



ECONOMIC IMPROVEMENT CORPORATION AGENDA
AUGUST 15, 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 July 18, 2022.
Attachments:
[EIC Minutes 7-18-2022.pdf](#)

5 MONTHLY REPORTS:

5.A. Kerr Economic Development Corporation (KEDC) update.
5.B. Kerrville Economic Improvement Corporation (EIC) project status update.
Attachments:
[EIC Project Update 2022-08-03.pdf](#)

5.C. Monthly Financial Report.
Attachments:
[July 2022 financial presentation.pptx](#)

6 CONSIDERATION AND POSSIBLE ACTION:

6.A. Administrative Services contract between City of Kerrville and City of Kerrville Texas Economic Improvement Corporation.
Attachments:
[FY23 EIC Administrative Contract.pdf](#)

6.B. Economic Development Grant Agreement between Kerr Economic Development Corporation and the City of Kerrville Texas Economic Improvement Corporation.
Attachments:
[FY23 Economic Development Grant Agreement KEDC.pdf](#)
[Exhibit A - Draft Strategic Plan Summary Outline and Findings.pdf](#)

[Exhibit B - KEDC FY22 Funding Request Letter to EIC, July 15, 2022.pdf](#)
[Exhibit C - KerrEDC Budget 22-23 \(1\).pdf](#)

6.C. Discuss the Economic Improvement Corporation (EIC) calendar for Fiscal Year 2023.

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

8 POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:

9 ITEMS FOR FUTURE AGENDAS:

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: 8/12/2022 at 1:30 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 July 18, 2022.

AGENDA DATE OF: August 15, 2022 **DATE SUBMITTED:** Jun 30, 2022

SUBMITTED BY: Kesha Franchina

EXHIBITS: [EIC Minutes 7-18-2022.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 July 18, 2022.

RECOMMENDED ACTION:

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

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

On Monday, July 18, 2022, at 4:00 p.m., the regular meeting of the City of Kerrville, Texas Economic Improvement Corporation, was called to order by Vice President Danny Almond, in the Council Chambers at City Hall, 701 Main Street, Kerrville, Texas.

MEMBERS PRESENT:

Danny Almond, Vice President
Gregg Appel
Kyle Bond
Kim Clarkson, Councilmember Place 2
Gary Cochrane

MEMBERS ABSENT:

Gregory Richards, President
John Anderson

CHIEF EXECUTIVE STAFF PRESENT:

Michael Hornes, Assistant City Manager
William Tatsch, Assistant City Attorney
Kesha Franchina, Deputy City Secretary
Julie Behrens, Director of Finance
Trina Rodriguez, Assistant Director of Finance
Jacob Bogusch, Accounting Assistant

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

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

2 INVOCATION: Kim Clarkson 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 annual Economic Improvement Corporation (EIC) meeting held on June 20, 2022.

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

5 MONTHLY REPORTS:

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

Michael Hornes presented the EIC project status update, and responded to questions.

5.B. Monthly Financial Report.

Trina Rodriguez presented the Monthly Financial Report, and responded to questions.

6 CONSIDERATION AND POSSIBLE ACTION:

6.A. Kerrville Economic Development Corporation (KEDC) Budget for the Fiscal Year 2023.

Gil Salinas presented the KEDC Proposed Budget, and responded to questions. Gary Cochrane motioned to approve the KEDC Proposed Budget and Kyle Bond seconded. The motion passed 5-0.

6.B. Economic Improvement Corporation (EIC) Proposed Budget for the Fiscal Year 2023.

Julie Behrens presented the EIC proposed Budget, and responded to questions. Kyle Bond motioned to approve the EIC proposed Budget and Danny Almond seconded. The motion passed 5-0.

Kyle Bond motioned to go into executive session under (551.071, 551.072, 551.087). Kim Clarkson seconded and the motioned passed 5-0. Vice President Almond adjourned into closed executive session at 4:30 p.m.

7 EXECUTIVE SESSION:

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

City Manager EA Hoppe entered the closed executive session.

Vice President Almond adjourned the closed executive session, and the meeting returned to open session at 4:49 p.m. No action was taken.

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

9 ITEMS FOR FUTURE AGENDAS: None.

10 ADJOURN. Vice President Almond adjourned the meeting at 4:49 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: August 15, 2022 **DATE SUBMITTED:** Jul 23, 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:

Kerr Economic Development Corporation (KEDC) July 2022 update.

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: August 15, 2022 **DATE SUBMITTED:** Jul 14, 2022

SUBMITTED BY: Michael Hornes

EXHIBITS: [EIC Project Update 2022-08-03.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	Phase 1 Complete	Phase 1 construction complete. Final project closeout coordination and documents review in progress. Phase 2 pending easement approval from General Land Office for Guadalupe River crossing. Private funding to continue based on engineer's projected cost.
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 Row hangar design effort. KERV has completed demolition of the "Horseshoe Building." Box Hangar site work pending TxDOT Row 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: August 15, 2022 **DATE SUBMITTED:** Jul 14, 2022

SUBMITTED BY: Trina Rodriguez

EXHIBITS: [July 2022 financial presentation.pptx](#)

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, 2022 will be presented by staff.

