

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 15-2025**

A RESOLUTION APPROVING AN INTERFUND LOAN, SUCH LOAN FROM THE CITY'S LANDFILL POST CLOSURE FUND; FOR USE BY THE CITY AS ITS PAYMENT FOR THE ACQUISITION OF PROPERTY BY THE CITY-COUNTY JOINT AIRPORT BOARD FOR AIRPORT OPERATIONS; AND PROVIDING TERMS FOR THE LOAN AS TO INTEREST AND REPAYMENT

WHEREAS, the City of Kerrville (City) and Kerr County (County) jointly own the real property upon which is located the Kerrville/Kerr County Airport, sometimes referred to as Louis Schreiner Field (Airport); and,

WHEREAS, the City and County are parties to an *Restated Interlocal Agreement for the Continued Existence of a Joint Airport Board to Provide Management of Kerrville/Kerr County Airport* dated May 24, 2022 (Interlocal Agreement) that affirmed the creation and continued existence of the Joint Airport Board (Board); and

WHEREAS, both the City's City Council and Commissioners Court for the County, after a request from the Board and pursuant to the Interlocal Agreement, authorized the use of eminent domain by the Board; and

WHEREAS, the Board requested this authority from the City and County as a means of acquiring an approximate 55 acre tract of property adjacent to the Airport (the Property), which the Board has long planned to try to acquire and had previously advised the City and County as to its intentions; and

WHEREAS, the Board will use the Property for the expansion of a runway, the establishment of safety zones, as well as the installation of other improvements in connection with Airport operations (the Project); and

WHEREAS, during the eminent domain (condemnation) proceedings, representatives for the City, County, and Board met with the owner of the Property for a formal mediation and eventually reached an agreement as to the fair market value of the Property; and

WHEREAS, representatives for the City, County, and Board believe the settlement amount of \$3 Million is a reasonable amount for the Board to pay the owner for the acquisition of the Property, which also means that following such payment and conveyance, the parties will agree to dismiss the condemnation case; and

WHEREAS, pursuant to an annual grant funding program from the Texas Department of Transportation-Aviation Division (TxDOT), TxDOT agreed to award funding to the Board up to \$2,293,000 for the Board's purchase of the Property; and

WHEREAS, the City and County, jointly, will need to provide the difference between the mediated settlement agreement amount and what TxDOT will pay; and

WHEREAS, however, the City and County, prior to the Board's receipt of TxDOT's grant award, will need to each pay an equal share of the overall cost to acquire the Property; and

WHEREAS, the City's Finance Director recommends that the City use funds from its Landfill Post Closure Fund in the amount of \$1.2 Million, which, when combined with the City's budgeted amount, will equal the City's portion of the total payment to acquire the Property; and

WHEREAS, the Director believes that this loan should be subject to various loan terms as specified below; and

WHEREAS, City Council finds that the City is duly authorized to pay for the Board's acquisition of the Property, subject to the terms of this Resolution; and

WHEREAS, City Council, after study, finds the Property acquisition and loan transaction is the most economical and advantageous financing method for its citizens and users of the Airport to develop the necessary Project;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

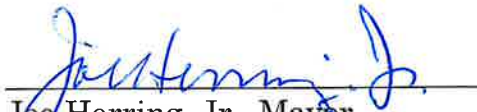
SECTION ONE. The City Manager is authorized take all necessary actions to transfer an amount not to exceed \$1.2 Million from the City's Landfill Post Closure Fund (Fund) to the City's General Capital Projects Fund. The funds from the transfer will be solely dedicated to and used by the City for the Property acquisition. The City will not charge any interest for the transfer and use of this funding. Except for this transfer, the City shall continue to maintain the Fund in compliance with state law and no other funds shall be used from it unless in accordance with state law.

SECTION TWO. Prior to the transfer authorized in Section One, the City Manager shall seek written verification from the County that it has taken action to authorize payment of its share of equal funding for this transaction.

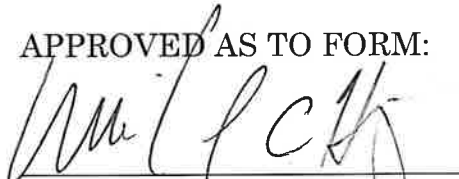
SECTION THREE. Upon the Board's receipt of grants funds awarded to it by TxDOT for the acquisition of the Property, the Board shall provide one-half of such funding to the City and the Finance Director shall ensure that the funding is returned to the Fund. The Finance Director shall then report such repayment to City Council in writing.

SECTION FOUR. The City Manager shall cause the City's annual budget to account for this transfer and use of funding between the City's funds and is authorized to take any other actions to effectuate the payment, repayment, and transaction for the Property. Should the City not receive repayment from the Board on or before June 1, 2026, the City Manager shall notify City Council of this situation along with a recommendation as to a means of making an alternative repayment to the Fund.

PASSED AND APPROVED ON this the 25 day of June A.D., 2025.


Joe Herring, Jr., Mayor

APPROVED AS TO FORM:


Michael C. Hayes, City Attorney

ATTEST:


Shelley McElhannon, City Secretary