

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

October 27, 2014

On Monday, October 27, 2014, the regular meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by David Wampler, President, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas.

The invocation was offered by Mr. Howard.

Members Present:

David Wampler, President
Kenneth Early, Vice President
Polly Rickert, Secretary
Gary Cochrane
Larry Howard
Stacie Keeble
Sheri Pattillo

Members Absent: None

City Executive Staff Present:

Todd Parton, City Manager
Mike Hayes, City Attorney
Cheryl Brown, Deputy City Secretary
Ashlea Boyle, Special Projects Manager
Sandra Yarbrough, Director of Finance
Brian Crenwelge, Project Manager
Malcolm Matthews, Parks and Recreation Director

Visitors Present: Visitor list available in the City Secretary's Office for the required retention period.

1. **VISITORS/CITIZENS FORUM:** No one spoke.

2. **APPROVAL OF THE MINUTES:**

2A. Mr. Howard moved to approve the minutes for the regular meeting held September 22, 2014. Ms. Pattillo seconded the motion, and it passed 7-0.

3. **PUBLIC HEARING AND POSSIBLE ACTION:**

3A. Administrative Services Contract with the City of Kerrville: Ms. Boyle introduced the annual contract, stating that the amount of \$100,000 did not change from the contract approved in 2013 for this year.

Mr. Wampler opened the public hearing at 4:04 p.m.; no one spoke, and the public hearing was closed at 4:04 p.m.

Mr. Howard moved to approve the Administrative Services Contract with the City of Kerrville as presented. Mr. Cochrane seconded, and the motion passed 7-0.

4. MONTHLY REPORTS

Monthly financials for September 2014

4A. Ms. Yarbrough reported a beginning balance of \$3,692,389; with \$239,355 revenue, and \$683,088 expenditures; leaving an ending cash balance on September 30, 2014 of \$3,248,656. There was a 5.37% increase over budget. She reviewed the capital projects status summary and the cash and investments fund.

4B. Capital projects update:

River trail and parks projects:

Mr. Crenwelge reported River Trail Package B: The contractor poured a total of 6,115 linear feet of concrete.

The trailheads were completed.

The bridge crossing at Rio Robles was completed.

Park Improvements: Restroom #2 CMU was completed and the framing was underway. Restroom #1 slab was poured.

The retaining wall was being built at the restroom place.

The spread footings for the Centennial Stage were completed.

The curbing was poured for two parking lots.

The City was scheduled to pave the parking lots by the end of this week.

Kraftsman completed setting the concrete vaults for the mechanical enclosures for the spray feature and they were working on plumbing.

Package F from G Street to Kerrville-Schreiner Park: The contractor poured a total of 5,400 linear feet of concrete.

Work was begun on the G Street trail section.

The work was completed on crossing #1 at the west end of the river trail.

Forming was begun on the cast in place culvert for bridge #2.

The cast in place culvert for bridge #3 was poured.

The bridge abutments for the Camp Meeting Creek Bridge were completed and the bridge was in place.

The initial site work was begun from Loop 543 Bridge to Kerrville Schreiner Park trailhead.

The restrooms were scheduled to be completed next month.

The Cailloux Lighting Project:

Mr. Crenwelge reported that Texas Scenic Co., Inc. anticipated completion of the Cailloux lighting project by October 31, 2014.

4C. Update regarding "GO Team" activities:

Ms. Boyle reported the "GO Team" received a funding application from James Avery Craftsman, Inc., which the board was scheduled to hear under consideration and possible action. The "GO Team" reviewed the application, and found that the project qualified for funding and was a quality business development project.

4D. KEDC Quarterly Report:

Mr. Titas reported that the KEDC held a Strategic Planning Workshop on August 4, 2014 to discuss their role, targets and focus. KEDC planned to follow up on topics from the planning session over the next several months at the conclusion of their regular monthly board meetings.

He also reported that there were several prospective businesses interested in the Kerrville area:

- A nursing call center, which could create between 60-100 high paying jobs. It is a company based in India with \$1 billion in annual revenues. The company is moving operations onshore from the Philippines. A site consultant is interested in the Kerrville labor market.
- The Bending Branch Winery, who received preliminary approval from the Kerr County Commissioner's Court for a tax abatement on an expansion project for their facility off Hermann Sons Road in east Kerr County. The value of the abatement was \$14,835.60 per year for five years, totaling \$74,178. The project was a \$3.6 mm investment in a new projection/distribution facility and tasting room that would create 5 new jobs. KEDC recommended approval of the project in May.
- A manufacturing prospect: a local manufacturer since July on an expansion in Kerrville. The company wanted to invest \$14.3 million in a new production facility and hire 359 new employees. The company considered 3 other locations for the facility.

Mr. Titas also reported that the lease with Mooney International was signed on October 20, 2014. The estimate from the consultant for roof improvements was \$1.433 million. The City and County have authorized up to \$500,000 each to fund repairs. Mooney was evaluating recommendations from the consultant and prioritizing buildings to be improved. Airport management expected an update soon from Mooney. The funding for additional repairs exceeding \$1 million was unknown at this time.

