



TAX INCREMENT REINVESTMENT ZONE MEETING AGENDA

JANUARY 27, 2022, 4:00 PM

CITY HALL COUNCIL CHAMBERS, 701 MAIN STREET



TIRZ Meeting Procedures and Citizen Public Participation including a Zoom Component

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. In an effort to avoid and mitigate health risks and limited occupancy levels in Council Chambers, TIRZ will convene the January 27, 2022 meeting in person and will also provide the public with a Zoom component.

Standard safety protocol will be observed by TIRZ, City staff, and citizens/visitors attending the TIRZ meeting. Wearing a mask in the City Hall Council Chambers is highly encouraged. If speaking at the podium, the mask can be removed.

In Council Chambers, six-foot distance seating is observed and due to limited seating capacity, open seating will be designated to citizens who have submitted a completed "speaker request form" to speak on an agenda item. It is advantageous for anyone wishing to speak, to submit a completed "speaker request form" to the Deputy City Secretary before TIRZ meeting is called to order, definitely before the item is called or read into record. Citizens not registered to speak on agenda items are welcome to view the TIRZ meeting in the City Hall lobby from the lobby monitors. Standard safety protocols will be observed in the City Hall lobby. When agenda items are called, and if anyone has submitted a completed "speaker request form", the speaker(s) will be rotated into Council Chambers to speak. It is beneficial for citizens wishing to speak, to submit a completed "speaker request form" to the Deputy City Secretary before TIRZ meeting is called to order. Each speaker is limited to four minutes.

Public Hearing items: submitting a completed "speaker request form" in advance would be beneficial to the public hearing process. However, public hearings will be announced as well.

Zoom component: As an additional option for citizens to participate in the meeting, the Zoom program will also be active during the January 27, 2022 meeting.

Instructions for Zoom callers: Dial a toll free number: **1-877-853-5247 or 1-888-788-0099**. When your call is answered you will hear **"Welcome to Zoom, enter the Meeting ID followed by pound"**. Enter in the Meeting ID below followed by the pound sign (#), when prompted enter the passcode.

The Meeting ID is 851 1653 2425#. Passcode is 690986

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 Zoom moderator will be accepting calls starting at 3:45 p.m. Place your call before 4:00 p.m. in order to register with the Zoom moderator and participate. You will be queued to speak. Any calls made after the 4:00 p.m. deadline will not be answered, and microphones will be kept muted. Each speaker is limited to four minutes.

Public Hearing Items: Public Hearing items callers may use the "raise your hand" feature on Zoom, in order to be called upon. If a caller is using the Zoom app on a computer, tablet, or mobile phone click **Participants** and click the **"Raise Hand"** button. If a caller is using a landline telephone press *9 to "raise your hand". Each speaker is limited to four minutes.

Note: Zoom is a third party vendor which provides the ability for remote participation. Software changes may be beyond what the City can control. If the City is notified of any issues from the third party vendor, the City will notify citizens and provide alternative(s) for engagement and participation.

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 27, 2022, 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 CALL TO ORDER:

2 INVOCATION:

3 APPROVAL OF MINUTES:

3.A. Minutes from the regular Tax Increment Reinvestment Zone meeting held on August 12, 2021.
Attachments:
[TIRZ Minutes 8-12-2021.pdf](#)

4 MONTHLY REPORTS:

4.A. Update on various Downtown projects.
4.B. Annual Financial Report.
Attachments:
[20220127_City of Kerrville Annual TIRZ Report.pdf](#)
[20220127_TIRZ_Presentation.pdf](#)

5 EXECUTIVE SESSION:

6 POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:

7 ANNOUNCEMENTS:

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: 1/21/2022 at 4:30 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:
Meeting Date: January 27, 2022

SUBJECT:

Minutes from the regular Tax Increment Reinvestment Zone meeting held on August 12 , 2021.

SUMMARY STATEMENT:

Approve minutes from the regular Tax Increment Reinvestment Zone meeting held on August 12 , 2021.

EXHIBITS:

RECOMMENDED ACTION:

Approve minutes from the regular Tax Increment Reinvestment Zone meeting held on August 12, 2021.

