

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

**December 20, 2010**

On Monday, December 20, 2010, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:02 p.m. by Jack Pratt, Vice-President, in the City Hall Council Chambers, 800 Junction Highway, Kerrville, Texas.

**Members Present:**

Jack Pratt, Vice President  
Alan Massey, Secretary  
Gregg Appel  
Rex Boyland  
Warren Ferguson  
Robert Miller

**Members Absent:**

Bill Crumrine, President

**Staff Present**

Todd Parton, City Manager  
Mike Hayes, City Attorney  
Kristine Ondrias, Assistant City Manager  
Mike Erwin, Director of Finance  
Mindy Wendele, Director of Business Programs  
Mike Wellborn, Director of Engineering  
Kevin Coleman, Director of Development Services  
Teri Kinsey, Administrative Assistant to City Secretary

2. **INVOCATION:** Given by Vice-President Jack Pratt.

3. **VISITORS FORUM:**

Ed Hamilton addressed the Board and stated his intended purpose of the Capital Improvement Project was to assist with demolition of dilapidated buildings, bring in new businesses, thus providing new jobs. Mr. Hamilton also addressed EIC's approval of funding the Hill Country Shooting Sports Center.

4. **APPROVE MINUTES:**

4A. November 15, 2010

Mr. Massey moved to approve the minutes of the November 15, 2010 meeting; Mr. Appel seconded, motion passed 6-0.

5. **PUBLIC HEARING AND ACTION:**

5A. Funding agreement with the Kerrville Economic Development Corporation in the amount of \$225,000.00.

Mr. Pratt opened the public hearing at 4:27 pm; nobody spoke; the public hearing was closed at 4:27 pm.

Mr. Ferguson moved to approve the funding agreement with the Kerrville Economic Development Corporation in the amount of \$225,000.00; Mr. Boyland seconded, motion passed 6-0.

6. **MONTHLY REPORTS:**

6A. Monthly financials for November 2010.

Mr. Pratt moved to approve the November 2010 financials as presented; Mr. Massey seconded; motion passed 6-0.

6B. EIC construction project status.

Mr. Wellborn presented the November 2010 construction project status report. The construction report was accepted by consensus.

7. **INFORMATION AND DISCUSSION:**

7A. Update on Convention Center Review Panel.

Mr. Ferguson reported that Hunter Equity gave 3 possible sites for the New Multi Purpose Meeting Facility; one downtown and the other two locations on IH-10. City Council will either; accept one of these locations, suggest another site or reject the project completely. City Council tabled discussion on this item at the December 14, 2010 council meeting.

7B. Update on Kerrville Economic Development Corporation.

Mr. Pratt reported that the 2<sup>nd</sup> interviews for Director are scheduled for January 3, 2011, and KEDC hopes to have the position filled by February 1, 2011.

7C. Update on Harper Highway Extension Project.

Ms. Ondrias addressed the Board in regards to a possible funding request from the City of Kerrville for the Harper Road Utility Project, Phase I from EIC. Ms. Ondrias reviewed the construction schedule, annexation schedule, and cost estimate. The Board questioned:

- What was the city's motivation
- Water use projection
- Will land owners be required to hook up to city water.

Ms. Wendele stated the motivation was ad valorem taxes, water and wastewater usage, and future development but the catalyst for the project was job retention at the James Avery plant. Ms. Ondrias explained that the projected usage has not been researched yet but water would be available as needed but the owners will have the option as to whether or not to tie on to the city's system. The Board asked that staff come back with 1, 3, and 5 year projections for potential revenue and cost estimates.

7D. Update on 501 (c) 3 filing.

Mr. Parton advised the Board that EIC had the same rights and privileges as if they were a 501 (c) 3 and that he could not find any other economic development board with that status. It was a possibility that EIC might incur additional obligations and requirements by filing for 501 (c) 3. Mr. Parton explained that if the Board wished to proceed with filing they would need City Council's approval.

8. **CONSIDERATION AND ACTION:**

8A. Report from the Investment Policy Committee and authorize the execution of the EIC investment policy from Patterson and Associates.

Mr. Pratt reported that progress is being made and a recommendation should be submitted at the January 17, 2011 meeting.

8B. Consider a proposal from Kerr Economic Development Foundation ("KEDF") for the Economic Improvement Corporation to purchase KEDF's purchase money loan for the property located at 300 Peterson Farm Road, which is intended to become the site of the United States Department of Agriculture ("USDA") Knipling-Bushland Laboratory.

