



Tax Increment Reinvestment Zone #1 Meeting Agenda
August 13, 2025 at 3:00 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 72 hours before the meeting. Visitors are asked to limit their presentation to three minutes.*

3. **APPROVAL OF MINUTES:**

- 3.A Minutes from the regular Tax Increment Reinvestment Zone #1 (TIRZ #1) meeting held on June 11, 2025. (K Franchina, Deputy City Secretary)

4. **MONTHLY REPORTS:**

- 4.A Financial Report as of 08/05/2025
4.B Main Street Advisory Board Update (K Hagemeier)

5. **CONSIDERATION AND POSSIBLE ACTION:**

- 5.A Facade Grant
5.B Tax Increment Reinvestment Zone (TIRZ) #1 Proposed Budget for Fiscal Year 2026. (J Bogusch, Finance Compliance Coordinator)

6. **EXECUTIVE SESSION:** *TIRZ Board #1 may, as permitted by law, adjourn into executive session at any time to discuss any matter listed above if items meet the qualifications in Chapter 551 of the Texas Government Code.*

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

8. **ITEMS FOR FUTURE AGENDAS:** *Board member suggestions for 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 City Hall bulletin board, and on the City's website August 7, 2025 at 4:30pm, and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.
Shelley McElhannon, TRMC, City Secretary, City of Kerrville, Texas



**TO BE CONSIDERED BY THE TAX INCREMENT REINVESTMENT
ZONE #1
CITY OF KERRVILLE, TEXAS**

CAPTION: Minutes from the regular Tax Increment Reinvestment Zone #1 (TIRZ #1) meeting held on June 11, 2025. (K Franchina, Deputy City Secretary)

AGENDA DATE: August 13, 2025

DATE SUBMITTED: 06/16/2025

SUBMITTED BY:

EXHIBITS:

1. TIRZ Minutes 6-11-2025

Expenditure:

Account Number:

**Payment to/Vendor
name:**

Amount Budgeted:

Account Balance:

Kerrville 2050 Item?

No

Key Priority Area:

SUMMARY:

Minutes from the regular Tax Increment Reinvestment Zone #1 (TIRZ #1) meeting held on June 11, 2025. (K Franchina, Deputy City Secretary)

RECOMMENDED ACTION:

Approve minutes as presented.

**TAX INCREMENT REINVESTMENT ZONE #1
MINUTES**

**KERRVILLE, TEXAS
JUNE 11, 2025 3:00 PM**

On June 11, 2025 at 3:03 PM, Chair Judy Eychner called the Kerrville Tax Increment Reinvestment Zone #1 meeting to order in City Hall Council Chambers, 701 Main Street. Fred Gamble provided the invocation.

TIRZ MEMBERS PRESENT:

Judy Eychner, Chair
Andrew Gay
Fred Gamble
Katherine Howard
Brenda Hughes, Councilmember

TIRZ MEMBERS ABSENT:

Laura Fore
Crystal Smith
Bruce Stracke

CITY EXECUTIVE STAFF:

Dalton Rice, City Manager
Mike Hayes, City Attorney
Julie Behrens, Director of Finance
Jacob Bogusch, Compliance Coordinator
Kesha Franchina, Deputy City Secretary
Kelly Hagemeyer, Economic Development
Manager

VISITORS PRESENT:

None.

CALL TO ORDER:

Chair Judy Eychner called the meeting to order at 3:03 pm.

1. **INVOCATION:**

Fred Gamble led the 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 72 hours before the meeting. Visitors are asked to limit their presentation to three minutes.*

There were no citizen speakers.

3. **APPROVAL OF MINUTES:**

3.A Minutes from the Tax Increment Reinvestment Zone (TIRZ) #1 meeting held on March 12, 2025. (K Franchina, Deputy City Secretary)

Katherine Howard made a motion to approve the minutes as presented, seconded by

Fred Gamble. The motion passed 4-0.

3.B Minutes from the Tax Increment Reinvestment Zone (TIRZ) #1 meeting held on March 26, 2025. (K Franchina, Deputy City Secretary)

Fred Gamble made a motion to approve the minutes as presented, seconded by Katherine Howard. The motion passed 4-0.

4. **MONTHLY REPORTS:**

Chair Eychner introduced Councilmember Brenda Hughes as the liaison to the TIRZ board.

4.A Financial Report as of 05-31-2025. (J Bogusch, Finance Compliance Coordinator)

Jacob Bogusch presented the financial report update and responded to questions.

5. **CONSIDERATION AND POSSIBLE ACTION:**

5.A Requesting funding consideration of \$50,000 for a Facade Improvement Grant for businesses within TIRZ #1. (K Hagemeyer, Economic Development Manager)

Kelly Hagemeyer was introduced as the Economic Development Manager. She presented the funding request. Kelly, Dalton Rice, and Julie Behrens responded to questions. No action was taken.

Citizen speakers were as follows:

Larry Howard

6. **INFORMATION AND DISCUSSION:**

6.A Overview of TIRZ Board procedures. (J Behrens, Director of Finance)

Julie Behrens presented an overview of the TIRZ procedural rules and responded to questions.

