

AGENDA FOR REGULAR MEETING

CITY OF KERRVILLE, TEXAS

ECONOMIC IMPROVEMENT CORPORATION

MONDAY, FEBRUARY 25, 2013 AT 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, FEBRUARY 25, 2013, 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 January 14, 2013, and the walking tour held on February 8, 2013.

3. MONTHLY REPORTS:

3A. Monthly financials for January 2013. (staff)

3B. Capital projects update. (staff)

Harper Highway Project Phase II

Golf Course Pavilion Project

Golf Course Parking Lot Improvements Project

Downtown Utility Improvement Project

3C. Update regarding "Go" Team activities. (staff)

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

3E. Kerrville Economic Development Corporation (KEDC) Update regarding KEDC Activities. (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 February 21, 2013 at 10:00 a.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

4. DISCUSSION AND POSSIBLE ACTION:

4A. Funding agreement with Fox Tank Company for the expansion of its manufacturing operation in the City of Kerrville. (staff)

4B. Funding application from Texas Arts & Crafts Educational Foundation. (staff)

4C. Update on downtown wireless project. (staff)

5. INFORMATION AND POSSIBLE ACTION:

5A. State of the City update. (staff)

6. 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 551.087:

- Funding application from Texas Arts & Crafts Educational Foundation.

7. 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: February 21, 2013 at 10:00 a.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 January 14, 2013 and the walking tour held on February 8, 2013.

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

January 14, 2013

On Monday, January 14, 2013, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:05 p.m. by David Wampler, President, in the City Hall Council Chambers, 701 Main Street, Kerrville, Texas.

Members Present:

David Wampler, President
Kenneth Early, Vice President
Rex Boyland, Secretary
Polly Rickert
Gary Cochrane

Members Absent:

Stacie Keeble
Larry Howard

City Executive Staff Present:

Todd Parton, City Manager
Kristine Ondrias, Assistant City Manager
Mike Hayes, City Attorney
Cheryl Brown, Deputy City Secretary
Ashlea Boyle, Special Projects Coordinator
Mike Erwin, Finance Director
Sai Vongchampa, Budget/Purchasing Manager
Malcolm Matthews, Director of Parks and Recreation
Keith Magnell, Technical Support Analyst
Jason Lutz, Senior Planner
Kimberly Meismer, Director of General Operations

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

Jonas Titas, Executive Director of the Kerrville Economic Development Corporation

INVOCATION: Given by Mr. Cochrane.

1. **VISITORS/CITIZENS FORUM:** No one spoke.

2. **APPROVAL OF THE MINUTES:**

2A. Minutes of the regular meeting with City Council held December 17, 2012.
Mr. Cochrane moved for approval of the minutes of December 17, 2012; Ms. Rickert seconded the motion and it passed 5 to 0.

3. MONTHLY REPORTS:

3A. Monthly financials for December 2012: Mr. Vongchampa reported on the December, 2012 financials, and noted there was an overpayment to the Hill Country Sports Shooting Center in the amount of \$747.00. Staff was directed to contact Hill Country Sports Shooting Center and request repayment of that amount. Mr. Vongchampa reported that there was a sales tax revenue increase of 1.7% over December 2011, and that the increase was due to better economic conditions.

3B. Capital Projects Update: Mr. Parton reported:
Harper Highway Project Phase II: The project was proceeding on schedule.

Hill Country Junior Livestock Association: A reimbursement payment in the amount of \$149,702.64 was made to the livestock association, pursuant to the funding agreement.

Golf Course Pavilion and Parking Lot Improvement Projects: These projects were being done at the same time. Bids would be taken on February 5, 2013, and then presented to the City Council on February 12, 2013. The projects would be finished in March, 2013.

3C. Update regarding River Trail and Parks projects: Mr. Matthews reported that preparations were underway with the River Trail - Package B and the parks renovation project, staff would re-examine the master plan for Louise Hays Park. He said he wanted to look that the budget that was set aside for the project was to be reviewed and staff would bring back a report to EIC to make sure the project was consistent with the EIC's plan. He noted some basic infrastructure needs in Louise Hays Park that needed to be addressed, e.g. renovations to the existing pavilion to meet the Americans with Disabilities Act (ADA) requirements, installation of sound barriers around the pavilion, and renovations to the restrooms in the park to be ADA compliant. Mr. Matthews also reviewed several planned updates to the staging area, as well as electrical updates. A spray-ground would be added near the existing playground, as well as shading in that area. Parking areas would be made to be more organized, and better connected to the roadways. Staff had been in contact with Kerrville Public Utilities Board, as well as Texas Department of Transportation regarding utilities and road construction in the park. Further updates would be forthcoming.

3D. Update on the downtown wireless project: Mr. Parton reported on the wireless activity in the downtown area. An item would be on the next EIC agenda for EIC to discuss whether or not to reconsider funding for further downtown wireless access. The previous committee would reconvene and discuss how best to proceed, and bring their recommendations back to EIC.

3E. Update on Kerrville Economic Development Corporation: Mr. Titas reported that KEDC was working with a consultant regarding the winery industry to

determine the best way to proceed. He was also working on a revolving loan program, and working with several manufacturing companies. KEDC agreed to meet with EIC to develop economic development guidelines to be consistent with incentives. He will prepare a proposal to present to the EIC at a future meeting.

4. DISCUSSION AND POSSIBLE ACTION:

4A. Funding request from Fox Tank Company for the expansion of its manufacturing operation in the City of Kerrville: Mr. Titas reported the expectations for the completion of the initial project at Fox Tank, had been surpassed.

Mr. Fox reported that the sales tax totals would increase when they moved to their main building in March. His certification from the American Petroleum Institute should be completed in April, which should result in increased sales, and an increase in sales tax revenue.

Further discussion of this item was deferred to Executive Session.

5. INFORMATION AND POSSIBLE ACTION:

5A. Update regarding "Go" Team activities: No report.

6. EXECUTIVE SESSION:

Mr. Boyland moved that the Economic Improvement Corporation go into executive closed session under Section 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), and Section 551.087 (deliberation regarding economic development negotiations); Ms. Rickert seconded the motion, and it passed 5-0 to discuss the following matter:

Sections 551.071, 551.072 and 551.087:

At 5:00 p.m. the regular meeting recessed and the EIC went into executive closed session at 5:00 p.m. At 5:36 p.m. the executive closed session recessed and the Board returned to open session at 5:36 p.m.

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

ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

5C. 4B Sales Tax Funding Request from Fox Tank Company:

Mr. Boyland moved that the EIC direct staff to prepare a funding agreement; Ms. Rickert seconded and the motion passed 5-0.

Walking Tour of the Downtown Area:

It was the consensus of the EIC to not reschedule the walking tour of the downtown area, which was cancelled previously due to inclement weather.

ADJOURNMENT:

Mr. Wampler adjourned the meeting at 5:39 p.m.

APPROVED: _____

David Wampler, President

ATTEST:

Cheryl Brown
Deputy City Secretary

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
SPECIAL MEETING – WALKING TOUR**

February 8, 2013

On Friday, February 8, 2013, the special meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 9:02 a.m. by David Wampler, President, in front of the City Hall Council Chambers, 701 Main Street, Kerrville, Texas; for the purpose of a walking tour of the downtown area.

Members Present:

David Wampler, President
Kenneth Early, Vice President
Polly Rickert
Stacie Keeble

Members Absent:

Gary Cochrane
Larry Howard
Rex Boyland, Secretary

City Executive Staff Present:

Todd Parton, City Manager
Cheryl Brown, Deputy City Secretary
Mike Erwin, Finance Director
Sai Vongchampa, Budget/Purchasing Manager
Ashlea Boyle, Special Projects Coordinator

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

Walking Tour:

Peter Lewis, with Peter Lewis Architect and Associates, PLLC., began the walking tour at 701 Main Street in Peterson Plaza, continued west across Sidney Baker on Water Street to Francisco Lemos Street, then proceeded north to Main Street, east to Washington St, south to Water Street, and west back to Peterson Plaza. Mr. Lewis stated that the intent of the long range plan was to improve the downtown area, and make it more accessible to the public. His design would include changes to the intersections, so they would all have the same type of paving. He recommended widening the sidewalks in some places, and a multi-stage plan to include landscaping and create a cohesive downtown area. There was some discussion regarding the various problem areas, such as driveway entrances, sidewalk continuity, and signage.

