

AGENDA FOR REGULAR MEETING

CITY OF KERRVILLE, TEXAS

ECONOMIC IMPROVEMENT CORPORATION

MONDAY, APRIL 15, 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, APRIL 15, 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 March 18, 2019.

3. MONTHLY REPORTS:

3A. Monthly financials for March 2019. (staff)

3B. Projects update:

River Trail Extension to Schreiner University

Tennis Center Improvements

Aquatics Feasibility Study

Legion Lift Station

Reuse Distribution Lines

EconoLodge/Hobby Lobby

Thompson/Spur 98 Infrastructure Extension

3C. Monthly update from Kerr Economic Development Corporation. (KEDC)

4. PUBLIC HEARING AND POSSIBLE ACTION:

4A. Project Funding Agreement between the City of Kerrville, Texas Economic Improvement Corporation and the City of Kerrville, Texas for the construction project to extend Olympic Drive and wastewater services within the same area. (staff)

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

I hereby certify that this agenda was posted as notice of the meeting on the bulletin board at the City Hall of the City of Kerrville, Texas, and on the City's website on the following date and time: April 12, 2019 at 4:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Shelley McElhannon

Shelley McElhannon, City Secretary
City of Kerrville, Texas

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Designate June 16th regular EIC meeting as the annual meeting. (staff)

6. 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:

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 March 18, 2019.

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING** **MARCH 18, 2019**

On Monday, March 18, 2019, the regular meeting of the members of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by Kenneth Early, President, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas. Mr. Barnett offered the invocation.

Members Present:

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

Members Absent:

None

City Executive Staff Present:

Mark McDaniel, City Manager
E.A. Hoppe, Deputy City Manager
Mike Hayes, City Attorney
Amy Dozier, Finance Director
Cheryl Brown, Deputy City Secretary

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 February 18, 2018.

Mr. Barnett moved to approve the minutes. Ms. Sigerman seconded the motion and the motion passed 7-0.

3. MONTHLY REPORTS:

3A. Monthly financials for February 2018.

Ms. Dozier reported that the EIC operating fund received sales tax revenue of \$376,154 in February 2019, which was a 6.03% increase compared to February 2018. February sales tax was collected in December, and was traditionally the largest sales tax month of the year. Manufacturing, food Service and Construction sectors led the increase.

Interest income for the month was \$7,520. EIC's money is invested entirely in TexPool, which was earning 2.58% as of March 12, 2019. The investment is completely liquid and can be used to fund projects at any time.

Expenditures for the month were \$482,682, which included budgeted transfers for debt service and the administrative service fee plus a \$375,000 transfer to the Project Fund for the River Trail extension to Schreiner. The funding agreement for that project totaled 1.5 million, with \$750,000 to be paid in Fiscal Year 2019, and \$750,000 in Fiscal Year 2020. The FY 2019.

During February, the Project Fund received the \$375,000 transfer noted above, and transferred \$250,000 to the General Capital Projects Fund, per the amendment to the Tennis Center Funding Agreement dated December 11.2018.

3B. Projects update:

Mr. Hoppe made the following reports:

River Trail Extension to Schreiner University

Staff is working with the design engineer to evaluate routing options.

Tennis Center Improvements:

The contractor has begun work. Staff hopes for a late summer/early fall completion of this project, while attempting to minimize the disruption to tennis play at the facility.

Aquatics Feasibility Study:

A phasing plan is being evaluated for major improvements. The pool was drained to complete a forensic analysis of the pool shell and determine current condition.

Legion Lift Station:

The project is on track with contractor mobilization anticipated in March.

Reuse Distribution Lines

All Texas Water Development Board applications have been submitted for Disaster Recovery Funds. City staff also plans to submit additional applications for grants for the design/engineering and rebuilding of the lines.

EconoLodge/Hobby Lobby

Demolition is well underway. The goal of the developer is to turn the pad site over to Hobby Lobby by April 15, 2019. Hobby Lobby has targeted September 2019 to open the store if the site work can be completed by April 15th.

Thompson/Spur 98 Infrastructure Extension

Design engineering is nearing completion. Easements finalization is in process.

3C. Monthly updated from Kerr Economic Development Corporation (KEDC).

