



ECONOMIC IMPROVEMENT CORPORATION AGENDA
OCTOBER 25, 2021, 4:00 PM
Kerrville City Hall Council Chambers
701 Main Street, Kerrville, Texas

The purpose of the Economic Improvement Corporation is to improve economic prosperity in the City of Kerrville.

1 CALL TO ORDER

2 INVOCATION

3 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.

4 PUBLIC HEARING AND POSSIBLE ACTION:

4.A. Amendment to the Economic Development Incentive Agreement between Kerrville's 4th on the River(DBA Arcadia Live!) and the City of Kerrville, Texas, Economic Improvement Corporation.

Attachments:

[Amendment_EIC Incentive Agreement_4th on the River_102021.pdf](#)

5 CONSIDERATION AND POSSIBLE ACTION:

5.A. Lienholders Agreement between EIC and Dacotah Bank concerning monetary grants and loans issued by the parties to Prairie Gold Real Estate LLC (dba Killdeer Mountain Manufacturing).

6 EXECUTIVE SESSION:

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

regarding economic development negotiations) of Chapter 551 of the Texas Government Code, including the following matters.

7 POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:

8 ITEMS FOR FUTURE AGENDAS:

9 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: 10/22/2021 at 11:30 a.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: Amendment to the Economic Development Incentive Agreement between Kerrville's 4th on the River(DBA Arcadia Live!) and the City of Kerrville, Texas, Economic Improvement Corporation.

AGENDA DATE OF: October 25, 2021 **DATE SUBMITTED:** Oct 19, 2021

SUBMITTED BY: EA Hoppe

EXHIBITS: [Amendment_EIC Incentive Agreement_4th on the River_102021.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:

RECOMMENDED ACTION:

Approve Amendment.

**AMENDMENT TO ECONOMIC DEVELOPMENT
INCENTIVE AGREEMENT BETWEEN
KERRVILLE'S 4TH ON THE RIVER AND THE CITY
OF KERRVILLE, TEXAS, ECONOMIC
IMPROVEMENT CORPORATION**

This Amendment to Economic Development Incentive Agreement (“Amendment”) is entered into as of the Effective Date by and between Arcadia Live, Inc., a Texas non-profit corporation, dba **KERRVILLE'S 4TH ON THE RIVER** (“KFOR”), 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. KFOR and EIC are sometimes collectively referred to herein as “Parties” and individually as “Party”.

WITNESSETH:

WHEREAS, the Parties entered into an Economic Development Incentive Agreement dated July 2, 2019 (the “Agreement”) related to the Arcadia Theater in downtown Kerrville (“Arcadia”); and

WHEREAS, over the past several years, KFOR has remodeled the Arcadia and now operates it as a successful venue for live music performances, other forms of entertainment, and public events; and

WHEREAS, KFOR now seeks additional funding from the EIC to assist with the reduction of debt incurred during remodeling as a result of unexpected cost overruns related to unknown theater conditions and delays from the COVID-19 pandemic; and

WHEREAS, EIC has determined that such a 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 the “quality of life” within the community; and

WHEREAS, on October 25, 2021, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, EIC held a hearing related to the proposed expenditure of 4B Revenues for the purposes provided above;

WHEREAS, EIC finds that it will be in the public interest to amend the Agreement to provide an additional grant of 4B Revenues (as defined in the Agreement) to KFOR; and

NOW THEREFORE, for and in consideration of the recitals set forth above and the promises made herein, KFOR and EIC agree that the Agreement is amended as follows:

1. The capitalized terms in this Amendment have the meaning set forth in the Agreement unless the context clearly indicates otherwise.

2. *“Additional Grant”* is added as a definition under Article I of the Agreement and means an amount not to exceed Four Hundred Thousand and No/100 Dollars (\$400,000.00) paid by EIC to KFOR in installments as provided in this Amendment.

3. Article II of the Agreement is amended to extend its term so that it terminates on the earlier of:

(a) December 31, 2024;

(b) when terminated by mutual agreement of the Parties;

(c) when terminated pursuant to Articles VIII or IX (of the Agreement); or

(d) at KFOR’s sole and absolute discretion, upon KFOR’s return of both the Grant and Additional Grant, or the portion of each that it has received, to EIC.

4. Article III of the Agreement is amended whereby EIC shall provide, subject to the conditions specified herein, KFOR with an amount up to and not to exceed the Additional Grant. EIC shall administer the Additional Grant to KFOR in two payments. An initial payment of \$200,000.00 is payable to KFOR within sixty (60) days of the Kerrville City Council’s approval of this Amendment. Thereafter, KFOR may seek an additional, one-time payment of up to \$200,000.00 if it provides EIC with appropriate evidence, to be reviewed and approved by EIC in its sole discretion, that KFOR possesses or controls matching funds (received on or after October 25, 2021, along with evidence of proof of such) in an amount up to \$200,000.00. After its approval of the matching funds, EIC shall match the requested funds from KFOR dollar-for-dollar up to \$200,000.00. The matching funds from KFOR may not include any funds received from memberships, performance sponsorships, or general operational revenues of KFOR. KFOR may make its one-time request for additional funds on or after January 1, 2022, and must include the submission of the evidence specified above. Thereafter, the EIC shall have thirty (30) days to respond to KFOR. KFOR must submit its request for matching funds on or before December 31, 2022.

5. Section IV of the Agreement is amended by adding a new section 4.10 as follows:

“4.10 Additional Consideration.”

(a) KFOR shall publicly acknowledge the partnership and financial contributions of the EIC and City of Kerrville in all written materials, displays, and announcements wherever KFOR is acknowledging similar contributions. This obligation shall extend beyond the termination of this Agreement.

(b) KFOR shall take commercially reasonable efforts to increase the number of ‘national scale’ shows and events that draw at least 300 attendees.”

6. The obligation of EIC to provide the Additional Grant and the right of KFOR to retain the Additional Grant without an obligation to repay all or any portion of the Additional Grant to EIC shall be conditioned upon continued compliance with, and satisfaction of, each of the terms and conditions of the Agreement and this Amendment.

7. Section 4.6, subsection (b) of the Agreement is amended by adding the table below:

<i>Operational Year</i>	<i>Minimum Events</i>	<i>Minimum Attendees</i>
4th (8/1/22-7/31/23)	48	10,000
5th (8/1/23-7/31/24)	60	15,000

8. Except as amended herein, the provisions of the Agreement remain in full force and effect. Should a conflict exist between the terms amended herein and the Agreement, the terms provided herein shall control.

SIGNED AND AGREED ON THIS _____ DAY OF _____, 2021.

**ARCADIA LIVE, INC.
dba Kerrville 4th on the River**

By: _____
Larry Howard, President

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

By: _____
Greg Richards, President

Attest:

By: _____
Kesha Franchina, Recording Secretary

Approved As To Form:

By: _____
Michael C. Hayes, Attorney for EIC



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



SUBJECT: Lienholders Agreement between EIC and Dacotah Bank concerning monetary grants and loans issued by the parties to Prairie Gold Real Estate LLC (dba Killdeer Mountain Manufacturing).

AGENDA DATE OF: October 25, 2021 **DATE SUBMITTED:** Oct 22, 2021

SUBMITTED BY: EA Hoppe

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:

Approve Lienholders Agreement between EIC and Dacotah Bank concerning monetary grants and loans issued by the parties to Prairie Gold Real Estate LLC (dba Killdeer Mountain Manufacturing).