



**TAX INCREMENT REINVESTMENT ZONE AGENDA**  
**THURSDAY, JANUARY 26, 2023, 4:00 PM**  
**Kerrville City Hall, City Council**  
**Chambers 701 Main Street,**  
**Kerrville, Texas**



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**1 CALL TO ORDER:**

**2 INVOCATION:**

**3 VISITORS / CITIZENS FORUM:**

**4 APPROVAL OF MINUTES:**

- 4.A Minutes from the regular Tax Increment Reinvestment Zone meeting held on September 8, 2022.

Attachments:

[\*TIRZ Minutes 9-8-2022.pdf\*](#)

**5 REPORTS:**

- 5.A Update on various Downtown projects to include the following:

- Community Development Block Grant (CDBG) - Downtown Revitalization Program - 2021.

- 5.B Annual Financial Report.

Attachments:

[\*FY2022 January Annual Report.pdf\*](#)

**6 EXECUTIVE SESSION:**

**7 POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:**

**8 ITEMS FOR FUTURE AGENDAS:**

**9 ADJOURN.**

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The facility is wheelchair accessible, and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.

I hereby certify that this agenda was posted as notice of the meeting on the bulletin board at the City Hall of the City of Kerrville, Texas, and on the City's website on the following date and time: 1/20/2023 at 11:00 a.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Kesha Franchina

Kesha Franchina, Deputy City Secretary, City of Kerrville, Texas

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**TO BE CONSIDERED BY THE  
TAX INCREMENT REINVESTMENT ZONE  
CITY OF KERRVILLE, TEXAS**

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**SUBJECT:** Minutes from the regular Tax Increment Reinvestment Zone meeting held on September 8, 2022.

**AGENDA DATE OF:** January 26, 2023      **DATE SUBMITTED:** September 26, 2022

**SUBMITTED BY:** Kesha Franchina, Deputy City Secretary

**EXHIBITS:**

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| <b>Expenditure<br/>Required:</b> | <b>Remaining Budget<br/>Balance in<br/>Account:</b> | <b>Amount Budgeted:</b> | <b>Account Number:</b> |
|----------------------------------|---|-------------------------|------------------------|
| N/A                              | N/A   | N/A                     | N/A                    |

**PAYMENT TO BE MADE TO:** N/A

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|                             |     |
|-----------------------------|-----|
| <b>Kerrville 2050 Item?</b> | No  |
| <b>Key Priority Area</b>    | N/A |
| <b>Guiding Principle</b>    | N/A |
| <b>Action Item</b>          | N/A |

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**SUMMARY STATEMENT:**

**RECOMMENDED ACTION:**

Approve minutes from the regular Tax Increment Reinvestment Zone (TIRZ) meeting held on September 8, 2022.

**ATTACHMENTS:**

[\*TIRZ Minutes 9-8-2022.pdf\*](#)

**CITY OF KERRVILLE, TAX INCREMENT REINVESTMENT ZONE BOARD OF DIRECTORS REGULAR MEETING, SEPTEMBER 8, 2022, 4:00PM**

On Thursday, September 8, 2022, the City of Kerrville, Texas TIRZ Board of Directors regular meeting was called to order at 4:00pm by Mindy Wendele, Vice Chair, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas.

**Members Present:**

Kenneth Early, Chairman, arrived at 4:07pm  
Mindy Wendele, Vice-Chair  
Fred Gamble  
John Harrison  
Katherine Howard  
Pat Murray  
Bruce Stracke

**Members Absent:** None

**City Executive Staff Present:**

Michael Hornes, Assistant City Manager  
Kim Meismer, Assistant City Manager  
Kesha Franchina, Deputy City Secretary  
Julie Behrens, Director of Finance  
Megan Folkerts, Senior Management Analyst  
Trina Rodriguez, Assistant Director of Finance  
Cody Scott, Finance Compliance Coordinator

**1     CALL TO ORDER:** Mindy Wendele opened the meeting at 4:03pm

**2     INVOCATION:** Fred Gamble led the Invocation.

**3     APPROVAL OF MINUTES:**

3.A. Minutes from the regular Tax Increment Reinvestment Zone meeting held on January 27, 2022.