RECOMMENDED ACTION:

Information only; no action.



Financial update for the month ended July 31, 2022

Economic Improvement Corporation Meeting
August 15, 2022



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

	Annual Budget	Current Period	YTD Actual	YTD Budget Estimate	Better/Worse YTD Estimate
Revenues					
Sales and Use Tax	\$ 4,223,000	\$ 404,917	\$ 3,952,074	\$ 3,399,734	\$ 552,341
Interest Income	9,665	6,842	19,254	8,703	10,551
Total Revenues	4,232,665	411,759	3,971,328	3,408,437	562,892
 Expenditures					
Administrative					
Supplies and Miscellaneous	500	113	113	113	-
Professional Services	10,000	-	-	-	-
Administrative Services Fee	195,000	16,250	162,500	162,500	-
Kerr Economic Development Corp.	312,500	78,125	312,500	312,500	-
Total Administrative	518,000	94,488	475,113	475,113	-
Debt Service					
Debt Service - Series 2019 Ref (River Trail)	251,019	20,918	209,182	209,182	-
Debt Service - Series 2020 Ref (River Trail)	233,000	19,417	194,167	194,167	-
Debt Service - Series 2015 (KSC)	605,350	50,446	504,458	504,458	-
Total Debt Service	1,089,369	90,781	907,807	907,807	-
Investment Purchases	-	-	990,748	990,748	-
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	185,269	2,773,669	2,773,669	-
 Change in Net Position	 \$ 1,083,063	 \$ 226,490	 \$ 1,197,660		

Economic Improvement Corporation
Cash Flow Forecast
As of July 31, 2022

	FY2022 Actual	FY2022 Estimate	FY2023 Projection					
			Oct 2021 to July 2022	Aug 2022 to Sep 2022	Oct 2022 to Dec 2022	Jan 2023 to Mar 2023	Apr 2023 to Jun 2023	Jul 2023 to Sep 2023
Beginning Cash Balance	\$ 2,738,631	\$ 3,932,580		\$ 4,731,224	\$ 5,386,375	\$ 6,295,244	\$ 7,140,041	
Revenue								
Sales Tax	3,952,074	1,002,305		1,192,707	1,304,191	1,240,120	1,525,252	
Interest Income	19,254	13,501		8,123	6,750	6,750	6,750	
Investment Maturity	-			1,000,000	-	-	-	
Total Revenue	3,971,328	1,015,806		2,200,829	1,310,941	1,246,870	1,532,002	
Expenditures								
Administrative								
Supplies and Miscellaneous	113	-		163	163	163	163	
Administrative Services	162,500	32,500		50,000	50,000	50,000	50,000	
Professional Services	-	-		2,500	2,500	2,500	2,500	
KEDC	312,500	-		78,125	78,125	78,125	78,125	
Total Administrative	475,113	32,500		130,788	130,788	130,788	130,788	
Debt Service	907,807	181,561		271,285	271,285	271,285	271,285	
Projects								
Airport Projects	-	-		342,233	-	-	-	
Sid Peterson Memorial Hospital	-	-		800,000	-	-	-	
Arcadia Live	400,000	-		-	-	-	-	
Total Projects	400,000	-		1,142,233	-	-	-	
Investment Purchase	990,748	-		-	-	-	-	
Total Expenditures	2,773,669	214,061		1,544,306	402,073	402,073	402,073	
Interest Receivable	4,778	3,101		1,373	-	-	-	
Ending Cash Balance	\$ 3,932,580	\$ 4,731,224		\$ 5,386,375	\$ 6,295,244	\$ 7,140,041	\$ 8,269,971	

Financial Analysis

Project Analysis as of July 31, 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	444,108	0.74%	5.94%
June	369,003	350,895	406,782	10.24%	15.93%
July	370,485	352,304	404,917	9.29%	14.93%

Cash Analysis as of July 31, 2022		
Type	Placement	Amount
Pool	EIC TexPool	\$ 3,932,580
ST Investments	Credit Suisse NY CP-2254EBKT7	\$ 992,750
	Total Cash and Investments	\$ 4,925,330



**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.

AGENDA DATE OF: August 15, 2022 **DATE SUBMITTED:** Jul 08, 2022

SUBMITTED BY: Michael Hornes

EXHIBITS: [FY23 EIC Administrative Contract.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:

The attached Administrative Services contract outlines the services provided to EIC by the City of Kerrville. Article I of the agreement spells out the list of services provided, including Engineering, Legal, Financial, Administrative and others.

In consideration of the provision by City to EIC of the services described in Article I, above, EIC shall pay City \$200,000.00 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.

RECOMMENDED ACTION:

Approve the Administrative Services contract between City of Kerrville and City of Kerrville Texas Economic Improvement Corporation.

