

AGENDA FOR REGULAR MEETING

CITY OF KERRVILLE, TEXAS

ECONOMIC IMPROVEMENT CORPORATION

MONDAY, DECEMBER 17, 2012, 4:00 P.M.

KERRVILLE CITY HALL COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

**AGENDA FOR REGULAR MEETING OF THE
CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
MONDAY, DECEMBER 17, 2012, 4:00 P.M.
KERRVILLE CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS**

CALL TO ORDER

INVOCATION

1. VISITORS/CITIZENS FORUM:

Any citizen with business not scheduled on the agenda may speak to the 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.

2. APPROVAL OF THE MINUTES:

2A. Minutes of the regular meeting held November 19, 2012.

3. MONTHLY REPORTS:

3A. Monthly financials for November 2012. (staff)

3B. Capital projects update. (staff)

Harper Highway Project Phase II

Hill Country District Junior Livestock Association

3C. Update on River Trail and Parks projects (Rickert)

3D. Kerrville Economic Development Corporation (KEDC) Update regarding KEDC Activities. (Jonas Titas)

4. PUBLIC HEARING AND POSSIBLE ACTION:

4A. Public hearing for the Project Funding Agreement between the City of Kerrville, Texas, Economic Improvement Corporation and the City of Kerrville, Texas downtown streetscape enhancements. (staff)

5. DISCUSSION AND POSSIBLE ACTION:

5A. Funding agreement between the Kerrville Economic Development Corporation and the City of Kerrville Economic Improvement Corporation. (Jonas Titas)

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations 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 do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time December 13, 2012 at 5:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Cheryl Brown

Deputy City Secretary, City of Kerrville, Texas

5B. 4B Sales Tax Funding Request for the Commercial Improvement Program, from Lemon Tree Cleaners (staff)

5C. 4B Sales Tax Funding Request from Fox Tank Company. (staff)

5D. Discuss and consider creation of a revolving loan fund. (staff)

6. INFORMATION AND POSSIBLE ACTION:

6A. Update regarding "Go" Team activities. (staff)

6B. Update regarding the downtown wireless project. (staff)

7. EXECUTIVE SESSION:

The Economic Improvement Corporation may, as permitted by law, adjourn into executive session at any time to discuss any matter listed above including 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 matters), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code, including the following matter(s).

Sections 551.071 and 551.072:

- Discuss the purchase, exchange, lease, sale, or value of real property, the public discussion of which would not be in the best interests of the city's bargaining position with third parties, regarding property interests related to the following public works projects:

- River trail

Sections 551.087:

- Deliberation regarding economic development negotiations related to the following project:

- Fox Tank funding request

8. ADJOURNMENT

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations 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 do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: December 13, 2012 at 5:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Cheryl Brown

Deputy City Secretary, City of Kerrville, Texas

Agenda Item:

2A. Minutes of the regular meeting held November 19, 2012.

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING**

November 19, 2012

On Monday, November 19, 2012, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by David Wampler, President, in the City Hall Council Chambers, 701 Main Street, Kerrville, Texas.

Members Present:

David Wampler, President
Stacie Keeble
Kenneth Early, Vice President
Rex Boyland, Secretary
Larry Howard
Polly Rickert

Members Absent:

Gary Cochrane

City Executive Staff Present:

Kristine Ondrias, Assistant City Manager
Mike Hayes, City Attorney
Ashlea Boyle, Special Projects Coordinator
Mike Erwin, Finance Director
Malcolm Matthews, Director of Parks and Recreation
Charvy Tork, Information Technology Systems Administrator
Kimberly Meismer, Director of General Operations

Visitors Present: Visitor list available in the City Secretary's Office for the required retention period.

INVOCATION: Given by Mr. Howard.

1. VISITORS/CITIZENS FORUM: No one spoke.

2. APPROVAL OF THE MINUTES:

2A. Minutes of the regular meeting with City Council held October 15, 2012. Mr. Early moved for approval of the minutes of October 15; Mr. Howard seconded the motion and it passed 6 to 0.

3. MONTHLY REPORTS:

3A. Monthly financials for September 2012. Mr. Erwin reported:
Sales tax revenue for October 2012 was up from 2011.

Mr. Howard moved to approve the monthly financials. Mr. Early seconded the motion and it passed 6 to 0.

3B. Capital Projects Update: Ms. Ondrias reported:

Harper Highway Project Phase II: The project was proceeding on schedule. It was about 90% complete. The project came in under budget and any monies remaining after completion would be refunded back to the EIC.

Hill Country Home Opportunity: The final payment was made, and final acceptance was done.

Hill Country Junior Livestock Association: There were no invoices received yet from the HCJLSA, therefore, there was no activity on the funding agreement.

3C. Update regarding River Trail and Parks projects: Mr. Matthews reported that Package A was to have the ribbon cutting on December 15, 2012. The easements for the subsequent packages were being obtained. Mr. Matthews reported that the design contract for Louise Hays Park was going to the City Council on December 11, 2012, for their review.

4. DISCUSSION AND POSSIBLE ACTION:

4A. Agreement with Kerrville Economic Development Corporation and the City of Kerrville Economic Improvement Corporation: Mr. Titas reported that the KEDC would begin monthly activity reporting in January, 2013. Mr. Boyland suggested the matter of the funding agreement be deferred to executive session, under Section 551.071, consultation with attorney.

4B. Update on performance measures for past funding agreements: Ms. Ondrias reported that there was no change in the status of funding agreements since the last meeting of the EIC.

4C. Discussion regarding a master plan for downtown streetscape enhancements: Peter Lewis spoke regarding his submitted master plan for downtown streetscaping. Ms. Ondrias presented photographs of examples of streetscapes from other cities, as well as photographs of key areas in Kerrville. Ms. Ondrias stated she would schedule a walking tour for the EIC members in the near future on a non-meeting date. Mr. Boyland moved to direct staff to submit a request for approval of a funding agreement, for Mr. Lewis' master plan dated August 22, 2012, with an estimated cost of \$35,100. Mr. Howard seconded the motion and it passed 6 to 0.

5. INFORMATION AND DISCUSSION:

5A. Update regarding "Go" Team activities: Ms. Ondrias stated the "Go" Team had not met since the last EIC meeting.

5B. Update regarding the downtown wireless project: Ms. Ondrias presented information showing an increase in the number of users.

5C. Update regarding the Golf Course improvements funding agreement: Ms. Ondrias reported that the projects were ready to move forward. The staff

engineers were currently working on design for the projects. The parking lot and pavilion designs were to be completed by mid-December; requests for bids for both projects would be advertised in January.

6. EXECUTIVE SESSION:

Mr. Early moved that the Economic Improvement Corporation go into executive closed session under Section 551.071 (consultation with attorney); Mr. Howard seconded the motion, and it passed 6-0 to discuss the following matter:

Sections 551.071(consultation with attorney):

- The funding agreement between the Kerrville Economic Development Corporation and the City of Kerrville Economic Improvement Corporation.
- The River Trail.

At 5:03 p.m. the regular meeting recessed and the EIC went into executive closed session at 5:03 p.m. At 6:30 p.m. the executive closed session recessed and the Board returned to open session at 6:30 p.m.

Mr. Wampler announced that no action had been taken in executive closed session.

ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

Mr. Wampler reported revisions would be made to the funding agreement with the KEDC, EIC would reconsider the agreement at their next meeting.

7. ADJOURNMENT

Mr. Wampler adjourned the meeting at 6:31 p.m.

APPROVED: _____

David Wampler, President

ATTEST:

Cheryl Brown
Deputy City Secretary

Agenda Item:

3A. Monthly financials for November 2012. (Erwin)

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Improvement Fund

| | | |
|--|------------|---------------------|
| Cash Balance as of November 1, 2012 | | \$ 1,938,579 |
| Deposits: | | |
| Sales Tax | \$ 210,744 | |
| Interest Revenue | \$ 471 | |
| | \$ 211,215 | |
| Expenses: | | |
| Office Supplies | | |
| Public Notice | \$ - | |
| Disclosure fee | \$ 3,500 | |
| Administrative Service Fee | \$ 8,333 | |
| Special Services - Category 1 | | |
| Special Services - Category 2 | | |
| Transfer for Debt Service - 1999 | \$ 42,083 | |
| Transfer for Debt Service - 2012 | \$ 14,167 | |
| Transfer - Park Improvements | \$ 25,000 | |
| Total Expenses | \$ 93,083 | |
| Revenues Over (Under) Expenditures | | \$ 118,133 |
| Ending Cash Balance as of November 30, 2012 | | \$ 2,056,711 |

City of Kerrville
Economic Improvement Corporation
Sales Tax Improvement Fund - Revenue and Expense Statement
For the month ending November 30, 2012

| | Annual Budget | Current Period | Y-T-D Actual | % of Budget | Budget Balance |
|-------------------------------|---------------------|-------------------|-------------------|---------------|---------------------|
| BEGINNING CASH BALANCE | \$ 1,788,939 | | \$ 1,788,939 | | |
| REVENUE: | | | | | |
| Sales and Use Tax | \$ 2,425,000 | \$ 210,744 | \$ 437,407 | 18.04% | \$ 1,987,593 |
| Interest | \$ 5,000 | \$ 471 | \$ 2,025 | 40.51% | \$ 2,975 |
| Refund Airport/TXDOT | \$ - | \$ - | \$ 11,006 | | \$ (11,006) |
| Transfer In | | | | | \$ - |
| TOTAL REVENUE | \$ 2,430,000 | \$ 211,215 | \$ 450,439 | 18.54% | \$ 1,990,567 |

| | Annual Budget | Current Period | Y-T-D Actual & Encumbrance | % of Budget | Budget Balance |
|---|-----------------------------|-------------------|-------------------------------|----------------|---------------------|
| EXPENDITURES: | | | | | |
| Administrative | | | | | |
| Advertising | \$ 500 | | | - | \$ 500 |
| Transfer to Debt Service Fund | \$ 505,000 | \$ 42,083 | \$ 84,167 | 16.67% | \$ 420,833 |
| Transfer to Debt Service Fund - River Trail | \$ 170,000 | \$ 14,167 | \$ 28,333 | | \$ 141,667 |
| Economic Development Governing Body | \$ 175,000 | | | 100.00% | \$ 175,000 |
| Annual Disclosure Fee | \$ 3,500 | \$ 3,500 | \$ 3,500 | | \$ - |
| Administrative Services Fee | \$ 100,000 | \$ 8,333 | \$ 16,667 | 16.67% | \$ 83,333 |
| Total Administrative | \$ 954,000 | \$ 68,083 | \$ 132,667 | 13.91% | \$ 821,333 |
| Category I - Business Development | | | | | |
| Unspecified | \$ 1,078,961 | | | 0.00% | \$ 1,078,961 |
| Total Category I | \$ 1,078,961 | \$ - | \$ - | 100.00% | \$ 1,078,961 |
| Category II - Quality of Life | | | | | |
| River Trail | \$ 300,000 | \$ 25,000 | \$ 50,000 | 16.67% | \$ 250,000 |
| Downtown Wireless | \$ 100,000 | | | | |
| Golf Course Pavilion | \$ 271,000 | | | | |
| Golf Course Parking Lot | \$ 337,141 | | | | |
| HCDJLS | \$ 150,000 | | | | |
| Total Category II | \$ 1,158,141 | \$ 25,000 | \$ 50,000 | 4.32% | \$ 1,108,141 |
| Category III - Public Infrastructure | | | | | |
| Category III Unspecified | \$ 500,000 | | | 0.00% | \$ 500,000 |
| Total Category III | \$ 500,000 | \$ - | \$ - | 0.00% | \$ 500,000 |
| Contingency | \$ - | | | | \$ - |
| TOTAL EXPENDITURES | \$ 3,691,102 | \$ 93,083 | \$ 182,667 | 4.95% | \$ 3,508,435 |
| NET REVENUES TO EXPENDITURES | \$ (1,261,101) | \$ 118,133 | \$ 267,772 | | |
| ENDING CASH BALANCE: November 30, 2012 | Budget \$ 527,837 | | Actual \$ 2,056,711 | | |

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Debt Service Fund

| | | |
|--|------------------|---------------------------------|
| Cash Balance as of November 1, 2012 | | \$ 463,755 |
| Revenues: | | |
| Transfer from Sales Tax Improvements Fund | <u>\$ 42,083</u> | |
| Total Deposits | <u>\$ 42,083</u> | |
| Expenses: | | |
| Paying Agent Fee | | |
| Bond Principal | | |
| Bond Interest | | |
| Total Expenses | <u>\$ -</u> | |
| Revenues Over (Under) Expenditures: | | <u>\$ 42,083</u> |
| Ending Cash Balance as of November 30, 2012 | | <u><u>\$ 505,838</u></u> |

