

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

**Regular Meeting
May 17, 2010**

On Monday, May 17, 2009, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:01 p.m. by Bill Crumrine, President, in the City Hall Council Chambers, 800 Junction Highway, Kerrville, Texas.

Members Present:

Bill Crumrine, President
Alan Massey, Secretary/Treasurer
Ed Hamilton
Lindsay Duff
Gregg Appel

Members Absent:

Warren Ferguson
Jack Pratt, Vice President

Staff Present

Todd Parton, City Manager
Mike Erwin, Director of Finance
Mindy Wendele, Director of Business Programs
Teri Kinsey, Administrative Assistant to City Secretary
Cheri Halford, Capital Projects Manager
Kevin Coleman, Director of Development Services

2. INVOCATION:

Given by President Bill Crumrine.

3. VISITORS FORUM:

No one spoke

4. PRESENTATION:

Welcome of new member Gregg Appel.

5. APPROVE THE MINUTES OF THE APRIL 19, 2010, MEETING:

Mr. Duff moved to approve the minutes of the April 19, 2010 meeting; Mr. Massey seconded; motion passed 5-0.

6. MONTHLY REPORTS

6A. Monthly financials for April 2010

Mike Erwin presented the April 2010 financials. Mr. Massey moved to accept the financials as presented; Mr. Appel seconded; motion passed 5-0.

6B. EIC construction project status

Cheri Halford presented the April 2010 construction project status report. No motion was made; the construction report was accepted by consensus.

7. PUBLIC HEARING:

7A. Public Hearing for the Commercial Improvement Program

Mindy Wendele informed the Board that the public hearing notice had been published as required and gave an overview of the actions taken. A new, simplified application was presented to the Board and advised that these applications would be presented to the Board individually when received. The city's legal department advised that an actual application must be presented in order for there to be a funding agreement drafted and money disbursed, upon

approval by the Board. Ms. Wendele recommended that the public hearing be opened to consider the Commercial Improvement Program. The Board questioned the criteria for eligibility; limited to owner occupied housing or commercial businesses and if this only applied to property in the city limits of Kerrville or in Kerr County? Ms. Wendele advised that both commercial businesses and owner occupied housing could apply. This program is available to the City of Kerrville and Kerr County. The only stipulation is that if it is outside the City limits but in Kerr County, the proposal must be presented to Commissioners Court as well. The purpose of this program is to "clean up" the commercial corridor through Kerrville. Mr. Hamilton went on to state that this is a reimbursement program and all work would be completed first and then upon the Board's approval, a percentage of the money spent would be reimbursed based on the demolition/improvements made.

Mr. Hamilton wanted clarification on the application process; Ms. Wendele stated that all funding agreements must go to City Council after approved by EIC. Once the funding agreement(s) have been approved by both EIC and the City Council, City staff will be directed to disburse funds. The Board requested that information about this project be publicized, Ms. Wendele informed the Board that there would be a press release sent to the paper and it would be available on the City's website. A maximum amount of \$10,000 can be received and a minimum amount of \$2,000 must be requested.

Mr. Crumrine opened the public hearing at 4:41 pm; nobody spoke, public hearing was closed at 4:41 pm.

8. PUBLIC HEARING AND POSSIBLE ACTION:

8A. Possible funding agreement with the Hill Country Home Opportunity Council

Ms. Wendele reviewed the proposed funding agreement for the HCHOC with the Board and touched on key points. The Board questioned whether or not a grant received by the HCHOC would duplicate any funding that has been requested from the Economic Improvement Corporation. Parker Harrison addressed the Board and advised that the mentioned grant was for owner occupied housing and would not be used for the Pinto Trail project.

Mr. Crumrine opened the public hearing at 4:47 pm; Mr. Crabtree, from the USDA Rural Development, explained how a household becomes eligible and the payment process. The Board asked if there was a population limit on the size of the county. Mr. Crabtree stated that there was; if the community grew above 25,000 they would not be able to build within the city limits of Kerrville. According to an unofficial census, the population of the community now stands at 22,500. No other party wished to speak and the public hearing was closed at 4:55 pm.

Mike Erwin, Finance Director, will do a budget amendment removing money from *infrastructure* to *quality of life* to assure money availability for this project.

Mr. Duff moved to approve the funding agreement with Hill Country Home Opportunity Council for \$150,000; Mr. Hamilton seconded; motion passed 4-0.

Mr. Massey abstained from the vote citing a conflict of interest due to the fact he is employed by the CPA firm that does the tax preparation for HCHOC.