**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 2022, 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 project management services to include coordination and oversight of both internal and external engineering, design, bid process, and all construction phases for EIC-funded projects that involve improvements to City and/or public property. City may contract 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, however, that the City Attorney has made full disclosure of the existence, nature, implications, possible adverse consequences, and advantages involved, if any, of common representation regarding the conflict to the president of the EIC. Further and 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.

- 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. City staff will also respond to all open records requests in compliance with state law, on behalf of the 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 City'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 *Annual Comprehensive Financial Report* (ACFR).
- 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 **\$200,000.00** 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, 2022, and ends on September 30, 2023, 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.

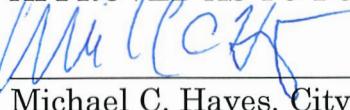
CITY OF KERRVILLE, TEXAS

By: _____
E.A. Hoppe, City Manager

ATTEST:

Shelley McElhannon, City Secretary

APPROVED AS TO FORM:


Michael C. Hayes, City Attorney

CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT
CORPORATION

By: _____
Greg Richards, President

ATTEST:

Kesha Franchina, Secretary of EIC

APPROVED AS TO FUNDING:

Julie Behrens, Director of Finance



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



SUBJECT: Economic Development Grant Agreement between Kerr Economic Development Corporation and the City of Kerrville Texas Economic Improvement Corporation.

AGENDA DATE OF: August 15, 2022 **DATE SUBMITTED:** Jul 08, 2022

SUBMITTED BY: Michael Hornes

EXHIBITS: [FY23 Economic Development Grant Agreement KEDC.pdf](#)
[Exhibit A - Draft Strategic Plan Summary Outline and Findings.pdf](#)
[Exhibit B - KEDC FY22 Funding Request Letter to EIC, July 15, 2022.pdf](#)
[Exhibit C - KerrEDC Budget 22-23 \(1\).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:

Approve the Economic Development Grant Agreement between Kerr Economic Development Corporation and the City of Kerrville Texas Economic Improvement Corporation.

RECOMMENDED ACTION:

Approve the Economic Development Grant Agreement between Kerr Economic Development Corporation and the City of Kerrville Texas Economic Improvement Corporation.

**ECONOMIC DEVELOPMENT GRANT AGREEMENT BETWEEN KERR
ECONOMIC DEVELOPMENT CORPORATION AND THE CITY OF
KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION**

This Agreement entered into by and between **KERR ECONOMIC DEVELOPMENT CORPORATION** ("KEDC"), a Texas nonprofit corporation; 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. KEDC and EIC are sometimes collectively referred to herein as "Parties" and individually as "Party".

WITNESSETH:

WHEREAS, EIC was formed to administer the sales and use tax approved by the citizens of Kerrville, Texas, in May 1995 and collected for projects to enhance economic development and/or the quality of life within the Kerrville area; and

WHEREAS, pursuant to the Act, the EIC is authorized to provide funding for promotional expenses, such expenses which are used to advertise or publicize the City for the purpose of developing new and expanded business enterprises; and

WHEREAS, KEDC is a 501(c)6 private non-profit entity whose purpose is to support and promote the retention, expansion, and attraction of business entities in Kerr County in a manner that complements the efforts of its economic development partners and enhances the quality of life for residents of Kerrville and surrounding areas; and

WHEREAS, KEDC has applied for funding from EIC for marketing to expand and increase its efforts toward the promotion of economic development and for programming to facilitate retention and recruitment of businesses, workforce development, entrepreneur development, stakeholder communication, and development of policy and incentives in the Kerrville area; and

WHEREAS, EIC finds that the formation of KEDC was intended to promote and develop new or expanded business enterprises and to foster the creation or retention of "primary jobs," as that term is defined by the Act; and

WHEREAS, Section 505.102 of the Act provides that a Type B corporation may contract with another private corporation to (1) carry out an industrial development program or objective; or (2) assist with the development or operation of an economic development program or objective consistent with the purposes and duties specified by the Act; and

WHEREAS, pursuant to Section 505.103 of the Act, EIC is limited to spending not more than 10 percent of its current annual revenues for promotional expenses in any given year; and

WHEREAS, EIC has determined that funding KEDC pursuant to this Agreement (“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 business development and/or the “quality of life” within the community; and

WHEREAS, EIC finds that it will be in the public interest to enter into an agreement with KEDC to provide sales tax revenues collected pursuant to the Act (“4B Revenues”) to KEDC for costs related to marketing expenses for economic development; and

WHEREAS, on August 15, 2022, in a meeting open to the public in accordance with the Texas Open Meetings Act, EIC deliberated as to the proposed expenditure of 4B revenues for the purposes provided above;

NOW THEREFORE, for and in consideration of the recitals set forth above and the promises made herein, KEDC and EIC agree as follows:

