

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

**REGULAR MEETING  
February 21, 2011**

On Monday, February 21, 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 Bill Crumrine, President, in the City Hall Council Chambers, 800 Junction Highway, Kerrville, Texas.

**Members Present:**

Bill Crumrine, President  
Jack Pratt, Vice President  
Gregg Appel  
Rex Boyland  
Warren Ferguson  
Robert Miller

**Members Absent:**

Alan Massey, Secretary

**Staff Present:**

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

2. **INVOCATION:** Given by President Bill Crumrine.

3. **VISITORS FORUM:** No one spoke

4. **APPROVE MINUTES:**

4A. January 11, 2011:

Mr. Pratt moved to approve the minutes of the January 11, 2011 meeting, Mr. Appel seconded; motion passed 5-0-1 with Messrs Crumrine, Pratt, Boyland, Ferguson, and Appel voted for; no one voted against; and Mr. Miller abstained.

4A. January 17, 2011:

Mr. Miller moved to approve the minutes of the January 17, 2011 meeting; Mr. Ferguson seconded; motion passed 4-0-2 with Messrs Crumrine, Pratt, Miller, and Ferguson voted for; no one voted against; and Mr. Boyland and Mr. Appel abstained.

5. **MONTHLY REPORTS:**

5A. Monthly financials for January 2011.

Mr. Ferguson moved to approve the January 2011 financials as presented; Mr. Pratt seconded; motion passed 6-0.

5B. EIC construction project status report.

Mr. Wellborn presented the January 2011 construction project status report. The construction report was accepted by consensus.

## **6. INFORMATION AND DISCUSSION:**

### **6A. Discussion concerning joint meeting held the Kerrville City Council and EIC on February 2, 2011.**

Mr. Miller asked about the progress of the plan agreed to at the joint meeting. Mr. Parton stated that a report was being prepared and will be available at the March EIC meeting. It was suggested that another joint meeting between the Kerrville City Council and the EIC Board should be scheduled.

### **6B. Update concerning the Economic Development Delegation's trip to Washington DC.**

Mr. Ferguson stated that the primary purposes of the trip to Washington were to encourage funding for the United States Department of Agriculture ("USDA") Knippling-Bushland Laboratory, at the cost of \$42 million, inform Senators and Representatives of the Economic Improvement Corporation's purchase of the 86 acres site for that facility and ask for a letter of recommendation for funding from the Texas congressional delegation for the project. Secondary purposes were seeking funding for the I-10 interchange at Town Creek and to suggest using part of the VA campus as an overflow site for the San Antonio Excellence Center. The seven who traveled to Washington were: Mayor David Wampler, KEDC Director, Ray Watson, City Manager, Todd Parton, Commissioner Guy Overby, Chamber of Commerce President, Bob Waller, KEDC President, Trevor Hyde, and EIC Representative, Warren Ferguson. The committee met with different members of congress, including Representatives Lamar Smith and Henry Cuellar, members of the ARS committee and Dr. Edward Knippling. According to the USDA ARS there was no plan to fund construction of this project at that time but having the site and design work done puts the project in the top 1/3 of 30 similar projects.

### **6C. Update concerning site visit from the State Comptroller's Office.**

Mindy Wendele reported that a representative from the State Comptroller's office could be present at the June meeting. It was suggested by the Comptroller's Office for EIC to host a regional meeting and invite surrounding Economic Development Entities to attend. The Board wanted a separate meeting with the representative to have specific questions answered.

### **6D. EIC Board appointment calendar and application.**

Mr. Crumrine reminded the Board that terms were to expire for Mr. Massey, Mr. Ferguson, Mr. Pratt, and himself on May 31, 2011 and applications for re-appointment could be picked up at the City Secretary's office.

### **6E. Town Creek Development presentation.**

Chuck Coleman presented to the Board a proposed plan for an I-10 access road through the Town Creek Development property in order to gain community support for this project. Mr. Coleman outlined the financing alternatives, methodology to estimate tax benefit, the benefits of access ramps, and estimated construction costs. The Board asked:

- Is the estimated \$19M in addition to the current taxes paid
- how many acres were available for development
- questioned the absorption period for this project
- if the \$11.5M included the north and south sides of the interchange

Mr. Coleman informed the Board that the \$19M was in addition to current taxes and that there were approximately 470 acres available for development. Mr. Coleman also

advised that this would be a 10 to 15 year project and that the estimated \$11.5M included both the north and south side of IH-10.

