



ECONOMIC IMPROVEMENT CORPORATION AGENDA

MONDAY, SEPTEMBER 16, 2024, 4:00 PM

Kerrville City Hall Council Chambers

701 Main Street, Kerrville, Texas

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 August 19, 2024. (*K Franchina, Deputy City Secretary*)

Attachments:

[*20240819_EIC Minutes.pdf*](#)

5 MONTHLY REPORTS:

5.A Kerr Economic Development Corporation (KEDC) update. (*G Salinas, K Milton-Jordan, KEDC*)

5.B Kerrville Economic Improvement Corporation (EIC) project status update and the Capital Improvement Project (CIP) status report: including Peterson Medical Center Campus infrastructure improvements, Downtown Area Streetscape, Downtown River Trail extension, Scott Schreiner Golf Course improvements, Olympic Pool renovations, Cailloux Theater improvements, and Travis Street Pump Station upsizing. (*M Hornes, Assistant City Manager/K Burow, Director of Engineering*)

Attachments:

[*20240916_EIC Project Update.pdf*](#)

5.C Monthly Financial Report. (*T Rodriguez, Assistant Director of Finance*)

Attachments:

[*20240916_August_2024_financial_presentation.pdf*](#)

6 CONSIDERATION AND POSSIBLE ACTION:

6.A GO Team review. (*M Hornes, Assistant City Manager*)

Attachments:

20240916_Redline_Draft_4B_Tax_Funding_Request_Guidelines_and_Application.pdf

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:

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: 9/12/2024 at 4:30 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Kesha Franchina, TRMC

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



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

SUBJECT: Minutes from the regular Economic Improvement Corporation (EIC) meeting held on August 19, 2024. (*K Franchina, Deputy City Secretary*)

AGENDA DATE OF: September 16, **DATE SUBMITTED:** August 20, 2024

SUBMITTED BY: Kesha Franchina, Deputy City Secretary

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:

Approve minutes from the regular EIC meeting held on August 19, 2024.

RECOMMENDED ACTION:

Approve minutes as presented.

ATTACHMENTS:

[*20240819_EIC Minutes.pdf*](#)

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING – August 19, 2024**

On Monday, August 19, 2024, at 4:00 p.m., the regular meeting of the City of Kerrville, Texas Economic Improvement Corporation (EIC) was called to order by Vice-President Celeste Hamman, in the Council Chambers at City Hall, 701 Main Street, Kerrville, Texas.

MEMBERS PRESENT:

Celeste Hamman, Vice-President
Gregg Appel, KEDC
Kyle Bond, “GO Team”
Beck Gipson
Gilberto Paiz
Jeff Harris, Councilmember

MEMBERS ABSENT:

Kim Clarkson, President

CHIEF EXECUTIVE STAFF:

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: None.

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

2 INVOCATION: Beck Gipson led the invocation.

3 VISITORS / CITIZENS FORUM: No citizen speakers.

4 APPROVAL OF MINUTES:

4.A Minutes from the regular Economic Improvement Corporation (EIC) meeting held on July 15, 2024.

Gregg Appel motioned to approve the minutes as presented, and Beck Gipson seconded. The motion passed 6-0.

5 MONTHLY REPORTS:

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

Michael Hornes noted the update would be presented at the next scheduled meeting.

5.B Kerrville Economic Improvement Corporation (EIC) project status update and the Capital Improvement Project (CIP) status report: including Peterson Medical

Center Campus infrastructure Improvements, Downtown Area Streetscape, Downtown River Trail extension, Scott Schreiner Golf Course improvements, Olympic Pool renovations, Cailloux Theater improvements, and Travis Street Pump Station upsizing.

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

Speakers were as follows:

- Larry Howard

5.C Monthly Financial Report.

Trina Rodriguez presented the Monthly Financial Report. She, Julie Behrens, and Michael Hornes responded to questions.

6 CONSIDERATION AND POSSIBLE ACTION:

6.A Revised Fiscal Year 2025 Proposed Budget for the Economic Improvement Corporation (EIC), initially presented on July 15, 2024.

Trina Rodriguez presented the FY2025 Proposed Budget. She, and Michael Hornes responded to questions.

Kyle Burow motioned to approve the revised FY2025 Proposed Budget, and Beck Gipson seconded. The motion passed 6-0.