ADJOURNMENT:

Mr. Wampler adjourned the meeting at 10:26 a.m.

APPROVED: _____

David Wampler, President

ATTEST:

Cheryl Brown
Deputy City Secretary

Agenda Item:

3A. Monthly financials for January 2013. (staff)

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

SUBJECT: EIC Financials

FOR AGENDA OF: February 25, 2013 **DATE SUBMITTED:** February 20, 2013

SUBMITTED BY: Mike Erwin  **CLEARANCES:**
Director of Finance

EXHIBITS: Monthly Financials
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

The City of Kerrville staff will present and update the EIC on a monthly basis as to the status of the EIC's financial position.

RECOMMENDED ACTION

Recommend acceptance of the financials.

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Improvement Fund

Cash Balance as of January 1, 2013		\$ 1,563,330
Deposits:		
Sales Tax	\$ 217,647	
Interest Revenue	\$ 349	
	\$ 217,996	
Expenses:		
Office Supplies	\$ 280	
Public Notice	\$ -	
Administrative Service Fee	\$ 8,333	
Kerrville Economic Dev. Corp	\$ 127,000	
Hill Country Jr. Livestock Show Assoc.	\$ 149,703	
Transfer for Debt Service - 1999	\$ 42,083	
Transfer for Debt Service - 2012	\$ 14,167	
Transfer - Park Improvements	\$ 25,000	
Total Expenses	\$ 366,566	
Revenues Over (Under) Expenditures		\$ (148,569)
Ending Cash Balance as of January 31, 2013		\$ 1,414,761

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Debt Service Fund

Cash Balance as of January 1, 2013		\$ 547,921
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	<u>\$ -</u>	
Total Expenses	<u>\$ -</u>	
Revenues Over (Under) Expenditures:		<u>\$ 42,083</u>
Ending Cash Balance as of January 31, 2013		<u><u>\$ 590,004</u></u>

* Debt service payment 2/15/13 - \$486,971.25

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Debt Service Fund
Revenue and Expense Statement
For the month ending January 31, 2013

	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	\$ 168,333	33.33%	\$ 336,667
Return of Equity - Park Lane Extension	\$ -			100.00%	\$ -
TOTAL REVENUE	<u>\$ 505,000</u>	<u>\$ 42,083</u>	<u>\$ 168,333</u>	<u>33.33%</u>	<u>\$ 336,667</u>
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	\$ -	\$ -	\$ -	#DIV/0!	\$ -
TOTAL EXPENDITURES	<u>\$ 499,248</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.00%</u>	<u>\$ 499,248</u>
ENDING CASH BALANCE: January 31, 2013	Budget \$ 427,424		Actual \$ 590,004		

CITY OF KERRVILLE
Economic Improvement Corporation
SALES TAX REVENUE ANALYSIS

Months	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	\$ 186,363	\$ 204,782	\$ 18,419	9.88%
January	\$ 170,645	\$ 195,030	\$ 204,051	\$ 183,199	\$ 217,647	\$ 34,448	18.80%
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	\$ 762,435	\$ 859,837	\$ 97,403	12.78%

CITY OF KERRVILLE
Economic Improvement Corporation
EIC Capital Projects Fund

Cash Balance as of January 1, 2013		\$ 1,876,548
Revenues:		
Transfer In	\$ 149,703	
Total Revenues/Transfer In	<u>\$ 149,703</u>	
Expenses:		
Services		
Special Services		
Harper Road Utilities - Phase 2	540	
Hill Country Jr. Livestock Association	149,703	
Golf Course Improvements	<u>\$ 11,117</u>	
Total Expenses	<u>\$ 161,360</u>	
Revenue Over (Under) Expenditures		<u>\$ (11,657)</u>
Ending Cash Balance as of January 31, 2013		<u><u>\$ 1,864,892</u></u>

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

Project Status Summary
For the month ending January 31, 2013

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		\$ 50,000	-	\$ 50,000	-
2011/12	Commercial Improvement Program		\$ 50,000	\$ 50,000		\$ 50,000	-	\$ 50,000	-
2010/11	Hill Country Shooting Center	FA 2010-03	\$ 494,838	\$ 494,838		\$ 494,838	\$ 495,580	\$ (747)	-
2011/12	Harper Hwy Utility Ext Phase 2		\$ 1,000,000	\$ 1,000,000		\$ 1,000,000	\$ 506,671	\$ 493,329	-
2011/12	Fox Tank		\$ 300,000	\$ 300,000		\$ 300,000		\$ 300,000	-
2011-12	Downtown Utilities		\$ 300,000	\$ 300,000		\$ 300,000		\$ 300,000	-
2012-13	Golf Course Improvements		\$ 608,141	\$ 608,141		\$ 608,141	\$ 15,831	\$ 592,310	-
2012-13	Hill Country Jr. Livestock Assoc		\$ 150,000	\$ 149,703		\$ 149,703	\$ 149,703	\$ (0)	297
TOTALS			\$ 3,302,979	\$ 3,302,682		\$ 3,302,682	\$ 1,437,785	\$ 1,864,891	297

Cash Balance on 1/31/2013 \$ 1,864,892

Fund 70 - General Capital Improvement Projects - supported by EIC

PROJECTS	Funding Agreement		Agreement Commitment		Total Funded	Expense
	Agreement	Agreement	Commitment	Commitment		
2011-12 River Trail	C2011-76		\$ 6,000,000	\$ 6,000,000	\$ 5,317,349	\$ 241,423
2011-12 Louise Hays Park Improvements	C2011-76		\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -
TOTALS			\$ 8,000,000	\$ 8,000,000	\$ 7,317,349	\$ 241,423

CITY OF KERRVILLE
River Trail Project Status Summary
As of month ending January 31, 2013

Date	Funding Commitment	Revenues					Actual Funding		Expenditures			Available Balance		
		Note	Bond Issuance	Transfers In From EIC Sales Tax	Interest Revenue	Total Funded	River Trail	Louise Hays	River Trail	Louise Hays	Total Available			
12/31/2011	\$ 8,000,000	Funding from 2011A Bond	\$ 3,449,745	\$ 25,000		\$ 3,474,745			\$ 3,474,745			\$ 3,474,745		
1/31/2012	\$ 8,000,000			\$ 25,000		\$ 3,499,745			\$ 3,499,745			\$ 3,499,745		
2/29/2012	\$ 8,000,000			\$ 25,000		\$ 3,524,745			\$ 3,524,745			\$ 3,524,745		
3/31/2012	\$ 8,000,000	Funding from 2012 Bond	\$ 3,500,000	\$ 25,000		\$ 7,049,745			\$ 6,000,000	\$ 1,049,745		\$ 7,049,745		
4/30/2012	\$ 8,000,000			\$ 25,000		\$ 7,074,745			\$ 6,000,000	\$ 1,074,745		\$ 7,074,745		
5/31/2012	\$ 8,000,000			\$ 25,000		\$ 7,099,745			\$ 6,000,000	\$ 1,099,745		\$ 7,099,745		
6/30/2012	\$ 8,000,000			\$ 25,000		\$ 7,124,745	\$ 5,450		\$ 5,994,550	\$ 1,124,745		\$ 7,119,295		
7/31/2012	\$ 8,000,000			\$ 25,000		\$ 7,149,745	\$ 3,958		\$ 5,990,592	\$ 1,149,745		\$ 7,140,337		
8/31/2012	\$ 8,000,000			\$ 25,000		\$ 7,174,745			\$ 5,165,337	\$ 2,000,000		\$ 7,165,337		
9/30/2012	\$ 8,000,000			\$ 25,000		\$ 7,199,745			\$ 5,190,337	\$ 2,000,000		\$ 7,190,337		
10/31/2012	\$ 8,000,000	Transfer in from EIC Sales Tax Fund		\$ 25,000		\$ 7,224,745			\$ 5,215,337	\$ 2,000,000		\$ 7,215,337		
11/30/2012	\$ 8,000,000			\$ 25,000		\$ 7,249,745			\$ 5,240,337	\$ 2,000,000		\$ 7,240,337		
12/31/2012	\$ 8,000,000	Interest earned on Total Available balance (retroactive)		\$ 25,000	\$ 16,939	\$ 7,291,684	\$ 25,860		\$ 5,256,416	\$ 2,000,000		\$ 7,256,416		
1/31/2013	\$ 8,000,000			\$ 25,000	\$ 665	\$ 7,317,349	\$ 206,155		\$ 5,075,926	\$ 2,000,000		\$ 7,075,926		
	\$ 8,000,000	Total	\$ 6,949,745	\$ 350,000	\$ 17,604	\$ 7,317,349	\$ 241,423	\$ -	\$ 5,075,926	\$ 2,000,000		\$ 7,075,926		