There was no Executive Session.

7. **EXECUTIVE SESSION:** *The Tax Increment Reinvestment Zone #1 members may, as permitted by law, adjourn into executive session at any time to discuss any matter listed above if items meet the qualifications in Chapter 551 of the Texas Government Code.*

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

9. **ITEMS FOR FUTURE AGENDAS:**

Chair Eychner requested a future workshop to discuss the updated 2050 Comprehensive Plan, procedures, and brainstorming.

ADJOURN.

Chair Eychner adjourned the meeting at 4:00 pm.

APPROVED BY TIRZ #1: _____

APPROVED:

Judy Eychner, Chair

ATTEST:

Kesha Franchina, Deputy City Secretary



**TO BE CONSIDERED BY THE TAX INCREMENT REINVESTMENT
ZONE #1
CITY OF KERRVILLE, TEXAS**

CAPTION: Financial Report as of 08/05/2025

AGENDA DATE: August 13, 2025

DATE SUBMITTED: 06/03/2025

SUBMITTED BY:

EXHIBITS:

1. TIRZ #1 Financial Report as of 08/05/2025

Expenditure:

Amount Budgeted:

Account Number:

Account Balance:

**Payment to/Vendor
name:**

Kerrville 2050 Item?

Key Priority Area:

SUMMARY:

RECOMMENDED ACTION:

TAX INCREMENT REINVESTMENT ZONE #1 (DOWNTOWN TIRZ)



FINANCIAL REPORT AS OF 08-05-2025



FY2025 YEAR-TO-DATE REVENUES & EXPENDITURES

FY2025 Beginning Fund Balance:	\$641,190
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Revenue

FY2025 Collections Through 08/05/2025:	867,081
Base Year Actual Collections:	542,237
Increment Collected as of 08/05/2025:	<u>324,844</u>

Percentage Outstanding	2.46%
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FY2025 Interest Revenue to date:	<u>26,929</u>
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FY2025 Total Revenue Collected as of 08/05/2025	<u>351,773</u>
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Expenditures

YTD Expenses as of 08/05/2025:	25
FY2025 Total Expenses as of 08/05/2025	<u>25</u>

FY2025 Updated Fund Balance as of 08/05/2025:	\$992,938
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Note: * The Texas Department of Agriculture (TDA) Downtown Revitalization Program (DRP) Grant funding that was approved by the TIRZ board in March is not shown in the cashflow above. This is because City Staff are certain that this funding will not be expensed in FY2025. This grant expense has been budgeted for in the FY2026 Proposed Budget.

TIRZ #1 FY2025 FUND AT A GLANCE

	FY2025 Original Budget	FY2025 Activity Through 08/05/2025	FY2025 Year End Estimate
Beginning Fund Balance	\$ 641,190	\$ 641,190	\$ 641,190
Revenues			
Property Tax	339,470	324,844	339,470
Total Tax Revenue	339,470	324,844	339,470
Interest Revenue	25,574	26,929	28,000
Total Interest and Miscellaneous	25,574	26,929	28,000
Total Revenues	365,044	351,773	367,470
Expenditures			
Office Supplies	-	25	25
Total Supplies	-	25	25
Project Contribution	-	-	-
Total Transfer Out	-	-	-
Total Expenditures	-	25	25
Net Revenue (Expenditures)	365,044	351,748	367,445
Ending Fund Balance	\$ 1,006,233	\$ 992,938	\$ 1,008,635

Questions?



**TO BE CONSIDERED BY THE TAX INCREMENT REINVESTMENT
ZONE #1
CITY OF KERRVILLE, TEXAS**

CAPTION: Main Street Advisory Board Update (K Hagemeyer)

AGENDA DATE: August 13, 2025

DATE SUBMITTED: 06/30/2025

SUBMITTED BY:

EXHIBITS:

None

Expenditure:

Account Number:

**Payment to/Vendor
name:**

Amount Budgeted:

Account Balance:

Kerrville 2050 Item?

Key Priority Area:

SUMMARY:

RECOMMENDED ACTION:



**TO BE CONSIDERED BY THE TAX INCREMENT REINVESTMENT
ZONE #1
CITY OF KERRVILLE, TEXAS**

CAPTION: Facade Grant

AGENDA DATE: August 13, 2025

DATE SUBMITTED: 06/05/2025

SUBMITTED BY:

EXHIBITS:

None

Expenditure: \$50,000

Amount Budgeted: NA

Account Number: NA

**Payment to/Vendor
name:**

Kerrville 2050 Item?

Yes

Key Priority Area:

D – Downtown Revitalization, E –
Economic Development

SUMMARY:

Presentation to TIRZ to consider including funding in the FY2026 Proposed Budget for facade grants to focus on business retention.

RECOMMENDED ACTION:

Approve project for inclusion in FY2026 Proposed Budget.