Vice-President Hamman requested a Five-Year Forecast be presented at the next meeting.

6.B GO Team review

Michael Hornes requested to defer the Go Team Review to the next meeting.

7. EXECUTIVE SESSION: None.

8. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:

None.

9. ITEMS FOR FUTURE AGENDAS:

- Five-Year Forecast
- GO Team review

10. ADJOURN. Vice-President Hamman adjourned the meeting at 4:28 p.m.

Date Minutes Approved

Approve: Kim Clarkson, EIC President

Attest: Kesha Franchina, Deputy City Secretary



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

SUBJECT: Kerr Economic Development Corporation (KEDC) update. (G Salinas, K Milton-Jordan, KEDC)

AGENDA DATE OF: September 16, **DATE SUBMITTED:** August 19, 2024

SUBMITTED BY: Gil Salinas and Katy Milton Jordan, KEDC,

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 THE ECONOMIC IMPROVEMENT CORPORATION CITY OF KERRVILLE, TEXAS

SUBJECT: Kerrville Economic Improvement Corporation (EIC) project status update and the Capital Improvement Project (CIP) status report: including Peterson Medical Center Campus infrastructure improvements, Downtown Area Streetscape, Downtown River Trail extension, Scott Schreiner Golf Course improvements, Olympic Pool renovations, Cailloux Theater improvements, and Travis Street Pump Station upsizing. *(M Hornes, Assistant City Manager/K Burow, Director of Engineering)*

AGENDA DATE OF: September 16, **DATE SUBMITTED:** September 9, 2024

SUBMITTED BY: Michael Hornes, Assistant City Manager

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.

ATTACHMENTS:

[20240916_EIC Project Update.pdf](#)

Monthly EIC Project Status Report

	Project Name	Description	Estimated Design Completion	Estimated Construction Completion	Comments
1	Peterson Medical Center Campus Infrastructure Improvements	Campus improvements including extension of public utilities and roadway	Private	2024	Partnership Agreement approved January 2022. Construction in progress for Surgery Center. Construction is substantially complete. First payment to Peterson had been paid for \$800,000 and request made for remaining funds. Certificate of occupancy issued for 1st floor of surgery center.
2	Downtown Area Streetscape	Relocate overhead utility lines to underground; improved beautification of the garage with limestone influences, LED light upgrades and wrought iron railing.	N/A	Summer 2024	KPUB portion is complete for underground utility work. Stop signs installed, masonry and wrought iron railing installed. Landscaping contract is signed with anticipated completion July, 2024.
3	Downtown River Trail extension	River Trail extension from G Street to Tranquility Island	Complete	2025	#REF!
4	Scott Schreiner Golf Course improvements	Improvements to the existing golf course	TBD	Summer 2025	EIC and City Council approvals for funding complete. Design in progress. Course renovations to begin in January of 2025, with construction completion anticipated for Summer 2025
5	Olympic Pool renovations	Renovations to the Olympic pool	Feb-2025	Spring 2026	EIC and City Council approvals for funding complete. Design contract with Marmon Mok executed. Design anticipated to complete February 2025 with construction completion anticipated Spring 2026.
6	Cailloux Theater Improvements	Repair of HVAC and roof systems	Complete	Fall 2025	EIC and City Council approvals for funding complete. Design complete. Construction to begin in March of 2025. Theater to close during construction.
7	Travis Street Pump Station Upsizing	Increase distribution capacity of the Travis St pump station to meet TCEQ requirements for future developments.	Sep-2024	TBD	Project approved by City Council March 26, 2024. Project is in the design phase with bid commencement anticipated for September, 2024. Variance exception letter sent to TCEQ June 26, 2024.



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

SUBJECT: Monthly Financial Report. (*T Rodriguez, Assistant Director of Finance*)

AGENDA DATE OF: September 16, **DATE SUBMITTED:** August 19, 2024

SUBMITTED BY: Trina Rodriguez, Assistant Director of Finance

EXHIBITS:

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item? No

Key Priority Area N/A

Guiding Principle N/A

Action Item N/A

SUMMARY STATEMENT:

RECOMMENDED ACTION:

Information only; no action.

