



ECONOMIC IMPROVEMENT CORPORATION AGENDA

MAY 16, 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 ANNOUNCEMENTS:

4 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.

5 APPROVAL OF MINUTES:

5.A. Minutes from the regular Economic Improvement Corporation (EIC) meeting held on April 18, 2022.

Attachments:

[EIC Minutes 4-18-2022.pdf](#)

6 MONTHLY REPORTS:

6.A. Kerr Economic Development Corporation (KEDC) update.

Attachments:

[EIC Project Update 2022-05-12.pdf](#)

6.C. Monthly Financial Report.

Attachments:

[April 2022 financial presentation.pdf](#)

7 CONSIDERATION AND POSSIBLE ACTION:

7.A. Set Annual Economic Improvement Corporation (EIC) meeting for June 2022.

7.B. Lienholders Agreement (Pari Passu Intercreditor Agreement) between EIC and Dacotah Bank concerning monetary grants and loans issued by the parties to Killdeer Mountain Manufacturing, Inc. (Prairie Gold Real Estate, LLC); and amendment to Economic Development Grant and Real Estate Purchase Agreement.

8 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:



- 8.A. Workforce Housing development projects (551.071, 551.072, 551.087).
- 8.B. Lienholders Agreement (Pari Passu Intercreditor Agreement) between EIC and Dacotah Bank concerning monetary grants and loans issued by the parties to Killdeer Mountain Manufacturing, Inc. (Prairie Gold Real Estate, LLC); and amendment to Economic Development Grant and Real Estate Purchase Agreement. (551.071, 551.072, 551.087).

9 POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:

10 ITEMS FOR FUTURE AGENDAS:

11 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: 5/13/2022 at 3:30 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



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



SUBJECT: Minutes from the regular Economic Improvement Corporation (EIC) meeting held on April 18, 2022.

AGENDA DATE OF: May 16, 2022 **DATE SUBMITTED:** Apr 18, 2022

SUBMITTED BY: Kesha Franchina

EXHIBITS: [EIC Minutes 4-18-2022.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 April 18, 2022.

RECOMMENDED ACTION:

Approve minutes from the regular Economic Improvement Corporation (EIC) meeting held on April 18, 2022.

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION (EIC)
REGULAR MEETING – April 18, 2022**

On Monday, April 18, 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
Gregg Appel
Kim Clarkson, Councilmember Place 2
Gary Cochrane
Maggie Megee

MEMBERS ABSENT:

Danny Almond, Vice President
Don Barnett

CHIEF EXECUTIVE STAFF PRESENT:

E.A. Hoppe, City Manager
Mike Hayes, City Attorney
Michael Hornes, Assistant City Manager
Kim Meismer, Assistant City Manager
Kesha Franchina, Deputy City Secretary
Julie Behrens, Director of Finance
Trina Rodriguez, Assistant Director of Finance

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: Maggie Megee led the invocation.

3 VISITORS / CITIZENS FORUM: None.

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 March 21, 2022.

Gary Cochrane motioned to approve the minutes, and Maggie Megee seconded. The motion passed 5-0.

5 MONTHLY REPORTS:

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

Gil Salinas presented the KEDC update. There were no questions.

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

EA Hoppe presented the EIC Project Status handout. There were no questions.

5.C. Monthly Financial Report.

Trina Rodriguez presented the Monthly Financial Report. There were no questions.

6 INFORMATION AND DISCUSSION:

6.A. Schreiner University update.

EA Hoppe presented a brief update on Schreiner University projects, and introduced Dr. Charlie McCormick, President of Schreiner University.

President Dr. Charlie McCormick presented the Schreiner University Update. There were no questions.

Maggie Megee motioned to go into executive session under (551.071, 551.072, 551.087). Gregg Appel seconded and the motioned passed 4-0. President Richards adjourned into closed executive session at 4:49 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 5:19 p.m. No action was taken during Executive Session.