Cash Balance

<u>Fund Number</u>	<u>Fund Name</u>	<u>Cash Amount</u>	<u>Period</u>
40	Sales Tax Improvement Fund	\$ 1,414,761	1/31/2013
43	EIC Debt Service Fund	\$ 590,004	1/31/2013
75	EIC Projects Fund	\$ 1,864,892	1/31/2013
	Total EIC Cash Balance	\$ 3,869,657	1/31/2013

Where Cash and Investment Held

<u>Type</u>	<u>Investment Vehicle</u>	<u>Amount</u>	<u>Interest Earned</u>	<u>Interest Earned (Annualized)</u>	<u>Period</u>
Cash	Wells Fargo Checking	\$ 133,622	\$ -	0.00%	1/31/2013
ST Investment	EIC TexPool	\$ 1,867,475	\$ 164.80	0.11%	1/31/2013
ST Investment	EIC TexStar	\$ 1,868,560	\$ 184.34	0.12%	1/31/2013
	Total Cash & Investments	\$ 3,869,657	\$ 349.14	0.11%	

Agenda Item:

3B. Capital Projects Update (staff)

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

SUBJECT: Capital Projects Update

AGENDA DATE: February 25, 2013

DATE SUBMITTED: February 14, 2013

SUBMITTED BY: Todd Parton,
City Manager

CLEARANCES:

EXHIBITS/INFORMATION: Status Reports

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

Attached are status reports for the following projects:

- Harper Highway Project Phase II
- Golf Course Pavilion Project
- Golf Course Parking Lot Improvements
- Downtown Utility Improvement Project

Downtown Streetscape Project – City Council approved the funding agreement at the January 22, 2013 meeting. A walking tour was held on February 8, 2013 to facilitate the Master Plan.

RECOMMENDED ACTION

Update only. No action required.

EIC Status Report Harper Highway Utility Extension Phase Two

SCOPE

- 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 complete. The contractor is currently addressing final punch list items. Outstanding final acceptance issues include revegetation/stabilization within the TxDOT right of way and property lien releases. Project final acceptance is anticipated before the end of month, February 2013.

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 Complete		
Misc. Reports/Permits	Approval from TxDOT for construction approval within Control of Access area in TxDOT right of way received. TxDOT Permits	Approved/Complete Approved	TxDoT final approval of permits General construction permits for construction within TxDOT right of way	
Design	under contract — HDR-Engineering	Complete		
Construction Drawings Bidding/Contracts	final plans/specs/costs/ documents Construction contract awarded to Qro Mex Construction 5/22/12	completed 4/2012	all project elements contract prep	
Construction	build project /Under Construction	start June 2012; complete Dec. 2012		

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	

EIC Status Report Golf Course Parking Lot Project

February 2013

SCOPE

This project will consist of approximately 100 parking stalls increasing roughly 30 parking spots from the current configuration, one main entrance into the golf course simplifying circulation, landscape median to provide aesthetics and shade, plaza area in front of the pro shop and a screen for the adjacent residences.

Amenities
See above

PHASING	Action Item	Schedule (Status)	Task/Issues	Comments/Risks
Design	Materials Testing and Survey	December 2012	Geotechnical Testing – Completed Survey – Completed	
	Design	December 2012/January 2013	Final Design Document to be completed by January 16, 2013	Documents will be combined with the parking lot for one project at bidding.
	Bidding	January –February 2013	Advertise – Jan 18, Jan 25 th Pre- Bid – Jan 29 th Open Bids – Feb 5 th	Bids opened on Feb 5 th Five Bids received with low bid of \$328,150.00 for both improvement projects combined.
Construction	Award	February 2013	City Council Agenda Item for award – Feb 12 th	Council awarded the construction contract to JM Lowe on February 12, 2013
		February –April 2013	Begin Construction – Feb 26 th Final Punch list – April 30 th Open for use May 15 th	Pre-construction meeting is scheduled for Feb 14 or 15 th . Construction is to begin on February 25, 2013.
FUNDING - BUDGET	Allocation	Expended - Encumbered	Project Balance	
FA – 2012-05	\$337,141.00			
Survey	\$4,000.00			
Materials Testing	\$5,000.00			
Design	Designed in house by Engineering Director and Project Engineer for a savings of @ \$24,000.00			
Construction	\$328,141.00			

SCOPE

This project will consist of approximately a 40x40 covered pavilion or 1600 square feet of covered space with a standing seam roof to match the pro-shop, rehabilitation of the retaining wall below pavilion area, cart path connection from pavilion area to the course, electrical outlets, lights, ceiling fans, score board for tournaments and stone/brick on the pavilion columns to bring the pro-shop building and the pavilion together.

Amenities
See above

PHASING	Action Item	Schedule (Status)	Task/Issues	Comments/Risks
Design	Materials Testing and Survey	December 2012	Geotechnical Testing – Completed Survey – Completed	
	Design	December 2012/January 2013	Final Design Document to be completed by January 16, 2013	Documents will be combined with the parking lot for one project at bidding.
	Bidding	January – February 2013	Advertise – Jan 18, Jan 25 th Pre- Bid – Jan 29 th Open Bids – Feb 5 th	Bids opened on Feb 5 th Five Bids received with low bid of \$328,150.00 for both Improvement projects combined.
	Award	February 2013	City Council Agenda Item for award – Feb 12 th	Council awarded the construction contract to JM Lowe on February 12, 2013
Construction		February – April 2013	Begin Construction – Feb 26 th Final Punch list – April 30 th Open for use May 15 th	Pre-construction meeting is scheduled for Feb 14 or 15 th . Construction is to begin on February 25, 2013.
FUNDING - BUDGET	Allocation	Expended - Encumbered	Project Balance	
FA – 2012-05	\$271,000.00			
Survey	\$3,000.00			
Materials Testing	\$2,500.00			
Design	\$19,000.00			
Construction	\$246,500.00			



KERRVILLE
PUBLIC
UTILITY
BOARD

2250 Memorial Blvd. • P. O. Box 294999 • Kerrville, Texas 780294999 • 830-257-3050 • FAX 830-257-8078

MEMORANDUM

To: David Wampler
Rex Boyland
Larry Howard
Councilmember Stacie Keeble
Kenneth Early
Gary Cochrane
Polly Rickert

From: Mike Wittler

Date: February 18, 2013

Re: Update on Downtown Utility Conversion Project Status

On January 30th, we executed the easements with the customers on the West Side of Sidney Baker. Our contractors have begun installing the underground conduit and a retaining wall where the transformer and utility junction boxes will be installed. By the first of March, we expect to have completed the installation of the conduits. By the 22nd of March, we expect to be ready to switch the West Side Customers over to the new underground electric services.

We have notified Windstream, Time Warner Cable, and Hill Country Telecommunications that the conduits will be ready for their use at the beginning of March. We do not have information on their construction schedules at this point. Once all of the utilities have moved their services underground, KPUB can remove the overhead poles and wires in about a week; if all goes well, this should happen in early April.

The attached spreadsheet is the September 2012 summary of the current project estimated costs, contingencies, and variances from the original estimate.

Bob Keeling, KPUB's Supervisor of Engineering Services will be available at your February 25th meeting with updated information and additional details. Please let me know if you have any questions or concerns.

