



**Tax Increment Reinvestment Zone #1
Meeting Agenda
August 12, 2026 at 3:00 PM
City Hall, 701 Main Street, Kerrville, Texas**



CALL TO ORDER:

1. **INVOCATION AND PLEDGE OF ALLEGIANCE:**

2. **VISITORS/CITIZENS FORUM:** *Any citizen with business not scheduled on the agenda may speak to the Board. 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 Tax Increment Reinvestment Zone #1 (TIRZ #1) meeting held on May 13, 2026. (K Franchina, Deputy City Secretary)

4. **MONTHLY REPORTS:**

4.A Tax Increment Reinvestment Zone #1 (TIRZ #1) Funding Increase, Flood Recovery and Future Projects Discussion. (M Hornes, Assistant City Manager)

4.B Financial Report. (J Bogusch, Budget and Finance Manager)

5. **CONSIDERATION AND POSSIBLE ACTION:**

5.A Fiscal Year 2027 Proposed Budget Presentation. (J Bogusch, Finance and Budget Manager)

5.B Consider amending the Exterior Enhancement Grant. (M Hornes, Assistant City Manager)

5.C Consider amending the Parking Lot Enhancement Grant. (M Hornes, Assistant City Manager)

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

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

8. **ITEMS FOR FUTURE AGENDAS:** *The Tax Increment Reinvestment Zone #1 board members 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: 8/6/2026 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, Deputy 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 May 13, 2026. (K Franchina, Deputy City Secretary)

AGENDA DATE: August 12, 2026

DATE SUBMITTED: 06/30/2026

SUBMITTED BY:

EXHIBITS:

1. TIRZ Minutes 5-13-2026

Expenditure:

Account Number:

**Payment to/Vendor
name:**

Amount Budgeted:

Account Balance:

Kerrville 2050 Item?

No

Key Priority Area:

SUMMARY:

Staff to present.

RECOMMENDED ACTION:

Approve minutes as presented.

**TAX INCREMENT REINVESTMENT ZONE #1
MEETING MINUTES**

**KERRVILLE, TEXAS
MAY 13, 2026 3:00 PM**

On May 13, 2026 at 3:00 PM, Chair Judy Eychner called the Kerrville Tax Increment Reinvestment Zone #1 meeting to order in City Hall Council Chambers, 701 Main Street. Jack Peterson provided the invocation.

TIRZ MEMBERS PRESENT:

Judy Eychner, Chair
Andrew Gay
Clint Orms
Jack Peterson
Sue Schulse
Crystal Smith, Councilmember (not voting)

TIRZ MEMBERS ABSENT:

Laura Fore

CITY EXECUTIVE STAFF:

Michael Hornes, Asst City Manager
Kim Meismer, Asst City Manager
Kesha Franchina, Deputy City Secretary
Kelly Hagemeyer, Economic Development Manager

VISITORS PRESENT: None.

CALL TO ORDER:

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

2. **APPROVAL OF MINUTES:**

2.A Minutes from the regular Tax Increment Reinvestment Zone #1 (TIRZ #1) meeting held on March 11, 2026. (K Franchina, Deputy City Secretary)

Jack Peterson made a motion to approve the minutes, seconded by Andrew Gay. The motion passed 5-0.

3. **MONTHLY REPORTS:**

3.A Update on Exterior Enhancement Grant. (K Hagemeyer, Economic Development Manager)

Kelly Hagemeyer presented the update. She, and Michael Hornes, responded to questions.

3.B Cultural & Arts District Advisory Board project and grant funding update including TCA Arts Respond and Cultural District Project grants. (K Hagemeyer, Economic Development Manager)

Kelly Hagemeyer presented the grant funding update and responded to questions.

4. **CONSIDERATION AND POSSIBLE ACTION:**

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

Kelly Hagemeyer presented the Parking Lot Grant Program. She, and Michael Hornes, responded to questions.

Chair Judy Eychner motioned to approve the grant, seconded by Andrew Gay. The motion passed 5-0.

4.B Approval of funding to restore the public restroom located on Water Street not to exceed \$5,000. (K Hagemeyer, Economic Development Manager)

Kelly Hagemeyer presented the public restroom restoration request. She, and Michael Hornes, responded to questions.

Andrew Gay motioned to approve, seconded by Sue Schulse. The motion passed 5-0.

