



ECONOMIC IMPROVEMENT CORPORATION AGENDA
FEBRUARY 21, 2022, 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 APPROVAL OF MINUTES:

- 4.A. Minutes from the regular Economic Improvement Corporation (EIC) meeting held on January 24, 2022.

Attachments:

[EIC Minutes 1-24-2022.pdf](#)

5 MONTHLY REPORTS:

- 5.A. Kerr Economic Development Corporation (KEDC) update.

- 5.B. Kerrville Economic Improvement Corporation (EIC) project status update.

- 5.C. Monthly Financial Report.

Attachments:

[January 2022 financial presentation.pdf](#)

6 INFORMATION AND DISCUSSION:

- 6.A. Update from KERV Airport.

6.B. Update regarding Kerrville Sports Complex.

7 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.A. Consultation with attorney regarding James Avery Craftsman, Inc. and compliance with Economic Development Grant Agreement (551.071).

Attachments:

[2022.01.31 EIC Annual Grant Report.pdf](#)

[2021.12.31 Kerr County - Weekly Headcount.pdf](#)

8 POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:

9 ITEMS FOR FUTURE AGENDAS:

10 ANNOUNCEMENTS:

11 ADJOURN.



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



SUBJECT: Minutes from the regular Economic Improvement Corporation (EIC) meeting held on January 24, 2022.

AGENDA DATE OF: February 21, 2022 **DATE SUBMITTED:** Jan 26, 2022

SUBMITTED BY: Kesha Franchina

EXHIBITS: [EIC Minutes 1-24-2022.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 January 24, 2022.

RECOMMENDED ACTION:

Approve minutes from the regular Economic Improvement Corporation (EIC) meeting held on January 24, 2022.

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION (EIC)
REGULAR MEETING – JANUARY 24, 2022**

On Monday, January 24, 2022, at 4:00 p.m., 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
Kim Clarkson, Councilmember Place 2
Gary Cochrane
Maggie Megee

MEMBERS ABSENT:

CHIEF EXECUTIVE STAFF PRESENT:

E.A. Hoppe, City Manager
Mike Hayes, City Attorney
Kesha Franchina, Deputy City Secretary
Julie Behrens, Director of Finance
Trina Rodriguez, Assistant Director of Finance
Jacob Bogusch, Accounting Intern

VISITORS PRESENT: No citizen speakers registered to speak during the Visitors/Citizens forum item 3.

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

2 INVOCATION: Gregg Appel led the invocation.

3 VISITORS / CITIZENS FORUM: No visitors/citizen spoke.

4 APPROVAL OF MINUTES:

4.A. Minutes from the regular Economic Improvement Corporation (EIC) meeting held on December 20, 2021.

Don Barnett motioned to approve the minutes, and Gary Cochrane seconded. The motion passed 7-0.

5 MONTHLY REPORTS:

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

Gil Salinas and Theresa Metcalf presented the KEDC updates, the KEDC Annual update, and responded to questions.

5.B. Kerrville Economic Improvement Corporation (EIC) Project Status Update.

EA Hoppe presented the EIC Project Status handout, and responded to questions.

5.C. Monthly Financial Report.

Trina Rodriguez presented the Monthly Financial Report, and responded to questions. EA Hoppe was asked to report where the Sid Peterson project stood, and responded. Discussion ensued regarding statement of activities and monthly financial documents. Trina Rodriguez and Julie Behrens responded.

6 INFORMATION AND DISCUSSION:

6.A. Investing opportunities and debt overview.

Trina Rodriguez handed EIC members a copy of the City's Investing Policy. Julie Behrens presented the investing opportunities and the debt overview, and responded to questions. Discussion ensued regarding different investing avenues. EA Hoppe responded and Julie Behrens responded. Julie Behrens will continue to monitor opportunities and report back when needed.