Sincerely,

Mike Wittler, P.E.
Chief Engineer
Kerrville Public Utility Board
Office 830-792-8270
Mobile 830-739-7834

Downtown Conversion Cost Summary
Updated September 12, 2012

	Jan. 23, 2012	Apr. 3, 2012	6/21/2012	9/12/2012	Variance from Jan. 23rd	Notes
Conduit Installation						
Location 1 to Location 2 (Peterson Plaza)	\$ 42,741.00	\$ 42,741.00				Complete
Location 2 to Location 3 (Side of Pampelli's)	\$ 96,848.00	\$ 94,911.04				Complete
Location 3 to Location 4 (Behind Pampelli's/Arcadia)	\$ 21,000.00	\$ 21,000.00				Complete
Location 3 to Location 5 (Crossing Sidney Baker to the West)	\$ 30,888.00	\$ 30,888.00				Complete
Performance and Payment Bond	\$ 7,619.00	\$ 7,619.00				Complete
Subtotal	\$ 199,106.00	\$ 197,169.04	\$ 200,538.68	\$ 200,538.68	\$ 1,432.68	
Utility Extensions						
KPIUB	\$ 29,874.00	\$ 29,874.00	\$ 29,874.00	\$ 12,247.85	\$ (17,626.15)	Mamacia's Holding Co. contribution of \$10,432 not included in original estimate.
Hill Country	\$ 9,005.65	\$ 9,005.65	\$ 9,005.65	\$ 9,005.65	\$ -	Quoted
Time Warner	\$ 15,944.00	\$ 15,944.00	\$ 15,944.00	\$ 15,944.00	\$ -	Quoted
Windstream	\$ 5,888.43	\$ 8,888.43	\$ 5,888.43	\$ 5,888.43	\$ -	Quoted
Subtotal	\$ 60,712.08	\$ 63,712.08	\$ 60,712.08	\$ 43,085.93	\$ (17,626.15)	
Contingencies						
Survey Costs	\$ -	\$ 3,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	Survey costs for customer easements (invoiced)
Westside additional trenching	\$ -	\$ 5,000.00	\$ 5,000.00	\$ 7,000.00	\$ 7,000.00	Transformer location approximately 50' past riser pole (quoted)
Westside review customers' electrical requirements	\$ -	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	Electrician to survey customer equipment
Westside transformer retaining wall	\$ -	\$ 10,000.00	\$ 10,688.00	\$ 10,688.00	\$ 10,688.00	Transformer to be located at edge of hill, \$9,668 for wall (quoted) and \$1000 for engineering
Westside step transformer	\$ -	\$ 2,500.00	\$ -	\$ -	\$ -	Herring may have equipment that requires 240V service (no longer needed)
Custom Sectionalizer Cabinet			\$ 1,075.00	\$ 1,075.00	\$ 1,075.00	Welding, Paint and Custom Pad
Westside "Add-On Work" Sunday-Monday Schedule				\$ 6,480.00	\$ 6,480.00	
Westside Retaining Wall Sunday-Monday Schedule				\$ 2,300.00	\$ 2,300.00	
Subtotal	\$ -	\$ 21,000.00	\$ 21,243.00	\$ 32,003.00	\$ 32,003.00	
"Add-On Work"						
(Westside of Sidney Baker)						
Sutherland Building	\$ 5,486.00	\$ 5,486.00	\$ 5,486.00	\$ 5,486.00	\$ -	
Grape Juice Building	\$ 5,980.00	\$ 5,980.00	\$ 5,980.00	\$ 5,980.00	\$ -	
Herring Printing Building	\$ 8,477.00	\$ 8,477.00	\$ 8,477.00	\$ 8,477.00	\$ -	
Subtotal	\$ 19,943.00	\$ 19,943.00	\$ 19,943.00	\$ 19,943.00	\$ -	
Grand Total	\$ 279,761.08	\$ 301,824.12	\$ 302,436.76	\$ 295,570.61	\$ 15,809.53	

Agenda Item:

3C. 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: February 25, 2013 **DATE SUBMITTED:** February 19, 2013

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

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *TP*

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 February 18, 2013 to discuss the Texas Arts and Crafts Foundation Funding Application. The team recommended proceeding with bringing this funding application to the EIC for consideration.

It is anticipated that additional "GO Team" meetings will be scheduled in the near future to discuss prospects and Economic Development strategies that Kerrville Economic Development Corporation has tasked the KEDC Executive Director with.

RECOMMENDED ACTION

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

Agenda Item:
(Staff)

3D. Update on the River Trail and Parks projects (staff)

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

SUBJECT: EIC Monthly Report on River Trail and Parks Projects

FOR AGENDA OF: February 25, 2013 **DATE SUBMITTED:** February 19, 2013

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

EXHIBITS: Monthly Report

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 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

February 2013

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 Routing	contract - Hewitt Engineering			
	location of trail	complete (12/11)	define gradients and layout	
Preliminary Design	schematic plans; prelim. costs	50% review - complete (12/11)	all project elements	
		75% review - complete (1/12)	all project elements	
		90% review - complete (2/12)	all project elements	
Construction Drawings Bidding/Contracts	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); 100% complete; completion (12/12)	sequencing of work	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	complete by 7/31/13	CoK to secure easements from property owners; title work and surveys	requires property owner approval, purchase, or other
	construction easements, if needed	complete by 7/31/13	determine need by 4/31/12	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	upon const. completion	flood impact, if any	may require submittal to FEMA
	TPWD (land & water permit)	5/1/13, if needed	environmental impact to state waters	review by TPWD
	GLO (state property use)	5/1/13, if needed	routing preference	approval by State, if needed
Design	-Trail Routing Options - Half team	complete (6/12)	define route options w/ costs	complete (6/12)
	-Final Design Contract - Half Team	complete (approved 12/11/12)	all remaining design phases	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 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) - River Trail		\$1,000,000	Design fee: \$99,537	\$900,463		
COs (4B) - LHP/LMP Project		\$2,000,000	\$199,073	\$1,800,927		

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
Property Survey	construction easements, if needed	TBD	TBD	requires property owner approval
Misc. Reports/Permits	M&B and Topo surveys	(partially complete)	identify property boundary and grades	
Design	LOMR		flood impact, if any	may require submittal to FEMA
	TPWD (land & water permit)		environmental impact to state waters	review by TPWD
Routing	TBD	(partially complete)	define gradients and layout	" " " "
Preliminary Design	location of trail	(partially complete)	all project elements	" " " "
	schematic plan with amenities; prelim. costs	50% review -	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	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	<u>Package E</u> 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. <i>Total trail length: up to 1 mile</i>
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 <u>Package A</u> . <u>Total trail length: up to 2 miles</u>
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 construction easements, if needed	complete by 3/31/13 complete by 3/31/13	CoK to secure easements from property owners 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)	identify property boundary and grades flood impact, if any	coord. w/ utilities projects may require submittal to FEMA
Misc. Reports/Permits	LOMR TPWD (land & water permit)		environmental impact to state waters define route options w/ costs	
Design	-Trail Confirmation - Terra Design Group (TDG) team -Final Design Contract - TDG Team	complete (6/12) negotiate by 1/1/13		complete (6/12) requires Council approval
Preliminary Design	schematic plans with amenities; prelim. costs	50% review - 75% review - 90% review -	all remaining design phases 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:

3E. Kerrville Economic Development Corporation (KEDC) update regarding KEDC activities. (Titas)

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

SUBJECT: Update on Kerrville Economic Development Corporation

FOR AGENDA OF: February 25, 2013 **DATE SUBMITTED:** February 14, 2013

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

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *TP*

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. Funding agreement with Fox Tank Company for the expansion of its manufacturing operation in the City of Kerrville. (staff)

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

SUBJECT: Funding Agreement between the Fox Tank Company and the City of Kerrville Economic Improvement Corporation

FOR AGENDA OF: February 25, 2013 **DATE SUBMITTED:** February 19, 2013

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

EXHIBITS: Funding Agreement

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

An application was 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 \$19 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. Funding would consist of a reimbursement up to \$150,000 for utility extensions necessary to serve the project and the purchase and installation of cranes for the manufacture of the separators.

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

At the December 17, 2012 EIC meeting, the EIC Board directed staff to continue discussions with KEDC and Fox Tank regarding the funding request. The KEDC Board met again and maintains its support of proceeding with this project.