John Harrison motioned to approve the minutes, Katherine Howard seconded, and the motion passed 6-0.

**4     SEMI ANNUAL REPORTS:**

4.A. Update on various Downtown projects, to include, water, streets and beautification projects, within the TIRZ district.

Kenneth Early arrived to the meeting at 4:07pm.

Michael Hornes presented the update on Downtown projects and responded to questions.

**5     CONSIDERATION AND POSSIBEL ACTION:**

- 5.A. Tax Increment Reinvestment Zone (TIRZ) Number One Financial Update, and Proposed Budget for Fiscal Year 2023.

Julie Behrens presented the TIRZ Number One Financial Update, and Proposed Budget for Fiscal Year 2023, and responded to questions.

Katherine Howard motioned to approve with amendments, Fred Gamble seconded, and the motion passed 7-0.

- 5.B. Request from City of Kerrville, TX for project funding (matching funds) in an amount not to exceed \$100,000 for work within the TIRZ regarding Community Development Block Grant (CDBG) - Downtown Revitalization Program -2021.

Megan Folkerts presented the Request from City of Kerrville, TX for project funding (matching funds) for the Community Development Block Grant (CDBG) - Downtown Revitalization Program -2021, and responded to questions. Michael Hornes and Julie Behrens responded to questions.

Bruce Stracke motioned to recommend to the City Council approval of the funding for project costs related to “CDBG – Downtown Revitalization Program – 2021” in an amount not to exceed \$52,500. Fred Gamble seconded, and the motion passed 7-0.

**6     EXECUTIVE SESSION: None.**

**7     POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION: None.**

**8     ITEMS FOR FUTURE AGENDAS: None.**

**9     ADJOURN. Kenneth Early adjourned the meeting at 5:17pm.**

**APPROVED BY TIRZ BOARD:** \_\_\_\_\_

\_\_\_\_\_  
Kenneth Early, Chairman

**ATTEST:**

\_\_\_\_\_  
Kesha Franchina, Deputy City Secretary



**TO BE CONSIDERED BY THE  
TAX INCREMENT REINVESTMENT ZONE  
CITY OF KERRVILLE, TEXAS**

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**SUBJECT:** Update on various Downtown projects to include the following:

- Community Development Block Grant (CDBG) - Downtown Revitalization Program - 2021.

**AGENDA DATE OF:** January 26, 2023

**DATE SUBMITTED:** September 26, 2022

**SUBMITTED BY:** Michael Hornes, Assistant City Manager

**EXHIBITS:**

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| <b>Expenditure<br/>Required:</b> | <b>Remaining Budget<br/>Balance in<br/>Account:</b> | <b>Amount Budgeted:</b> | <b>Account Number:</b> |
|----------------------------------|---|-------------------------|------------------------|
| N/A                              | N/A   | N/A                     | N/A                    |

**PAYMENT TO BE MADE TO:** N/A

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|                             |     |
|-----------------------------|-----|
| <b>Kerrville 2050 Item?</b> | No  |
| <b>Key Priority Area</b>    | N/A |
| <b>Guiding Principle</b>    | N/A |
| <b>Action Item</b>          | N/A |

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**SUMMARY STATEMENT:**

**RECOMMENDED ACTION:**

Information only; no action required.



**TO BE CONSIDERED BY THE  
TAX INCREMENT REINVESTMENT ZONE  
CITY OF KERRVILLE, TEXAS**

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**SUBJECT:** Annual Financial Report.

**AGENDA DATE OF:** January 26, 2023      **DATE SUBMITTED:** September 26, 2022

**SUBMITTED BY:** Julie Behrens, Director of Finance

**EXHIBITS:**

| <b>Expenditure<br/>Required:</b> | <b>Remaining Budget<br/>Balance in<br/>Account:</b> | <b>Amount Budgeted:</b> | <b>Account Number:</b> |
|----------------------------------|---|-------------------------|------------------------|
| N/A                              | N/A   | N/A                     | N/A                    |

**PAYMENT TO BE MADE TO:** N/A

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|                             |     |
|-----------------------------|-----|
| <b>Kerrville 2050 Item?</b> | No  |
| <b>Key Priority Area</b>    | N/A |
| <b>Guiding Principle</b>    | N/A |
| <b>Action Item</b>          | N/A |