Mr. Titas reported on several events he attended to promote the Kerrville area to prospective businesses.

He also reported that the airport property site plan completed by Hewitt Engineering in July, 2014.

A 381 policy was submitted to the County for approval in June, 2014.

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Funding request from James Avery for facility expansion:

Paul Zipp, Chief Financial Officer, and George Lee, Senior Vice President over Manufacturing, with James Avery Craftsman, Inc., reviewed a presentation regarding a proposed expansion to their Kerrville facility. Further discussion of this item was deferred to Executive Session.

5B. Cailloux Theater Expansion Project:

Jeffrey Brown, Executive Director of Playhouse 2000, Inc. reviewed the work that had been completed in the Cailloux Theater, as well as the work yet to be done. He requested a one-year extension on the funding agreement, to allow the Board of Directors an opportunity to obtain further funding. They were approximately \$200,000

short of their goal. After some discussion and questions that were answered by Mr. Brown and Peter Lewis, Architect, the general consensus of the board was to defer the decision on extending the funding agreement to the EIC meeting in November, at which time Mr. Brown will come back with more definite financial figures.

5C. Change meeting dates for November and December meetings:

The general consensus of the board was to leave the November meeting set for November 24, 2014; and to change the date of the December meeting to December 15, 2014.

Mr. Wampler asked the board to agree to proceed to item 6B, and then hear the report on the 2014 community events that were funded by the EIC. The board agreed.

6. INFORMATION AND DISCUSSION:

6B. Presentation by the Cailloux Foundation and discussion regarding a proposed athletic complex for baseball and soccer:

Ben Modisett reviewed a presentation regarding the proposed athletic complex on a tract of land off of Holdsworth Drive. He reported that the purchase of the land was completed by the Cailloux Foundation. He presented some drawings of what the baseball and soccer fields might look like at the proposed complex. Mr. Modisett reported that the Cailloux Foundation was prepared to donate \$3 million to the project, including the purchase of the land, which would leave an approximate \$8 million in funding needed. The board discussed the possibility of issuing bonds in 2015 to cover the remaining \$8 million. Further discussion of this matter was postponed to a future date, at which time a funding request would be presented.

Mr. Parton noted that this item was scheduled to be presented to the City Council at their 10/28/14 meeting. At that time, the City Council would have the option to direct staff to draft a funding request. Mr. Wampler asked Mr. Parton to notify the City Council that the EIC is fully supportive of this project.

6A. Report on 2014 community events funded by the EIC:

Ms. Boyle reviewed the following events that were funded by EIC:

Kerrfest: The funding request was for \$25,000, and the total actual reimbursement was \$25,000. There were 4,000 estimated in attendance.

Kerrville Festival of the Arts: The amount of the funding request was \$20,000, and the total actual reimbursement was \$18,334.49. There were 4,500 estimated in attendance.

Get on the Bus 2014: The amount of the funding request was \$7,800, and the total actual reimbursement was \$7,800. There were an estimated 159 people who used the bus service. Ms. Boyle stated that staff would not recommend funding this project again, as there were not enough people utilizing the bus service to validate the expense.

Kerrville's 4th on the River: The amount of the funding request was \$23,100, and the total actual reimbursement was \$23,100. There were 8,000 estimated in attendance.

Texas Hill Country Wine & Brew Fest: The amount of the funding request was \$18,643, and the total actual reimbursement was \$18,643. There were 854 estimated in attendance.

Kerrville Triathlon Festival: The amount of the funding request was \$18,600, and the total actual reimbursement was \$18,152.96. There were an estimated 1,294 in attendance.

Downtown Kerrville Sock Hop: The amount of the funding request was \$5,016, and the total actual reimbursement was \$5,016. There were an estimated 1,300 in attendance.

7. EXECUTIVE SESSION:

Mr. Howard moved that the EIC go into executive closed session under Section 551.071 (consultation with attorney) and 551.072 (deliberation regarding real property). Ms. Pattillo seconded the motion, and it passed 4-0, to discuss the following matter:

Section 551.071:

5A. Funding request from James Avery Craftsman, Inc. for facility expansion

Sections 551.071:

4B. River Trail Project

At 5:47 p.m. the open session recessed and the EIC went into executive closed session at 5:47 p.m. At 6:28 p.m. the executive closed session recessed and the EIC returned to open session at 6:28 p.m. Mr. Wampler announced that no action was taken in executive session.

ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

Mr. Wampler reported that the EIC directed staff to continue negotiations with James Avery Craftsman, Inc. He also stated that, if a formal funding request was presented at the next meeting of the EIC, they would review it and vote on it at that time.

ANNOUNCEMENTS: None

The meeting was adjourned at 6:30 p.m.

APPROVED: 11/24/2014

/s/
David Wampler, President

ATTEST:

/s/
Cheryl Brown
Deputy City Secretary