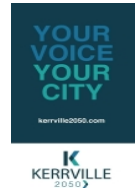




**TAX INCREMENT REINVESTMENT ZONE
(TIRZ) BOARD AGENDA
JANUARY 28, 2021 4:00 PM
CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS**



***TIRZ Meeting Procedures during the Disaster Declaration
and Citizen/Public Participation Guidelines***

COVID-19 (Coronavirus) provides a unique concern in that gathering members of the public, TIRZ, and City staff within a physical setting constitutes a public health risk. On March 16, 2020, the Texas Governor suspended certain requirements of the Open Meetings Act to permit open meetings to occur in a fully virtual setting (e.g., telephonic or videoconference meeting). In an effort to avoid and mitigate health risks, and limited occupancy levels in Council Chambers, TIRZ will convene in a virtual forum and attendance will be limited to only those persons essential to holding the meeting. No member of the public will be admitted into City Hall during this time. **Despite the necessity to restrict public access to Kerrville TIRZ meetings in the interest of public health during the COVID-19 pandemic, citizens and visitors are welcome to participate TIRZ meetings in several alternate ways as outlined below.**

Instructions for callers:

Dial the following toll free number: **1-800-832-5611**.

If you cannot get through, call the 346-248-7799 or 253-215-8782.

When your call is answered you will hear **"Welcome to Zoom, enter your Meeting ID followed by pound"**. Enter in the Meeting ID below followed by the pound sign (#).

The Meeting ID is **999 1140 8994#**

If the moderator has not started the meeting, you will hear "The meeting has not started yet, please hold or call back later."

Citizens must call in by 3:45 p.m., and register with the Zoom moderator, and each speaker is limited to four minutes.

Once you have called into the meeting, your microphone will be placed on mute and your call will be placed in the call queue. At this point, you will hear silence on the phone. Do not hang up. The moderator will unmute your microphone as he/she is going down the list. Once the meeting has started, you will be able to listen to proceedings even if your microphone is muted.

The moderator will be accepting calls starting at 3:00 p.m. Place your call before the 3:45 p.m. deadline in order to participate in speaking on a specific item. You will be queued to speak. Any calls made after the 3:45 p.m. deadline will not be answered, and microphones will be kept muted. Each speaker is limited to four minutes.

Instructions for written comments:

Written comments will be accepted for any agenda items, including Public Hearings. You are required to provide your first and last name, address, and identify the item you wish to comment on. All information must be provided in order for your comments to be read into record.

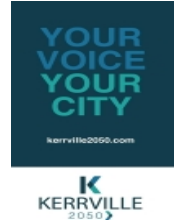
Written comments can be provided two different ways:

- **OPTION 1 by hard copy** – Comments may be dropped off at the City Hall Utility Payments Drop-Box on the north side of City Hall by 3:45 p.m. the afternoon of the TIRZ meeting.
- **OPTION 2 by email** - Comments can be emailed to **kesha.franchina@kerrvilletx.gov** and must be received by 3:45 p.m. the afternoon of the TIRZ meeting.
- Citizens may view and hear the TIRZ meetings on Spectrum Channel 2 or by live-streaming via the City's website (www.kerrvilletx.gov). TIRZ meetings are recorded and the recordings are posted on the City's website.

Thank you for your participation!



TAX INCREMENT REINVESTMENT ZONE AGENDA
JANUARY 28, 2021, 4:00 PM
Kerrville City Hall, City Council Chambers
701 Main Street, Kerrville, Texas



The purpose of the Tax Increment Reinvestment Zone is to encourage private investment, create new taxable value, and increase economic activity in downtown Kerrville.