5. **EXECUTIVE SESSION:**

The Tax Increment Reinvestment Zone #1 (TIRZ #1) did not convene in closed executive session.

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

None.

7. **ITEMS FOR FUTURE AGENDAS:**

Chair Eychner recognized Crystal Smith as the new City Council Member, noting Councilmember Smith will no longer be a voting member.

Michael Hornes announced that Kelly Hagemeyer has accepted a position as Project Manager with the Long-term recovery group.

ADJOURN.

Chair Eychner adjourned the meeting at 4:02 pm.

APPROVED BY TIRZ: _____

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: Tax Increment Reinvestment Zone #1 (TIRZ #1) Funding Increase, Flood Recovery and Future Projects Discussion. (M Hornes, Assistant City Manager)

AGENDA DATE: August 12, 2026

DATE SUBMITTED: 08/05/2026

SUBMITTED BY:

EXHIBITS:

None

Expenditure:

Account Number:

**Payment to/Vendor
name:**

Amount Budgeted:

Account Balance:

Kerrville 2050 Item?

No

Key Priority Area:

SUMMARY:

Consider increasing TIRZ project funding through façade and parking improvement grants, TIRZ funding for flood recovery business efforts, supporting future projects, and extending grant deadlines.

Following the recent flood, more than 50 businesses identified through KERRTogether have requested assistance to rebuild and recover, including repairs and improvements to parking lots, building exteriors, and other exterior infrastructure. Consider amending the Exterior Enhancement Grant and Parking Lot Grant programs by removing the matching grant requirement and the \$50,000 maximum funding cap to provide flexibility and allow funding levels to be determined based on each business's individual recovery needs.

RECOMMENDED ACTION:

Consider amending program for the Parking Lot Improvement Grant; Consider amending the program to the Façade Improvement Grant.



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

CAPTION: Financial Report. (J Bogusch, Budget and Finance Manager)

AGENDA DATE: August 12, 2026

DATE SUBMITTED: 07/30/2026

SUBMITTED BY:

EXHIBITS:

1. Financial Presentation - TIRZ #1 August Meeting

Expenditure:
Account Number:
Payment to/Vendor
name:

Amount Budgeted:
Account Balance:

Kerrville 2050 Item?
No

Key Priority Area:

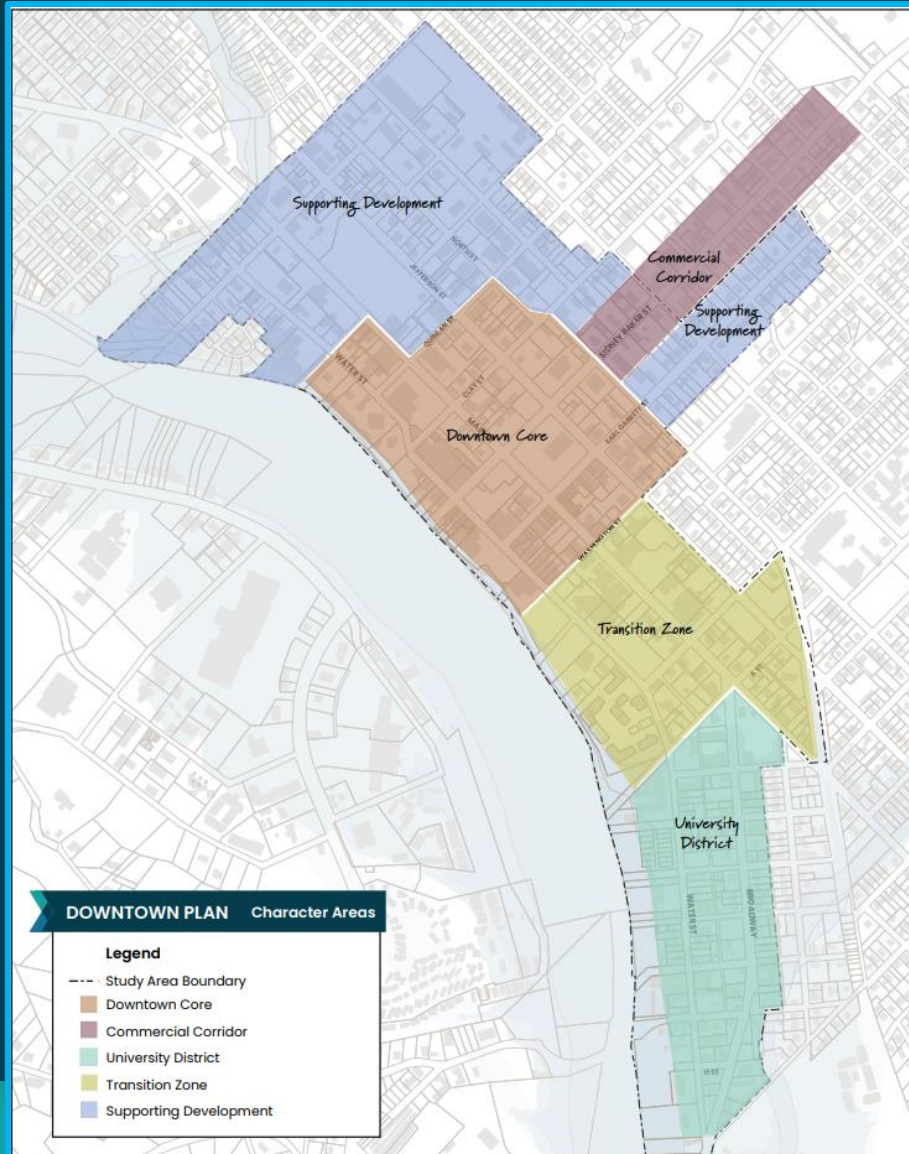
SUMMARY:

Financial Report - TIRZ #1.

RECOMMENDED ACTION:

Information only; no action required.

TAX INCREMENT REINVESTMENT ZONE #1 (TIRZ #1)



**FINANCIAL UPDATE
AS OF
JULY 31, 2026**



FINANCIAL UPDATE

		FY2026 YTD		FY2026
	FY2026	Budget	FY2026 YTD	Better / (Worse)
	Budget	Estimate	Activity	Than Budget
Beginning Fund Balance	\$ 1,009,683	\$ 1,009,683	\$ 1,009,683	
Revenues				
Property Tax	302,836	301,019	364,679	63,660
Total Tax Revenue	302,836	301,019	364,679	63,660
Interest Revenue	31,403	26,158	33,976	7,818
Total Interest and Miscellaneous	31,403	26,158	33,976	7,818
Total Revenues	334,239	327,177	398,655	71,478
Expenditures				
Office Supplies	50	50	110	(60)
Total Supplies	50	50	110	(60)
Project Contribution	150,000	50,000	11,493	38,507
Total Transfer Out	150,000	50,000	11,493	38,507
Total Expenditures	150,050	50,050	11,603	38,447
Net Revenue (Expenditures)	184,189	277,127	387,053	
Ending Fund Balance	\$ 1,193,872	\$ 1,286,810	\$ 1,396,736	

FY2026 Revenues

- Budgeted Property Tax conservatively based on Preliminary Flood Damage Estimates provided by KCAD
- Better than Budget Estimate: \$71K

FY2026 Expenditures/Commitments

- \$50K – Exterior Enhancement Grants
 - Paid out \$11K through 07/31/26
- \$50K – Parking Lot Enhancement Grants
 - Applications open
- \$100K – Matching funds for TDA Grant

TIRZ#1 FINANCING PLAN SUMMARY OVERVIEW

- To be used as a guide
- May be amended at anytime
- The TIRZ#1 has a 30 year term and is scheduled to end on Dec 31, 2049

TIRZ #1 Financing Plan Summary Overview				
Project Categories	Total	%	Actual / Committed Expenses	%
Water Facilities and Improvements	1,706,574	10%	-	0%
Sanitary Sewer Facilities and Improvements	1,706,574	10%	-	0%
Storm Water Facilities and Improvements	1,706,574	10%	-	0%
Transit/Parking Improvements	1,706,574	10%	-	0%
Street and Intersection Improvements	2,559,861	15%	192,500	49%
Open Space, Park and Recreation Facilities and Improvements	3,071,833	18%	-	0%
Economic Development Grants	4,266,435	25%	150,000	38%
Administrative Costs	341,315	2%	50,135	13%
Total Proposed Project Costs	\$17,065,741	100%	\$392,635	100%

The costs illustrated in the table above are estimates and may be revised. Savings from one line item may be applied to a cost increase in another line item.

