

AGENDA FOR THE REGULAR MEETING OF THE
CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
MONDAY, NOVEMBER 18, 2019, 4:00 P.M.
KERRVILLE CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION

1. VISITORS / CITIZENS FORUM:

Any citizen with business not scheduled on the agenda may speak to the Economic Improvement Corporation. No deliberation or action can be taken on these items because the Open Meetings Act requires an item be posted on an agenda 72 hours before the meeting. Visitors are asked to limit their presentation to three minutes.

2. APPROVAL OF MINUTES:

2A. Approval of minutes for the regular EIC meeting held on October 28, 2019.

3. MONTHLY REPORTS:

3A. Monthly financials for October 2019.

3B. Projects update:

River Trail Extension to Schreiner
University Tennis Center
Improvements
Aquatics Feasibility Study
Olympic Drive Infrastructure Extension
Downtown Streetscape/Parking Garage
Legion Lift Station
Aerial Pipe Bridge
EconoLodge/Hobby
Lobby
Thompson/Spur 98 Infrastructure
Extension
Arcadia

3C. Monthly update from Kerr Economic Development Corporation.

4. 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:

- Workforce housing development located along Meeker Road proposed by 2J-PAGE Development, LLC (551.087)

- City Loop 534 property development project (551.087)
- Vintage Heights housing development (551.087)
- Sky Master business development project (551.087)
- EIC Grant Agreement with KFOR for Arcadia Live project (551.071)

5. **POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION**

6. **ITEMS FOR FUTURE AGENDAS**

7. **ANNOUNCEMENTS**

8. **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: November 15 at 3:30 p.m. and 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 October 28, 2019.

CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING **OCTOBER 28, 2019**

On Monday, October 28, 2019, the regular meeting of the members of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by Kenneth Early, President, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas. Danny Almond offered the invocation.

Members Present:

Kenneth Early, President
Kent McKinney, Vice President
Danny Almond
Maggie Megee
Gregory Richards
Aaron Yates

Members Absent:

Don Barnett

City Executive Staff Present:

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 September 16, 2019.

Aaron Yates moved to approve the minutes. Kent McKinney seconded the motion and the motion passed 6-0.

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:

Kick-off with contractor has started with anticipated completion in early summer 2020.

Tennis Center Improvements: Continuing to make progress. Reopening by spring if good weather during winter.

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

Olympic Drive Extension:

Project is out to bid.

Downtown Streetscape:

Construction documents are being developed.

Aerial Pipe Bridge:

Successful TWDB grant award of State Disaster Recovery Funds. Looking for additional half a million grant. Design engineering work underway.

Legion Lift Station:

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

EconoLodge/Hobby Lobby

Opening date in Q4 2019.

Thompson/Spur 98 Infrastructure Extension

On-Site utility work started.

Arcadia Renovation: Construction documents are being developed, anticipated construction anticipated to start late 2019 with July 2020 opening.

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

Gil Salinas presented KEDC update.

4. PUBLIC HEARING AND POSSIBLE ACTION:

4A. Project Funding Agreement between the City of Kerrville, Texas, Economic Improvement Corporation and the City of Kerrville, Texas for the Kerrville-Kerr County Airport related to site, building, and infrastructure improvements for business enterprise activity.

The public hearing was opened by Mr. Early at 4:36 p.m.

EA Hoppe presented the Project Funding Agreement. There were no public speakers. The public hearing was closed by Mr. Early at 4:41 p.m.

Maggie Megee moved to approve the Project Funding Agreement as presented. Kent McKinney seconded, and the motion passed 6-0.

5. EXECUTIVE SESSION:

Mr. Richards 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. Kent McKinney seconded, and the motion passed 6-0.

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 4:42 p.m. the regular meeting recessed. EIC went to executive closed session at 4:42 p.m. At 5:18 p.m., the executive closed session recessed and EIC returned to open session at 5:18 p.m. No action was taken at executive session.

6. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:

7. ITEMS FOR FUTURE AGENDAS:

None

8. ANNOUNCEMENTS:

None

9. ADJOURNMENT

Mr. Early adjourned the meeting at 5:18 pm.

APPROVED:

Kenneth Early, President

ATTEST:

Kayla McInturff, Deputy City Secretary

Agenda Item:

3A. Monthly financials for October 2019.



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

SUBJECT: Monthly Financial Report

AGENDA DATE OF: 11/18/2019

DATE SUBMITTED: 11/14/2019

SUBMITTED BY: Amy Dozier, CFO

EXHIBITS: October 2019 Financial Reports

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

PAYMENT TO BE MADE TO: [Click or tap here to enter text.](#)

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

SUMMARY STATEMENT:

EIC received sales tax of \$295K in October 2019. This is 3.5% higher than October 2018 and better than budget. Increases were primarily seen in the retail and food services categories. We saw a decline in sales tax revenue from the manufacturing category that we will continue to monitor closely to determine if it is a trend or just a one month anomaly.

On the expense side, EIC made the second and final payment on the Legion Lift Station project. The project is progressing quickly and on track to be finished in early 2020. In addition, EIC made regular monthly payments for administrative and debt service, plus a quarterly payment to KEDC.

Following this activity, EIC ended October with a cash balance of \$3,051,694. Looking forward, we expect payments for Schreiner River Trail (\$750K), Olympic Drive (\$894K) and airport projects (\$250K) before the end of the calendar year. Projected cash balances in FY2020 continue to look healthy, with a low balance of \$1.2 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 1.85%. Interest rates fell following another interest rate cut by the Federal Reserve on October 30th. The TexPool rate is slightly lower than less liquid investments, but allows EIC flexibility with project funding.

