

AGENDA FOR REGULAR MEETING OF THE
CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
MONDAY, SEPTEMBER 16, 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 August 19, 2019.

3. MONTHLY REPORTS:

3A. Monthly financials for August 2019.

3B. Projects update:

River Trail Extension to Schreiner University

Aerial Pipe Bridge

Tennis Center Improvements

Aquatics Feasibility Study

Olympic Drive Infrastructure Extension

Downtown Streetscape/Parking Garage

Legion Lift Station

EconoLodge/Hobby Lobby

Thompson/Spur 98 Infrastructure Extension

3C. Monthly update from Kerr Economic Development Corporation.

4. CONSIDERATION AND POSSIBLE ACTION:

4A. Economic Development Grant Agreement between Kerr Economic Development Corporation (KEDC) and the City of Kerrville, Texas Economic Improvement Corporation.

4B. Presentation of an EIC funding request by the City of Kerrville, TX regarding improvements to the Kerrville/Kerr County Airport at Louis Schreiner Field.

4C. Presentation of an EIC funding request by 2J-PAGE Development, LLC regarding a workforce housing development located along Meadowview Rd.

4D. Resolution creating a subcommittee of the City of Kerrville, Texas Economic Improvement Corporation to review the Bylaws of the corporation and recommend any amendments.

4E. Review and discuss upcoming EIC regular meeting dates.

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):

- EIC funding request by the City of Kerrville, TX regarding improvements to the Kerrville/Kerr County Airport at Louis Schreiner Field.
- EIC funding request by 2J-PAGE Development, LLC regarding a workforce housing development located along Meadowview Rd.

6. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION

7. ITEMS FOR FUTURE AGENDAS

8. ANNOUNCEMENTS

9. ADJOURNMENT

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: September 13, 2019 at 12:00 p.m. _____ remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Kayla McInturff

Kayla McInturff, Deputy City Secretary, City of Kerrville, Texas

Agenda Item:

2A. Approval of minutes for the regular EIC meeting held on August 19, 2019.

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

AUGUST 19, 2019

On Monday, August 19, 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. Don Barnett offered the invocation.

Members Present:

Kenneth Early, President
Danny Almond
Don Barnett
Maggie Megee
Aaron Yates

Members Absent:

Kent McKinney, Vice President
Gregory Richards

City Executive Staff Present:

Mark McDaniel, City Manager
E.A. Hoppe, Deputy City Manager
Mike Hayes, City Attorney
Amy Dozier, Finance Director
Kayla McInturff, 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 July 15, 2019.

Mr. Barnett moved to approve the minutes. Maggie Megee seconded the motion and the motion passed 5-0.

3. MONTHLY REPORTS

3A. Monthly Financial Report.

Amy Dozier presented the monthly financial report.

3B. Projects update:

Mr. Hoppe made the following reports:

River Trail Extension to Schreiner University:

Project has been awarded with anticipated completion in early Summer 2020.

Tennis Center Improvements: There have been some rain weather delays. Staff hopes for an early spring/late winter (January/February) completion of this project.

Aquatics Feasibility Study: Reviewing operational costs related to proposed phasing plan.

Legion Lift Station:

Project is on track to be wrapped up by first quarter of 2020.

EconoLodge/Hobby Lobby

Significant progress is continuing to be made. Hobby Lobby has a targeted opening date of mid-October.

Thompson/Spur 98 Infrastructure Extension

Offsite water extension to the property is nearing completion. Wastewater extension is in progress.

Olympic Drive Extension:

Construction documents are being developed.

Downtown Streetscape:

Construction documents are being developed.

Reuse Distribution Lines:

Successful TWDB grant award of State Disaster Recovery Funds with intentions to put infrastructure on Loop 534 bridge.

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

4. CONSIDERATION AND POSSIBLE ACTION:

4A. Administrative Services Contract between City of Kerrville, Texas and City of Kerrville, Texas Economic Improvement Corporation.

Danny move to approve contract. Maggie Megee seconded the motion and the motion passed 5-0.

4B. Economic Development Grant Agreement between Kerr Economic Development Corporation (KEDC) and the City of Kerrville, Texas Economic Improvement Corporation.

Mr. Hoppe introduced the agreement and Gil Salinas presented update. Discussion was had.

Don Barnett motioned to amend the Economic Development Grant Agreement between KEDC and City of Kerrville, Texas EIC to a three year agreement with terms similar to what was used in previous years, with subsequent years of KEDC funding to be determined within the normal EIC budgeting process. Danny Almond seconded the motion and the motion passed 5-0.

4C. Resolution creating a subcommittee of the City of Kerrville, Texas Economic Improvement Corporation to review the Bylaws of the corporation and recommend any amendments.

Discussion was had. Committee requested to bring item back next month.

5. 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. Aaron Yates seconded, and the motion passed 5-0.

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)
At 4:53 p.m. the regular meeting recessed. EIC went to executive closed session at 4:53 p.m. At 5:25 p.m., the executive closed session recessed and EIC returned to open session at 5:25 p.m. No action was taken at executive session.

6. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:

None

7. ITEMS FOR FUTURE AGENDAS:

None

8. ANNOUNCEMENTS:

None

9. ADJOURNMENT

Mr. Early adjourned the meeting at 5:25 pm.

APPROVED:

Kenneth Early, President

ATTEST:

Kayla McInturff, Deputy City Secretary

Agenda Item:

3A. Monthly Financial Report.



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

SUBJECT: Monthly Financial Report

AGENDA DATE OF: 9/16/2019

DATE SUBMITTED: 9/13/2019

SUBMITTED BY: Amy Dozier, CFO

EXHIBITS: August 2019 Financial Reports

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

Sales tax revenue in August (representing June sales) totaled \$332,420, which is 2.7% higher than August 2018. The retail segment saw a slight decrease, but it was more than offset by increases in construction, food services and information (phone, internet, cable, software). We have already received September's sales tax and it is up over 9% from September 2018. EIC is projected to end the year approximately \$145,000 better than budget on sales tax.

On the expense side, EIC paid recurring monthly charges for administrative services and debt service in August.

Following this activity, EIC ended the month with a cash balance of \$3,870,418. Looking forward, EIC will make their first payment on the Olympic Drive project in September. Projected cash balances in FY2020 continue to look healthy, with a low balance of \$1.4 million currently projected in the 2nd quarter of FY2020.

EIC's funds are invested in TexPool, a completely liquid municipal pool account that is currently earning 2.29%.

RECOMMENDED ACTION:

Information only; no action required.

Economic Improvement Corporation
 Cash Flow Forecast
 August 31, 2019

| | FY2019 | | FY2020 Projected | | | | |
|-------------------------------|---------------------|----------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|
| | Aug 2019 | Sep 2019 estimate | Oct 2019 to Dec 2019 | Jan 2020 to Mar 2020 | Apr 2020 to Jun 2020 | Jul 2020 to Sep 2020 | |
| | | | | | | | |
| Beginning Cash Balance | \$ 3,638,344 | \$ 3,870,418 | \$ 3,919,937 | \$ 1,476,381 | \$ 1,427,900 | \$ 1,676,705 | |
| Revenue | 339,756 | 313,201 | 872,337 | 939,577 | 920,198 | 990,889 | |
| Expenditures | | | | | | | |
| Administrative Expense | | | | | | | |
| Administrative Fee | 15,000 | 15,000 | 46,750 | 46,250 | 46,250 | 46,250 | |
| KEDC | - | - | 62,500 | 62,500 | 62,500 | 62,500 | |
| Total Administrative Expense | 15,000 | 15,000 | 109,250 | 108,750 | 108,750 | 108,750 | |
| Debt Service | 92,682 | 92,682 | 279,309 | 279,309 | 279,309 | 279,310 | |
| Project Expense | | | | | | | |
| Legion Lift Station | - | - | 1,000,000 | - | - | - | |
| Thompson Drive Partners | - | - | 283,333 | - | 283,333 | - | |
| Schreiner River Trail | - | - | 750,000 | - | - | - | |
| Olympic Drive | - | 156,000 | 894,000 | - | - | - | |
| KFOR - Arcadia | - | - | - | 600,000 | - | - | |
| Total Project Expense | - | 156,000 | 2,927,333 | 600,000 | 283,333 | - | |
| Total Expenditures | 107,682 | 263,682 | 3,315,892 | 988,059 | 671,392 | 388,060 | |
| Ending Cash Balance | \$ 3,870,418 | \$ 3,919,937 | \$ 1,476,381 | \$ 1,427,900 | \$ 1,676,705 | \$ 2,279,534 | |

ECONOMIC IMPROVEMENT CORPORATION
STATEMENT OF ACTIVITIES
MONTH ENDED AUGUST 31, 2019

| | Annual Budget | Current Period | Y-T-D Actual | % of Budget | Budget Balance |
|---|-------------------|-------------------|---------------------|---------------|------------------|
| REVENUES | | | | | |
| Sales and Use Tax | \$ 3,469,051 | \$ 332,420 | \$ 3,306,746 | 95.3% | \$ (162,305) |
| Interest Income | 45,000 | 7,336 | 85,837 | 190.7% | 40,837 |
| TOTAL REVENUES | 3,514,051 | 339,756 | 3,392,584 | 96.5% | (121,467) |
| EXPENDITURES | | | | | |
| Administrative | | | | | |
| Office Supplies | 500 | - | - | 0.0% | 500 |
| Administrative Services Fee | 180,000 | 15,000 | 165,000 | 91.7% | 15,000 |
| Kerr Economic Development Corp | 140,000 | - | 140,000 | 100.0% | - |
| Total Administrative | 320,500 | 15,000 | 305,000 | 95.2% | 15,500 |
| Debt Service | | | | | |
| Debt Service - Series 2011A (River Trail) | 258,506 | 21,542 | 236,964 | 91.7% | 21,542 |
| Debt Service - Series 2012 (River Trail) | 250,330 | 20,861 | 229,469 | 91.7% | 20,861 |
| Debt Service - Series 2015 (KSC) | 603,350 | 50,279 | 553,071 | 91.7% | 50,279 |
| Total Debt Service | 1,112,186 | 92,682 | 1,019,504 | 91.7% | 92,682 |
| 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) |
| HL Kerr | - | - | 375,000 | | (375,000) |
| Thompson Drive Partners (The Landing) | - | - | 283,333 | | (283,333) |
| Downtown Streetscape | - | - | (367,132) | | 367,132 |
| Unknown Projects (Set Aside) | 800,000 | - | - | 0.0% | 800,000 |
| | 1,800,000 | - | 2,291,201 | 127.3% | (491,201) |
| TOTAL EXPENDITURES | 3,232,686 | 107,682 | 3,615,705 | 111.8% | (383,019) |
| CHANGE IN NET POSITION | \$ 281,365 | \$ 232,074 | \$ (223,121) | * | |

*This number shows an intentional drawdown of accumulated fund balance to fund projects in the current year.

| Project Analysis as of August 31, 2019 | | | |
|--|---------------------|---------------------|---------------------|
| Project Description | EIC Commitment | Disbursed Funding | Remaining Funding |
| Committed Projects: | | | |
| Legion Lift Station | \$ 2,000,000 | \$ 1,000,000 | \$ 1,000,000 |
| Thompson Drive Partners | 850,000 | 283,333 | 566,667 |
| Schreiner River Trail | 1,500,000 | 750,000 | 750,000 |
| Olympic Drive | 1,050,000 | - | 1,050,000 |
| KFOR - Arcadia | 600,000 | - | 600,000 |
| Committed Project Total | \$ 6,000,000 | \$ 2,033,333 | \$ 3,966,667 |

| Cash Analysis as of August 31, 2019 | | |
|-------------------------------------|-----------------------------------|---------------------|
| by Type - Placement - Amount | | |
| Type | Placement | Amount |
| Short Term Investment | EIC TexPool | \$ 3,870,418 |
| | Total Cash and Investments | \$ 3,870,418 |

| 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 | 284,581 | 17.74% | 17.07% |
| May | 308,696 | 324,560 | 326,431 | 299,073 | -7.85% | -8.38% |
| June | 261,944 | 286,255 | 287,905 | 304,930 | 6.52% | 5.91% |
| July | 282,792 | 306,165 | 307,930 | 315,626 | 3.09% | 2.50% |
| August | 306,807 | 323,628 | 325,494 | 332,420 | 2.72% | 2.13% |
| September | 275,901 | 288,215 | 289,876 | | | |
| YTD Total | \$3,360,592 | \$3,449,171 | \$3,469,051 | \$3,306,746 | 4.61% | 4.01% |

Agenda Item:

3B. Projects Update:

River Trail Extension to Schreiner University

Aerial Pipe Bridge

Tennis Center Improvements

Aquatics Feasibility Study

Olympic Drive Infrastructure Extension

Downtown Streetscape/Parking Garage

Legion Lift Station

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.

There is no agenda bill for this item.

Agenda Item:

4A. Economic Development Grant Agreement between Kerr Economic Development Corporation (KEDC) and the City of Kerrville, Texas Economic Improvement Corporation.

D R A F T 9/12/19

ECONOMIC DEVELOPMENT GRANT AGREEMENT BETWEEN KERR ECONOMIC DEVELOPMENT CORPORATION AND THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION

This Agreement entered into by and between **KERR ECONOMIC DEVELOPMENT CORPORATION** (“KEDC”), a Texas nonprofit corporation; and the **CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION** (“EIC”), 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 and hereafter referred to as “the Act”); each acting by and through their duly authorized officers. KEDC and EIC are sometimes collectively referred to herein as “Parties” and individually as “Party”.

WITNESSETH:

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 to enhance economic development and/or the quality of life within the Kerrville area; and

WHEREAS, pursuant to the Act, the EIC is authorized to provide funding for promotional expenses, such expenses which are used to advertise or publicize the City for the purpose of developing new and expanded business enterprises; and

WHEREAS, KEDC is a 501(c)6 private non-profit entity whose purpose is to support and promote the retention, expansion, and attraction of business entities in Kerr County in a manner that complements the efforts of its economic development partners and enhances the quality of life for residents of Kerrville and surrounding areas; and

WHEREAS, KEDC has applied for funding from EIC for marketing to expand and increase its efforts toward the promotion of economic development and for programming to facilitate retention and recruitment of businesses, workforce development, entrepreneur development, stakeholder communication, and development of policy and incentives in the Kerrville area; and

WHEREAS, EIC finds that the formation of KEDC was intended to promote and develop new or expanded business enterprises and to foster the creation or retention of “primary jobs,” as that term is defined by the Act; and

WHEREAS, Section 505.102 of the Act provides that a Type B corporation may contract with another private corporation to (1) carry out an industrial development program or objective; or (2) assist with the development or operation of an economic development program or objective consistent with the purposes and duties specified by the Act; and

WHEREAS, pursuant to Section 505.103 of the Act, EIC is limited to spending not more than 10 percent of its current annual revenues for promotional expenses in any given year; and

WHEREAS, EIC has determined that funding KEDC pursuant to this Agreement (“Grant”) 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* in that it will enhance business development and/or the “quality of life” within the community; and

WHEREAS, EIC finds that it will be in the public interest to enter into an agreement with KEDC to provide sales tax revenues collected pursuant to the Act (“4B Revenues”) to KEDC for costs related to marketing expenses for economic development; and

WHEREAS, on August 19, 2019, and September 16, 2019, in meetings that were open to the public in accordance with the Texas Open Meetings Act, EIC deliberated as to the proposed expenditure of 4B revenues for the purposes provided above;

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

ARTICLE I **EIC'S OBLIGATIONS**

- A.** Subject to terms found elsewhere in this Agreement, EIC hereby grants KEDC funding up to the following annual amounts during the term of this Agreement:
 - (1)** EIC shall pay KEDC \$250,000.00 for the first year of this Agreement. EIC shall divide this amount into equal quarterly payments (\$62,500.00), each of which it shall pay within ten (10) business days after the beginning of each calendar quarter.
 - (2)** KEDC, subject to subsection 1.C., is eligible to receive an amount up to \$250,000.00 for each of the remaining two years of this Agreement, each payment of which EIC shall likewise pay in equal quarterly payments and within ten (10) business days after the beginning of each calendar quarter.
- B.** EIC's payments to KEDC are solely intended for KEDC's costs directly related to: i) carrying out an industrial development program or objective as more specifically described in Section II., below; and ii) assisting with the development and operation of an economic development program or objective consistent with the purposes and duties specified by the Act. Such activities are collectively referred to herein as “Economic Development.”

C. Payments to be made by EIC to KEDC for the second and third year of this Agreement are subject to the following:

(1) EIC's appropriation of funds for such payments in the budget year for which they are paid. Any payment made by EIC to KEDC must be made solely from the annual budgeting and appropriations of EIC. In the event that EIC does not appropriate funds in any fiscal year for a payment(s) under this Agreement, EIC will not be liable to KEDC for any such or future payments and either the EIC or KEDC will have the right to terminate this Agreement, to be effective at the end of EIC's then existing fiscal year (September 30); and

(2) EIC's annual review, consideration, and approval of KEDC's fulfillment of its obligations, as specified within ARTICLE II.

D. In no event shall the total amount of the Grant from EIC to KEDC exceed Seven Hundred Fifty Thousand and 00/100 Dollars (\$750,000.00).

E. KEDC specifically agrees that EIC shall only be liable to KEDC for the actual amount of the Grant to be conveyed to KEDC and shall not be liable to KEDC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or costs of court for any act of default by EIC under the terms of this Agreement.

ARTICLE II. KEDC'S OBLIGATIONS

A. Pursuant to the purposes for which the Grant was awarded and in strict accordance with Section 505.102 of the Texas Local Government Code, KEDC shall use the Grant for only those costs directly resulting from its Economic Development. Toward this end, KEDC will conduct Economic Development pursuant to its adopted "mission", "objectives", and "target markets" as specified in its *2018-2022 Business Plan* (the "Business Plan") dated July 12, 2018 and attached hereto as **Exhibit A**. In addition, in fulfilling its obligations under this Agreement, KEDC shall comply with its *2-Year Roadmap and Economic Development Ecosystem* (the "Plan of Work") as presented to the EIC during its regularly scheduled meeting held July 15, 2019, and which is attached as **Exhibit B**, and associated performance metrics for FY 2019-2020 ("Metrics"), attached as **Exhibit C**. KEDC may not change the Business Plan or Plan of Work without providing prior written notice to EIC. However, where KEDC pursues funding for the year(s) beyond the first year of this Agreement, KEDC, as part of its notice to EIC that it is seeking such funding, shall submit an updated Business Plan, Plan of Work, and Metrics to EIC, each of which indicating any changes that it has made to said documents.

B. KEDC shall hire and employ sufficient professional personnel to perform its Economic Development obligations, including an Executive Director.

- C. KEDC shall maintain complete and accurate records relating to its costs and expenditures made for Economic Development as specified in KEDC's 2019-2020 budget as approved by its Board of Directors and attached as **Exhibit D**. KEDC shall update its budget annually for each remaining year of this Agreement and provide copies to EIC following approval of each budget by its Board of Directors. KEDC shall maintain such records separate and identifiable from its other records and for three (3) years following the termination of this Agreement. EIC and its representatives shall be entitled to inspect the records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice.
- D. KEDC, either through its Executive Director or another KEDC representative (collectively referred to herein as "Executive Director"), shall appear at each regular meeting of the EIC and make a presentation regarding its Economic Development pursuant to a regularly posted agenda item. Additionally, the Executive Director shall attend the "GO TEAM" meetings as scheduled by the City of Kerrville for the vetting of projects and applications for 4B Revenues.
- E. KEDC shall only be liable to EIC for the actual amount of the Grant to be conveyed to KEDC and shall not be liable to EIC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by KEDC under the terms of this Agreement.

ARTICLE III. KEDC'S REPRESENTATIONS AND WARRANTIES

- A. KEDC represents and warrants as of the date hereof:
 - (1) KEDC is a Texas 501(c)6 private non-profit corporation existing in good standing and authorized to do business in the State of Texas;
 - (2) Execution of this Agreement has been duly authorized by KEDC and this Agreement is not in contravention of KEDC's corporate charter, or any agreement or instrument to which KEDC is a party or by which it may be bound as of the date hereof;
 - (3) No litigation or governmental proceeding is pending, or, to the knowledge of the Executive Director, threatened against or affecting KEDC, which may result in a material adverse change in KEDC's business, properties or operations sufficient to jeopardize KEDC's legal existence; and
 - (4) No written application, written statement or correspondence delivered by KEDC to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of the

Executive Director, contains any untrue statement of a material fact or fails to state any material fact necessary to keep the statements contained therein from being misleading.