TIRZ#1 FINANCING PLAN SUMMARY OVERVIEW

TIRZ #1 - Property Tax Increment Revenue History								
	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 Estimate	Total
Anticipated Revenue	13,527	49,277	95,603	136,377	162,478	189,498	226,824	873,583
Actual Revenue	22,899	35,641	51,112	302,040	327,564	328,238	370,000	1,437,495
Better / (Worse) than Financing Plan	\$ 9,372	\$(13,636)	\$(44,491)	\$ 165,664	\$ 165,086	\$ 138,740	\$ 143,176	\$ 563,912

- Actual Property Tax Increment Revenue Better than Anticipated:
 - Increase in assessed values:
 - Base Year: \$97,488,489
 - FY2026: \$159,236,438
 - Increase in property tax rate:
 - Base Year FY2020: \$0.5514 per \$100 of assessed value
 - FY2026: \$0.5711 per \$100 of assessed value

TIRZ #1 CASH FLOW FORECAST PROJECTS?

Funds Available for use as of 07/31/2026: \$1,064,573

TIRZ #1															
Cash Flow Forecast															
Assumptions:															
Growth in Property Tax 3%															
Interest Revenue: 2.5% of fund balance															
Proposed Reserved Fund Balance: \$100K															
	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Estimate	FY2027 Projection	FY2028 Projection	FY2029 Projection	FY2030 Projection	FY2031 Projection	FY2032 Projection	FY2033 Projection	FY2034 Projection	FY2035 Projection	FY2036 Projection
Beginning Fund Balance	\$ 58,605	\$ 110,255	\$ 327,985	\$ 641,190	\$ 1,009,683	\$ 1,164,573	\$ 1,278,223	\$ 1,401,529	\$ 1,539,659	\$ 1,693,337	\$ 1,863,313	\$ 2,050,370	\$ 2,255,319	\$ 2,479,004	\$ 2,722,302
Revenue															
Property Tax	51,112	302,040	327,564	328,238	370,000	380,000	391,400	403,142	415,236	427,693	440,524	453,740	467,352	481,373	495,814
Interest Income	538	8,190	35,640	40,280	35,000	33,700	31,956	35,038	38,491	42,333	46,583	51,259	56,383	61,975	68,058
Total Revenue	51,650	310,230	363,205	368,518	405,000	413,700	423,356	438,180	453,728	470,027	487,107	504,999	523,735	543,348	563,871
Expenditures															
Other Expenses	-	-	-	25	110	50	50	50	50	50	50	50	50	50	50
Projects															
Clay & Water Project	-	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-
CDBG Downtown Grant Match	-	52,500	-	-	100,000	-	-	-	-	-	-	-	-	-	-
Downtown Comp Plan	-	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-
Exterior Enhancement Grant	-	-	-	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Parking Lot Enhancement Grant	-	-	-	-	50,000	-	-	-	-	-	-	-	-	-	-
Exterior Enhancement Program (returning applicants only)	-	-	-	-	50,000	-	-	-	-	-	-	-	-	-	-
Potential Projects	-	-	-	-	-	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total Projects	-	92,500	50,000	-	250,110	300,050	300,050	300,050	300,050	300,050	300,050	300,050	300,050	300,050	300,050
Total Expenditures	-	92,500	50,000	25	250,110	300,050	300,050	300,050	300,050	300,050	300,050	300,050	300,050	300,050	300,050
Ending Fund Balance	\$ 110,255	\$ 327,985	\$ 641,190	\$ 1,009,683	\$ 1,164,573	\$ 1,278,223	\$ 1,401,529	\$ 1,539,659	\$ 1,693,337	\$ 1,863,313	\$ 2,050,370	\$ 2,255,319	\$ 2,479,004	\$ 2,722,302	\$ 2,986,124
Reserved Funds	-	-	-	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Unrestricted Fund Balance	\$ 110,255	\$ 327,985	\$ 641,190	\$ 909,683	\$ 1,064,573	\$ 1,178,223	\$ 1,301,529	\$ 1,439,659	\$ 1,593,337	\$ 1,763,313	\$ 1,950,370	\$ 2,155,319	\$ 2,379,004	\$ 2,622,302	\$ 2,886,124

Facts to remember:

- Cannot obligate funds that you do not have
- Funds must be spent within the TIRZ #1 geographical area

Questions?