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**SUMMARY STATEMENT:**

**RECOMMENDED ACTION:**

NA

**ATTACHMENTS:**

[\*FY2022 January Annual Report.pdf\*](#)



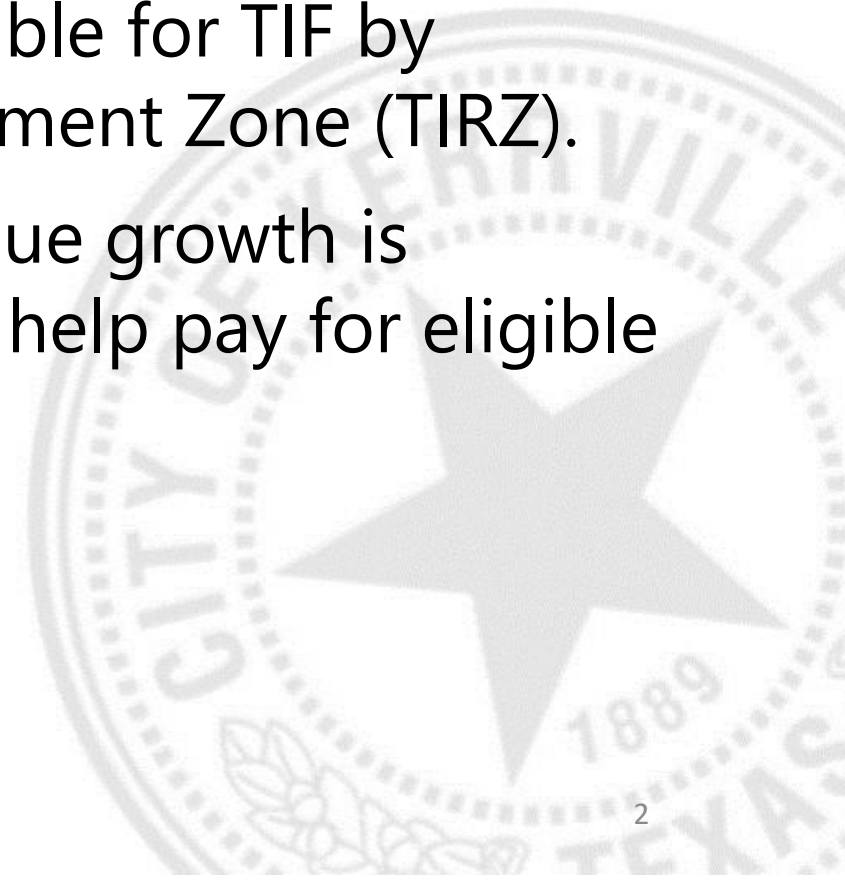
# TIRZ MEETING JANUARY 26, 2023





# What is Tax Increment Financing (TIF)?

- Tax Increment Financing (TIF) is a tool to help finance public improvements and development projects within a defined area. A municipality makes an area eligible for TIF by designating it a Tax Increment Reinvestment Zone (TIRZ).
- Once a TIRZ is established, all tax revenue growth is retained within the fund and is used to help pay for eligible improvements within the zone.