B. Except as expressly set forth in this Article III, KEDC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

ARTICLE IV. EIC'S REPRESENTATIONS AND WARRANTIES

A. EIC represents and warrants as of the date hereof:

- (1) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the statute under which it is governed and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;
- (2) Execution of this Agreement has been duly authorized by EIC;
- (3) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and
- (4) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.

B. Except as expressly set forth in this Article IV, EIC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

ARTICLE V. MAJOR FORCES PREVENTING KEDC FROM CARRYING OUT ITS OBLIGATIONS UNDER THIS AGREEMENT

If, by reason of force majeure, such as fire, flood, windstorm, drought, or other act of God, act of war, act of terrorism, labor strike, or economic downturn affecting KEDC, KEDC is reasonably unable to fulfill its obligations under this Agreement, KEDC shall use reasonable and diligent efforts to rectify the situation to allow it to perform its obligations specified herein with all due haste. In the event that the situation cannot be rectified within six (6) months after the occurrence of the force majeure, either party may terminate this Agreement by providing thirty (30) days advance written notice to the other without further liability hereunder. To the extent that KEDC has not expended funds from the Grant, KEDC shall immediately, but in

any event within ten (10) days, return such funding to the EIC and to other funding stakeholders on a pro-rata basis.

ARTICLE VI.
CONDITIONS UNDER WHICH EIC MAY SUSPEND PERFORMANCE
OF ITS OBLIGATIONS UNDER THIS AGREEMENT

Under any of the following conditions EIC may, at its option, after fifteen (15) days written notice to KEDC, suspend its further performance under this Agreement until such time as KEDC shall have cured the condition(s) and so notified EIC, in writing, that the condition(s) have been cured:

- A.** The KEDC becomes insolvent. "Insolvent" is defined to mean one either has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, or is insolvent within the meaning of the federal bankruptcy law.
- B.** The appointment of a receiver of KEDC, or of all or any substantial part of its property, and the failure of such receiver to be discharged within sixty (60) days thereafter.
- C.** The adjudication of KEDC as bankrupt.
- D.** The filing by KEDC of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.
- E.** KEDC ceases to exist as a legal organization under state law.

Should any of these conditions not be cured by KEDC within a period of three (3) months EIC may, at its option, with written notice to KEDC, terminate this Agreement and KEDC shall have no further obligations hereunder.

ARTICLE VII.
REMEDIES

- A.** Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement, by any party hereto, or any successor to such party, such defaulting or breaching party (or successor) shall upon written notice from the other, proceed immediately to cure or remedy such default or breach, and, in any event, within sixty (60) days after receipt of such notice. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time (but in no event later than ninety (90) days from the date of notification of such breach), the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach,

including but not limited to, seeking specific performance and/or injunctive relief, enforcement by mandamus or by the appointment of a receiver in equity with power to charge and collect rents, purchase price payments, and loan payments and to apply the revenues from the project in accordance with this Agreement, as required by the Act.

- B.** Upon breach of this Agreement by either party and the failure to cure as permitted by this Article VII, the non-breaching party shall have the sole right and discretion to either terminate this Agreement or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that no party hereunder shall be entitled to recover any amounts in excess of the Grant contracted for under this Agreement and that no party hereunder shall be liable to the other party for any other actual or consequential damages for any act of default by such party under the terms of this Agreement.
- C.** Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not, so long as the breach or default by another party shall be continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor shall any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

ARTICLE VIII. **GENERAL PROVISIONS**

- A.** 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 shall 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.
- B.** Amendment. This Agreement may be amended only by written amendment signed by both parties.
- C.** Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement shall be made or performed in Kerrville, Kerr County, Texas. Venue shall lie in Kerr County, Texas; and this Agreement shall be governed by and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof.
- D.** Notices. All notices given with respect to this Agreement shall be in writing and shall 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:

1. EIC

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

With a copy to:

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

2. KEDC Executive Director

1700 Sidney Baker Suite 100
Kerrville, Texas 78028
Phone: (830) 896-1175

E. Assignment. This Agreement shall be binding upon the parties hereto and their successors and assigns. This Agreement may not be assigned by either party without the specific prior written consent of the other, which consent will not be unreasonably withheld. In the event that a party consents to any valid assignment of this Agreement by the other party hereto, the assigning party shall be relieved of any and all obligations and liabilities on the part of such assigning party under this Agreement. KEDC may, without written consent of EIC, assign this Agreement to any entity controlled and 100 percent owned by KEDC or by the parent, subsidiary or affiliate of KEDC provided the entity assumes all of KEDC's obligations and liabilities under this Agreement; agrees to comply with all provisions of this Agreement; has the legal, managerial, technical and financial ability to properly perform and discharge such obligations and liabilities; and such abilities are each at least as great as those of KEDC and KEDC provides a written guarantee of such assignee's performance in a form reasonably acceptable to EIC. EIC shall be advised in writing of such assignment and of the entity's qualifications at least sixty (60) days before such assignment occurs.

F. Parties In Interest. Nothing in this Agreement shall entitle any party other than KEDC or EIC to any claim, cause of action, remedy or right of any kind except as expressly provided in Article VII.

G. Term. The term of this Agreement (the “Term”) shall commence on October 1, 2019 (the “Effective Date”), and shall terminate on the earlier of: (i) September 30, 2022; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Article VII; (iv) at KEDC’s sole and absolute discretion but only upon and subject to KEDC’s return of all Grant funding to EIC that it has received under this Agreement; or, (v) upon KEDC’s repayment of all monies that are demanded by EIC. Upon termination of this Agreement as specified herein, all rights, duties and obligations of any kind under this Agreement shall automatically expire and terminate and be of no other force and effect.

H. Interpretation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arms length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.

I. Indemnity. **IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES THAT KEDC, IN PERFORMING ITS OBLIGATIONS HEREUNDER, IS ACTING INDEPENDENTLY, AND EIC ASSUMES NO RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH TO KEDC. KEDC AGREES TO INDEMNIFY AND HOLD HARMLESS EIC, ITS OFFICERS AND AGENTS, AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS THAT MAY ARISE OUT OF OR BE OCCASIONED BY KEDC’S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR BY ANY NEGLIGENT ACT OR OMISSION OF KEDC, ITS OFFICER, AGENTS, ASSOCIATES OR EMPLOYEES, IN THE PERFORMANCE OF THIS AGREEMENT; AND NOTHING HEREIN SHALL BE CONSTRUED AS A WAIVER OF ANY GOVERNMENTAL IMMUNITY AVAILABLE TO EIC UNDER TEXAS LAW.**

J. No Joint Venture. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties.

K. Survival of Terms. All rights, duties, liabilities and obligations accrued prior to termination shall survive termination.

L. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof.

EXECUTED AND EFFECTIVE, as of the date indicated above, by the City of Kerrville, Texas, Economic Improvement Corporation, by and through its Board President, duly authorized to execute same by action of the Board, and by Kerrville Economic Development Corporation, acting through its Executive Director.

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

Kenneth Early, President

**KERRVILLE ECONOMIC
DEVELOPMENT CORPORATION**

Walt Koenig, Executive Director

ATTEST:

Kayla McInturff, Secretary to the Corporation

APPROVED AS TO FORM:

Michael C. Hayes, Attorney for the EIC

Exhibit A



2018-2022 Business Plan

July 12, 2018

EXECUTIVE SUMMARY

VISION

The Kerr Economic Development Corporation (KEDC) is a 501(c)(6) non-profit public-private regional economic development organization committed to creating a more prosperous and diverse regional economy. To better serve the region, KEDC proposes to form a Partnership with the Kerrville Chamber of Commerce. As a result, the Partnership, will combine the Chamber's business-to-business network of 1,000 members and access to local resources with the KEDC's technical expertise and connection to regional resources to provide optimum economic development services throughout Kerr County.

Moreover, the newly formed Partnership will seek to eliminate administrative redundancies, reduce operating expenses as well as create a unified vision and voice for penetration into new business markets through enhanced communication efforts, a broad regional business network that will improve KEDC's business retention and recruitment efforts.

MISSION

It is KEDC's mission to adopt a more comprehensive approach to economic development and to aggressively attract, start-grow and retain higher wage industries, talent and jobs. KEDC and Chamber of Commerce will also collaborate with the Convention & Visitors Bureau's regional marketing platform to promote Kerr County and its communities as a primary location for economic investment and business expansion.

KEDC will continue to serve as the area's lead regional economic development organization to recruit and encourage new and expanded business development and a talented business employment pool. Leadership for both organizations will be unified, and the current President and CEO of the Kerrville Area Chamber of Commerce will also serve as the Executive Director of the Kerr Economic Development Corporation.

More specifically, the Partnership will:

- Help existing companies with their expansion needs when requested by the locality or the company.
- Identify and target regional and national companies for recruitment to Kerr County.
- Aggressively market the competitive advantages of Kerr County.
- Develop and promote a region inclusive of and bolstered by its individual community brands.
- Focus on achieving regional success that is broad-based and inclusive of each partner in the community.
- Organize, grow and strengthen higher wage industry across the region.
- Maintain a regional economic development information, research and resource center.
- Promote entrepreneurship and support startup businesses.
- Identify and support regional efforts that lead to a broad and diversified economic base.

Formation of the Partnership will benefit both organizations by:

- Creating a unified vision and voice.
- Delivering additional value to Chamber members through Economic Development technical support.
- Providing KEDC access to the Chamber's relationships and network of members to enhance Business Retention and Expansion activities.
- Enhancing marketing efforts to improve business retention and recruitment efforts.
- Providing a more comprehensive approach to economic development to aggressively attract, grow and retain higher wage industries, talent, and jobs.
- Streamlining resources and eliminating administrative redundancies.
- Improving regional competitiveness through greater awareness of available real estate, financial incentives, workforce and quality of life.
- Strengthen the Chamber's Core Mission to bring together a wide range of business that can share information on competitiveness.
- Creating a "One-Stop Shop" for existing and prospective businesses
- Providing additional professional development for staff.

STRATEGY

It is the KEDC's belief that economic development should increase opportunities for today's businesses, while expanding the possibilities for younger people in Kerr County to stay in the region and obtain nationally competitive jobs.

Therefore, KEDC will aggressively pursue a higher wage job creation strategy that will be developed through a broad-based and inclusive planning effort during 2018. A Five-Year Higher Wage Job Creation Strategy plan will be developed based on industry research and higher wage job creation models focusing on the region's current and emerging advanced industrial sectors. The plan will drive the creation of higher wage jobs in the region overall through new-to-market business recruitment.

STRATEGIC APPROACH & PRIORITIES

The four areas of primary focus for developing a Higher Wage Job Creation Strategy were first developed through a series of strategic planning sessions that were facilitated by Avalanche Consulting of Austin, Texas on December 12, 2017 and January 29, 2018.

1. Business Retention and Expansion (BR&E)
2. Strategic Development Leveraging Existing Community Infrastructure
3. Talent Development
4. Business Recruitment

Revenue to support Kerr County's economic development efforts comes from funding provided by the City and County government and local utility partners. Future funding models will be reviewed as part of the 2018 planning process.

KEDC will continue to focus on the growth of "Primary Jobs" through the use of various tools authorized by Stakeholders and other entities. "Primary Employer" means a business that provides or manufactures goods, services, supplies and/or inventory that are sold predominantly (more than

50%) to customers that permanently reside outside of the immediate region (more than 30 travel miles from the intersection of State Highway 16 and State Highway 27). Primary Job means a job or position employed by a Primary Employer.

Examples of Primary Employers are:

- A manufacturer that produces a good its sales can be predominantly attributed to customers who reside outside of the immediate region.
- A company that provides a service and its sales can be predominantly attributed to customers who reside outside of the immediate region.
- An educational or training institution of higher education that has a student body who predominantly resides outside of the immediate region on a permanent basis.

1. BUSINESS RETENTION AND EXPANSION

KEDC will successfully develop and maintain a proactive direct outreach and prospecting program focused on generating quality leads that can be nurtured and converted into job creation, and job diversification opportunities for the region.

Accelerating regional business and industry expansion is a key component of KEDC's primary business attraction strategy. Maintaining and growing employment, payroll, capital investment and corporate partners foster stability in the regional economy. Therefore, KEDC will continue to address primary industry needs through engagement in cluster development, expansion of financial incentives, technical support and real estate assistance.

Since fierce global competition forces many companies to continually evaluate the best location for their business, KEDC will work in close alignment with its public-sector partners to conduct outreach to target sector firms and encourage/support economic growth and expansion projects. Outreach visits to these sectors will provide valuable insight on business drivers, workforce challenges, and regional competitiveness.

In support of the direct outreach and prospecting program, KEDC offers a full range of services to assist companies as they evaluate Kerr County as a premier and high-quality location in which to locate and grow their companies. Business development activities and strategies will be focused on targeted industries through organized marketing for both inbound and outbound promotion.

Action Items

- Plan and execute a targeted program of regional and national business development.
- Outreach missions targeting select high-impact companies in select markets.
- Plan and execute focused outreach to site selectors, consultants and advisors in key markets.
- Leverage resources by engaging and coordinating business development efforts within Kerr County.
- Support and participate in Governor's Small Business Forum.
- Plan a biennial event to bring Texas site selectors to Kerr County as part of familiarity tour.
- Participate in or sponsor booths at selected targeted industry trade shows/conferences.
- Support the region's communities as needed by hosting select business delegations.

2. STRATEGIC DEVELOPMENT OF INFRASTRUCTURE

Infrastructure is not the end result of economic activity; rather it is the framework that makes economic activity possible.

Action Items

- Continue to develop the Location One Information System (LOIS) property inventory to track changes in commercial and industrial property inventory.
- Create an Industrial Park Plan specific to development of the Hwy 27 corridor.
- Site selectors most often consider hard infrastructure assets when representing clients. Therefore, marketing materials will include information on: 1) number and quality of roadways; 2) airport capacity; 3) availability of electrical, natural gas, water and sewer.
- Work with private property owners to market shovel-ready property.

3. TALENT DEVELOPMENT

Education has been identified as an important determinant of economic growth. Higher levels of educational attainment lead to a more skilled and productive workforce, providing a higher standard of goods and services, which in turn forms the basis for faster economic growth and rising living standards.

Action Items

- Establish a local chapter of the SCORE Association or similar business mentoring program. SCORE is a nonprofit association dedicated to helping small businesses get off the ground, grow and achieve their goals through education and mentorship. SCORE is supported by the U.S. Small Business Administration and volunteers; SCORE delivers services at little or no cost. Kerr County has a significant number of retired Executives that could be used more effectively as mentors, advisors and investors.
- Create strong innovation ecosystems, particularly through initiatives like cluster organizations, business accelerators, and innovation districts.
- Update the Avalanche Consulting Labor Shed Analysis to identify Kerr County's strengths that can be promoted through local training and educational institutions.
- Work with Alamo Colleges, the University of Texas at San Antonio, Workforce Solutions and others to increase regional workforce initiatives in the construction trades that could eventually encourage the development of affordable housing.
- Build solid bridges between the world of work and training programs in order to match skills provision to the needs of local business.
- Create sustained dialogue between employers and trainers, by providing labor market and employment services information as steps to an early identification of skills needs.
- Develop relationships between employers and educators by centralizing data on job placement and workforce trends.
- Develop common definitions of credentials and streamlining the process for employers to implement apprenticeship and cooperative education programs.

4. BUSINESS RECRUITMENT

Although revitalizing a community is less about what you can attract from outside and more about what you can grow yourself, some effort should be made to recruit new business to Kerr County.

Action Items

- Work with Kerr County's more prominent companies to identify suppliers and vendors that may be interested in moving to the area.
- Direct market to companies and site selectors within Kerr County's target industries for relocation to the area.
- Create a local environment/culture for early-stage business through 1) micro-loans, business incubators, business accelerators to cultivate a niche market.
- Work with Mooney International to approach airplane partners about relocation opportunities.
- Work with Mooney International to establish sources of Aviation Engineering for future R&D expansion.

PRIORITY AREAS

In support of a creating a Higher Wage Job Creation Strategy, the KEDC will concentrate time, energy and financial resources in five priority areas.

1. COMPETITIVENESS IMPROVEMENT

- **Regional Business Identity and Brand:** Launch a collaborative community-based effort supported by the CVB, to strengthen, merchandise and promote the region's business identity with a focus on Kerr County and the City of Kerrville as business-friendly and a good place for business.
- **Higher Wage Industry Growth:** Support and assist in efforts to organize, develop and accelerate growth and the competitive position of the region's current and emerging higher wage industry sectors.
- **Competitive Product Strategy:** Partner with (Alamo Colleges, Schreiner University, UTSA, KISD, Workforce Solutions and others) to improve the region's competitive position in the areas of workforce and talent recruitment.

2. MARKETING AND PROMOTION

- **Middle-Market Recruitment:** Focus business outreach efforts on attraction and recruitment of small to mid-sized businesses, within Austin and San Antonio MSA, identified within the target industry sectors that can broaden the local employment base while allowing the local infrastructure to develop.

3. BUSINESS DEVELOPMENT AND PROMOTION

- **Site Locators, Consultants and Advisors:** Elevate awareness of the opportunities in Kerr County through proactive outreach to site locators, consultants and industry advisors.

4. BUSINESS NETWORKING

- **Economic Forum:** Work with City and County leaders to organize and launch an Economic Forum to create a peer region benchmarking program with Fredericksburg and Boerne to inform/educate regional leadership about common issues/concerns such as workforce, affordable housing and education/skills development.
- **Enhanced Company/Industry Research Platform:** Collaborate with UTSA, Alamo Colleges, Texas A&M Real Estate Center and Schreiner University to strengthen research capability and data collection in target sectors.

5. INVESTOR RELATIONS AND ENGAGEMENT

- **Investor Relations and Engagement:** Bring together a cross section of business community members to review, analyze and understand investor opportunities, frame new investment tiers and support opportunities.

PROGRAM MEASUREMENT AND EVALUATION

KEDC is a strong proponent of the belief that “what gets measured gets done”. Measurement can be a powerful catalyzing force to engender a more inclusive overall economy. Therefore, the KEDC’s approach to program evaluation includes three types of assessment.

1. **Monitor Progress:** Success in carrying out program activities on schedule and within budget.
2. **Evaluate Effectiveness:** Determine whether efforts achieve prescribed objectives.
3. **Measure Impact:** Assess positive changes in the overall environment that relate to program actions.

Within this context, the KEDC will develop a system of performance assessments that evaluates both historical performance and functions as a management tool to drive future actions and results. With a clear understanding of what performance areas should be measured, KEDC can also develop a best practice approach to setting specific performance targets and goals.

TOP-LEVEL METRICS AND PERFORMANCE INDICATORS

The following chart illustrates potential top-level Key Performance Indicators (KPIs) that have been identified to measure future performance. Specific threshold and target goals will be determined as performance is measured and monitored in the future.

| Annual Metric or Performance Measure | Threshold Goals | Target Goals |
|--|-----------------|--------------|
| Projects Completed | | |
| Jobs Announced | | |
| Payroll Announced | | |
| Capital Investment Announced | | |
| Absorption of Commercial/Industrial Space (S.F.) | | |
| Average Wage | | |
| Lead Generation | | |
| Project Generation | | |
| Prospects Hosted | | |
| Return on Investment | | |
| Utilization of 4B Funding | | |

Action Items

- Design and implement a Quarterly Project Activity Report (Exhibit D) covering regional progress and organizational performance.
- Conduct specialized research, reports as required to highlight Kerr County's: business climate and cost; industry base; physical infrastructure; real estate availability; and talent pool.
- Convene biannual workshops with partnering agencies (City, County, EIC and KPUB) to refine program benchmarks.