Danny Almond motioned to go into executive session under 551.071 (consultation with attorney), 551.073 (deliberation regarding gifts), and 551.087 (deliberation regarding economic development negotiations). Don Barnett seconded and the motioned passed 7-0. President Richards adjourned into closed executive session at 4:57 p.m.

7 EXECUTIVE SESSION:

7.A. Workforce Housing development projects (551.071, 551.072, 551.087)

President Richards adjourned the closed executive session and the meeting returned to open session at 5:18 p.m. No action was taken during Executive Session.

8 POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION: None

9 ITEMS FOR FUTURE AGENDAS:

- Tour of the Killdeer Mountain Manufacturing facility
- TXDOT and Airport update (Megee)
- Sports Complex and DBAT update (Almond)

10 ANNOUNCEMENTS: President Richards announced that the EIC members received a letter from Attorney Ralph Behrens offering to be a guest speaker to speak on criminal law and constitutional law, if wanted. President Richards asked Kesha Franchina to send a thank you letter in response.

11 ADJOURN. President Richards adjourned the meeting at 5:27 p.m.

Minutes Approved: _____

President Greg Richards: _____

Attest: Kesha Franchina, Deputy City Secretary: _____



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



SUBJECT: Kerr Economic Development Corporation (KEDC) update.

AGENDA DATE OF: February 21, 2022 **DATE SUBMITTED:** Jan 26, 2022

SUBMITTED BY: Gil Salinas

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:

Information only; no action required.



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



SUBJECT: Kerrville Economic Improvement Corporation (EIC) project status update.

AGENDA DATE OF: February 21, 2022 **DATE SUBMITTED:** Jan 26, 2022

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:

Information only; no action.



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



SUBJECT: Monthly Financial Report.

AGENDA DATE OF: February 21, 2022 **DATE SUBMITTED:** Feb 16, 2022

SUBMITTED BY: Trina Rodriguez

EXHIBITS: [January 2022 financial presentation.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
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PAYMENT TO BE MADE TO:

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 January 31, 2022 will be presented by staff.

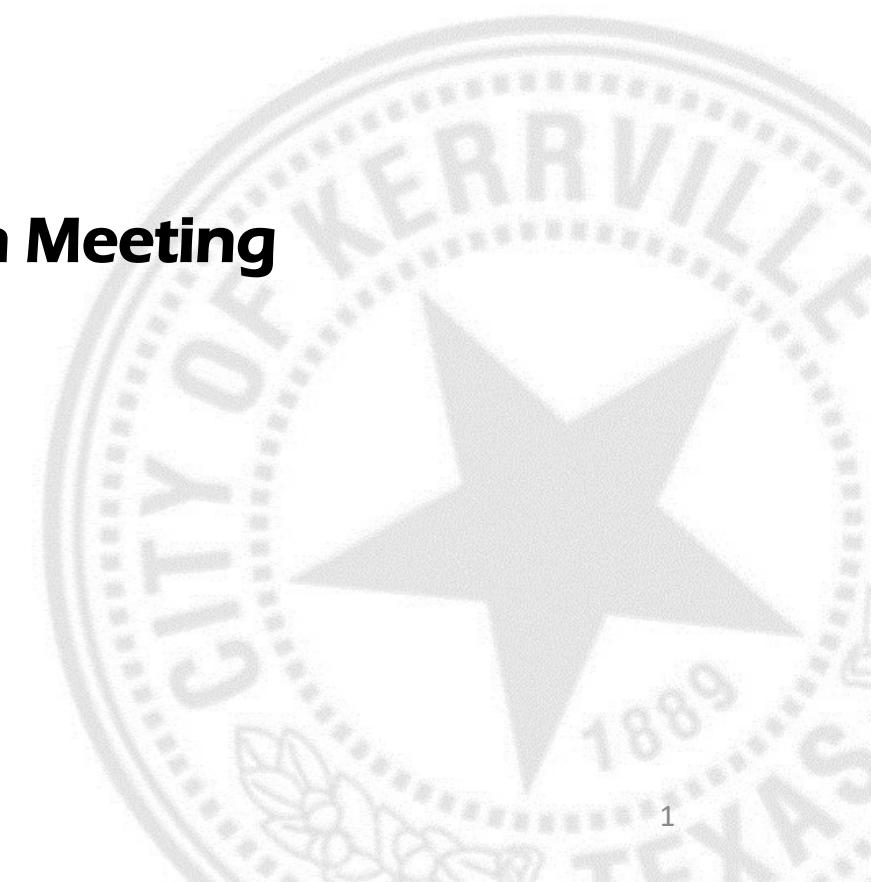
RECOMMENDED ACTION:

Information only; no action.



Financial update for the month ended January 31, 2022

**Economic Improvement Corporation Meeting
February 21, 2022**



Economic Improvement Corporation
Statement of Activities
Month Ended January 31, 2022

	Annual Budget	Current Period	YTD Actual	YTD Budget Estimate	Better/Worse YTD Estimate
Revenues					
Sales and Use Tax	\$ 4,223,000	\$ 421,736	\$ 1,540,947	\$ 1,292,076	\$ 248,871
Interest Income	9,665	271	822	5,113	(4,290)
Total Revenues	4,232,665	422,007	1,541,769	1,297,189	244,580
Expenditures					
Administrative					
Office Supplies	500	-	-	-	-
Professional Services	10,000	-	-	-	-
Administrative Services Fee	195,000	16,250	65,000	65,000	-
Kerr Economic Development Corp.	312,500	78,125	156,250	156,250	-
Total Administrative	518,000	94,375	221,250	221,250	-
Debt Service					
Debt Service - Series 2019 Ref (River Trail)	251,019	20,918	83,673	83,673	-
Debt Service - Series 2020 Ref (River Trail)	233,000	19,417	77,667	77,667	-
Debt Service - Series 2015 (KSC)	605,350	50,446	201,783	201,783	-
Total Debt Service	1,089,369	90,781	363,123	363,123	-
Projects					
Airport Projects	338,134	-	-	-	-
Arcadia Live	400,000 *	200,000	400,000	400,000	-
Sid Peterson Memorial Hospital	800,000 *	-	-	-	-
Total Projects	1,538,134	200,000	400,000	400,000	-
Total Expenditures	3,145,503	385,156	984,373	984,373	-
Change in Net Position	\$ 1,087,162	\$ 36,851	\$ 557,396		

* Indicates projects approved during FY2022

Economic Improvement Corporation

Cash Flow Forecast

As of January 31, 2022

	FY2022 Actual		FY2022 Projection		
	Oct 2021 to Jan 2022		Feb 2022 to Mar 2022	Apr 2022 to Jun 2022	Jul 2022 to Sep 2022
	\$		\$	\$	\$
Beginning Cash Balance	\$ 2,738,631		\$ 3,297,096	\$ 3,820,395	\$ 4,601,378
Revenue					
Sales Tax	1,540,947		827,641	1,179,451	1,311,205
Interest Income	822		500	750	750
Total Revenue	1,541,769		828,141	1,180,201	1,311,955
Expenditures					
Administrative					
Administrative Fee & Supplies	65,000		32,500	48,750	48,750
Professional Services	-		-	-	10,000
KEDC	156,250		-	78,125	78,125
Total Administrative	221,250		32,500	126,875	136,875
Debt Service	363,123		272,342	272,342	272,342
Projects					
Airport Projects	-		-	-	25,000
Arcadia Live	400,000		-	-	-
Sid Peterson Memorial Hospital	-		-	-	800,000
Total Projects	400,000		-	-	825,000
Total Expenditures	984,373		304,842	399,217	1,234,217
Ending Cash Balance	\$ 3,297,096		\$ 3,820,395	\$ 4,601,378	\$ 4,679,116

