

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING
2011**

DECEMBER 19,

On Monday, December 19, 2011, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by Gregg Appel, President, in the City Hall Council Chambers, 800 Junction Highway, Kerrville, Texas.

Members Present:

Gregg Appel, President
Kenneth Early, Vice President (*arrived at 4:12*)
Rex Boyland, Secretary
Gary Cochrane
Larry Howard
Stacie Keeble
Polly Rickert

Members Absent:

None

Staff Present:

Todd Parton, City Manager
Mike Hayes, City Attorney
Mike Erwin, Director of Finance
Mindy Wendele, Director of Business Programs
Malcolm Matthews, Director of Parks and Recreation
Gordon Browning, Senior Planner
Teri Kinsey, Deputy City Secretary

2. **INVOCATION:** Given by President Gregg Appel.

3. **VISITORS FORUM:**

Jack Burch, Hill Country Shooting Sports Center, stated that he was waiting on a permit from TCEQ to drill a new well; and the Kerr County 4-H Club would be using the facility for their events.

4. **PRESENTATION:**

4A. Welcome of new member; Gary Cochrane.

President Gregg Appel welcomed new member Gary Cochrane.

5. **ELECTION OF OFFICER:**

5A. Election of Secretary in accordance with EIC bylaws.

Ms. Keeble moved to appoint Rex Boyland as secretary; Mr. Howard seconded the motion and it passed 6-0 (Mr. Early arrived after the vote was taken).

6. **APPROVAL OF MINUTES:**

6A. Approve minutes from the regular meeting on November 21, 2011.

Mr. Boyland moved to approve the November 21, 2011 regular meeting minutes after correction of a name; Mr. Howard seconded the motion, and it passed 6-0 (Mr. Early arrived after the vote was taken).

7. MONTHLY REPORTS:

7A. Monthly financials for November 2011.

Mr. Erwin noted an ending cash fund balance of \$2.1 million; sales tax income continued to rise slightly. He noted the Kerr Economic Development Corporation line item had been decreased from \$225,000 to \$175,000 at KEDC's request.

Mr. Howard moved to approve the November 2011 financials as presented; Mr. Boyland seconded the motion, and it passed 6-0 (Mr. Early arrived after the vote was taken).

7B. EIC construction project status for November 2011.

Mr. Parton reported a design contract had been executed for engineering services to modify the Harper Hwy. utility extension project; the project should be bid in February and be under construction in March/April.

8. PUBLIC HEARING (TO BE CANCELED):

8A. Request for funding by Fox Tank Company for the construction of a new facility.

Mr. Howard moved to cancel the public hearing for a funding request from Fox Tank Company; Mr. Early seconded the motion, and it passed 7-0.

9. PRESENTATION AND POSSIBLE ACTION:

9A. Presentation by Water and Sidney Baker Street Property Owners concerning a funding request for \$242,284.00.

Dr. William Rector requested EIC fund \$242,284.00 for a downtown utility project that would include funding participation from property owners. The project would involve the replacement of overhead utilities with underground utilities by removing ten utility poles and overhead wiring. He noted that since 2000 some utilities had been placed underground back to the north and west corner of the courthouse square; also, some utilities were placed underground during the construction of the parking garage. He described the proposed route for the underground utilities and the location of the transformer. The project would create permanent improvements and foster economic development through business development and expansion along the riverbank. He noted that although no funding for the boardwalk was included in this project, it may facilitate completion of the boardwalk project. He received permission from TxDOT to place the utilities underground along Highway 16, provided the utility project was completed prior to the state's resurfacing project scheduled to start in late winter/early spring 2012. He noted that the state did not plan to replace the steel traffic signal poles at this time.

Dr. Rector responded to the November 29, 2011 letter from KPUB outlining their requirements prior to KPUB's participation:

1. Party to take the lead on the project: William Rector.
2. Approval from TxDOT: application had been made by Bob Keeling of KPUB to get permission to TxDOT.
3. All affected property owners in agreement: He talked to each property owner and each was willing to look at it as a contribution to the project.
4. Contribution agreements with each utility for the project: Bob Keeling had contribution agreements and cost estimates from each utility. The \$242,000 requested included the estimated cost of the utility companies to relocate their services underground; the total cost of the project with the property owners' contributions would be in excess of \$325,000.
5. Easements on private property for the transformers and other utility infrastructure: Dr. Rector stated that he had given property for the transformer to be relocated from behind Pampell's to his property near the Arcadia Theater.

EIC members expressed concern about the location of transformers and the cost to property owners.

EIC questioned project eligibility. Mr. Hayes noted that EIC would have to make a finding that the project would provide infrastructure to develop new or expanded enterprise; based upon the potential of businesses expanding at the rear of their property along the river, this project would qualify.

