Economic Improvement Corporation
Regular Meeting Agenda
November 16, 2026 at 4:00 PM
City Hall, 701 Main Street, Kerrville, Texas

CALL TO ORDER:

1. **INVOCATION:**

2. **VISITORS/CITIZENS FORUM:** *Any citizen with business not scheduled on the agenda may speak to the Economic Improvement Corporation. No deliberation or action can be taken on these items because the Open Meetings Act requires an item be posted on an agenda 3 business days before the meeting. Visitors are asked to limit their presentation to three minutes.*

3. **APPROVAL OF MINUTES:**

   3.A Minutes from the regular Economic Improvement Corporation (EIC) meeting held on October 19, 2026. (K Franchina, Deputy City Secretary)

4. **MONTHLY REPORTS:**

   4.A Kerrville Economic Development Corporation (KEDC) update as to its operations and efforts to develop and attract economic development. (T Bock, KEDC President)

   4.B Kerrville Economic Improvement Corporation (EIC) project status update for the following projects: Olympic Pool Renovations, Travis Street Pump Station Upsizing, Granger MacDonald Park, Schreiner University CTWD, Edington Gym Upgrades, and Quinlan Creek Interceptor. (M Hornes, Assistant City Manager)

   4.C October 2026 Monthly Financial Report. (T Rodriguez, Assistant Director of Finance)

5. **PUBLIC HEARING AND POSSIBLE ACTION:**

   5.A Project Funding Agreement between the City of Kerrville, Texas Economic Improvement Corporation and the City of Kerrville, Texas; for the Street and Road Infrastructure Project, James Avery Craftsman, not to exceed amount of $160,000.00. (M Hornes, Assistant City Manager)

6. **INFORMATION AND DISCUSSION:** *These items are not expected to require action by the Economic Improvement Corporation (EIC) and are generally for information only. However, all items listed in this section may become action items on request of any EIC member, and the EIC may take action on any item listed in this section without further notice.*

   6.A Granger MacDonald Park Bond Funds. (M Hornes, Assistant City Manager)

7. **CONSIDERATION AND POSSIBLE ACTION:**

   7.A Economic Development Grant Agreement between the City of Kerrville, Texas, Economic Improvement Corporation (EIC) and Kerr Economic Development Corporation (KEDC). (T Rodriguez, Assistant Finance Director)

   7.B Discussion and Consideration of the Open Rewards Program. (W Martinez, Economic Development Manager)

7.C Discussion to reschedule, or cancel, the Economic Improvement Corporation (EIC) Fiscal Year 2027 January and February meetings as they fall on a holiday. (M Hornes, Assistant City Manager)

8. **EXECUTIVE SESSION:** *Economic Improvement Corporation (EIC) may, as permitted by law, adjourn into executive session at any time to discuss any matter listed above 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/officers), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code.*

9. **ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY.**

10. **ITEMS FOR FUTURE AGENDAS:** *The Economic Improvement Corporation (EIC) may suggest items or topics for future agendas.*

ADJOURN.

The facility is wheelchair accessible, and accessible parking spaces are available. Requests for accommodation or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-258-1118 for further information. I hereby certify that this agenda was posted as notice of the meeting on the bulletin board at the City Hall of the City of Kerrville, Texas, and on the City's website on the following date and time: 11/10/2026 at 3:30 p.m. and remained posted continuously for at least 3 business days preceding the scheduled time of the meeting.

Kesha Franchina, TRMC
Kesha Franchina, TRMC, Deputy City Secretary, City of Kerrville, Texas

TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT CORPORATION
CITY OF KERRVILLE, TEXAS

CAPTION: Minutes from the regular Economic Improvement Corporation (EIC) meeting held on October 19, 2026. (K Franchina, Deputy City Secretary)

AGENDA DATE: November 16, 2026 **DATE SUBMITTED:** 10/20/2026

SUBMITTED BY:

EXHIBITS:
1. EIC Minutes 10-19-2026

Expenditure:
Account Number:
Payment to/Vendor name:

Amount Budgeted:
Account Balance:

Kerrville 2050 Item?
No

Key Priority Area:

SUMMARY:

RECOMMENDED ACTION:
Approve minutes as presented.

ECONOMIC IMPROVEMENT CORPORATION **KERRVILLE, TEXAS**
REGULAR MEETING MINUTES **OCTOBER 19, 2026 4:00 PM**

On October 19, 2026 at 4:00 PM, President Kim Clarkson called the Kerrville Economic Improvement Corporation meeting to order in City Hall Council Chambers, 701 Main Street. Vice-President Gil Paiz led the invocation.

EIC MEMBERS PRESENT:
Celeste Hamman, President
Gilberto Paiz, Vice President
Kyle Bond, "GO Team"
Denny Foster
Kent McKinney, Councilmember
Ryan Pendergraft

EIC MEMBERS ABSENT:
T. Beck Gipson, KEDC

CITY EXECUTIVE STAFF:
Michael Hornes, Asst City Manager
William Tatsch, City Attorney
Kim Meismer, Asst City Manager
Kesha Franchina, Deputy City Secretary
Winema Martinez, Economic Development Manager
Trina Rodriguez, Assistant Director of Finance

VISITORS PRESENT:
Todd Bock, Executive Director Kerrville Economic Development Corporation
Theresa Metcalf, Deputy Director Kerrville Economic Development Corporation
Dr. Melissa Allen, Schreiner University,
Dr. Lucien Costley, Schreiner University

2. **VISITORS/CITIZENS FORUM:**
There were no citizen speakers.