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Debt Service Fund
Revenue and Expense Statement
For the month ending November 30, 2012

| | Annual Budget | Current Period | Y-T-D Actual | % of Budget | Budget Balance |
|---|----------------------|-------------------|----------------------|-------------|-------------------|
| BEGINNING CASH BALANCE | \$ 421,672 | | \$ 421,672 | | |
| REVENUE: | | | | | |
| Transfer from Sales Tax Improvement Fund | \$ 505,000 | \$ 42,083 | \$ 84,167 | 16.67% | \$ 420,833 |
| Return of Equity - Park Lane Extension | \$ - | | | 100.00% | \$ - |
| TOTAL REVENUE | \$ 505,000 | \$ 42,083 | \$ 84,167 | 16.67% | \$ 420,833 |
| | | | | | |
| | Annual Budget | Current Period | Y-T-D Actual | % of Budget | Budget Balance |
| EXPENDITURES: | | | | | |
| Series 1999 Sales Tax Bond Debt Service | \$ 465,000 | | | 0% | \$ 465,000 |
| Series 1999 Sales Tax Bond Interest Expense | \$ 33,248 | | | 0% | \$ 33,248 |
| Paying Agent Fees | \$ 1,000 | \$ - | | 0% | \$ 1,000 |
| First Southwest Continuing Disclosure Fee | \$ - | \$ - | | - | \$ - |
| TOTAL EXPENDITURES | \$ 499,248 | \$ - | \$ - | 0.00% | \$ 499,248 |
| | | | | | |
| ENDING CASH BALANCE: November 30, 2012 | Budget \$ 427,424 | | Actual \$ 505,838 | | |

CITY OF KERRVILLE
 Economic Improvement Corporation
 SALES TAX REVENUE ANALYSIS

| | Actual FY 2010 | Actual FY 2011 | Actual FY 2012 | Approved FY 2013 | Actual FY 2013 | Difference Projected vs Actual | % of Projected Variance |
|--------------|---------------------|---------------------|---------------------|-------------------|-------------------|--------------------------------|-------------------------|
| October | \$ 179,735 | \$ 184,602 | \$ 219,934 | \$ 184,164 | \$ 226,663 | \$ 42,500 | 23.08% |
| November | \$ 188,879 | \$ 207,677 | \$ 203,379 | \$ 208,708 | \$ 210,744 | \$ 2,036 | 0.98% |
| December | \$ 170,981 | \$ 169,550 | \$ 208,227 | | | \$ - | #DIV/o! |
| January | \$ 170,645 | \$ 195,030 | \$ 204,051 | | | \$ - | #DIV/o! |
| February | \$ 236,837 | \$ 241,320 | \$ 264,744 | | | \$ - | #DIV/o! |
| March | \$ 163,136 | \$ 169,754 | \$ 186,812 | | | \$ - | #DIV/o! |
| April | \$ 160,461 | \$ 157,729 | \$ 185,835 | | | \$ - | #DIV/o! |
| May | \$ 203,235 | \$ 234,742 | \$ 223,320 | | | \$ - | #DIV/o! |
| June | \$ 182,429 | \$ 186,441 | \$ 195,775 | | | \$ - | #DIV/o! |
| July | \$ 179,622 | \$ 190,696 | \$ 210,758 | | | \$ - | #DIV/o! |
| August | \$ 221,711 | \$ 238,491 | \$ 239,007 | | | \$ - | #DIV/o! |
| September | \$ 186,321 | \$ 179,133 | \$ 203,486 | | | \$ - | #DIV/o! |
| Total | \$ 2,243,991 | \$ 2,355,166 | \$ 2,545,329 | \$ 392,873 | \$ 437,407 | \$ 44,535 | 11.34% |

CITY OF KERRVILLE
Economic Improvement Corporation
EIC Capital Projects Fund

| | | |
|--|-------------------|-----------------------------------|
| Cash Balance as of November 1, 2012 | | \$ 1,553,534 |
| Revenues: | | |
| Transfer In | | |
| Total Revenues/Transfer In | <u>\$ -</u> | |
| Expenses: | | |
| Services | | |
| Special Services | | |
| Harper Road Utilities - Phase 2 | 172,859 | |
| Hill Country Home Opportunity | <u>\$ 13,465</u> | |
| | <u>\$ 186,324</u> | |
| Total Expenses | \$ 186,324 | |
| Revenue Over (Under) Expenditures | | <u>\$ (186,324)</u> |
| Ending Cash Balance as of November 30, 2012 | | <u><u>\$ 1,367,210</u></u> |

CITY OF KERRVILLE
 Economic Improvement Corporation
 Sales Tax Improvement Capital Projects Fund

Project Status Summary
 For the month ending November 30, 2012

| YEAR(S) FUNDED | PROJECTS | Funding Agreement | Agreement Commitment | EIC Funded To Date | Non-EIC Funding | Total Funded | Project Expenses to Date | Project Balance | EIC Future Allocation Balance |
|-------------------|--------------------------------|----------------------|-------------------------|-----------------------|--------------------|---------------------|--------------------------------|---------------------|-------------------------------------|
| 2009/10 | Hill Country Home Opportunity | FA 2010-02 | \$ 250,000 | \$ 250,000 | | \$ 250,000 | \$ 250,000 | \$ 0 | - |
| 2009/10 | Commercial Improvement Program | | \$ 100,000 | \$ 100,000 | | \$ 100,000 | \$ 20,000 | \$ 80,000 | - |
| 2010/11 | Commercial Improvement Program | | \$ 50,000 | \$ 50,000 | | \$ 100,000 | \$ - | \$ 100,000 | - |
| 2010/11 | Hill Country Shooting Center | FA 2010-03 | \$ 494,838 | \$ 494,838 | | \$ 494,838 | \$ 495,580 | \$ (747) | - |
| | Harper Hwy Utility Ext Phase 2 | | \$ 1,000,000 | \$ 1,000,000 | | \$ 1,000,000 | \$ 412,042 | \$ 587,958 | - |
| 2011/12 | Fox Tank | | \$ 300,000 | \$ 300,000 | | \$ 300,000 | | \$ 300,000 | - |
| 2011-12 | Downtown Utilities | | \$ 300,000 | \$ 300,000 | | \$ 300,000 | | \$ 300,000 | - |
| TOTALS | | | \$ 2,494,838 | \$ 2,494,838 | | \$ 2,544,838 | \$ 1,177,623 | \$ 1,367,210 | - |

Cash Balance on 11/30/2012 \$ 1,367,210

Fund 70 - General Capital Improvement Projects - supported by EIC

| YEAR(S) FUNDED | PROJECTS | Funding Agreement | Agreement Commitment | Total Funded |
|-------------------|-------------------------------|----------------------|-------------------------|---------------------|
| 2011-12 | River Trail | C2011-76 | \$ 6,000,000 | \$ 5,224,745 |
| 2011-12 | Louise Hays Park Improvements | C2011-76 | \$ 2,000,000 | \$ 2,000,000 |
| TOTALS | | | \$ 8,000,000 | \$ 7,224,745 |

Agenda Item:

3B. Capital Projects Update (Staff)

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

SUBJECT: Capital projects update for December 2012

FOR AGENDA OF: Dec. 17, 2012 **DATE SUBMITTED:** Dec. 13, 2012

SUBMITTED BY: Todd Parton **CLEARANCES:**
City Manager

EXHIBITS: EIC Status Reports

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

| Expenditure Required: | Current Balance in Account: | Amount Budgeted: | Account Number: |
|----------------------------------|--|-----------------------------|----------------------------|
| \$ | \$ | \$ | |

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OR FINANCE:

SUMMARY STATEMENT

City staff will provide an update on the status of the Harper Highway Utility Extension Phase Two and the Hill Country District Junior Livestock Association projects.

RECOMMENDED ACTION

This is a staff update and there is no action that is required for this item.

EIC Status Report Harper Highway Utility Extension Phase Two

| | |
|---------------|---|
| SCOPE | <ul style="list-style-type: none"> Phase Two Projects consists of the construction of approximately 4,600 linear feet of 12" water main & appurtenances from the North end of Old Harper Road; thence west along the south line of Interstate I-10 R.O.W. to Harper Road (RM 783); thence south along both the east & west side of RM 783 to its intersection with Old Harper Road; thence, east along Old Harper Road to its intersection with Town Creek Road; Installation of 12" wastewater main from the North end of Old Harper Road; thence west along the south line of Interstate I-10 R.O.W. to the West side of Harper Road (RM 783); thence south along the west line of RM 783 to a property owned by the Kerrville Bible Church; and Installation of 12" wastewater main from the intersection of Old Harper Road and Town Creek Road; thence Southwest along Old Harper Road to the west side of Harper Road (RM 783); thence North along the west line of RM 783 to the property North of the Northpoint Investors, LTD. property. In all, the sanitary sewer for this Phase 2 project includes approximately 3,000 linear feet of wastewater main & appurtenances. |
| Status | Construction contract was awarded to Qro Mex Construction at May 22, 2012 City Council meeting. Construction is currently in progress with all of the proposed sewer and water main installation complete in place. Construction activities outstanding include revegetation of the disturbed TxDOT right of way, final bacterial testing of the water and deflection testing of the sewer main prior to acceptance by the City. |

| PHASING | Action Item | Schedule (Status) | Task/Issues | Comments/Risks |
|--|---|--|---|----------------|
| Easement Acquisition or Property Agreements | 6 easements to CoK completed through Legal and executed by property owner 1 easement (Howard) in negotiation | Complete | | |
| Misc. Reports/Permits | Approval from TxDOT for construction approval within Control of Access area in TxDOT right of way received. | Approved/Complete | TxDOT final approval of permits | |
| Design | TxDOT Permits | Approved | General construction permits for construction within TxDOT right of way | |
| Construction Drawings Bidding/Contracts Construction | under contract HDR-Engineering final plans/specs/costs/ documents Construction contract awarded to Qro Mex Construction 5/22/12 build project /Under Construction | Complete completed 4/2012 start June 2012; complete Dec. 2012 | all project elements contract prep | |

| FUNDING - BUDGET | Allocation | Expended - Encumbered | Balance | Cost Est. for Package | Needed to Complete Package |
|--------------------------|-------------|-----------------------|--------------|--|----------------------------|
| EIC funding (FA2008-013) | \$1,000,000 | \$411,499.66 | \$588,500.34 | Construction \$580,000 Materials Testing \$38,000 | |

| | |
|------------------|--|
| SCOPE | Funding agreement with HCDJLA for up to \$150,000 to purchase equipment as part of the Hill Country Youth Exhibition Center expansion. |
| Amenities | An approved list of equipment will be purchased for use in Kerr County on a reimbursement basis. |

| PHASING | Action Item | Schedule (Status) | Task/Issues | Comments/Risks |
|----------------|--|--------------------------|--------------------|---|
| Projects | EIC Approval | Complete 8-27-12 | | No activity since last EIC meeting. |
| | Jurisdictional Approval by Kerr County Commissioners Court | Complete 9-10-12 | | FYI - HCDJLA held its annual fundraiser on 9-24. \$52,000 |
| | CC Approval | Complete 9-11-12 | | |

| FUNDING - BUDGET | Allocation | Expended-Encumbered | Project Balance |
|-------------------------|---------------------|----------------------------|------------------------|
| FA 2012-04 | \$150,000 (Maximum) | \$0 | \$150,000 (Maximum) |

Agenda Item:

3C. Update on River Trail and Parks projects. (Rickert)

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

SUBJECT: EIC Monthly Report on River Trail and Parks Projects

FOR AGENDA OF: December 17, 2012 **DATE SUBMITTED:** December 11, 2012

SUBMITTED BY: Malcolm Matthews **CLEARANCES:** Kristine Ondrias

EXHIBITS: Monthly Report

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

| Expenditure | Current Balance | Amount | Account |
|--------------------|------------------------|------------------|----------------|
| Required: | in Account: | Budgeted: | Number: |
| \$ | \$ | \$ | |

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

EIC Monthly Report on the River Trail and the Louise Hays and Lehmann & Monroe Parks projects.

RECOMMENDED ACTION

No action required.

