

Memo

To: Kerrville City Council, City of Kerrville Constituents

From: Stacie Keeble, Councilmember Place 2

Date: 2-22-2011

Re: Chuck Coleman's Development Proposal

At the Kerrville City Council meeting on 1-11-11, Chuck Coleman, representing the proposed Town Creek Development, requested that council direct staff to examine his proposal for public roadway improvements on IH-10. The proposal requests that the city of Kerrville contribute to this estimated \$11.5 million project. Further, the proposal is to be added to the city's capital planning program and the city's economic development strategic plans. While the rest of council voted to pursue this project, I voted "no" because I do not believe that the public's interest would be served through the city's participation. Here are my reasons:

- The city of Kerrville is currently in a fiscal crisis. For this current budget season, the city had to lay off employees. We have also had to delay necessary street, drainage, and infrastructure projects. We simply cannot afford to participate in this project at this time.
- I object to Mr. Coleman's approach to the issue. When other developers approach the city with a project, they begin by meeting with Kevin Coleman of Development Services. If the developer wants to receive 4b sales tax funds, s/he writes a proposal and submits it to the EIC, who decides whether to approve the application and send it on to council for final approval. Mr. Coleman, however, went straight to the city manager and then to council. I do not think that he should have been allowed to circumvent the process. This is unfair to other developers. Staff should not have allowed his proposal to come before the council without following proper procedure, and staff should not be given special direction to work with him just because he is a former councilmember.
- We need to treat all developers the same by following the procedure that we have in place, whereby the developer pays all costs up front. For example, when Comanche Trace entered into a development agreement with the city, the developer was required to perform, while he was not provided any money up front.
- Mr. Coleman's track record makes me hesitant to give him even more money. Thus far, Mr. Coleman's use of taxpayers' funds has only proven to be detrimental to taxpayers and profitable to Mr. Coleman. The city has already expended millions of dollars to help Mr. Coleman's projects and has yet to see any return on its investment. In fact, the last time that the city gave him money, he had to forfeit \$100,000.00 for non-performance.
- Mr. Coleman's numbers are too speculative. We deserve more details. What stores have pledged to come if the exit is built? What is the valuation of the affected property? What is the projected valuation if the ramp is built? Will Mr. Coleman himself develop the property, or will he flip it?
- Don't we need a traffic study of the area? Can't Kerrville residents already reach it without even getting on I-10?

Nonetheless, I am for economic development, and I would support a plan in which the developer pays all costs up front, or puts up a Performance Bond to assure that the work will be 100% completed. Finally, if Mr. Coleman believes strongly in his project, then, as a sophisticated developer, he should be able to find other sources of funding.