



ECONOMIC IMPROVEMENT CORPORATION AGENDA
AUGUST 16, 2021, 4:00 PM
Kerrville City Hall Council Chambers
701 Main Street, Kerrville, Texas

Economic Improvement Corporation (EIC) Meeting Procedures, EIC Members and City Staff Safety Measures, and Citizen Participation Guidelines

COVID-19 (Coronavirus) provides a unique concern in that gathering members of the public, EIC Members, 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, or partially, virtual setting (telephonic/videoconference).

Due to the recent increase of Coronavirus positive cases in Kerr County, standard safety protocols will be observed by City Council, City staff, and citizens/visitors attending the meeting. Masks are voluntary and highly encouraged. Six-foot distance seating will be observed and visitor seating will be designated. Visitor overflow will be in the City Hall lobby, where social distancing will also be observed.

Citizens may view and hear City Council meetings on Spectrum Channel 2 or by live-streaming via the City's website (www.kerrvilletx.gov). City Council meetings are recorded and the recordings are posted on the City's website.

Citizens wishing to speak during a meeting shall submit a completed "speaker request form" to the Deputy City Secretary before the item is introduced, but are encouraged to submit the form before the meetings begins. Each speaker is limited to four minutes.

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. Written comments may be emailed to kesha.franchina@kerrvilletx.gov and must be received by 3:00 p.m. the afternoon of the Council meeting.

Thank you for your participation!

1 INVOCATION

2 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.

3 APPROVAL OF MINUTES:

3.A. Minutes from the regular Economic Improvement Corporation (EIC) meeting held on July 19, 2021

Attachments:

[EIC Minutes 7-19-21.pdf](#)

4 MONTHLY REPORTS:

- 4.A. Kerr Economic Development Corporation (KEDC) Update
- 4.B. Kerrville Economic Improvement Corporation (EIC) Project Status Update
- 4.C. Monthly Financial Report
Attachments:
[July 2021 financial presentation.pdf](#)

5 CONSIDERATION AND POSSIBLE ACTION:

- 5.A. Kerrville Economic Development Corporation (KEDC) Budget for the Fiscal Year 2022, to include annual funding for the Kerr Economic Development Corporation (KEDC)
Attachments:
[KerrEDC Budget Request 21-22 8-13-2021.pdf](#)
- 5.B. Administrative Services contract between City of Kerrville and City of Kerrville Texas Economic Improvement Corporation (EIC)
Attachments:
[EIC Administrative Contract 8-13-2021.pdf](#)

6 EXECUTIVE SESSION:

The Economic Improvement Corporation may, as permitted by law, adjourn into executive session at any time to discuss any matter listed above including if they meet the qualifications in Section 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code, including the following matters:

- 6.A. Workforce Housing (551.071, 551.072, 551.087)

7 POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:

8 ITEMS FOR FUTURE AGENDAS:

9 ANNOUNCEMENTS:

10 ADJOURN.

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: 8/13/2021 at 3:00 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



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



SUBJECT: Minutes from the regular Economic Improvement Corporation (EIC) meeting held on July 19, 2021

AGENDA DATE OF: August 16, 2021

DATE SUBMITTED: Jul 20, 2021

SUBMITTED BY: Kesha Franchina

EXHIBITS: [EIC Minutes 7-19-21.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

Minutes from the regular Economic Improvement Corporation (EIC) meeting held on July 19, 2021

RECOMMENDED ACTION:

Approve minutes from the regular Economic Improvement Corporation (EIC) meeting held on July 19, 2021

CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION (EIC) REGULAR MEETING – JULY 19, 2021

On Monday, July 19, 2021, at 4:00 pm. the regular meeting of the City of Kerrville, Texas Economic Improvement Corporation, was called to order by President Gregory Richards, in the Council Chambers at City Hall, 701 Main Street, Kerrville, Texas.

MEMBERS PRESENT:

Gregory Richards, President
Danny Almond, Vice President
Gregg Appel
Don Barnett
Gary Cochrane
Maggie Megee

MEMBERS ABSENT:

Kim Clarkson, Councilmember Place 2

CHIEF EXECUTIVE STAFF PRESENT:

E.A. Hoppe, Deputy City Manager
Mike Hayes, City Attorney
Shelley McElhannon, City Secretary
Julie Behrens, Assistant Director of Finance
Trina Rodriguez, Accounting Manager

VISITORS PRESENT:

Gil Salinas, Kerrville Economic Development Corporation

1 **CALL TO ORDER:** President Richards called the meeting to order at 4:00 pm.