Monthly Status Report

River Trail/Parks Projects

December 2012

4B Funds

\$6,000,000 (River Trail Project)

\$2,000,000 (Louise Hays and Lehmann & Monroe Parks Project Renovation)

Status Report Kerrville River Trail

Package A

SCOPE

Package A extends from a new trailhead at the Riverside Nature Center parking lot, along the west property line of the RNC, down to the river's edge, under the Lemos St. Bridge, construction of a trail bridge across the river, through Tranquility Island, to the west end of the parking area in Louise Hays Park. The 10' wide trail will be constructed of concrete, except for the segment that runs along the RNC western property line. *Total trail length: 0.6 miles*

Amenities

Trailheads with lighting, observation areas, seating areas, trail bridge, drainage, and signage. [Note: additional amenities, such as trail entries, kiosks, and interpretive signage, will be added, once designed.]

| PHASING | Action Item | Schedule (Status) | Task/Issues | Comments/Risks |
|---|---|---|--|---|
| Recreation easements or Property Agreements | easement to CoK from RNC | complete (6/12; 9/12) | RNC to provide easement to City | requires RNC approval |
| | lease renewal to RNC of CoK property | complete (6/12) | City to provide lease to RNC | requires City Council approval |
| | approval from TXDoT and GLO for use of state property | complete (5/12) | TXDoT approval of plans and Const./Maint. Agreement | SA office approval; include in MMA |
| | construction easements, if needed | NA | NA | NA |
| Property Survey | M&B and Topo surveys | complete (3/12) | identify property boundary and grades | |
| Misc. Reports/Permits | LOMR | upon const. completion | flood level impact, if any | submittal to FEMA |
| | TPWD (land & water permit) | complete (5/12) | coffer dam - bridge construction review | review by TPWD |
| | USACE | complete (5/12) | involves jurisdictional waters of the US | no USACE individual permit required |
| Design | contract - Hewitt Engineering | | | |
| Routing | location of trail | complete (12/11) | define gradients and layout | |
| Preliminary Design | schematic plans; prelim. costs | 50% review - complete (12/11) 75% review - complete (1/12) 90% review - complete (2/12) | all project elements all project elements all project elements | |
| | final plans/specs/costs/documents | complete (3/12) | all project elements | |
| | secure contractor | bid (3/12); awarded (5/12) to Westar Construction | bid process, contract prep | project delay, bid cost, permit approvals, etc. |
| Construction | build project | start (5/12); 99% complete; completion (12/12) | sequencing of work | Sign monuments, signage, and landscaping scheduled; dedication 12/15/12 |

| FUNDING - BUDGET | | Allocation | Expended - Encumbered | Balance | Cost Est. for Package | Needed to Complete Package |
|--|---|--|-----------------------|---|--|----------------------------|
| G.O. bonds (2002) Park Dedication Funds | \$500,000 <u>25,000</u> \$525,000 | 2002 bonds \$147,112 [includes completion of the River Trail Master Plan and survey work] | \$377,888 | Construction bid: \$667,427 plus 10% contingency \$735,000 | 2002 bonds \$377,888 2011 bonds \$357,112 (includes contingency) | |
| COs (4B) | \$357,112 | | | | | |

Status Report Kerrville River Trail

Package B and Parks Project

SCOPE

Package B and Parks Project connects to Package A at the west end of the Louise Hays Park parking lot, through Louise Hays Park and Lehmann & Monroe Park, to G St. r.o.w. The 10' wide trail will be constructed of concrete. This Package will be coordinated with the Jefferson Wastewater Project and Water transmission Line Project, both slated for completion by mid 2013. This Package will include the entire scope of work for the Louise Hays Park/Lehmann & Monroe Park Project, as funded by 4B. *Total trail length: 1 mile*

Amenities

Trail - trailheads with lighting, observation areas, seating areas, bridging, drainage, signage, trail entries, kiosks, and interpretive signage.
Parks - park amenities, amphitheater/stage, playground/sprayground, picnic areas, group pavilion upgrades, river access, restrooms, parking, lighting, utilities, landscaping, and signage.

| PHASING | Action Item | Schedule (Status) | Task/Issues | Comments/Risks |
|---|--|--|--|---|
| Recreation easements or Property Agreements | easements to CoK from property owners construction easements, if needed | complete by 3/31/13 complete by 3/31/13 | CoK to secure easements from property owners; title work and surveys determine need by 11/30/12 | requires property owner approval, purchase, or other requires property owner approval |
| Property Survey | M&B and Topo surveys | M&B - complete (9/12) Topo - partially complete | identify property boundary and grades | |
| Misc. Reports/Permits | LOMR TPWD (land & water permit) GLO (state property use) -Trail Routing Options - Half team -Final Design Contract - Half Team | upon const. completion 5/1/13, if needed 5/1/13, if needed complete (6/12) complete by 12/1/12 | flood impact, if any environmental impact to state waters routing preference define route options w/ costs all remaining design phases | may require submittal to FEMA review by TPWD approval by State, if needed complete (6/12) Council approval 12/11/12 |
| Preliminary Design | schematic plan with amenities; prelim. costs | 50% review - (partially complete) 75% review - 90% review - | all project elements all project elements all project elements | coord. with utilities projects |
| Construction Drawings | final plans/specs/costs/ documents | complete by early 2013 | all project elements | project delay assoc. with approvals |
| Bidding/Contracts | secure contractor | mid 2013 | bid process, contract prep | project delay, bid cost, etc. |
| Construction | build project | start mid-late 2013 | sequencing of work | typical delays/field alterations |

| FUNDING - BUDGET | | Allocation | Expended - Encumbered | Balance | Cost Est. for Package | Needed to Complete Package |
|----------------------------|--|-------------|-----------------------|---------|-----------------------|----------------------------|
| COs (4B) - River Trail | | \$1,000,000 | | | | |
| COs (4B) - LHP/LMP Project | | \$2,000,000 | | | | |

Status Report Kerrville River Trail

Package C and D

SCOPE

Package C and D extends from a new trailhead at the Knapp Crossing Boat Ramp parking lot, runs adjacent to the river, ties into the Guadalupe St. r.o.w.(Package D) extends to Guadalupe Park and connects to Package A (Package C). The 10' wide trail will be constructed of concrete. TBD - this package's design/construction expected to be integrated with private sector improvements. Total trail length: 1.6 miles

Amenities

Trailheads with lighting, observation areas, seating areas, trail bridge, drainage, signage, trail entries, kiosks, interpretive signage, and private improvement interface.

| PHASING | Action Item | Schedule (Status) | Task/Issues | Comments/Risks |
|---|--------------------------------------|----------------------|--|--|
| Recreation easements or Property Agreements | easement to CoK from property owners | TBD | CoK to secure easements from property owners | requires property owner approval, purchase, or other; may require KSH property |
| | construction easements, if needed | TBD | TBD | requires property owner approval |
| Property Survey | M&B and Topo surveys | (partially complete) | identify property boundary and grades | |
| Misc. Reports/Permits | LOMR | | flood impact, if any | may require submittal to FEMA |
| | TPWD (land & water permit) | | environmental impact to state waters | review by TPWD |
| Design | TBD | (partially complete) | | waiting for private development |
| Routing | location of trail | (partially complete) | define gradients and layout | " " " |
| Preliminary Design | schematic plan with amenities; | 50% review - | all project elements | |
| | prelim. costs | 75% review - | all project elements | " " " |
| | | 90% review - | all project elements | " " " |
| Construction Drawings | final plans/specs/costs/ documents | TBD | all project elements | " " " |
| Bidding/Contracts | secure contractor | TBD | bid process, contract prep | " " " |
| Construction | build project | TBD | sequencing of work | " " " |

| FUNDING - BUDGET | | Allocation | Expended - Encumbered | Balance | Cost Est. for Package | Needed to Complete Package |
|------------------|--|------------|-----------------------|---------|-----------------------|----------------------------|
| COs (4B) | | | | | | |

Status Report Kerrville River Trail

Package E

SCOPE

Package E extends from west terminus of trail on Junction Hwy along the river's edge, connect to a new trailhead at the Cypress Boat Ramp parking lot, to the trailhead at the Knapp Crossing trailhead. The 10' wide trail will be constructed of concrete. Total trail length: up to 1 mile

Amenities

Trailheads with lighting, observation areas, seating areas, trail bridge, drainage, signage, trail entries, kiosks, and interpretive signage.

| PHASING | Action Item | Schedule (Status) | Task/Issues | Comments/Risks |
|---|--|-----------------------------------|--|--|
| Recreation easements or Property Agreements | easement to CoK from property owners | TBD | CoK to secure easements from property owners | requires property owner approval, purchase, or other |
| | construction easements, if needed | TBD | TBD | requires property owner approval |
| | M&B and Topo surveys | (partially complete) | identify property boundary and grades | |
| Property Survey Misc. Reports/Permits | LOMR | | flood impact, if any | may require submittal to FEMA |
| | TPWD (land & water permit) | | environmental impact to state waters | review by TPWD |
| Design Preliminary Design | TBD | | | waiting for private development |
| | schematic plan with amenities; prelim. costs | 50% review – (partially complete) | all project elements | " " " " |
| | | 75% review – | all project elements | " " " " |
| Construction Drawings Bidding/Contracts | final plans/specs/costs/ documents | 90% review – | all project elements | " " " " |
| | secure contractor | TBD | all project elements | " " " " |
| Construction | build project | TBD | bid process, contract prep | " " " " |
| | | | sequencing of work | " " " " |

| FUNDING - BUDGET | Allocation | Expended - Encumbered | Balance | Cost Est. for Package | Needed to Complete Package |
|------------------|------------|-----------------------|---------|-----------------------|----------------------------|
| COs (4B) | | | | | |

Status Report Kerrville River Trail

Package F

SCOPE

Package F extends from G St. (Package B terminus) along the river to near Kerrville Schreiner Park. The 10' wide trail will be constructed of concrete. This Package will be coordinated with the Jefferson Wastewater Project and Water transmission Line Project, both slated for completion by mid 2013. Consultant team scope will include design details/criteria used throughout the River Trail Project, including Package A. Total trail length: up to 2 miles

Amenities

Trailheads with lighting, observation areas, seating areas, trail bridge, drainage, signage, trail entries, kiosks, and interpretive signage.

| PHASING | Action Item | Schedule (Status) | Task/Issues | Comments/Risks |
|---|---|--|--|--|
| Recreation easements or Property Agreements | easement to CoK from property owners | complete by 3/31/13 | CoK to secure easements from property owners | requires property owner approval, purchase, or other |
| Property Survey | construction easements, if needed | complete by 3/31/13 | determine need by 11/30/12 | requires property owner approval |
| Misc. Reports/Permits | M&B and Topo surveys | M&B - complete (9/12) | identify property boundary and grades | coord. w/ utilities projects |
| | LOMR | | flood impact, if any | may require submittal to FEMA |
| Design | TPWD (land & water permit) | | environmental impact to state waters | |
| | -Trail Confirmation - Terra Design Group (TDG) team | complete (6/12) | define route options w/ costs | complete (6/12) |
| Preliminary Design | -Final Design Contract – TDG Team | negotiate by 1/1/13 | all remaining design phases | requires Council approval |
| | schematic plans with amenities; prelim. costs | 50% review – 75% review – 90% review – | all project elements all project elements all project elements | coord. with utilities projects |
| Construction Drawings | final plans/specs/costs/ documents | complete by mid 2013 | all project elements | project delay assoc. with approvals |
| Bidding/Contracts | secure contractor | mid 2013 | bid process, contract prep | project delay, bid cost, etc. |
| Construction | build project | start mid-late 2013 | sequencing of work | typical delays/field alterations |

| FUNDING - BUDGET | Allocation | Expended - Encumbered | Balance | Cost Est. for Package | Needed to Complete Package |
|------------------|-------------|-----------------------|---------|-----------------------|----------------------------|
| COs (4B) | \$2,000,000 | | | | |

Other Services to be Evaluated

Required reporting and permitting may dictate additional professional services or consolidation of services assigned to the design teams. These include, but are not limited to, the following.

1. Floodplain/Floodway Impact, Hydraulic Analysis, Section 404 – Clean Water Act submittals (Corps of Engineers), and Flood Insurance Rate Map/ Letter of Map Revision preparation and submittal (CoK, FEMA) may be best completed by one firm in order to comprehensively address the issues and data collection/reporting. This could avoid multiple submittals (costs) and reduce mistakes and need for resubmittals. We will make a determination on this approach in the near future.
2. Archeological and Environmental Surveys and Section 404 review will need to be completed in areas where sensitive site conditions are probable. We anticipate no extreme findings in the initial surveys/reports; however, if further study is required by state or federal agencies, those services will require amendments to the consultant contracts.
3. TDLR permitting for ADA compliance, CoK building permits, Texas Historical Commission plan review, any other city or state agency submittals, will best be submitted by each of the design teams at the time of plan completion. This keeps regulation compliance with the design teams.

Agenda Item:
(Staff)

3D. Kerrville Economic Development Corporation (KEDC) Update regarding KEDC Activities. (Jonas Titas)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Update on Kerrville Economic Development Corporation activities

FOR AGENDA OF: December 17, 2012 **DATE SUBMITTED:** December 11, 2012

SUBMITTED BY: Ashlea Boyle, **CLEARANCES:** Todd Parton,
Special Projects Coordinator City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

| Expenditure Required: | Current Balance in Account: | Amount Budgeted: | Account Number: |
|----------------------------------|--|-----------------------------|----------------------------|
| \$ | \$ | \$ | |

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

This is a routine update from the KEDC Executive Director regarding KEDC activity.

