Schedule Basic Services Detail

A. Construction Documents: Items II(A&B)	\$ 17,500.00
B. Bid Phase: Item II(C)	\$ 1,250.00
C. Construction Contract Administration: Item II(D)	\$ 5,650.00
Total Basic Services	\$ 24,400.00

PWL

IV. Reimbursable Expenses

Reimbursable expenses, except those listed below, will be billed at a multiple of 1.15 times cost (invoice).

This Professional Design Services Proposal generally describes the Services to be provided and their associated Fees. If we agree on both items, please indicate so by signing and returning one original of this letter for our files. In the meantime, if you have any questions or need additional information, please do not hesitate to call me.

Very truly yours,

A handwritten signature in blue ink, appearing to read "P. Lewis", with a large, stylized initial "P" and a long horizontal flourish extending to the right.

Peter W. Lewis, Architect
Principal

Accepted for City of Kerrville

Date

[illegible][illegible]