2 **INVOCATION:** Maggie Magee provided the invocation.

3 **VISITORS / CITIZENS FORUM:** None.

4 **APPROVAL OF MINUTES:**

4.A. Minutes from the annual EIC meeting held June 28, 2021.

Gary Cochrane motioned to approve the minutes, and Magee Magee seconded. The motion passed 6-0.

4.B. Minutes from the EIC workshop held June 28, 2021.

Don Barnett motioned to approve the minutes, and Gregg Appel seconded. The motion passed 6-0.

5 **MONTHLY REPORTS:**

5.A. Kerr Economic Development Corporation (KEDC) Update.

Gil Salinas presented the KEDC updates and responded to questions.

5.B. Kerrville Economic Improvement Corporation project status update.

EA Hoppe presented the EIC project status updates and responded to questions.

5.C. Monthly Financial Report.

Julie Behrens presented the June 2021 Monthly Financial Report and responded to questions.

6 CONSIDERATION AND POSSIBLE ACTION:

6.A. Kerrville Economic Development Corporation budget for the Fiscal Year 2022.

Gil Salinas presented information and responded to questions. EIC members request Gil Salinas provide comparisons of the Fiscal Years 2019, 2020, 2021, 2022 budgets at the August 16, 2021 EIC meeting. Gil Salinas will provide a draft of the report to Vice President Almond for review before submitting to the EIC. Approval of the KEDC budget for Fiscal Year 2022 will be placed on the August 16, 2021 EIC agenda.

6.B. Economic Improvement Corporation proposed budget for the Fiscal Year 2022.

Julie Behrens provided information, and Julie Behrens and E.A. Hoppe responded to questions.

Vice President Almond motioned to approve the budget as presented, and Gary Cochrane seconded. The motion passed 6-0.

Gregg Appel motioned to go into executive session under sections 551.071 (consultation with attorney) and 551.087 (deliberation regarding economic development negotiations), seconded by Vice President Almond. The motion passed 6-0.

President Richards adjourned into closed executive session at 5:17 pm.

7 EXECUTIVE SESSION:

7.A. Potential amendment to the Economic Development Incentive Agreement between Killdeer Mountain Manufacturing, and the City of Kerrville, Texas, Economic Improvement Corporation (551.071 and 551.087).

7.B. Potential amendment to the Economic Development Incentive Agreement between Kerrville's 4th on the River, Inc., Arcadia Theater, and the City of Kerrville, Texas, Economic Improvement Corporation (551.071 and 551.087).

President Richards adjourned the closed executive session and the meeting returned to open session at 5:17 pm. No action was taken.

8 **POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:** None.

9 **ITEMS FOR FUTURE AGENDAS:** None.

10 **ANNOUNCEMENTS:** None.

11 **ADJOURN.** President Richards adjourned the meeting at 5:21 pm.

Minutes Approved: _____

President Greg Richards: _____

Attest: Shelley McElhannon, City Secretary: _____



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



SUBJECT: Kerr Economic Development Corporation (KEDC) Update

AGENDA DATE OF: August 16, 2021

DATE SUBMITTED: Jul 20, 2021

SUBMITTED BY: Kesha Franchina

EXHIBITS:

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

RECOMMENDED ACTION:

No Action



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



SUBJECT: Kerrville Economic Improvement Corporation (EIC) Project Status Update

AGENDA DATE OF: August 16, 2021

DATE SUBMITTED: Jul 20, 2021

SUBMITTED BY: Kesha Franchina

EXHIBITS:

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

Economic Improvement Project update

RECOMMENDED ACTION:

No Action



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



SUBJECT: Monthly Financial Report

AGENDA DATE OF: August 16, 2021

DATE SUBMITTED: Jul 20, 2021

SUBMITTED BY: Trina Rodriguez

EXHIBITS: [July 2021 financial presentation.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

Monthly financial report for the month ending July 31, 2021 will be presented by staff.