RECOMMENDED ACTION

This is for information only. No recommended action.

Agenda Item:

4A. Public hearing for the Project Funding Agreement between the City of Kerrville, Texas, Economic Improvement Corporation and the City of Kerrville, Texas downtown streetscape enhancements. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Hold a public hearing and consider a project funding agreement between the City of Kerrville and the Kerrville Economic Improvement Corporation to design and develop a Downtown Streetscape Master Plan

FOR AGENDA OF: Dec. 17, 2012 **DATE SUBMITTED:** Dec. 13, 2012

SUBMITTED BY: Todd Parton **CLEARANCES:**
City Manager

EXHIBITS: Draft Funding Agreement

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

| Expenditure | Current Balance | Amount | Account |
|--------------------|------------------------|------------------|----------------|
| Required: | in Account: | Budgeted: | Number: |
| \$ | \$ | \$ | |

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OR FINANCE:

SUMMARY STATEMENT

Attached is a draft funding agreement to cover expenses related to professional fees for the design and development of a Downtown Streetscape Master Plan. If approved, this agreement would provide for the completion of work as defined in the proposal submitted to the City of Kerrville by Peter Lewis Architects + Associates. This proposal is attached to the funding agreement as Exhibit A.

The amount of funding would not exceed \$35,100.

RECOMMENDED ACTION

Staff recommends that the EIC Board approve this funding agreement.

**PROJECT FUNDING AGREEMENT BETWEEN THE CITY OF KERRVILLE,
TEXAS, ECONOMIC IMPROVEMENT CORPORATION AND THE CITY OF
KERRVILLE, TEXAS (DOWNTOWN STREETScape DESIGN)**

THIS PROJECT FUNDING AGREEMENT is entered into this _____ day of _____, 2012, by and between the City of Kerrville, Texas Economic Improvement Corporation ("EIC"), a Texas non-profit corporation established by City pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 and now codified in Chapters 501, 502, and 505 of the Texas Local Government Code (otherwise known as the Development Corporation Act of 1979 and hereafter called "the Act") and the City of Kerrville, Texas ("City"), a Texas home-rule municipality.

WITNESSETH:

WHEREAS, pursuant to Chapter 505 of the Act, the EIC is authorized to undertake, or to provide funding to City to undertake, projects which the EIC finds to be encompassed by the definition of "projects" as that word is defined in Chapters 501 and 505 of the Act; and

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 as defined by the Act, including:

Projects related to a) expenditures that are found by the EIC to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to streets and roads, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; and b) recreational or community facilities to include land, buildings, equipment, facilities, and improvements required or suitable for use for tourist and public park purposes, including parks and park facilities, open space improvements, and related concession and automobile parking facilities, related area transportation facilities, and related roads, streets, and other related improvements that enhance any of these items as provided for by Sections 505.103 and 505.152 of the Act; and

WHEREAS, City proposes to enter into a contract with a professional architect to design and develop a Downtown Streetscape Master Plan (the "Project"); and

WHEREAS, the Project will support and reinforce the goals of the Kerrville Comprehensive Plan to include preserving, protecting, and enhancing the visual identify and relationship of the Guadalupe River with the Central Business District and enhancing the physical, economic, social characteristics of this area to create a unique destination for residents and visitors of Kerrville, thereby making this area the activity center and focal point of the community; and

WHEREAS, the EIC finds that the Project as described generally above constitutes a "project" as defined by the Act; and

WHEREAS, the EIC finds that the Project is required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises; and

WHEREAS, the EIC finds that it will be in the public interest to enter into this Agreement with City to provide sales tax revenues collected pursuant to the Act ("4B Revenues") to City for costs related to the Project; and

WHEREAS, on December 17, 2012, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, the EIC held a public hearing pursuant to Section 501.072 of the Act related to the proposed expenditure of 4B Revenues for the Project;

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

1. **"Project" Defined:** When used in this Agreement, the phrase "Project" means the project summary as described in **Exhibit A** attached hereto and included herein for all purposes. City shall not substantively alter the description of the Project in any respect without the prior approval of the EIC.
2. **Agreement to Fund Project:** the EIC agrees to provide City an amount up to and not to exceed \$35,100.00 in 4B Revenues to be used for the Project. City is authorized to make payments for the herein described purposes directly from the Sales Tax Improvement Fund (Fund 40) or by making a transfer of 4B Revenues from the Sales Tax Improvement Fund (Fund 40) to one or more funds described in the City's approved budget. The City shall limit transfers to the actual amount of the payment draws submitted by architect related to the Project.
3. **Eligible Costs:** Payments made by City from 4B Revenues as authorized by Section 2, above, are limited to the payment of "costs" as defined in the Act.
4. **Applicable Law:** This Agreement is governed by and construed in accordance with the laws of the State of Texas. The Agreement is entered into and fully performable within Kerr County, Texas. Accordingly, venue for any cause of action arising pursuant to this Agreement is proper only in Kerr County, Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in the year and as of the date indicated.

CITY OF KERRVILLE, TEXAS

CITY OF KERRVILLE, TEXAS ECONOMIC
IMPROVEMENT CORPORATION

By: _____
Jack Pratt, Jr., Mayor

By: _____
David Wampler, President

ATTEST:

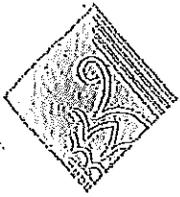
ATTEST:

Brenda G. Craig, City Secretary

Rex Boyland, Secretary for the EIC

APPROVED AS TO FORM:

Michael C. Hayes, City Attorney



PETER LEWIS
ARCHITECT + ASSOCIATES

August 22, 2012

Kristine Ondrias, Assistant City Manager
City of Kerrville
800 Junction Highway
Kerrville, TX 78028

RE: Downtown Streetscape Enhancement Master Plan
Kerrville, Texas

Dear Kristine:

Thank you for the opportunity to assist the City of Kerrville in the development of a Downtown Streetscape Enhancement Master Plan. The purpose of the Master Plan is to support and reinforce the goals of the Kerrville Comprehensive Plan, adopted July 9, 2002.

Goal 7.1: Preserve, protect and enhance the natural amenities, visual identity and relationship of the Guadalupe River with Central Business District

Goal 7.2: Develop Central Business District as the integrated core of Kerrville with a cohesive identity that is built upon maintaining and appreciating the strengths of its various character areas.

Goal 7.3: Preserve and enhance the historical and cultural resources of the Central Business District.

Goal 7.4: Enhance physical, economic and social characteristics of the Central Business District to create a unique destination for residents and visitors of Kerrville, making the Central Business District the activity center and focal point of the community.

Based upon our discussions to date and the outline provided by Todd Parton, City Manager, dated July 31, 2012, please allow the following to document our understanding of Scope, Services and Fee.

I. Work Scope

A. Define the Project

1. Streetscape
 - a. Softscape
 - b. Hardscape
 - c. Amenities
2. Thematic Consistency
 - a. Water Street/Peterson Plaza standards
3. Project Limits

B. Create the Plan

1. Concept Piece/Design
 - a. Design Drawings
 - b. Project Phasing
 - c. Project Budgets by Phase
2. Implementation, coordinate with:
 - a. Kerrville Main Street Advisory Board (KMSAB)
 - b. Economic Improvement Corporation (EIC)
 - c. Historic Downtown Business Alliance (HDBA)

II. Scope of Services

A. As-built survey and documentation

1. Using electronic database, in AutoCAD 2013 format, of City base maps, document existing streetscape plans within Central Business District and near southside of the Guadalupe River (Louise Hays Park, HEB Shopping Center, River Hills Mall)
2. Inventory/document existing Streetscape elements

B. Master Plan Services

1. Meet with Assistant City Manager, KMSAB and City staff, as required.
2. Meet with EIC representative(s) and present to EIC, as required
3. Meet with HDBA representative(s), as required
4. Present to City Council
5. Streetscape Plans
6. Streetscape Images
7. Phasing Plan
8. Prepare Project Budgets by Phase

II. Fixed Fee

Our services will be provided for a Fixed Fee by Phase.

| | |
|--------------------------------------|--------------|
| A. As-built survey and documentation | \$ 11,500.00 |
| B. Master Plan Services | \$ 23,500.00 |

III. Reimbursable Expenses

Reimbursable expenses will be billed at a multiple of 1.15 times cost (Invoice): reproduction of documents, shipping and mailing expenses, long distance telephone and fax, Consultants not included above. Project related mileage will be billed at current Standard Rate.

| | |
|---------------------------------|-------------|
| Estimated Reimbursable Expenses | \$ 2,500.00 |
|---------------------------------|-------------|

IV. Additional Services, if requested and approved in writing, will be provided on an Hourly basis according to our Hourly Fee Schedule

| | |
|-----------------------------------|---------------|
| Principal/Overall Project Manager | \$ 135.00/Hr. |
| Project Architect | \$ 110.00/Hr. |
| Professional Intern | \$ 75.00/Hr. |
| Project Technician | \$ 60.00/Hr. |
| Admin./Clerical | \$ 35.00/Hr. |

This Professional Design Services Proposal generally describes the Services to be provided and their associated Fees. If we are in agreement on both of these items, please indicate so by signing and returning a copy of this Proposal. Please call me, if you have any questions. We look forward to getting started!

Very truly yours,


Peter W. Lewis, Architect
Principal

Accepted for City of Kerrville

Date

Agenda Item:

5A. 5A. Funding agreement between the Kerrville Economic Development Corporation and the City of Kerrville Economic Improvement Corporation. (Jonas Titas)

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

SUBJECT: Funding agreement between the Kerrville Economic Development Corporation and the City of Kerrville Economic Improvement Corporation

FOR AGENDA OF: Dec. 17, 2012 **DATE SUBMITTED:** Dec. 13, 2012

SUBMITTED BY: Todd Parton **CLEARANCES:**
City Manager

EXHIBITS: Funding Agreement between the Kerrville Economic Development Corporation and the City of Kerrville Economic Improvement Corporation

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

| Expenditure | Current Balance | Amount | Account |
|--------------------|------------------------|------------------|----------------|
| Required: | in Account: | Budgeted: | Number: |
| \$ | \$ | \$ | |

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OR FINANCE:

SUMMARY STATEMENT

Attached is a final draft of a funding agreement between the KEDC and the EIC. This agreement incorporates the modifications as requested by the EIC at its November 2012 meeting and has been approved by the KEDC Board of Directors.

KEDC funding is provided from FY2013 through FY2015. The allocation for FY2013 is \$127,000 with the maximum amount for the remaining two fiscal years being \$175,000.

RECOMMENDED ACTION

City staff recommends that this agreement be approved and that authorize its execution by the EIC Board President.

**ECONOMIC DEVELOPMENT GRANT AGREEMENT BETWEEN KERRVILLE
ECONOMIC DEVELOPMENT CORPORATION (KEDC) AND THE CITY OF
KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION**

This Agreement entered into by and between **KERRVILLE ECONOMIC DEVELOPMENT CORPORATION** ("KEDC"), a Texas nonprofit corporation, acting herein by and through its duly authorized officer, Don Barnett ("KEDC President"), and the **CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION** ("EIC"), a Texas nonprofit corporation established pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 (otherwise known as the Development Corporation Act of 1979 and now codified in Chapters 501, 502, and 505 of the Texas Local Government Code) (hereafter referred to as "the Act"), acting by and through its duly authorized President, David Wampler.

WITNESSETH:

WHEREAS, the 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 private 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 the EIC for marketing to expand and increase its efforts toward the promotion of economic development in the Kerrville area; and

WHEREAS, the EIC finds that the formation of the 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, the 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 such a grant ("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 November 19, 2012, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, EIC held a public hearing pursuant to Section 505.159 of the Act related 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, EIC hereby grants ~~Grant~~ ~~to KEDC~~ ~~funding up to the following annual amounts for during~~ \$477,000.00 (“Grant”) ~~to KEDC~~ funding up to the following annual amounts for during the term of this Agreement.

~~(1) EIC will pay KEDC an amount up to \$127,000.00 for the initial period of this Agreement, said period to begin on December-January 1, 2012, and end on September 30, 2013. EIC shall make a full payment in this amount to KEDC on or before January 1, 2012.~~

~~(2) KEDC Following this time period, EIC, subject to Section 1.D., will pay KEDC is eligible to receive~~ an amount up to \$175,000.00 for each of the remaining two years of this Agreement, said time periods to run from October 1 through September 30 of the following year.

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/or, ii) assisting with the development ~~or~~ and operation of an economic development program or objective consistent with the purposes and duties specified by the Act ~~as proposed by KEDC~~. Such activities are collectively referred to herein as “Economic Development.”

