



Tax Increment Reinvestment Zone #1 Meeting Agenda
October 8, 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 Tax Increment Reinvestment Zone #1. 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. **CONSIDERATION AND POSSIBLE ACTION:**

3.A Approval of the Exterior Enhancement Grant Program and funding in an amount not to exceed \$50,000 for Fiscal Year 2025-26. (*K Hagemeyer, Economic Development Manager*)

4. **EXECUTIVE SESSION:** *The Tax Increment Reinvestment Zone #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. The Tax Increment Reinvestment Zone #1 also reserves the right to meet in executive session on the following issue(s):*

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

6. **ITEMS FOR FUTURE AGENDAS:** *Tax Increment Reinvestment Zone #1 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: 10/2/2025 at 11:00 a.m., and remained posted continuously for at least 3 business days preceding the scheduled time of the meeting.

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



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

CAPTION: Approval of the Exterior Enhancement Grant Program and funding in an amount not to exceed \$50,000 for Fiscal Year 2025-26. (*K Hagemeyer, Economic Development Manager*)

AGENDA DATE: October 8, 2025

DATE SUBMITTED: 09/12/2025

SUBMITTED BY:

EXHIBITS:

1. Exterior Grant Program Policy DRAFT_100125

Expenditure: 50,000

Amount Budgeted: 0

Account Number:

Account Balance:

**Payment to/Vendor
name:**

Kerrville 2050 Item?

Yes

Key Priority Area:

E – Economic Development, D – Downtown
Revitalization

SUMMARY:

Purpose: The City of Kerrville remains committed to the promotion and retention of high-quality development in the City and seeks an economic development program designed to encourage visual improvements and enhancements to publicly visible areas of properties within TIRZ #1, to include commercial, retail, and other properties open to the public.

Overview: The program affects only building exteriors, publicly visible areas, and does not account for interior spaces. The effort is to improve curb appeal and promote economic vitality.

Eligibility: Either the property owner or the business owner (tenant) is eligible for funding. The prioritized exterior improvements include, but are not limited to: painting, cleaning, tuck pointing, facade and window repair or replacement, doorways, lighting, new signage, window tinting, awning replacement, permanent landscaping, parking lots, patio seating, dumpster enclosure.

Criteria: Applications will be reviewed by a grant committee, which will evaluate each

project against the Assessment Standards. Applicants must be ready to begin construction within 90 days of grant approval and complete all improvements within one year of approval.

Action (Motion): Requesting approval and recommendation to Council of the Exterior Enhancement Grant Program and funding in an amount not to exceed \$50,000 toward reimbursable matching funds in which applicants may receive up to \$5,000 for a specific project within TIRZ #1.

Application deadline: Friday, January 16, 2026

RECOMMENDED ACTION:

Approval and recommendation of the Exterior Enhancement Grant Program and funding in an amount not to exceed \$50,000 for Fiscal Year 2025-26.

CITY OF KERRVILLE TIRZ #1 EXTERIOR ENHANCEMENT GRANT PROGRAM

I. General Statement of Purpose and Policy.

A. The City of Kerrville (City) remains committed to the promotion and retention of high-quality development in the City and to ongoing and continuous improvements to the quality of life for its citizens. The City, pursuant to Chapter 311 of the Texas Tax Code, previously designated a geographic area within the City's downtown core as a tax increment reinvestment zone (TIRZ). Further, the City designated the TIRZ as "Reinvestment Zone Number One, City of Kerrville, Texas" (TIRZ #1) and created a TIRZ #1 Board of Directors (Board) to make recommendations to City Council concerning the administration, management, and operation of TIRZ #1. The City, pursuant to the recommendation and approval of the Board, has developed this Exterior Enhancement Grant Program (Program), which is designed to encourage visual improvements and enhancements to publicly visible areas of properties within TIRZ #1, to include commercial, retail, and other properties open to the public. The Board seeks to enhance its economic development efforts by allocating TIRZ funds for the Program.

B. The City establishes this Program in an effort to improve curb appeal and promote economic vitality within the TIRZ #1, thereby enhancing the City's economic base and a higher quality of life of City residents.