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 8-12-2021.pdf](#)

**CITY OF KERRVILLE, TAX INCREMENT REINVESTMENT ZONE BOARD OF
DIRECTORS REGULAR MEETING, AUGUST 12, 2021, 4:00 P.M.**

On Thursday, August 12, 2021, the City of Kerrville, Texas TIRZ Board of Directors regular 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

Pat Murray

Bruce Stracke

Mindy Wendele, Vice-Chair

Members Absent:

Katherine Howard

City Executive Staff Present:

E.A. Hoppe, City Manager

Julie Behrens, Interim Director of Finance

Trina Rodriguez, Finance Administrator

Kesha Franchina, Deputy City Secretary

1 CALL TO ORDER Kenneth Early opened the meeting at 4:00 pm

2 INVOCATION Fred Gamble led the Invocation

3 APPROVAL OF MINUTES:

3.A. Minutes from the regular Tax Increment Reinvestment Zone meeting held on January 28, 2021

Fred Gamble motioned to approve the minutes, Pat Murray seconded, and the motion passed 6-0.

4 QUARTERLY REPORTS:

4.A. Update on various Downtown projects

EA Hoppe presented the update on Downtown projects and responded to questions.

5 CONSIDERATION AND POSSIBLE ACTION:

5.A. Tax Increment Reinvestment Zone (TIRZ) Proposed Budget for the Fiscal Year 2022

Julie Behrens presented the TIRZ FY22 Budget and responded to questions. EA Hoppe responded to questions. John Harrison motioned to approve the TIRZ FY22 Budget, Mindy Wendele seconded, and the motion passed 6-0.

6 ITEMS FOR FUTURE AGENDAS:

Discussion on timeline and meeting dates for upcoming TIRZ meetings. Members decided to cancel the scheduled October 28, 2021 meeting and meet back again on January 27, 2022.

7 ANNOUNCEMENTS: None

8 ADJOURN. Kenneth Early adjourned the meeting at 4:27 pm

APPROVED BY TIRZ BOARD: _____

Kenneth Early, Chairman

ATTEST:

Kesha Franchina, Deputy City Secretary

Tax Increment Reinvestment Zone Agenda Bill Report

Submitted by: EA Hoppe, City Manager Submitting
Department:
Meeting Date: January 27, 2022

SUBJECT:

Update on various Downtown projects.

SUMMARY STATEMENT:

EXHIBITS:

RECOMMENDED ACTION:

Information only; no action required.

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

-

Tax Increment Reinvestment Zone Agenda Bill Report

Submitted by: Julie Behrens , Assistant Director of Finance
Submitting Department: Finance
Meeting Date: January 27, 2022

SUBJECT:

Annual Financial Report.

SUMMARY STATEMENT:

Annual Financial Report

EXHIBITS:

RECOMMENDED ACTION:

NA

EXPENDITURE REQUIRED:

CURRENT BALANCE IN ACCOUNT:

AMOUNT BUDGETED:

ACCOUNT NUMBER:

PAYMENT TO BE MADE TO:

ATTACHMENTS

- [20220127_City of Kerrville Annual TIRZ Report.pdf](#)
- [20220127_TIRZ_Presentation.pdf](#)

City of Kerrville
Tax Increment Reinvestment Zone #1
Annual Report
Fiscal Year Ended
September 30, 2021



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.