Walt Koenig gave a report for KEDC.

4. PUBLIC HEARING AND POSSIBLE ACTION:

4A. A Project Funding Agreement between the City of Kerrville, Texas Economic Improvement Corporation and the City of Kerrville, Texas for the Downtown Parking Garage/Streetscape project in the amount of \$350,000.00.

The public hearing was opened by Mr. Early at 4:21 p.m.

Mr. Hoppe presented the funding agreement.

The public hearing was closed by Mr. Early at 4:28 p.m.

Ms. Megee moved to approve the funding agreement as presented. Mr. McKinney seconded, and the motion passed 6-1, with Mr. Early, Ms. Sigerman, Mr. Cooper, Mr. McKinney, Ms. McGee, and Mr. Barnett voting in favor, and Mr. Naman voting against.

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Application for Project Funding Request to the Kerrville Economic Improvement Corporation regarding the design, engineering, and construction of an extension of Olympic Drive to Loop 534.

Mr. Hoppe presented this item. He stated at their last meeting, the City Council requested staff bring the request for a funding agreement for this project to the EIC. The total estimated cost for the whole project would be \$2,240,000, with a request for funding from the EIC of \$1,050,000.

Ms. Sigerman moved to direct staff to draft a project funding agreement, and bring it back before the EIC for a Public Hearing at their next meeting on April 15th. Mr. McKinney seconded, and the motion passed 7-0.

5B. Review of calendar for future EIC meetings and potential conflicts with observed National and/or City holidays.

Mr. Hoppe reviewed the federal and City holidays for the remainder of 2019, and for 2020, pursuant to the request of the EIC members at their February meeting.

6. EXECUTIVE SESSION:

Mr. Barnett moved for EIC to go into executive closed session to discuss subject matter under Section 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code. Mr. McKinney seconded, and the motion passed 7-0.

6A. 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) At 4:54 p.m. the regular meeting recessed. EIC went to executive closed session at 4:54 p.m. At 5:10 p.m., the executive closed session recessed and EIC returned to open session at 5:10 p.m. No action was taken at executive session.

7. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:

None

8. ITEMS FOR FUTURE AGENDAS:

None

9. ANNOUNCEMENTS:

None

10. ADJOURNMENT

Mr. Early adjourned the meeting at 5:11.

APPROVED: _____

Kenneth Early, President

ATTEST:

Cheryl Brown, Deputy City Secretary

Agenda Item:

3A. Monthly financials for March 2019.



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

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

AGENDA DATE OF: 4/15/2019

DATE SUBMITTED: 4/12/2019

SUBMITTED BY: Amy Dozier, CFO

EXHIBITS: Financial Reports

Expenditure Required: n/a	Current Balance in Account: n/a	Amount Budgeted: n/a	Account Number: n/a
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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 \$266,024 in March 2019. This is an increase of 9.9% compared to March 2018. March 2019 included some out of period adjustments. When those are removed, sales tax was still up 7.3% compared to the prior year, led by increases in our two largest sales tax categories, retail trade and food services.

Interest income for the month was \$8,920. EIC's money is invested entirely in TexPool, which is earning 2.58% as of April 10, 2019. The investment is completely liquid and can be used to fund projects at any time.

Expenditures for the month were \$142,682, which included budgeted transfers for debt service and the administrative service fee plus a \$35,000 quarterly payment to KEDC.

During March, the Project Fund transferred \$750,000 to the City's General Capital Projects Fund for the first payment on the River Trail extension to Schreiner University funding agreement. EIC paid HL Kerr \$375,000 after their demolition work was completed and inspected, per the funding agreement. Finally, EIC received a \$367,132 transfer from the City's General Capital Projects Fund representing the difference between the \$350,000 Downtown Streetscape funding agreement and amounts transferred in prior years to fund that project.

RECOMMENDED ACTION:

Information only; no action required.