1 INVOCATION:

2 CALL TO ORDER:

3 APPROVAL OF MINUTES:

3.A. [Minutes from the TIRZ meeting held on September 24, 2020](#)

Attachments:

[TIRZ Minutes 9-24-2020.pdf](#)

4 QUARTERLY REPORTS:

4.A. [Update On Various Downtown Projects](#)

4.B. [Tax Increment Reinvestment Zone Annual Report](#)

Attachments:

[FY2020 Annual Report.pdf](#)

5 ITEMS FOR FUTURE AGENDAS:

5.A. [Confirmation Of Upcoming Meeting Date](#)

6 ANNOUNCEMENTS:

7 ADJOURN.

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: 1/25/2021 at 2:05 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Kesha Franchina

Kesha Franchina, Deputy City Secretary, City of Kerrville, Texas

Tax Increment Reinvestment Zone Agenda Bill Report

Submitted by: Kesha Franchina, Deputy City Secretary
Submitting Department: City Secretary
Meeting Date: January 28, 2021

SUBJECT:

Minutes from the TIRZ meeting held on September 24, 2020

SUMMARY STATEMENT:

Approve minutes from the TIRZ meeting held on September 24, 2020

EXHIBITS:

RECOMMENDED ACTION:

Approve

EXPENDITURE REQUIRED:

N/A

CURRENT BALANCE IN ACCOUNT:

N/A

AMOUNT BUDGETED:

N/A

ACCOUNT NUMBER:

N/A

PAYMENT TO BE MADE TO:

N/A

ATTACHMENTS

- [TIRZ Minutes 9-24-2020.pdf](#)

CITY OF KERRVILLE, TAX INCREMENT REINVESTMENT ZONE BOARD OF DIRECTORS MEETING SEPTEMBER 24, 2020

On Thursday, September 24, 2020, the City of Kerrville, Texas TIRZ Board of Directors meeting, was called to order at 4:00 p.m. by Kenneth Early, Chairman, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas.

Members Present:

Kenneth Early, Chairman
Fred Gamble
John Harrison
Katherine Howard
Pat Murray
Bruce Stracke
Mindy Wendele, Vice-Chair

Members Absent:

None

City Executive Staff Present:

Mark McDaniel, City Manager
Kesha Franchina, Deputy City Secretary

No citizens were present at the Tax Increment Reinvestment Zone meeting due to the COVID-19 pandemic restrictions and the Governors Disaster Declaration on March 16, 2020; public participation and engagement were offered through Zoom by telephone, by written comments, and by mail.

1 INVOCATION AND PLEDGE OF ALLEGIANCE:

Kenneth Early led the invocation and Pledge of Allegiance

2 CALL TO ORDER:

Kenneth Early called the meeting to order at 4:00 p.m.

3 APPROVAL OF MINUTES:

3.A. Minutes from the TIRZ meeting held August 20, 2020.

Fred Gamble motioned to approve the minutes, Mindy Wendele seconded, Pat Murray noted a correction, and motion passed with correction to minutes 7-0.

4 CONSIDERATION AND POSSIBLE ACTION:

4.A. Nomination and election of Main Street Advisory Board member.

Pat Murray nominated Katherine Howard, no other nominations were made, and nomination passed 7-0

5 INFORMATION AND DISCUSSION:

5.A. Update on various Downtown projects.

Mark McDaniel presented and answered questions.

6 EXECUTIVE SESSION:

The Tax Increment Reinvestment Zone 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:

6.A. Project Wildflower business development project (551.087).

Fred Gamble motioned to move into executive session, Bruce Stracke seconded, and the motioned passed 7-0. The TIRZ board convened into closed executive session at 4:35 p.m. and reconvened at 4:49 p.m.

7 POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:

No action

8 ITEMS FOR FUTURE AGENDAS:

Quarterly meetings, fourth Thursday of the month, beginning on January 28, 2021.

9 ANNOUNCEMENTS: None

ADJOURN. Kenneth Early adjourned the meeting at 4:52 p.m.