At the January 14, 2013 EIC meeting, City staff recommended that the EIC Board direct a funding agreement be drafted for EIC Board consideration. It was further recommended that the funding agreement be developed to incorporate the following:

1. A minimum of 30 jobs with an average wage of \$19 per hour with an annual job report;
2. Consolidation of all operations in Kerrville / Kerr County within 24 months;
3. An anticipated return on investment within 10 years;
4. A total value of incentives not to exceed \$150,000 with reimbursements not to be paid until the building is built and ready for occupancy;
5. Secure ASME certification by December 31, 2013 and maintain until December 31, 2023;
6. 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
7. An authorization of the EIC's representative, KEDC staff and city staff to negotiate a funding agreement with Fox Tank Company.

Attached is the final draft of the funding agreement between the Fox Tank Company and the EIC. This agreement has been drafted as per direction at the January 2013 EIC meeting.

RECOMMENDED ACTION

City staff recommends the consideration and approval of this funding agreement as presented.

DRAFT 2/20/13

ECONOMIC DEVELOPMENT GRANT AGREEMENT
BETWEEN FOX TANK COMPANY, INC. AND
THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION

This Agreement entered into by and between FOX TANK COMPANY, INC., a Texas corporation ("Fox"), acting herein by and through its duly authorized Vice President, R. Nathan Fox ("Fox Officer"), 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.

WITNESSETH:

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 including but not limited to:

Land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are for the creation or retention of primary jobs, as that term is defined by the Act, and found by the EIC to be required or suitable for the development, retention, or expansion of manufacturing and industrial facilities as provided by Section 501.101 of the Act; and

WHEREAS, pursuant to the Act, the EIC is authorized to provide funding relating to the construction of projects which the EIC finds to be encompassed within the definition of "Projects" as that word is defined by Chapters 501 and 505 of the Act; and

WHEREAS, Fox is a manufacturer of production equipment in the oil and gas industry, including oilfield storage tanks and other specialty oilfield production products; and

WHEREAS, Fox is seeking to expand its manufacturing operations through the construction of an additional facility to be located within the City of Kerrville; and

WHEREAS, Fox intends to use the new facility to manufacture field separators, which are used in the production of oil and gas; and

WHEREAS, Fox has applied for a grant from EIC for funding necessary to build the new facility; and

WHEREAS, EIC has determined that such a 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 help develop, retain, and expand a manufacturing and industrial facility and a business enterprise and create and retain primary jobs; and

DRAFT 2/20/13

WHEREAS, EIC finds that it will be in the public interest to enter into an agreement with Fox to provide sales tax revenues collected pursuant to the Act (“4B Revenues”) to Fox for its cost necessary for the construction of a new manufacturing facility; and

WHEREAS, on February 25, 2013, 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, Fox and the EIC agree as follows:

ARTICLE I. EIC’S OBLIGATIONS

- A. EIC hereby grants to Fox up to One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) (“Grant”) for costs relating to the design, construction, and equipping of a new manufacturing facility to be located at 117 Airport Commerce Parkway, Kerrville, Texas 78028 (“Project”). In general, the Project consists of the extension of public utilities to the property and the purchase and installation of a crane(s), the estimated costs of which are specified in the attached **Exhibit A**. The EIC derived the value of said grant from the assignment of the amount of \$5,000.00 for each employee that Fox is required to employ at the Project, as specified in Article II.
- B. Subject to the terms and conditions set forth in Article II, EIC will administer and provide the Grant to Fox as follows:
- (1) EIC shall pay Fox an amount not to exceed One Hundred and Fifty Thousand and No/100 Dollars (\$150,000.00) at the time that the City of Kerrville (“City”) issues Fox a certificate of occupancy for the Project; and
- (2) EIC shall administer the Grant on a reimbursable basis such that prior to any payment from EIC, Fox must first submit written evidence of costs, such as invoices, receipts, and bills of sale for review and approval. Following the submission and verification thereof, which may include on-site inspections to confirm purchase and installation, EIC shall then reimburse Fox for the cost.
- C. Payments made by EIC to Fox from 4B Revenues shall be limited to the payments of “costs” as defined by the Act and as specified above for the Project.
- D. In no event shall the total amount of the Grant exceed One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00).

**ARTICLE II.
FOX'S OBLIGATIONS**

- A. Once the City issues a certificate of occupancy for the Project, Fox shall begin hiring employees for work at the Project.
- B. Through the term of this Agreement, Fox shall comply with the following requirements with respect to its employment at the Project, such terms to be collectively referred to herein as the "Employment Requirements":
- (1) the minimum level of employment must be at least thirty (30) employees, which Fox must reach by _____, 2013;
 - (2) Sixty percent (60%) of the employees must reside and continue to reside within Kerr County during their employment;
 - (3) each employee must be paid a minimum wage equal to at least \$19.00 per hour; and
 - (4) each employee must work full-time, which means for purposes of this Agreement that Fox pays each employee for at least forty (40) hours of work per week, with the exception of where an employee is on some form of leave.
- C. Once Fox reaches the employment of thirty (30) employees for the Project, Fox shall submit to the EIC on a monthly basis for the remaining term of this Agreement written evidence, including a sworn statement from the Fox Officer, confirming the Employment Requirements and in particular, those employees hired for the Project, for review and verification. Fox shall submit such information to the EIC on or before the tenth (10) day of the month which follows the month Fox is reporting. The failure by Fox to provide this information to EIC constitutes a breach of this Agreement.
- D. Should Fox fail to comply with the Employment Requirements, Fox, as a penalty, shall provide a refund to the EIC equal to \$1000.00 for each employee that fails to meet such Employment Requirements. For example, where Fox employs only twenty-five (25) employees, a penalty of \$5,000.00 would be assessed against Fox. Fox shall pay the refund as soon as commercially practicable after the receipt of a written demand by EIC, but in no event later than thirty (30) days from the receipt of such demand. Failure to reimburse the EIC within thirty (30) days of Fox's receipt of such demand constitutes a breach of this Agreement.
- E. Within twenty-four (24) months of the EIC's payment of the Grant to Fox, Fox shall relocate all of its operations and employees from its Comfort, Texas, facility(s) to the location of the Project and/or Fox's adjacent facility(s).

DRAFT 2/20/13

- F. On or before December 31, 2013, Fox must receive ASME certification and maintain such certification on an annual basis for the duration of this Agreement.
- G. Fox will comply with all applicable development regulations of the City, to include building codes, subdivision regulations, and zoning, in its development and construction of the Project. Fox's failure to comply with this provision constitutes a breach of this Agreement.
- H. Fox shall keep and maintain complete and accurate records relating to its costs of designing and constructing the Project and employment information, separate and identifiable from its other records, 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. Fox's failure to comply with this provision constitutes a breach of the Agreement.
- I. Should Fox breach this Agreement as specified herein, Fox shall pay and refund the EIC the appropriate amount specified below, which is dependent upon the length of time that this Agreement has been in existence, with each year to be considered as a calendar year from the Effective Date:
- (1) Year 1 = \$150,000.00
 - (2) Year 2 = \$135,000.00
 - (3) Year 3 = \$120,000.00
 - (4) Year 4 = \$105,000.00
 - (5) Year 5 = \$90,000.00
 - (6) Year 6 = \$75,000.00
 - (7) Year 7 = \$60,000.00
 - (8) Year 8 = \$45,000.00
 - (9) Year 9 = \$30,000.00
 - (10) Year 10 = \$15,000.00
- Fox shall provide any such refund to the EIC within thirty (30) days of written demand from EIC and following refund, this Agreement will terminate and Fox will have no further obligation under this Agreement.
- J. Fox shall only be liable to EIC up to the actual amount of the Grant 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 Fox under the terms of this Agreement.

**ARTICLE III.
SALE OF PROJECT, MERGER OR CONSOLIDATION OF FOX**

- A. A sale of all or any of the assets of Fox shall not release Fox from its duties and responsibilities to EIC under the terms of this Agreement and shall not result in the assignment of this Agreement by such acquiring entity without prior written consent from EIC, which will not be unreasonably withheld; provided, that Fox's proposed successor shall have the financial condition to fully satisfy Fox's duties and responsibilities hereunder and agrees to assume Fox's responsibilities under this Agreement. EIC may, in its sole discretion, reasonably determine whether such proposed successor's financial condition is satisfactory.