3. **APPROVAL OF MINUTES:**

3.A Minutes from the regular Economic Improvement Corporation (EIC) meeting held on September 21, 2026. (K Franchina, Deputy City Secretary)

Councilmember Kent McKinney motioned to approve, seconded by Vice-President Gil Paiz. The motion passed 6-0.

4. **MONTHLY REPORTS:**

4.A Kerrville Economic Development Corporation (KEDC) update as to its operations and efforts to develop and attract economic development. (T Bock, KEDC President)

Todd Bock provided information. He, and Theresa Metcalf, responded to questions.

4.B Kerrville Economic Improvement Corporation (EIC) project status update for the following projects: Olympic Pool Renovations, Travis Street Pump Station Upsizing, Granger MacDonald Park, Schreiner University CTWD, Edington Gym Upgrades, and Quinlan Creek Interceptor. (M Hornes, Assistant City Manager)

Michael Hornes provided information and responded to questions.

4.C September 2026 Monthly Financial Report. (T Rodriguez, Assistant Director of Finance)

Trina Rodriguez provided information and responded to questions.

5. **INFORMATION AND DISCUSSION:**

5.A Schreiner University Athletic Facilities, Center for Talent and Workforce Development, and Edington Gym updates. (Dr. Melissa Allen, Schreiner University, Dr. Lucien Costley, Schreiner University)

Dr. Melissa Allen, and Dr. Lucien Costly, provided information and responded to questions.

5.B Overview of uses of 4B sales tax dollars and potential project opportunities. (M Hornes, assistant City Manager; W Martinez, Economic Development Manager)

Winema Martinez provided information. She, Michael Hornes, and Todd Bock responded to questions.

Citizen Speakers were as follows:
Louis Amestoy

6. **CONSIDERATION AND POSSIBLE ACTION:** None.

7. **EXECUTIVE SESSION:** None.

8. **ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY.** None.

9. **ITEMS FOR FUTURE AGENDAS:** None.

ADJOURN. The meeting adjourned at 5:45 PM.

APPROVED BY EIC: _____

APPROVED: ATTEST:

_____ _____

Celeste Hamman, EIC President Kesha Franchina, Deputy City Secretary

TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT CORPORATION
CITY OF KERRVILLE, TEXAS

CAPTION: Kerrville Economic Development Corporation (KEDC) update as to its operations and efforts to develop and attract economic development. (T Bock, KEDC President)

AGENDA DATE: November 16, 2026 **DATE SUBMITTED:** 10/20/2026

SUBMITTED BY:

EXHIBITS:
None

Expenditure:
Account Number:
Payment to/Vendor name:

Amount Budgeted:
Account Balance:

Kerrville 2050 Item?
Yes

Key Priority Area:

SUMMARY:

RECOMMENDED ACTION:
Information only; no action required.

TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT CORPORATION
CITY OF KERRVILLE, TEXAS

CAPTION: Kerrville Economic Improvement Corporation (EIC) project status update for the following projects: Olympic Pool Renovations, Travis Street Pump Station Upsizing, Granger MacDonald Park, Schreiner University CTWD, Edington Gym Upgrades, and Quinlan Creek Interceptor. (M Hornes, Assistant City Manager)

AGENDA DATE: November 16, 2026 **DATE SUBMITTED:** 10/20/2026

SUBMITTED BY:

EXHIBITS:
1. 11-10-2026 EIC Project Update

Expenditure:
Amount Budgeted:
Account Number:
Account Balance:
Payment to/Vendor name:

Kerrville 2050 Item?
Yes

Key Priority Area:

SUMMARY:
Staff to present.

RECOMMENDED ACTION:
Information only; no action required.

Monthly EIC Project Status Report

	Project Name	Description	Estimated Design Completion	Estimated Construction Completion	Comments
1	Olympic Pool renovations	Renovations to the Olympic pool	Feb-2025	Fall 2026	EIC and City Council approvals for funding complete. Design complete. Construction commenced August 2025 with completion anticipated late Summer/Early Fall 2026.
2	Travis Street Pump Station Upsizing	Increase distribution capacity of the Travis St pump station to meet TCEQ requirements for future developments.	Complete	Summer 2027	Project approved by City Council March 26, 2024. TCEQ design requirements for the pump station upgrades have created significant delays and cost. Staff has pulled from utility fund reserves to cover this overage. Council awarded project at May 26th, 2026 regular meeting. Construction commenced July, 2026.
3	Granger McDonald Park	Creation of a new city park along Nimitz Lake in the landing subdivision	Spring 2026	TBD	Design is complete. City Council, at the regular meeting on July 28,2026, voted to table this project for a six month period.
4	Schreiner University CTWD and Edington Gym Upgrades	New Center for Talent and Workforce Development and renovations to the Edington Gym	Complete	Fall 2026	Schreiner has hired a director for the CTWD and is currently renovating the Edington Gym Space
5	Quinlan Creek Interceptor	Design of approximately 6,900 linear feet of sewer line	Summer 2027	TBD	Preliminary Engineering Study followed by design of a gravity main sewer line on the SE side of Quinlan Creek to Schreiner Golf Course terminating at Tivy Commons. Design in progress.

TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT CORPORATION
CITY OF KERRVILLE, TEXAS

CAPTION: October 2026 Monthly Financial Report. (T Rodriguez, Assistant Director of Finance)

AGENDA DATE: November 16, 2026 **DATE SUBMITTED:** 11/10/2026

SUBMITTED BY:

EXHIBITS:
1. October 2026 financial presentation

Expenditure:	**Amount Budgeted:**
Account Number:	**Account Balance:**
Payment to/Vendor name:	
Kerrville 2050 Item?	**Key Priority Area:**
No	

SUMMARY:
Staff to present.

RECOMMENDED ACTION:
Information only; no action required.

Financial update for the month ended October 31, 2026

Economic Improvement Corporation Meeting

November 16, 2026

Sales Tax Revenue Bond Series 2023
Statement of Activities
Month Ended October 31, 2026

	Budget	FY2024 Total	FY2025 Total	FY2026 Total	Oct 2026	Total thru FY2027
Revenues:						
Bond Proceeds	**20,000,000**	20,000,000	-	-	-	20,000,000
Pool Interest Income	**224,000**	870,506	759,735	347,371	18,226	1,995,838
ST Investment Income	**35,000**	-	64,783	39,920	2,937	107,639
Projects:						
Scott Schreiner Golf Course Improvements	**3,650,000**	309,195	2,553,222	594,436	-	3,456,853
Olympic Pool Improvements	**7,750,000**	75,668	708,515	5,403,100	301,058	6,488,341
Cailloux Theater Roof & HVAC	**3,250,000**	25,407	2,766,362	399,477	-	3,191,247
Existing Parks Improvements	**800,000**	374,658	374,658	-	-	749,315
Granger MacDonald Park Improvements	**2,200,000**	-	108,579	98,011	-	206,590
Heart of the Hills Heritage Center	**2,000,000**	-	1,000,000	1,000,000	(601,818)	1,398,182
Investments:	-	-	915,857	(29,370)	-	886,487
Arbitrage Payable:	-	302,084	258,274	-	-	560,359
Interest Receivable:	-	-	64,783	39,919	3,227	107,929
Net Cash Balance		19,783,494	(7,925,732)	**(7,118,283)**	318,696	5,058,175

Cash Analysis as of October 31, 2026

Type	Purchase	Maturity	Yield	Placement	Amount
Pool			3.90%	EIC TexPool - 2023 Revenue Bonds	$ 5,618,823
Commercial Paper	3/26/2026	12/18/2026	4.07%	Credit Ag CP - 22533UMJ9	$ 994,531
				2023 Revenue Bonds and Investments	**$ 6,613,355**

Bond Proceeds less Project Expenses = **4,509,473**

Interest Earnings less Arbitrage = **1,543,118**

Economic Improvement Corporation
Statement of Activities
Month Ended October 31, 2026

	Annual Budget	Current Period	YTD Actual	YTD Budget Estimate	Better/Worse YTD Estimate
Revenues					
Sales and Use Tax	$ 5,389,498	$ 455,532	$ 455,532	$ 445,108	$ 10,425
Interest Income	200,000	24,816	24,816	19,523	5,293
Investment Maturity	2,000,000	-	-	-	-
Total Revenues	7,589,498	480,348	480,348	464,631	15,717

Expenditures	Annual Budget	Current Period	YTD Actual	YTD Budget Estimate	Better/Worse YTD Estimate
Administrative					
Supplies and Miscellaneous*	6,502	1,269	1,269	1,269	-
Training	10,000	-	-	-	-
Legal Services	10,000	-	-	-	-
Professional Services	335,597	27,966	27,966	27,966	-
Kerr Economic Development Corp.	375,000	-	-	-	-
Total Administrative	737,099	29,235	29,235	29,235	-
Debt Service					
Debt Service - Series 2015 (KSC)	603,013	50,251	50,251	50,251	-
Debt Service - Series 2019 Ref (River Trail)	255,200	21,267	21,267	21,267	-
Debt Service - Series 2020 Ref (River Trail)	233,525	19,460	19,460	19,460	-
Debt Service - Series 2023 (Quality of Life)	1,469,350	122,446	122,446	122,446	-
Total Debt Service	2,561,088	213,424	213,424	213,424	-
Investment Purchase	2,000,000	-	-	-	-
Projects					
Travis Street Pump Station Upgrades	545,568	45,104	45,104	45,104	-
Schreiner University Talent & Workforce Dvlpmnt	102,804	-	-	-	-
Schreiner University Athletic Facilities	272,196	-	-	-	-
Lennar Windridge Development	750,000	-	-	-	-
James Avery Craftsman Traffic Signal	160,000	-	-	-	-
Quinlan Creek Interceptor Wastewater Line	437,189	2,239	2,239	2,239	-
Total Projects	2,267,757	47,344	47,344	47,344	-
Total Expenditures	7,565,944	290,003	290,003	290,003	-
Change in Net Position	$ 23,554	$ 190,345	$ 190,345		