TARGETED INDUSTRIES & SECTORS

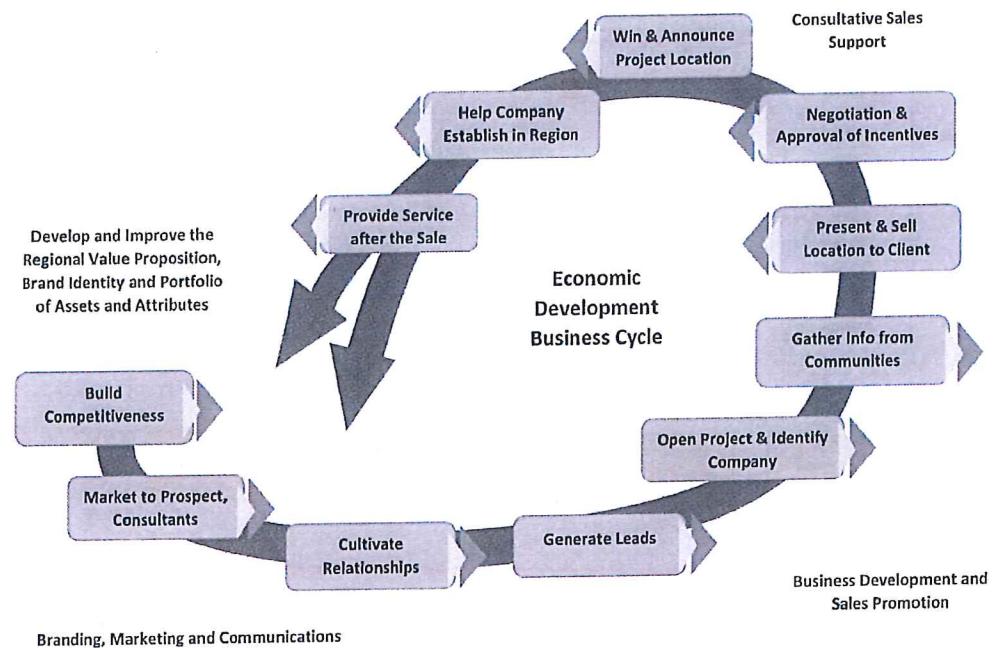
KEDC will continue to target industries where Kerr County has a natural advantage. Industry sectors that job creation efforts are focused on will periodically be reevaluated. The sectors currently being focused on include:

- Advanced Manufacturing
- Aviation, Aerospace & Defense
- Craft Agriculture
- Energy
- Food Processing & Storage
- Information, Analytics & Security
- Life Sciences & Healthcare

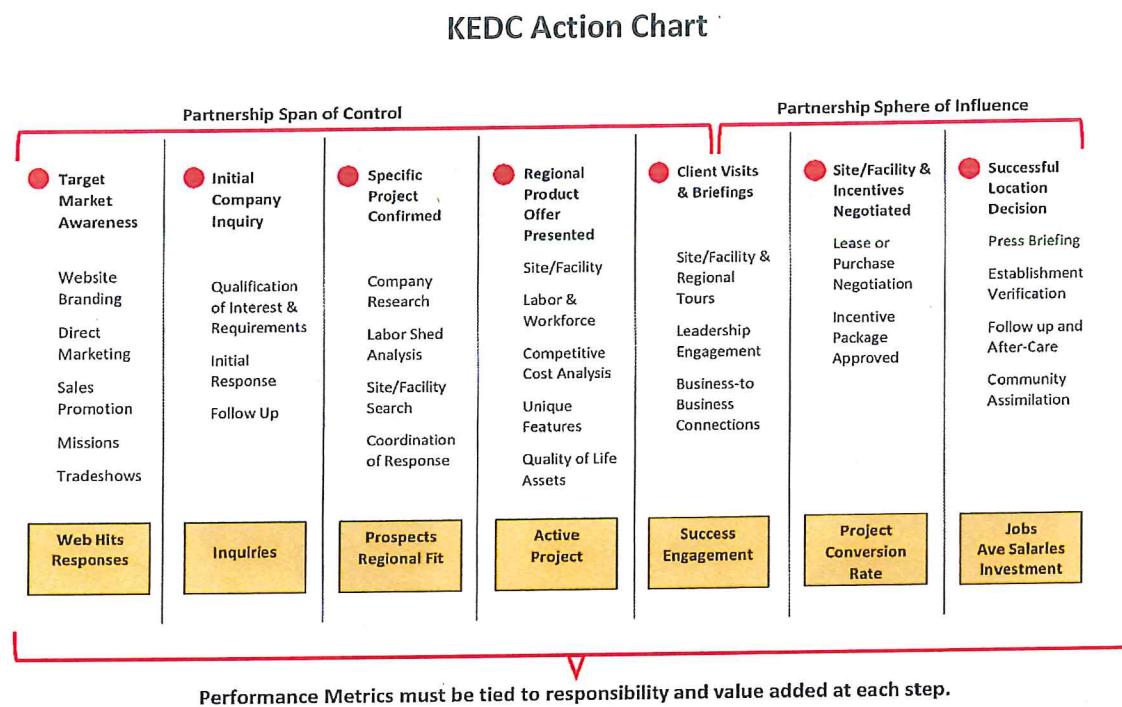
STRATEGIES, OPERATIONAL PLANS AND TACTICS

KEDC will concentrate its efforts where it can add value in the economic development business cycle.

Exhibit B



The chart below illustrates, how through “The Partnership,” KEDC will be more capable of shifting resources throughout the site selection process to ensure better business recruitment and attraction results.

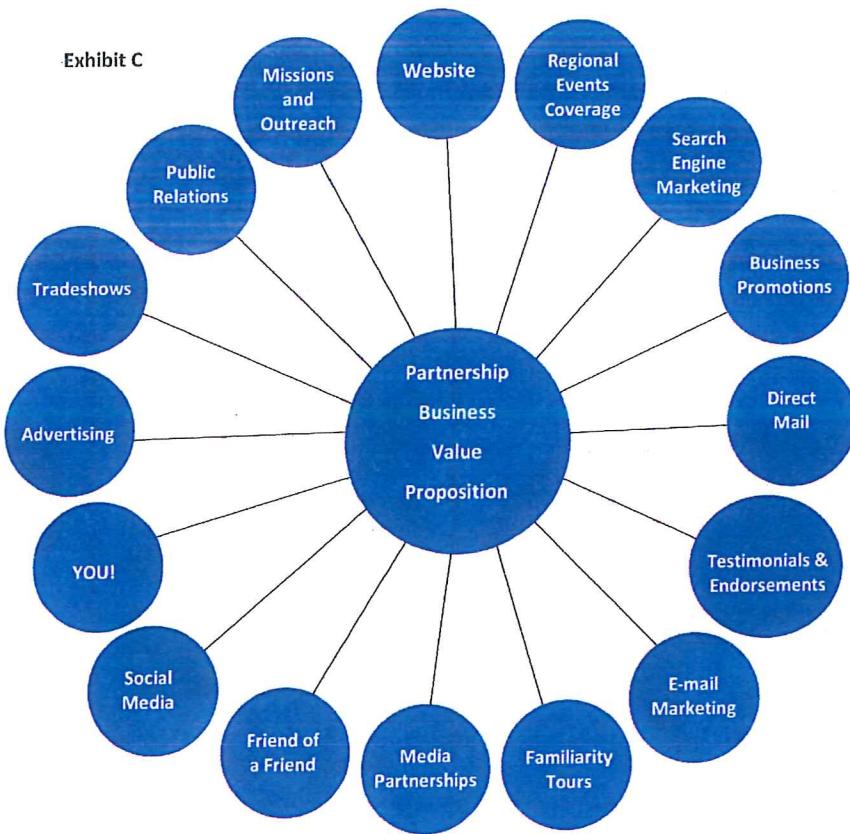


MARKETING & COMMUNICATIONS

As 2018 is the initial year of the KEDC’s revised organizational structure and business plan, a marketing and promotional campaign will be required. A marketing campaign is necessary to create more opportunities to present the region’s locational advantages to qualified business and industry prospects.

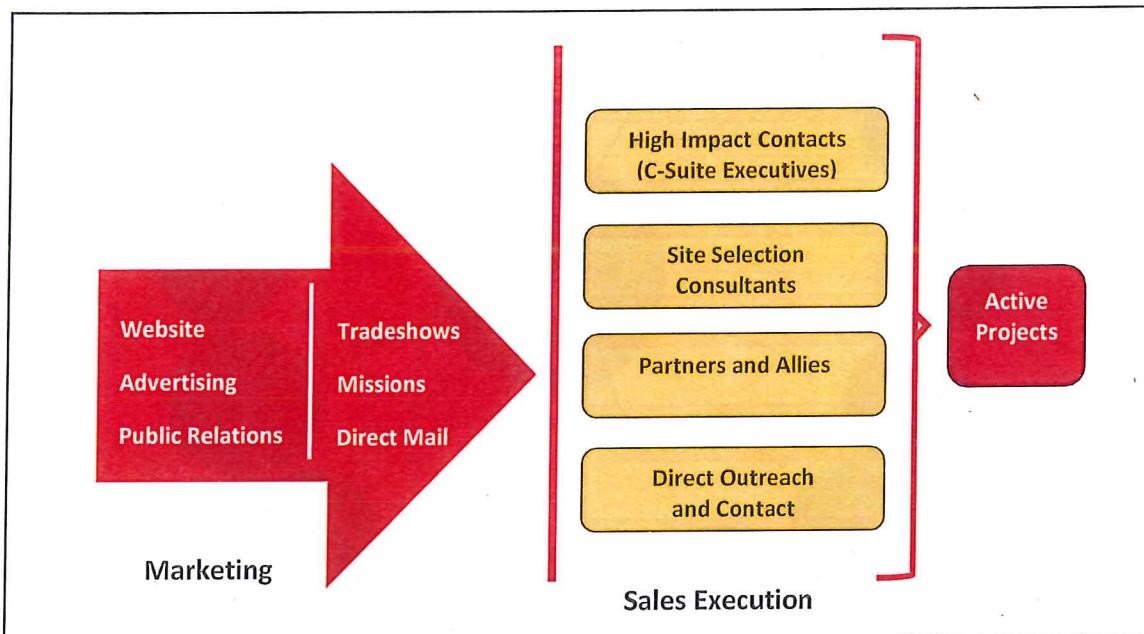
The program includes a stronger branding program along with specific marketing and promotional program enhancements. The marketing campaign’s focus is on enhancing and building perceptions about Kerr County. This will be accomplished by marketing through a variety of means including advertising, direct mail, and website content as demonstrated in (Exhibit C).

Exhibit C



Impact measures will include new leads that come directly as a result of the marketing and promotional campaign within targeted industries. The ultimate goal of the marketing campaign is to convert these leads into new business opportunities, new capital investment and new job creation for the region.

The image below demonstrates how coordinated marketing and branding efforts drive traffic to KEDC and manifests itself in terms of inquiries, leads and prospective business and industry clients. The Chamber of Commerce and the KEDC in collaboration with its regional partners will work to convert the increased traffic, leads and prospects into new business investment projects.



Action Items

- KEDC will conduct baseline research, regional identity/brand audit and prepare regional positioning assessment, retail and labor shed analysis, and business case.
- Organize and drive development of a regional identity and brand strategy platform, and an overall regional marketing and communications strategy and plan.
- Design and implement direct marketing and outreach to both site selection consultants and c-suite executives within targeted industries.
- Directly support and assist in the implementation of out-of-market business development missions to spread the Kerr County business identity message, positively change perceptions and generate leads.
- Continually refine and upgrade the messaging of the KEDC and Chamber website to coordinate messaging.
- Plan and execute a comprehensive regional communications program to ensure business and government leaders, stakeholders, partners and investors are educated and informed about the KEDC's efforts to implement the Five-Year Higher Wage Job Creation Strategy.
- Strategically involve local partners, stakeholders and investors in all efforts to spread the message of the Kerr County business identity.

INVESTOR RELATIONS & EVENTS

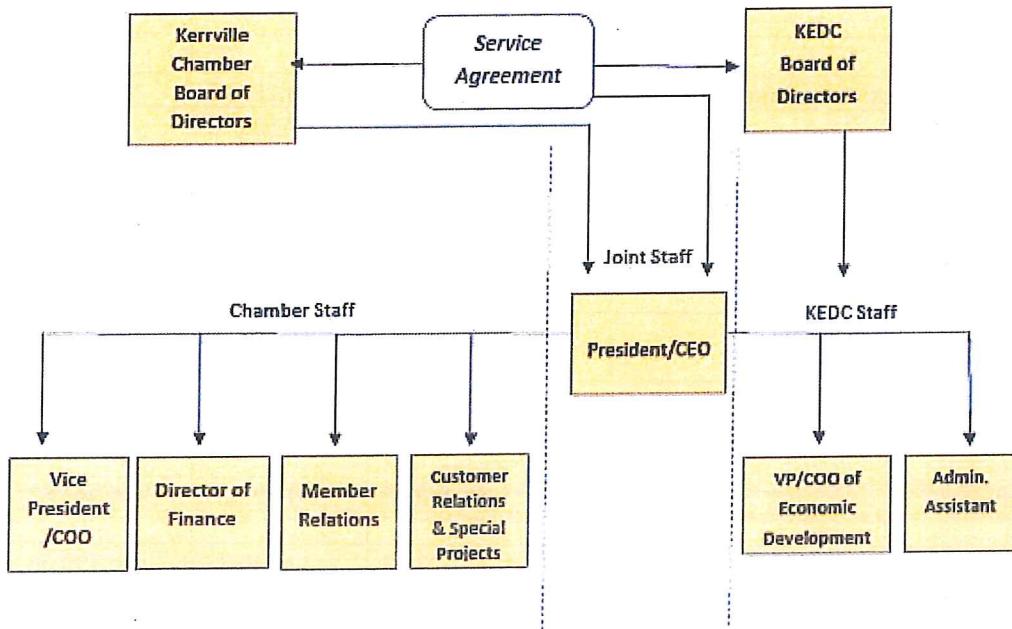
The KEDC's value is enhanced by effectively engaging both public and private stakeholders.

Action Items

- Organize and staff investor relations meetings to review, analyze and understand investor concerns, new investment opportunities and regional support efforts.
- Plan, organize and recruit attendance for two (2) Investor Update sessions across the region.

MANAGEMENT & OPERATIONS

The Partnership team is organized in a way to bring staff members of the Chamber and KEDC closer together under a single Executive responsible to both Boards. This organization is expected to eliminate administrative redundancies, streamline resources, and create a unified vision and voice. The Chamber retains the Executive as an employee and the KEDC contracts for services from the Chamber through a Service Agreement. The Executive will be the initial shared resource and other sharing will be considered as the Partnership develops. Formation of the Partnership does not require modification to either Organizations' Bylaws, and the Service Agreement will have a cancellation option with notice requirements. KEDC Staff will be hired through a KEDC Board approved process that involves the Joint President/CEO.

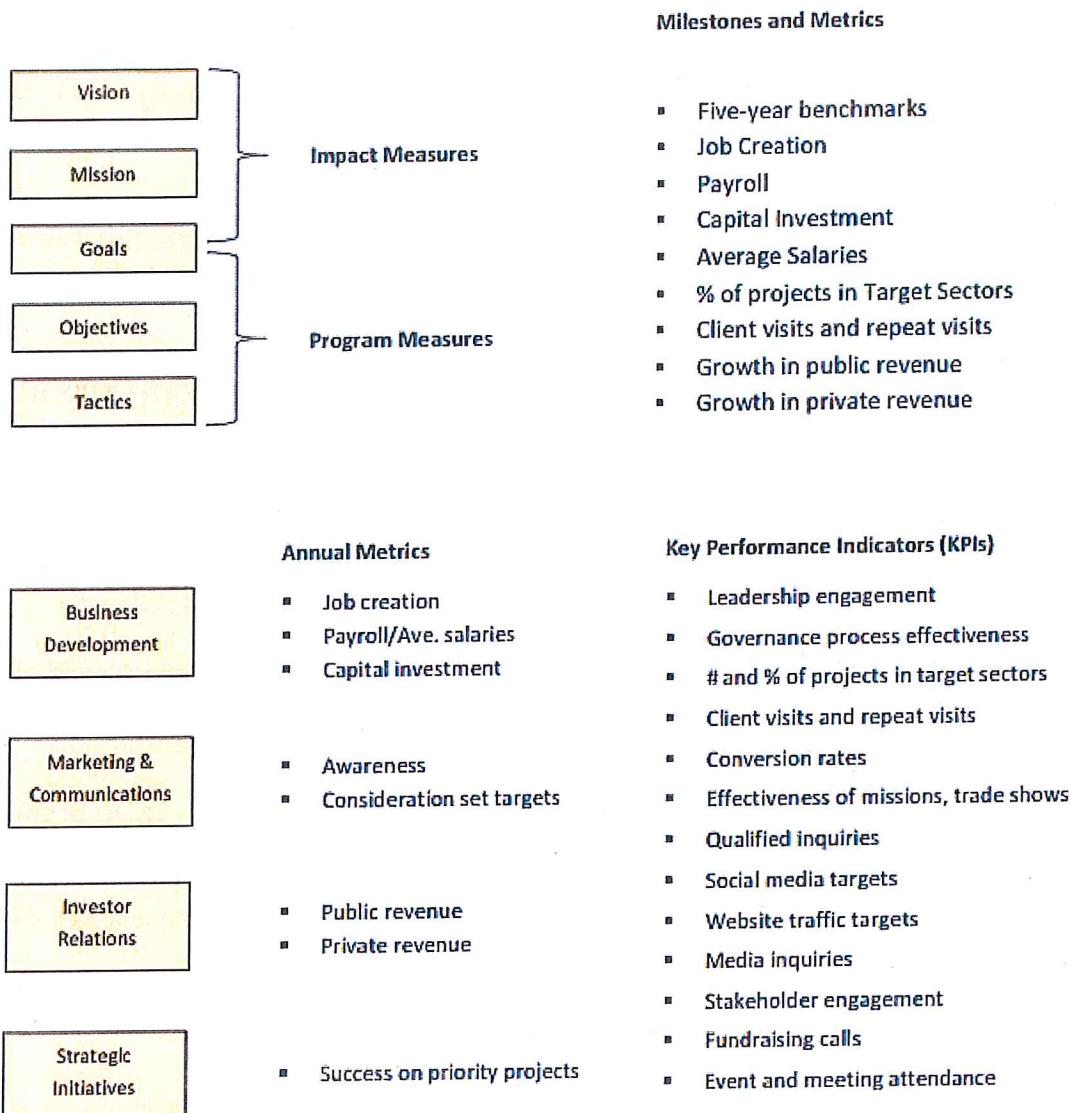


BUDGETS & FUNDING

The proposed operating budget is shown below in Table 1. The table shows the current year, 2017/2018 Budget, 2017/2018 Forecast Year End Budget Performance, and the Proposed 2018/2019 Budget. Funding requests for 2018/2019 are the same as 2017/2018. Contract Services are increased primarily due to the engagement of a recruiter to fill the vacant VP/COO of Economic Development position. Operations is down due to reduced office lease cost with the Chamber Partnership. We recognize that there is a need to enhance the efficiency of our economic development efforts and believe that there are opportunities to make improvements through economies of scale and efficiency improvements.

| Table 1 | 2017/2018 Budget | 2017/2018 Forecast YE | 2018/2019 Budget |
|---------------------------|-------------------|-----------------------|-------------------|
| Beginning Balance | 112,873.09 | 112,873.09 | 111,546.33 |
| Income | | | |
| City of Kerrville | 24,500.00 | | 24,500.00 |
| EIC | 140,000.00 | 140,000.00 | 140,000.00 |
| Kerr County | 24,500.00 | | 24,500.00 |
| KPUB | 24,500.00 | | 24,500.00 |
| Other Income | | | |
| Total Income | 213,500.00 | 140,000.00 | 213,500.00 |
| Expense | | | |
| Business Recruitment | 6,500.00 | 8,250.00 | 6,500.00 |
| Website | 300.00 | 2,880.93 | 2,880.00 |
| Marketing | 3,450.00 | 447.46 | 3,450.00 |
| Business Expenses - Other | 20,000.00 | 235.90 | 20,000.00 |
| Contract Services | 3,500.00 | 11,227.97 | 16,166.67 |
| Operations | 19,850.00 | 13,043.01 | 13,050.00 |
| Liability Insurance | 900.00 | 1,700.00 | 900.00 |
| Payroll Expenses | 181,000.00 | 102,363.25 | 177,600.00 |
| Travel and Meetings | 18,000.00 | 1,178.24 | 18,000.00 |
| Total Expenses | 253,500.00 | 141,326.76 | 258,546.67 |
| Net Income | -40,000.00 | -1,326.76 | -45,046.67 |
| Ending Balance | 72,873.09 | 111,546.33 | 66,499.66 |

Exhibit A – Performance Measurement Framework



LEGAL ENTITY

The Kerr Economic Development Corporation (KEDC) received its certificate of incorporation from the Texas Secretary of State on July 14, 2015. The business affairs of the KEDC are conducted by a board of 9 directors, all of whom have one vote on any proposition coming before the commission. As of July 2018, the KEDC Bylaws are being revised to add one additional director for the City of Kerrville and one additional director for the Kerr County Commissioners Court.