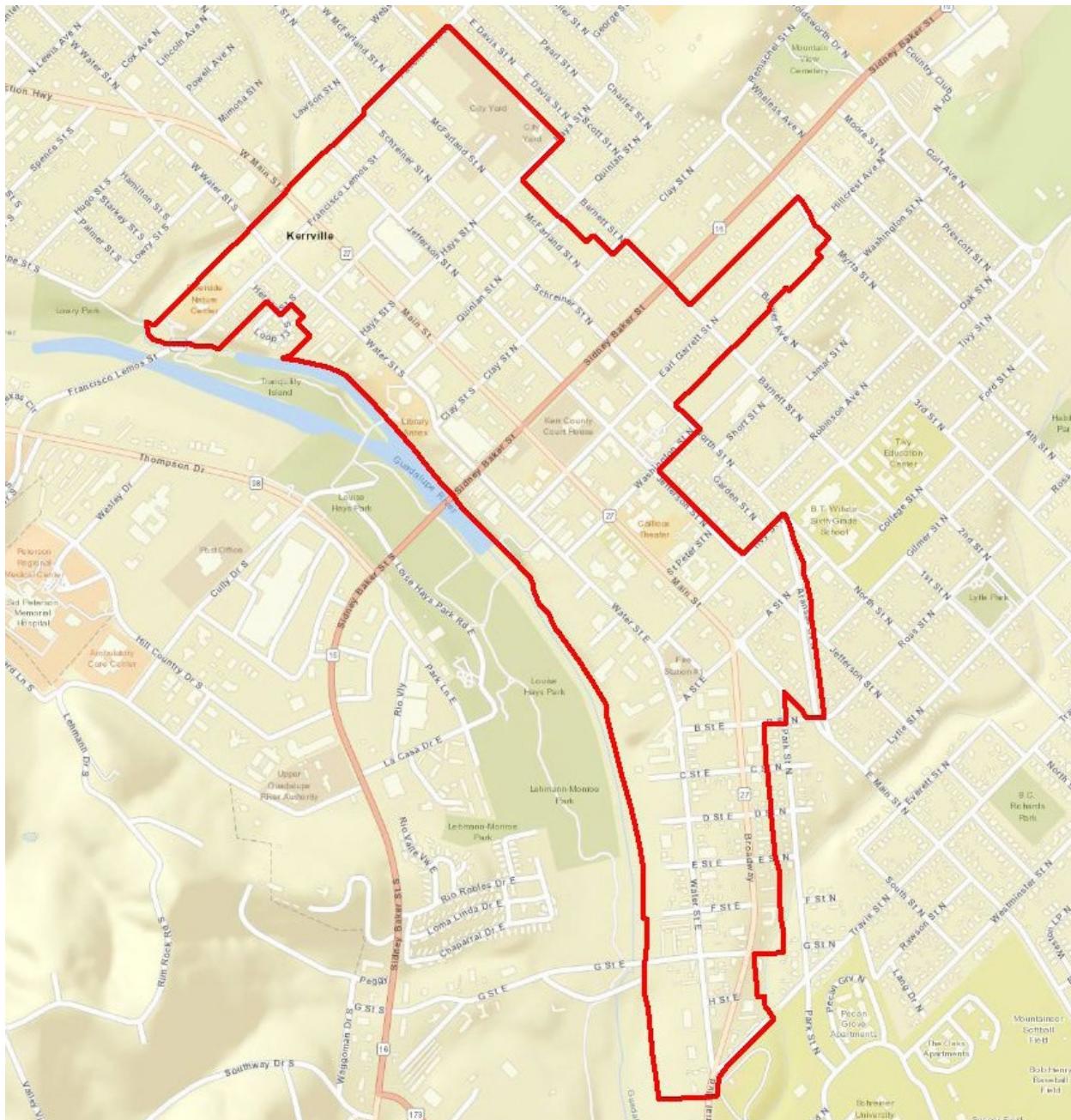
Following incremental growth in property values, and the collection of tax revenue in the established TIRZ fund, the TIRZ board and the City Council disburse funds to promote revitalization efforts within the zone. While TIRZ's are generally established by cities, other taxing jurisdictions such as a 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 \$15. There were no expenditures, so the fund balance as of September 30, 2020 was \$22,915.

The FY2021 budget anticipated collecting \$49,461 in property tax increment revenue and \$150 in interest income. However, low interest rates result in lower than budgeted Interest Revenue and an unexpected exemption caused Property Tax revenue to be lower than budget. FY2021 ended the year with \$50 in Interest Revenue and \$35,641 in Property Tax Revenue. No expenditures were budgeted or incurred for FY2021. The ending FY2021 fund balance was \$58,605.

The TIRZ board and City Council approved the FY2022 budget as show below. Assuming budget goals are met, the FY2022 ending fund balance will be \$124,110.