- B. In the event of any proposed merger or other consolidation of Fox with any third party not affiliated with Fox, Fox shall at least thirty (30) days prior to any such merger or consolidation provide EIC with information and assurance reasonably acceptable to EIC regarding: (1) the surviving entity's assumption and satisfaction of the Fox's obligations hereunder and (2) the financial condition of the surviving entity upon such merger or other consolidation to demonstrate that the surviving entity shall have the financial condition to fully satisfy Fox's duties and responsibilities hereunder. Failure to provide such information constitutes a breach of this Agreement.

- C. Notwithstanding anything in this Agreement to the contrary, it is expressly understood and agreed that EIC shall have no rights to approve or disapprove any sale or merger transaction of any kind involving Fox. In the event of any sale or merger involving Fox or its affiliates, the surviving entity shall assume Fox's obligations and rights hereunder and be entitled to any and all benefits to be received pursuant to this Agreement.

**ARTICLE IV.
FOX'S REPRESENTATIONS AND WARRANTIES**

- A. Fox represents and warrants as of the date hereof:
 - (1) Fox is a Texas 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 Fox and this Agreement is not in contravention of Fox's corporate charter, or any agreement or instrument to which Fox 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 Fox Officer, threatened against or affecting Fox, which may result in a material adverse change in Fox's business, properties, or operations sufficient to jeopardize Fox's legal existence or for-profit viability; and

DRAFT 2/20/13

- (4) No written application, written statement, or correspondence submitted by Fox to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of Fox 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 IV, Fox makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE V.
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 V, EIC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**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 Fox, suspend its further performance under this Agreement until such time as Fox shall have cured the condition(s) and so notified EIC, in writing, that the condition(s) have been cured:

- A. Fox 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.

DRAFT 2/20/13

- B. The appointment of a receiver of Fox, or of all or any substantial part of the Property, and the failure of such receiver to be discharged within sixty (60) days thereafter.
- C. The adjudication of Fox as bankrupt.
- D. The filing by Fox 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 Fox within ninety (90) days, Fox will be considered to have breached this Agreement and EIC may, at its option, with written notice to Fox, terminate this Agreement and Fox shall be obligated to refund the EIC the appropriate amount specified in Article II. G.

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. This provision and specifically the notice and time to cure shall not apply to the obligation of Fox found within Article II.B.
- 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 and/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.
- 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:

For 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

DRAFT 2/20/13

City of Kerrville
701 Main Street
Kerrville, Texas 78028
Facsimile: (830) 792-3850

For Fox
R. Nathan Fox
Vice President
Fox Tank Company, Inc.
South Texas Office
104 Hwy. 87
P.O. Box 658
Comfort, TX 78013
Facsimile: (830) 995-5022
Email: nathan@foxtankcompany.com

- E. Assignment. This Agreement is binding upon the parties hereto and their successors and assigns. Except as set forth in Article III, 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. Fox may, without written consent of EIC, assign this Agreement to any entity controlled and 100% owned by Fox or by the parent, subsidiary, or affiliate of Fox provided the entity assumes all of Fox'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 Fox and Fox 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 Fox or EIC to any claim, cause of action, remedy or right of any kind except as expressly provided in Article IV.
- G. Term. Subject to approval by the City Council and if applicable, compliance with Section 505.160 of the Act, the term of this Agreement (the "Term") commences on February 25, 2013 (the "Effective Date"), and terminates on the earlier of (i) February 25, 2022; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Articles VI or VII; (iv) at Fox's sole and absolute discretion, upon Fox's return of the Grant funding to EIC that it has received under this Agreement; or (v) upon Fox's repayment of all monies that are demanded by EIC and are in fact required to be repaid by Fox under Article III. Upon termination of this Agreement as specified herein,

DRAFT 2/20/13

all rights, duties, and obligations of any kind under this Agreement will 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. No Joint Venture. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties.
- J. Survival of Terms. All rights, duties, liabilities and obligations accrued prior to termination shall survive termination.
- K. 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 Fox Tank Company, Inc., acting through its duly authorized official.

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

FOX TANK, INC.

David Wampler, President

R. Nathan Fox, Vice President

ATTEST:

Cheryl Brown, Recording Secretary

APPROVED AS TO FORM:

Michael C. Hayes, Attorney for EIC

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Agenda Item:

4B. Funding application from Texas Arts & Crafts Educational Foundation.
(staff)

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

SUBJECT: 4B Sales Tax Funding Request from the Texas Arts and Crafts Foundation

FOR AGENDA OF: February 25, 2013 **DATE SUBMITTED:** February 19, 2013

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

EXHIBITS: Funding Request Application

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

An application has been submitted by The Texas Arts and Crafts Foundation for rented items in conjunction with hosting the 42nd Annual Official Texas Arts and Crafts Fair during Memorial Day Weekend at River Star Events Park. The event will be held Friday, May 24 through Sunday, May 26, 2013 and will consist of a variety of activities such as showcasing of art, vendors, carnival, live music and more.

The gate count has been consistent with approximately 5,000-6,000 attendees for the past several years. The Texas Arts and Crafts Foundation's mission is to promote appreciation of fine arts and craft skills and create educational opportunities in the visual and creative arts in Texas. In addition to professional artists, the Fair is the home of the Emerging Texas Artist Scholarship Program, which provides a venue for college-level student artists to show and sell their work, as well as compete for scholarship funds for continuing education.

The overall projected cost of the event is \$182,555. The funding request is for a total of \$15,500 for rental of:

- Tents (\$12,000)
- Golf Carts (\$2,000)
- Porta potties (\$1,500)

The "Go Team" met on February 18, 2013 to evaluate this application and finds that it is feasible in that the uses are allowed under the regulations for projects related to recreation or community facilities. 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 the consideration and approval of this funding agreement as presented.



SECTION IV- PROJECT DESCRIPTION

The request the Texas Arts and Crafts Educational Foundation, Inc. is making is for the following items that are *rented* in conjunction with hosting the Official Texas Arts & Crafts Fair during the Memorial Day weekend. The Fair is held at the River Star Events Park located at 4000 Riverside Drive in Kerrville, TX. All of these items are paid for *after* the conclusion of the Fair.

Tents	\$12,000.00
Golf carts	\$2,000.00
Porta potties	\$1,500.00

Your consideration of our request is greatly appreciated.

Sincerely,

A handwritten signature in blue ink that reads "Mark R. Haufler".

Mark R. Haufler
Board President
Texas Arts and Crafts Educational Foundation, Inc

Agenda Item:

4C. Update on the downtown wireless project. (staff)

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

SUBJECT: Downtown Wireless Project

FOR AGENDA OF: February 25, 2013 **DATE SUBMITTED:** February 19, 2013

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

EXHIBITS: January Usage Report

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *TP*

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

At its meeting of September 17, 2012, the EIC Board accepted an application from the City of Kerrville to request funding for the installation of wireless services in Kerrville's downtown area. The application was for an amount not to exceed \$100,000 for the installation of a free public access wireless internet system to cover the Peterson Plaza and Louise Hays Park areas. An RFP process would be utilized to request proposals that would include options for equipment purchases and equipment leases.

Staff was able to boost the signal from the wireless system installed in the new Kerrville City Hall building to provide coverage for Peterson Plaza. As a result, a free public access point was created. The signal may not be boosted to cover Louise Hays Park. However, with the extension of the signal to cover the plaza the extension of wireless to the park could be deferred until such time that improvements to the park are finished. This allows for the EIC Board and the City Council to measure the impact of this type of program prior to launching a larger-scale effort.

At its meeting of October 15, 2012, the EIC Board took no action on the Funding Agreement and directed staff to monitor the usage to report to the EIC in early 2013 for further direction.

As directed, staff has been monitoring the Downtown Wireless usage from Peterson Plaza and providing usage reports since November 2012. It is important to note that the numbers may be inadvertently skewed by City staff and the general public entering the vicinity with active WiFi settings on their device(s).

Staff are currently evaluating municipal trends and establishments digressing from wireless with the expansion of 4G and LTE network technology. Staff would like to further investigate local cellular companies to see what the future wireless plans are specific to our community.

Should the EIC be interested in pursuing this project, staff will evaluate low cost boosting options to present which will also include Louise Hays Park coverage. Staff will provide a report based on direction by the EIC.