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

CAPTION: Fiscal Year 2027 Proposed Budget Presentation. (J Bogusch, Finance and Budget Manager)

AGENDA DATE: August 12, 2026

DATE SUBMITTED: 07/30/2026

SUBMITTED BY:

EXHIBITS:

1. FY2027 Proposed Budget - TIRZ#1

Expenditure:

Amount Budgeted:

Account Number:

Account Balance:

**Payment to/Vendor
name:**

Kerrville 2050 Item?

Key Priority Area:

No

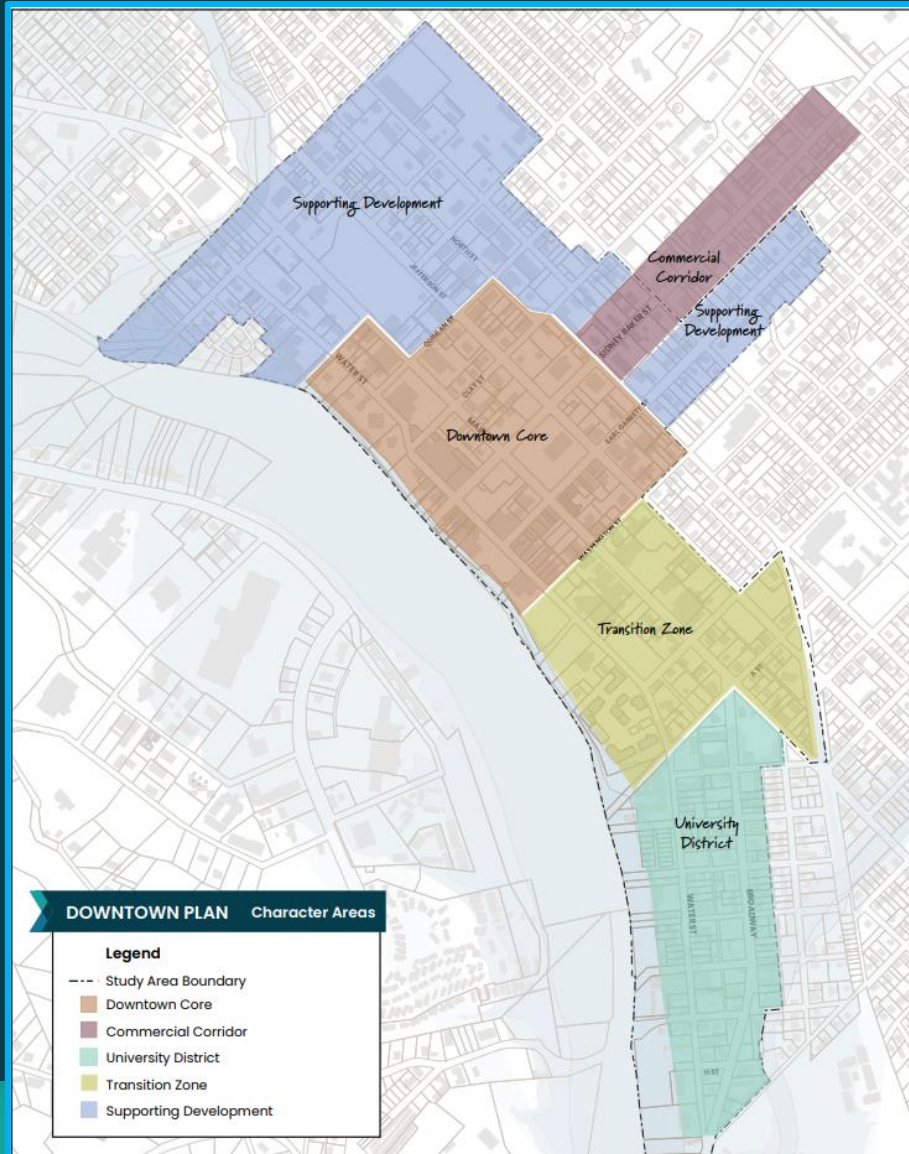
SUMMARY:

Fiscal Year 2027 Proposed Budget Presentation.