C. In furtherance of these objectives, the City will award grant funds pursuant to this Program on a case-by-case bases and subject to available funding. An applicant may receive up to \$5,000 from the City for a specific project. All grant awards shall be made on a matching basis, whereby the applicant is required to contribute an amount equal to or greater than the grant funds requested.

D. Nothing in this Program is intended to imply or suggest that the City is obligated to provide an economic grant to an applicant. The City will consider each applicant on a case-by-case basis. The City's decision to approve or deny an economic grant is at the sole discretion of the City pursuant to the requirements and parameters specified in this Program. Each applicant approved for funding under this Program must enter into an agreement with the City, such agreement substantially in the form attached as **Exhibit A**. The agreement will set forth all terms required pursuant to the Program, reference other applicable City regulations, and ensure that a proposed project and the use of public funds will serve the public interest by providing

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a public benefit in exchange for the grant, and thereby support economic development within the City.

II. Program Requirements.

A. To be considered for a grant under this Program, each applicant and his or her project must meet the following requirements:

1. For the project:

a. must be located within the boundaries of TIRZ #1;

b. must be for exterior public facing improvements, to include:

1. Painting, cleaning, tuckpointing;
2. Façade and window repair or replacement;
3. Doorway, lighting, signage (new or replacement);
4. Window tinting, awning replacement;
5. Permanent landscaping, parking lot improvements; and
6. Patio seating, dumpster enclosures;

c. an applicant must provide proof of property ownership and/ or project approval from the property's owner;

d. an applicant must start construction within ninety (90) days of receiving grant approval and thereafter, complete the project within one (1) year;

e. all applications must be submitted to the City within the stated deadline for the Program. The City will cite the application period and deadline on its webpage for the Program.

B. The City will not award grant funding to any project that has already begun, has been completed, and/or has a current valid permit from the City, prior to the submission of an application. All applications will be reviewed by a grant committee, which will evaluate each project against the Assessment Standards (**Exhibit B**). Following this review, the City will notify applicants whether the committee approved the project and whether a City permit is required.

III. Application Process.

A. Applicants should make themselves familiar with Program and City permitting requirements for the desired work to be undertaken.

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B. Applicants must utilize the City's online application, which includes submission of the following information:

1. applicant contact information;
2. address of proposed improvement;
3. property owner's information and project approval if required;
4. photos of existing structure or area for improvement;
5. description, outline, or illustration of proposed improvements;
6. Itemized written work estimates.

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EXHIBIT A

EXTERIOR ENHANCEMENT GRANT AGREEMENT

This **Exterior Enhancement Grant Agreement** (Agreement) is made by and between the **City of Kerrville, Texas** (City), and _____, a Texas _____ (Owner), collectively the “Parties” or singularly a “Party”, and acting by and through their respective authorized officers.

WITNESSETH:

WHEREAS, City Council, pursuant to Chapter 311 of the Texas Tax Code and its adoption of Ordinance No. 2018-19, previously designated a geographic area within the City’s downtown core as a tax increment reinvestment zone (TIRZ); and

WHEREAS, City Council designated the TIRZ as “Reinvestment Zone Number One, City of Kerrville, Texas” (TIRZ #1) and created a TIRZ #1 Board of Directors (Board) to make recommendations to City Council concerning the administration, management, and operation of TIRZ #1; and

WHEREAS, the Board recommended that City Council adopt an Exterior Enhancement Grant Program (Program) for promoting economic development within TIRZ #1, and this Agreement and the economic development incentive set forth herein, is given and provided by City pursuant to and in accordance with this Program; and

WHEREAS, Owner is the owner of the property and/or business located at _____, Kerrville, Texas (the Improvement); and

WHEREAS, Owner advises City that a contributing factor that would induce Owner to make certain improvements to the exterior of the Improvement would be an agreement with City to provide an exterior enhancement grant to Owner to defray a portion of the costs to construct and/or install the Exterior Improvements (hereinafter defined); and

WHEREAS, City, in accordance with the Program, desires to encourage private development within TIRZ #1 that will add property tax base and generate additional sales tax and other revenue for City; and

WHEREAS, promoting the marketability of properties within TIRZ #1, to include commercial, retail, and other properties open to the public, which will promote economic development, stimulate commercial activity, and/or generate additional sales tax and/or enhance the property tax base and economic vitality of City; and

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WHEREAS, City has determined that making an economic development grant to Owner in accordance with this Agreement will further the objectives of City, will benefit City and City's inhabitants, and will promote local economic development within the TIRZ by in part, stimulating business and commercial activities in the City;

NOW THEREFORE, in consideration of the foregoing and other consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Article I Definitions

"Commencement of Construction" means that: (i) all approvals or permits required by applicable governmental authorities have been obtained for construction and/or installation of the Exterior Improvements; and, (ii) such work related to the Exterior Improvements has commenced.