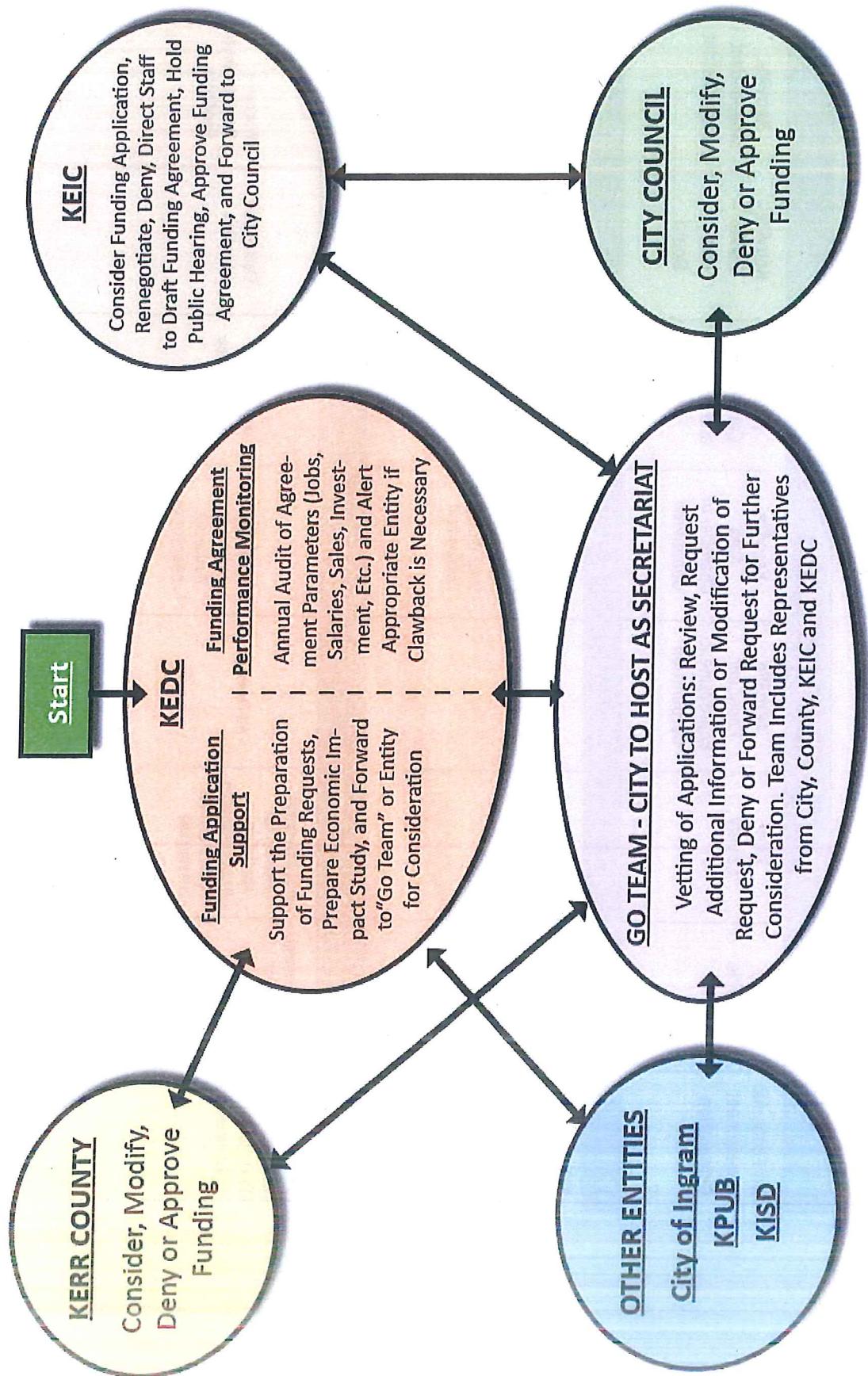
The day-to-day management of the organization is entrusted to a hired executive director that is evaluated annually by the board of directors. The leadership regularly meets the first Thursday of each month at 7:30 A.M. for monthly meetings. The officer seats of chair, vice-chair, treasurer and secretary are selected at the scheduled annual meeting in January.

PROPOSED COMPOSITION OF THE KEDC BOARD OF DIRECTORS

- One (1) representative from the Kerrville City Council (appointed by the City Council)
- One (1) representative from the Kerrville City Administration (appointed by the City Manager)
- Two (2) representatives from the Kerr County Commissioners Court (appointed by the Commissioners Court)
- One (1) representative of the Economic Improvement Corporation (appointed by the Economic Improvement Corporation)
- One (1) representative from the Kerrville Public Utility Board (appointed by the KPUB Board)
- One (1) representative from the Kerrville Chamber of Commerce Board of Directors (appointed by the Chamber of Commerce Board)
- Two (2) representatives from the Business Community (appointed by the KEDC Board)
- One (1) representative from the Kerrville Convention and Visitors Bureau (appointed by the CVB)
- One (1) representative from the Kerrville Independent School District (appointed by the KISD Board)

ECONOMIC DEVELOPMENT STAKEHOLDERS, PROCESSES, ROLES AND TOOLS

The charts below illustrate the current processes, roles and tools for handling funding requests by the Stakeholders in our community. The first chart shows KEDC providing primary support for funding applications and the Go Team vetting those applications. The Go Team routes applications to the appropriate entities to consider those applications. A large project could have multiple applications being considered by different entities at the same time. The second chart illustrates each KEDC Stakeholder's lead role(s) and the types of tools or support provided by that Stakeholder.



| KEDC Stakeholders | | | | | | |
|---|-------------------|-------------|--|------------------------------------|--|---|
| Kerr Economic Development Corporation | City of Kerrville | Kerr County | Kerrville Economic Improvement Corporation | Kerrville Area Chamber of Commerce | Kerrville Convention and Visitors Bureau | Kerrville Public Utility Board |
| Lead Role | | | | | | |
| <ul style="list-style-type: none"> - Entry Point for ED Opportunities - Primary Jobs - Recruitment - Retention and Expansion - Workforce Development & Readiness | | | | | | <ul style="list-style-type: none"> - Go Team Secretariat - Housing - Downtown - Infrastructure - Quality of Life - Retail Development |
| Tools and Support | | | | | | |
| <ul style="list-style-type: none"> - Local Hub for Economic Development - State Incentives | | | | | | <ul style="list-style-type: none"> - 380 Agreements - Property Tax Abatement - TIRZ Creation - Hotel Occupancy Tax (HOT) - Rebates - Retail Incentives - Infrastructure - Tourism Facilitator |
| <ul style="list-style-type: none"> - 382 Agreement - Property Tax Abatement - TIRZ Participation - Retail Incentives - Infrastructure | | | | | | <ul style="list-style-type: none"> - KEDC Partner - Liaison for Businesses - SBA's SCORE |
| <ul style="list-style-type: none"> - 4B Funding | | | | | | <ul style="list-style-type: none"> - Marketing and Promotion |
| <ul style="list-style-type: none"> - Tourism | | | | | | <ul style="list-style-type: none"> - Electric Rate Incentives |
| | | | | | | <ul style="list-style-type: none"> - Workforce Development & Readiness |

Exhibit B

KEDC 2-YEAR ROADMAP & ECONOMIC DEVELOPMENT ECOSYSTEM

NOTE: 2050 is for Comprehensive Plan / AV is 2018-2022 Business Plan / COO is Immersion Tour / TIP is Tracye, Andy

| BUSINESS RETENTION EXPANSION | MARKETING to KERRVILLE | HUMAN CAPITAL PIPELINE | ENCOURAGING ENTREPRENEURS | CORPORATE RECRUITMENT | STAKEHOLDER COMMUNICATION | ORGANIZATIONAL HOUSEKEEPING |
|--|--|---|--|--|---|--|
| INDUSTRIAL FOOTPRINT (2050-E4) Seek out responsible, strategic growth opportunities to increase property tax revenues – balancing land uses which generate higher tax revenues versus those with higher service costs. SHOVEL READY (AV-Sec.2, TIP) Create an Industrial Park Plan specific to development of the Hwy 27 corridor. TARGET SECTORS (2050-E12; AV) Advanced manufacturing Aviation and aerospace Craft agriculture Food processing, storage Information, Analytics Energy Healthcare and medical INVENTORY (AV-Sec.2) Conduct and maintain inventory of commercial and industrial property. ECONOMIC INDICATORS (coo) Researching, tracking local and national economic trends. | MARKET RESEARCH (COO) Collection of data, combined with identifying and preparing content. MARKET PROFILE (COO) Vital tool for recruitment for the area, which needs to be created, published. BRAND (TIP) Leverage the Hill Country brand. BRANDING (2050-E7) Create a brand to promote Kerrville as the Capital of the Hill Country. PROMOTIONS (AV) Campaign to promote business recruitment for Kerrville. Creating a branding program, focus on building a better perception of Kerrville. ASSETS (AV-Sec.2) Create marketing materials specifically for site selectors: <ul style="list-style-type: none"> Roadway information Airport Capacity Utilities | LABOR SHED (AV-Sec.3) Update the labor shed analysis done by Avalanche Consulting. COLLABORATE (AV-Sec.3) Increase regional workforce initiatives through the collaboration of the local institutions. BUILD BRIDGES (AV-Sec.3) Between the private sector and workforce training; Build relationships between employers and educators; Form apprenticeship programs. FRESH TALENT (TIP) Schreiner University is the key to drawing fresh talent to Kerrville. KISD (TIP) Partnership with the school district to proactively address workforce needs. WORKFORCE COMMISSION (coo) Host the Texas Workforce Commissioner in order to obtain funding commitment, custom programs for local existing business. | BUSINESS INCUBATION (2050-E1) Develop program to support local entrepreneurs through an incubator facility, where KEDC would provide: <ul style="list-style-type: none"> Technical assistance Access to financing options Low cost, rent for space Tap into retiree, mentors, leverage brain trust BRANDING (2050-E9/E11) Promote Kerrville as a college town, to help build the next generation of local entrepreneurs and help build a campus-oriented retail and entertainment district. SMALL BUSINESS (AV-Sec.1) Support and participate in Gov. Small Business Forum. MENTORING (AV-Sec.3) Establish a SCORE Chapter for small business and entrepreneurs. LOCAL EXPERIENCE (TIP) Leverage local professional experience and wealth to grow small business. | OUTREACH (AV-Sec.1) Outreach missions targeting select high-impact companies. SITE SELECTORS (AV-Sec.1) Host site selectors as part of familiarity tour. DELEGATIONS (AV-Sec.1) Host business delegations. KERV AIRPORT (TIP) Airport has capacity for expansion, specifically in aviation and aerospace sector. TARGET SECTORS (COO) The KEDC will work with the following target sectors and in turn, work to develop subsectors from each: <ul style="list-style-type: none"> Light Manufacturing Advanced manufacturing Aviation and aerospace Back office operations Healthcare and medical Tech spillover from AUS-SA CEO with ties to Kerrville | REPORTING (AV) Implement Quarterly Reports to stakeholders and Biannual Workshops with partner entities. STAKEHOLDER RETREAT (TIP) Once per year, hosted by the KEDC with or without a consultant. ANNUAL ECONOMIC FORUM (coo) Host a keynote speaker, provide a State of Economic Development to stakeholders and the community. ONE-ON-ONE VISITS (COO) Meetings with KEDC Board and IEC Members on a periodic basis, to provide update and also receive input from each of the members. COMMUNITY PRESENCE (COO) Provide an update at all Kerrville area organizations, once per year for each identified community organization. COLLABORATION (TIP) Increase collaboration and cooperation to develop a regional approach to economic development. HILL COUNTRY EDO (TIP) KEDC should consider establishing and/or rebranding as a Hill Country Economic Development Organization. FORUMS (TIP; COO) KEDC needs to create 2 forums per year to address workforce and an update on economic development. Also needs to create a cross-industry leadership forum. | ED MASTER PLAN (2050-E1; TIP) Develop a holistic economic development master plan outlining: <ul style="list-style-type: none"> Roles Goals, Objectives Target industries 2YR ROADMAP (2050-E1; TIP; COO) This plan of action which becomes the Master Plan for the next 2 years. |
| RELATIONS, LOCAL INDUSTRY Either new construction or existing facility, the KEDC BRE Program will provide guidance and foster: <ul style="list-style-type: none"> Workforce contacts Construction Utility services (all) School districts Local college, university Supplier data base Logistics & distribution Housing Real Estate Expansion plans Ongoing communication with the company, tracking its growth and accommodating their needs. COMMITTEE: Industry Roundtable Group Working group made up of plant managers, executives of top employers whom will meet on a quarterly basis to discuss local trends, opportunities and challenges. | INHOUSE MARKETING PROGRAM Kerrville will create an internal marketing program which in it's first year will be specifically designed to promote to Kerrville stakeholders and community members. After the COO's Immersion Tour, it is evident that the KEDC needs to promote inward and not so much outbound. Marketing tools include: <ul style="list-style-type: none"> New website Social media, messaging YouTube Channel Segments, City channel KEDC Economic Journal Community presentations Collateral material Newspaper editorials Prospect packets Market Profile COMMITTEE: 40-Under-40 The KEDC will work with the committee to coordinate the contest and host the event for the winners. | HUMAN CAPITAL INITIATIVE The biggest challenge for Kerrville is the growing our own workforce. The KEDC will create a program, similar to the BRE, but specifically to address workforce development. The following entities will be involved: <ul style="list-style-type: none"> Kerrville ISD Ingram ISD Workforce Solutions Texas Workforce (State) Alamo Colleges Schreiner University UT-San Antonio Other regional schools The KEDC is supporting the Mayor's Housing Workforce Task Force, providing its expertise in economic development. COMMITTEE: Human Capital Agency heads for the region's different educational and workforce institutions, meet on quarterly basis. | ENTREPRENEUR DEVELOPMENT The KEDC will be in a support role for both, the proposed incubator program being developed by Schreiner University and the Kerrville Chamber. KEDC's contribution, however, will be in promoting and creating tools for 'Community Based Entrepreneur Growth' in the Kerrville area. The KEDC can draw from the following to develop a pipeline of entrepreneurs as well as development tools: <ul style="list-style-type: none"> The Capital Factory Geekdom LiftFund (formerly Accion) Fdi Consultant Local Entrepreneur Network COMMITTEE: Entrepreneur Dev., Aviation, Aerospace & Space Will focus on developing a program for Community Based Entrepreneur Growth and consequently a campaign to promote entrepreneurship in Kerrville. | FOCUSED LEAD GENERATION Leads will be coming in from different sources: <ul style="list-style-type: none"> KEDC Research, internal lead generation Site Selector Network RFPs from Governor's Office Inbound calls and walk ins Website inquiries Referrals from other EDOs Consultants, mission specific The KEDC will be in a support role with the following sectors: <ul style="list-style-type: none"> Retail, commercial Quality of life and tourism Infrastructure, i.e. housing COMMITTEE: Aviation, Aerospace & Space Due to current prospect activity, the KEDC has an opportunity to create a cluster within the airport and at the Airport Commerce Park. | COMMUNICATION EFFORT The strategy for communication to stakeholders and the overall community is consistency and messaging. The organization will use 1-on-1 meetings to update stakeholders and utilize traditional media, social media and some marketing to cover the bigger audience. Non Committee: KEDC Staff Initiative and Tasks | POLICIES, PROCEDURES (coo) Articles of Incorporation and Bylaws have been created for the KEDC, but the missing component to complete the business are the Policies & Procedures. ECONOMIC INCENTIVES (2050-E2) Re-examine the EIC and City incentive matrix in terms of: <ul style="list-style-type: none"> Criteria, qualifying projects Identify, develop tools Flow, process of incentives CREATIVE INCENTIVES (2050-E5) Develop creative financing mechanisms to diversify the community's economic development toolbox, i.e., state incentives. |
| KEY PERFORMANCE INDICATORS (Aligned with all plans) <ul style="list-style-type: none"> Companies visited No. of expansion jobs Payroll from expansion Industrial Absorption Rates | <ul style="list-style-type: none"> Website metrics Distribution of social media No. of earned media Consistency of messaging | <ul style="list-style-type: none"> Increase in labor force Workforce program(s) Workforce training dollars | <ul style="list-style-type: none"> No. of entrepreneurs developed No. of seminars, workshops hosted for entrepreneurs | <ul style="list-style-type: none"> Jobs, payroll and CAP created Lead generation Increase in average wages Prospects hosted Project ROI from EIC Funding | <ul style="list-style-type: none"> Stakeholder meetings (1-on-1) Annual event Stakeholder retreat Quarterly reporting | <ul style="list-style-type: none"> Completion, implementation of: KEDC Roadmap, KEDC Policies & Procedures, Incentives Policy, Impact Studies and Flow Chart(s) |

KEY PERFORMANCE INDICATORS (Aligned with all plans)

- Companies visited
- No. of expansion jobs
- Payroll from expansion
- Industrial Absorption Rates

- Website metrics
- Distribution of social media
- No. of earned media
- Consistency of messaging

- Increase in labor force
- Workforce program(s)
- Workforce training dollars

- No. of entrepreneurs developed
- No. of seminars, workshops hosted for entrepreneurs

- Jobs, payroll and CAP created
- Lead generation
- Increase in average wages
- Prospects hosted
- Project ROI from EIC Funding

- Stakeholder meetings (1-on-1)
- Annual event
- Stakeholder retreat
- Quarterly reporting

- Completion, implementation of: KEDC Roadmap, KEDC Policies & Procedures, Incentives Policy, Impact Studies and Flow Chart(s)

Exhibit C



Metrics for FY 2019-2020

Business Retention and Expansion

- Companies Visited: 30-34

Marketing to Kerrville

- Social Media Engagement: 52 Posts across various platforms
- Economic Development Articles: 12

Encouraging Entrepreneurs

- Seminars, Workshops, Events: 6-8

Corporate Recruitment

- Lead Generation: 18-22
- Prospects/Site Selectors Hosted: 2-4

Stakeholder Communication

- Annual Economic Development Forum: 1
- Stakeholder Retreat: 1
- Quarterly Reporting: 4 per stakeholder

Exhibit D

Proposed Budget FY19/20

| | | | DRAFT |
|-------------------------------------|--------------------|---------------|--------------|
| | Projected YE 18-19 | 18-19 Budget | 19/2020 |
| Income | | | |
| 40000 Income | | | |
| 40100 City of Kerrville | 24,500.00 | 24,500.00 | 50,000.00 |
| 40200 EIC | 140,000.00 | 140,000.00 | 250,000.00 |
| 40300 Kerr County | 24,500.00 | 24,500.00 | 50,000.00 |
| 40400 KPUB | 24,500.00 | 24,500.00 | 50,000.00 |
| Total 40000 Income | \$ 213,500.00 | \$ 213,500.00 | \$400,000.00 |
| Other Income | | | |
| 71000 Carryover Income | 88,083.25 | 88,083.25 | 19,196.95 |
| Total Other Income | \$ 88,083.25 | \$ 88,083.25 | 19,196.95 |
| Net Other Income | \$ 88,083.25 | \$ 88,083.25 | 19,196.95 |
| Total Income | \$ 301,583.25 | \$ 301,583.25 | \$419,196.95 |
| Expenses | | | |
| Total 60000 Business Expenses | \$ 30,083.47 | \$ 32,830.00 | 43,000.00 |
| Total 61000 Contract Services | \$ 82,454.31 | \$ 66,766.67 | 71,567.00 |
| Total 63000 Operations | \$ 8,914.72 | \$ 8,250.00 | 21,883.00 |
| Total 65000 Other Types of Expenses | \$ 875.00 | \$ 900.00 | 900.00 |
| Total 66000 Payroll Expenses | \$ 131,800.00 | \$ 131,800.00 | 214,050.00 |
| Total 68000 Travel and Meetings | \$ 22,226.40 | \$ 18,000.00 | 42,600.00 |
| Reimbursements | 6,000.00 | 6,000.00 | 6,000.00 |
| Uncategorized Expense | 32.40 | | |
| Total Expenses | \$ 282,386.30 | \$ 264,546.67 | 400,000.00 |
| Net Operating Income | \$ 19,196.95 | \$ 37,036.58 | 19,196.95 |

EIC Board of Directors Meeting, July 15, 2019

Proposed Budget FY19/20

| | |
|----------------------|----------|
| Business Recruitment | \$20,000 |
|----------------------|----------|

- Focused corporate recruitment mission
- Major metro area (*campaign to identify CEOs*)
- C-level executives with ties to Kerrville

| | |
|--------------------|----------|
| Marketing & Design | \$23,000 |
|--------------------|----------|

- Website, collateral material, etc.
- Developing local marketing program

EIC Board of Directors Meeting, July 15, 2019

Proposed Budget FY19/20

| | |
|----------------------|----------|
| Business Recruitment | \$20,000 |
|----------------------|----------|

- Focused corporate recruitment mission
- Major metro area (*campaign to identify CEOs*)
- C-level executives with ties to Kerrville

| | |
|--------------------|----------|
| Marketing & Design | \$23,000 |
|--------------------|----------|

- Website, collateral material, etc.
- Developing local marketing program

EIC Board of Directors Meeting, July 15, 2019

Proposed Budget FY19/20

| | |
|----------|----------|
| Training | \$ 5,000 |
|----------|----------|

- Staff development

| | |
|-----------------------|----------|
| Meals & Entertainment | \$12,000 |
|-----------------------|----------|

- Prospect visits, hosting delegations, etc.

| | |
|---------------------------|----------|
| Outside Contract Services | \$12,667 |
|---------------------------|----------|

- Consultants, Economic impact analysis, etc.

| | |
|-------------|----------|
| Conferences | \$10,000 |
|-------------|----------|

- Fees associated with IEDC and TEDC

EIC Board of Directors Meeting, July 15, 2019

Proposed Budget FY19/20

| | |
|--------|----------|
| Travel | \$17,000 |
|--------|----------|

- Conferences
- Site Selectors Guild
- Prospect Activity
- Events, inbound & outbound

EIC Board of Directors Meeting, July 15, 2019

Agenda Item:

4B. Presentation of an EIC funding request by the City of Kerrville, TX regarding improvements to the Kerrville/Kerr County Airport at Louis Schreiner Field.