ARTICLE I **EIC'S OBLIGATIONS**

- A.** Subject to terms found elsewhere in this Agreement, EIC hereby grants KEDC funding up to the following annual amounts during the term of this Agreement:
 - (1)** EIC shall pay KEDC \$312,500.00 for the first year of this Agreement. EIC shall divide this amount into equal quarterly payments (\$78,125.00), each of which it shall pay within ten (10) business days after the beginning of each calendar quarter.
 - (2)** KEDC, subject to subsection 1.C., is eligible to receive an amount up to 10% greater than the payment for the previous year for each of the remaining two years of this Agreement, said payment subject to the payment schedule specified above.
- B.** EIC's payments to KEDC are solely intended for KEDC's costs directly related to: i) carrying out an industrial development program or objective as more specifically described in Section II., below; and ii) assisting with the development and operation of an economic development program or objective consistent with the purposes and duties specified by the Act. Such activities are collectively referred to herein as “Economic Development.”
- C.** Potential payments made by EIC to KEDC for the second and third year of this Agreement are subject to the following:

(1) EIC's appropriation of funds for such payments in the budget year for which they are paid. Any payment made by EIC to KEDC must be made solely from the annual budgeting and appropriations of EIC. In the event that EIC does not appropriate funds in any fiscal year for a payment(s) under this Agreement, EIC will not be liable to KEDC for any such or future payments and either the EIC or KEDC will have the right to terminate this Agreement, to be effective at the end of EIC's then existing fiscal year (September 30); and

(2) EIC's annual review, consideration, and approval of KEDC's fulfillment of its obligations, as specified within ARTICLE II.

D. In no event shall the total amount of the Grant from EIC to KEDC exceed One Million Thirty Four Thousand Three Hundred and Seventy Five and 00/100 Dollars (\$1,034,375.00).

E. KEDC specifically agrees that EIC shall only be liable to KEDC for the actual amount of the Grant to be conveyed to KEDC and shall not be liable to KEDC for any other actual or consequential damages, direct or indirect; interest; attorney fees; or costs of court for any act of default by EIC under the terms of this Agreement.

ARTICLE II. KEDC'S OBLIGATIONS

A. Pursuant to the purposes for which the Grant was awarded and in strict accordance with Section 505.102 of the Texas Local Government Code, KEDC shall use the Grant for only those costs directly resulting from its Economic Development. Toward this end, KEDC will conduct Economic Development pursuant to its adopted "mission", "objectives", and "target markets" as specified in its *Draft Strategic Plan Summary Outline and Findings* (the "Business Plan") dated July 15, 2022 and attached as **Exhibit A**. In addition, in fulfilling its obligations under this Agreement, KEDC shall comply with its *3-Year 2023-2025 Strategic Plan* (the "Plan of Work") scheduled for review and approval by KEDC on or before December 31, 2022; and associated performance metrics for FY 2021-2022, which are specified in KEDC's funding request to EIC dated July 15, 2022 ("Metrics"), and attached as **Exhibit B**. KEDC may not change the Business Plan or Plan of Work without providing prior written notice to EIC. However, where KEDC pursues funding for the year(s) beyond the first year of this Agreement, KEDC, as part of its notice to EIC that it is seeking such funding, shall submit an updated Business Plan, Plan of Work, and Metrics to EIC, each of which indicating any changes that it has made to said documents.

B. KEDC shall hire and employ sufficient professional personnel to perform its Economic Development obligations, including an Executive Director.

C. KEDC shall maintain complete and accurate records relating to its costs and expenditures made for Economic Development as specified in **KEDC's 2022-2023 budget** as approved by its Board of Directors and attached as **Exhibit C**. KEDC shall update its budget annually for each remaining year of this Agreement and provide copies to EIC following approval of each budget by its Board of Directors. KEDC shall maintain such records separate and identifiable from its other records and for three (3) years following the termination of this Agreement. EIC and its representatives shall be entitled to inspect the records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice.

D. KEDC, either through its Executive Director or another KEDC representative (collectively referred to herein as "Executive Director"), shall appear at each regular meeting of the EIC and make a presentation regarding its Economic Development pursuant to a regularly posted agenda item. Additionally, the Executive Director shall attend the "GO TEAM" meetings as scheduled by the City of Kerrville for the vetting of projects and applications for 4B Revenues.

E. KEDC shall only be liable to EIC for the actual amount of the Grant to be conveyed to KEDC and shall not be liable to EIC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by KEDC under the terms of this Agreement.

ARTICLE III. **KEDC'S REPRESENTATIONS AND WARRANTIES**

A. KEDC represents and warrants as of the date hereof:

- (1) KEDC is a Texas 501(c)6 private non-profit corporation existing in good standing and authorized to do business in the State of Texas;
- (2) Execution of this Agreement has been duly authorized by KEDC and this Agreement is not in contravention of KEDC's corporate charter, or any agreement or instrument to which KEDC is a party or by which it may be bound as of the date hereof;
- (3) No litigation or governmental proceeding is pending, or, to the knowledge of the Executive Director, threatened against or affecting KEDC, which may result in a material adverse change in KEDC's business, properties or operations sufficient to jeopardize KEDC's legal existence; and
- (4) No written application, written statement or correspondence delivered by KEDC to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of the Executive Director, contains any untrue statement of a material fact or

fails to state any material fact necessary to keep the statements contained therein from being misleading.