"Completion of Construction" means that: (i) substantial completion of the Exterior Improvements has occurred; and (ii) City has conducted any required inspection of the completed Exterior Improvements.

"Effective Date" means the date this Agreement is fully executed by the Parties.

"Expiration Date" means one year (365 days) after the date of Completion of Construction.

"Exterior Improvements" means any renovation or improvement to the exterior of the Improvement, which scope of work is specifically described in **Exhibit A**.

"Exterior Grant" means an economic development grant in the amount of _____ and No/100 Dollars (\$____.00), to be paid as set forth herein.

"Force Majeure" means any contingency or cause beyond the reasonable control of a Party directly impacting the Owner or Improvement, including acts of God or the public enemy; war, riot, civil commotion, insurrection; government or de facto governmental action, unless caused by acts of omissions of the Party; fires, explosions, or floods; strikes, slowdowns, or work stoppages.

"Improvement" means the building located at _____, Kerrville, Texas.

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“Payment Request” means a written request from Owner to City for payment of the Exterior Grant accompanied by: (i) copies of paid invoices, receipts and proof of payment such as credit card receipts or cancelled checks for the costs incurred and paid by Owner for the Exterior Improvements; (ii) digital photographs of the Improvement prior to and following Completion of Construction of the Exterior Improvements; and (iii) such other information, as may reasonably be requested by City.

“Required Use” means the continuous occupancy and use of the Improvement for a retail business, professional office, or other property open to the public and serving the citizens of the City.

Article II Term

The term of this Agreement begins on the Effective Date and continues until the Expiration Date, unless sooner terminated as provided herein.

Article III Exterior Improvements

3.1 Exterior Improvements. Owner shall, subject to an event of Force Majeure, cause Commencement of Construction of the Exterior Improvements to occur within ninety (90) days after the Effective Date; and subject to events of Force Majeure, cause Completion of Construction to occur within twelve (12) months thereafter.

3.2 Design and Construction Standards. Owner shall design and construct and/or install the Exterior Improvements in accordance with a) plans approved by City; and b) applicable ordinances, regulations and local laws. Owner shall submit plans for the design and construction of the Exterior Improvements to City and use best efforts to obtain approval and/or any permits within thirty (30) days after the Effective Date.

Article IV Economic Development Grant

4.1 Subject to the obligation of Owner to repay the Exterior Grant pursuant to Section 6.2 hereof, and the continued satisfaction of all terms and conditions of this Agreement by Owner, City agrees to provide Owner with the Exterior Grant to be paid in a single lump sum payment within thirty (30) days after City’s receipt of the Payment Request following Completion of Construction and City’s verification of costs paid and incurred by Owner for the Exterior Improvements. Failure of Owner to submit a Payment Request for the Exterior Grant within sixty (60) days after

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Completion of Construction of the Exterior Improvements shall result in forfeiture of the City's payment of the Exterior Grant.

4.2 The City shall pay the Exterior Grant solely from lawful available funds as accounted to the TIRZ. City shall not be obligated to pay any commercial bank, lender, or similar institution for any loan or credit agreement made by Owner. None of the obligations of City under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution without the prior written consent of City.

Article V Conditions to Economic Development Grant

The obligation of City to pay the Exterior Grant shall be conditioned upon the compliance and satisfaction by Owner of the terms and conditions of this Agreement and each of the following conditions.

5.1 Payment Request. Owner shall, as a condition precedent to the payment of the Exterior Grant, provide City with a Payment Request.

5.2 Good Standing. Owner shall not have an uncured breach or default of this Agreement.

5.3 Required Use. During the term of this Agreement, the Improvements shall not be used for any purpose other than the Required Use and the occupancy and operation of the Improvement shall not cease for more than thirty (30) days, except in connection with and to the extent of Force Majeure.