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

SUBJECT: EIC funding request by the City of Kerrville, TX regarding improvements to the Kerrville/Kerr County Airport at Louis Schreiner Field.

AGENDA DATE: September 16, 2019 **DATE SUBMITTED:** September 12, 2019

SUBMITTED BY: E.A. Hoppe
Deputy City Manager

EXHIBITS: Project memorandum from KERV

| Expenditure Required: | Current Balance in Account: | Amount Budgeted: | Account Number: |
|----------------------------------|--|-----------------------------|----------------------------|
| \$375,000 | N/A | N/A | N/A |

PAYMENT TO BE MADE TO: City of Kerrville, TX

SUMMARY STATEMENT

The Kerrville/Kerr County Airport (KERV) at Louis Schreiner Field desires to make several infrastructure enhancements to better leverage their long-term business viability for the community. KERV has made application to TxDOT to leverage state grant funds for the construction of ten (10) "T-hangars." The City of Kerrville and Kerr County are jointly providing funding for the local match portion of this \$900,000 project.

While those construction crews are mobilized, KERV feels that it would be advantageous to also complete \$200,000 in site work for the eventual construction of three "box hangars." These box hangars are typically business related, and often have small businesses run out of the facilities. As such, this expenditure is EIC eligible under the public infrastructure categories of state statute related to 4B funding expenditures. The EIC-requested portion of this site work amounts to \$100,000.

In addition, KERV also has a dilapidated property at the Airport, known as the "Horseshoe" building. The aged facility is located on KERV property near the Mooney Aircraft facility, and at one time operated as a paint shop for aircraft. To better market the property to future job-bearing tenants, KERV would like to demolish part of the structure and add paving infrastructure to enhance runway access. KERV estimates that \$150,000 of EIC funding will be needed to accomplish this demolition and infrastructure work.

The combined near-term request from the EIC for Airport-related improvements is \$250,000. A subsequent commitment of \$125,000 in funding is being requested of the EIC to fund the completion of the building shell and other exterior elements of the "Horseshoe" building at a later phase, once a specific business tenant has made a lease commitment. This money would be committed/encumbered, but would not be transferred out of the EIC's funds until that jobs-bearing tenant committed to utilizing the facility and

entering into a lease with KERV. The total commitment being asked of EIC is \$375,000.

This request is congruent with the Economic Development section of the Kerrville 2050 Comprehensive Plan:

- *E4: Balance, broaden, and diversify the City's tax base, shifting the tax burden away from residential property owners.*
- *E4.3: Promote additional hangar space at the Airport to increase property tax revenues from personal property taxes.*

PROJECT HISTORY

Summer 2019: KERV works with City staff regarding capital requests

August 8, 2019: A Go Team meeting was conducted.

September 16, 2019: Presentation by KERV to EIC.

RECOMMENDED ACTION

Provide direction to City Staff regarding the development of an Economic Development Funding Agreement and the setting of a Public Hearing.



TO: E.A. Hoppe, Deputy City Manager
FROM: KERRVILLE-KERR COUNTY JOINT AIRPORT BOARD
RE: FY 2020 Capital Request to Economic Improvement
Corporation
DATE: August 30, 2019

Listed below are the airport's funding requests to be considered by the Economic Improvement Corporation:

| | |
|---|------------------|
| 1. Build site infrastructure for future box hangars | \$100,000 |
| 2. Improve Horseshoe Building and Site <u>Phase 1-</u> Remove existing exterior walls and interiors, adjacent sheds, interiors and general clean up. Rework access drive and paving. | \$150,000 |
| <u>Phase 2-</u> Once a tenant/user is identified; fund costs to complete building shell; install exterior metal walls and hangar door. | \$125,000 |
| <u>TOTAL REQUEST:</u> | <u>\$375,000</u> |

Agenda Item:

4C. Presentation of an EIC funding request by 2J-PAGE Development, LLC regarding a workforce housing development located along Meadowview Rd.

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

SUBJECT: Economic Development funding request for assistance with public infrastructure improvements related to an attainable workforce housing project located on 10.175 acres on Meeker Road near the southeast quadrant of Poplar Street N.

AGENDA DATE: September 16, 2019 **DATE SUBMITTED:** September 12, 2019

SUBMITTED BY: Sherry Mosier **CLEARANCES:** E.A. Hoppe
Mgr. Strategic Initiatives Deputy City Manager

EXHIBITS: Project Funding Application

| | | | |
|--|--|---------------------------------------|--------------------------------------|
| Expenditure Required: \$700,857 | Current Balance in Account: N/A | Amount Budgeted: N/A | Account Number: N/A |
|--|--|---------------------------------------|--------------------------------------|

PAYMENT TO BE MADE TO: 2J-Page Development, LLC

SUMMARY STATEMENT

The “Meeker Project” is located on Meeker Road near the southeast intersection of Poplar Street N. The applicant intends to construct an infill workforce housing development consisting of:

- 35 single-family homes on 10.75 acres to be constructed in two phases (i.e. Phase I – 18 lots and Phase II – 17 lots)
- Lot sizes will range between 5,000 and 7,000 square feet
- Sizes will range from 1,100 to 1,400 square feet
- Floorplans will consist of two or three bedrooms and two baths with carports
- Home sales prices will average \$145 per square foot to yield a range of \$159,500 to \$203,000 per home

The proposed sales prices are well below the new home purchase price limits of \$227,000 for Kerr County, effective April 15, 2019, as posted by the Texas Department of Housing and Community Affairs (TDHCA). TDHCA administers the HOME Investment Partnerships Program (the “HOME Program”), primarily in rural parts of Texas, on behalf of the State of Texas. The HOME Program is funded by the U.S. Department of Housing and Urban Development (HUD) as authorized under the Cranston-Gonzalez National Affordable Housing Act and therefore, the \$227,000 new home purchase price limit for Kerr County seems to satisfy the current federal threshold for local affordable housing.

The applicant intends to market this development directly to employees of local employers, especially those with near-term expansions underway (State Hospital, James Avery, etc.) in an effort to fulfill the housing needs of the local workforce. However, in order to maintain the home prices at an attainable level, the applicant is requesting assistance with the public infrastructure costs associated with the development. The EIC funding request of \$700,857 equals roughly \$20,024.49 per lot based on recent bids obtained by the applicant for the public infrastructure portion of the development (i.e. Phase I Preliminary Bid is \$425,618 and Phase II Preliminary Bid is \$275,239). The public infrastructure improvements for each phase includes: Mobilization/Clearing ROW, Streets, Water, Sewer, a 10% Construction Contingency, Engineering, Drainage/SWP, and Water Retention Area for Phase II at a cost of \$40,00 (if required).

This development could serve as a catalyst and model in providing additional attainable and affordable housing in the community to retain and attract employees for Kerrville's local employers (both primary and non-primary) to sustain, as well as expand, their local operations. In addition, this development could help in recruitment efforts to attract new employers to the area. Supporting the need for more attainable and affordable housing is identified in specific Action Items in the Kerrville 2050 Comprehensive Plan under the Economic Development and Housing Guiding Principles as follows:

- *E1: Support a more Holistic approach to economic development, housing, and quality of life for people of all economic strata;*
- *E6: Support access to the infrastructure necessary to accommodate the future growth of housing and business (e.g., water, wastewater, power, communications, roads); and*
- *H1: Provide a diverse range of housing options to meet the needs and desires of all age groups, income levels, and lifestyles.*

Additionally, the Kerrville 2050's Economic Development Section, states that “*two of the top challenges facing a city engaged in fostering a favorable climate for growth and development are providing job opportunities with sustainable incomes for its residents (primary) and finding builders and developers able to deliver a range of attainable housing options. Providing a diversity of attainable housing options for a range of employers and employees with different levels of income can be a significant challenge for communities, particularly when they have to rely on the experience and capacity of area homebuilders. Once the importance of this essential element of the economic development equation is understood, many communities actively engage in encouraging and even incentivizing housing development that aligns with its larger business and industry goals.*”

Furthermore, the draft Kerrville Housing Study and Strategic Plan 2019 (the “Housing Study/Plan”) states in its Kerrville Workforce Analysis “*the LEHD data shows 66% of Kerrville workers reside outside of the City, which is a very high rate. Many interviews of employers in the City shared that workers of all pay grades in many instances have secured housing outside of Kerrville due to affordability, quality and ease of securing housing in those areas in comparison with Kerrville. In addition, many employers also shared that the lack of rental and for-sale housing presents an added layer of difficulty in terms of hiring and retaining workers.*” The draft Housing Study/Plan further states that “*this shows that new housing supply in Kerrville could help facilitate further employment expansion of existing businesses in the City.*” The Housing Study/Plan further provides that in the Demand/Supply Analysis Section that the current demand of for sale housing units is nearly 1,800 units and the future demand is for an additional 315 housing units based on announced job growth from existing local employers and employers in the pipeline.

Finally, the Housing Study/Plan in its Strategic Plan Recommendation No. 5 points out the opportunities / strengths in Kerrville as being “*recent precedent for City participation in mitigating private developer infrastructure costs; and EIC revenue stream (4B) and other City revenue sources.*”

Justification for expenditures of 4B funds for this particular project can be tied to both the creation/retention of primary jobs and the promotion or development of new and expanded business enterprises by promoting the expansion of additional housing stock needed to encourage retention of employees within the City or relocation to the City of people entering the local employment pool. For example, several local employers (both primary and non-primary) have expressed that they have enough workforce to expand but have concerns about attracting and retaining a good workforce due to the high cost of housing in the Kerrville area. Additionally, as part of the considerations for relocating to or expanding within a community, today’s employers are looking for a wide range of area enhancements for their employees (i.e. housing options, cultural and recreational opportunities, schools and churches, etc.) to ensure a good quality of life for their employees. It’s all about quality of life and where their employees want to live.

PROJECT HISTORY

| | |
|-------------------------|--|
| <u>August 15, 2018:</u> | City/KEDC receives EIC funding request from T Page Construction. |
| <u>Fall 2018:</u> | A GO Team meeting was conducted. |

Spring 2019: T Page Construction secured a new investor group, 2J Capital LLC.

July 12, 2019: Applicant's managing investor took ownership of property.

August 1, 2019: City/KEDC receives new EIC funding request from 2J-PAGE Development LLC, a newly formed entity.

September 10, 2019: A Go Team meeting was conducted.

September 16, 2019: Presentation by 2J-PAGE Development LLC to EIC.

RECOMMENDED ACTION

Provide direction to City Staff regarding the development of an Economic Development Grant Agreement and the setting of a Public Hearing.



August 1, 2019

Walt Koenig
Executive Director
Kerr Economic Development Corporation
1700 Sidney Baker, Suite 100
Kerrville, Texas 78028

RE: Meeker Project
Workforce Housing & Quality of Life Project

Dear Mr. Koenig:

2J Capital LLC in alliance with TPAGE Construction LLC (hereinafter "Team") is pleased to represent to you an economic development opportunity commonly known as the "Meeker Project". We greatly appreciate the Kerr Economic Development Corporation ("KEDC") leadership in advancing the dialogue on this important project.

MISSION STATEMENT:

Our Team cares about the vibrancy and vitality of the Kerrville community and supports the goals and initiatives of the KEDC. 2J Capital LLC has collectively and by and through its principals has developed new homes and has actively been engaged in selling affordable housing property in low and moderate-income communities throughout the State of Texas.

We are very proud of our business model and success. Our Team shares a passion for economic problem solving and maintains long-term goals with focus on collaborative initiatives with community leaders. We are provided with many opportunities to participate in community development initiatives that benefits entire communities and respectfully appreciate the KEDC's interest in the Meeker Project.

THE PROJECT:

The Meeker Project is a work force housing development that will provide for economic enhancing supply of affordable housing products that will improve quality of life while strengthening and reinforcing the viability of the local neighborhood for the public underserved in the marketplace. Our Team is excited about this economic initiative and contributing to the Kerrville community by our participation in economic opportunities for low-end to moderate income individuals and families by promoting our flagship "Home Ownership within Reach" program.

2J Capital LLC is the current owner of 10.175 acres comprising the Meeker Project. The sale transaction closed on July 12, 2019. The seller was GW Asset Management, Inc. The parties negotiated in good faith with the common goal of developing workforce housing.

The 10.175 acre tract is located within the City of Kerrville tax district and will be developed with approximately 35 single family lots with homes ranging from approximately 1,100 square feet to 1,400 square feet. Each home will feature either 2 or 3 bedrooms with 2 bathrooms each being functional and desirable floorplans, privacy fences, and paved driveways with single car ports. These homes will be energy efficient and built on lots ranging between 5,000 and 7,000 square feet. Our development team is environmentally conscience and will be stewards of Kerrville's natural hill country beauty and will make every effort in protecting the natural vegetation.

We are projecting home selling prices of approximately \$145.00 per square foot. The price per square foot is a value based on current market conditions and is subject to change with any adverse market conditions or unforeseen shortages and availability of certain materials and increased costs caused by geopolitical tariffs or other external conditions beyond our control.

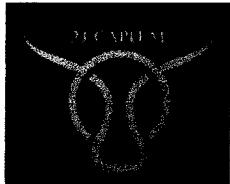
FUNDING REQUEST:

The funding requested will be used for all aspects under Capital Improvements for Public Infrastructure for Utilities and Roadways for the purpose of a residential development. The funding request shall include all costs of materials and labor for public streets, curbs, water and sewer lines, lift stations, electrical underground lines and required transformers, site and individual lot engineering and grading.

Based upon our preliminary bids for the Public Infrastructure and Utilities, our funding request is approximately Seven Hundred Thousand Eight-Hundred Fifty Seven (\$700,857) Dollars or approximately \$20,024.49 per individual lot as anticipating the Meeker Project to produce 35 buildable lots.

THE ORGANIZATION:

Our Team organization will be a 2J-PAGE Development, LLC, a Texas limited liability company owned and managed by 2J Capital LLC, a Texas limited liability company and its owners, Jeffery T. Strmiska, Member-Manager and Joseph A. Byers, Managing Partner and Kerrville locally owned and operated business T Page Construction LLC dba TAP Homes, owner Travis A. Page.



The collective Team has been approved by the Texas Secretary of State for the naming convention reservation of:

2J-PAGE Development, LLC, a Texas Limited Liability Company

Please see the attached in reference to this funding request:

- 4B Tax Funding Application, Quality of Life Project
- Infrastructure Budget based on bid for:
 - Meeker Project
 - Phase 1 (18 lots)
 - Phase 2 (17 lots)
- Meeker Project ArcGIS Map
- Survey of 10.175 Acres
- 2J-PAGE Development Naming Certificate
- Resumes of:
 - Travis A. Page
 - Joseph A. Byers
- Proposed Floor Plans

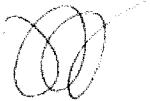
We are optimistic that the KEDC, City Officials and other interested parties and stakeholders will appreciate the community benefit and approve our funding request for infrastructure and development of the Meeker Project. As the conversation on this project advances, we are available to hear public comments and provide answers to both city leadership and the community. Our Team eagerly awaits your response for the next step guidance toward our goal accomplishment, time being of the essence.

Thank you for the opportunity to consider our funding request that implements community reinvestment. We appreciate the KEDC's leadership in soliciting ideas and suggestions that would benefit the Meeker Project for the community. We look forward to reviewing and commenting on a proposed funding agreement. In addition, we reiterate the importance of city interagency collaboration and coordination on a joint effort to meet with our development timing and objectives.

Should you have any questions, please contact the undersigned. We look forward to a successful and beneficial transaction.

Respectfully submitted by:

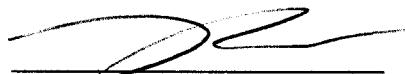
2J CAPITAL LLC



Joseph A. Byers
Managing Partner

Cell Phone: (702) 528-4826
Email: jb@2jcapitaltexas.com

T PAGE CONSTRUCTION LLC DBA TAP HOMES



Travis A. Page
Owner

Cell Phone: (512) 923-8111
Email: travis@tpageconstruction.com

Submittal Date: 08 / 01 / 2019

ORGANIZATION

| | | | |
|---|-----------------------|--------------|--------------|
| <u>2J-PAGE Development LLC, a Texas limited liability company</u> | | | |
| <u>Applicant Name</u> | | | |
| <u>P.O. Box 153</u> | <u>Bulverde</u> | <u>Texas</u> | <u>78163</u> |
| <u>Address</u> | <u>City</u> | <u>State</u> | <u>Zip</u> |
| <u>(830) 627-2277</u> | <u>(512) 923-8111</u> | <u>N/A</u> | |
| <u>Phone</u> | <u>Alt. Phone</u> | <u>Fax</u> | |
| <u>N/A</u> | | | |
| <u>Website</u> | | | |

PROJECT CONTACT

| | | | |
|-------------------------------------|------------------------------------|--------------|--------------|
| <u>Travis A. Page</u> | <u>Project Manager</u> | | |
| <u>Contact Person Name</u> | <u>Title</u> | | |
| <u>1225 Bandera Hwy., Suite C</u> | <u>Kerrville</u> | <u>Texas</u> | <u>78028</u> |
| <u>Address</u> | <u>City</u> | <u>State</u> | <u>Zip</u> |
| <u>(512) 923-8111</u> | <u>(830) 627-2277</u> | <u>N/A</u> | |
| <u>Phone</u> | <u>Alt. Phone</u> | <u>Fax</u> | |
| <u>Travis@tpageconstruction.com</u> | <u>& JB@2JCapitalTexas.com</u> | | |
| <u>Email Address</u> | | | |

Amount of Funding Requested: \$ 700,857.00

Please include a cover letter and supplemental information as deemed appropriate that:

- clearly states the mission statement of the organization(s),
- what the requested funding shall be used for,
- pertinent financial information (costs, revenues, percentage of funding request of total budget and financial history), and
- other information, as requested.