APPROVED BY TIRZ BOARD: _____

Kenneth Early, Chairman

ATTEST:

Kesha Franchina, Deputy City Secretary

Tax Increment Reinvestment Zone Agenda Bill Report

Submitted by: Kesha Franchina, Deputy City Secretary
Submitting Department: City Secretary
Meeting Date: January 28, 2021

SUBJECT:

Update On Various Downtown Projects

SUMMARY STATEMENT:

EXHIBITS:

RECOMMENDED ACTION:

Presentation

EXPENDITURE REQUIRED:

NA

CURRENT BALANCE IN ACCOUNT:

NA

AMOUNT BUDGETED:

NA

ACCOUNT NUMBER:

NA

PAYMENT TO BE MADE TO:

NA

ATTACHMENTS

-

Tax Increment Reinvestment Zone Agenda Bill Report

Submitted by: Kesha Franchina, Deputy City Secretary
Submitting Department: Finance
Meeting Date: January 28, 2021

SUBJECT:

Tax Increment Reinvestment Zone Annual Report

SUMMARY STATEMENT:

EXHIBITS:

RECOMMENDED ACTION:

No action

EXPENDITURE REQUIRED:

NA

CURRENT BALANCE IN ACCOUNT:

NA

AMOUNT BUDGETED:

NA

ACCOUNT NUMBER:

NA

PAYMENT TO BE MADE TO:

NA

ATTACHMENTS

- [FY2020 Annual Report.pdf](#)

City of Kerrville
Tax Increment Reinvestment Zone #1
Annual Report
Fiscal Year Ended September 30, 2020



Annual Report Requirements

Texas state law requires the governing body of the municipality that created the TIRZ to submit an annual report to the chief executive officer of each taxing unit that levies taxes on property within the zone. The report must be provided within 150 days of the end of the city's fiscal year. The report must include the following items:

1. The amount and source of revenue in the tax increment fund established for the zone;
2. The amount and purpose of expenditures from the fund;
3. The amount of principal and interest due on outstanding bonded indebtedness;
4. The tax increment base and current captured appraised value retained by the zone;
5. The captured appraised value shared by the city and other taxing units;
6. The total amount of tax increments received; and
7. Any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the city.

A copy of the above report must be sent to the Texas State Comptroller's Office.

What is Tax Increment Financing (TIF)?