Economic Improvement Corporation
Cash Flow Forecast
As of October 31, 2026

	FY2027 Actual	FY2027 Estimates			
	Oct 2026	Nov 2026 to Dec 2026	Jan 2027 to Mar 2027	Apr 2027 to Jun 2027	Jul 2027 to Sep 2027
Beginning Cash Balance	$ 5,387,422	$ 5,569,373	$ 5,599,757	$ 5,145,241	$ 5,366,505
Revenue					
Sales Tax	455,532	1,295,338	1,400,438	1,320,503	1,373,218
Interest Income	24,816	50,000	50,000	50,000	50,000
Investment Maturity	-	1,000,000	-	-	-
Total Revenue	480,348	2,345,338	1,450,438	1,370,503	1,423,218
Expenditures					
Administrative					
Supplies and Miscellaneous	1,269	633	633	633	3,550
Legal Services	-	2,500	2,500	2,500	2,500
Training	-	2,500	2,500	2,500	2,500
Professional Services	27,966	83,899	83,899	83,899	83,899
Kerr Economic Development Corp.	-	93,750	93,750	93,750	93,750
Total Administrative	29,235	183,283	183,283	183,283	186,199
Debt Service	213,424	640,272	640,272	640,272	640,272
Investment Purchase	-	1,000,000	-	-	-
Projects					
Travis Street Pump Station Upgrades	45,104	150,000	150,000	196,835	-
Schreiner University Talent & Workforce Dvlpmnt	-	-	-	-	102,804
Schreiner University Athletic Facilities	-	-	-	-	272,196
Lennar Windridge Development	-	-	750,000	-	-
James Avery Craftsman Traffic Signal	-	160,000	-	-	-
Quinlan Creek Interceptor Wastewater Line*	2,239	162,500	162,500	109,950	-
Total Projects	47,344	472,500	1,062,500	306,785	375,000
Total Expenditures	290,003	2,296,055	1,886,055	1,130,340	1,201,471
Interest Receivable	8,393	18,900	18,900	18,900	18,900
Ending Cash Balance	$ 5,569,373	$ 5,599,757	$ 5,145,241	$ 5,366,505	$ 5,569,352

Financial Analysis

Sales Tax Revenue Analysis - FY2027					
Month	Actual FY2026	Actual FY2027	Budget Estimate FY2026	FY2026 vs. FY2027	Budget vs. Actual
October	$ 423,117	$ 455,532	$ 445,108	7.66%	2.34%

Project Analysis as of October 31, 2026			
Project Description	EIC Commitment	Disbursed Funding	Remaining Funding
Travis Street Pump Station Upgrades	750,000	133,820	616,180
Schreiner University Talent & Workforce Dvlpmnt	822,430	411,214	411,216
Schreiner University Athletic Facilities	2,177,570	1,360,982	816,588
Lennar Windridge Development	5,000,000	-	5,000,000
James Avery Craftsman Traffic Signal	160,000	-	160,000
Quinlan Creek Interceptor Wastewater Line Engineering	500,000	2,239	497,761
Operational Project Committments:	**$ 9,410,000**	**$ 1,908,256**	**$ 7,501,744**

Cash Analysis as of October 31, 2026					
Type	Purchase	Maturity	Yield	Placement	Amount
Pool			3.90%	EIC TexPool - Cash	$ 5,569,374
Agency/Security	7/9/2026	6/1/2028	4.13%	US Treasury Note - 91282CQY0	$ 993,047
Agency/Security	3/26/2026	12/18/2026	4.05%	MUFG Bank CP - 62479MMJ9	$ 994,551
				Operating Cash and Investments	**$ 7,556,972**

Questions?

TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT CORPORATION
CITY OF KERRVILLE, TEXAS

CAPTION: Project Funding Agreement between the City of Kerrville, Texas Economic Improvement Corporation and the City of Kerrville, Texas; for the Street and Road Infrastructure Project, James Avery Craftsman, not to exceed amount of $160,000.00. (M Hornes, Assistant City Manager)

AGENDA DATE: November 16, 2026 **DATE SUBMITTED:** 08/25/2026

SUBMITTED BY:

EXHIBITS:
None

Expenditure:	**Amount Budgeted:**
Account Number:	**Account Balance:**
Payment to/Vendor name:	
Kerrville 2050 Item?	**Key Priority Area:**
Yes	

SUMMARY:
This is a project that has been in the works for over 2 years. The EIC GO Team met to discuss this first in May 2024 and recommended moving forward with the project.

At the May 20, 2024 EIC meeting, the board considered funding an application to the City of Kerrville, Texas Economic Improvement Corporation from James Avery Craftsman, Inc. for grant funding for the installation of a traffic signal on Highway 27, in an amount not to exceed $140,000. Vice-President Appel motioned to approve the funding agreement, and Mayor Herring Jr. seconded. The motion passed 7-0.

As a part of the agreement, James Avery would have to have confirmation that TXDoT has accepted the light. In 2024, that requirement came in the form of a donation agreement with TXDoT. Staff received word from Avery in August that TXDoT signed off on the project and has accepted the property. Attached is the acceptance letter from TXDoT which addresses the transfer of ownership for the work performed.

RECOMMENDED ACTION:
Approve as presented.

TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT CORPORATION
CITY OF KERRVILLE, TEXAS

CAPTION: Granger MacDonald Park Bond Funds. (M Hornes, Assistant City Manager)

AGENDA DATE: November 16, 2026 **DATE SUBMITTED:** 11/03/2026

SUBMITTED BY:

EXHIBITS:
None

Expenditure:
Account Number:
Payment to/Vendor name:

Amount Budgeted:
Account Balance:

Kerrville 2050 Item?
Yes

Key Priority Area:

SUMMARY:
Discuss Granger MacDonald Park funds.

