

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

**Regular Meeting
April 19, 2010**

On Monday, April 19, 2010, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:01 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
Warren Ferguson
Lindsay Duff
Ed Hamilton

Members Absent:

Alan Massey

Staff Present

Todd Parton, City Manager
Mike Erwin, Director of Finance
Mindy Wendele, Director of Business Programs
Cheri Halford, Capital Projects Manager
Kevin Coleman, Director of Development Services
Teri Kinsey, Administrative Assistant to City Secretary
Sandra Yarbrough, Finance Division
Barbara Lanning, Budget Analyst

2. INVOCATION:

Given by President Bill Crumrine.

3. VISITORS FORUM:

Nobody spoke during the visitor's forum.

4. PRESENTATION:

4A. Welcome of new member, Gregg Appel

Mr. Appel was unable to attend the EIC meeting due to a prior engagement.

5. APPROVE THE MINUTES OF THE MARCH 15, 2010 MEETING:

5A. Mr. Pratt moved to approve the minutes of the March 15, 2010 meeting pending changes; Mr. Ferguson seconded; motion passed 5-0.

6. MONTHLY REPORTS:

6A. Monthly financials for March 2010

Mike Erwin presented the March 2010 financials. Mr. Ferguson moved to accept the financials as presented; Mr. Pratt seconded; motion passed 5-0.

6B. EIC construction project status

Cheri Halford presented the March 2010 construction project status report. No motion was made; the construction report was accepted by consensus.

7. PRESENTATION AND POSSIBLE ACTION:

7A. Hill Country Home Opportunity Council (Wendele/Harrison)

Parker Harrison, on behalf of the Hill Country Home Opportunity Council, presented to the Board a request for funding. Mr. Harrison gave the Board a brief

history of the HCHOC stating that it was established by Kerrville City Council as an advisory board in 1997 and later established as a 501-C3 in 2007. The purpose for the HCHOC is:

- Provide housing that is affordable to low-income and moderate income people
- Enhance the creation of new housing and rehabilitation of existing housing
- Promote and create programs to encourage owners to rehabilitate their housing to be wheelchair accessible.
- Provide housing education and ownership counseling.

Mr. Harrison also informed the Board of planned projects:

- TDHCA – Texas Department of Housing and Community Affairs
- Barnett Street-Inner city renewal
- Pinto Trail-New subdivision

The funding request is specifically for the Pinto Trail Project. The HCHOC has purchased 2.25 acres for \$180,000.00 and is asking EIC for \$150,000.00 for developmental costs. This cost would cover eleven homes (affordable housing) and four rental units (seniors). The infrastructure development would include \$20,000.00 for a survey and 95% of the engineering work. Engineering and infrastructure work would not exceed \$130,000.00. Mr. Harrison reported on ongoing project support; still taking applications, helping qualify applicants for outside funding, provide mandatory home ownership counseling and education, the lots will sell for \$6,000.00 each and facilitate home building. Mr. Harrison thanked the Board and opened up the floor for questions. The board questioned:

- What would the housing normally cost
- What is the deficit per lot
- How does this qualify as economic development; how will this create jobs and add to ad valorem taxes
- Questioned why it was categorized as “Public Infrastructure” and not as “Quality of Life”
- How does HCHOC differ from Habitat for Humanity

Mr. Harrison did not have the information available in regards to the cost of housing or what the deficit per lot would be at the time of the presentation. Mr. Harrison did state that temporary jobs would be created for the contractors building the houses and that this project would provide low income housing to the area workforce. Additionally, local builders will be used for this project as they have in the past. Ms. Wendele explained that this project was tying on to public infrastructure. The total cost for the survey will be approximately \$5,500 and the total engineering cost will be around \$8,000. Ms. Wendele and Mr. Erwin will confer and adjust the budget to suite the request of the Board and have the \$150,000 categorized as “Quality of Life”. Funds will not be available until the end of June and construction is to start by the end of the year.

Mr. Pratt moved to direct staff to move \$150,000 from the Public Infrastructure category into the Quality of Life category; draft a funding agreement; schedule and publish a notice of a public hearing for this project; Mr. Ferguson seconded; motion passed 5-0.