RECOMMENDED ACTION:

Information only; no action required



Financial update for the month ended July 31, 2021

**Economic Improvement Corporation Meeting
August 16, 2021**



Economic Improvement Corporation

Statement of Activities

Month Ended July 31, 2021

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Remaining Budget
Revenues					
Sales and Use Tax	\$ 3,511,307	\$ 370,485	\$ 3,540,972	100.8%	\$ 29,665
Interest Income	9,000	126	2,359	26.2%	(6,641)
Total Revenues	3,520,307	370,611	3,543,331	100.7%	23,024
Expenditures					
Administrative					
Office Supplies	500	-	-	0.0%	500
Professional Services	10,000	-	-	0.0%	10,000
Administrative Services Fee	185,000	15,417	154,167	83.3%	30,833
Kerr Economic Development Corp.	197,500	49,375	197,500	100.0%	-
Total Administrative	393,000	64,792	351,667	89.5%	41,333
Debt Service					
Debt Service - Series 2019 Ref (River Trail)	251,344	20,945	209,453	83.3%	41,891
Debt Service - Series 2020 Ref (River Trail)	247,830	20,278	202,781	81.8%	45,049
Debt Service - Series 2015 (KSC)	603,150	50,263	502,625	83.3%	100,525
Debt Service - KPUB (KMM)	1,020,000	-	1,010,000	99.0%	10,000
Total Debt Service	2,122,324	91,486	1,924,859	90.7%	187,465
Projects					
Kerrville Christmas Lighting	-	-	100,000	-100.0%	(100,000)
Thompson Drive Partners (The Landing)	283,333	-	566,666	200.0%	(283,333)
Airport Projects	225,000	-	25,400	11.3%	199,600
Doyle School	450,000	8,294	458,928	102.0%	(8,928)
Downtown River Trail Feasibility Study	50,000	-	50,000	100.0%	-
Killdeer Mountain Manufacturing	-	-	477	-	(477)
Total Projects	1,008,333	8,294	1,201,471	119.2%	(193,138)
Total Expenditures	3,523,657	164,572	3,477,996	98.7%	45,661
Change in Net Position	\$ (3,350)	\$ 206,040	\$ 65,335		

Economic Improvement Corporation

Cash Flow Forecast

As of July 31, 2021

	FY2021 Actual	FY2021 Projection	FY2022 Projection			
	Oct 2020 to July 2021	Aug 2021 to Sept 2021	Oct 2021 to Dec 2021	Jan 2022 to Mar 2022	Apr 2022 to Jun 2022	Jul 2022 to Sep 2022
Beginning Cash Balance	\$ 2,397,892	\$ 2,463,227	\$ 2,895,289	\$ 3,530,901	\$ 4,250,353	\$ 4,952,857
Revenue						
Sales Tax	3,540,972	723,221	1,033,835	1,116,881	1,099,033	1,125,554
Interest Income	2,359	300	3,619	4,414	5,313	6,191
Total Revenue	3,543,331	723,521	1,037,454	1,121,294	1,104,346	1,131,745
Expenditures						
Administrative						
Administrative Fee & Supplies	154,167	31,083	48,875	48,875	48,875	48,875
Professional Services	-	-	2,500	2,500	2,500	2,500
KEDC	197,500	-	78,125	78,125	78,125	78,125
Total Administrative	351,667	31,083	129,500	129,500	129,500	129,500
Debt Service	1,924,859	182,972	272,342	272,342	272,342	272,342
Projects						
Thompson Drive Partners (The Landing)	566,666	-	-	-	-	-
Airport Projects	25,400	-	-	-	-	-
Doyle School	458,928	77,404	-	-	-	-
Downtown River Trail Feasibility Study	50,000	-	-	-	-	-
Killdeer Mountain Manufacturing	477	-	-	-	-	-
Kerrville Christmas Lighting	100,000	-	-	-	-	-
Total Projects	1,201,471	77,404	-	-	-	-
Total Expenditures	3,477,996	291,460	401,842	401,842	401,842	401,842
Ending Cash Balance	\$ 2,463,227	\$ 2,895,289	\$ 3,530,901	\$ 4,250,353	\$ 4,952,857	\$ 5,682,760

Financial Analysis

Project Analysis as of July 31, 2021			
Project Description	EIC Commitment	Disbursed Funding	Remaining Funding
Committed Projects:			
Airport Projects	375,000	32,767	342,233
Doyle School	650,000	572,596	77,404
Killdeer Mountain Manufacturing	2,095,000	1,819,422	275,578
Committed Project Total	\$ 3,220,000	\$ 2,516,491	\$ 703,509