RECOMMENDED ACTION:
Provide direction on use of funds.

TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT CORPORATION
CITY OF KERRVILLE, TEXAS

CAPTION: Economic Development Grant Agreement between the City of Kerrville, Texas, Economic Improvement Corporation (EIC) and Kerr Economic Development Corporation (KEDC). (T Rodriguez, Assistant Finance Director)

AGENDA DATE: November 16, 2026 **DATE SUBMITTED:** 10/02/2026

SUBMITTED BY:

EXHIBITS:
1. EIC Grant Agreement_KEDC_100826

Expenditure:	**Amount Budgeted:**
Account Number:	**Account Balance:**
Payment to/Vendor name:	

Kerrville 2050 Item? **Key Priority Area:**
No

SUMMARY:
The purpose of this public hearing is to receive public input on the proposed contract between the Economic Improvement Corporation (EIC) and the Kerrville Economic Development Corporation (KEDC) for Fiscal Year 2027. At its July 20th meeting, the EIC approved KEDC's FY2027 budget, which includes an EIC funding contribution of $375,000. This contract formalizes that funding amount, with quarterly payments of $93,750 each, and outlines the key priorities and strategic focus areas that KEDC will pursue in alignment with its economic development mission for the upcoming fiscal year.

RECOMMENDED ACTION:
Approve as presented.

ECONOMIC DEVELOPMENT GRANT AGREEMENT BETWEEN KERR ECONOMIC DEVELOPMENT CORPORATION AND THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION

This Agreement entered into by and between **KERR ECONOMIC DEVELOPMENT CORPORATION** ("KEDC"), a Texas nonprofit corporation; and the **CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION** ("EIC"), a Type B Economic Development Corporation established pursuant to Chapters 501, 502, and 505 of the Texas Local Government Code, as amended (*i.e.*, the Development Corporation Act and hereafter referred to as "the Act"); each acting by and through their duly authorized officers. KEDC and EIC are sometimes collectively referred to herein as "Parties" and individually as "Party."

WITNESSETH:

WHEREAS, EIC was formed to administer the sales and use tax approved by the citizens of Kerrville, Texas, in May 1995 and collected for projects to enhance economic development and/or the quality of life within the Kerrville area; and

WHEREAS, pursuant to the Act, the EIC is authorized to provide funding for promotional expenses, such expenses which are used to advertise or publicize the City for the purpose of developing new and expanded business enterprises; and

WHEREAS, KEDC is a 501(c)(6) private non-profit entity whose purpose is to support and promote the retention, expansion, and attraction of business entities in Kerr County in a manner that complements the efforts of its economic development partners and enhances the quality of life for residents of Kerrville and surrounding areas; and

WHEREAS, KEDC has applied for funding from EIC for marketing to expand and increase its efforts toward the promotion of economic development and for programming to facilitate retention and recruitment of businesses, workforce development, entrepreneur development, stakeholder communication, and development of policy and incentives in the Kerrville area; and

WHEREAS, EIC finds that the formation of KEDC was intended to promote and develop new or expanded business enterprises and to foster the creation or retention of "primary jobs," as that term is defined by the Act; and

WHEREAS, Section 505.102 of the Act provides that a Type B corporation may contract with another private corporation to (1) carry out an industrial development program or objective; or (2) assist with the development or operation of an economic development program or objective consistent with the purposes and duties specified by the Act; and

WHEREAS, pursuant to Section 505.103 of the Act, EIC is limited to spending not more than 10 percent of its current annual revenues for promotional expenses in any given year; and

WHEREAS, EIC has determined that funding KEDC pursuant to this Agreement ("Grant") complies with the Act and is in keeping with the mission of EIC and *City of Kerrville Economic Improvement Corporation 4B Sales Tax Funding Request Guidelines and Procedures* in that it will enhance business development and/or the "quality of life" within the community; and

WHEREAS, EIC finds that it will be in the public interest to enter into an agreement with KEDC to provide sales tax revenues collected pursuant to the Act ("4B Revenues") to KEDC for costs related to marketing expenses for economic development; and

WHEREAS, on October 19, 2026, in a meeting open to the public in accordance with the Texas Open Meetings Act, EIC deliberated as to the proposed expenditure of 4B revenues for the purposes provided above;

NOW THEREFORE, for and in consideration of the recitals set forth above and the promises made herein, KEDC and EIC agree as follows:

ARTICLE I
EIC'S OBLIGATIONS

A. Subject to terms found elsewhere in this Agreement, shall pay KEDC $375,000.00 over the term of this Agreement. EIC shall divide this amount into equal quarterly payments ($93,750.00), each of which it shall pay within ten (10) business days after the beginning of each calendar quarter (October, January, April, July) but with the exception for the 1st quarter under this Agreement, which payment shall occur on or before November 1, 2025.

B. EIC's payments to KEDC are solely intended for KEDC's costs directly related to: i) carrying out an industrial development program or objective as more specifically described in Section II., below; and ii) assisting with the development and operation of an economic development program or objective consistent with the purposes and duties specified by the Act. Such activities are collectively referred to herein as "Economic Development."