RECOMMENDED ACTION:

Information only; no action required.

**ECONOMIC IMPROVEMENT CORPORATION
STATEMENT OF ACTIVITIES
MONTH ENDED OCTOBER 31, 2019**

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
REVENUES					
Sales and Use Tax	\$ 3,689,250	\$ 294,752	\$ 294,752	8.0%	\$(3,394,498)
Interest Income	33,750	6,749	6,749	20.0%	(27,001)
TOTAL REVENUES	3,723,000	301,501	301,501	8.1%	(3,421,499)
EXPENDITURES					
Administrative					
Office Supplies	500	-	-	0.0%	500
Administrative Services Fee	185,000	15,417	15,417	8.3%	169,583
Kerr Economic Development Corp	250,000	62,500	62,500	25.0%	187,500
Total Administrative	435,500	77,917	77,917	17.9%	357,583
Debt Service					
Debt Service - Series 2011A (River Trail)	258,506	21,646	21,646.33	8.4%	236,860
Debt Service - Series 2012 (River Trail)	250,330	20,969	20,969.17	8.4%	229,361
Debt Service - Series 2015 (KSC)	603,350	50,488	50,487.50	8.4%	552,863
Total Debt Service	1,112,186	93,103	93,103	8.4%	1,019,083
Project Contribution					
Legion Lift Station	1,000,000	1,000,000	1,000,000	100.0%	-
Schreiner - River Trail	750,000	-	-		750,000
Olympic Drive	935,000	-	-		935,000
Thompson Drive Partners (The Landing)	566,667	-	-		566,667
KFOR - Arcadia	600,000	-	-		600,000
	3,851,667	1,000,000	1,000,000	26.0%	2,851,667
TOTAL EXPENDITURES	5,399,353	1,171,020	1,171,020	21.7%	4,228,333
CHANGE IN NET POSITION	\$ (1,676,353)	\$ (869,518)	\$ (869,518) *		

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

Economic Improvement Corporation
Cash Flow Forecast
October 31, 2019

	FY2020 Actual	FY2020 Projected			
	Oct 2019	Nov 2019 to Dec 2019	Jan 2020 to Mar 2020	Apr 2020 to Jun 2020	Jul 2020 to Sep 2020
Beginning Cash Balance	\$ 3,921,213	\$ 3,051,694	\$ 1,532,626	\$ 1,214,330	\$ 1,745,491
Revenue	301,501	592,471	953,096	919,220	956,712
Expenditures					
Administrative Expense					
Administrative Fee	15,417	31,333.34	46,250	46,250	46,250
KEDC	62,500	-	62,500	62,500	62,500
Total Administrative Expense	77,917	31,333	108,750	108,750	108,750
Debt Service	93,103	186,206	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	-	894,000	-	-	-
KFOR - Arcadia	-	-	600,000	-	-
Airport	-	250,000	-	-	-
Total Project Expense	1,000,000	1,894,000	883,333	-	283,333
Total Expenditures	1,171,020	2,111,539	1,271,392	388,059	671,393
Ending Cash Balance	\$ 3,051,694	\$ 1,532,626	\$ 1,214,330	\$ 1,745,491	\$ 2,030,810

Project Analysis as of October 31, 2019			
Project Description	EIC Commitment	Disbursed Funding	Remaining Funding
Committed Projects:			
Legion Lift Station	\$ 2,000,000	\$2,000,000	\$ -
Thompson Drive Partners	850,000	283,333	566,667
Schreiner River Trail	1,500,000	750,000	750,000
Olympic Drive	1,050,000	156,000	894,000
KFOR - Arcadia	600,000	-	600,000
Airport Projects	375,000	-	375,000
Committed Project Total	\$ 6,375,000	\$3,189,333	\$ 3,185,667

Cash Analysis as of October 31, 2019		
by Type - Placement - Amount		
Type	Placement	Amount
Short Term	EIC TexPool	\$ 3,051,694
Investment	Total Cash and Investments	\$ 3,051,694

Sales Tax Revenue Analysis - FY2020						
Month	Actual FY2018	Actual FY2019	Budget FY2020	Actual FY2020	FY2018 vs. FY2019	Budget vs. Actual
October	\$ 277,430	\$ 284,752	\$ 294,123	\$ 294,752	3.51%	0.21%
November	278,698	276,717	302,630			
December	252,047	295,154	284,841			
January	273,590	271,314	293,053			
February	354,753	376,154	386,639			
March	242,127	266,024	267,403			
April	241,702	284,581	270,614			
May	324,560	299,073	337,884			
June	286,255	304,930	302,222			
July	306,165	315,626	300,675			
August	323,628	332,420	346,545			
September	288,215	341,470	302,620			
YTD Total	\$3,449,171	\$3,648,217	\$3,689,250	\$ 294,752	3.51%	0.21%

Agenda Item:

3B. Projects Update:

River Trail Extension to Schreiner University

Tennis Center Improvements

Aquatics Feasibility Study

Olympic Drive Infrastructure Extension

Downtown Streetscape/Parking Garage

Legion Lift Station

Aerial Pipe Bridge

EconoLodge/Hobby Lobby

Thompson/Spur 98 Infrastructure Extension

Arcadia

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.