B. Except as expressly set forth in this Article III, KEDC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

ARTICLE IV. **EIC'S REPRESENTATIONS AND WARRANTIES**

A. EIC represents and warrants as of the date hereof:

- (1) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the statute under which it is governed and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;
- (2) Execution of this Agreement has been duly authorized by EIC;
- (3) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and
- (4) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.

B. Except as expressly set forth in this Article IV, EIC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

ARTICLE V. **MAJOR FORCES PREVENTING KEDC FROM CARRYING OUT ITS OBLIGATIONS UNDER THIS AGREEMENT**

If, by reason of force majeure, such as fire, flood, windstorm, drought, or other act of God, act of war, act of terrorism, labor strike, or economic downturn affecting KEDC, KEDC is reasonably unable to fulfill its obligations under this Agreement, KEDC shall use reasonable and diligent efforts to rectify the situation to allow it to perform its obligations specified herein with all due haste. In the event that the situation cannot be rectified within six (6) months after the occurrence of the force majeure, either party may terminate this Agreement by providing thirty (30) days advance written notice to the other without further liability hereunder. To the extent that KEDC has not expended funds from the Grant, KEDC shall immediately, but in

any event within ten (10) days, return such funding to the EIC and to other funding stakeholders on a pro-rata basis.

ARTICLE VI.
CONDITIONS UNDER WHICH EIC MAY SUSPEND PERFORMANCE
OF ITS OBLIGATIONS UNDER THIS AGREEMENT

Under any of the following conditions EIC may, at its option, after fifteen (15) days written notice to KEDC, suspend its further performance under this Agreement until such time as KEDC shall have cured the condition(s) and so notified EIC, in writing, that the condition(s) have been cured:

- A.** The KEDC becomes insolvent. "Insolvent" is defined to mean one either has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, or is insolvent within the meaning of the federal bankruptcy law.
- B.** The appointment of a receiver of KEDC, or of all or any substantial part of its property, and the failure of such receiver to be discharged within sixty (60) days thereafter.
- C.** The adjudication of KEDC as bankrupt.
- D.** The filing by KEDC of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.
- E.** KEDC ceases to exist as a legal organization under state law.

Should any of these conditions not be cured by KEDC within a period of three (3) months EIC may, at its option, with written notice to KEDC, terminate this Agreement and KEDC shall have no further obligations hereunder.

ARTICLE VII.
REMEDIES

- A.** Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement, by any party hereto, or any successor to such party, such defaulting or breaching party (or successor) shall upon written notice from the other, proceed immediately to cure or remedy such default or breach, and, in any event, within sixty (60) days after receipt of such notice. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time (but in no event later than ninety (90) days from the date of notification of such breach), the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach,

including but not limited to, seeking specific performance and/or injunctive relief, enforcement by mandamus or by the appointment of a receiver in equity with power to charge and collect rents, purchase price payments, and loan payments and to apply the revenues from the project in accordance with this Agreement, as required by the Act.

- B. Upon breach of this Agreement by either party and the failure to cure as permitted by this Article VII, the non-breaching party shall have the sole right and discretion to either terminate this Agreement or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that no party hereunder shall be entitled to recover any amounts in excess of the Grant contracted for under this Agreement and that no party hereunder shall be liable to the other party for any other actual or consequential damages for any act of default by such party under the terms of this Agreement.
- C. Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not, so long as the breach or default by another party shall be continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor shall any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

ARTICLE VIII. GENERAL PROVISIONS

- A. Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court having competent jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.
- B. Amendment. This Agreement may be amended only by written amendment signed by both parties.
- C. Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement shall be made or performed in Kerrville, Kerr County, Texas. Venue shall lie in Kerr County, Texas; and this Agreement shall be governed by and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof.
- D. Notices. All notices given with respect to this Agreement shall be in writing and shall be deemed to have been properly given for all purposes (i) if sent by

a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

1. EIC

President

City of Kerrville, Texas, Economic Improvement Corporation
701 Main Street
Kerrville, Texas 78028
Facsimile: (830) 792-3850

With a copy to:

City Manager
City of Kerrville
701 Main Street
Kerrville, Texas 78028
Facsimile: (830) 792-3850

2. KEDC Executive Director

1700 Sidney Baker Suite 100
Kerrville, Texas 78028
Phone: (830) 896-1175

E. Assignment. This Agreement shall be binding upon the parties hereto and their successors and assigns. This Agreement may not be assigned by either party without the specific prior written consent of the other, which consent will not be unreasonably withheld. In the event that a party consents to any valid assignment of this Agreement by the other party hereto, the assigning party shall be relieved of any and all obligations and liabilities on the part of such assigning party under this Agreement. KEDC may, without written consent of EIC, assign this Agreement to any entity controlled and 100 percent owned by KEDC or by the parent, subsidiary or affiliate of KEDC provided the entity assumes all of KEDC's obligations and liabilities under this Agreement; agrees to comply with all provisions of this Agreement; has the legal, managerial, technical and financial ability to properly perform and discharge such obligations and liabilities; and such abilities are each at least as great as those of KEDC and KEDC provides a written guarantee of such assignee's performance in a form reasonably acceptable to EIC. EIC shall be advised in writing of such assignment and of the entity's qualifications at least sixty (60) days before such assignment occurs.