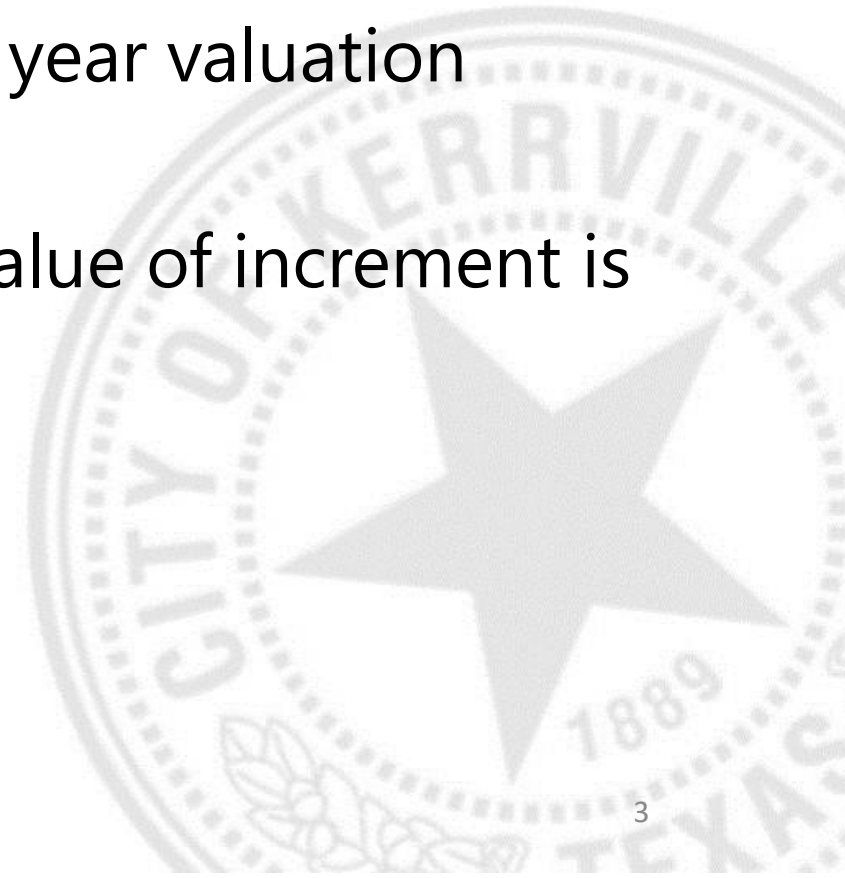






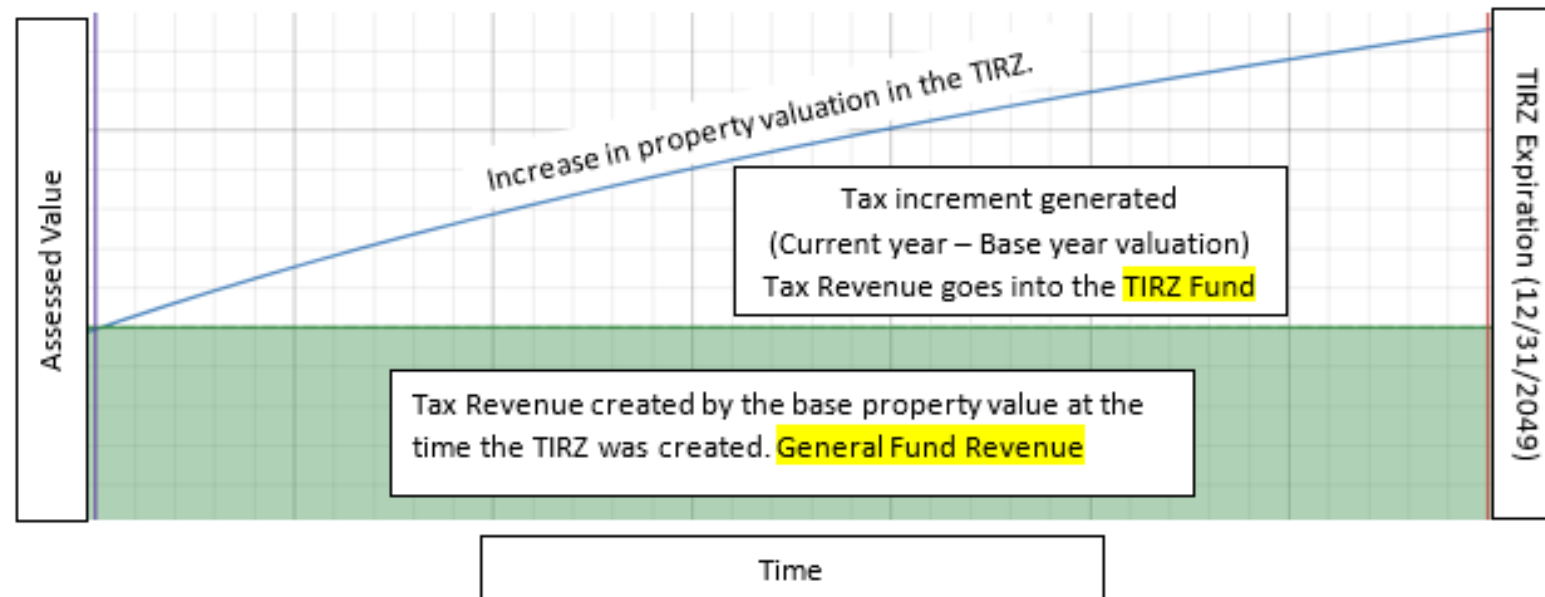
# What is considered increment?