C. ~~All~~ Payments to be made by EIC to KEDC for the second and third year of this Agreement are subject to ~~EIC’s~~ the following:

~~(1) EIC’s~~ appropriation of funds for such payments in the budget year for which they are paid. ~~Any The~~ payments made by EIC to KEDC ~~will~~ must be made solely from the annual budgeting and appropriations of EIC. In the event that EIC does not appropriate funds in any fiscal year for payments under this Agreement, EIC will not be liable to KEDC for any such or future payments and KEDC will have the right to terminate this Agreement; and

(2) EIC’s annual review, consideration, and approval of KEDC’s fulfillment of its obligations, as specified within ARTICLE II.

- D Where EIC determines that a yearly payment should be made to KEDC, EIC shall make said yearly payment in full on or before October 1 of that year.
- BE. In no event shall the total amount of the Grant from EIC to KEDC exceed Four Hundred Seventy-Seven Thousand and No/100 Dollars (\$477,000.00).
- CE. 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 **Exhibit A**. In addition, in fulfilling its obligations under this Agreement, KEDC shall comply fully with its "Performance Measures" pursuant to the document of the same name and dated July 29, 2010, and which is attached as **Exhibit B**. KEDC may not change its mission, objectives, or Performance Measures without providing prior written notice to EIC.
- B. KEDC shall hire and employ sufficient professional personnel to perform its Economic Development obligations, including but not limited to, a Director of Development ("Director").
- C. KEDC shall maintain complete and accurate records relating to the costs and expenditures made for Economic Development as specified in **Exhibit C**. 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 Director or another representative, must appear at each regular meeting of the EIC or make a presentation regarding its Economic Development pursuant to a regularly posted agenda item, which may include meeting with the EIC in executive session pursuant to I.I.E., below. Where appropriate, the Director or KEDC representative will provide written documentation to support the presentation. The regular meeting is scheduled for the third Monday of each month and where neither the Director nor KEDC's representative is able to attend this meeting, the Director must provide prior, written notice to the EIC of this absence.
- E. KEDC understands that the EIC may, in accordance with state law, vote to deliberate certain matters in executive session including, but not limited to: i) where the public discussion of the subject would have a detrimental effect on the EIC's negotiating position; ii) where the

subject concerns commercial or financial information that the EIC has received from a business prospect that the EIC is seeking to have locate, stay, or expand within the Kerrville area and with which the EIC is conducting economic development negotiations; and/or iii) to deliberate the offer of a financial or other incentive to a business prospect. Toward this end and with an understanding of KEDC's performance of its Economic Development obligations, the EIC may believe that the presence of the Director in executive session is necessary for deliberation and that the Director's interest is not adverse to the EIC's interests. However, at any time where the Director believes that his interests may be adverse to the EIC's interests, the Director will immediately notify the EIC of this issue, the specifics thereof, and will not take part in the executive session.

- F. 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 nonprofit 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 KEDC Officer, 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 KEDC Officer, 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 six (6) 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.

**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.

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 hereto, 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 sixty (60) 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 ninety (90) 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
 2. KEDC
1700 Sydney Baker South
Kerrville, Texas 78028
Facsimile: (830) 995-2169

- E. Assignment. This Agreement shall be binding upon the parties hereto 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 hereto, 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 November 1, 2012 (the "Effective Date"), and shall terminate on the earlier of: (i) September 30, 2015; (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 arms 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. Survival of Terms. All rights, duties, liabilities and obligations accrued prior to termination shall survive termination.
- L. 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 duly authorized official.

**CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT
CORPORATION**

**KERRVILLE ECONOMIC
DEVELOPMENT CORPORATION**

David Wampler, President

By: _____
Don Barnett, President

ATTEST:

Rex Boyland, Secretary to the Corporation

APPROVED AS TO FORM:

Michael C. Hayes, City Attorney

EXHIBIT A

MISSION

Provide a comprehensive economic development strategy that generates significant and sustainable value for residents of Kerr County. By coordinating the efforts of the County and the municipalities, the regional economy can grow by retaining and expanding existing employers and by relocating new employers to Kerr County, through creating "A Natural Environment for Business."

OBJECTIVES

- Leverage County/Municipal resources and financial position to support job creation and retention through the efforts of highly experienced staff.
- Expand the capacity of Ken County to compete with other regions by developing programs/initiatives that support the growth and development of the private sector, including Business Retention and Expansion.
- Develop and implement a comprehensive marketing/communication strategy aimed at branding and positioning the county as one of America's best places to do business.
- Facilitate the development of economic development projects by structuring deals that fully leverage public investment (land, bonds, grants) with private capital, and yield a reasonable return on investment (tax base, job creation, and business creation) to local taxpayers over the long term.
- Function as the central point of communication for job development, retention and expansion progress and strategy among local municipalities, regional economic development, civic and non-profit community organizations.

Performance Measures

KEDC will take serious steps toward creating and implementing a comprehensive system of measure identification, collection, and tabulation. Although measures are well constructed and informative, the absence of clearly stated organizational objectives hinders any attempt to fully evaluate the appropriateness of those measures.

Therefore, a structure for a measurement system structure is required on the following principles:

- KEDC will have clearly defined objectives to give internal direction and accommodate internal and external reporting;
- Each of KEDC's programs will be directly responsible for contributing to the achievement of at least one of KEDC's objectives;
- Economic Development programs will be coordinated and seek to achieve common objectives;
- Positive economic impacts on the citizens of Kerrville are the ultimate outcomes of KEDC's efforts.

KEDC will have a structure that contains the following objectives and supporting recommendations:

Objective #1: Establish a clear vision of KEDC's objectives and update them annually

- Establish specific measurable objectives for KEDC's accomplishment.
- Create performance measures based on the newly established objectives. KEDC should put its progress into the context of the competition by comparing Kerrville Areas results to other selected cities when possible.

Objective #2: Link program-level measures and organizational measures more closely

- Establish a clear connection between the organizational objectives and the role each program plays in meeting them by developing program objectives that support the KEDC objectives in a hierarchical fashion.
- To the extent possible, gear measures for individual programs to the objectives.

Objective #3: Marry community development to economic development by basing the system on geographic areas

- To the extent allowed by individual funding sources, focus the objectives of both community and economic development programs, when necessary, on assisting and promoting development in Kerr County.
- Introduce Geographic Information System (GIS) technology into the Organization's measurement system.

Objective #4: Improve public reporting of objectives and rates of success

- Establish an internal reporting system.
- Submit one report semi-annually that includes a summary of each of KEDC's objectives and measured results (both successes and failures).
- Integrate measures into formal budget documents.

Objective #5: Integrate performance measurement into the management culture of KEDC.

- Make performance measures part of the resource allocation decision-making process.
- Focus attention on the role of program management in creating results.

In addition to analysis of the organizational measurement system, program results should collectively add-up to create KEDC outcomes that are required to achieve KEDC's overall mission.

- Programs often do not clearly define program objectives, especially within the context of the Organization's overall objectives.
- A number of programs pursue such broad goals that it is difficult to define success and probably impossible to achieve those goals within the context of the program.
- Many programs share similar or complementary goals, suggesting that these efforts are duplicative and do not make the most efficient use of available resources.
- Data collected can be utilized to measure progress once objectives are established. However, additional measures may be needed to measure new objectives in selected programs.
- Program objectives and measures should directly support the organization's priorities. Recommendations made for the organizational system should

translate into reorganization, and in some cases, a rethinking of program objectives.

- Surveys can provide most of the prospective data needed to measure many of the economic development programs; however, specific programs will require additional data essential to the management of their program. Those questions should be added to a survey or an additional survey conducted for longer-term projects.
- Many programs rely on local service providers but do not monitor or encourage them to work towards Organizational objectives. Additional steps may need to be taken to oversee the efficiency and the effectiveness of those providers.
- Program objectives should eventually include quantification of targets. Considerable value and accountability is achieved by semi-annually stating not only the object of expected accomplishment, but the quantity and timeframe as well.

Draft set of indicators

Employment

- | | |
|--------------|--|
| Employment | ◦ Proportion of people of working age in employment |
| Unemployment | ◦ Proportion of the working population who are unemployed ◦ Proportion of unemployed people claiming benefit who have been out of work for more than one year ◦ Percentage of population that is functionally unemployable |
| Local Jobs | ◦ Total number of local jobs by sector ◦ Proportion of these that are full time ◦ Annual change in number of local jobs |

Earnings and Skills

- | | |
|------------------|---|
| Earnings | ◦ Average annual earnings for full-time employees - full-time males; and - full-time females |
| Workforce Skills | ◦ Proportion of adults with (i) literacy and (ii) numeracy skills at or above level 1 ◦ Proportion of population of working age qualified to level 2 or equivalent ◦ Proportion of population of working age qualified to level 3 or equivalent |

Economic Vitality

- | | |
|---|--|
| Economic Activity | <ul style="list-style-type: none">◦ GDP per head of local population◦ Trend growth in GDP per head of local population (compared to trend growth in regional GDP per head)◦ Gross value added (GVA) per hour in the locality |
| Business Growth | <ul style="list-style-type: none">◦ Total number of VAT registered businesses in the area per 1,000 population◦ Percentage change in number of VAT registered business in the area over the year |
| Housing Prices and Affordability | <ul style="list-style-type: none">◦ Average property price◦ Average property price/average earnings |
| Business confidence | <ul style="list-style-type: none">◦ Previously developed land that is unused or may be available for redevelopment as a % of the Kerrville and Kerr County land area.◦ Satisfaction with the local area as a business location (Chamber of Commerce survey) |

Demography and Deprivation

- | | |
|--------------------------|---|
| Population | <ul style="list-style-type: none">◦ Total number of people living in the Kerrville and Kerr County area categorized by gender, age bands and ethnicity◦ Population density◦ Percentage change in total population by age bands |
| Household Poverty | <ul style="list-style-type: none">◦ Percentage of children under 16 living in low-income households◦ Percentage of population of working age who are claiming key benefits |
| Deprivation | <ul style="list-style-type: none">◦ Proportion of the population in the Kerrville area who live in low income area that rank within:<ul style="list-style-type: none">- the most deprived 10% in Texas- the most deprived 20% in Texas |

Downtown Areas and Tourism

- | | |
|--|---|
| Downtown Area | <ul style="list-style-type: none">◦ Pedestrian footfall in the downtown area (revitalization - usage survey)◦ User satisfaction with downtown area (survey) |
| Downtown Area Revitalization - Activity | <ul style="list-style-type: none">◦ Number of ground floor units not being used as a proportion of the total number of ground floor businesses◦ Number of charity shops as a percentage of the total number of ground floor businesses◦ Prime retail rent per square foot◦ Shopping center yield |

- Tourism
- Day visitors per annum
 - Bed nights per annum
 - Average spend per visitor

Workforce Development and Employability

- Workforce Development
- Proportion of employees and self-employed that have received job-related training in the last 13 weeks
- Employability
- Unemployed people in employment and/or education after registering on New Deal and other vocational and basic skills training and employment programs in the last:
 - six months, and
 - twelve months

Investment

- Business Investment
- Total number of 'inward investment' enquiries dealt with per annum
 - Number and value of re-locations and re-investments annually as a result of 'inward investment'
 - Number of jobs created and safeguarded from firms moving to re-investing or re-locating within the area following 'inward investment' enquiries
 - Cost per job created and safeguarded through 'inward investment'
- Land and premises Development
- Value of investment in land and premises brought forward for development in the area
 - Brownfield land reclaimed as a percentage of all land made available for industrial, commercial and leisure purposes
 - Net cost per hectare of land brought forward for development

Business and Social Enterprise Support

- Business Support
- Number of new business start-ups supported in the local area
 - Proportion of startups which are located in localities identified in the 20% most deprived in Texas
 - Average cost of local authority business support per new business start up supported.
 - User satisfaction with business start-up support
 - Number of jobs created and safeguarded in units and managed business units and managed workspace for workspace economic development purposes
 - Survival rates of businesses in managed workspace (i.e. after two years)
 - Cost (i) per job supported, (ii) per m2 of floor space (i.e. subsidy provided)
 - Number of business support enquiries for other advice and information received per annum
 - Cost per business support enquiry dealt with

Community Enterprise

- Number of jobs created or safeguarded by each type of business support
- Cost per job for each type of business support

- Jobs created by support to community and the social economy enterprise
- Income generated by community enterprise
- Cost per job through community enterprise support