8. DISCUSSION AND POSSIBLE ACTION:

8A. Discussion regarding member attendance requirements (Crumrine)

Mr. Crumrine reminded the Board members of their responsibility to attend EIC meetings faithfully and those members who did not attend at least 25% of the meetings in a 12 month time frame would be considered for removal by the City Council. A member whose absences are directly related to a medical or family emergency may seek consideration from the board upon which they serve to qualify such absences as excused.

Mr. Pratt moved to allow and accept the past absences of both Ed Hamilton and Alan Massey as medical emergencies and that these emergencies qualify as medically excused; Mr. Ferguson seconded; motion passed 5-0.

8B. Discussion regarding funding for Kerr Economic Development Foundation (Parton)

Mr. Parton presented to the Board balance sheets and profit & loss breakdowns for the Kerr Economic Development Foundation showing the current financial situation. Mr. Parton noted that the EIC had budgeted in \$25,000 to be allocated for the funding of KEDF and that the money had not been paid pending the restructuring of the KEDF. There is a shortage of KEDF funds and it was projected that it will only be able to sustain itself through May 2010 and it is important to keep the operation going. Mr. Parton requested that EIC direct staff to allow all or a portion of those funds to be disbursed to KEDF. It was questioned what the position of the city council was, city council wanted to look at the financials before making a decision on funding. KPUB has also agreed to contribute \$25,000 to the KEDF, so the combined amount, including the city's portion (through EIC), would be \$50,000. Members of the Board suggested the KEDF finances be reviewed on a month by month basis and other members felt the \$25,000 should be disbursed to KEDF. Mr. Parton would like to see a funding allocation made to insure the KEDF can operate until the new governing body can be set up. Mr. Pratt commented as an appointed member of the Economic Development Governing Body as to the progress of said body.

Mr. Duff moved to direct the City to pay \$12,500 to KEDF and defer the remainder; Mr. Hamilton second; motion passed 5-0.

8C. Commercial Improvement Program Draft guideline review (Hamilton/Wendele)

Ms. Wendele reviewed what city staff was asked to do from the March meeting. A draft of the guidelines and procedures was presented to the Board along with additional ideas not discussed. It was suggested by the board that "commercial corridors" should be better defined in the guidelines and procedures and the amount allotted for "sweat equity" should be lowered from \$20 to \$15. Mr. Pratt made a comment for record, "anytime we get money out and there is a foreclosure, we ought to share in the profits". Funds for this project are to be reimbursed, meaning there is no up front money in these projects. Ms. Wendele advised the Board that she did research the law pertaining to this type of grant and that the City Council would have to approve the \$100,000.

Mr. Hamilton moved to direct staff to call a public hearing to be scheduled; a funding agreement be drafted; minimum grant to be \$2,000; include non-profits in eligible recipients; consider multi-family housing to be commercial; in kind contributions or "sweat equity" limited to 50% of the cost and be valued at \$15 an

hour; if lesser is given a grant, they must have owner's approval and financial strength is demonstrated by the ability to fund the project so no further financial information is required in the application, Mr. Pratt second; motion passed 5-0.

Point of discussion made by Ms. Wendele after motion was passed; what category would the money be coming from? Board agreed by consensus to have money taken from the Contingency Fund. Mr. Erwin advised a budget amendment would be done.

8D. Update from Convention Center Review Panel (Ferguson)

Mr. Ferguson informed the Board that 4 proposals were received and being reviewed and evaluated. Meetings are being scheduled with each vendor and are predicted to last about one hour to an hour and a half each.

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.

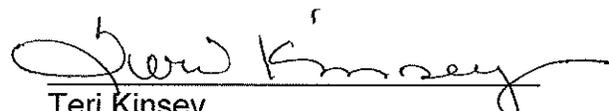
10. **ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION**

11. **ADJOURNMENTS**

Mr. Pratt moved to adjourn the meeting; Mr. Duff seconded; motion passed 5-0. The meeting adjourned at 6:13 PM.

APPROVED: May 17, 2010


Bill Crumrine
President


Teri Kinsey
Admin. Assist. to the City Secretary