Options:

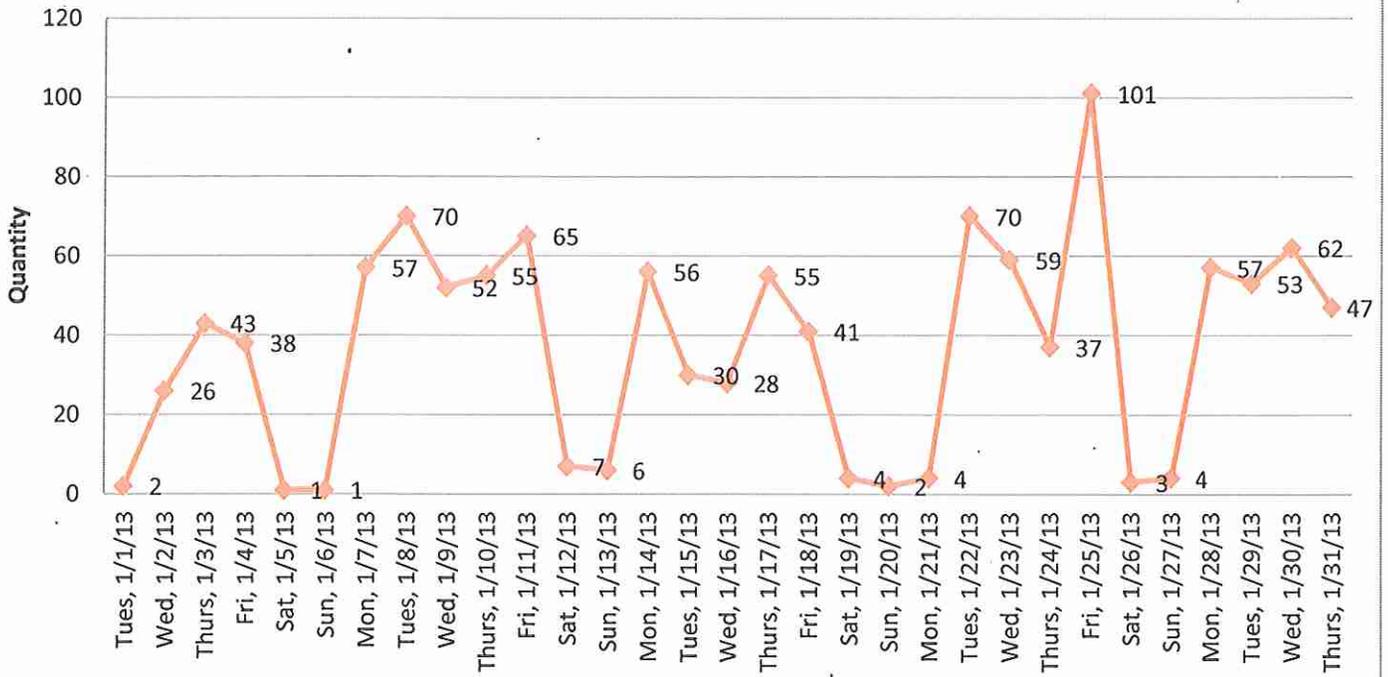
1. **Continue Providing Current Service** – continue utilizing existing equipment to provide free wireless accessibility for Peterson Plaza. Continue to provide monthly usage reports.
2. **Additional Hot Spots** – look into pricing and coverage range for placing additional equipment on the Parking Garage and Library. Exact coverage range to be evaluated to include Downtown and Louise Hays Park. This would require purchasing and maintaining additional equipment. Staff would be responsible for regular maintenance and support.
3. **Third Party Vendor** – explore the option of a third party vendor providing wireless coverage at a monthly service fee. Exact coverage range to be evaluated for Downtown and Louise Hays Park. This turnkey option would utilize existing vendor equipment and will not require purchase of City equipment or utilize staff time for regular maintenance and support.

RECOMMENDED ACTION

City staff recommends direction to evaluate the low cost options.