Financial Analysis

Project Analysis as of January 31, 2022			
Project Description	EIC Commitment	Disbursed Funding	Remaining Funding
Committed Projects:			
Airport Projects	375,000	7,367	367,633
Arcadia Live	400,000	400,000	-
Sid Peterson Memorial Hospital	1,600,000	-	1,600,000
Committed Project Total	\$ 775,000	\$ 407,367	\$ 1,967,633

Sales Tax Revenue Analysis - FY2022					
Month	Actual FY2021	Budget FY2022	Actual FY2022	FY2021 vs. FY2022	Budget vs. Actual
October	\$ 311,718	\$ 296,424	\$ 365,850	17.37%	23.42%
November	376,028	357,572	420,172	11.74%	17.51%
December	320,874	305,130	333,189	3.84%	9.20%
January	334,661	318,237	421,736	26.02%	32.52%
February	433,414	412,135	473,919	9.35%	14.99%

Cash Analysis as of January 31, 2022		
by Type - Placement - Amount		
Type	Placement	Amount
Short Term Investment	EIC TexPool	\$ 3,297,096
	Total Cash and Investments	\$ 3,297,096



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



SUBJECT: Update from KERV Airport.

AGENDA DATE OF: February 21, 2022 **DATE SUBMITTED:** Jan 26, 2022

SUBMITTED BY: Mary Rohrer

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:

Update from KERV Airport (Mary Rohrer).

RECOMMENDED ACTION:

Information only; no action.



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



SUBJECT: Update regarding Kerrville Sports Complex.

AGENDA DATE OF: February 21, 2022 **DATE SUBMITTED:** Jan 26, 2022

SUBMITTED BY: Ashlea Boyle

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:

Information only; no action.



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



SUBJECT: Consultation with attorney regarding James Avery Craftsman, Inc. and compliance with Economic Development Grant Agreement (551.071).

AGENDA DATE OF: February 21, 2022 **DATE SUBMITTED:** Feb 01, 2022

SUBMITTED BY: Mike Hayes

EXHIBITS: [2022.01.31 EIC Annual Grant Report.pdf](#)
[2021.12.31 Kerr County - Weekly Headcount.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
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PAYMENT TO BE MADE TO:

Kerrville 2050 Item? No

Key Priority Area

Guiding Principle

Action Item

SUMMARY STATEMENT:

RECOMMENDED ACTION:

Information only; no action.



January 31, 2022

Sent by email: greg@gregrichardslaw.com

Mr. Greg Richards, President of EIC
City of Kerrville, Texas, Economic Improvement Corporation
701 Main Street
Kerrville, TX 78028

Re: Reporting under the Economic Development Grant Agreement ("EIC Agreement")

Dear Mr. Richards,

This letter and the attached enclosure are being filed with the City of Kerrville, Texas, Economic Improvement Corporation ("EIC") by James Avery Craftsman, Inc. ("James Avery"), as its Annual Report, as required in the Agreement, as amended on April 14, 2021 (together the "Agreement").

The amended Agreement requires that James Avery create and fill new, full-time positions within the City of Kerrville (the "City") and maintain those positions by the end of calendar year 2024. As you know, James Avery met its contractual obligations for 2016, 2017, 2018, and 2019. In early 2021, the EIC adjusted the 2020 minimum number of new positions due to the COVID-19 pandemic and resulting declared emergencies allowing James Avery to also meet the adjusted 2020 minimum number of new full-time positions.

As required in the Agreement, James Avery has included a spreadsheet showing the cumulative number of new full-time positions in weekly increments during 2021. Since James Avery's initial headcount at the beginning of the Agreement was 388, the number of new full-time positions by the end of 2021 is 285 (673-388), which is only one less than the required number of 286 new full-time positions. We are, and plan to continue, expanding our workforce at KCC during 2022 with over 25 current open positions that remain unfilled. The tightening of the labor market, the number of available individuals seeking work, and the shortage of affordable housing options contributed to the headwinds that we encountered in seeking to fill open positions.