ATTACHMENTS:

20240916_August_2024_financial_presentation.pdf

Financial update for the month ended August 31, 2024

**Economic Improvement Corporation Meeting
September 16, 2024**



Economic Improvement Corporation
Statement of Activities
Month Ended August 31, 2024

	Annual Budget	Current Period	YTD Actual	YTD Budget Estimate	Better/Worse YTD Estimate
Revenues					
Sales and Use Tax	\$ 5,262,270	\$ 405,647	\$ 4,553,830	\$ 4,765,701	\$ (211,871)
Interest Income	161,000	135,182	1,204,031	147,295	1,056,735
Bond Proceeds*	20,000,000	-	20,000,000	20,000,000	-
Investment Maturity	2,500,000	-	2,471,480	2,471,480	-
Land Revenue*	-	-	5,000	-	5,000
Total Revenues	27,923,270	540,829	28,234,341	27,384,476	849,864
Expenditures					
Administrative	Annual Budget	Current Period	YTD Actual	YTD Budget Estimate	Better/Worse YTD Estimate
Supplies and Miscellaneous	650	-	50	50	-
Training	10,000	-	-	-	-
Legal Services	10,000	-	2,050	2,050	-
Professional Services	205,000	17,083	191,417	187,917	3,500
Kerr Economic Development Corp.	343,750	-	343,750	343,750	-
Total Administrative	569,400	17,083	537,267	533,767	3,500
Debt Service					
Debt Service - Series 2015 (KSC)	605,700	50,475	555,225	555,225	-
Debt Service - Series 2019 Ref (River Trail)	251,506	20,959	230,547	230,547	-
Debt Service - Series 2020 Ref (River Trail)	233,500	19,458	214,042	214,042	-
Debt Service - Series 2023 (Quality of Life)*	1,470,486	-	1,470,486	1,470,486	-
Total Debt Service	2,561,192	90,892	2,470,300	2,470,300	-
Investment Purchase	2,500,000	-	4,878,184	4,878,184	-
Projects					
Airport Projects	9,535	-	-	-	-
Sid Peterson Memorial Hospital	800,000	-	800,000	800,000	-
Downtown Utilities/Streetscape	400,000	21,978	330,021	330,021	-
Downtown River Trail	500,000	-	(241,563)	500,000	(741,563)
Travis Street Pump Station Upgrades	100,000	-	-	-	-
Scott Schreiner Golf Course Improvements*	396,739	18,538	268,598	268,598	-
Olympic Pool Improvements*	150,000	40,737	40,737	40,737	-
Cailloux Theater Roof & HVAC*	100,000	24,040	25,305	25,305	-
Schreiner University Talent & Workforce Dvlpmnt*	-	-	-	-	-
Schreiner University Athletic Facilities*	-	-	-	-	-
Habitat for Humanity Mariposa Infrastructure*	300,000	106,693	106,693	106,693	-
Granger McDonald Park*	-	-	-	-	-
Existing Parks Improvements*	400,000	374,658	374,658	374,658	-
Heart of the Hills Heritage Center*	-	-	-	-	-
Total Projects	3,156,274	586,643	1,704,449	2,446,012	(741,563)
Total Expenditures	8,786,866	694,618	9,590,199	10,328,262	(738,063)
Change in Net Position	\$ 19,136,404	\$ (153,789)	\$ 18,644,141		