**ECONOMIC IMPROVEMENT CORPORATION
OPERATING FUND
STATEMENT OF ACTIVITIES
FOR THE MONTH ENDED MARCH 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	266,024	1,770,116	51.0%	(1,698,935)
Interest Income	45,000	8,920	48,023	106.7%	3,023
TOTAL REVENUES	3,514,051	274,945	1,818,139	51.7%	(1,695,912)
EXPENDITURES					
Administrative					
Office Supplies	500	-	-	0.0%	500
Administrative Services Fee	180,000	15,000	90,000	50.0%	90,000
Kerr Economic Development Corp	140,000	35,000	105,000	75.0%	35,000
Administrative Set Aside	50,000	-	50,000	100.0%	-
Total Administrative	370,500	50,000	245,000	66.1%	125,500
Category I - Business Development					
Business Development Set Aside	500,000	-	125,000	25.0%	375,000
HL Kerr Agreement	-	-	375,000		(375,000)
Total Category I	500,000	-	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)
Schreiner University River Trail	-	-	375,000		(375,000)
Debt Service - Series 2011A (River Trail)	258,506	21,542	129,253	50.0%	129,253
Debt Service - Series 2012 (River Trail)	250,330	20,861	125,165	50.0%	125,165
Debt Service - Series 2015 (Sports Complex)	603,350	50,279	301,675	50.0%	301,675
Total Category II	1,362,186	92,682	1,181,093	86.7%	181,093
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	142,682	2,926,093	84.0%	556,593
CHANGE IN NET POSITION	\$ 31,365	\$ 132,262	\$ (1,107,954)		
ENDING CASH BALANCE	\$ 1,274,013			\$135,584	

**ECONOMIC IMPROVEMENT CORPORATION
PROJECT FUND
STATEMENT OF ACTIVITIES
FOR THE MONTH ENDED MARCH 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	-	2,175,000	106.1%	125,000
TOTAL REVENUES	2,050,000	-	2,175,000	106.1%	125,000
EXPENDITURES					
Project Contribution					
Legion Lift Station	1,000,000	-	1,000,000	100.0%	-
Tennis Center	-	-	250,000		(250,000)
Schreiner - River Trail	-	750,000	750,000		(750,000)
HL Kerr	-	375,000	375,000		(375,000)
Downtown Streetscape	-	(367,132)	(367,132)		367,132
TOTAL EXPENDITURES	1,000,000	757,868	2,007,868	200.8%	(1,007,868)
CHANGE IN NET POSITION	\$ 1,050,000	\$ (757,868)	\$ 167,132		
ENDING CASH BALANCE	\$ 3,900,000		\$3,017,132		

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	376,154	6.03%	5.42%
March	248,560	242,127	243,523	266,024	9.87%	9.24%
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	\$ 1,770,116	5.45%	4.84%

Cash Analysis

Cash and Investment Balances by Fund		
Fund	Fund Name	Balance
40	Sales Tax Improvement Fund (operating fund)	\$ 135,584
75	EIC Projects Fund	3,017,132
Total Cash and Investments		\$ 3,152,716

Cash and Investments by Type - Placement - Amount		
Type	Investment Placement	Amount
Short Term Investment	EIC TexPool	\$ 3,152,716
	Total Cash and Investments	\$ 3,152,716

Project Fund Balance

Project Description	EIC Contribution	Funding Transferred to Project	Funding Transferred to EIC Project Fund
Set Aside:			
Business Development	\$ 367,132	\$ -	\$ 367,132
Workforce Housing	750,000	-	750,000
Administrative	50,000	-	50,000
Set Aside Total	1,167,132	-	1,167,132
 Committed Projects:			
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
Schreiner River Trail	1,500,000	750,000	-
Downtown Streetscape	350,000	350,000	-
Committed Project Total	5,075,000	2,475,000	1,850,000
 PROJECT FUND TOTAL	\$ 6,242,132	\$ 2,475,000	\$ 3,017,132

Agenda Item:

3B. Projects update:

River Trail Extension to Schreiner University

Tennis Center Improvements

Aquatics Feasibility Study

Legion Lift Station

Reuse Distribution Lines

EconoLodge/Hobby Lobby

Thompson/Spur 98 Infrastructure Extension

There is no agenda bill for this item.

Agenda Item:

3C. Monthly update from Kerr Economic Development Corporation (KEDC).

There is no agenda bill for this item.