Continue to Section III

Business Development Projects

Submittal Date: ____/____/____

ORGANIZATION

Applicant Name

| | | | |
|---------|------|-------|-----|
| Address | City | State | Zip |
|---------|------|-------|-----|

Phone **Alt. Phone** **Fax**

Website

PROJECT CONTACT

Email Address

Type of Business Structure: Corporation Partnership Sole Proprietorship

Year Business Started: Year _____ Location _____

Current Employment: Permanent Full-Time _____ Permanent Part-Time _____

Average Production Wage _____

Full-Time Employees receive the following benefits:

Financial Information: Five Years Annual Financials Attached _____
Include: Statement of profit and loss; Balance sheet; Cash Flow Statement; IRS reporting forms, Pro forma

Annual Sales for Corporation / Company \$ _____

This Facility \$ _____

Local Sales Tax paid Annually \$ _____

Current Payroll \$ _____

Has the Company ever filed for bankruptcy protection under Chapter 7 or Chapter 11 of the Bankruptcy Statutes? No () Yes () Details:

SECTION III - PROJECT INFORMATION

This application is for a:

Business Development ()

- Expansion of Existing Facility () or
- New Construction ()
- Other ()

Capital Improvements for Public Infrastructure

- Utilities (x)
- Roadways (x)
- Other ()

Quality of Life

- Project (x)

The proposed improvements are to be located within the following taxing district(s): City of Kerrville (x) Kerr County (x) Kerrville ISD (x) Ingram ISD () Center Point ISD ()

SECTION IV - PROJECT DESCRIPTION

Please attach a statement on company letterhead and signed by an officer of the company (1) fully explaining the nature and scope of the project; (2) describing the proposed site and existing improvements, if any; (3) describing all proposed improvements; and (4) providing a list of eligible improvements; (5) provide a list of

major, fixed equipment along with manufacturer specifications and cost quote from the manufacturer.

Should this project be approved, the Economic Improvement Corporation may require performance criteria as a part of the funding agreement, in addition to this application. The funding agreement is between the Economic Improvement Corporation and the City of Kerrville. Said funding agreement will outline project costs, timelines, other information may be necessary to carry out the project in an efficient manner.

SECTION V – ECONOMIC IMPACT INFORMATION

Part A - Project Investment in Improvements

| | |
|---------------------------------|--|
| Total | \$ 6,615,000 (35 Homes X est.avg. sales price \$189,000) |
| Sq. Footage of New Building (s) | <u>47,250 (est. avg/sf 1,350 X 35)</u> |
| Size of Parking | <u>Standard Driveway</u> |
| Other | <u>Carparks</u> |

Part B - Project Investment in Fixed Equipment

(New)\$ 700,857 (Est. Cost of Infrastructure per attached budget/bid)

Manufacturer of Equipment Various

Anticipated Useful Life of Equipment To be determined by engineer

Purchase Price \$ 700,857 Installation Cost \$ Included in budget/bid

Anticipated Delivery time from Date of Order

Infrastructure to be completed in phases

Part C - Permanent Employment Estimates- (do not include owners, stockholders or their dependents)

Anticipated Number of New Full-Time Employees as a result of this project Tradesmen/Contractor Jobs

Anticipated Number within 12 months of Completion of this project N/A

Anticipated Number within 24 months of Completion of this project N/A

Typical Job Descriptions or Job Titles

Residential Tradesmen & Contractors for residential housing construction

Commercial Contractors & Engineers for Infrastructure

Anticipated starting salaries of these employees: (avg.) \$ N/A /hour

Part D - Permanent Part-Time Employment Estimates-

(do not include owners, stockholders or their dependents)

Anticipated Number of New Part-Time Employees as a result of this project N/A

Anticipated Number within 12 months of Completion of this project N/A

Anticipated Number within 24 months of Completion of this project N/A

Typical Job Descriptions or Job Titles of these employees: _____

Contractors & Tradesmen

Anticipated starting salaries of these employees: (avg.) \$ N/A / hour

Part E - Payroll Impact

Within 12 months of Project Completion N/A Within 24 months of Project Completion N/A

\$ N/A

FTE X Avg. Wage X 40 hrs X 52 wks

\$ N/A

PTE X Avg. Wage X 20 hrs X 52 wks

SECTION VI - OTHER ASSISTANCE

Has the Company applied for any State or Federal assistance on this project?

No Yes

Describe:

N/A

To the best of my knowledge, the above information is an accurate description of the proposed project details.

Joseph A. Byers

Printed name

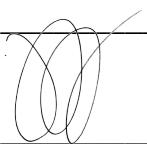
08/01/2019

Date

Managing Partner

Title

Signature



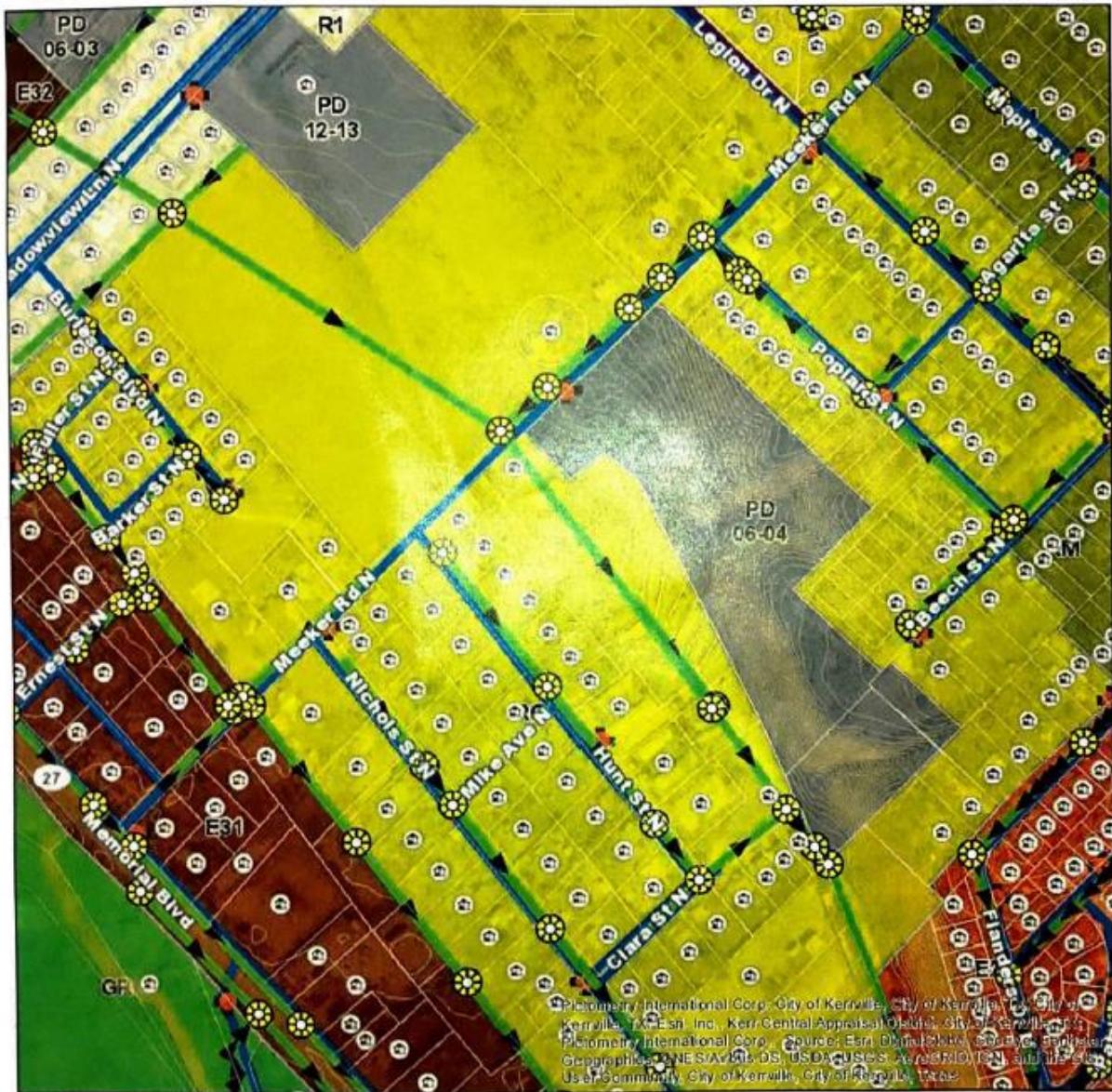
MEEKER PROJECT PHASE 1 PRELIMINARY BID

| Description | Quantity | Unit Price | Total Price |
|---|-----------------|-------------------|-------------------------|
| Mobilization/Clearing ROW | 1 | \$37,500 | \$37,500 |
| Streets | | | |
| 6" Subgrade Prep Streets | 3333 SY | \$7.50 SY | \$25,000 |
| Flex Base 9" Streets | 3333 SY | \$13.00 SY | \$43,300 |
| HMAC 2" Streets | 3333 SY | \$15.00 SY | \$50,000 |
| Curb/Gutter | 1,950 LF | \$35.00 LF | \$68,180 |
| Water | | | |
| 8" PVC C-900 DR18 | 750 LF | \$40.00 LF | \$30,000 |
| FH | 1 | \$3,500 ea. | \$3,500 |
| 8 GV | 3 | \$1,800 ea. | \$5,400 |
| 2" Blow Off | 1 | \$1,500 ea. | \$1,500 |
| Water Service | 18 | \$1,000 ea. | \$18,000 |
| Fittings | 1/2 ton | \$8,000 ton | \$4,000 |
| Sewer | | | |
| 8" PVC SDR 26 | 750 LF | \$50.00 LF | \$37,500 |
| MH | 3 | \$4,500 ea. | \$13,500 |
| Total bid | | | \$337,380 |
| 10% unforeseen circumstances, price increases | | | \$33,738 |
| Malone & Wheeler Engineering | | | \$50,000 |
| Drainage/SWPPP | | | \$4,500 |
| | | | <u>\$425,618</u> |

MEEKER PROJECT PHASE 2 PRELIMINARY BID

| Description | Quantity | Unit Price | Total Price |
|------------------------------------|-----------------|-------------------|-------------------------|
| Mobilization/Clearing ROW | 1 | \$37,500 | \$37,500 |
| Streets | | | |
| 6" Subgrade Prep Streets | 1956 SY | \$7.50 SY | \$14,670 |
| Flex Base 9" Streets | 11956 SY | \$13.00 SY | \$25,428 |
| HMAC 2" Streets | 1956 SY | \$15.00 SY | \$29,340 |
| Curb/Gutter | 650 LF | \$35.00 LF | \$33,775 |
| Water | | | |
| 8" PVC C-900 DR18 | 325 LF | \$40.00 LF | \$13,000 |
| FH | 1 | \$3,500 ea. | \$3,500 |
| 8" GV | 1 | \$1,800 ea. | \$1,800 |
| Water Service | 17 | \$1,000 ea. | \$17,000 |
| Fittings | 1/2 ton | \$8,000 ton | \$4,000 |
| Sewer | | | |
| 8" PVC SDR 26 | 325 LF | \$50.00 LF | \$16,250 |
| MH | 3 | \$4,500 ea. | \$13,500 |
| Total bid | | | \$209,763 |
| 10% unforeseen price increases | | | \$20,976 |
| Water Retention Area - If Required | | | \$40,000 |
| Drainage/SWP | | | \$4,725 |
| | | | <u>\$275,239</u> |

ArcGIS Web Map



10.175 Acres highlighted in Grey

Legend

| | | | | | |
|--------------------------------|--------------------|--|-----------------------|--|--------------------|
| | Site_Address... | | Sewer Pump Station | | Sewer Force Main |
| | Tax Parcels | | Sewer Treatment Plant | | Sewer Gravity Main |
| Sewer Network Structure | | | Sewer Manhole | | Reclaim Water Main |
| | Sewer Lift Station | | | | |

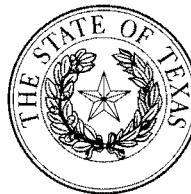


Development Services
4/27/2018 3:41 PM

0 185 370 740
Scale In Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only approximate relative locations.

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Jose A. Esparza
Deputy Secretary of State

Office of the Secretary of State

CERTIFICATE OF RESERVATION OF ENTITY NAME OF

2J-PAGE Development LLC

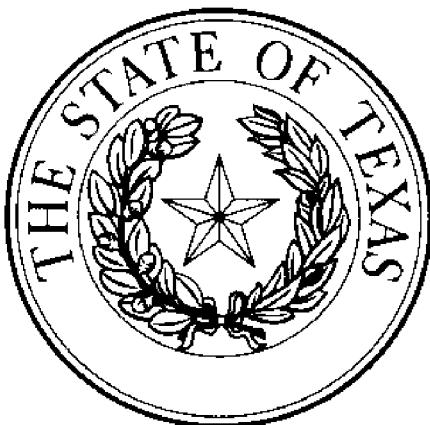
The undersigned, as Deputy Secretary of State of Texas, hereby certifies that the above entity name has been reserved in this office pursuant to the provisions of Section 5.101 of the Texas Business Organizations Code for the exclusive use of

Joseph Byers
140 Lost Creek, Bulverde, TX 78163

for a period of one hundred twenty days after the date hereof.

This name reservation does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 07/30/2019



A handwritten signature in black ink, appearing to read "JAE".

Jose A. Esparza
Deputy Secretary of State

Come visit us on the internet at <https://www.sos.texas.gov/>

Phone: (512) 463-5555
Prepared by: Carol Covey

Fax: (512) 463-5709
TID: 10317

Dial: 7-1-1 for Relay Services
Document: 903418240003

SURVEY PLAT

10.175 ACRES

SAMUEL WALLACE SUR. NO. 112, ABST. NO. 360
PART OF BLOCKS 9 & 10, OAK PARK ADDITION

VOLUME 45, PAGE 596, DEED RECORDS

KERR COUNTY, TEXAS

NOTE:
All bearings are from GPS observations based
on Texas State Plane Coordinate System,
South Central Zone, NAD 83.

MANSFIELD SURVEYING
P.O. BOX 3111
BANDERA, TX 78003
830-688-2786

LEGEND

- Iron rod (fnd)
- Iron rod (set)
- ◎ Iron pipe (fnd)
- ⊕ Metal fence post (fnd)
- ◎ P-K nail (fnd)
- ▲ Wood fence post (fnd)
- x — Wire fence

OPR - Official Public Records
Kerr Co., TX

ER - Easement Records
Kerr Co., TX

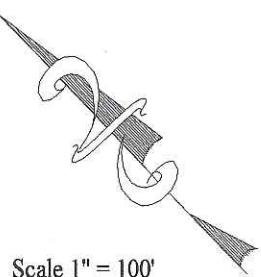
RPR - Real Property Records
Kerr Co., TX

DR - Deed Records
Kerr Co., TX

SURVEY PREPARED FOR:
Fidelity Abst & Title
GF No. 190276F

Restrictions per Commitment:
N/A

Easements per Commitment:
Vol. 59, Pg. 424, DR
Vol. 59, Pg. 425, DR



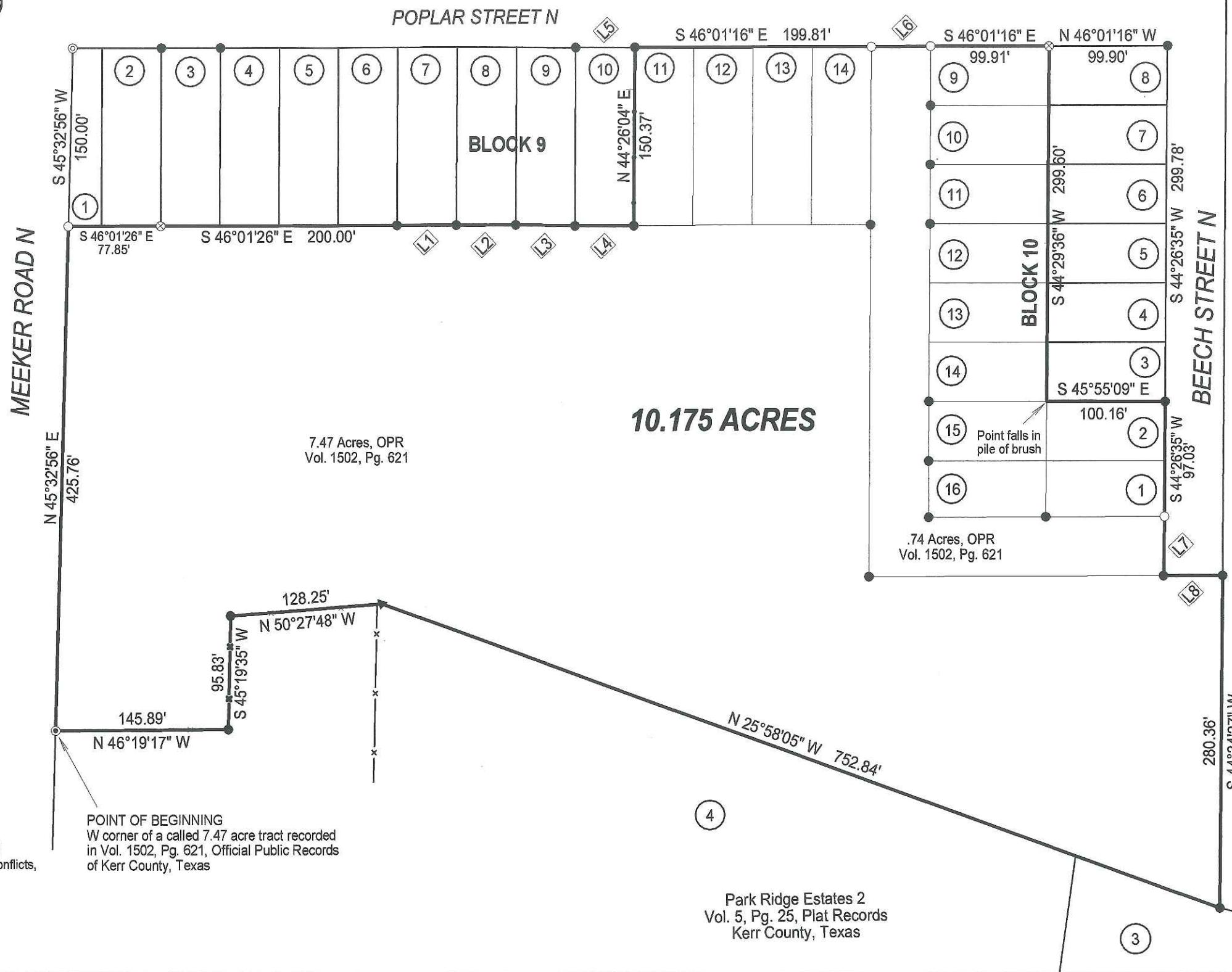
Scale 1" = 100'

June 29, 2019



I hereby certify that this survey was made on the ground and that
this plat correctly represents the facts found at the time of the survey,
and that to the best of my knowledge there are no visible overlapping
of improvements, visible easements of rights of way, boundary line conflicts,
or encroachments except as shown hereon.

Bo Mansfield RPLS No. 6278 FIRM No. 10193736



MAKE CHECKS PAYABLE TO:
Bo Mansfield
P.O. Box 3111
Bandera, TX 78003

Invoice No. 7.062019
Date: 7/9/2019

FIRE CUT ABST & RUE
To: Alamo Title

Re: 10.175 Acres
S-112, A-360
Kerr County, Texas

Dear Sir/Ma'am,

The above referenced work has been completed. We appreciate your business.
If you need further assistance, please call. Our charges are as follows:

| | | |
|--------------------------|---|-------------------|
| Total for work performed | = | \$1,300.00 |
| Sales Tax @ 6.75% | = | \$87.75 |
| Total Invoice Amount | = | <u>\$1,387.75</u> |

Thank you for the work and the opportunity to serve you.

