

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

February 23, 2015

On Monday, February 23, 2015, the regular meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:02 p.m. by David Wampler, President, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas.

The invocation was offered by Gary Cochrane.

Mr. Wampler welcomed the newest EIC member, James Wilson.

Members Present:

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

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:**

3A. Mr. Howard moved to approve the minutes for the regular meeting held January 26, 2015. Ms. Pattillo seconded, and the motion passed 7-0.

3. **MONTHLY REPORTS**

Monthly financials for November 2014

3A. Ms. Yarbrough reported a beginning balance of \$3,229,181; with \$426,332 revenue, and \$576,000 expenditures; leaving an ending cash balance on January 31,

2015 of \$3,079,513. There was a 7.16% increase over 2014. She reviewed the capital projects status summary and the cash and investments fund.

3B. Capital projects update:

River trail and parks projects:

Mr. Crenwelge reported:

All dates are based upon contractor estimated schedules.

Park Improvements: J.M. Lowe was tentatively scheduled to finish the park improvement buildings by the end of February 6. The remaining concrete work for curbing and sidewalks was underway. City staff was working on the parking lot and street areas. The Spray Plaza was scheduled to be completed in mid-March. KPUB was finished setting the poles for street lighting, and City staff finished trenching for the underground electrical conduit for the street lighting.

Package F from G Street to Kerrville-Schreiner Park: GG&G completed 7,945 linear feet of river trail, which was an increase of 1,310 linear feet from the previous month. The G Street trailhead masonry work was under way, and the plumbing was in place. The plumbing was in place, and the parking lot lighting was completed. There would be two crews working on this project beginning Tuesday, February 24, 2015.

3C. Update regarding "GO Team" activities:

Ms. Boyle reported the "GO Team" had not met since the last EIC meeting.

3D. Update regarding Kerr Economic Development Corporation Activities:

Jonas Titas reported that KEDC held officer elections at their last meeting, and due to Councilmember Conklin's announcement that he is not planning to run for re-election to City Council, KEDC will elevate Kyle Bond to the position of President in February. He reported that the board also adopted a new Elevator Speech, and he read it to the board. He also reported that KEDC was working with James Avery, Inc. regarding the direction given by the EIC and City Council. The roof repair at Mooney, International was to proceed in April and be finished by the fall. Mooney also planned to launch a new production line, but Mr. Titas did not have any further information on it. He reported that Bending Branch Winery received a 381 tax abatement from Kerr County. He met with the new owners of the Bank of America building, but their plans for the building were not clear at this time. He reported that budget season was upon them, and he hoped to have a draft of a budget ready for the EIC to review soon.

4. INFORMATION AND DISCUSSION:

4A. Citizen request to discuss affordable housing in Kerrville:

Florence Murray spoke regarding the lack of availability of affordable housing in Kerrville and Kerr County, and her experience with the Home Opportunity Council.

5. PUBLIC HEARINGS AND POSSIBLE ACTION:

5A. Funding Agreement between the City of Kerrville, Texas Economic Improvement Corporation and the Cailloux Foundation for Kerrville Chalk Festival event in an amount not to exceed \$15,000:

Mr. Wampler opened the public hearing at 4:29 p.m. No one spoke, and the public hearing was closed at 4:29 p.m.

Mr. Howard moved to approve the funding agreement as presented. Mr. Early seconded, and the motion passed 7-0.

5B. Funding Agreement between the City of Kerrville, Texas Economic Improvement Corporation and Kerrville's Fourth on the River in an amount not to exceed \$24,950:

Mr. Wampler opened the public hearing at 4:30 p.m. No one spoke, and the public hearing was closed at 4:30 p.m.

Mr. Howard moved to approved the funding agreement as presented. Mr. Cochrane seconded, and the motion passed 7-0.

5C. Funding Agreement between the City of Kerrville, Texas Economic Improvement Corporation and the Kerrville Area Chamber of Commerce for the Kerrfest Event in an amount not to exceed \$25,000:

Mr. Wampler opened the public hearing at 4:30 p.m. No one spoke, and the public hearing was closed at 4:30 p.m.

Mr. Early moved to approve the funding agreement as presented. Ms. Keeble seconded, and the motion passed 7-0.

5D. Funding Agreement between the City of Kerrville, Texas Economic Improvement Corporation and the City of Kerrville for Mardi Gras on Main in the amount of \$10,000.00:

Mr. Wampler opened the public hearing at 4:31 p.m. No one spoke, and the public hearing was closed at 4:31 p.m.

Mr. Cochrane moved to approve the funding agreement as presented. Ms. Pattillo seconded, and the motion passed 7-0.

5E. Funding Agreement between the City of Kerrville, Texas Economic Improvement Corporation and the Historic Downtown Business Alliance for the Sock Hop on the Star in the amount of \$8,750.00:

Mr. Wampler opened the public hearing at 4:32 p.m. No one spoke, and the public hearing was closed at 4:32 p.m.

Ms. Pattillo moved to approve the public hearing as presented. Mr. Howard seconded, and the motion passed 7-0.

6. CONSIDERATION AND POSSIBLE ACTION:

6A. Request from the Fox Tank Company to amend the penalty provisions of employment requirements of the funding agreement for the second phase of the Fox Tank project:

Mr. Fox spoke regarding his second funding agreement with the EIC. He requested an amendment in the claw-back requirement when his total number of employees drops below 70. He stated the agreement requires \$1,000 per employee, and he requested it change to \$500 per employee. He asked the board if it became necessary to lay off many employees; would he ultimately be responsible to pay the EIC \$300,000 for a \$150,000 funding agreement. Mr. Wampler responded in the affirmative. Mr. Early

suggested they postpone further discussion of this matter until they convened in the closed executive session. The board members agreed, and discussion of this item was suspended.

6B. Funding request from the City of Kerrville for Phase 1 of the Streetscape Enhancement Project in an amount not to exceed \$650,000:

Ms. Boyle gave a presentation of the streetscape project.

Mr. Parton responded to questions from the board.

The consensus of the board was to defer any further discussion of this matter to a future meeting. The board directed staff to prepare a better description of the project, and the costs involved in it.

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 Sections 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:

Sections 551.071 (consultation with attorney), and 551.072 deliberation regarding real property and 551.087 (deliberation regarding economic development negotiations):

- River Trail Project

At 5:02 p.m. the open session recessed and the EIC went into executive closed session at 5:05 p.m. (Mr. Wilson left at 5:32 p.m.) At 5:32 p.m. the executive closed session recessed and the EIC returned to open session at 5:34 p.m. Mr. Wampler announced that no action was taken in executive session.

ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

Mr. Wampler announced that the comments made in the discussion in open session regarding the Fox Tank phase 2 funding agreement were incorrect. If Mr. Fox were to have zero employees, he would not owe twice the amount of the funding agreement. The language of the funding agreement sets a maximum of \$150,000 as the amount that would be required in penalties from Mr. Fox. Mr. Wampler asked Mr. Titas to contact Mr. Fox and inform him of the maximum amount he would owe in penalties, should he have zero employees working at his facility. Mr. Wampler also asked Mr. Hayes, City Attorney, to work with Jonas and Mr. Fox to clear up any misconceptions regarding the funding agreement.

8. ITEMS FOR FUTURE AGENDAS: None

9. ANNOUNCEMENTS: None

10. ADJOURNMENT:

Mr. Wampler adjourned the meeting at 5:34 p.m.

APPROVED: 03/23/2015

/s/

David Wampler, President

ATTEST:

/s/

Cheryl Brown

Deputy City Secretary