Economic Improvement Corporation

Cash Flow Forecast

As of August 31, 2024

	FY2024 Actual		FY2024 Projections		FY2025 Projections		
	Oct 2023 to Jul 2024	Sep 2024	Oct 2024 to Dec 2024	Jan 2025 to Mar 2025	Apr 2025 to Jun 2025	Jul 2025 to Sep 2025	
	\$ 5,356,048	\$ 23,955,170	\$ 23,842,348	\$ 22,220,874	\$ 17,401,166	\$ 12,891,467	
Beginning Cash Balance							
Revenue							
Sales Tax	4,553,830	510,094	1,219,875	1,305,651	1,235,660	1,343,216	
Interest Income	1,204,031	135,000	225,364	225,364	225,364	225,364	
Bond Proceeds	20,000,000	-	-	-	-	-	
Investment Maturity	2,471,480	-	2,000,000	1,000,000	-	-	
Land Revenue	5,000	-	-	-	-	-	
Total Revenue	28,234,341	645,094	3,445,239	2,531,014	1,461,023	1,568,580	
Expenditures							
Administrative							
Supplies and Miscellaneous	50	-	163	163	163	163	
Legal Services	2,050	-	2,500	2,500	2,500	2,500	
Training	-	-	2,500	2,500	2,500	2,500	
Professional Services	191,417	17,083	52,500	52,500	52,500	52,500	
Kerr Economic Development Corp.	343,750	-	85,938	85,938	85,938	85,938	
Total Administrative	537,267	17,083	143,600	143,600	143,600	143,600	
Debt Service	2,470,300	90,892	639,863	639,863	639,863	639,863	
Investment Purchase	4,878,184	-	2,000,000	1,000,000	-	-	
Projects							
Airport Box Hangar	-	9,535	-	-	-	-	
Sid Peterson Memorial Hospital	800,000	-	-	-	-	-	
Downtown Utilities/Streetscape	330,021	15,000	-	-	-	-	
Downtown River Trail	(241,563)	-	-	-	-	-	
Travis Street Pump Station Upgrades	-	100,000	-	-	-	125,000	
Scott Schreiner Golf Course Improvements	268,598	128,141	450,408	1,576,426	1,576,426	-	
Olympic Pool Improvements	40,737	109,263	375,000	1,625,000	1,250,000	1,250,000	
Cailloux Theater Roof & HVAC	25,305	74,695	-	1,333,333	1,333,333	1,233,333	
Schreiner University Talent & Workforce Dvlpmnt	-	-	102,804	102,804	102,804	102,804	
Schreiner University Athletic Facilities	-	-	272,197	272,197	272,197	272,197	
Habitat for Humanity Mariposa Subdivision	106,693	193,307	200,000	200,000	200,000	200,000	
Granger McDonald Park	-	-	187,500	187,500	187,500	187,500	
Existing Parks Improvements	374,658	-	425,342	-	-	-	
Heart of the Hills Heritage Center	-	-	250,000	250,000	250,000	250,000	
Lennar Windridge Development	-	-	-	-	-	2,000,000	
Total Projects	1,704,449	629,941	2,263,250	5,547,260	5,172,260	5,620,833	
Total Expenditures	9,590,199	737,917	5,046,712	7,330,722	5,955,722	6,404,296	
Interest Receivable	45,019	20,000	20,000	20,000	15,000	15,000	
Ending Cash Balance	\$ 23,955,170	\$ 23,842,348	\$ 22,220,874	\$ 17,401,166	\$ 12,891,467	\$ 8,040,751	



Financial Analysis

Project Analysis as of August 31, 2024			
Project Description	EIC Commitment	Disbursed Funding	Remaining Funding
Committed Projects:			
Airport Box Hangar	132,767	123,232	9,535
Sid Peterson Memorial Hospital	1,600,000	1,600,000	-
Downtown Utilities/Streetscape	400,000	330,021	69,979
Downtown River Trail	1,070,280	183,437	886,843
Travis Street Pump Station Upgrades	750,000	-	750,000
Scott Schreiner Golf Course Improvements	4,000,000	268,598	3,731,402
Olympic Pool Improvements	7,000,000	40,737	6,959,263
Cailloux Theater Roof & HVAC	4,000,000	25,305	3,974,695
Schreiner University Talent & Workforce Dvlpmnt	822,430	-	822,430
Schreiner University Athletic Facilities	2,177,570	-	2,177,570
Habitat for Humanity Mariposa Infrastructure	2,260,000	106,693	2,153,307
Granger McDonald Park	2,200,000	-	2,200,000
Existing Parks Improvements	800,000	374,658	425,342
Heart of the Hills Heritage Center	2,000,000	-	2,000,000
Committed Project Total	\$ 29,213,047	\$ 3,052,681	\$ 26,160,366

Sales Tax Revenue Analysis - FY2024					
Month	Actual FY2023	Budget FY2024	Actual FY2024	FY2023 vs. FY2024	Budget vs. Actual
October	\$ 442,046	\$ 408,272	\$ 465,726	5.36%	14.07%
November	411,128	\$ 442,400	375,745	-8.61%	-15.07%
December	376,754	\$ 377,387	389,096	3.28%	3.10%
January	436,330	\$ 435,459	398,538	-8.66%	-8.48%
February	491,396	\$ 512,640	485,443	-1.21%	-5.31%
March	384,056	\$ 392,042	370,297	-3.58%	-5.55%
April	364,763	\$ 343,416	395,960	8.55%	15.30%
May	459,697	\$ 493,415	435,436	-5.28%	-11.75%
June	380,598	\$ 424,190	423,216	11.20%	-0.23%
July	446,694	\$ 447,089	408,726	-8.50%	-8.58%
August	449,932	\$ 489,390	405,647	-9.84%	-17.11%
September	405,769	\$ 438,298	451,823	11.35%	0.00%