Agenda Item:

4A. Project Funding Agreement between the City of Kerrville, Texas Economic Improvement Corporation and the City of Kerrville, Texas for the construction project to extend Olympic Drive and wastewater services within the same area.

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

SUBJECT: Public Hearing for a Project Funding Agreement between the Kerrville, Texas Economic Improvement Corporation and the City of Kerrville, Texas, for the construction project to extend Olympic Drive and Wastewater services in the same area

AGENDA DATE: April 15, 2019

DATE SUBMITTED: April 12, 2019

SUBMITTED BY: E.A. Hoppe
Deputy City Manager

EXHIBITS: Project Funding Agreement

Unencumbered			
Expenditure Required:	Balance in Account:	Amount Budgeted:	Account Number:
\$1,050,000	\$0	\$0	N/A

PAYMENT TO BE MADE TO: N/A

SUMMARY STATEMENT

The roadway extension of Olympic Drive from its current alignment off of Singing Wind Dr. through existing, but not built, right-of-way (ROW) to Loop 534 was identified in the recently updated Master Thoroughfare Plan. This general area is identified within the Kerrville 2050 Comprehensive Plan as Strategic Catalyst Area #8 and has a mix of both residential and commercial place-types that were anticipated by the community.

Typically, new roads and infrastructure are built by the development community and then dedicated to the City for ongoing maintenance and operation. Recently, an approximate 35-acre property directly adjacent to the undeveloped Olympic Drive ROW was purchased by the Kerrville Independent School District (KISD) as the site for their new middle school. This middle school project was a part of the community-adopted 2018 KISD Bond Election, and has been designed to accommodate future growth in student enrollment and staff. KISD, as the property developer, is responsible for constructing their prorata share of the infrastructure required to serve their proposed new middle school development. However, KISD would not be required to solely build the entirety of the Olympic Drive extension, as there are other adjacent property owners to the Olympic Drive ROW.

Both Schreiner University as well as the City of Kerrville also own vacant property adjacent to this undeveloped ROW, and are actively marketing those properties for future development. As such, a full extension of the roadway might be beneficial to the community in the near term, as indicated in the Kerrville 2050 Comprehensive Planning process, to help accelerate business growth within that corridor and strategic catalyst area.

The project is eligible for Kerrville Economic Improvement Corporation (EIC) funding via Section 501.103 of the Local Government Code under the parameters of project expenditures such as streets & roads, water & sewer utilities, and related improvements that are found by the EIC board of directors to be required for infrastructure necessary to promote new or expanded business enterprises.

The consulting engineer's estimate of probable cost (EOPC) for this roadway construction effort is estimated to be approximately \$2 million, inclusive of a 25% contingency. As such, the City is currently in the process of negotiating a Development Agreement with KISD to pay for 50% of the roadway improvements across this extension corridor. KISD would be responsible for a higher percentage of the extension of sewer service in that area (~75 - 80%), as they will likely be a more primary user. The consulting engineer's estimate of probable cost for the sewer extension is approximately \$235,000. Under this arrangement, the City would enter into and manage the contracts necessary to complete the design/engineering work, as well as the eventual construction contracts.

The City desires to make application to the Kerrville Economic Improvement Corporation for a Project Funding Agreement for the remaining portion of funding needed for the design, engineering, and construction (with contingency) of the Olympic Drive street, sidewalk, and sewer extensions. Staff estimates that this portion of funding, above and beyond the KISD share, is approximately \$1,050,000.

On March 18th, 2019 the EIC voted unanimously for the staff to draft a Project Funding Agreement to be heard at a Public Hearing on April 15th, 2019.

RECOMMENDED ACTION

Conduct a Public Hearing and provide direction on the Project Funding Agreement.

D R A F T 4/12/19

PROJECT FUNDING AGREEMENT BETWEEN THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION AND THE CITY OF KERRVILLE, TEXAS, FOR THE CONSTRUCTION PROJECT TO EXTEND OLYMPIC DRIVE AND WASTEWATER SERVICES WITHIN THE SAME AREA

THIS PROJECT FUNDING AGREEMENT (the "Agreement") is entered into this _____ day of _____, 2019, by and between the City of Kerrville, Texas Economic Improvement Corporation ("Corporation"), a Type B Economic Development Corporation established pursuant to Chapters 501, 502, and 505 of the Texas Local Government Code, as amended (*i.e.*, the Development Corporation Act, hereafter referred to as "the Act"), acting by and through its President; and the City of Kerrville, Texas ("City"), a Texas home-rule municipality, acting by and through its City Manager. EIC and City are sometimes collectively referred to herein as "Parties" and individually as "Party".