- Increment is the difference between the property valuations in the current tax year and the base year.
- All property taxes collected in the base year valuation remains in the General Fund.
- All property taxes collected using the value of increment is retained in the TIRZ Fund.





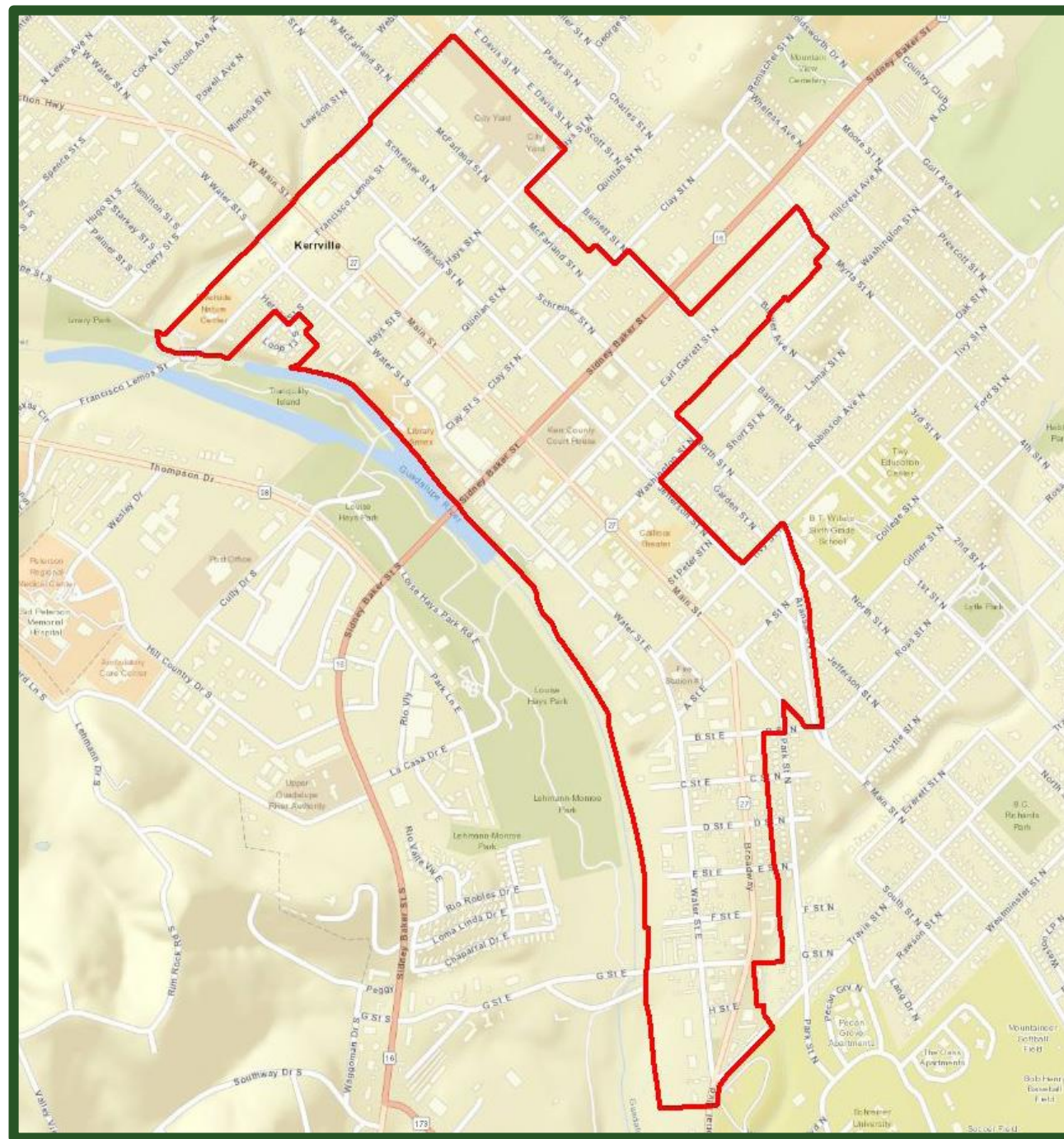
# What is considered increment cont.