B

Bo Mansfield
R.P.L.S No. 6278

FIELD NOTES – 10.175 ACRES
SAMUEL WALLACE SUR. NO. 112, ABST. NO. 360
PART OF BLOCKS 9 & 10, OAK PARK ADDITION
KERR COUNTY, TEXAS

Being a 10.175 acre tract of land out of the Samuel Wallace Survey No. 112, Abstract No. 360 and part of Blocks 9 and 10, Oak Park Addition, a subdivision recorded in Vol. 45, Pg. 596, Deed Records, in Kerr County, Texas; said 10.175 acres being all of a called 7.47 acre tract and all of a called .74 acre tract described in a Warranty Deed with Vendor's Lien recorded in Vol. 1502, Pg. 621, Official Public Records of Kerr County, Texas, and all of Lots 11, 12, 13 and 14 (Block 9) and Lots 1, 2, 9, 10, 11, 12, 13, 14, 15 and 16 (Block 10), said Oak Park Addition; said 10.175 acres being more particularly described by metes and bounds as follows:

BEGINNING at a found iron pipe, in the southeast line of Meeker Road N, for the west corner of said 7.47 acres and the west corner of the herein described tract;

THENCE, following the southeast line of Meeker Road N, N 45°32'56" E – 425.76 feet to a set iron rod for the north corner of said 7.47 acres, the west corner of Lot 1 (said Block 9) and north corner of the herein described tract; said point bear S 45°32'56" W – 150.00 feet from a found P-K nail for the north corner of said Lot 1 (Block 9);

THENCE, along the southwest line of said Block 9, the following six calls:

S 46°01'26" E – 77.85 feet to a found metal fence post, S 46°01'26" E – 200.00 feet to a found iron rod, S 45°59'14" E – 50.07 feet to a found iron rod, S 46°09'33" E – 49.91 feet to a found iron rod, S 45°33'31" E – 50.11 feet to a found iron rod and S 46°04'43" E – 49.85 feet to a found iron rod for the south corner of Lot 10 and the west corner of said Lot 11 (Block 9);

THENCE, following the common line between said Lots 10 and 11 (Block 9), N 44°26'04" E – 150.37 feet to a found iron rod, in the southwest line of Poplar Street N, for the east corner of said Lot 10, the north corner of said Lot 11 and the northeast corner of the herein described tract;

THENCE, following the southwest line of Poplar Street N, S 46°01'16" E – 199.81 feet to a set iron rod for the east corner of said Lot 14 (Block 9) and the north corner of said .74 acres;

THENCE, continuing to follow the southwest line of Poplar Street N, S 46°01'16" E – 50.00 feet to a set iron rod for the northeast corner of said .74 acres and the north corner of said Lot 9 (Block 10);

THENCE, continuing to follow the southwest line of Poplar Street N, S 46°01'16" E – 99.91 feet to a found metal fence post for the east corner of said Lot 9, the north corner of Lot 8 (Block 10) and the east corner of the herein described tract;

THENCE, following the southeast lines of said Lots 9, 10, 11, 12, 13 and 14 (Block 10) over and across said Block 10, S 44°29'36" W – 299.60 feet to a point for the common corner between Lots 2, 3, 14 and 15 (Block 10);

MANSFIELD SURVEYING P.O. Box 3111 Bandera, TX 78003

THENCE, following the common line between said Lots 2 and 3 (Block 10), S 45°55'09" E – 100.16 feet to a found iron rod, in the northwest line of Beech Street N, for the east corner of said Lot 2 and the south corner of said Lot 3 (Block 10);

THENCE, following the northwest line of Beech Street N, S 44°26'35 W – 97.03 feet to a set iron rod for the south corner of said Lot 1 (Block 10) and the southeast corner of said 0.74 acres;

THENCE, continuing to follow the northwest line of Beech Street N, S 44°56'09" W – 50.11 feet to a found iron rod, in the northeast line of said 7.47 acres, for the south corner of said .74 acres;

THENCE, following the boundary line of said 7.47 acres, S 45°53'48" E – 49.89 feet to a found iron rod (the south corner of Beech Street N) and S 44°34'27" W – 280.36 feet to a found iron rod, in the northeast line of Lot 3 (Park Ridge Estates 2, Vol. 5, Pg. 25, Plat Records of Kerr County, Texas), for the south corner of said 7.47 acres and the south corner of the herein described tract;

THENCE, following the northeast line of said Park Ridge Estates 2, N 25°58'05" W – 752.84 feet to a found wood fence post for the northeast corner of Lot 4 (said Park Ridge Estates 2);

THENCE, following the southwest line of said 7.47 acres, N 50°27'48" W – 128.25 feet to a found iron rod, S 45°19'35" W – 95.83 feet to a found iron rod and N 46°19'17" W a distance of 145.89 feet to the POINT OF BEGINNING.

Said tract contains 10.175 acres of land, more or less. These field notes are made from a survey and drawing made under my supervision dated June 29, 2019. All bearings are from GPS observations based on Texas State Plane Coordinate System, South Central Zone, NAD 83.

R

Bo Mansfield (830) 688-2786
RPLS No. 6278 FIRM No. 10193736



Travis Page

tpage11@live.com

1316 Lytle St, Kerrville, TX 78028

512-923-8111

SUMMARY OF QUALIFICATIONS

- Flexible team player who thrives in environments requiring the ability to prioritize and manage simultaneous projects.
- Organized independent worker with strong time management and interpersonal skills.
- Experienced in customer service, building management and construction science.
- Quick learner with advanced computer skills and the ability to problem solve.

PROFESSIONAL EXPERIENCE

Ashton Woods – San Antonio, TX

December 2017 – Current

Construction Superintendent

- Responsible for all warranties for homes in designated communities.
- Maintain clean communities that meet company and developer standards.
- Persistently follow up with all change orders to ensure homes are build per plan and on schedule.
- Pay all sub-contractors in timely manner.
- Verify all OSHA and safety regulations are performed on every jobsite everyday.
- Make recommendations directly to Division President and VP of any procedural improvements.
- Meet with customers throughout the process to exceed expectations of our process and our product.

M/I Homes – Austin, TX

March 2016 - Dec 2017

Superintendent/Project Manager

- Schedule and supervise daily trade partner activities in accordance with scope of work.
- Ensure the divisions implementation of the state's OSHA standards, create Stormwater Pollution Prevention Plans with Spill Prevention and Countermeasures on a community basis.
- Oversee the construction of 20+ homes in multiple communities in the Austin area ensuring customer satisfaction and quality craftsmanship.
- Accountable for completion of construction projects on time and within budget that meet business expectations.

KB Home – Austin, TX

February 2015 – March 2016

Superintendent/Project Manager

- Responsible for all aspects of the construction process for the homes.
- Recruit, actively communicate with and train business partners on safety, quality requirements and payment procedures.
- Inspect and confirm that work is in compliance with City/County/State requirements.
- Work closely with the sales, customer care, and management team to ensure open communication on all matters.
- Proactively resolve homebuyer or homeowner issues.

EDUCATION

Texas A&M University – College Station, TX

2010-2011

- Studied Economics and Business Management

Lake Travis High School – Austin, TX

2006– 2010

JOSEPH A. BYERS

140 Lost Creek Drive | Bulverde Texas 78163
Phone: 830-627-2277 | Cell: 702-528-4826 | Email: jb@crcsat.com
LinkedIn: <https://www.linkedin.com/in/josephbyers/>

EXECUTIVE PROFILE

Solutions-driven executive with a commitment to excellence and a passion for problem solving. A leader with extensive experience developing innovative solutions creating significant outcomes and managing all levels of multiple projects in commercial real estate development, mortgage lending, asset management, budgeting and administration. Highly skilled in planning, organizing and implementing strategies for solving complex commercial real estate ownership and management issues while maintaining positive relations between investors and real estate investment organizations. Significant track record of driving profitability on distressed commercial projects by creating investment strategies to stabilize assets, business retention, attraction and incentive programs to maintain and create employment opportunities in project communities.

AREAS OF EXPERTISE

- Executive asset management authority providing independent critical decision making, develop and execute strategies to enhance investment objectives.
- Property specific legal matters, lawsuit and bankruptcy management, meeting each problem with calculated defenses resulting in positive resolutions.
- Experience in complex transactions and ability to assess risk tolerance and achieve results.
- Negotiate and execute all related contracts, listing agreements, leases, renewals, purchase and sale agreements, vendor and contractor contracts, loan documents and insurance settlements.
- Develop strategic marketing initiatives to reposition assets, lease-up absorption, implement tactical capital improvements to create a competitive edge.
- Monitor and improve property specific net operating income, investor distribution analysis, annual budgets, loan modification business plans, actively monitor credit and performance of portfolio assets, leasing and sales analysis.
- Skilled in real estate appraisal, construction management, development, tax strategies, buy-hold-sell alternatives, tax consequences, IRC Section 1031, sale leasebacks, equity syndications, building engineering, financial modeling, Ad valorem tax mediation representation.
- Excellent knowledge of real estate finance terminology and its application in financial analysis.

KEY ACCOMPLISHMENTS

- 2017 – Present: Board Member for the City of Bulverde Zoning Board of Adjustment, a quasi-judicial governing body for granting variances and special exceptions under City zoning regulations.
- 2014 - 2018: Reclaimed the trust and confidence of over 200 investors and successfully repositioned previously poorly managed properties, effected loan workouts and restructuring of debt. Sold over 542,000 square feet of office, retail and multifamily projects by focusing on strategic growth and asset repositioning, disposition with emphasis on return of investor capital.
- 2005 - 2013: Originated and closed over \$25 million of private equity in syndicated sponsored investment programs as a FINRA registered representative.
- 1997 - Present: Independent mortgage banker and multi-year top loan originator of CMBS and Life Insurance Company mortgage products. Originated and closed over \$2 billion in commercial real estate loans. Maintained various asset management functions and building management transitional services for select clientele.

WORK EXPERIENCE

Commercial Realty Capital 1997 - Present
Operating Partner San Antonio, TX

- Leadership and operational portfolio management of commercial property assets, mentoring, training and management of teams involved in daily operations. Prepared annual performance reviews of property managers, building engineers and 3rd party vendors.
- Host portfolio management meetings, investor conference calls, capital calls, newsletters and property specific business plans. Primary contact with attorneys, lenders, loan servicers and other debt and equity holders. Monitor investment performance to budgets, investor distributions underwriting metrics, investment modeling, market research, valuation of assets, leasing, buy, sell and hold recommendations.
- Commercial mortgage loan origination, subservicing and non-performing loan management. Underwriting and due diligence, property inspection, appraisal review, cash flow and investment strategy, loan portfolio risk analysis, and private direct lending. Loan correspondent to private debt funds, life insurance mortgage products, CMBS lenders, private label loan programs.
- Specialize in trouble assets, complex property debt and equity structures. Successful business development of high net worth clientele and relationship management, income property investors, investment program sponsors, REIT's and sourced investment opportunities.
- Consulting services to multiple national commercial real estate firms on acquisitions, dispositions, financing and capital investments, asset integration, portfolio transition, liquidation, lawsuits, foreclosures and bankruptcy.
- FINRA Registered Representative with Grubb & Ellis Securities. Specialized in IRC § 1031 Tenants in Common and DST fractionized equity in sponsored DPP investments to high net worth and Institutional clients. Formerly FINRA registered in Texas, California and Nevada.

2J Capital, LLC 2018 to Present
Managing Partner San Antonio, TX

- Co-founder of a privately funded investment firm specializing in land acquisition and development of affordable housing developments in local counties. Licensed by the Texas Department of Housing and Community Affairs – Manufactured Housing Division Retailer | Broker | Installer MHDRET37322

Velmier Development 1995 - 1997
Director of Real Estate West Bloomfield Hills, MI

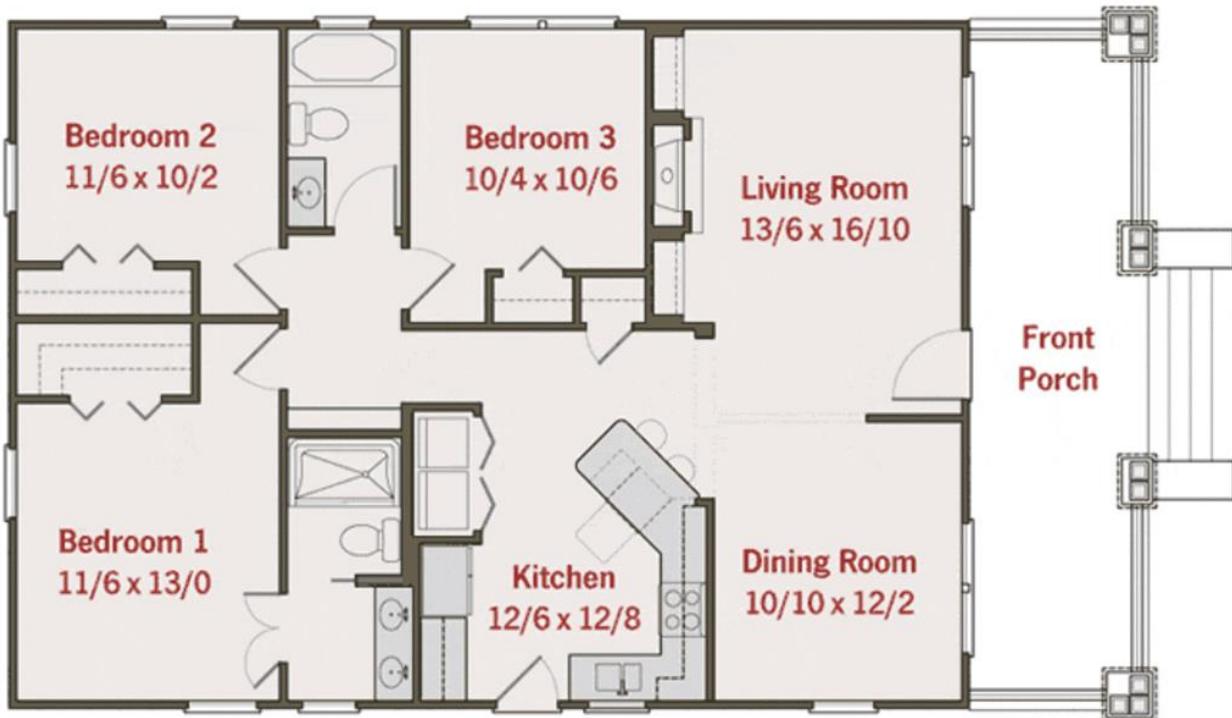
- Led initiatives that funded construction projects, portfolio management, risk analysis, investor reporting, negotiated zoning changes, project site identification and acquisition negotiations, leasing and sale of commercial holdings.

EDUCATION

BAS – Occupational Management / Business Law – Attended St. Mary's University, San Antonio, TX
Associate in Applied Science / Real Estate – San Antonio College, San Antonio, TX

SKILLS

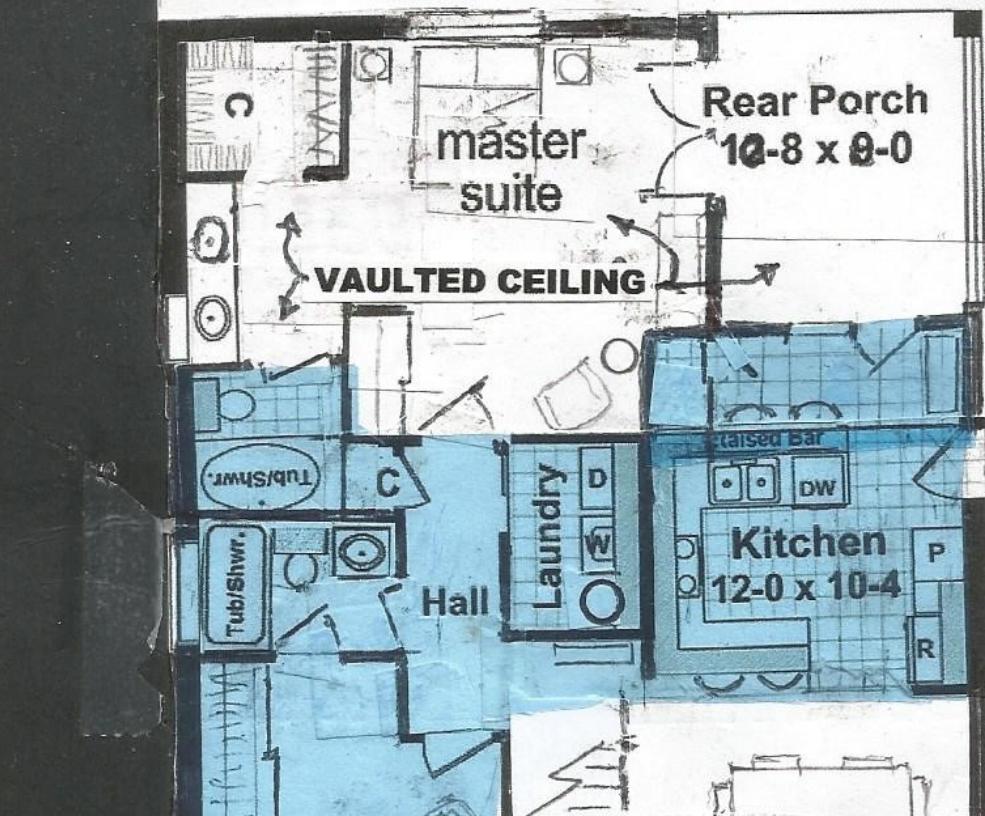
Strong negotiating skills, financial modeling and risk management pro forma analysis, expertise in Microsoft Office, Word/Excel Outlook, and Client specific web applications