EXHIBIT C

KEDC Budget FY 12/13

| | FY 11/12 | FY 12/13 | Delta |
|---|-------------------|-------------------|----------------|
| Expenses To Support Business Attraction, Retention and Expansion | | | |
| Business Expenses | | | |
| Business Recruitment | 15,000.00 | 15,000.00 | 0.00% |
| Econ Impact Reports | - | 2,250.00 | New Line Item |
| Retention & Expansion | - | 2,000.00 | New Line Item |
| Lobbying/DC/Austin | 6,000.00 | 3,000.00 | -50.00% |
| Travel & Meetings | - | - | - |
| Conferences, Meetings | - | - | New Line Item |
| ICSC Conference | 4,500.00 | - | -100.00% |
| BIO Conference | 4,450.00 | - | -100.00% |
| Texas One Business Recruitment Missions | - | 12,000.00 | New Line Item |
| Texas EDC Meetings | - | 1,500.00 | New Line Item |
| Meals & Entertainment | 3,000.00 | 5,000.00 | 66.67% |
| Travel | 2,000.00 | 5,000.00 | 150.00% |
| Research | - | 13,000.00 | New Line Item |
| Marketing | - | - | - |
| Design (Brochures, Publications) | 10,000.00 | 15,000.00 | 50.00% |
| Public Relations | - | 2,500.00 | New Line Item |
| Phase II Website | 10,250.00 | - | -100.00% |
| Recruitment Booth | 5,260.00 | - | -100.00% |
| Social Media | 6,250.00 | - | -100.00% |
| Texas Real Estate Ad | 5,787.00 | - | -100.00% |
| Site Selection Magazine | 12,250.00 | - | -100.00% |
| San Antonio Business Journal | 7,060.00 | - | -100.00% |
| Website | 3,000.00 | 1,800.00 | -40.00% |
| Total Business Expenses | 94,807.00 | 78,050.00 | -17.67% |
| Contract Services | | | |
| Accounting Fees | 3,000.00 | 3,000.00 | 0.00% |
| Legal Fees | 2,500.00 | 2,000.00 | -20.00% |
| Total Contract Services | 5,500.00 | 5,000.00 | -9.09% |
| Operations | | | |
| Contingencies | 5,000.00 | 10,000.00 | 100.00% |
| Dues & Subscriptions | 2,500.00 | 2,497.00 | -0.12% |
| IT Support Services | 1,000.00 | 2,000.00 | 100.00% |
| New Software/Hardware | 1,500.00 | 2,000.00 | 33.33% |
| Office Lease | 7,200.00 | 9,600.00 | 33.33% |
| Building Signage | - | 220.00 | New Line Item |
| Postage | 2,500.00 | 500.00 | -80.00% |
| Printing | 2,500.00 | 500.00 | -80.00% |
| Supplies | 1,500.00 | 1,500.00 | 0.00% |
| Telephone, Internet | 2,500.00 | 2,500.00 | 0.00% |
| Training | 1,000.00 | 1,200.00 | 20.00% |
| Total Operations | 27,200.00 | 32,517.00 | 19.55% |
| Other Types of Expenses | | | |
| Insurance - Liability, D and O | 2,000.00 | 2,000.00 | 0.00% |
| Total Other Types of Expenses | 2,000.00 | 2,000.00 | 0.00% |
| Payroll Expenses | | | |
| Health Insurance | 6,000.00 | 7,656.00 | 27.60% |
| Payroll Taxes | 12,000.00 | 12,000.00 | 0.00% |
| Retirement | 4,500.00 | 3,274.80 | -27.23% |
| Salaries | 126,500.00 | 109,160.00 | -13.71% |
| Bonus board descretion | 10,120.00 | 14,332.80 | 41.63% |
| Vehicle Allowance - Director | 6,000.00 | 4,800.00 | -20.00% |
| Workers Compensation | 500.00 | 500.00 | 0.00% |
| Payroll Expenses - Other | - | - | - |
| Total Payroll Expenses | 165,620.00 | 151,723.60 | -8.39% |
| Total Expenses | 295,127.00 | 269,290.60 | -8.75% |
| Retain/Reserve | 2010 85,000.00 | 2011 40,000.00 | |
| Support by Shareholders | | | |
| Support | | | |
| City of Kerrville | 20,000.00 | 14,500.00 | -27.50% |
| EIC | 175,000.00 | 127,000.00 | -27.43% |
| Kerr County | 20,000.00 | 14,500.00 | -27.50% |
| KPUB | 20,000.00 | 14,500.00 | -27.50% |
| Total Support | 235,000.00 | 170,500.00 | -27.45% |

Agenda Item:

5B. 4B Sales Tax Funding Request for the Commercial Improvement Program,
from Lemon Tree Cleaners (staff)

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

SUBJECT: 4B Sales Tax Funding Request for the Commercial Improvement Program submitted by Lemon Tree Cleaners

FOR AGENDA OF: Dec. 17, 2012 **DATE SUBMITTED:** Dec. 13, 2012

SUBMITTED BY: Todd Parton **CLEARANCES:**
City Manager

EXHIBITS: Lemon Tree Cleaners Cove Letter
Lemon Tree Cleaners Application
Demolition Quote

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

| Expenditure | Current Balance | Amount | Account |
|--------------------|------------------------|------------------|----------------|
| Required: | in Account: | Budgeted: | Number: |
| \$ | \$ | \$ | |

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OR FINANCE:

SUMMARY STATEMENT

Lemon Tree Cleaners has submitted an application to assist with the cost to demolish an existing structure under the Commercial Improvement Program. The request is for 40% of the reimbursement of the demolition expense which is estimated to be \$9,000 (\$3,600 of reimbursement expense).

The subject property is located at 1601 Broadway. The structure is an eligible candidate for the Commercial Improvement Program since it is located within one of Kerrville's commercial corridors and is at a highly visible location.

The application indicates that future improvements to the property will be for a paved parking lot to serve the Lemon Tree Cleaners facility located at 1613 Broadway.

The KEDC Board voted to pass a motion of support for the application (8-0) and recommend that it be forwarded for consideration.

RECOMMENDED ACTION

City staff recommends that this request be accepted and that City staff be directed to prepare a funding agreement for consideration by the EIC Board.

12/5/2012



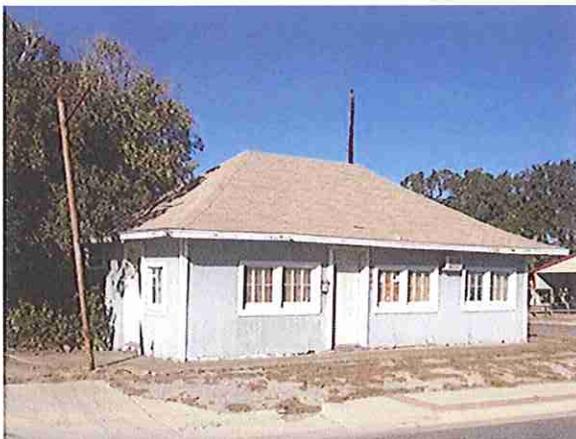
Feel good about how you look.

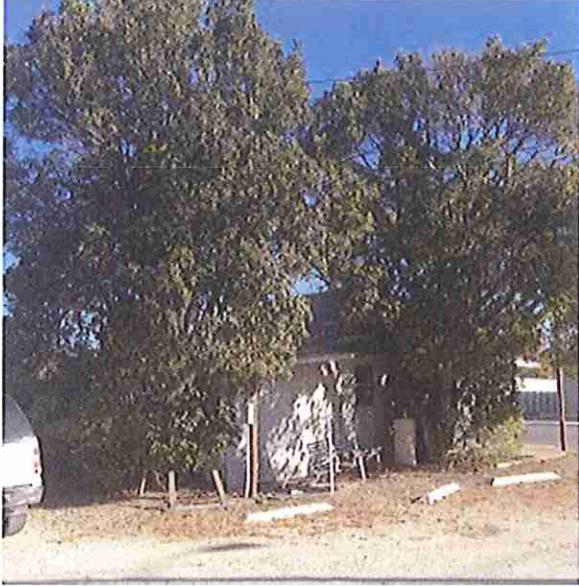
City of Kerrville
Economic Improvement Corporation
701 Main St.
Kerrville, TX 78028

Dear Sirs/Madams

Attached please find an application under the Commercial Improvement Program. On Nov. 30, 2012 Lemon Tree Cleaners purchased the adjacent lot at 1601 Broadway, on the corner of F Street and Broadway. If our funding request is approved, Edmund Jenschke Inc. will demolish the dilapidate house, and remove the trees. In preparation of the demolition utilities will need to be disconnected and removed from the site and a Permit will need to be obtained from the City of Kerrville.

Once the work is complete it will allow for increased visibility of Lemon Tree Cleaners to passing traffic. The lot will continue to be used for employee and customer parking. Future project will include paving and stripping the parking area. See attached pictures of the existing structure and the demolition quote from Edmund Jenschke Inc.







Thank you

Denny Foster
President
Lemon Tree Cleaners



**City of Kerrville Economic Improvement Corporation
4B Sales Tax Funding Request
for the
Commercial Improvement Program**

Guidelines and Procedures

Economic Improvement Corporation

Both the Economic Improvement Corporation Board of Directors (EIC) and the Kerrville City Council must approve expenditures of 4B funding. Before a project may be considered and awarded funds, the attached application must be completed and submitted to:

**City of Kerrville Economic Improvement Corporation
800 Junction Hwy.
Kerrville, Texas 78028
830.257.8000**

All actions of the EIC are subject to the Development Corporation Act of 1979, article 5190.6 Vernon's Civil Statutes, Section 4B. The EIC is a legal entity with statutory authority to spend economic development sales tax dollars. The Corporation is city-chartered and governed by a city-appointed board of directors. The EIC is a 4B Corporation and may fund "projects" focused on the creation of "primary jobs" and/or to provide an economic benefit to the City of Kerrville, as well as "Quality of Life" projects. Application approvals are subject to funding availability.

Commercial Improvement Program

The Economic Improvement Corporation encourages existing businesses to be successful by making improvements to their commercial buildings. The Commercial Improvement Program (CIP) offers to reimburse 20% of the cost of an improvement project up to \$10,000.00. \$100,000.00 has been set aside for the CIP in the FY10 budget. All future program disbursements are subject to funding availability.

Potential projects to be considered could include but are not limited to interior remodel, improved signage and façade improvements. If the structure needs to be razed, up to 40% of the cost could be reimbursed.

Candidate buildings for the Commercial Improvement Program should be located in commercial corridors within the city limits of Kerrville and any commercial corridor located in Kerr County in a highly visible location.

The following guidelines would apply and are subject to City Council approval:

1. Applications must meet all eligibility requirements set forth with the above mentioned Section 4B of Vernon Civil Statues.
2. Grants to be made to improve or demolish an existing commercial structure in Kerr County.
3. Grant limited to reimbursement of 20% of improvement cost or 40% of demolition cost up to a maximum of a \$10,000 grant.
4. Grant to be funded as a reimbursement of a percentage of the actual cost after completion.
5. Applicants buying materials locally and using local labor will be given priority.
6. Project to be completed within 90 days from the date the grant is awarded.
7. Conflict of interest rules apply.
8. Considered a pilot program and reserve the right to reject any proposal.
9. Successful applicants agree to appropriate publicity upon completion of a project.

Application

The City of Kerrville will accept applications for projects at any time. Applications will not be considered until complete. Applicants must be available to present projects at an Economic Improvement Corporation board meeting. Eligible projects can be projects within the city limits of Kerrville and within Kerr County. All projects outside the Kerrville city limits must have approval of the governing body in which the project is to be located. Applicants may be businesses, individuals, the City of Kerrville, Kerr County, or Kerr Economic Development Foundation.

Initial Response Team

An initial response team (IRT) will evaluate and recommend applications based on:

1. Compliance with legal requirements (with necessary assistance from the City Attorney)
2. Funding Availability
3. Economic impact analysis results*, including a return on investment and the break even point (as affected by the extent of developer participation), job creation impact, and impact on the tax base
4. Verification of all documents, reports, statements
5. Project status; for example, projects already under construction

*Demolition projects require a project plan for reuse of property.

The initial response team will consist of the City Manager, Director of Business Programs, and the President of the Kerr Economic Development Foundation.

Additional members of staff may be added to the initial response team where appropriate depending on the nature and location of the project.

Upon review of the application and support documents, the initial response team will make a recommendation to the Economic Improvement Corporation. The initial response team will then notify the applicant of the next available Economic Improvement Corporation board meeting for a project presentation.

The Economic Improvement Corporation may direct a public hearing to be scheduled and a funding agreement to be drafted. The EIC and the Kerrville City Council must both approve the funding agreement.