# Annual Report Fiscal Year Ended September 30, 2022









# City of Kerrville Tax Increment Reinvestment Zone #1

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



# TIRZ ANNUAL REPORTING REQUIREMENTS

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

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

# City of Kerrville Tax Increment Reinvestment Zone #1 Budget

|  | FY2021<br>Actual | FY2022<br>Original<br>Budget | FY2022<br>Current<br>Budget | FY2022<br>Estimated | FY2023<br>Budget  |
|--|------------------|------------------------------|-----------------------------|---------------------|-------------------|
| <b>Beginning Restricted Fund Balance</b> | <b>\$ 22,914</b> | <b>\$ 58,605</b>             | <b>\$ 58,605</b>            | <b>\$ 58,605</b>    | <b>\$ 110,255</b> |
| <b>Revenues</b>                          |                  |                              |                             |                     |                   |
| Property Tax                             | 35,641           | 62,641                       | 62,641                      | 51,112              | 280,000           |
| <b>Total Tax Revenue</b>                 | <b>35,641</b>    | <b>62,641</b>                | <b>62,641</b>               | <b>51,112</b>       | <b>280,000</b>    |
| Interest Revenue                         | 50               | 250                          | 250                         | 538                 | 1,000             |
| <b>Total Interest and Miscellaneous</b>  | <b>50</b>        | <b>250</b>                   | <b>250</b>                  | <b>538</b>          | <b>1,000</b>      |
| <b>Total Revenues</b>                    | <b>35,691</b>    | <b>62,891</b>                | <b>62,891</b>               | <b>51,650</b>       | <b>281,000</b>    |
| <b>Net Revenue (Expenditures)</b>        | <b>35,691</b>    | <b>62,891</b>                | <b>62,891</b>               | <b>51,650</b>       | <b>281,000</b>    |
| <b>Ending Restricted Fund Balance</b>    | <b>\$ 58,605</b> | <b>\$ 121,496</b>            | <b>\$ 121,495</b>           | <b>\$ 110,255</b>   | <b>\$ 391,255</b> |

# Required Annual Reporting For the Year Ended September 30, 2022

## 1. The amount of revenue received in the Tax Increment Reinvestment Zone fund in FY2022:

|                         |                 |
|-------------------------|-----------------|
| Property Tax Increment: | 51,112          |
| Interest Revenue:       | 538             |
| Total:                  | <u>\$51,650</u> |

## 2. The amount and purpose of expenditures from the fund :

There were no expenditures budgeted or incurred during FY2022 within the TIRZ #1 Fund.

## 3. The amount of principal and interest due on outstanding bonded indebtedness:

The TIRZ #1 fund has not incurred any debt.

## 4. The tax increment base appraised value and current captured appraised value retained by the zone (freeze adjusted taxable value):

|                     | Base Year<br>Appraised Value<br>(Tax Year 2018) | FY2022<br>Appraised Value<br>(Tax Year 2021) | *FY2022 Captured<br>Appraised Value<br>(Tax Year 2021) |
|---------------------|---|--|--|
| Taxing Jurisdiction |   |  |  |
| City of Kerrville   | \$97,488,489                                    | \$115,963,265                                | \$18,474,776   |

\* Captured Appraised Value Calculation:

FY2022 Appraised Value - Base Year Appraised Value = Value taxed for TIRZ

## 5. The captured appraised value of the TIRZ #1 for FY2022 (Tax Year 2021):

The captured appraised value of the TIRZ #1 for FY2022 is \$18,474,776

## 6. The total amount of revenue received since inception of the zone:

Since the creation of the TIRZ #1, the fund has received \$110,255 in revenue.

|                         |                  |
|-------------------------|------------------|
| Property Tax Increment: | 109,652          |
| Interest Revenue:       | 603              |
| Total:                  | <u>\$110,255</u> |





# Questions?