C. In no event shall the total amount of the Grant from EIC to KEDC exceed $375,000.00.

D. KEDC specifically agrees that EIC shall only be liable to KEDC for the actual amount of the Grant to be conveyed to KEDC and shall not be liable to KEDC for any other actual or consequential damages, direct or indirect; interest; attorney fees; or costs of court for any act of default by EIC under the terms of this Agreement.

ARTICLE II.
KEDC'S OBLIGATIONS

A. Pursuant to the purposes for which the Grant was awarded and in strict accordance with Section 505.102 of the Texas Local Government Code, KEDC shall use the Grant for only those costs directly resulting from its Economic Development. Toward this end, KEDC will conduct Economic Development pursuant to its adopted "mission", "objectives", and "target markets" as specified in its *KerrEDC Strategic Plan – GY 2026-27 Update* (the "Business Plan") attached as **Exhibit A**. KEDC may not change the Business Plan without providing prior written notice to EIC.

B. KEDC shall hire and/or maintain the employment of sufficient professional personnel to perform its Economic Development obligations, including an Executive Director.

C. KEDC shall maintain complete and accurate records relating to its costs and expenditures made for Economic Development as specified in KEDC's 2026-2027 budget as approved by its Board of Directors and attached as **Exhibit B** KEDC shall maintain such records separate and identifiable from its other records and for three (3) years following the termination of this Agreement. EIC and its representatives shall be entitled to inspect the records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice.

D. KEDC, either through its Executive Director or another KEDC representative (collectively referred to herein as "Executive Director"), shall appear at each regular meeting of the EIC and make a presentation regarding its Economic Development pursuant to a regularly posted agenda item. Additionally, the Executive Director shall attend the "GO TEAM" meetings as scheduled by the City of Kerrville for the vetting of projects and applications for 4B Revenues.

E. KEDC shall only be liable to EIC for the actual amount of the Grant to be conveyed to KEDC and shall not be liable to EIC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by KEDC under the terms of this Agreement.

ARTICLE III.
KEDC'S REPRESENTATIONS AND WARRANTIES

A. KEDC represents and warrants as of the date hereof:

(1) KEDC is a Texas 501(c)(6) private non-profit corporation existing in good standing and authorized to do business in the State of Texas;

(2) Execution of this Agreement has been duly authorized by KEDC and this Agreement is not in contravention of KEDC's corporate charter, or any agreement or instrument to which KEDC is a party or by which it may be bound as of the date hereof;

(3) No litigation or governmental proceeding is pending, or, to the knowledge of the Executive Director, threatened against or affecting KEDC, which may result in a material adverse change in KEDC's business, properties or operations sufficient to jeopardize KEDC's legal existence; and

(4) No written application, written statement or correspondence delivered by KEDC to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of the Executive Director, contains any untrue statement of a material fact or fails to state any material fact necessary to keep the statements contained therein from being misleading.

B. Except as expressly set forth in this Article III, KEDC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

ARTICLE IV.
EIC'S REPRESENTATIONS AND WARRANTIES

A. EIC represents and warrants as of the date hereof:

(1) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the statute under which it is governed and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;

(2) Execution of this Agreement has been duly authorized by EIC;

(3) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and

(4) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.

B. Except as expressly set forth in this Article IV, EIC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

ARTICLE V.
MAJOR FORCES PREVENTING KEDC FROM CARRYING OUT ITS OBLIGATIONS UNDER THIS AGREEMENT

If, by reason of force majeure, such as fire, flood, windstorm, drought, or other act of God, act of war, act of terrorism, labor strike, or economic downturn affecting KEDC, KEDC is reasonably unable to fulfill its obligations under this Agreement, KEDC shall use reasonable and diligent efforts to rectify the situation to allow it to perform its obligations specified herein with all due haste. In the event that the situation cannot be rectified within three (3) months after the occurrence of the force majeure, either party may terminate this Agreement by providing thirty (30) days advance written notice to the other without further liability hereunder. To the extent that KEDC has not expended funds from the Grant, KEDC shall immediately, but in any event within ten (10) days, return such funding to the EIC on a pro-rata basis.

ARTICLE VI.
CONDITIONS UNDER WHICH EIC MAY SUSPEND PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT

Under any of the following conditions EIC may, at its option, after fifteen (15) days written notice to KEDC, suspend its further performance under this Agreement until such time as KEDC shall have cured the condition(s) and so notified EIC, in writing, that the condition(s) have been cured:

A. The KEDC becomes insolvent. "Insolvent" is defined to mean one either has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, or is insolvent within the meaning of the federal bankruptcy law.

B. The appointment of a receiver of KEDC, or of all or any substantial part of its property, and the failure of such receiver to be discharged within sixty (60) days thereafter.

C. The adjudication of KEDC as bankrupt.

D. The filing by KEDC of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

E. KEDC ceases to exist as a legal organization under state law.

Should any of these conditions not be cured by KEDC within a period of three (3) months EIC may, at its option, with written notice to KEDC, terminate this Agreement and KEDC shall have no further obligations hereunder.