F. Parties In Interest. Nothing in this Agreement shall entitle any party other than KEDC or EIC to any claim, cause of action, remedy or right of any kind except as expressly provided in Article VII.

G. Term. The term of this Agreement (the "Term") shall commence on October 1, 2022 (the "Effective Date"), and shall terminate on the earlier of: (i) September 30, 2025; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Article VII; (iv) at KEDC's sole and absolute discretion but only upon and subject to KEDC's return of all Grant funding to EIC that it has received under this Agreement; or, (v) upon KEDC's repayment of all monies that are demanded by EIC. Upon termination of this Agreement as specified herein, all rights, duties and obligations of any kind under this Agreement shall automatically expire and terminate and be of no other force and effect.

H. Interpretation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arm's length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.

I. Indemnity. IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES THAT KEDC, IN PERFORMING ITS OBLIGATIONS HEREUNDER, IS ACTING INDEPENDENTLY, AND EIC ASSUMES NO RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH TO KEDC. KEDC AGREES TO INDEMNIFY AND HOLD HARMLESS EIC, ITS OFFICERS AND AGENTS, AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS THAT MAY ARISE OUT OF OR BE OCCASIONED BY KEDC'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR BY ANY NEGLIGENT ACT OR OMISSION OF KEDC, ITS OFFICER, AGENTS, ASSOCIATES OR EMPLOYEES, IN THE PERFORMANCE OF THIS AGREEMENT; AND NOTHING HEREIN SHALL BE CONSTRUED AS A WAIVER OF ANY GOVERNMENTAL IMMUNITY AVAILABLE TO EIC UNDER TEXAS LAW.

J. No Joint Venture. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties.

K. Prohibition on Contracts with Companies Boycotting Israel. KEDC hereby verifies the following per Section 2271.002, Texas Government Code:

1. KEDC does not boycott Israel; and
2. KEDC will not boycott Israel during the term of the Agreement.

L. Prohibition Against Business with Iran, Sudan, or Foreign Terrorist Organization. KEDC warrants, covenants, and represents that KEDC is not engaged in business with Iran, Sudan, or any company identified on the list referenced in Section 2252.152, Texas Government Code.

M. Prohibition on Contracts with Companies Boycotting Energy Companies. KEDC hereby verifies the following per Section 2274.002, Texas Government Code:

1. KEDC does not boycott energy companies; and
2. KEDC will not boycott energy companies during the term of the Agreement.

N. Written Verification as to Firearm Entities. KEDC hereby verifies the following per Section 2274.002, Texas Government Code:

1. KEDC does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and
2. KEDC will not discriminate against a firearm entity or firearm trade association during the term of the Agreement.

O. Prohibition on Contracts with Companies Related to Certain Countries. Where this Agreement pertains to “critical infrastructure”, as defined by Section 2274.0101, Texas Government Code, KEDC verifies (1) that it is not owned by or the majority of stock or other ownership interest of the company is not held or controlled by: (a) individuals who are citizens of China, Iran, North Korea, Russia, or other designated countries; or (b) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or other designated countries; or (2) headquartered in China, Iran, North Korea, Russia, or other designated countries.

P. Survival of Terms. All rights, duties, liabilities and obligations accrued prior to termination shall survive termination.

Q. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof.

EXECUTED AND EFFECTIVE, as of the date indicated above, by the City of Kerrville, Texas, Economic Improvement Corporation, by and through its Board President, duly authorized to execute same by action of the Board, and by Kerrville Economic Development Corporation, acting through its Executive Director.

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

Gregory Richards, President

ATTEST:

Kesha Franchina, Secretary to the Corporation

APPROVED AS TO FORM:

Michael C. Hayes, Attorney for the EIC

**KERRVILLE ECONOMIC
DEVELOPMENT CORPORATION**

Gilberto Salinas, Executive Director



STRATEGIC PLAN SUMMARY OUTLINE & FINDINGS

From the KEDC Stakeholder Retreat

July 15, 2022

EXECUTIVE SUMMARY: The five stakeholders of the KEDC convened on June 6, 2022 for a three-hour retreat to create alignment around recommendations for future economic development activities. This retreat was a follow up to the 2019 retreat which identified three major goal areas:

1. Increase collaboration and cooperation with a regional approach to economic development
2. Develop an economic development strategic plan / road map and ensure the KEDC remains as an independent entity specific for growth and industry
3. Realign assets for growth

KEDC successfully implemented several of the 2019's recommendations. Highlights include establishing an independent EDC and a rapid response to COVID-19's impacts with KerrEDGE and KerrvilleTogether.com.

Events such as the Business and Innovation Forum, Quarterly Industry Roundtables and KEDC's support of the Hill Country Economic Summit have helped local stakeholders better collaborate, resulting in continued local industry growth.