## **7. CONSIDERATION AND ACTION:**

### **7A. Presentation by City of Kerrville concerning a funding request for Harper Highway Utility Project.**

Kristine Ondrias presented to the Board a formal funding request for the Harper Highway Utility Project as directed by City Council. Ms. Ondrias reviewed the presentation from the December 2010 meeting and Mike Erwin presented the economic analysis. It was asked why this particular route was selected and Ms. Ondrias explained that the initial agreement was to provide services to James Avery and was the most direct and cost effective route. Dwayne Short spoke briefly about his plans to put an entertainment center at one of the locations along the proposed route. The line will service the Kerr-villa area but that was not the original purpose for extending service that direction. It was explained to the Board that people cannot tie on to the city's services without having their property annexed. Ms. Ondrias also pointed out that construction costs at an all-time low and now would be a good time to build. Mr. Parton explained that this was a project of high importance and the city would see immediate benefits for retail growth and that it would not possible to scale back on this development, which was expected to take approximately six months.

Mr. Miller moved to table this item until the March EIC meeting in order to view The Economic Development Strategic Plan; Mr. Pratt seconded, motion passed 6-0.

A recess was taken from 6:13 pm to 6:22 pm.

### **7B. Presentation by Christian Assistance Ministry concerning a funding request for expansion of existing facility.**

Daniel R. Sebesta resubmitted an application for EIC funds focusing on quality of life through involvement in client job searches, job training and creations of new jobs. Mike Hayes informed the Board that it was the recommendation of staff that even with these changes the application did not qualify under the 4B criteria.

Mr. Crumrine moved to decline Christian Assistance Ministry's application for EIC funds; Mr. Appel seconded, motion passed 6-0.

### **7C. Discussion concerning action taken at the January 17, 2011 EIC meeting relative to the Investment Policy.**

Mr. Crumrine moved to reconvene the Investment Policy Committee and have them meet to discuss certain issues and report back to the entire EIC Board at a later date, Mr. Boyland seconded; motion passed 6-0.

### **7D. Consider proposal from Kerr Economic Development Foundation ("KEDF") for the Economic Improvement Corporation to enter into a Purchase and Sale Agreement with KEDF for the purchase of approximately 86.71 acres located at 300 Peterson Farm Road, which is intended to become the new site of the United State Department of Agriculture ("USDA") Knipling-Bushland Laboratory.**

Mike Hayes explained to the Board that the USDA requested KEDF to sign a lease agreement with the understanding that KEDF would then assign that lease to EIC upon the transfer of the property. Mr. Hayes told the Board that he would not recommend signing the lease until he has a chance to meet with Steve Huser and KEDF's attorney to plan an approach to USDA. It was suggested by Mr. Huser to submit the lease and have it incorporated into the contract, EIC would assume the lease and contract and KEDF would assign the lease to EIC. Ultimately, EIC would have a piece of property

they would own, a 5 year lease, and if construction funding was made available an agreement would be made for the swap of the 34 acres on Hwy 16 for the 86 acres at the airport. The Board asked Mike Hayes to go into executive session, as it was not posted on the agenda to do so. The Board was allowed to go into executive session, asking Mindy Wendele and Teri Kinsey to leave council chambers.

**8. EXECUTIVE SESSION:**

Mr. Boyland 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. Pratt seconded; motion passed 6-0 to discuss the following matters:

Sections 551.071 and 551.072:

- Consider proposal from Kerr Economic Development Foundation ("KEDF") for the Economic Improvement Corporation to enter into a Purchase and Sale Agreement with KEDF for the purchase of approximately 86.71 acres located at 300 Peterson Farm Road, which is intended to become the new site of the United State Department of Agriculture ("USDA") Knipling-Bushland Laboratory.

At 7:26 p.m. the regular meeting recessed and the Board went into executive closed session at 7:27 p.m. At 7:50 p.m. the executive closed session recessed and the Board returned to open session at 7:51 p.m. The chairman announced that no action had been taken in executive session.

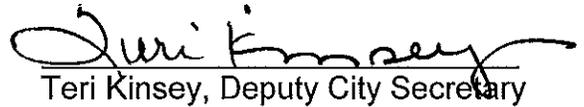
**9. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION: None**

**10. ADJOURNMENT:**

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

APPROVED: April 18, 2011

  
Bill Crumrine, President

  
Teri Kinsey, Deputy City Secretary