Cash Analysis as of August 31, 2024					
Type	Purchase	Maturity	Yield	Placement	Amount
Pool			5.44%	EIC TexPool - Cash	\$ 3,881,677
Pool			5.44%	EIC TexPool - 2023 Revenue Bonds	\$ 20,073,493
ST Investment	4/18/2024	10/15/2025	5.06%	US Treasury Note - 91282CFP1	\$ 999,492
ST Investment	4/19/2024	1/6/2025	5.46%	MUFG Bank CP - 62479LN68	\$ 982,313
ST Investment	7/25/2024	7/25/2025	4.88%	FHLB Note - 3130B23U7	\$ 1,002,076
ST Investment	7/25/2024	4/11/2025	5.21%	BNP Paribas CP - 09659BRB8	\$ 1,941,733
				Total Cash and Investments	\$ 28,880,784



Economic Improvement Corporation 5-Year Cash Flow		FY2023 Actual	FY2024 Estimate	FY2025 Projection	FY2026 Projection	FY2027 Projection	FY2028 Projection	FY2029 Projection
Beginning Cash Balance		\$ 3,606,229	\$ 5,576,083	\$ 22,568,502	\$ 6,455,065	\$ 2,474,410	\$ 3,298,131	\$ 3,103,388
Revenue								
Sales Tax		5,043,221	5,063,924	5,104,402	5,104,402	5,104,402	5,104,402	5,104,402
Interest Income		313,084	1,339,031	901,454	50,000	25,000	25,000	50,000
Bond Proceeds		-	20,264,360	-	-	-	-	-
Land Revenue		-	5,000	-	-	-	-	-
Total Revenue		5,356,305	26,672,315	6,005,856	5,154,402	5,129,402	5,129,402	5,154,402
Expenditures								
Administrative								
Supplies and Miscellaneous		-	650	650	650	650	650	650
Legal Services		-	10,000	10,000	10,000	10,000	10,000	10,000
Training		-	10,000	10,000	10,000	10,000	10,000	10,000
Professional Services		200,000	208,500	216,840	225,514	234,534	241,570	248,817
Kerr Economic Development Corp.		312,500	343,750	343,750	354,063	364,684	375,625	386,894
Total Administrative		512,500	572,900	581,240	600,226	619,869	637,845	656,361
Existing Debt Service		1,085,141	1,090,706	1,090,700	1,090,050	1,091,563	1,089,050	1,085,375
Revenue Bond Series 2023		-	1,470,486	1,468,750	1,469,750	1,469,250	1,472,250	1,468,500
Total Debt Service		1,085,141	2,561,192	2,559,450	2,559,800	2,560,813	2,561,300	2,553,875
Projects								
Tranquility Island - KCLC Refund		24,213	-	-	-	-	-	-
Airport Box Hangar Project		86,366	9,535	-	-	-	-	-
Sid Peterson Memorial		800,000	800,000	-	-	-	-	-
Outdoor Fitness Court		100,000	-	-	-	-	-	-
Downtown Utilities/Streetscape		-	345,021	-	-	-	-	-
Downtown River Trail		154,965	28,472	-	-	-	-	-
Nimitz Lake River Trail (Engineering)		182,800	-	-	-	-	-	-
Travis Street Pump Station Ugrades		-	100,000	500,000	150,000	-	-	-
Lennar Development		-	-	2,000,000	750,000	750,000	750,000	750,000
Habitat for Humanity		-	300,000	800,000	1,100,030	-	-	-
Schreiner University Talent & Workforce Dvlpmnt		-	-	411,214	102,804	102,804	102,804	102,804
Schreiner University Athletic Facilities		-	-	1,088,786	272,196	272,196	272,196	272,196
Potential Future Projects		-	-	-	-	-	1,000,000	1,500,000
Total Projects		1,348,344	1,583,028	4,800,000	2,375,030	1,125,000	2,125,000	2,625,000
Revenue Bond Funded Projects								
Scott Schreiner Golf Course Improvements		-	396,739	3,603,261	-	-	-	-
Olympic Pool Improvements		-	150,000	4,500,000	2,350,000	-	-	-
Cailloux Theater Roof & HVAC		-	100,000	3,900,000	-	-	-	-
Granger McDonald Park		-	-	750,000	1,250,000	-	-	-
Existing Parks Improvements		-	374,658	425,342	-	-	-	-
Heart of the Hills Heritage Center		-	-	1,000,000	-	-	-	-
Total New Debt Funded Projects		-	1,021,397	14,178,603	3,600,000	-	-	-
Total Expenditures		2,945,985	5,738,518	22,119,293	9,135,056	4,305,681	5,324,145	5,835,236
2023 Revenue Bond Reserve		-	1,534,675	-	-	-	-	-
Net Investments		430,961	2,406,704	-	-	-	-	-
Ending Cash Balance		\$ 5,576,083	\$ 22,568,502	\$ 6,455,065	\$ 2,474,410	\$ 3,298,131	\$ 3,103,388	\$ 2,422,554