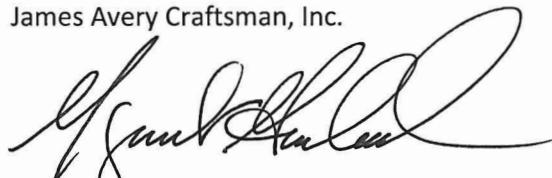
James Avery has not included an affidavit since contractual compliance was not achieved by the end of 2021.

When evaluating James Avery's performance under this Agreement, James Avery respectfully requests that the EIC take into consideration James Avery's efforts to achieve a moderated rate of growth and James Avery's efforts to grow its online sales producing sales tax increases that inure to the benefit of the greater Kerrville area.

We are available to discuss at your convenience, if desired.

RESPECTFULLY SUBMITTED,

James Avery Craftsman, Inc.



Margaret Greenshield
Chief HR Officer

Enclosure: 2021 Weekly Kerr County Employment Headcount

cc: Sent by email:

Mr. E.A. Hoppe, City Manager
City of Kerrville, Texas
701 Main Street
Kerrville, TX 78028
EA.Hoppe@kerrilletx.gov

Mr. Mike Hayes, City Attorney
City of Kerrville, Texas
701 Main Street
Kerrville, TX 78028
Mike.hayes@kerrilletx.gov

James Avery Craftsman, Inc. Weekly Kerr County Employment Headcount 2021

Work Week Beginning	1/2/2021	1/9/2021	1/16/2021	1/23/2021	1/30/2021	2/6/2021	2/13/2021	2/20/2021	2/27/2021	3/6/2021	3/13/2021	3/20/2021	3/27/2021
Corporate	229	241	242	243	242	241	241	241	240	240	240	241	240
Manufacturing	396	396	396	394	393	394	389	387	389	391	398	403	405
Retail	5	5	5	5	5	5	5	5	5	5	3	3	3
Grand Total	630	642	643	642	640	640	635	633	634	636	641	647	648
Work Week Beginning	4/3/2021	4/10/2021	4/17/2021	4/24/2021	5/1/2021	5/8/2021	5/15/2021	5/22/2021	5/29/2021	6/5/2021	6/12/2021	6/19/2021	6/26/2021
Corporate	241	239	240	237	235	235	234	233	232	233	235	235	236
Manufacturing	405	408	408	409	413	412	408	406	406	410	410	410	410
Retail	3	4	4	4	4	4	4	4	4	4	4	4	4
Grand Total	649	651	652	650	652	651	646	643	642	647	649	649	650
Work Week Beginning	7/3/2021	7/10/2021	7/17/2021	7/24/2021	7/31/2021	8/7/2021	8/14/2021	8/21/2021	8/28/2021	9/4/2021	9/11/2021	9/18/2021	9/25/2021
Corporate	236	236	235	234	233	235	236	237	237	235	235	234	234
Manufacturing	412	409	410	408	408	412	414	413	416	413	410	414	416
Retail	4	4	4	4	4	4	4	4	4	4	4	4	4
Grand Total	652	649	649	646	645	651	654	654	657	652	649	652	654
Work Week Beginning	10/2/2021	10/9/2021	10/16/2021	10/23/2021	10/30/2021	11/6/2021	11/13/2021	11/20/2021	11/27/2021	12/4/2021	12/11/2021	12/18/2021	12/25/2021
Corporate	234	237	238	237	239	233	232	229	226	215	214	219	218
Manufacturing	413	410	418	418	416	412	417	422	419	422	432	444	451
Retail	4	4	5	5	5	5	4	4	4	4	4	4	4
Grand Total	651	651	661	660	660	650	654	655	649	641	650	667	673

Average Hourly Rate of Additional Positions in Kerr County active as of 12/31/21: \$26.46