	FY2020 Actual	FY2021		FY2021 Estimated		FY2022 Budget
		Original Budget	Current Budget			
Beginning Restricted Fund Balance	\$ -	\$ 22,914	\$ 22,914	\$ 22,914	\$ 22,914	\$ 58,605
Revenues						
Property Tax	22,899	49,461	49,461	35,641	62,641	
Total Tax Revenue	22,899	49,461	49,461	35,641	62,641	
Interest Revenue	15	150	150	50	250	
Total Interest and Miscellaneous	15	150	150	50	250	
Total Revenues	22,915	49,611	49,611	35,691	62,891	
Expenditures						
	-	-	-	-	-	
Total Expenditures	-	-	-	-	-	
Net Revenue (Expenditures)	22,915	49,611	49,611	35,691	62,891	
Ending Restricted Fund Balance	\$ 22,914	\$ 72,525	\$ 72,524	\$ 58,605	\$ 121,496	

**Required Annual Reporting
For the Year Ended September 30, 2021**

1. Amount and source of revenue:

Property Tax	\$ 35,641
Interest Income	50
Total Revenue	<hr/> \$ 35,691

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	\$ 111,833,351
Base Year (FY2019)	97,488,489
Increment	<hr/> \$ 14,344,862

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

Entity	2020 Tax Rate	Participation	Participation	FY2021 TIRZ TIRZ Contribution
			Rate	
City of Kerrville	0.5116	100%	0.5116	\$35,641
Kerr County	0.4459	0%	0	0
Kerr County Lateral Roads	0.0298	0%	0	0
Kerrville ISD	1.115	0%	0	0
UGRA	0.0195	0%	0	0
Headwaters Groundwater Conversion District	0.00728	0%	0	0
Total	2.1291		0.5116	\$35,641

6. Total amount of tax increment budgeted to be received

	Tax Levied	Tax Collected	Collection Rate
FY2021	\$ 586,511	\$ 577,879	98.53%
Base year (FY2019)	552,969	542,237	98.06%
Increment	<hr/> \$ 33,540	\$ 35,641	

Budget
For the Year Ended September 30, 2022

1. Budgeted amount and source of revenue:

Property Tax	\$ 62,641
Interest Income	250
Total Revenue	<hr/> \$ 62,891

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):

FY2022	\$ 113,603,241
Base Year (FY2019)	97,488,489
Increment	<hr/> \$ 16,114,752

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

Entity	2021 Tax Rate	Participation	Participation Rate	Budgeted FY2022
				TIRZ Contribution
City of Kerrville	0.5093	100%	0.5093	\$62,641
Kerr County	0.4258	0%	0	0
Kerr County Lateral Roads	0.0284	0%	0	0
Kerrville ISD	1.052	0%	0	0
UGRA	0.019	0%	0	0
Headwaters Groundwater Conversion District	0.007213	0%	0	0
Total	2.041713		0.5093	\$62,641

6. Total amount of tax increment budgeted to be received

	<u>Projected Collections</u>
FY2022	\$ 604,878
Base year (FY2019)	<hr/> 542,237
Increment	\$ 62,641