**TO BE CONSIDERED BY THE TAX INCREMENT REINVESTMENT
ZONE #1
CITY OF KERRVILLE, TEXAS**

CAPTION: Tax Increment Reinvestment Zone (TIRZ) #1 Proposed Budget for Fiscal Year 2026. (J Bogusch, Finance Compliance Coordinator)

AGENDA DATE: August 13, 2025

DATE SUBMITTED: 08/06/2025

SUBMITTED BY:

EXHIBITS:

1. Tax Increment Reinvestment Zone (TIRZ) #1 Proposed Budget for Fiscal Year 2026

Expenditure:

Amount Budgeted:

Account Number:

Account Balance:

**Payment to/Vendor
name:**

Kerrville 2050 Item?

Key Priority Area:

SUMMARY:

RECOMMENDED ACTION:

Approve the Fiscal Year 2026 Budget as presented.

(TIRZ #1)

FY2026 PROPOSED BUDGET

AUGUST 13, 2025





FY2026 Citywide Budget

- Conservative revenue assumptions
- Flood response and recovery
- Reduced transfers to sustainability funds
- Continued focus on citywide assets
- Progress on Community Investment Plan (CIP) projects
- Shifted revenue-generating departments to self-supporting business-type funds
- “Kerrville Strong. Kerrville United”

CERTIFIED ROLL COMPARISON

- Base Value FY2019: \$ 97,488,489
- Value FY2025: \$155,813,621
- Value FY2026: \$159,757,729
 - Increase in Value:
 - Single Family Residence Value
 - Commercial Real Property
 - Totally Exempt Property
- FY2025 New Value: \$ 527,904
- FY2026 New Value: \$1,283,116
- TIRZ #1 Total Property Count: 590
 - Unsettled Protests as of 07-25-2025: 11 (approximately \$4.5M)

TIRZ #1 HISTORICAL DATA

• FY2020 Property Tax Revenue:	\$ 22,899
• FY2021 Property Tax Revenue:	\$ 35,641
• FY2022 Property Tax Revenue:	\$ 51,112
• FY2023 Property Tax Revenue:	\$302,040
• FY2024 Property Tax Revenue:	\$327,564
• FY2025 Property Tax Revenue Budget:	\$339,470
• FY2026 Property Tax Revenue Proposed Budget:	\$302,836

Notes:

- FY2026 Property Tax Revenue Proposed Budget will be dependent on the Property Tax Rate adopted by City Council Adopts
- TIRZ budget is assuming that City Council adopts the proposed rate
- FY2026 Proposed Property Tax Rate: \$0.5579 per \$100 of appraised value
- Revenue Methodology
 - Reduced the property tax collection rate from 99% to 97.5% in anticipation of exemptions related to lost value from flood damage.
 - Using KCAD estimated lost value, calculated revenue loss and reduced budget.
 - Property owners have up to 105 days from the July 5, 2025, Governor's Disaster Declaration to apply for these exemptions.
 - Will review updated roll after exemptions have been filed and advise TIRZ board of any changes in estimations.

TIRZ #1 HISTORICAL DATA

TIRZ #1 Projects 2019 - Present		
Project Name	Fiscal Year	Total Funding
Community Development Block Grant (CDBG) Downtown Revitalization	2023	52,500
ADA Accessibility Clay & Water St. Intersection	2023	40,000
Downtown Comprehensive Plan Update	2024	50,000
*Texas Department of Agriculture's (TDA) Downtown Revitalization Program (DRP) Grant	2026	100,000
Total Active/Completed and Committed:		\$ 242,500

Note: * No solid information regarding TDA grant at this time. Because the board approved this, it is included in FY2026 budget.

FY2026 PROPOSED BUDGET

	FY2024 Actual	FY2025 Original Budget	FY2025 Estimate	FY2026 Proposed Budget	\$ Change	% Change
Beginning Fund Balance	\$ 327,985	\$ 641,190	\$ 641,190	\$ 1,008,635		
Revenues						
Property Tax	327,564	339,470	339,470	302,836	(36,634)	-10.8%
Total Tax Revenue	327,564	339,470	339,470	302,836	(36,634)	-10.8%
Interest Revenue	35,640	25,574	28,000	31,403	5,829	22.8%
Total Interest and Miscellaneous	35,640	25,574	28,000	31,403	5,829	22.8%
Total Revenues	363,205	365,044	367,470	334,239	(30,805)	-8.4%
Expenditures						
Office Supplies	-	-	25	50	-	-
Total Supplies	-	-	25	50	50	-
Project Contribution	50,000	-	-	100,000	-	-
Total Transfer Out	50,000	-	-	100,000	-	-
Total Expenditures	50,000	-	25	100,050	-	
Net Revenue (Expenditures)	313,205	365,044	367,445	234,189		
Ending Fund Balance	\$ 641,190	\$ 1,006,233	\$ 1,008,635	\$ 1,242,823		

- FY2025 Fund Balance:
 - Beginning \$641,190
 - Ending (estimated) \$1,008,635
- FY2026 Proposed Budget Assumes City's Proposed Property Tax Rate
 - \$0.5579 / \$100 Assessed Value
 - Reduction from FY2025 Property Tax rate of \$0.5595
- FY2026 Estimated Ending Fund Balance: \$1,242,823

*TDA Grant approved by TIRZ \$100K. No update at this time.



QUESTIONS?