5.4 Exterior Improvement Plans. Owner shall submit plans and scope of the Exterior Improvements to City for City's approval.

Article VI Termination; Repayment

6.1 Termination. This Agreement shall terminate upon any one of the following:

- (a) by mutual written agreement of the Parties;
- (b) on the Expiration Date;
- (c) by either Party, if the other Party defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within thirty (30) days after written notice thereof; and

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- (d) by either Party, if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal, or unenforceable.

6.2. Repayment. In the event the Agreement is terminated by City pursuant to Section 6.1(c), Owner shall immediately repay City an amount equal to the Exterior Grant previously paid by City to Owner immediately preceding the date of such termination.

Article VII Miscellaneous

7.1 Binding Agreement. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the Parties.

7.2 Limitation on Liability/Indemnification. It is understood and agreed between the Parties that Owner and City, in satisfying the conditions of this Agreement, have acted independently and City assumes no responsibilities or liabilities to third parties in connection with these actions. **OWNER AGREES TO INDEMNIFY AND HOLD HARMLESS CITY AND ITS OFFICIALS, EMPLOYEES, AND AGENTS FROM ALL CLAIMS, SUITS, AND CAUSES OF ACTIONS, LIABILITIES AND EXPENSES, INCLUDING ATTORNEY'S FEES, OF ANY NATURE WHATSOEVER BY A THIRD PARTY ARISING OUT OF OWNER'S PERFORMANCE UNDER THIS AGREEMENT.**

7.3 No Joint Venture. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture between the Parties.

7.4 Notice. Any notice required pursuant to this Agreement shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below or on the day actually received if sent by courier or otherwise hand delivered:

If intended for City, to:

Attn: Dalton Rice
City Manager
City Kerrville
City Hall, 701 Main
Kerrville, Texas 78028

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If intended for Owner, to:

Attn: _____

Kerrville, Texas 78028

7.5 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

7.6 Severability. In the event any section, subsection, paragraph, sentence, phrase, or word herein is held invalid, illegal, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable, and shall be read as if the Parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase, or word.

7.7 Governing Law. This Agreement shall be governed by the laws of the State of Texas without regard to any conflict of law rules. Exclusive venue for any action under this Agreement shall be in a court within Kerr County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

7.8 Entire Agreement. This Agreement embodies the complete agreement of the Parties, superseding all oral or written previous and contemporary agreements between the Parties and relating to the matters in this Agreement, and except as otherwise provided, cannot be modified without written agreement of the Parties to be attached to and made a part of this Agreement.

7.9 Recitals. The determinations recited and declared in the preambles to this Agreement are incorporated herein as part of this Agreement.

7.10 Exhibits. The exhibit(s) to this Agreement is incorporated herein by reference for all purposes wherever reference is made to the same.

7.11 Assignment. This Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns. This Agreement may not be assigned by Owner without the prior written consent of the City Manager, which consent shall not be unreasonably withheld, conditioned, or delayed.

7.12 Employment of Undocumented Workers. During the term of this Agreement, Owner agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), Owner shall repay the

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Exterior Grant within one hundred twenty (120) days after the date Owner is notified by City of such violation.

7.13 Prohibition Against Business with Iran, Sudan, or Foreign Terrorist Organization. Owner hereby verifies that Owner is not engaged in business with Iran, Sudan, or any company identified on the list referenced in Section 2252.152, Texas Government Code.

SIGNED AND AGREED on this _____ day of _____, 2025.

CITY OF KERRVILLE, TEXAS

By: _____
Dalton Rice, City Manager

ATTEST:

Shelley McElhannon, City Secretary

APPROVED AS TO FORM:

Michael C. Hayes, City Attorney

SIGNED AND AGREED on this _____ day of _____, 2025.

By: _____

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**Exhibit A
Description of Exterior Improvements**

EXHIBIT B

Assessment Standards

Below is the evaluation criteria and point system that will be used to review each of the submitted projects.

Assessment Factor	Possible Points	Score
Professional quality of design	10	
Consistency of design with business activity, design guidelines, and surrounding commercial structures	20	
Proposed improvements are sufficient to improve the aesthetics of the structure/site	30	
Improvement of property will significantly impact the revitalization efforts of the City	40	
TOTAL SCORE RECEIVED	100	