Cash Analysis as of July 31, 2021		
by Type - Placement - Amount		
Type	Placement	Amount
Short Term	EIC TexPool	\$ 2,463,227
Investment	Total Cash and Investments	\$ 2,463,227

Sales Tax Revenue Analysis - FY2021					
Month	Actual FY2020	Budget FY2021	Actual FY2021	FY2020 vs. FY2021	Budget vs. Actual
October	\$ 294,752	\$ 278,543	\$ 311,718	5.76%	11.91%
November	301,001	286,414	376,028	24.93%	31.29%
December	297,620	270,746	320,874	7.81%	18.51%
January	292,966	277,472	334,661	14.23%	20.61%
February	393,938	366,686	433,414	10.02%	18.20%
March	270,955	253,482	321,565	18.68%	26.86%
April	262,275	252,162	262,388	0.04%	4.06%
May	318,521	321,737	440,837	38.40%	37.02%
June	326,259	288,122	369,003	13.10%	28.07%
July	350,459	288,759	370,485	5.71%	28.30%
August	367,921	329,872	430,303	16.96%	30.45%



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



SUBJECT: Kerrville Economic Development Corporation (KEDC) Budget for the Fiscal Year 2022, to include annual funding for the Kerr Economic Development Corporation (KEDC)

AGENDA DATE OF: August 16, 2021

DATE SUBMITTED: Jul 28, 2021

SUBMITTED BY: Kesha Franchina

EXHIBITS: [KerrEDC Budget Request 21-22 8-13-2021.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

EIC members were presented with the KEDC Budget summary at the 7/19/2021 meeting and requested Gil Salinas to provide comparisons of the Fiscal Years 2019, 2020, 2021, 2022 budgets at the August 16, 2021 EIC meeting.

RECOMMENDED ACTION:

Approve KEDC FY2022 Budget and Economic Development Grant Agreement between Kerr Economic Development Corporation (KEDC) and the City of Kerrville Texas Economic Improvement Corporation (EIC)

KERRVILLE ECONOMIC DEVELOPMENT CORPORATION

Budget Request FY 21-22

	Actual FY 18-19	Actual FY 19-20	Projected FY 20-21	Proposed Budget FY 21-22
Income				
40000 Income - Stakeholder funding				
40100 City of Kerrville	24,500	50,000	39,500	62,500
40200 EIC	140,000	220,000	197,500	312,500
40300 Kerr County	24,500	45,920	39,500	62,500
40400 KPUB	24,500	50,000	39,500	62,500
Total 40000 Income - Stakeholder Funding	213,500	365,920	316,000	500,000
4100 Sponsored Events				
41100 KerrEDC TopForty				
41200 KerrEDGE			1,308	1,500 *membership
41300 Business & Innovation Forum			54,000	54,000 *Tickets & Sponsors
Total 41000 Sponsored Event Income			55,308	55,500
Uncategorized Income			32,812	
71000 Carryover Income	88,083	28,002	85,878	1,599
Total Income	301,583	393,922	489,998	557,099
Expenses				
60000 Business Expenses				
60100 Business Recruitment	4,396	17,897	9,000	10,000
60300 Website	16,683	4,022	10,866	12,000
60400 Marketing	4,000	8,084	12,991	10,000
60600 Design (Brochures, Publications)	4,406	1,441	9,080	10,000
Total 60000 Business Expenses	29,486	31,443	41,936	42,000
61000 Contract Services				
61200 Accounting Fees	1,315	1,125	1,600	1,600
61300 Outside Contract Services	31,032	3,700	15,000	15,000