ARTICLE VII.
REMEDIES

A. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement, by any party, or any successor to such party, such defaulting or breaching party (or successor) shall upon written notice from the other, proceed immediately to cure or remedy such default or breach, and, in any event, within thirty (30) days after receipt of such notice. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time, but in no event later than sixty (60) days from the date of notification of such breach, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including but not limited to, seeking specific performance and/or injunctive relief, enforcement by mandamus or by the appointment of a receiver in equity with power to charge and collect rents, purchase price payments, and loan payments and to apply the revenues from the project in accordance with this Agreement, as required by the Act.

B. Upon breach of this Agreement by either party and the failure to cure as permitted by this Article VII, the non-breaching party shall have the sole right and discretion to either terminate this Agreement or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that no party hereunder shall be entitled to recover any amounts in excess of the Grant contracted for under this Agreement and that no party hereunder shall be liable to the other party for any other actual or consequential damages for any act of default by such party under the terms of this Agreement.

C. Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not, so long as the breach or default by another party shall be continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor shall any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

ARTICLE VIII.
GENERAL PROVISIONS

A. Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court having competent jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement, a

provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

B. Amendment. This Agreement may be amended only by written amendment signed by both parties.

C. Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement shall be made or performed in Kerrville, Kerr County, Texas. Venue shall lie in Kerr County, Texas; and this Agreement shall be governed by and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof.

D. Notices. All notices given with respect to this Agreement shall be in writing and shall be deemed to have been properly given for all purposes (i) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

1. EIC
   President
   City of Kerrville, Texas, Economic Improvement Corporation
   701 Main Street
   Kerrville, Texas 78028
   Facsimile: (830) 792-3850

   With a copy to:
   City Manager
   City of Kerrville
   701 Main Street
   Kerrville, Texas 78028
   Facsimile: (830) 792-3850
   Email: dalton.rice@kerrvilletx.gov

2. KEDC Executive Director
   1700 Sidney Baker Suite 100
   Kerrville, Texas 78028
   Phone: (830) 896-1175

E. Assignment. This Agreement shall be binding upon the parties and their successors and assigns. This Agreement may not be assigned by either party without the specific prior written consent of the other, which consent will not be unreasonably withheld. In the event that a party consents to any valid assignment of this Agreement by the other party, the assigning party shall be relieved of any and all obligations and liabilities on the part of such assigning party under this Agreement. KEDC may, without written consent of EIC, assign this Agreement to any entity controlled and 100 percent owned by KEDC or by the parent, subsidiary or affiliate of KEDC provided the entity assumes all of KEDC's obligations and liabilities under this Agreement; agrees to comply with all provisions of this Agreement; has the legal, managerial, technical, and financial ability to properly perform and discharge such obligations and liabilities; and such abilities are each at least as great as those of KEDC and KEDC provides a written guarantee of such assignee's performance in a form reasonably acceptable to EIC. EIC shall be advised in writing of such assignment and of the entity's qualifications at least sixty (60) days before such assignment occurs.

F. Parties In Interest. Nothing in this Agreement shall entitle any party other than KEDC or EIC to any claim, cause of action, remedy or right of any kind except as expressly provided in Article VII.

G. Term. The term of this Agreement (the "Term") shall commence on October 1, 2026 (the "Effective Date"), and shall terminate on the earlier of: (i) October 1, 2027; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Article VII; (iv) at KEDC's sole and absolute discretion but only upon and subject to KEDC's return of all Grant funding to EIC that it has received under this Agreement; or, (v) upon KEDC's repayment of all monies that are demanded by EIC. Upon termination of this Agreement as specified herein, all rights, duties, and obligations of any kind under this Agreement shall automatically expire and terminate and be of no other force and effect.

H. Interpretation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arm's length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.

I. Indemnity. **IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES THAT KEDC, IN PERFORMING ITS OBLIGATIONS HEREUNDER, IS ACTING INDEPENDENTLY, AND EIC ASSUMES NO RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH TO KEDC. KEDC AGREES TO INDEMNIFY AND HOLD HARMLESS EIC, ITS OFFICERS AND AGENTS, AGAINST ANY AND ALL CLAIMS,**

LAWSUITS, JUDGMENTS, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS THAT MAY ARISE OUT OF OR BE OCCASIONED BY KEDC'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR BY ANY NEGLIGENT ACT OR OMISSION OF KEDC, ITS OFFICER, AGENTS, ASSOCIATES OR EMPLOYEES, IN THE PERFORMANCE OF THIS AGREEMENT; AND NOTHING HEREIN SHALL BE CONSTRUED AS A WAIVER OF ANY GOVERNMENTAL IMMUNITY AVAILABLE TO EIC UNDER TEXAS LAW.

J. No Joint Venture. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties.

K. Prohibition on Contracts with Companies Boycotting Israel. KEDC hereby verifies the following per Section 2271.002, Texas Government Code:

1. KEDC does not boycott Israel; and
2. KEDC will not boycott Israel during the term of the Agreement.

L. Prohibition Against Business with Iran, Sudan, or Foreign Terrorist Organization. KEDC warrants, covenants, and represents that KEDC is not engaged in business with Iran, Sudan, or any company identified on the list referenced in Section 2252.152, Texas Government Code.

M. Prohibition on Contracts with Companies Boycotting Energy Companies. KEDC hereby verifies the following per Section 2274.002, Texas Government Code:

1. KEDC does not boycott energy companies; and
2. KEDC will not boycott energy companies during the term of the Agreement.