WITNESSETH:

WHEREAS, pursuant to Chapter 505 of the Act, the EIC may undertake, or provide funding to City to undertake, projects which the EIC finds to be encompassed by the definition of "projects" as that word is defined in Chapters 501 and 505 of the Act; and

WHEREAS, EIC was formed to administer the sales and use tax approved by the citizens of Kerrville, Texas, in May 1995 and collected for projects as defined by the Act, including:

"Projects related to expenditures that are found by the EIC to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to *streets and roads*, water and *sewer utilities*, electric utilities, or gas utilities, *drainage*, site improvements, and related improvements", as described in Section 501.103 of the Act (emphasis supplied); and

WHEREAS, the Kerrville Independent School District ("KISD") plans to build a new middle school generally located on a 35-acre property across Loop 534 (Veterans Highway) from Tivy School; and

WHEREAS, as part of this development, and to meet the needs of accessibility and circulation within this area, Olympic Drive needs to be extended from where it currently dead-ends until it connects with Loop 534; and

WHEREAS, the City owns the right-of-way necessary to extend Olympic Drive in this manner; and

WHEREAS, in addition to the extension of Olympic Drive, a wastewater main must be extended as well to serve the new school; and

WHEREAS, as the developer, KISD is responsible for its proportional share of the costs for the extension of both Olympic Drive and the wastewater main, which in this instance, equates to approximately 50% of the cost of the roadway and 75-80% cost of the wastewater main; and

WHEREAS, the City and Schreiner University own large tracts of vacant property in this immediate area, and both entities are actively engaged in marketing such property for a variety of uses, to include private housing developments and commercial purposes; and

WHEREAS, City is currently in the process of overseeing the design and engineering for construction to extend both Olympic Drive and the wastewater line (the "Project", as further defined below); and

WHEREAS, the City believes that both the extension of Olympic Drive and the wastewater line will help the marketing of both the City's and Schreiner University's properties as described above as well as the surrounding area in ways that will promote or develop new or expanded business enterprises; and

WHEREAS, City staff, in consultation with design and engineering consultants, estimates that the total cost of the Olympic Drive extension, to include sidewalks and other amenities, is \$2,000,000.00, while the total cost of the wastewater extension is \$235,000.00; and

WHEREAS, City and KISD have agreed to work together to pay for this infrastructure and are in the process of finalizing a Development Agreement; and

WHEREAS, as part of this Development Agreement, KISD has tentatively agreed to pay for its 50% share of the costs of the Olympic Drive extension and depending on additional studies, between 75-80% of the cost of the wastewater extension; and

WHEREAS, based upon the costs and the proposed agreement with KISD, the City seeks grant funding from the EIC in the amount of \$1,050,000.00 over two fiscal years, for the City to use in bidding, awarding, managing, and constructing the Project; and

WHEREAS, the EIC finds that the Project as described generally above constitutes a "project" as defined by the Act; and

WHEREAS, finding that providing funds to contribute toward the development and construction of the Project is required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, EIC has determined that this Agreement complies with the Act and is in keeping with the mission of EIC and City of

Kerrville Economic Improvement Corporation 4B Sales Tax Funding Request Guidelines and Procedures; and

WHEREAS, the EIC finds that it will be in the public interest to enter into this Agreement with City to provide sales tax revenues collected pursuant to the Act ("4B Revenues") to City for a portion of its costs related to the Project; and

WHEREAS, on April 15, 2019, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, the EIC held a public hearing pursuant to Section 501.072 of the Act related to the proposed expenditure of 4B Revenues for the Project;

NOW THEREFORE, for and in consideration of the recitals set forth above and the promises made herein, City and EIC agree as follows:

1. **"Project" Defined:** When used in this Agreement, the phrase "Project" means the *Engineer's Opinion of Probable Costs*, which contains a project summary and cost itemization, as found at **Exhibit A** attached hereto and included herein for all purposes. City will manage the funding it receives from EIC and the bidding and construction of the Project. City shall not substantively alter the description of the Project in any respect without the prior approval of the EIC.
2. **Agreement to Fund Portion of Project:** The EIC agrees to provide City an amount up to and not to exceed \$1,050,000.00 in 4B Revenues to be used to fund a portion of the Project. City is authorized to make payments for the herein described purposes directly from funds allocated for in the General Capital Projects Fund. Payments to be made by EIC to City are subject to the EIC's appropriation of funds for such payments in the budget year for which they are paid. Any payment made by EIC to City must be made solely from the annual budgeting and appropriations of EIC.
3. **Eligible Costs:** Payments made by City from 4B Revenues as authorized by Section 3, above, are limited to the payment of "costs" as defined in the Act.
4. **Project Timeline:** The City estimates that construction activities for the Project will begin on or before October 2020.
5. **Severability:** The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court having competent jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.
6. **Amendment:** This Agreement may be amended only by written amendment signed by the Parties.

7. **Notices:** All notices given with respect to this Agreement must be in writing and will be deemed to have been properly given for all purposes (i) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

For EIC
President
City of Kerrville, Texas, Economic Improvement Corporation
City Hall, 701 Main Street
Kerrville, Texas 78028
Facsimile: (830) 792-3850

For City
City Manager, City of Kerrville
City Hall, 701 Main Street
Kerrville, Texas 78028
Facsimile: (830) 792-3850

8. **Applicable Law:** This Agreement is governed by and construed in accordance with the laws of the State of Texas. The Agreement is entered into and fully performable within Kerr County, Texas. Accordingly, venue for any cause of action arising pursuant to this Agreement is proper only in Kerr County, Texas.

9. **Interpretation:** Each Party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement will therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the Parties, at arm's length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any Party.

10. **No Joint Venture:** Nothing contained in this Agreement is intended by the Parties to create a partnership or joint venture between any or all of the Parties.

11. **Parties in Interest:** Nothing in this Agreement shall entitle any Party other than EIC or City to any claim, cause of action, remedy, or right of any term of this Agreement.

12. **Survival of Terms:** All rights, duties, liabilities, and obligations accrued prior to termination will survive termination.

13. **Entire Agreement:** This Agreement represents the entire agreement of the Parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in the year and as of the date indicated.

CITY OF KERRVILLE, TEXAS

CITY OF KERRVILLE, TEXAS ECONOMIC
IMPROVEMENT CORPORATION

By: _____
Mark McDaniel, City Manager

By: _____
Kenneth Early, President

ATTEST:

ATTEST:

Shelley McElhannon, City Secretary

Cheryl Brown, Secretary for the EIC

APPROVED AS TO FORM:

Michael C. Hayes, City Attorney



CIVIL ENGINEERING CONSULTANTS
DON DURDEN, INC.