Adopted 05.17.10

Amended 10.18.10



APPLICATION FOR 4B SALES TAX FUNDS
CITY OF KERRVILLE
ECONOMIC IMPROVEMENT CORPORATION
Commercial Improvement Program
Application

Both the Economic Improvement Corporation Board of Directors (EIC) and the Kerrville City Council must approve all expenditures of 4B funding. Before a project may be considered and awarded any funds, the attached application must be completed and submitted to:

City of Kerrville Economic Improvement Corporation
800 Junction Hwy.
Kerrville, Texas 78028
830.257.8000

All actions of the EIC are subject to the Development Corporation Act of 1979, article 5190.6 Vernon's Civil Statutes, Section 4B. The EIC is a legal entity with statutory authority to spend economic development sales tax dollars. The Corporation is city-chartered and governed by a city-appointed board of directors. The EIC is a 4B Corporation and may fund "projects" focused on the creation of "primary jobs" and/or to provide an economic benefit to the City of Kerrville, as well as "Quality of Life" projects. Application approvals are subject to funding availability.

APPLICATION

SECTION I - APPLICANT INFORMATION

Submittal Date: 12/5/2012

Company Information

Company Name/Organization: DSF Management Inc. DBA Lemon Tree Cleaners

Address (City/State): 1613 Broadway Kerrville, TX 78028

Telephone: 830 257-5821 E-mail: dfoster@lemontreecleaners.com

SECTION IV - PROJECT DESCRIPTION

Please attach a statement on company letterhead and signed by an officer of the company (1) fully explaining the nature and scope of the project; (2) describing the proposed site and existing improvements, or if; (3) the project is a demolition provide a description of the project .

Should this project be approved, the Economic Improvement Corporation may require performance criteria as a part of the funding agreement, in addition to this application. The funding agreement is between the Economic Improvement Corporation and the City of Kerrville. Said funding agreement will outline project costs, timelines, other information may be necessary to carry out the project in an efficient manner.

Estimated cost of the project: \$9000

Requested amount: \$ 40% / \$3600

Amount of 'sweat equity' hours at \$15.00 per hour: \$150.00

State date: Based on funding approval Feb. 2013

Grant requires completion in 90 days from the approval date. Project can be started as soon as application is made but there is no guarantee it will be approved.

Current use of the property and/or proposed use Vacant dilapidated house and Lemon Tree Cleaners employee parking.
Property zoned for Commercial/Retail

Plan to purchase materials locally and use local labor. Yes No

Edmond Jenschke Inc. will perform all work.

I understand the grant will be funded as a reimbursement after the project is completed and will be based on a percentage of the actual cost, which is 40% of demolition projects or 20% of renovation projects.

The above information is true and correct to the best of my knowledge.

Denny Foster
Printed name

12/5/2012
Date

Signature

For additional information visit the City's website at www.kerrvilletx.gov or call 830.792.8343.

5.13.10



**EDMUND
JENSCHKE
INCORPORATED**

Conservation Contractor
225 Loop 534 Kerrville, Texas 78028 830-896-6706 fax 830-896-2135

September 12, 2012

LEMON TREE CLEANERS
Denny Foster
1613 Broadway
Kerrville, Texas 78028

We hereby submit specifications and estimates for: The building demolition and parking lot construction for "Lemon Tree Cleaners", 1613 Broadway, Kerrville, Texas.

Item No. 01 - Demolition; Work shall include the demolition of a single story structure located at the corner of Broadway and F Street and trees between Lemon Tree and Corner lot, Kerrville, Texas. Edmund Jenschke Inc. shall be responsible of the actual demolition of said structures, loading and haul-off. Edmund Jenschke, Inc. shall not be responsible for existing utility disconnects including, but not limited to, electrical, phone, cable, gas, water, sanitary sewer etc, disconnects, permits and testing shall be by owner. Site shall be left level and free of debris.

Estimated Cost \$ 7,840.00

Item No. 02 – Subgrade Preparation/ Base material Placement; Excavate existing substrates allowing for a minimum of 6 inches of crushed limestone base material. Scarify/ moisture and compact existing substrate soils prior to the placement of a minimum of 6 inches of Type A, Grade 2 crushed limestone base material. Base material shall be installed in a single compacted lift. Compaction shall be to a minimum 95% standard proctor.

Estimated Cost \$ 26,198.00

Item No. 03 – 1 1/2 inch HMAc; Prime utilizing 0.18 gallon "AEP" per yd². Install a minimum of 1 1/2 inches of Type "D" Hot Mixed Asphaltic Concrete. Hot Mixed Asphalt Concrete shall be compacted to minimum 95% standard proctor.

Estimated Cost \$ 25,086.00

Item No. 04 – Stripping;

Estimated Cost \$ 1,026.00

Note: 1 MATERIALS TESTING COST SHALL BE BY OWNER IF REQUIRED, COST FOR THIS TESTING IS NOT INCLUDED IN THIS BID.

2 COST INCLUDES ALL MATERIALS, LABOR, EQUIPMENT, INSURANCE NECESSARY FOR COMPLETION OF SAID WORK.

Note: Before construction can begin, underground utilities must be located by owner or owner's authorized agent. Edmund Jenschke, Inc. will not be held responsible for damage to underground utilities unless such are clearly marked. Owner will be back charged for any time loss due to delays because of damage to underground utilities.

We hereby propose to furnish labor and materials - complete in accordance with the above specifications, for the sum of: _____ Dollars (\$ _____)

With payment to be made as follows: _____ *Due Upon Completions*

"Lemon Tree Cleaners"

Acceptance of Proposal

The above prices and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Accepted:

Signature/ Date:

Signature/ Date: 

NOTE: THIS PROPOSAL MAY BE WITHDRAWN BY US IF NOT ACCEPTED WITHIN **30** DAYS.

Agenda Item:

5C. 4B Sales Tax Funding Request from Fox Tank Company. (staff)

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

SUBJECT: 4B Sales Tax Funding Request from Fox Tank Company for the expansion of its manufacturing operations in the City of Kerrville

FOR AGENDA OF: Dec. 17, 2012 **DATE SUBMITTED:** Dec. 13, 2012

SUBMITTED BY: Todd Parton **CLEARANCES:**
City Manager

EXHIBITS: Economic Impact Analysis – December 10, 2012

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

| Expenditure Required: | Current Balance in Account: | Amount Budgeted: | Account Number: |
|----------------------------------|--|-----------------------------|----------------------------|
| \$ | \$ | \$ | |

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OR FINANCE:

SUMMARY STATEMENT

An application has been submitted by the Fox Tank Company to expand its manufacturing operations at its Kerrville location. This expansion will allow for the manufacture of field separators to be used in oil and gas production. The new operation will add 30 new full time jobs – 28 machinists and welders and 2 clerical. Total payroll for the 30 jobs will be \$1.2 million per year and the average production wage will be \$15 per hour.

The KEDC Board voted to recommend that this project be brought forward for consideration. They found that this is a viable project that is worthy of consideration and that it is consistent with the community's targeted markets.

The "Go Team" met to evaluate this project and finds that it is feasible in that the uses are allowed under the current zoning regulations and that adequate public facilities exist to serve the project. The "Go Team" also evaluated this project from an economic perspective and found that this project is a quality candidate for funding provided that the value of incentive not exceeds a return on investment beyond 10 years.

An independent economic impact analysis was prepared for this proposal by Impact Data Source located in Austin, Texas. The analysis indicated that this project would have a significant indirect annual economic impact over the next 10 years. It also indicated that any granted incentives not exceed a value of \$150,000 to ensure a return within 10 years. This established a value of \$5,000 per new job.

A copy of the complete funding application will be made available to the EIC Board for executive session deliberations or may be viewed independently by the board at KEDC offices.

RECOMMENDED ACTION

City staff recommends that the EIC Board direct that a funding agreement be drafted for EIC Board consideration. It is further recommended that the funding agreement be developed to incorporate the following:

1. An anticipated return on investment within 10 years;
2. A total value of incentives not to exceed \$150,000;
3. An incentive package that limits the funds to support the construction or installation of the physical improvements necessary to develop the site according to the proposed manufacturing operation; and
4. An authorization of the EIC's representative, KEDC staff and city staff to negotiate a funding agreement with Fox Tank Company.

An Executive Summary of the Economic Impact of Fox Tank Company in Kerrville, Texas

Second Project

December 10, 2012

Prepared for:

Kerr Economic Development Corporation
1700 Sidney Baker, Suite 100
Kerrville, TX 78028

Prepared by:

Impact DataSource
4709 Cap Rock Drive
Austin, Texas 78735
(512) 892-0205
Fax (512) 892-2569
www.impactdatasource.com

An Executive Summary of the Projected Economic Impact from Fox Tank Company

Introduction

This report summarizes the results of an economic impact analysis performed by Impact DataSource, Austin, Texas. The analysis was to determine the impact that Fox Tank Company will have on the economy of the Kerrville, Texas, area and the costs and benefits for local taxing district over the next ten years.

Description of the Facility

Fox Tank Company, a Kerrville manufacturer of fiberglass oilfield tanks is considering an expansion to produce a ASME code vessel line.

The firm will invest \$240,000 in real property improvements, \$425,000 for furniture, fixtures and equipment, and \$150,000 for taxable inventories.

The company will create 30 jobs -- 2 clerical jobs and 28 manufacturing jobs with an annual payroll of \$1.2 million.

The Estimated Economic Impact of the Facility over the Next Ten Years

The facility will have the following economic impact on the Kerrville area over the next ten years:

| Economic Impact over the Next Ten Years | |
|--|--------------|
| Total number of permanent direct and indirect jobs to be created | 51 |
| Number of direct and indirect workers who move to the city | 4 |
| Number of residents that the facility will bring to the city | 12 |
| Number of new residential properties to be built in the city | 1 |
| Number of new students for Kerrville ISD | 3 |
| Salaries to be created for direct and indirect workers | \$28,070,521 |
| Taxable sales and purchases created in the City | \$6,787,631 |
| The value of residential property to be built for direct and indirect workers who move to the city | \$209,858 |
| The facility's assets that will be added to local tax rolls | \$815,000 |

Costs and Benefits for Local Taxing Districts over the Next Ten Years

Local taxing districts can expect costs and benefits over the next ten years from the facility, as scheduled below, beginning with the additional revenues to be received.

Additional Revenues for Local Taxing Districts

Local taxing districts can expect to receive the following revenues over the next 10 years from the facility, its employees and workers in indirect jobs created in the community.

**Additional Revenues For Local Taxing Districts Over the Next
Ten Years of the Facility's Operation**

| | Sales Taxes | Property Taxes | Utilities | Utility Franchise Fees | Building Permits and Fees |
|---|------------------|-------------------|------------------|---------------------------|---------------------------------|
| City of Kerrville | \$101,814 | \$46,753 | \$144,536 | \$15,192 | \$5,000 |
| Kerr County | \$33,938 | \$34,252 | | | |
| Kerrville ISD | | \$98,077 | | | |
| Upper Guadalupe River Authority Road District Underground Water | | \$2,078 | | | |
| Total | \$135,753 | \$181,160 | \$144,536 | \$15,192 | \$5,000 |

| | Hotel Occupancy Taxes | Other Taxes and User Fees | Additional State and Federal School Funding | Total Additional Revenues |
|---|-----------------------------|------------------------------------|---|---------------------------------|
| City of Kerrville | \$5,406 | \$2,628 | | \$321,330 |
| Kerr County | | \$2,190 | | \$70,380 |
| Kerrville ISD | | | \$134,127 | \$232,205 |
| Upper Guadalupe River Authority Road District Underground Water | | | | \$2,078 |
| Total | \$5,406 | \$4,818 | \$134,127 | \$625,993 |

Additional Costs for Local Taxing Districts

Local taxing districts will incur the following costs over the next 10 years, as a result of the facility and direct and indirect employees.

| Costs for Local Taxing Districts Over the Next 10 Years of the Facility's Operation | | | | | |
|--|---|---|--|--|------------------|
| | Costs of Services to New Residents | Costs of Providing Monthly Utility Services | Costs of Educating New Students | Reduction in State School Funding as a Result of Property Being Added to Local Tax Rolls | Total |
| City of Kerrville | \$13,140 | \$137,310 | | | \$150,449 |
| Kerr County | \$4,380 | | | | \$4,380 |
| Kerrville ISD | | | \$119,224 | \$86,441 | \$205,665 |
| Upper Guadalupe River Authority Road District Underground Water | | | | | \$0 |
| Total | \$17,520 | \$137,310 | \$119,224 | \$86,441 | \$360,494 |

Additional Net Benefits

The additional public benefits less additional public costs will result in the following net benefits for the City, County and other local taxing districts over the next ten years of the facility's operation:

| Net Benefits for Local Taxing Districts Over the Next 10 Years of the Facility's Operation | | | |
|---|------------------|------------------|------------------|
| | Benefits | Costs | Net Benefits |
| City of Kerrville | \$321,330 | \$150,449 | \$170,880 |
| Kerr County | \$70,380 | \$4,380 | \$66,000 |
| Kerrville ISD | \$232,205 | \$205,665 | \$26,539 |
| Upper Guadalupe River Authority Road District Underground Water | \$2,078 | \$0 | \$2,078 |
| Total | \$625,993 | \$360,494 | \$265,498 |

Analysis of Incentives for the Facility

The EIC may consider incentives for the project in the range of \$2,000 to \$5,000 per job.