TOP 3 CHALLENGES to Kerrville's Economic Growth

1. Resistance to change, NIMBY attitudes
2. Availability of workforce
3. Homes, availability and affordability

-- *TIP Strategies, Austin, TX*

The region's successes have been featured in more than 100 media features and have received national and international 3rd party recognition for workforce, marketing and business retention & expansion efforts.

During the June 2022 retreat, participants reflected on recent trends, ongoing initiatives in Kerrville and Kerr County, and a competitive advantage to identify a recommended path forward for KEDC.

RECOMMENDATIONS FOR THE KEDC: Based on an analysis of trends, current community goals, and feedback from retreat participants, KEDC should prioritize the following over the next 3 years:

- i. Continue collaborating with other organizations at the local, county and state level to identify solutions to challenges and capitalize on opportunities.
- ii. While maintaining a focus on economic development, expand KEDC's role to act as a convener by bringing key organizations and leaders together to discuss issues affecting economic growth.
- iii. Build the local talent pipeline so that residents have pathways to available job opportunities and employers have a strong pool of talent.



STAKEHOLDER RETREAT OUTCOMES: The following are trends which will have the greatest influence on Kerrville's economy in this decade, as per the stakeholder retreat, one-on-one interviews and national economic development data and variables:

- Housing (affordability and availability)
- Workforce availability
- Remote work
- Aerospace and aviation
- Short term rentals
- Recreation and tourism
- Metro growth from Central Texas
- Perception of growth
- Walkability
- Wage growth and inflation

TOP FIVE KEDC PRIORITIES MOVING FORWARD:

- I. Workforce development and talent attraction
- II. Acting as a connector and convener
- III. Support small business and entrepreneurs
- IV. Corporate recruitment, retention and cluster development
- V. Marketing and Telling The Kerrville Story

NEXT STEPS, STRATEGIC PLAN APPROVAL & IMPLEMENTATION:

Strategic Plan Summary Outline & Findings	July
Draft Plan of Action, KEDC Board Review	August
TIP Presentation to KEDC Board	September
Final Edits, Additions to Plan	October
Approval of Strategic Plan, KEDC Board	November
Presentations to Stakeholder Entities	December
Plan Implementation by KEDC Staff	2023-2025



July 15, 2022

Chairman Greg Richards, and Board Members
Kerrville Economic Improvement Corporation
701 Main Street
Kerrville, TX 78028

RE: Funding Request for FY 2022/2023

Dear Mr. Richards:

The Kerr Economic Development Corporation continues on its mission of fostering the economic growth of the greater Kerrville area through the support of local industry, recruitment of companies, creation and retention of quality jobs, expansion of capital investment and infusion of new tax dollars into our community.

Please consider this letter as our request for annual funding of the KEDC.

Since our last budget request, the KEDC has worked on the following projects and programs for the Kerrville area:

- Hosted Texas Workforce Commissioner Brian Daniel and his announcement of \$188,000 in JET Grand Funds for the Ingram Independent School District. His visit has resulted in the development of several workforce programs for local companies.
- Recognized by the Texas Economic Development Council with the Economic Development and Workforce Excellence Award in the category of 15,000 to 40,000 population. The KEDC was No. 1 in the state in its respective division for its strategy and efforts in economic development during and post-pandemic.
- The continued development of the KerrEDGE Entrepreneur Center, which counts with more than 50 members and has launched a string of small start ups in the area.
- Supported Killdeer Mountain Manufacturing in the workforce and supply chain needs. The company has already hired 50-plus local employees, exceeding its goal of 50 employees by the end of 2022.
- Supported the Kerrville Airport in the recruitment of Rice Aircraft Services as part of our strategy to cultivate an aerospace and aviation cluster in the airport industrial area.
- Launched the inaugural KEDC Business & Innovation Forum 2021 at the Arcadia Theater, which attracted 260 attendees both in person and virtual. The 3-day event provided a series of entrepreneurial and leadership seminars as well as business networking opportunities.
- Convened a series of Quarterly Industry Roundtable discussions with Kerrville's top private employers.
- Coordinated three Industry Signing Showcase events where we recognized 30 Kerrville area graduating seniors who had been hired by local employers, specifically in the trades, medical and tourism sectors.



- Hosted the Stakeholder Retreat with our five stakeholder groups – EIC, City, County, KPUB and KEDC. The KEDC is currently compiling the data and information from the retreat with the consulting firm TIP Strategies for our Three Year Economic Development Strategic Plan.

We continue working, meeting and exceeding the goals and objectives set forth by the original 2-Year Roadmap & Economic Development Ecosystem, approved by all of our respective boards and stakeholders.

We appreciate your continued support in helping with the overall mission of growing and diversifying the economic base of the greater Kerrville area.

Sincerely,

A handwritten signature in black ink, appearing to read "Gilberto Salinas".