8C. Possible funding agreement with the Kerr Economic Development Foundation

Mr. Crumrine was unclear as to why this item was again placed on the agenda. Partial payment of \$12,500 was approved on April 19, 2010. Mr. Crumrine then advised the Board that City Council, on April 27, 2010, denied disbursement of funds to KEDF due to lack of a motion. Mr. Parton clarified for the Board that even though there was no motion made at the time Ms. Keeble advised she would like to revisit the issue and at that time a motion was made and approved to initiate the process for the allocation of the \$12,500. Mr. Parton went on to say that after the public hearing held on this date the agreement will go back to council on June 22, 2010 for approval. The Board asked the following questions:

If it was possible, at this point to fund the entire amount of \$25,000.

What about the reserve KEDF funds and if they planned on spending it.

Has KPUB made their allocation yet?

- Has the City committed to help fund the new ED once formed?

Will the new ED be an entire new body or just a different make of board members?

When are funding allocations usually requested?

In response; the Board may approve the entire amount of \$25,000, if they so choose. KEDF would have to use their reserve funds in order to continue conducting business and as of May 17, 2010, KPUB is the only entity that has not allocated their funds to KEDF. If EIC allocated the full \$25,000 and KPUB allocated their \$25,000, combined that would allow KEDF to run through the end of the year without having to use any of their reserve funds, the EIC Board agreed this would be the action to take. Council accepted the KEDF's recommendation that through EIC, they would fund \$250,000 and another \$100,000 from designated entities. Mr. Parton stated that the make-up of the new governing body is in the process of being determined and that funding requests are usually made in the months of April and May.

Mr. Crumrine opened the public hearing at 5:23 pm; David Vinyard spoke as a member of the KEDF and urged EIC to go forward with the funding. Public hearing was closed at 5:24 pm.

Mr. Duff stated for the record that he did not agree with the \$25,000 but he would go along with it.

Mr. Massey moved to approve the funding agreement with Kerr County Development Foundation for \$25,000; Mr. Hamilton seconded; motion passed 5-0.

9. DISCUSSION:

9A. Update on Habitat for Humanity's Maude Jennings Subdivision (S. Hamilton)

Steve Hamilton updated EIC on where Habitat for Humanity stands on this current project. The water line goes through Phase II and has been connected to Legion Hills and some septic service has been completed. Phase II will begin construction in 4 to 5 years. Mr. Hamilton presented photos of the detention pond, partially completed houses, stabilization sub base and drainage ditch between the two phases. There will be a total of 39 lots, 20 in Phase I and 19 in Phase II. Mr. Hamilton also went on record to say he fully supports HCHOC and all the support given to them by EIC. It was asked by the Board if the Cailloux Foundation

donated the land for this project and Mr. Hamilton clarified that the land was given to Habitat for Humanity about 5 years ago and funded about \$300,000 additionally.

9B. Update on Convention Center Review Panel (Wendele)

Mindy Wendele advised that since the last meeting the review panel issued some questions to the proposed developers. Those questions and answers were distributed to the review panel. The panel will meet in early June and plan to have a recommendation on possibly entering into negotiations with one or more of the proposed developers or not to proceed with the project at all ready for City Council by the June 8, 2010 City Council Meeting.

9C. Update on Economic Development Governing Body (Pratt)

Mr. Parton reviewed this agenda item in correspondence with Item 8C. The question was raised if an item needed to be placed on the next agenda in regards to funding of the proposed Convention Center; Mr. Parton advised the board that prior steps would need to be taken before this request would be brought to the EIC Board.

In review; staff has finished the review process and a recommendation will be presented to council on June 8, 2010. City Council would accept the recommendation and the parties necessary would be brought in for negotiations. A non binding Memorandum of Understanding would be entered into, which EIC possibly would be a part of.

10. **EXECUTIVE SESSION:**

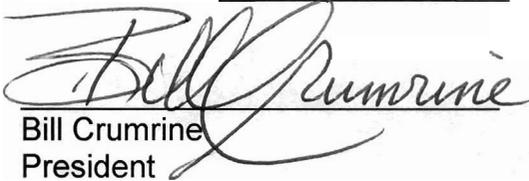
The EIC Board reserves the right to discuss any of the above items in executive closed session if they meet the qualifications in Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.075, 551.076 (deliberation regarding security devices) or 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.

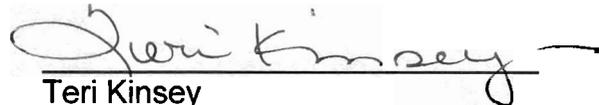
11. **ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION**

12. **ADJOURNMENT:**

Mr. Hamilton moved to adjourn the meeting; Mr. Duff seconded; motion passed 5-0. The meeting adjourned at 5:47 PM.

APPROVED: June 21, 2010


Bill Crumrine
President


Teri Kinsey
Admin. Assist. to the City Secretary