61400 Legal Fees			9,703	
61500 KEDC Service Agreement	55,400	32,150	8,900	2,400
Total 61000 Contract Services	87,747	36,975	35,203	19,000
63000 Operations				
63200 Supplies	1,828	1,016	1,864	2,000
63300 Telephone, Internet		304	473	500
63400 Training	3,640	2,390	1,550	1,500
63600 Postage	51	144	115	200
63700 Office Lease		4,800	9,600	9,600
63800 Software/Hardware	1,455	50	7,200	7,200
63900 IT Support Services		65		500
63910 Dues & Subscriptions	4,765	5,021	9,857	8,000
63920 Contingencies				10,000
Total 63000 Operations	11,740	13,790	30,660	39,500
65000 Other Types of Expenses				
65100 Insurance - Liability, D and O	875	900	975	1,000
Total 65000 Other Types of Expenses	875	900	975	1,000
66000 Payroll Expenses				
66100 Board Discretionary	10,000		20,600	25,000
66200 Health Insurance		1,760	7,943	8,000
Retirement	11,847	5,287	8,539	8,600
Taxes	1,410	14,120	16,727	19,500
Wages	92,308	181,804	228,098	235,000
Total 66000 Payroll Expenses	115,565	202,971	281,907	296,100
68000 Travel and Meetings				
68100 Meals & Board Meetings	9,805	2,636	2,422	3,000
68200 Travel	6,411	7,210	6,659	10,000
68300 Mileage/Cell Phone	413	4,558	4,524	6,000
68400 Conference, Retreats, OOT	5,539	1,562	4,462	5,400
Total 68000 Travel and Meetings	22,168	15,965	18,068	24,400
69000 Sponsored Events Expenses				
69100 KerrEDC TopForty			12,300	20,000

69200KerrEDGE			26,350	25,000
69300 Business & Innovation Forum			35,000	38,000
Total 69000 Sponsored Events Expenses			73,650	83,000
Reimbursements	6,000	6,000	6,000	6,000
Total Expenses	273,580	308,045	488,399	511,000

Net Operating Income	28,003	85,878	1,599	46,099
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EOY Fund Balance	\$36,991.78	\$101,456.59		
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Sponsored Event Net Operating Income				
	Actual FY 18-19	Actual FY 19-20	Projected FY 20-21	Proposed Budget FY 21-22
Total 41000 Sponsored Event Income			55,308.16	55,500.00
Total 69000 Sponsored Events Expenses			-73,650.00	-83,000.00
Net Operating Income from Sponsored Events			-18,341.84	-27,500.00



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



SUBJECT: Administrative Services contract between City of Kerrville and City of Kerrville Texas Economic Improvement Corporation (EIC)

AGENDA DATE OF: August 16, 2021 **DATE SUBMITTED:** Jul 28, 2021

SUBMITTED BY: Mike Hayes

EXHIBITS: [EIC Administrative Contract 8-13-2021.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

Consideration to approve the Administrative Services contract between City of Kerrville and City of Kerrville Texas Economic Improvement Corporation (EIC)

RECOMMENDED ACTION:

Approve Administrative Services contract between City of Kerrville and City of Kerrville Texas Economic Improvement Corporation (EIC)

**ADMINISTRATIVE SERVICES CONTRACT
BETWEEN CITY OF KERRVILLE, TEXAS AND
CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION**

THIS CONTRACT is entered into as of the ____ day of August 2021, by and between the City of Kerrville, Texas, ("City"), and the City of Kerrville, Texas Economic Improvement Corporation ("EIC") for and in consideration of the following promises and conditions:

ARTICLE I
SERVICES PROVIDED BY CITY

City shall provide the following services to EIC subject to the limitations and conditions set forth below:

- A. **Engineering and Project Management Services:** City agrees to provide engineering and project management services, to include design, bid, and construction phases, for EIC-funded projects that involve improvements to City and/or public property. City may contract for engineering, project management, or construction services that may be necessary and EIC agrees to pay for such services as part of a project, which will be specified within a project agreement, and which is authorized by the EIC to be funded in whole or in part by sales tax revenues generated pursuant to the authority of Chapters 501, 502, and 505 of the Texas Local Government Code.
- B. **Legal Services:** City agrees the City Attorney will be the legal advisor of, and attorney for, EIC, which representation will include review of documents, contracts, and other instruments as to form and legality, the conduct of legal research, and, if requested, the issuance of legal opinions. In the provision of legal services by the City Attorney, the City Attorney shall provide such services only if the provision of legal services to EIC does not unreasonably impair his ability to provide legal services to the City. For example, in the event the City Attorney determines that a legal or ethical conflict exists between the City and the EIC, the EIC agrees that the City Attorney may continue to represent the City on such matter notwithstanding such conflict, provided the City Attorney has made reasonable disclosure of the conflict to the president of the EIC. Where a conflict exists, EIC may hire counsel of its own choice at EIC expense, subject to its budget, to include any undesignated reserve cash balance but not to exceed an overall expense of \$50,000.00. The City Attorney may contract at times for specialized legal services with respect to a project approved by EIC and EIC shall pay for such services.
- C. **Financial Services:** City agrees to provide accounting, banking, and investment services, including accounts receivable, accounts payable, disbursement of funds per agreements, investments, record keeping, financial reporting, and an audit of all funds. The City will provide a report at each regular monthly meeting of the

EIC, such report to include a statement of revenues and expenditures for all funds and a cash flow analysis on a form approved by the EIC.