Gilberto Salinas
Executive Director
Kerr Economic Development Corp.
1700 Sidney Baker, Ste. 100
Kerrville, Texas 78028

KERRVILLE ECONOMIC DEVELOPMENT CORPORATION

Budget Request FY 22-23

	Actual FY 18-19	Actual FY 19-20	Actual FY 20-21	Projected FY 21-22	Proposed Budget FY 22-23
Income					
40000 Income - Stakeholder funding					
40100 City of Kerrville	24,500	50,000	39,500	62,500	62,500
40200 EIC	140,000	220,000	197,500	312,500	312,500
40300 Kerr County	24,500	45,920	39,500	62,500	62,500
40400 KPUB	24,500	50,000	39,500	62,500	62,500
Total 40000 Income - Stakeholder Funding	213,500	365,920	316,000	500,000	500,000
4100 Sponsored Events					
41100 KerrEDC TopForty			2,000	4,000	4,000
41200 KerrEDGE			1,308		1,500
41300 Business & Innovation Forum			5,930	12,000	12,000
Total 41000 Sponsored Event Income			9,239	16,000	17,500
Uncategorized Income					
71000 Carryover Income	88,083	28,002	85,878	-29,897	-15,364
Total Income	301,583	393,922	443,928	486,103	502,136
Expenses					
60000 Business Expenses					
60100 Business Recruitment	4,396	17,897	9,100	4,365	6,000
60300 Website	16,683	4,022	11,022	12,000	12,000
60400 Marketing	4,000	8,084	11,258	10,631	10,000
60600 Design (Brochures, Publications)	4,406	1,441	5,846		
Total 60000 Business Expenses	29,486	31,443	37,226	26,996	28,000
61000 Contract Services					
61200 Accounting Fees	1,315	1,125	1,000	1,000	1,000
61300 Outside Contract Services	31,032	3,700	5,338	15,000	15,000
61400 Legal Fees			9,703		
61500 KEDC Service Agreement	55,400	32,150	8,900	8,900	2,400
Total 61000 Contract Services	87,747	36,975	24,941	24,900	18,400
63000 Operations					
63200 Supplies	1,828	1,016	1,864	252	2,000

63300 Telephone, Internet		304	474	500	500
63400 Training	3,640	2,390	1,550	169	1,500
63600 Postage	51	144	115	9	200
63700 Office Lease		4,800	9,660	9,600	9,600
63800 Software/Hardware	1,455	50	1,800	6,023	2,000
63900 IT Support Services		65			500
63910 Dues & Subscriptions	4,765	5,021	11,297	9,823	8,000
63920 Contingencies					
Total 63000 Operations	11,740	13,790	26,760	26,376	24,300
65000 Other Types of Expenses					
65100 Insurance - Liability, D and O	875	900	900	1,000	1,000
Total 65000 Other Types of Expenses	875	900	900	1,000	1,000
66000 Payroll Expenses					
66100 Board Discretionary	10,000		20,600	15,000	25,000
66200 Health Insurance		1,760	7,943	8,000	8,000
Retirement	11,847	5,287	11,141	12,000	12,000
Taxes	1,410	14,120	16,727	17,000	17,000
Wages	92,308	181,804	228,098	235,000	235,000
Total 66000 Payroll Expenses	115,565	202,971	284,509	287,000	297,000
68000 Travel and Meetings					
68100 Meals & Board Meetings	9,805	2,636	2,422	3,000	3,000
68200 Travel	6,411	7,210	4,309	5,000	5,000
68300 Mileage/Cell Phone	413	4,558	7,341	6,000	6,000
68400 Conference, Retreats, OOT	5,539	1,562	4,462	39,000	42,900 *stakeholder retreat
Total 68000 Travel and Meetings	22,168	15,965	18,535	53,000	56,900
69000 Sponsored Events Expenses					
69100 KerrEDC TopForty			11,201	17,000	12,000
69200KerrEDGE			34,587	11,890	15,000
69300 Business & Innovation Forum			28,667	47,305	20,000
Total 69000 Sponsored Events Expenses			74,455	76,195	47,000
Reimbursements	6,000	6,000	6,500	6,000	6,000
Total Expenses	273,580	308,045	473,825	501,467	478,600
Net Operating Income	28,003	85,878	-29,897	-15,364	23,536
EOY Fund Balance	\$36,991.78	\$101,456.59	91,738.68		

Sponsored Event Net Operating Income

Total 41000 Sponsored Event Income

Total 69000 Sponsored Events Expenses

Net Operating Income from Sponsored Events

	Actual FY 18-19	Actual FY 19-20	Actual FY 20-21	Projected FY 21-22	Proposed Budget FY 22-23
Total 41000 Sponsored Event Income			9,238.56	16,000.00	17,500.00
Total 69000 Sponsored Events Expenses			-74,455.17	-76,195.00	-47,000.00
Net Operating Income from Sponsored Events			-65,216.61	-60,195.00	-29,500.00



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



SUBJECT: Discuss the Economic Improvement Corporation (EIC) calendar for Fiscal Year 2023.

AGENDA DATE OF: August 15, 2022 **DATE SUBMITTED:** Aug 03, 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:

Discuss the Economic Improvement Corporation (EIC) calendar for Fiscal Year 2023.