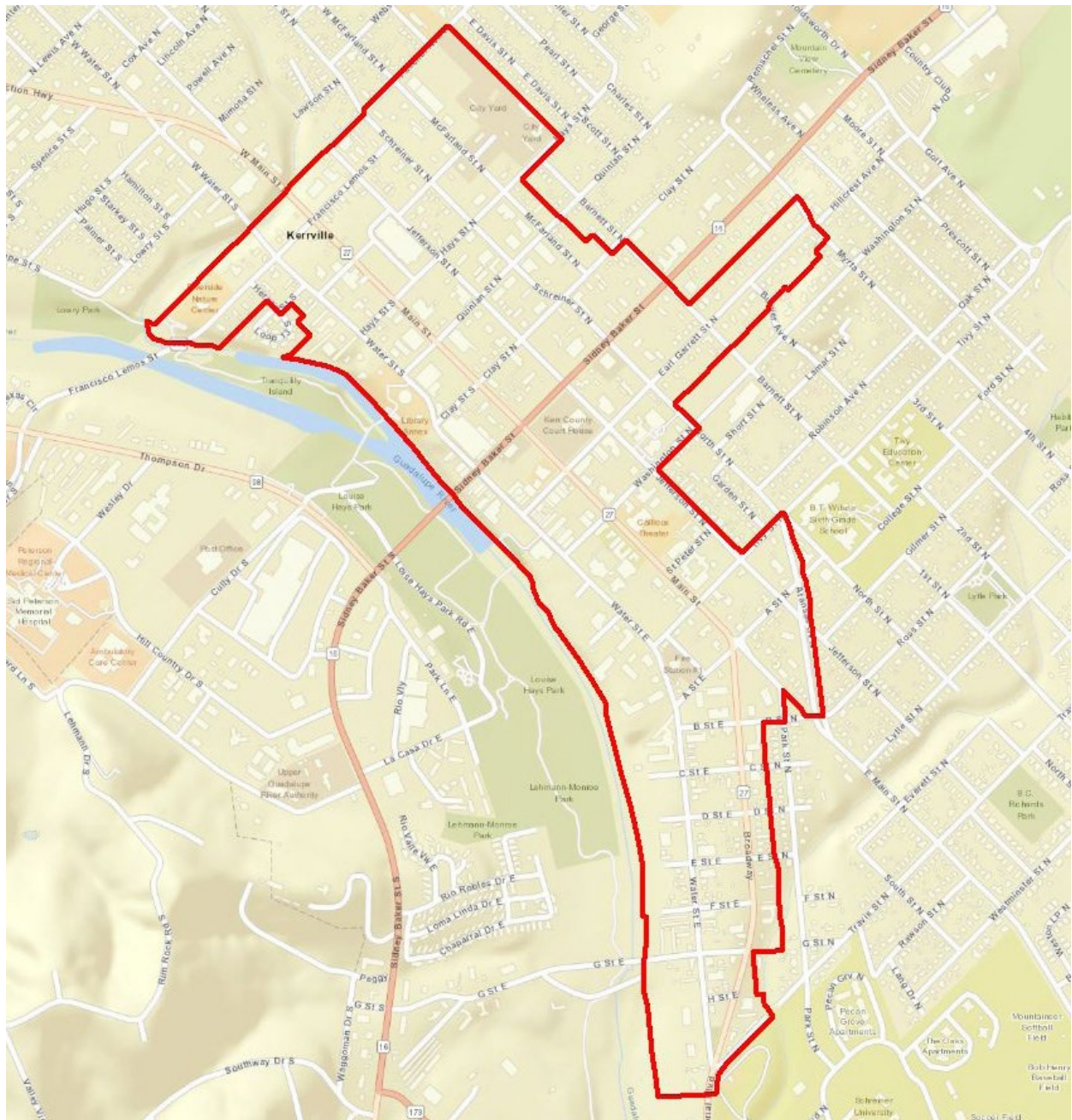
Tax Increment Financing (TIF) is a tool to help finance public improvements and development projects within a defined area. A municipality makes an area eligible for TIF by designating it a Tax Increment Reinvestment Zone (TIRZ). Within the designated zone all of the incremental tax revenue growth flows to an established tax increment fund to help pay for public improvements within the zone.

Following incremental growth in property values, and the collection of tax revenue in the established TIRZ fund, the TIRZ board and the City Council disburse funds to promote revitalization efforts within the zone. While TIRZ's are generally established by cities, other taxing jurisdictions such as a county or junior college are allowed to participate in the zone at their own discretion.

City of Kerrville Tax Increment Reinvestment Zone #1

The City of Kerrville Tax Increment Reinvestment Zone Number One (TIRZ #1) was established in 2018 and is comprised of approximately 477 acres. TIRZ #1 is contiguous, and is generally bound by Paschal Avenue to the northwest, the Guadalupe River to the west, Travis Street to the south, and Barnett Street and Aransas Street to the east.

TIRZ #1 was designed to encourage private investment in downtown Kerrville, create new taxable value, and increase economic activity. The project and financing plan outlines the funding of public improvements related to streets, water and sewer improvements, parks and open spaces, and economic development grants. The TIRZ can fund these improvements through the contribution of the City's real property tax increment within the zone.



City of Kerrville Tax Increment Reinvestment Zone #1

Tax Increment Revenue Overview

TIRZ #1 was established in 2018 with a real property freeze adjusted taxable base value of \$97,488,489. The City of Kerrville agreed to contribute 100% of its incremental real property tax revenue to the TIRZ #1 fund until the TIRZ terminates December 31, 2049.

Fiscal Year 2020 was the first year of revenue capture. Property taxes of \$22,899 were collected in addition to interest income of \$16. There were no expenditures, so the fund balance as of September 30, 2020 was \$22,915. The FY2021 budget anticipates collecting \$49,461 in property tax increment revenue and \$150 in interest income. No expenditures are budgeted for FY2021, which would result in an ending fund balance of \$72,526.