Questions?





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

SUBJECT: GO Team review. (M Hornes, Assistant City Manager)

AGENDA DATE OF: September 16, **DATE SUBMITTED:** September 10, 2024

SUBMITTED BY: Michael Hornes, Assistant City Manager

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:

A redlined draft of the Funding Request Guidelines and Application is attached. Staff is looking for direction from the EIC board on current changes and any additional modifications.

RECOMMENDED ACTION:

Provide staff direction for any changes to the process.

ATTACHMENTS:

20240916_Redline_Draft_4B_Tax_Funding_Request_Guidelines_and_Application.pdf

City of Kerrville Economic Improvement Corporation
4B Sales Tax Funding Request
Guidelines and Procedures

Economic Improvement Corporation

Both the Economic Improvement Corporation Board of Directors (EIC) and the Kerrville City Council must approve expenditures of 4B funding. Before a project may be considered and awarded funds, the attached application must be completed and submitted to:

City of Kerrville Economic Improvement Corporation
701 Main Street
Kerrville, Texas 78028
830.257.8000

All actions of the EIC are subject to the Development Corporation Act of 1979, article 5190.6 Vernon's Civil Statutes, Section 4B. The EIC is a legal entity with statutory authority to spend economic development sales tax dollars. The Corporation is city-chartered and governed by a city-appointed board of directors. The EIC is a 4B Corporation and may fund "projects" focused on the creation of "primary jobs" and/or to provide an economic benefit to the City of Kerrville, as well as "Quality of Life" projects. Application approvals are subject to funding availability.

Types of Projects

The Economic Improvement Corporation will consider applications for:

1. **Direct contributions to business development;** projects should include support of retention, expansion, or recruitment, resulting in public economic benefit, and economic and demographic analyses used for policy development.
2. **Quality of Life projects;** projects which are owned by the City of Kerrville upon completion; or, where funding is requested for the construction of private (which includes non-profit) development projects, but only if the resulting facility is accessible or open to the public; both such Quality of Life projects indirectly result in economic benefits.
3. **Participation in Public Infrastructure;** necessary to facilitate private development, resulting in public economic benefit.

Guidelines and Procedures

Business Development and Participation in Public Infrastructure Projects

Application

The City of Kerrville will accept applications for projects at any time. Applications will not be considered until complete. Applicants must be available to present projects at an Economic Improvement Corporation board meeting, and will be notified by City staff of the date of the meeting. City owned improvements will be included in the Capital Improvement Plan, if approved by EIC. Eligible projects can be projects within the city limits of Kerrville and within Kerr County. All projects outside the Kerrville city limits must

have approval of the governing body in which the project is to be located. Applicants may be businesses, individuals, the City of Kerrville, Kerr County, or Kerr Economic Development Corporation.

“GO Team”

An executive team (“GO Team”) will evaluate and recommend applications based on:

1. Compliance with legal requirements (with necessary assistance from the City Attorney)
2. Funding Availability
3. Consistency with the Comprehensive Plan, Capital Improvement Plan, Airport Master Plan, Parks Master Plan and other City Master plan documents
4. For business development applications, economic impact analysis results*, including a return on investment and the break-even point (as affected by the extent of developer participation), job creation impact, and impact on the tax base
5. Project status; for example, projects already under construction

The “Go Team” will consist of the City Manager or designee, the Executive Director of the Kerrville Economic Development Corporation or designee, an EIC board member and a KEDC board member. Additional members of staff may be added to the “GO Team” where appropriate depending on the nature and location of the project.