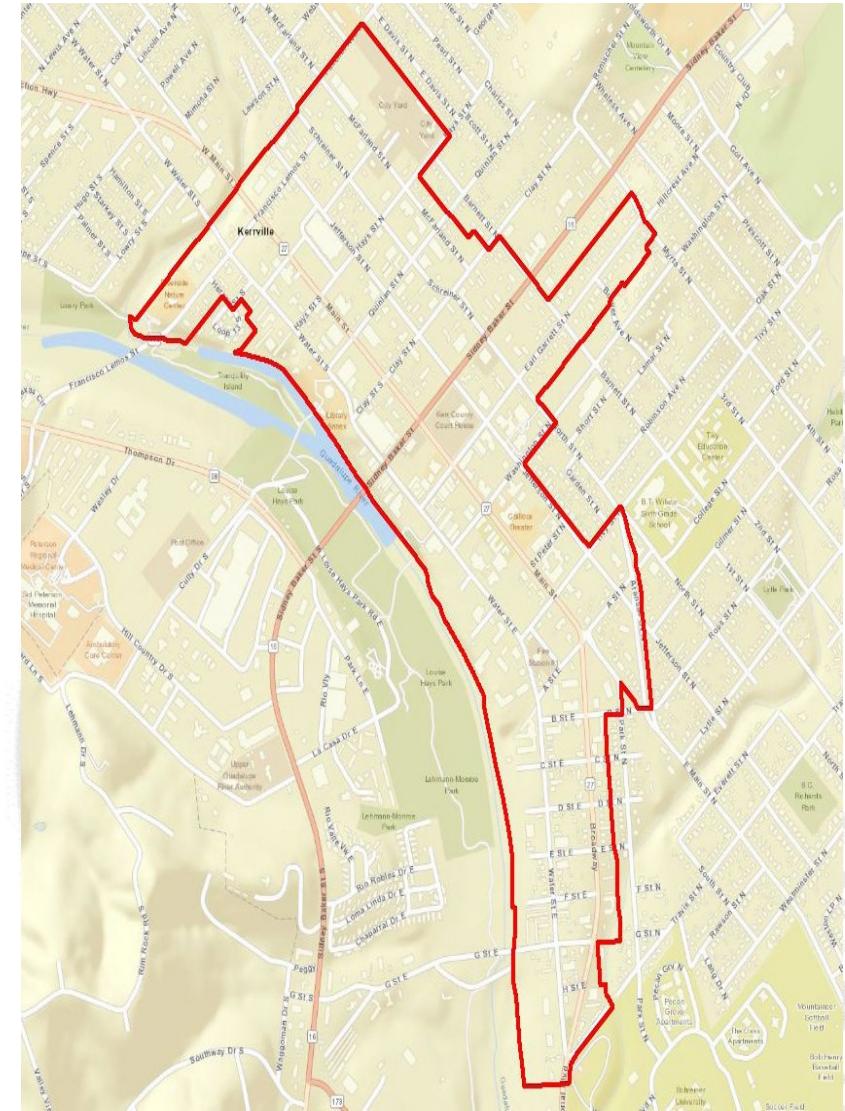
TIRZ MEETING JANUARY 2022



Annual Report

Fiscal Year Ended

September 30, 2021





TIRZ ANNUAL REPORTING REQUIREMENTS

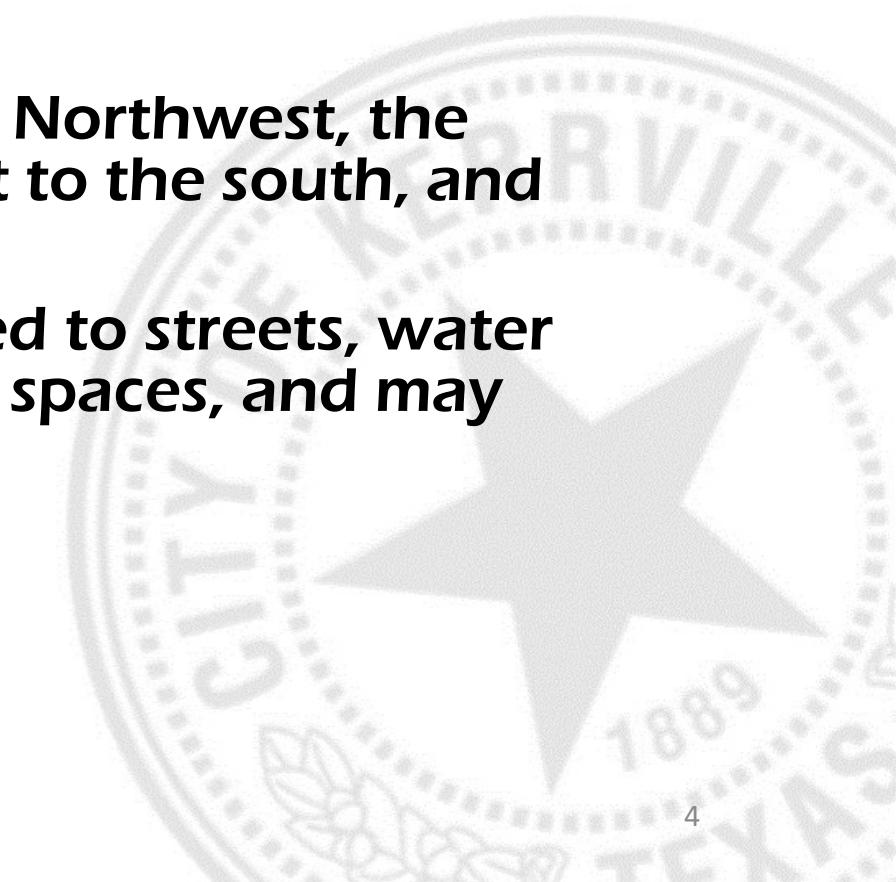
Texas law requires the City to submit an annual report to each taxing unit that levies taxes on property within the TIRZ to include:

1. Amount & sources of revenue
2. Amount & purpose of expenditures
3. Amount of indebtedness
4. Tax increment base and current captured appraised value in the TIRZ
5. Captured appraised value shared by the City and other taxing units
6. Total amount of tax increments received



City of Kerrville Tax Increment Reinvestment Zone #1

- **Established in 2018 to encourage private investment in downtown Kerrville**
- **477 acres**
- **Generally bound by Pascal Avenue to the Northwest, the Guadalupe River to the west, Travis Street to the south, and Barnett & Aransas Streets to the east**
- **TIRZ can fund public improvements related to streets, water and sewer infrastructure, parks and open spaces, and may include economic development grants**



		FY2020	FY2021	FY2021	FY2021	FY2022
			Original	Current		
			Actual	Budget		
Beginning Restricted Fund Balance		\$ -	\$ 22,914	\$ 22,914	\$ 22,914	\$ 58,605
Revenues						
Property Tax		22,899	49,461	49,461	35,641	65,254
Total Tax Revenue		22,899	49,461	49,461	35,641	65,254
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Total Interest and Miscellaneous		15	150	150	50	250
Total Revenues		22,915	49,611	49,611	35,691	65,504
Expenditures						
		-	-	-	-	-
Total Expenditures		-	-	-	-	-
Net Revenue (Expenditures)		22,915	49,611	49,611	35,691	65,504
Ending Restricted Fund Balance		\$ 22,914	\$ 72,525	\$ 72,524	\$ 58,605	\$ 124,110

Required Annual Reporting

For the Year Ended September 30, 2021

1. Amount and source of revenue:

Property Tax	\$ 35,641
Interest Income	50
Total Revenue	\$ 35,691

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	\$ 111,833,351
Base Year (FY2019)	97,488,489
Increment	\$ 14,344,862

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

Entity	2020 Tax		Participation		FY2021 TIRZ TIRZ Contribution
	Rate	Participation	Rate	Participation	
City of Kerrville	0.5116	100%	0.5116	\$35,641	
Kerr County	0.4459	0%	0	0	
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Total	2.1291		0.5116	\$35,641	

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Base year (FY2019)	552,969	542,237	98.06%
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Budget

For the Year Ended September 30, 2022

1. Budgeted amount and source of revenue:

Property Tax	\$ 62,641
Interest Income	250
Total Revenue	<u>\$ 62,891</u>

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):**

FY2022	\$ 113,603,241
Base Year (FY2019)	97,488,489
Increment	<u>\$ 16,114,752</u>

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Entity	2021 Tax	Participation	Budgeted FY2022	
	Rate	Participation	Rate	TIRZ Contribution
City of Kerrville	0.5093	100%	0.5093	\$62,641
Kerr County	0.4258	0%	0	0
Kerr County Lateral Roads	0.0284	0%	0	0
Kerrville ISD	1.052	0%	0	0
UGRA	0.019	0%	0	0
Headwaters Groundwater Conversion District	0.007213	0%	0	0
Total	2.041713		0.5093	\$62,641

6. Total amount of tax increment budgeted to be received

	<u>Projected Collections</u>
FY2022	\$ 604,878
Base year (FY2019)	542,237
Increment	<u>\$ 62,641</u>

City of Kerrville
TIRZ
Updated as of 9-30-2021

	FY21	FY21	FY22
	Budget	Estimated	Budget
Beginning Cash Balance	\$22,915	\$22,915	\$58,605
Revenue			
Property Tax	49,461	35,641	62,641
Interest and Miscellaneous	150	50	250
Total Revenue	49,611	35,691	62,891
Expenditures			
Administrative			
Supplies and Miscellaneous	-	-	-
Professional Services	-	-	-
Other	-	-	-
Total Administrative	-	-	-
Total Expenditures	-	-	-
Net Revenue (Expenditures)	49,611	35,691	62,891
Ending Cash Balance	\$72,526	\$58,605	\$121,496