RECOMMENDED ACTION:

Approve the Fiscal Year 2027 Budget as presented.

TAX INCREMENT REINVESTMENT ZONE #1 (TIRZ #1)



FISCAL YEAR 2027 PROPOSED BUDGET

08/12/2026



CERTIFIED ROLL COMPARISON

- Base Value FY2019: \$ 97,488,489
- Value FY2026: \$159,236,438
- Value FY2027: \$162,740,042
 - Notable Increase:
 - Commercial Real Property: \$3.1M
 - New Value \$2.3M (74%)
- TIRZ #1 Properties: 586
 - Unsettled Protests as of 07-27-26:
 - 23 Properties (approximately \$14M)

TIRZ #1 FY2027 Proposed Budget

TIRZ #1

	FY2025 Actuals	FY2026 Budget	FY2026 Estimate	FY2027 Proposed Budget	\$ Change	% Change
Beginning Fund Balance	\$ 641,190	\$ 1,009,683	\$ 1,009,683	\$ 1,394,573		
Revenues						
Property Tax	328,238	302,836	370,000	380,000	77,164	25.5%
Total Tax Revenue	328,238	302,836	370,000	380,000	77,164	25.5%
Interest Revenue	40,280	31,403	35,000	33,700	2,297	7.3%
Total Interest and Miscellaneous	40,280	31,403	35,000	33,700	2,297	7.3%
Total Revenues	368,518	334,239	405,000	413,700	79,461	23.8%
Expenditures						
Office Supplies	25	50	110	50	-	-
Total Supplies	25	50	110	50	-	-
Project Contribution	-	150,000	20,000	200,000	50,000	33.3%
Total Transfer Out	-	150,000	20,000	200,000	50,000	33.3%
Total Expenditures	25	150,050	20,110	200,050	50,000	33.3%
Net Revenue (Expenditures)	368,493	184,189	384,890	213,650		
Ending Fund Balance	\$ 1,009,683	\$ 1,193,872	\$ 1,394,573	\$ 1,608,223		

Revenues

- Property Tax revenue assumes adoption of the proposed tax rate
 - Proposed Tax Rate: \$0.5846 per \$100 of appraised value

Expenditures

- Continuation of the Exterior Enhancement Grants from FY26 – \$50K
 - Some delays due to Flood
- Continuation of the Parking Lot Enhancement Grant Program from FY26 – \$50K
 - Applications open
- Continuation of TDA Grant – 100K

To view the entire FY2027 Proposed Budget please visit: <https://www.kerrvilletx.gov/313/Budget>

2026 Flood

Personal Property Damages

- Multiple properties damaged throughout the City
- Emergency Mgt & Development Services tracking these and conducting assessments

Property owners who experienced 15% or more in damages can apply for temporary exemption for property damaged by disaster

<https://kerrcad.org/?s=disaster>



Questions?

Recommended Action

- Approve the Fiscal Year 2027 Proposed Budget as presented.



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

CAPTION: Consider amending the Exterior Enhancement Grant. (M Hornes, Assistant City Manager)

AGENDA DATE: August 12, 2026

DATE SUBMITTED: 08/05/2026

SUBMITTED BY:

EXHIBITS:

None

Expenditure:
Account Number:
Payment to/Vendor
name:

Amount Budgeted:
Account Balance:

Kerrville 2050 Item?
Yes

Key Priority Area:

SUMMARY:

Consider amending the Exterior Enhancement Grant resolution to remove the established award amount of \$5,000 and the overall program funding cap of \$50,000.

RECOMMENDED ACTION:

Discuss and provide recommendations, if any, for amending the program resolution.



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

CAPTION: Consider amending the Parking Lot Enhancement Grant. (M Hornes, Assistant City Manager)

AGENDA DATE: August 12, 2026

DATE SUBMITTED: 08/05/2026

SUBMITTED BY:

EXHIBITS:

None

Expenditure:

Account Number:

**Payment to/Vendor
name:**

Amount Budgeted:

Account Balance:

Kerrville 2050 Item?

Yes

Key Priority Area:

SUMMARY:

Consider amending the Parking Lot Enhancement Grant resolution to remove the established award amount of \$5,000 and the overall program funding cap of \$50,000.

RECOMMENDED ACTION:

Discuss and provide recommendations, if any, for amending the program resolution.