N. Written Verification as to Firearm Entities. KEDC hereby verifies the following per Section 2274.002, Texas Government Code:

1. KEDC does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and

2. KEDC will not discriminate against a firearm entity or firearm trade association during the term of the Agreement.

O. Prohibition on Contracts with Companies Related to Certain Countries. Where this Agreement pertains to "critical infrastructure", as defined by Section 2274.0101, Texas Government Code, KEDC verifies (1) that it is not owned by or the majority of stock or other ownership interest of the company is not held

or controlled by: (a) individuals who are citizens of China, Iran, North Korea, Russia, or other designated countries; or (b) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or other designated countries; or (2) headquartered in China, Iran, North Korea, Russia, or other designated countries.

P. Survival of Terms. All rights, duties, liabilities and obligations accrued prior to termination shall survive termination.

Q. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof.

EXECUTED AND EFFECTIVE, as of the date indicated above, by the City of Kerrville, Texas, Economic Improvement Corporation, by and through its Board President, duly authorized to execute same by action of the Board, and by Kerrville Economic Development Corporation, acting through its Executive Director.

CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION

Celeste Hamman, President

KERRVILLE ECONOMIC DEVELOPMENT CORPORATION

Todd Bock, Executive Director

ATTEST:

Kesha Franchina, Secretary to the Corporation

APPROVED AS TO FORM:

William L. Tatsch, Attorney for the EIC

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EXHIBIT A

EXHIBIT A

KerrEDC Strategic Plan – FY 2026–2027 Update

Context & Direction

KerrEDC will continue its expanded leadership role in disaster recovery, economic revitalization, and long-term community resilience following the July 2025 and July 2026 floods.

As a key leadership partner in the Kerr Together Long-Term Recovery Group (KTLRG), KerrEDC will continue supporting coordinated recovery efforts, with particular emphasis on business recovery, economic stabilization, and long-term economic resilience.

During FY 2026–2027, KerrEDC will also strengthen its traditional economic development activities through structured employer engagement, expanded strategic partnerships, and workforce initiatives driven by the needs of local businesses.

Strategic Focus Areas

Economic Development: Business Retention, Workforce Development & Disaster Recovery

KerrEDC will focus on supporting existing employers, strengthening the local business environment, and developing a robust workforce pipeline that responds directly to industry needs. Continued disaster recovery will remain an integral component of these efforts, recognizing that long-term economic recovery requires both business stability and a skilled, adaptable workforce.

Key Priorities

- **Business Retention & Expansion (BRE):** Continue proactive employer outreach, including support for flood-impacted businesses, identification of growth opportunities, and assistance connecting businesses with available resources, financing, and technical assistance.
- **Disaster Recovery & Business Resilience:** Continue supporting KTLRG recovery initiatives, particularly business and economic recovery, while strengthening business continuity planning and long-term economic resilience.

- **Quarterly Employer Roundtables:** Implement a structured quarterly roundtable program engaging major employers, retail, education, and other key sectors to identify challenges, emerging opportunities, workforce needs, and collaborative solutions.
- **Employer-Driven Workforce Development:** Use direct employer input gathered through roundtables and BRE activities to identify workforce gaps, required skills, and training opportunities that inform workforce programming and education partnerships.
- **Strategic Partnerships & Talent Development:** Expand collaboration with educational institutions, workforce organizations, and industry partners to develop coordinated career pathways, internships, apprenticeships, certifications, and other training initiatives aligned with local employer demand.
- **Entrepreneurship & Small Business Support:** Continue connecting entrepreneurs and small businesses with technical assistance, mentoring, and resources that support recovery, sustainability, and growth.

Role within the KTLRG Framework

- Continue supporting the Business & Economic Recovery pillar in coordination with chambers, business associations, recovery organizations, and workforce partners.
- Utilize BRE outreach and employer engagement to identify ongoing recovery needs and connect businesses with appropriate resources.
- Support coordinated recovery initiatives that strengthen the local economy, preserve employment, and improve preparedness for future disruptions.

Expected Outcomes

- Retention and expansion of existing businesses and preservation of local jobs.
- Continued progress in business recovery and long-term economic resilience.
- Implementation of quarterly roundtables that produce actionable employer feedback and collaborative initiatives.
- Stronger alignment between employer workforce needs and education and training programs.
- Expanded partnerships that support career pathways and a sustainable local talent pipeline.
- Increased opportunities for workforce participation, skills development, and business growth.

TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT CORPORATION
CITY OF KERRVILLE, TEXAS

CAPTION: Discussion to reschedule, or cancel, the Economic Improvement Corporation (EIC) Fiscal Year 2027 January and February meetings as they fall on a holiday. (M Hornes, Assistant City Manager)

AGENDA DATE: November 16, 2026 **DATE SUBMITTED:** 11/9/2026

SUBMITTED BY:

EXHIBITS:
None

Expenditure: **Amount Budgeted:**
Account Number: **Account Balance:**
Payment to/Vendor name:

Kerrville 2050 Item? **Key Priority Area:**
No

SUMMARY:
The regular EIC January meeting falls on January 18, 2027, the Martin Luther King Holiday; and, the regular EIC February meeting falls on February 15, 2027, the President's Day Holiday. City Hall is closed on these holidays.

RECOMMENDED ACTION:
Reschedule, or cancel, the Economic Improvement Corporation (EIC) Fiscal Year 2027 January and February meetings.