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

9 ITEMS FOR FUTURE AGENDAS: None.

10 ADJOURN. President Richards adjourned the meeting at 5:19 p.m.

Minutes Approved: _____

President Gregory 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: May 16, 2022

DATE SUBMITTED: Apr 19, 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?	Yes
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: May 16, 2022

DATE SUBMITTED: Apr 18, 2022

SUBMITTED BY: Kyle Burow

EXHIBITS: [EIC Project Update 2022-05-12.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?	Yes
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

Kerrville Economic Improvement Corporation (EIC) project status update.

RECOMMENDED ACTION:

Information only; no action.

Monthly EIC Project Status Report

	Project Name	Description	Estimated Design Completion	Estimated Construction Completion	Comments
1	Tranquility Island Electrical Infrastructure	Partnership with City and Kerrville Christmas Lighting Corporation to help further enhance seasonal and Christmas lighting on Tranquility Island	Complete	Jun-2022	Construction in progress for first phase. Contractor completed path for conduit and working on path under river trail at different points along the trail.
2	KERV Airport Improvements	Partnership with KERV, TxDOT, City and County to build T-Hangars, Box Hangars, and other building improvements	TBD	TBD	Partnership Agreement approved Fall 2019. KERV working with TxDOT for T-hangar design effort. KERV has completed demolition of the "Horseshoe Building." Box Hangar site work pending TxDOT T-hangar project.
3	Killdeer Mountain Manufacturing	Renovation of 40,000 sq ft building on 8.2 acres in Airport Commerce Park for 400+ employee Tier-1 aerospace manufacturer	Private	2022	Land and existing building shell have been conveyed to KMM. Annexation and Zoning have been completed. Building permit issued 11/26/2021. Construction in progress.
4	Peterson Medical Center Campus Infrastructure Improvements	Campus improvements including extension of public utilities and roadway	Private	2022	Partnership Agreement approved January 2022. Design in progress with construction anticipated to be completed by end of 2022.



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



SUBJECT: Monthly Financial Report.

AGENDA DATE OF: May 16, 2022

DATE SUBMITTED: May 12, 2022

SUBMITTED BY: Trina Rodriguez

EXHIBITS: [April 2022 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 April 30, 2022 will be presented by staff.

RECOMMENDED ACTION:

Information only; no action.



Financial update for the month ended April 30, 2022

**Economic Improvement Corporation Meeting
May 16, 2022**



Economic Improvement Corporation
Statement of Activities
Month Ended April 30, 2022

	Annual Budget	Current Period	YTD Actual	YTD Budget Estimate	Better/Worse YTD Estimate
--	---------------	----------------	------------	---------------------	---------------------------

Revenues

Sales and Use Tax	\$ 4,223,000	\$ 314,340	\$ 2,696,267	\$ 2,294,269	\$ 401,999
Interest Income	9,665	1,437	3,396	7,242	(3,846)
Total Revenues	4,232,665	315,776	2,699,664	2,301,510	398,153

Expenditures

	Annual Budget	Current Period	YTD Actual	YTD Budget Estimate	Better/Worse YTD Estimate
Administrative					
Office Supplies	500	-	-	-	-
Professional Services	10,000	-	-	-	-
Administrative Services Fee	195,000	16,250	113,750	113,750	-
Kerr Economic Development Corp.	312,500	78,125	234,375	234,375	-
Total Administrative	518,000	94,375	348,125	348,125	-
Debt Service					
Debt Service - Series 2019 Ref (River Trail)	251,019	20,918	146,428	146,428	-
Debt Service - Series 2020 Ref (River Trail)	233,000	19,417	135,917	135,917	-
Debt Service - Series 2015 (KSC)	605,350	50,446	353,121	353,121	-
Total Debt Service	1,089,369	90,781	635,465	635,465	-
Projects					
Airport Projects	342,233	-	-	-	-
Arcadia Live	400,000	*	400,000	400,000	-
Sid Peterson Memorial Hospital	800,000	*	-	-	-
Total Projects	1,542,233	-	400,000	400,000	-
Total Expenditures	3,149,602	185,156	1,383,590	1,383,590	-