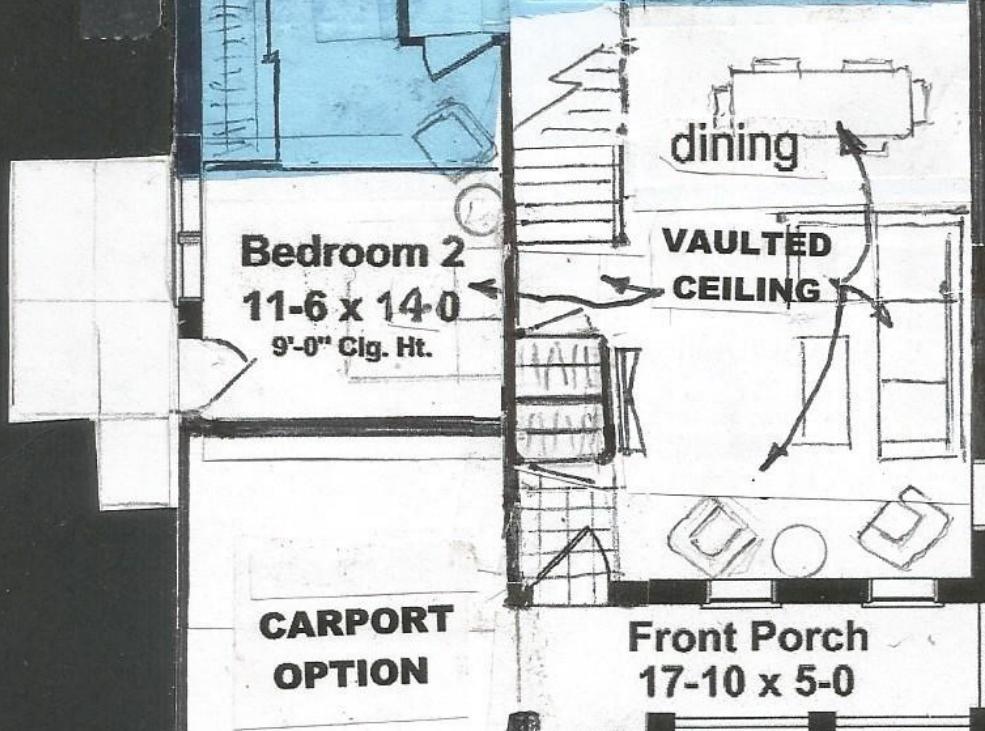
MULTIPLE ELEVATIONS POSSIBLE



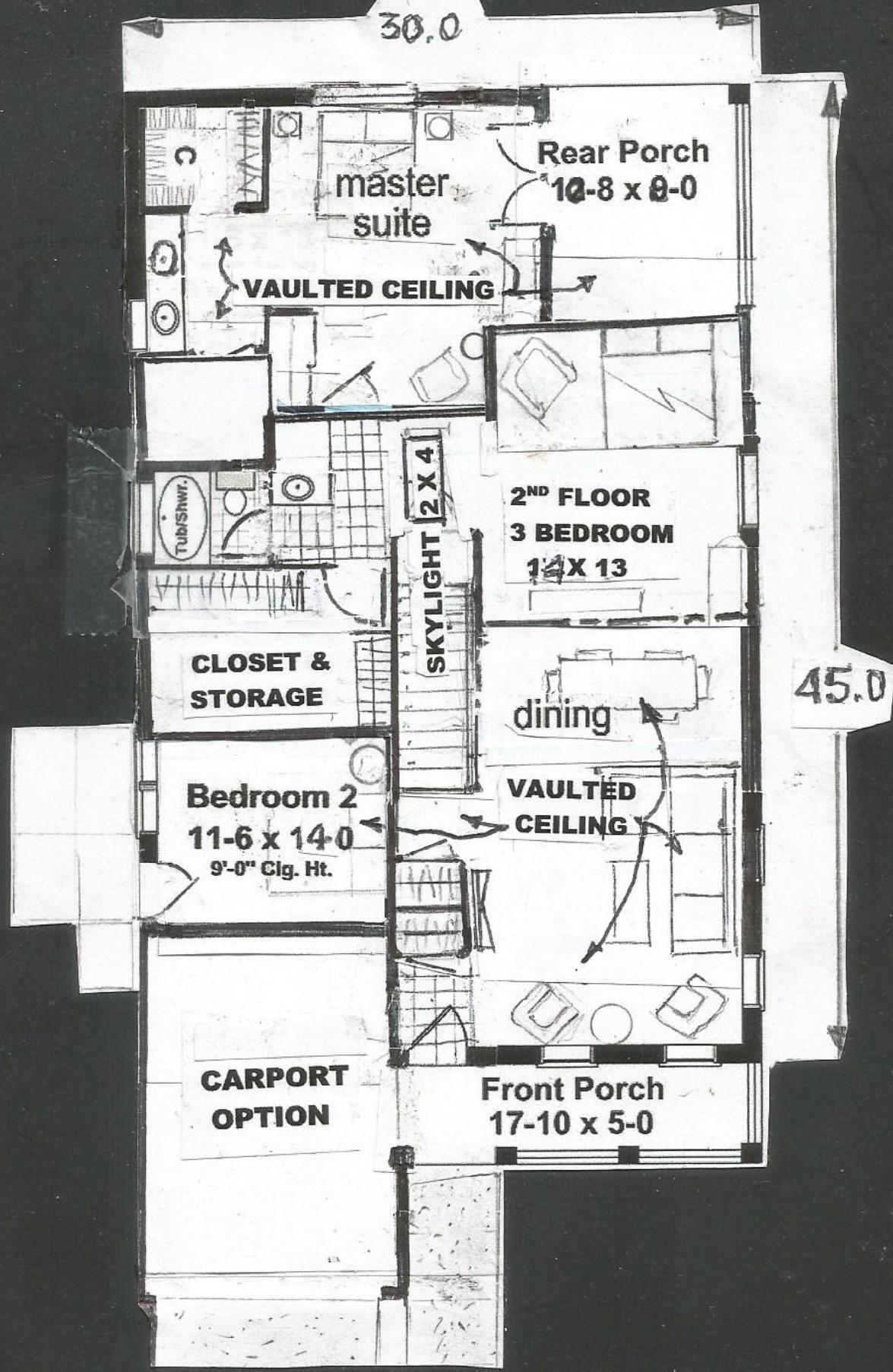
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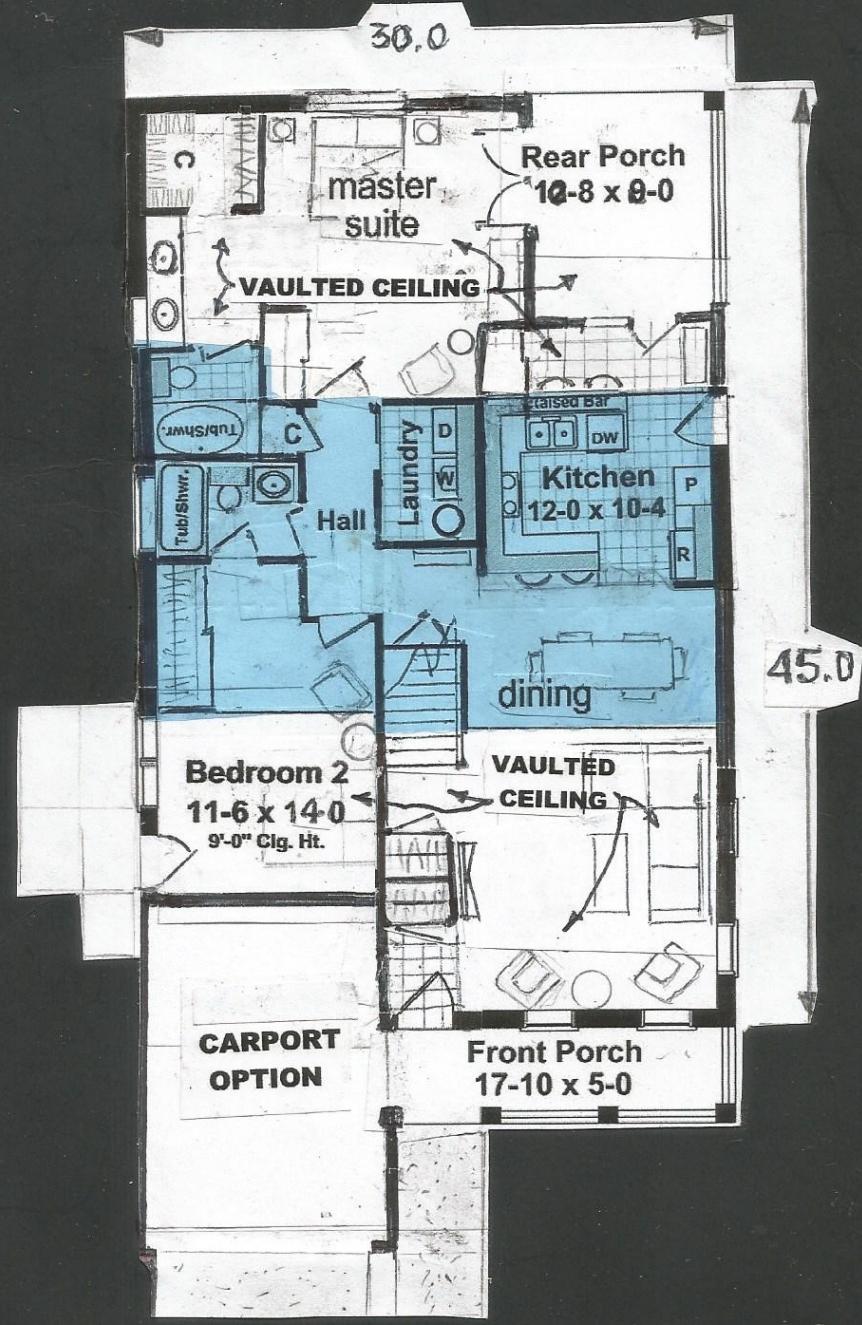


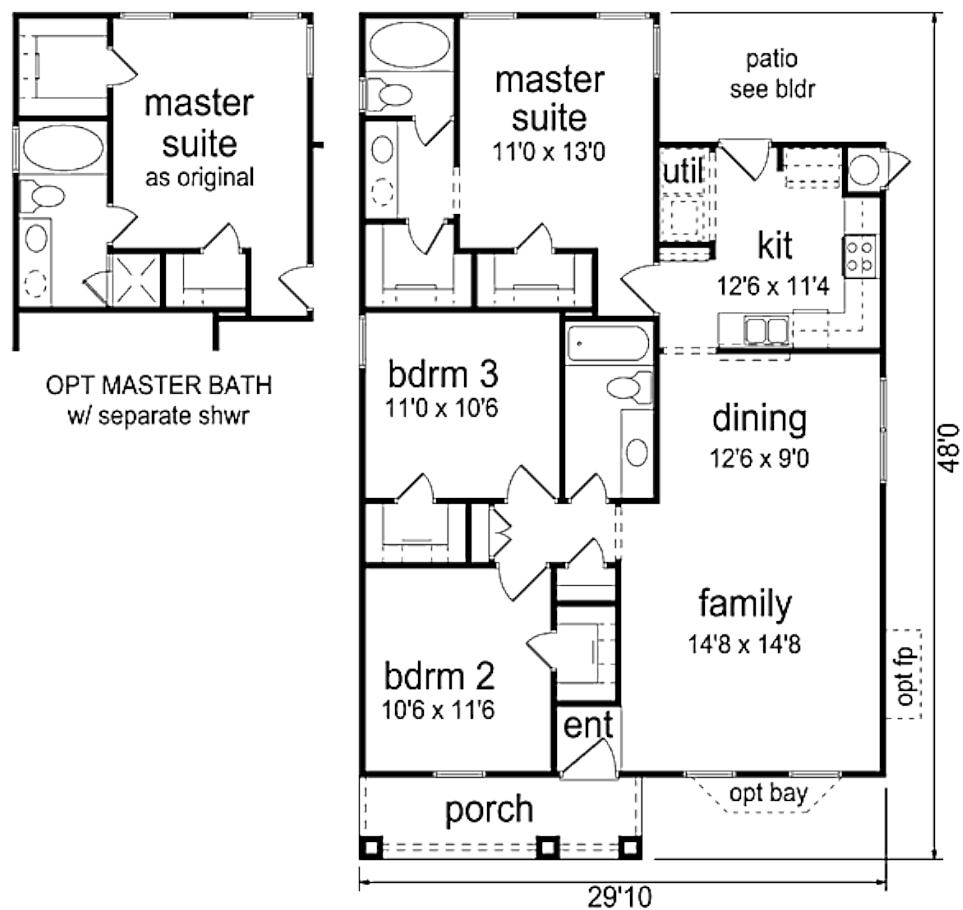
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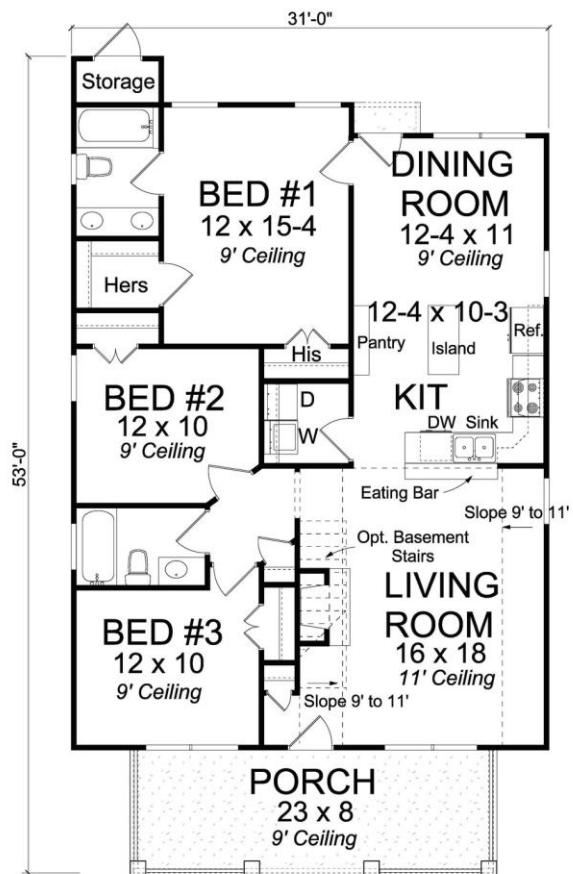


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Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
FAX: 512/463-5709

Filing Fee: \$300



Certificate of Formation Limited Liability Company

Filed in the Office of the
Secretary of State of Texas
Filing #: 803387412 08/06/2019
Document #: 905160840002
Image Generated Electronically
for Web Filing

Article 1 - Entity Name and Type

The filing entity being formed is a limited liability company. The name of the entity is:

2J-PAGE DEVELOPMENT LLC

Article 2 – Registered Agent and Registered Office

A. The initial registered agent is an organization (cannot be company named above) by the name of:

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

Name:

JOSEPH A. BYERS

C. The business address of the registered agent and the registered office address is:

Street Address:

140 Lost Creek Bulverde TX 78163

Consent of Registered Agent

A. A copy of the consent of registered agent is attached.

OR

B. The consent of the registered agent is maintained by the entity.

Article 3 - Governing Authority

A. The limited liability company is to be managed by managers.

OR

B. The limited liability company will not have managers. Management of the company is reserved to the members.

The names and addresses of the governing persons are set forth below:

Manager 1: **JOSEPH A. BYERS**

Title: **Manager**

Address: **140 LOST CREEK DRIVE Bulverde TX, USA 78163**

Manager 2: **JEFFERY T. STRMISKA**

Title: **Manager**

Address: **30395 ROADRUNNER WAY Bulverde TX, USA 78163**

Article 4 - Purpose

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

Supplemental Provisions / Information

[The attached addendum, if any, is incorporated herein by reference.]

Organizer

The name and address of the organizer are set forth below.

JOSEPH A. BYERS 140 LOST CREEK DRIVE BULVERDE TEXAS 78163

Effectiveness of Filing

A. This document becomes effective when the document is filed by the secretary of state.

OR

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

JOSEPH A. BYERS

Signature of Organizer

FILING OFFICE COPY

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Jose A. Esparza
Deputy Secretary of State

Office of the Secretary of State

August 08, 2019

Attn: JOSEPH A BYERS

JOSEPH A BYERS
140 LOST CREEK DRIVE
Bulverde, TX 78163 USA

RE: 2J-PAGE DEVELOPMENT LLC

File Number: 803387412

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created domestic limited liability company (llc).

Unless exempted, the entity formed is subject to state tax laws, including franchise tax laws. Shortly, the Comptroller of Public Accounts will be contacting the entity at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the entity. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at <https://window.state.tx.us/taxinfo/franchise/index.html>.

The entity formed does not file annual reports with the Secretary of State. Documents will be filed with the Secretary of State if the entity needs to amend one of the provisions in its certificate of formation. It is important for the entity to continuously maintain a registered agent and office in Texas. Failure to maintain an agent or office or file a change to the information in Texas may result in the involuntary termination of the entity.

If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555

Enclosure

Come visit us on the internet at <https://www.sos.texas.gov/>

Phone: (512) 463-5555
Prepared by: Stacey Ybarra

Fax: (512) 463-5709
TID: 10285

Dial: 7-1-1 for Relay Services
Document: 905160840002

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Jose A. Esparza
Deputy Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING OF

2J-PAGE DEVELOPMENT LLC
File Number: 803387412

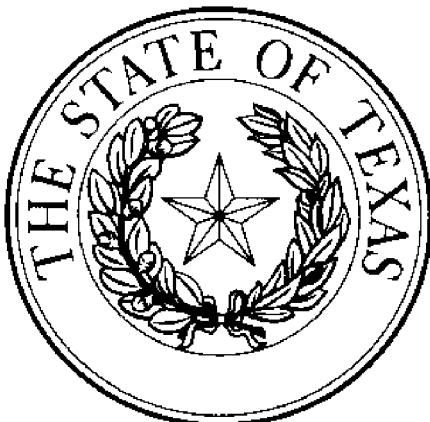
The undersigned, as Deputy Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Limited Liability Company (LLC) has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Deputy Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 08/06/2019

Effective: 08/06/2019



A handwritten signature in black ink, appearing to read "JE".

Jose A. Esparza
Deputy Secretary of State

Come visit us on the internet at <https://www.sos.texas.gov/>

Phone: (512) 463-5555
Prepared by: Stacey Ybarra

Fax: (512) 463-5709
TID: 10306

Dial: 7-1-1 for Relay Services
Document: 905160840002

Date of this notice: 07-30-2019

Employer Identification Number:
84-2559676

Form: SS-4

Number of this notice: CP 575 B

2J-PAGE DEVELOPMENT LLC
JOSEPH A BYERS MBR
140 LOST CREEK DR
BULVERDE, TX 78163

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 84-2559676. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 1065

03/15/2020

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

- * Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.
- * Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- * Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is 2J-P. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

Keep this part for your records.

CP 575 B (Rev. 7-2007)

Return this part with any correspondence
so we may identify your account. Please
correct any errors in your name or address.

CP 575 B

9999999999

Your Telephone Number Best Time to Call DATE OF THIS NOTICE: 07-30-2019
() - _____ EMPLOYER IDENTIFICATION NUMBER: 84-2559676

FORM: SS-4 NOBOD

INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023
[REDACTED]

2J-PAGE DEVELOPMENT LLC
JOSEPH A BYERS MBR
140 LOST CREEK DR
BULVERDE, TX 78163

Agenda Item:

4D. Resolution creating a subcommittee of the City of Kerrville, Texas Economic Improvement Corporation to review the Bylaws of the corporation and recommend any amendments.

**CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
RESOLUTION NO. 01-2019**

**A RESOLUTION CREATING A COMMITTEE CONSISTING OF
DIRECTORS OF THE ECONOMIC IMPROVEMENT
CORPORATION FOR A REVIEW OF THE CORPORATION'S
BYLAWS**

WHEREAS, the City of Kerrville, Texas Economic Improvement Corporation ("EIC") was created in 1995 pursuant to state law and following such creation, Articles of Incorporation and Bylaws were approved for the EIC; and

WHEREAS, the current EIC finds it to be in the public interest to review the Bylaws with respect to whether any amendments should be made; and

WHEREAS, in order to conduct such review, the EIC seeks to appoint a committee made up of a portion of its directors as authorized by Section 2.09 of the Bylaws;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF KERRVILLE,
TEXAS, ECONOMIC IMPROVEMENT CORPORATION:**

SECTION ONE. The EIC hereby creates a committee in accordance with Section 2.09 of its Bylaws for the purpose of reviewing the Bylaws as to whether any amendments should be made. The current Bylaws, as amended, are attached as **Exhibit A**. The Bylaws were originally adopted by the Kerrville City Council by Resolution No. 95-112 on July 11, 1995.

SECTION TWO. The committee is made up of the following EIC directors:

Aaron Yates
Gregory Richards
Kent McKinnney
Kenneth Early

SECTION THREE. The committee shall meet and conduct its work in accordance with Section 2.09 of the Bylaws.

PASSED AND APPROVED ON this the _____ day of _____ A.D., 2019.

Kenneth Early, President

APPROVED AS TO FORM:

ATTEST:

Michael C. Hayes, Attorney for the EIC

Kayla McInturff, Secretary

Agenda Item:

4E. Review and discuss upcoming EIC regular meeting dates.

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

SUBJECT: Review and discuss upcoming EIC meeting dates.

AGENDA DATE: September 16, 2019

DATE SUBMITTED: September 12, 2019

SUBMITTED BY: E.A. Hoppe
Deputy City Manager

EXHIBITS:

| Expenditure Required: | Current Balance in Account: | Amount Budgeted: | Account Number: |
|------------------------------|------------------------------------|-------------------------|------------------------|
| N/A | N/A | N/A | N/A |

PAYMENT TO BE MADE TO: N/A

SUMMARY STATEMENT

The Kerrville Economic Improvement Corporation regularly meets on the third Monday of every month. In an effort to best accommodate holiday and travel plans of the EIC, City staff wanted to bring forth several identified calendar conflicts to seek guidance on the EIC's desire to potentially change the date of these upcoming EIC meetings:

October 2019

3rd Monday: October 16th (both City Manager Mark McDaniel and Deputy CM E.A. Hoppe will be at a professional training event)

Suggested alternative meeting date: October 28th

January 2020

3rd Monday: January 20th (Kerrville City Hall is closed in observance of MLK Day)

Suggested alternative meeting date: January 13th, January 14th, or January 27th

February 2020

3rd Monday: February 17th (Presidents Day observance)

Suggested alternative meeting date: Feb 10th, (Tuesday February 18th), or February 24th

March 2020

3rd Monday: March 16th (KISD observance of Spring Break)

Suggested alternative meeting date: March 23rd