	FY2020 Actual	FY2021 Budget
Beginning Restricted Fund Balance	\$ -	\$ 22,915
Revenues		
Property Tax	22,899	49,461
Total Tax Revenue	22,899	49,461
Interest Revenue	16	150
Total Interest and Miscellaneous	16	150
Total Revenues	22,915	49,611
Expenditures		
	-	-
Total Expenditures	-	-
Net Revenue (Expenditures)	22,915	49,611
Ending Restricted Fund Balance	\$ 22,915	\$ 72,526

Required Annual Reporting For the Year Ended September 30, 2020

1. Amount and source of revenue:

Property Tax	\$ 22,899
Interest Income	16
Total Revenue	\$ 22,915

2. Amount and purpose of expenditures:

Total Expenditures	\$0
--------------------	-----

3. Budgeted amount of principal and interest due on outstanding bonded indebtedness: \$0

4. Appraised value (freeze adjusted taxable):

FY2020	104,689,315
Base Year (FY2019)	97,488,489
Increment	7,200,826

5. Captured appraised value shared by the city and other taxing units:

Entity	2019 Tax Rate	Participation	Participation Rate	FY2020 TIRZ Contribution
City of Kerrville	0.5400	100%	0.5400	\$22,899
Kerr County	0.4827	0%	0	0
Kerr County Lateral Roads	0.0323	0%	0	0
Kerrville ISD	1.1700	0%	0	0
UGRA	0.0214	0%	0	0
Headwaters Groundwater Conservation District	0.0074	0%	0	0
TOTAL	2.2538		0.5400	\$22,899

6. Total amount of tax increment received:

	Tax Levied	Tax Collected	Collection rate
FY2020	\$ 572,059	\$ 565,136	98.79%
Base Year (FY2019)	552,969	542,237	98.06%
Increment	\$ 19,090	\$ 22,899	

Budget For the Year Ended September 30, 2021

1. Budgeted amount and source of revenue:

Property Tax	\$ 49,461
Interest Income	<u>150</u>
Total Revenue	49,611

2. Budgeted amount and purpose of expenditures:

Total Expenditures	\$0
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3. Budgeted amount of principal and interest due on outstanding bonded indebtedness: \$0

4. Appraised value (freeze adjusted taxable):

FY2021	114,808,401
Base Year (FY2019)	<u>97,488,489</u>
Increment	17,319,912

5. Captured appraised value shared by the city and other taxing units:

Entity	2020 Tax Rate	Participation	Participation Rate	Budgeted FY2021 TIRZ Contribution
City of Kerrville	0.5116	100%	0.5116	\$49,461
Kerr County	0.4459	0%	0	0
Kerr County Lateral Roads	0.0298	0%	0	0
Kerrville ISD	1.1150	0%	0	0
UGRA	0.0195	0%	0	0
Headwaters Groundwater Conservation District	0.0073	0%	0	0
TOTAL	2.1291		0.5116	\$49,461

6. Total amount of tax increment budgeted to be received:

	Projected Collections
FY2021	\$ 602,430
Base Year (FY2019)	<u>552,969</u>
Increment	\$ 49,461

Tax Increment Reinvestment Zone Agenda Bill Report

Submitted by: Kesha Franchina, Deputy City Secretary
Submitting Department: City Secretary
Meeting Date: January 28, 2021

SUBJECT:

Confirmation Of Upcoming Meeting Date

SUMMARY STATEMENT:

EXHIBITS:

RECOMMENDED ACTION:

Discussion

EXPENDITURE REQUIRED:

NA

CURRENT BALANCE IN ACCOUNT:

NA

AMOUNT BUDGETED:

NA

ACCOUNT NUMBER:

NA

PAYMENT TO BE MADE TO:

NA

ATTACHMENTS

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