

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

**REGULAR MEETING
SEPTEMBER 19, 2011**

On Monday, September 19, 2011, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:04 p.m. by Gregg Appel, President, in the City Hall Council Chambers, 800 Junction Highway, Kerrville, Texas.

Members Present:

Gregg Appel, President
Rex Boyland
Larry Howard
Stacie Keeble
Robert Miller

Members Absent:

Kenneth Early, Vice President
Tony Roberts, Secretary

Staff Present:

Todd Parton, City Manager
Mike Hayes, City Attorney
Kristine Ondrias, Assistant City Manager
Mike Erwin, Director of Finance
Mike Wellborn, Director of Engineering
Kevin Coleman, Director of Developmental Services
Teri Kinsey, Deputy City Secretary

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

3. **VISITORS FORUM:**

Barbara Burton had the following suggestions concerning the construction of the River Trail Project:

- Allows property owners to opt-out
- Provides protection from trespassing
- Considers the impact of building a 12 ft. wide concrete roadway

4. **APPROVE MINUTES:**

4A. Approve minutes from joint City Council meeting on August 10, 2011 and regular meeting on August 15, 2011.

Mr. Howard moved to approve the August 10, 2011 minutes; Ms. Keeble seconded; motion passed 5-0.

Mr. Boyland moved to approve the August 15, 2011 minutes; Mr. Miller seconded; motion passed 5-0.

5. **MONTHLY REPORTS:**

5A. Monthly financials for August 2011.

Mr. Howard moved to approve the August 2011 financials as presented; Mr. Boyland seconded; motion passed 5-0.

6. **PUBLIC HEARING AND ACTION:**

6A. Overview of utility projects related to economic development and presentation of Harper Road Utility Improvements, Phase II.

Mr. Parton reported to the Board that staff had been analyzing the entire scope of the proposed projects discussed at the joint City Council/EIC meeting. The two basic components for making these projects work were creating framework for

business growth and enhancements in the tourism budget. Mr. Parton handed out two articles, one from The New York Times, which focused on the city of Kerrville and its many attributes. The other was from The San Antonio Express News featuring how the city of Boerne is addressing their downtown issues, which compared to the City of Kerrville's intentions and could act as competition to Kerrville. Ms. Ondrias gave an overview of the current utility projects to date and how they relate to the economic development of the community. She reviewed, for the Board, the existing water/wastewater service areas, all of which were either at or over capacity, and the potential new service areas at the cost of \$18M. The city is currently in the preliminary engineering stage of this project, determining a route and easement acquisitions.

The City of Kerrville requested \$1M in funding for the Harper Road Utility Project, Phase II, which would service a primary area 50 acres and a secondary area of 175 acres. The city had already taken money out of the utility fund to complete the stub out across Harper Road. The project would require approximately 4,600 linear feet of waterline and 3,000 linear feet for wastewater which would open up the entire corridor into Kerrville. The Harper Road project was initially brought before EIC due in part, to property owner's willingness to donate easements to the city and low construction costs at that time. Upon providing water/wastewater service to these areas, the property could potentially be annexed into the City of Kerrville. Also, regarding The Heights Subdivision, an agreement was made with the city, when the first building permit is pulled for construction there would be a voluntary petition for annexation for the entire subdivision. The order of annexation would be decided by who wants to tie on when and how they would become contiguous to each other.

Mike Erwin conservatively estimated the return on investment could be around 20 years. Mr. Parton also added that by having these utilities it would allow for development in the next 5-6 years without threatening businesses along the Sidney Baker corridor.

The Board also voiced their concern about possible lack of development after lines were put in, afraid to fund the project and not have any businesses construct along that route. It was suggested that Pete Moore, along with any other developer sign a letter of intent to tie into the city's water/wastewater lines and if the developer failed to follow through with development he would have to reimburse EIC their percentage of the funding.

6B. Funding agreement with the City of Kerrville for the Harper Road Utility Improvements, Phase II, in the amount of \$1,000,000.00.

Mr. Howard moved to table the funding agreement for one month and directed staff to gather additional information on development and show proof of commitment from developers and property owners; Mr. Miller seconded, motion passed 3-2, with Messrs Howard, Appel, and Miller voting for and Ms. Keeble and Mr. Boyland voting against.

7. CONSIDERATION AND ACTION:

7A. Provide direction to staff regarding the presented costs, financial options and timelines for the following projects: River Trail, Phases I, II, III, Louise Hays Park Improvements, and Downtown Streetscape Improvements.

Mr. Howard moved to authorize the city to issue Certificates of Obligation with EIC backing the debt for the River Trail Program, with a clause of EIC's involvement concerning the overall process and in the interlocal agreement, the interest on the \$7M for the first year would go to EIC; Ms. Keeble seconded, motion passed 5-0.

8. INFORMATION AND DISCUSSION:

8A. Update from the Hill Country Shooting Sports Center.

Mr. Burch did not attend the meeting.

8B. Update from the Hill Country Home Opportunity Council.

Parker Harrison advised the Board that all utilities would be completed by September 23, 2011 and sidewalks completed by September 30, 2011. The complete Pinto Trail project would be finished by mid-November.

8C. Update regarding the Kerrville Economic Development Corporation.

Mr. Appel reported that the KEDC had a meeting with the Kerr County Commissioners on Friday, September 16, 2011. The County Commissioners asked that they keep better informed for projects in the works by the KEDC and questioned the amount to be funded by the county.

8D. Discussion of letter concerning possible joint meeting with Kerr County Commissioners' Court.

It was the consensus of the Board to schedule a meeting with the Kerr County Commissioners' Court at a later date to be scheduled by staff.

9. EXECUTIVE SESSION:

The EIC Board reserves the right to discuss any of the above items in executive closed session 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), 551.075, 551.076 (deliberation regarding security devices) or 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.

10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

11. ADJOURNMENT

Mr. Howard moved to adjourn the meeting; Mr. Boyland seconded; motion passed 5-0. The meeting adjourned at 6:30 PM.

APPROVED: October 17, 2011



Gregg Appel, President



Teri Kinsey, Deputy City Secretary