- D. **Administrative Services**: City will provide services from the City Manager to include secretarial and other clerical services, including taking minutes and preparation of resolutions and correspondence related to the operation of EIC. The City Manager or designee will engage with the EIC in a manner comparable to the role identified by Section 6.04 of the City Charter.
- E. **Investment Officer**: The City Manager will designate City Finance Department personnel to serve as the EIC's investment officer in accordance with the EIC's *Investment Policy*, as may be amended.
- F. **Regulatory Financial Reporting**: The City's Finance Department shall prepare all financial reports required by state and federal regulatory agencies.
- G. **Annual Audit**: The City's Finance Department shall include the EIC's financial information as part of the City's *Comprehensive Annual Financial Report* (CAFR).
- H. **Project Reports**: The City Manager or designee shall provide a report at each regular monthly meeting of the EIC on all ongoing projects, which are subject to a funding agreement with the EIC. These reports shall include the status and estimated completion date of each project and verification that performance criteria are being met.
- I. **Staff Reports**: When applicable and requested by the EIC, the City Manager or designee shall prepare a report on each application for EIC funds, such report to include the following information:
 - 1. Complete Application
 - 2. Financial Impact Analysis
 - a. Total payroll
 - b. Payroll multiplier
 - c. Sales and ad valorem tax generation
 - 3. Return on Investment Analysis
 - a. Property tax – City, County, and KISD
 - b. Sales tax – City and County

- c. Payroll multiplier
- d. Timeline by which return is realized
- 4. Feasibility Analysis
 - a. Land – size, zoning, platting, building/fire codes
 - b. Building – size, suitability, condition
 - c. Infrastructure – water, wastewater, streets, drainage, electricity, public safety
- J. **Prospect Support Services:** The City Manager or designee shall ensure that the following support services as provided by City staff are provided to the EIC in the review and processing of applications for EIC funds:
 - 1. receive applications;
 - 2. evaluate applications for completeness;
 - 3. determine eligibility;
 - 4. facilitate submission before the EIC;
 - 5. provide technical evaluation;
 - 6. provide recommendations;
 - 7. coordinate with other aligned agencies/entities; and
 - 8. identify appropriate incentives and programs.

ARTICLE II **COMPENSATION**

In consideration of the provision by City to EIC of the services described in Article I, above, EIC shall pay City **\$195,000.00** for the term specified below. It is agreed by the parties that this compensation is equal to the reasonable value of the services anticipated to be provided by City to the EIC. City shall deduct the payment required hereunder upon receipt of said sales tax revenues from the Comptroller of Public Accounts for the State of Texas.

ARTICLE III **TERM**

The term of this Contract commences on October 1, 2021, and ends on September 30, 2022, subject to earlier termination as provided herein and extension by agreement of the parties hereto.

ARTICLE IV
TERMINATION

This Contract may be terminated by City or EIC for any reason, with or without cause, not earlier than thirty (30) days prior to delivery to the non-terminating party of a written notice of termination. EIC agrees to pay City the reasonable cost of services rendered by City up to the date of termination.

ARTICLE V
GOVERNING LAW

This Contract is subject to, governed by, and construed in accordance with the laws of the State of Texas.

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

CITY OF KERRVILLE, TEXAS

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

By: _____
E.A. Hoppe, City Manager

By: _____
Greg Richards, President

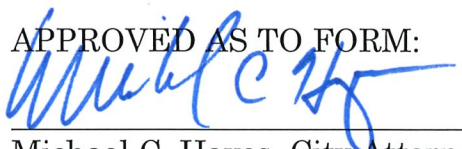
ATTEST:

ATTEST:

Shelley McElhannon, City Secretary

Kesha Franchina, Secretary of EIC

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney



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



SUBJECT: Workforce Housing (551.071, 551.072, 551.087)

AGENDA DATE OF: August 16, 2021

DATE SUBMITTED: Jun 18, 2021

SUBMITTED BY: Kesha Franchina

EXHIBITS:

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

RECOMMENDED ACTION:

No action