Upon review of the application and support documents, the “GO Team” will make a recommendation to the Economic Improvement Corporation. The EIC staff liaison will then notify the applicant of the next available Economic Improvement Corporation board meeting for a project presentation.

The Economic Improvement Corporation may direct a public hearing to be scheduled and a funding agreement to be drafted. The EIC and the Kerrville City Council must both approve the funding agreement. Public infrastructure improvement projects will be placed in the Capital Improvements Plan, and when complete, the project is owned by the City of Kerrville.

Quality of Life Improvement Projects

Interested businesses, individuals, or non-profit groups are required to complete an application and provide appropriate documentation of the project. City of Kerrville requested quality of life projects will require City Council approval prior to approaching EIC with a request for funds. The GO Team will evaluate and recommend projects based on the following criteria:

1. Compliance with legal requirements (with necessary assistance from the City Attorney)
2. Funding Availability
3. Consistency with the Comprehensive Plan, Capital Improvement Plan, Airport Master Plan and Parks Master Plan

4. Project status; for example, projects already under construction

The Economic Improvement Corporation may direct a public hearing to be scheduled and a funding agreement to be drafted. The EIC and the Kerrville City Council must both approve the funding agreement. Public infrastructure improvement projects will be placed in the Capital Improvements Plan, and when complete, the project is owned by the City of Kerrville unless such Quality of Life project is a publicly available private project which provides access or services on a non-discriminatory basis.

Annual Budget

The Economic Improvement Corporation's annual budget is presented to the EIC members during July each year. Upon review and approval, the EIC recommends the budget to city council for approval in September.



The City of Kerrville Economic Improvement Corporation meets monthly at the Kerrville City Hall, Council Chambers, 701 Main Street, Kerrville, Texas.

For additional information visit the City's website at www.kerrvilletx.gov or call 830.257.8000.

*Specific criteria for the economic impact analysis may be described in a separate economic development incentive policy.

**APPLICATION FOR 4B SALES TAX FUNDS
CITY OF KERRVILLE
ECONOMIC IMPROVEMENT CORPORATION**

Both the Economic Improvement Corporation Board of Directors (EIC) and the Kerrville City Council must approve all expenditures of 4B funding. Before a project may be considered and awarded any funds, the attached application must be completed and submitted to:

**City of Kerrville Economic Improvement Corporation
701 Main Street
Kerrville, Texas 78028
830.257.8000**

All actions of the EIC are subject to the Development Corporation Act of 1979, article 5190.6 Vernon's Civil Statutes, Section 4B. The EIC is a legal entity with statutory authority to spend economic development sales tax dollars. The Corporation is city-chartered and governed by a city-appointed board of directors. The EIC is a 4B Corporation and may fund "projects" focused on the creation of "primary jobs" and/or to provide an economic benefit to the City of Kerrville, as well as "Quality of Life" projects. Application approvals are subject to funding availability.

**APPLICATION
SECTION 1 - DEFINITIONS**

Clawback- That provision in a Funding Agreement, which states how and to what extent any incentive payments from public funds must be repaid if the stated Performance Standards are not met.

Current Payroll- The company's total expenditure for all employees for the month immediately preceding this application multiplied by 12.

Employee Benefit- Incentives offered to employees and paid for by the employer such as health care coverage, vacation, etc. If an employee pays 30% of the cost, or more, it should not be considered a "benefit" for purposes of this application.

Full Time Job- The employment of a person for a minimum of 35 hours per week and offering that person all those benefits adopted by company policy for Full Time Employees. Major stockholders or immediate family members should not be included in this number when considering "New Full-Time Jobs Created."

Hourly Wage- The gross amount paid to the employee for each hour worked not including the Employer's portion of FICA or FWH. Benefits should not be included in this figure, but should be listed separately under the compensation per employee section of the application.

Part-Time Job- A person working less than 35 hours per week. Major stockholders or immediate family members should not be included in this category when completing the application under New Part-Time Jobs Created.