President Appel declared the public hearing open and the following persons spoke:

1. Peter Lewis, member of the Main Street Advisory Board, noted this project would be fulfilling the mission and goals of the MSAB and the city, i.e. improvements in the downtown area, expansion of the riverwalk, and enhancement of the unique natural beauty of the historic downtown area. The MSAB had voted unanimously to endorse the proposal as presented.
2. David Wahrmund noted that the electric utility as designed for that service area ended at the riverbank and no future expansion was anticipated along the riverbank.
3. Traci Carlson, President of the Chamber of Commerce, spoke in favor of the project and opined that relocating utilities out of walkways would be more conducive for commercial development, shopping and tourism activities.

Ms. Rickert moved to agree to a funding agreement subject to proof of agreement among existing property owners on how the cost would be split and where the transformers would be located. The motion was seconded by Larry Howard and passed 7-0.

10. CONSIDERATION AND POSSIBLE ACTION:

10A. Appointment of EIC Board member to the Economic Development "Go Team"

Mr. Parton discussed a process to evaluate economic prospects whereby KEDC would accept applications and forward them to the appropriate agencies for review. He suggested a team be set up to review applications submitted to the city and EIC and invited EIC to appoint a member to the review team; that member could also routinely update EIC on prospects under review.

Ms. Rickert moved to appoint Kenneth Early as EIC's representative to the Economic Development "Go Team"; Mr. Howard seconded the motion and it passed 7-0.

10B. Provide direction to staff concerning master planning of approximately 86.71 acres located at 300 Peterson Farm Road.

Mr. Appel noted EIC acquired the 87 acres for a potential USDA laboratory facility; however all indications were that the USDA project would not occur, and he proposed discussing options for the property.

Mr. Browning noted the property was zoned PDD (planned development district) specifically for the USDA project. He provided a map of the area and noted it was adjacent to the airport and neighboring properties were agricultural uses. He also noted flood plain issues; adequate water line was available on Peterson Farm Road; sewer could be accessed from Highway 27; and Peterson Farm Road was a narrow rural county road that was not adequate for commercial traffic.

EIC also discussed the following:

- The property was well suited for the USDA project; however, it was not conducive for commercial or industrial development.
- Concern about the cost of developing the property, i.e. flood plain, utilities, and access issues.
- Use of the property for airport related development, or possible exchange of property with the airport.
- EIC assets were tied up in property that did not fit with EIC goals and charter.

Mr. Watson noted the airport consisted of 500 acres and at this time he did not see a need for additional property for airport uses as adequate commercial property was available at the airport and the Airport Commerce Park on Highway 27, and those properties were more conducive for commercial and economic development than the property on Peterson Farm Road. The EIC property had very limited development potential for the reasons noted.

Mr. Parton noted the airport property was designated for airport operations; grant funding received in the past required that the property be maintained for aeronautic related uses only; ownership of the airport property could not be transferred. He suggested that staff prepare a rezoning petition for EIC's consideration at the January meeting.

The consensus of EIC was to instruct staff to notify the owner of the livestock that was on the EIC property that they should remove the livestock or sign a lease agreement that would protect EIC from any liability.

Mr. Howard moved to direct staff to prepare an application on behalf of EIC for a zoning change for the 86.71 acres, with input from Mr. Watson, and bring it to EIC for consideration at the January meeting. Ms. Rickert seconded the motion and it passed 7-0.

11. INFORMATION AND DISCUSSION:

11A. Update regarding the Parks and Trail System Improvement Project.

Mr. Matthews noted the city was moving forward with Package A of the river trail which was primarily funded by a 2002 bond issue; staff reviewed plans and bidding was expected in February. Staff was proceeding with the next phase of the river trail, that is, planning the route and then acquiring easements. The plan was to use local professionals as much as possible for design and construction and to purchase materiel from local suppliers. Ms. Rickert will act as liaison with staff to establish a monthly reporting format and to review plans.

11B. Update regarding the Kerrville Economic Development Corporation.

Mr. Watson noted census information had been received. The KEDC demographic evaluation of Kerrville and Kerr County had been completed and it indicated a heavy elderly population with a majority of the wealth, and poverty with the younger population. KEDC was reviewing the draft of the asset management study, and it would be presented to EIC upon completion. He was also working on nine projects.

12. EXECUTIVE SESSION:

Mr. Boyland moved that the Economic Improvement Corporation go into executive closed session under section 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas; Mr. Howard seconded; motion passed 7-0 to discuss the following matter:

Section 551.087:

- Update concerning the funding of Fox Tank Company for the construction of a new facility.

At 5:25 p.m. the regular meeting recessed and the Board went into executive closed session at 5:31 p.m. At 6:50 p.m. the executive closed session recessed and the Board returned to open session at 6:51 p.m. The president announced that no action had been taken in executive session.

13. ADJOURNMENT

Mr. Howard moved to adjourn the meeting; Mr. Early seconded; motion passed 7-0. The meeting adjourned at 6:52 PM.

APPROVED: _____

Gregg Appel, President

Brenda G. Craig City Secretary