Mr. Steve Huser, KEDF Chairman stated to the Board that KEDF received four appraisals from 2 different companies on 2 pieces of property and it is the desire of KEDF for EIC to assume the loan, purchase the land, and take over support of the USDA project.

After discussion, it was the consensus of the Board to defer this item to executive session.

8C. Discussion of Protest Letter to PUC Docket No. 38354 – LCRA TSC's application for the McCamey D to Kendall to Gillespie Project from the Economic Improvement Corporation.

Mr. Ferguson moved to approve the letter as revised, adding the City of Kerrville's recommendation for possible alternate LCRA-CREZ route; Mr. Appel seconded; motion passed 6-0.

8D. Selection of an EIC Board representative as a part of the Economic Development delegation to Washington DC concerning the USDA project.

Mr. Pratt moved to appoint Mr. Ferguson as the EIC representative for the Economic Development delegation to go the Washington DC concerning the USDA project; Mr. Miller seconded, motion passed 5-0-1 with Messrs Pratt, Boyland, Appel, Massey and Miller voted for; no one voted against; and Mr. Ferguson abstained.

8E. Discussion of EIC Board policies, procedures, applications and funding  
• Application Documentation

Ms. Wendele addressed the board regarding an e-mail from Bob Miller asking what information the city shared with EIC members when a funding request was received. The past desire of the EIC board was not to receive these items electronically or as hard copies due to the large size of required documentation. It was discussed by the Board to possibly appoint a Board to the Initial Response Team if the grant request is over \$100,000.00, review financials in executive session on a case by case basis, and that the Board be notified one week prior to the meeting if a grant request is over \$100,000.00.

Mr. Miller moved to direct city staff to notify the board one week prior to the regularly scheduled Board meeting, by e-mail, if the grant request is over \$100,000.00; Mr. Ferguson seconded, motion passed 6-0.

**10. EXECUTIVE SESSION:**

Mr. Pratt moved that the Economic Improvement Corporation go into executive closed session under sections 551.071 (consultation with attorney) and 551.072 (deliberation regarding real property) of Chapter 551 of the Government Code of the State of Texas; Mr. Ferguson seconded; motion passed 6-0 to discuss the following matters:

Sections 551.071 and 551.072:

- Economic development grant/loan agreement between Kerr Economic Development Foundation, Inc. and the City of Kerrville, Texas Economic Improvement Corporation (USDA Facility).

At 5:50 p.m. the regular meeting recessed and the Board went into executive closed session at 5:51 p.m. At 6:25 p.m. the executive closed session recessed and the Board returned to open session at 6:26 p.m. The chairman announced that no action had been taken in executive session.

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

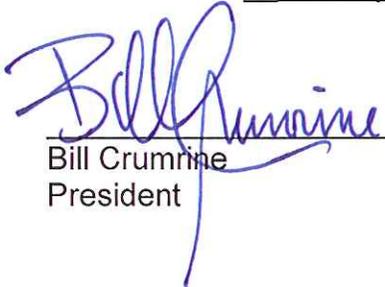
- 8B. Consider a proposal from Kerr Economic Development Foundation ("KEDF") for the Economic Improvement Corporation to purchase KEDF's purchase money loan for the property located at 300 Peterson Farm Road, which is intended to become the site of the United States Department of Agriculture ("USDA") Knipling-Bushland Laboratory.

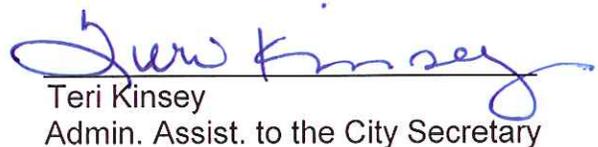
Mr. Ferguson moved to request the city attorney to draft documentation for EIC to take over USDA property from Kerrville Economic Development Foundation and pay off the outstanding loan, Mr. Miller seconded; motion passed 5-0-1 with Messrs Pratt, Boyland, Ferguson, Massey and Miller voted for; no one voted against; and Mr. Appel abstained.

**12. ADJOURNMENT:**

Mr. Boyland moved to adjourn the meeting; Mr. Ferguson seconded; motion passed 6-0. The meeting adjourned at 6:25 PM.

APPROVED: January 17, 2011

  
\_\_\_\_\_  
Bill Crumrine  
President

  
\_\_\_\_\_  
Teri Kinsey  
Admin. Assist. to the City Secretary