Financial incentives offered the facility may be considered as investments that the City/EIC are making in the facility.

Four calculations analyzing possible investments were made -- net benefits, discounted cash flow, rate of return on investment and payback period.

Rate of return on investment is the City's average annual rate of return from additional revenues that the City will receive on the investment of incentives that the City may make in the facility. Payback period is the number of years that it will take the City to recover the costs of incentives from the additional revenues that it will receive from the facility.

Average annual rates of return on investment each year over the next ten years and payback periods for the possible levels of incentives are shown below.

**Rates of Return and Payback Periods
Possible City/EIC Incentives**

| Incentives Per Job | Total Incentives | Annual Rate of Return | Payback Period (In years) |
|-----------------------|---------------------|-----------------------------|---------------------------------|
| \$2,500 | \$75,000 | 22.8% | 4.28 |
| \$2,750 | \$82,500 | 20.7% | 4.75 |
| \$3,000 | \$90,000 | 19.0% | 5.21 |
| \$3,250 | \$97,500 | 17.5% | 5.68 |
| \$3,500 | \$105,000 | 16.3% | 6.13 |
| \$3,750 | \$112,500 | 15.2% | 6.59 |
| \$4,000 | \$120,000 | 14.2% | 7.04 |
| \$4,250 | \$127,500 | 13.4% | 7.49 |
| \$4,500 | \$135,000 | 12.7% | 7.94 |
| \$5,000 | \$150,000 | 11.4% | 8.81 |
| \$6,000 | \$180,000 | 9.5% | 10.50 |
| \$7,000 | \$210,000 | 8.1% | 12.11 |
| \$8,000 | \$240,000 | 7.1% | 13.64 |
| \$9,000 | \$270,000 | 6.3% | 15.11 |
| \$10,000 | \$300,000 | 5.7% | 16.52 |

Agenda Item:
(Staff)

5D. Discuss and consider creation of a revolving loan fund. (staff)

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

SUBJECT: Discuss and consider creation of a Revolving Loan Fund

AGENDA DATE: December 17, 2012

DATE SUBMITTED: December 11, 2012

SUBMITTED BY: Ashlea Boyle,
Special Projects Coordinator

CLEARANCE: Todd Parton,
City Manager

EXHIBITS/INFORMATION:

APPROVED FOR SUBMITTAL BY CITY MANAGER:



| Expenditure Required: | Current Balance in Account: | Amount Budgeted: | Account Number: |
|----------------------------------|--|-----------------------------|----------------------------|
| \$ | \$ | \$ | |

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Discuss and consider the creation of a Revolving Loan Fund. The initial step would be to create a subcommittee of EIC members to work with city staff and KEDC Executive Director to create a draft of loan fund structure, guidelines, levels of funding and permissible uses.

RECOMMENDED COUNCIL ACTION

Staff recommends the creation of a subcommittee to draft program guidelines.

Agenda Item:

6A. Update regarding "Go" Team activities. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Update on "Go Team" activities

FOR AGENDA OF: December 17, 2012 **DATE SUBMITTED:** December 11, 2012

SUBMITTED BY: Todd Parton, **CLEARANCES:**
City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

| Expenditure | Current Balance | Amount | Account |
|--------------------|------------------------|------------------|----------------|
| Required: | in Account: | Budgeted: | Number: |
| \$ | \$ | \$ | |

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

The Economic Development "Go Team" met on December 7, 2012 to discuss the Fox Tank Separators Project Funding Application.

There are several active prospects that are in the early preliminary stages and it is anticipated that additional "Go Team" meetings will be scheduled in the near future to discuss one or more of them.

RECOMMENDED ACTION

This report is provided for informational purposes only and no action is required.

Agenda Item:

6B. Update regarding the downtown wireless project. (staff)

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

SUBJECT: Update Regarding the Downtown Wireless Project

AGENDA DATE: December 17, 2012

DATE SUBMITTED: December 11, 2012

SUBMITTED BY: Ashlea Boyle,
Special Projects Coordinator

CLEARANCES: Todd Parton,
City Manager

EXHIBITS/INFORMATION: Usage Report

APPROVED FOR SUBMITTAL BY CITY MANAGER:



| Expenditure Required: | Current Balance in Account: | Amount Budgeted: | Account Number: |
|----------------------------------|--|-----------------------------|----------------------------|
| \$ | \$ | \$ | |

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Staff are continuing to monitor and document the Downtown Wireless usage for Peterson Plaza. The attached graphs depict the trend analysis from November 2012.

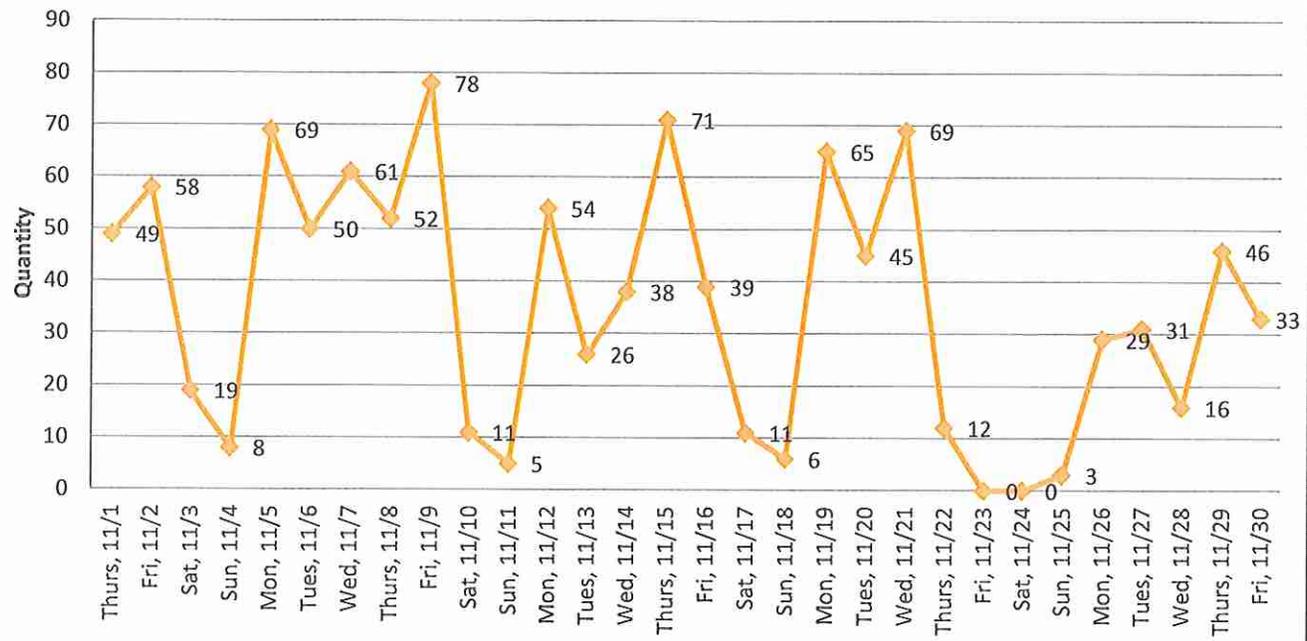
Staff will continue to provide monthly usage and trend analysis reports.

RECOMMENDED COUNCIL ACTION

This report is for informational purposes only and no action is required.

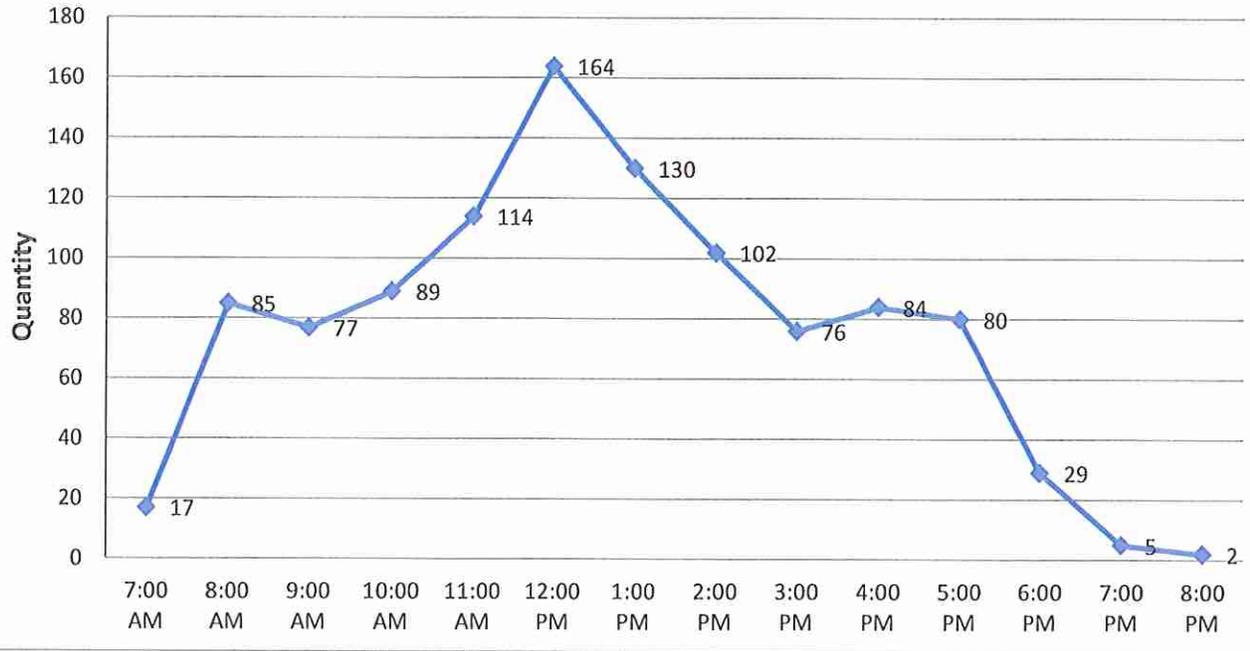
Total Daily Usage

November 2012



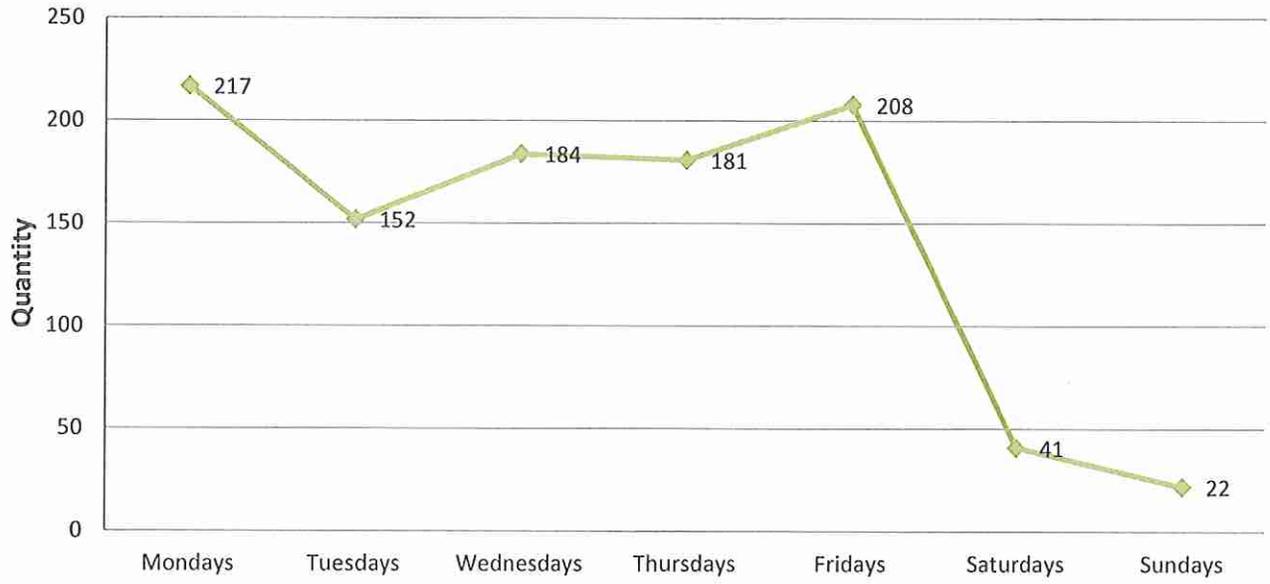
Total Hourly Usage

November 2012



Total Usage per Day of Week

November 2012



Total Weekly Usage

November 2012