Change in Net Position

\$ 1,083,063 \$ 130,620 \$ 1,316,073

Economic Improvement Corporation

Cash Flow Forecast

As of April 30, 2022

	FY2022 Actual		
	Oct 2021 to Apr 2022	May 2022 to Jun 2022	Jul 2022 to Sep 2022
	\$ 2,738,631	\$ 4,055,773	\$ 3,707,891
Beginning Cash Balance			
Revenue			
Sales Tax	2,696,267	853,328	1,304,978
Interest Income	3,396	3,600	5,400
Total Revenue	2,699,664	856,928	1,310,378
Expenditures			
Administrative			
Administrative Fee & Supplies	113,750	32,500	48,750
Professional Services	-	-	10,000
KEDC	234,375	-	78,125
Total Administrative	348,125	32,500	136,875
Debt Service	635,465	181,561	272,342
Investment Purchases	-	990,748	-
Projects			
Airport Projects	-	-	25,000
Arcadia Live	400,000	-	-
Sid Peterson Memorial Hospital	-	-	800,000
Total Projects	400,000	-	825,000
Total Expenditures	1,383,590	1,204,810	1,234,217
Ending Cash Balance	\$ 4,055,773	\$ 3,707,891	\$ 3,784,052

Financial Analysis

Project Analysis as of April 30, 2022			
Project Description	EIC Commitment	Disbursed Funding	Remaining Funding
Committed Projects:			
Airport Projects	375,000	32,767	342,233
Sid Peterson Memorial Hospital	1,600,000	-	1,600,000
Committed Project Total	\$ 1,975,000	\$ 32,767	\$ 1,942,233

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	474,948	9.58%	15.24%
March	321,565	305,785	366,033	13.83%	19.70%
April	262,388	249,521	314,340	19.80%	25.98%
May	440,837	419,197	442,993	0.49%	5.68%

Cash Analysis as of April 30, 2022		
by Type - Placement - Amount		
Type	Placement	Amount
Pool	EIC TexPool	\$ 4,055,773
	Total Cash and Investments	\$ 4,055,773



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



SUBJECT: Set Annual Economic Improvement Corporation (EIC) meeting for June 2022.

AGENDA DATE OF: May 16, 2022 **DATE SUBMITTED:** May 10, 2022

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:

SECTION 2.04. The annual meeting of the Board shall be held at the principal office of the Economic Improvement Corporation on the first day of June of each year, if not a legal holiday, and, if a Saturday, Sunday or legal holiday, then at the next secular day following, at 4:00 o'clock, p.m., or at such time and place as shall be fixed by the consent in writing of all of the directors.

RECOMMENDED ACTION:

Discuss and schedule Annual (EIC) meeting.



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



SUBJECT: Lienholders Agreement (Pari Passu Intercreditor Agreement) between EIC and Dacotah Bank concerning monetary grants and loans issued by the parties to Killdeer Mountain Manufacturing, Inc. (Prairie Gold Real Estate, LLC); and amendment to Economic Development Grant and Real Estate Purchase Agreement.

AGENDA DATE OF: May 16, 2022

DATE SUBMITTED: May 10, 2022

SUBMITTED BY: Michael Hornes

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:

Consider 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) and amendment to Economic Development Grant and Real Estate Purchase Agreement.



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



SUBJECT: Lienholders Agreement (Pari Passu Intercreditor Agreement) between EIC and Dacotah Bank concerning monetary grants and loans issued by the parties to Killdeer Mountain Manufacturing, Inc. (Prairie Gold Real Estate, LLC); and amendment to Economic Development Grant and Real Estate Purchase Agreement. (551.071, 551.072, 551.087).

AGENDA DATE OF: May 16, 2022 **DATE SUBMITTED:** May 10, 2022

SUBMITTED BY: Michael Hornes

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:

Consider 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); and amendment to Economic Development Grant and Real Estate Purchase Agreement.