Olympic Drive
Engineer's Opinion of Probable Costs

Item	Unit	Qty	Unit Cost	Extension
Mobilization	L.S.	10%		126,363
Insurance and Bond	L.S.	3%		37,909
Barricades and Traffic Control	L.S.	1	\$1,500.00	1,500
Prepare Right-of-Way	Ac.	5	\$3,000.00	14,400
Excavation	C.Y.	5050	\$12.00	60,600
Haul Off	C.Y.	4500	\$10.00	45,000
Prime / Tack Coats	Gallon	1000	\$4.00	4,000
6" Type "B" Hot Mix	S.Y.	9780	\$35.00	342,300
Subgrade Stabilization (6")	S.Y.	9780	\$2.50	24,450
Cement	Ton	110	\$250.00	27,500
Concrete Curb and Gutter	L.F.	5250	\$22.00	115,500
2" Type "D" Hot Mix Asphalt	S.Y.	8615	\$12.00	103,380
10' Concrete Sidewalk	S.Y.	1970	\$45.00	88,650
8' Concrete Sidewalk	S.Y.	230	\$50.00	11,500
5' Concrete Sidewalk	S.Y.	362	\$55.00	19,910
Reconstruct Park Driveway Approach	Each	2	\$6,000.00	12,000
Concrete Driveway Approach	S.Y.	120	\$75.00	9,000
Sidewalk Retaining Wall	F.F.	325	\$25.00	8,125
Curb Inlets	Each	2	\$6,000.00	12,000
Single Box Culvert	L.S.	1	\$120,000.00	120,000
Topsoil	C.Y.	1025	\$30.00	30,750
Sod	S.Y.	9333	\$4.00	37,332
Watering	L.S.	1	\$8,000.00	8,000
4" Thermoplastic Striping (New Roadway)	L.F.	5250	\$1.75	9,188
Turn Arrows (New Roadway)	Each	32	\$200.00	6,400
4" thermoplastic Striping (Existing Roadway)	L.F.	5400	\$1.75	9,450
Turn Arrow (Existing roadway)	Each	30	\$200.00	6,000
Pedestrain Crossing	Each	2	\$2,000.00	4,000
Signage	Each	10	\$150.00	1,500
Curb Ramps	Each	4	\$1,500.00	6,000
Adjust Water Valves	Each	8	\$250.00	2,000
Adjust Fire Hydrants	Each	8	\$2,000.00	16,000
Adjust Water Line at Culvert	L.S.	1	\$7,500.00	7,500
12" x 8" Tapping Sleeve and Valve	Each	2	\$2,500.00	5,000
8" DR 18 C900 PVC	L.F.	100	\$55.00	5,500
Fire Hydrant with valve and tee	Each	2	\$3,000.00	6,000
Street Lights	Each	12	\$2,000.00	24,000
Conduit Crossings	Each	2	\$2,000.00	4,000
Rock Excavation Extra Allowance	C.Y.	1600	\$22.00	35,200
SWPPP	L.S.	1	\$20,000.00	20,000
			Subtotal	1,427,907
Engineering/Construction Management	L.S.			142,791
Material Testing	L.S.			41,000
Contingency	%			392,674
			TOTAL	2,004,372



CIVIL ENGINEERING CONSULTANTS
DON DURDEN, INC

**Olympic Drive Sanitary Sewer
Engineer's Opinion of Probable Costs**

Item	Unit	Qty	Unit Cost	Extension
Mobilization	L.S.	11%		\$16,291
Insurance and Bond	L.S.	3%		\$4,443
Construct Manhole on Existing Line	Each	1	\$5,500.00	\$5,500
Sanitary Sewer Manhole	Each	4	\$4,750.00	\$19,000
Additional Depth to MH	V.F.	20	\$400.00	\$8,000
8" SDR 26 PVC (0-10' cut)	L.F.	2050	\$50.00	\$102,500
Trench Protection	L.F.	2050	\$2.00	\$4,100
8" Service at Manhole	Each	4	\$2,250.00	\$9,000
Subtotal				\$168,834
Engineering	L.S.			\$18,572
Contingency	%			\$46,851
Total				\$234,257

Agenda Item:

5A. Designate June 16th regular EIC meeting as the annual meeting.

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

SUBJECT: Designate June 16th regular EIC meeting as the annual meeting.

AGENDA DATE: April 15, 2019

DATE SUBMITTED: April 12, 2019

SUBMITTED BY: E.A. Hoppe
Deputy City Manager

EXHIBITS: None

Unencumbered			
Expenditure Required:	Balance in Account:	Amount Budgeted:	Account Number:
\$0	\$0	\$0	N/A

PAYMENT TO BE MADE TO: N/A

SUMMARY STATEMENT

Article II “Directors”, Section 2.04 of the City of Kerrville, Texas Economic Improvement Corporation Bylaws state as follows:

The annual meeting of the Board shall be held at the principal office of the Corporation on the first day of June of each year, if not a legal holiday, and if a Saturday, Sunday or legal holiday, then at the next secular day following, at ____ o'clock, ____ .m., or at such time and place as shall be fixed by the consent in writing of all of the directors. All other meetings may be held at the place selected by the Board within the boundaries of the City.

RECOMMENDED ACTION

Designate June 16, 2019 as the Annual Meeting for the City of Kerrville, Texas, Economic Improvement Corporation.