Funding Agreement- a written document designed to protect the interest of local taxpayers by putting a businesses' job creation or capital investment commitments in writing and by linking the payment of any financial incentive to the business fulfilling its written commitments (i.e. clawbacks).

Public Capital Project- Improvements owned and maintained by the City of Kerrville included in the Capital Improvement Plan and funded by the capital budget.

SECTION II - APPLICANT INFORMATION

Submittal Date: ____/____/____

Company Name:

Address (City/State): _____ Phone _____

_____ Fax _____

_____ City _____ State _____ Zip Code

Name of Company Contact on this project:

Contact Address (if different from above):

_____ Phone _____

_____ Fax _____

_____ City _____ State _____ Zip Code

Type of Business Structure: Corporation ____ Partnership ____ Sole Proprietorship ____

Year Business Started: Year _____ Location _____

Current Employment: Permanent Full-Time _____ Permanent Part-Time _____

Average Production Wage _____

Full-Time Employees receive the following benefits:

Financial Information: Five Years Annual Financials Attached _____

Include: Statement of profit and loss; Balance sheet; Cash Flow Statement; IRS reporting forms, Pro forma

Annual Sales for Corporation / Company \$ _____

This Facility \$ _____

Local Sales Tax paid Annually \$ _____

Current Payroll \$ _____

Has the Company ever filed for bankruptcy protection under Chapter 7 or Chapter 11 of the Bankruptcy Statutes? No () Yes () Details:

SECTION III- PROJECT INFORMATION

This application is for a:

Business Development ()

- Expansion of Existing Facility () or
- New Construction ()
- Other ()

Quality of Life Improvement ()

- Parks, Open Space ()
- Other ()

Capital Improvements for Public Infrastructure

- Utilities ()
- Roadways ()
- Other ()

The proposed improvements are to be located within the following taxing district(s): City of Kerrville () Kerr County () Kerrville ISD () Ingram ISD () Center Point ISD ()

SECTION IV - PROJECT DESCRIPTION

Please attach a statement on company letterhead and signed by an officer of the company (1) fully explaining the nature and scope of the project; (2) describing the proposed site and existing improvements, if any; (3) describing all proposed improvements; and (4) providing a list of eligible improvements; (5) provide a list of major, fixed equipment along with manufacturer specifications and cost quote from the manufacturer.

Should this project be approved, the Economic Improvement Corporation may require performance criteria as a part of the funding agreement, in addition to this application. The funding agreement is between the Economic Improvement Corporation and the City

of Kerrville. Said funding agreement will outline project costs, timelines, other information may be necessary to carry out the project in an efficient manner.

SECTION V – ECONOMIC IMPACT INFORMATION

Part A- Project Investment in Improvements

Total	\$ _____
Sq. Footage of New Building (s)	_____
Size of Parking	_____
Other	_____

Part B- Project Investment in Fixed Equipment

(New)\$ _____
Manufacturer of Equipment _____
Anticipated Useful Life of Equipment _____
Purchase Price \$ _____ Installation Cost \$ _____
Anticipated Delivery time from Date of Order _____

Part C- Permanent Employment Estimates- (do not include owners, stockholders or their dependents)

Anticipated Number of New Full-Time Employees as a result of this project _____
Anticipated Number within 12 months of Completion of this project _____
Anticipated Number within 24 months of Completion of this project _____
Typical Job Descriptions or Job Titles

Anticipated starting salaries of these employees: (avg.) \$ _____ /hour

Part D- Permanent Part-Time Employment Estimates- (do not include owners, stockholders or their dependents)

Anticipated Number of New Part-Time Employees as a result of this project _____
Anticipated Number within 12 months of Completion of this project _____
Anticipated Number within 24 months of Completion of this project _____
Typical Job Descriptions or Job Titles of these employees:

Anticipated starting salaries of these employees: (avg.) \$ _____ / hour

Part E- Payroll Impact

Within 12 months of Project Completion _____ Within 24 months of Project Completion _____

\$ _____
FTE X Avg. Wage X 40 hrs X 52 wks

\$ _____
PTE X Avg. Wage X 20 hrs X 52 wks

SECTION VI- OTHER ASSISTANCE

Has the Company applied for any State or Federal assistance on this project?

No () Yes ()

Describe:

To the best of my knowledge, the above information is an accurate description of the proposed project details.

Printed name

Date

Title

Signature