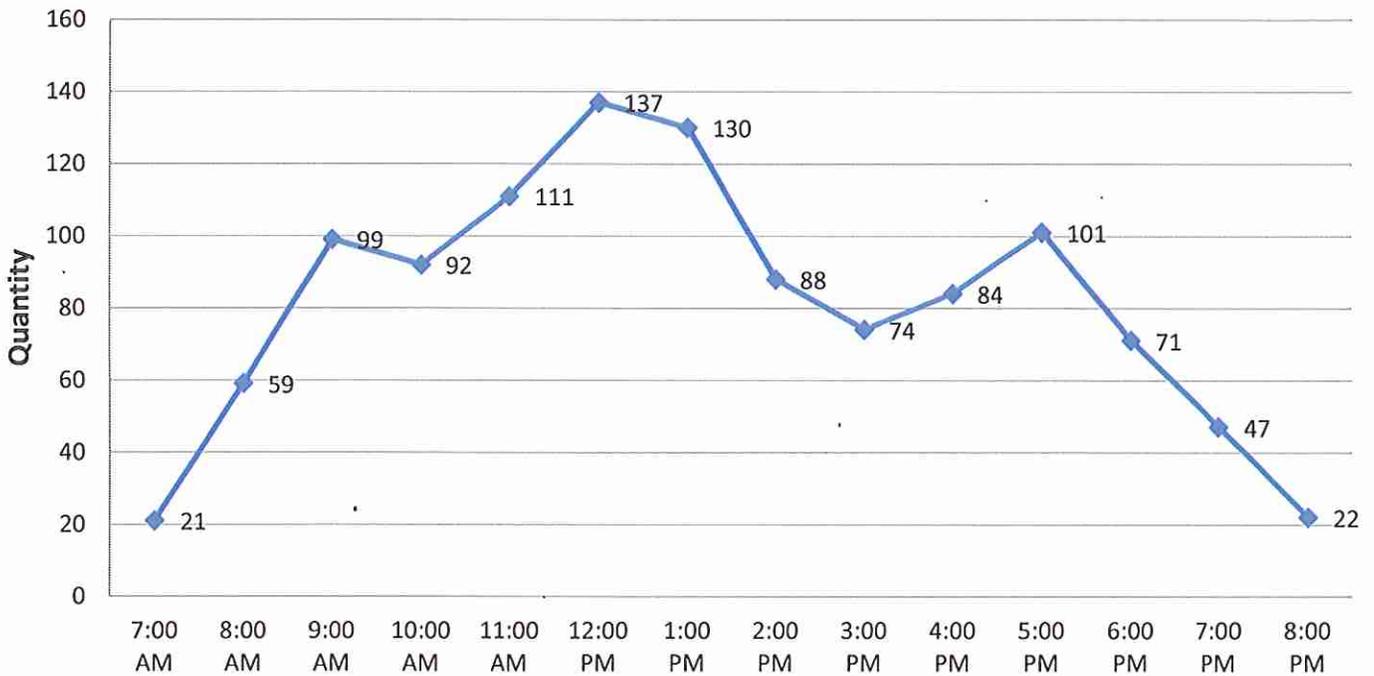
Total Daily Usage

January 2013



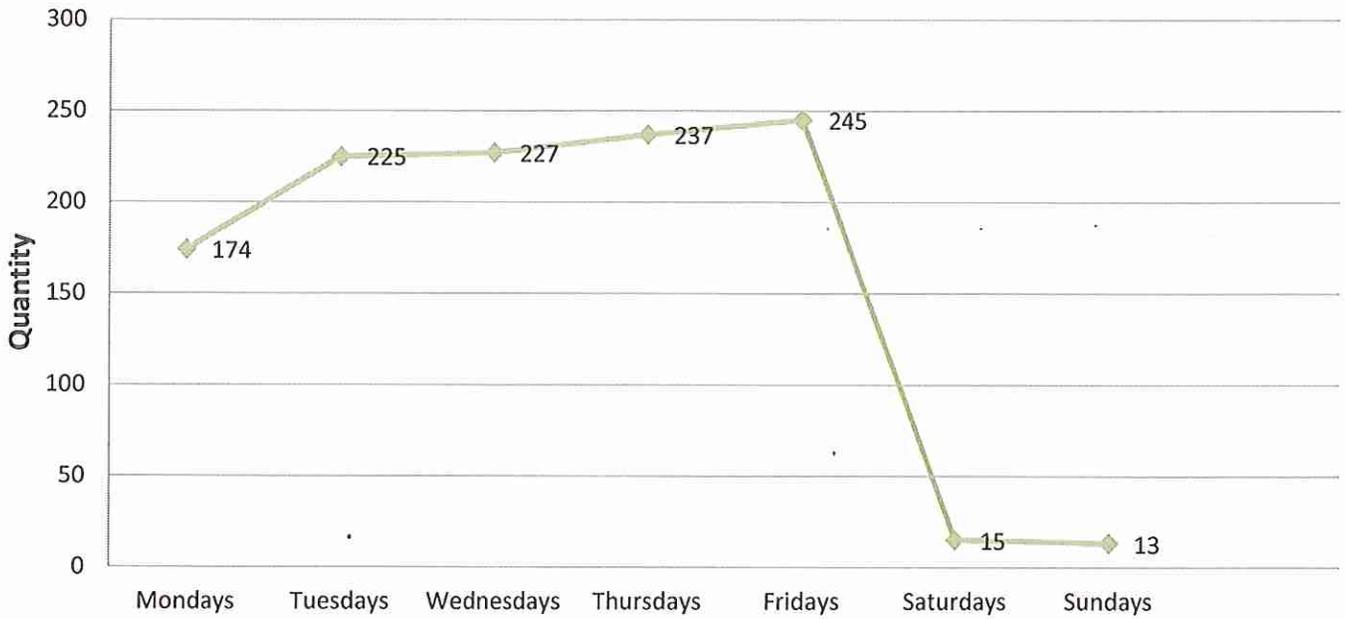
Total Hourly Usage

January 2013



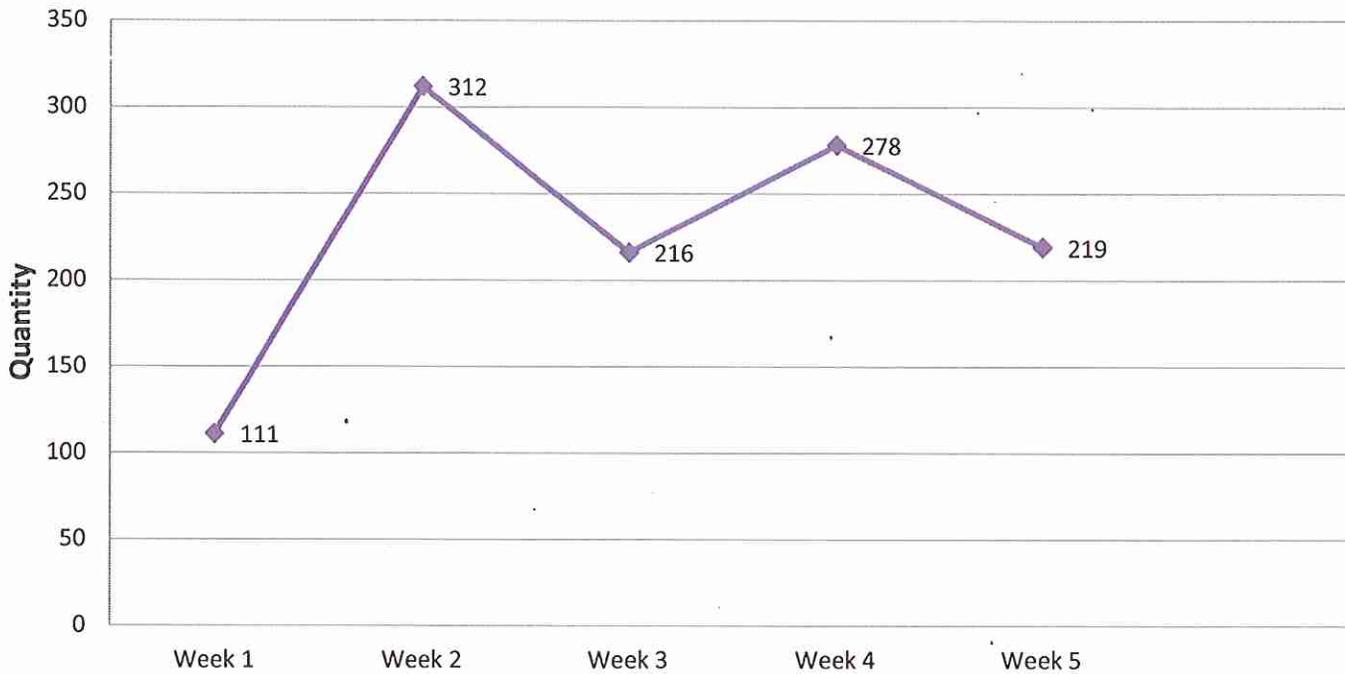
Total Usage per Day of Week

January 2013



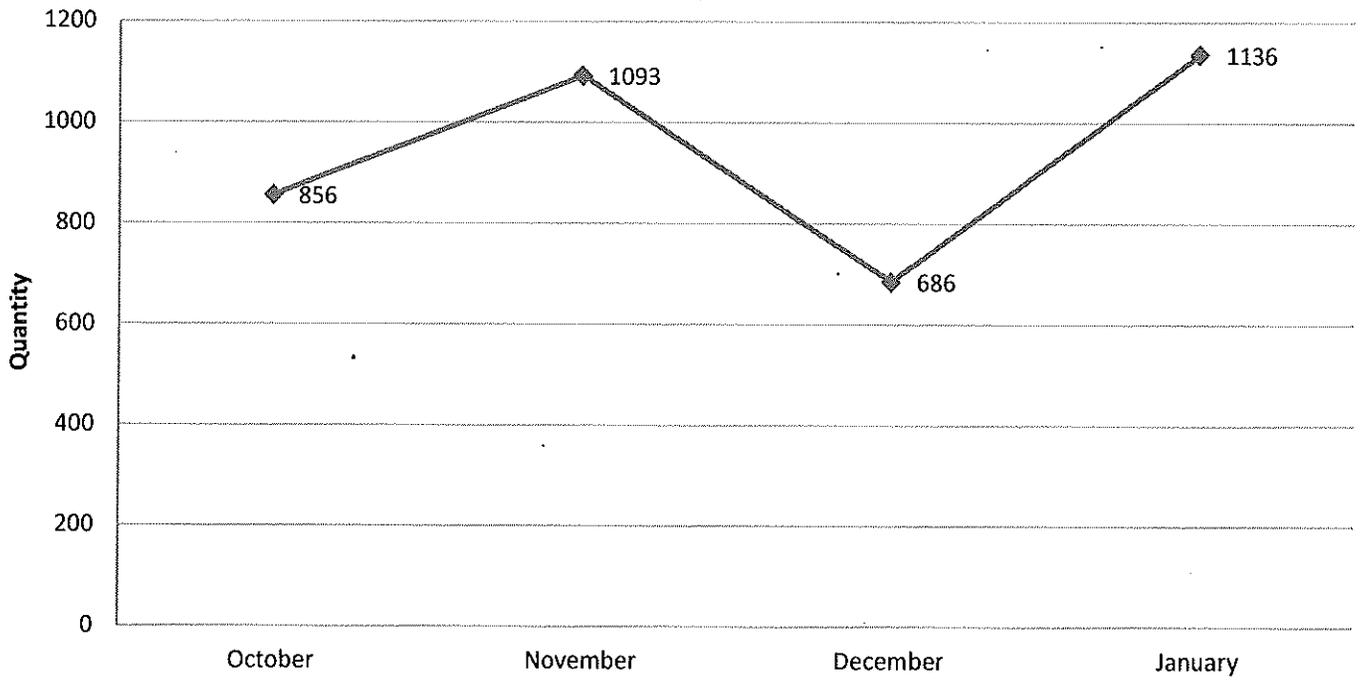
Total Weekly Usage

January 2013



Monthly Comparison

2012 - 2013



Agenda Item:

5A. State of the City update. (staff)

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

SUBJECT: Update on the State of the City

AGENDA DATE: February 25, 2013

DATE SUBMITTED: February 14, 2013

SUBMITTED BY: Ashlea Boyle, *AB*
Special Projects Coordinator

CLEARANCES: Todd Parton,
City Manager

EXHIBITS/INFORMATION: State of the City Presentation

APPROVED FOR SUBMITTAL BY CITY MANAGER: *TP*

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Staff will be providing an update on the existing and projected financial status of the City.

RECOMMENDED ACTION

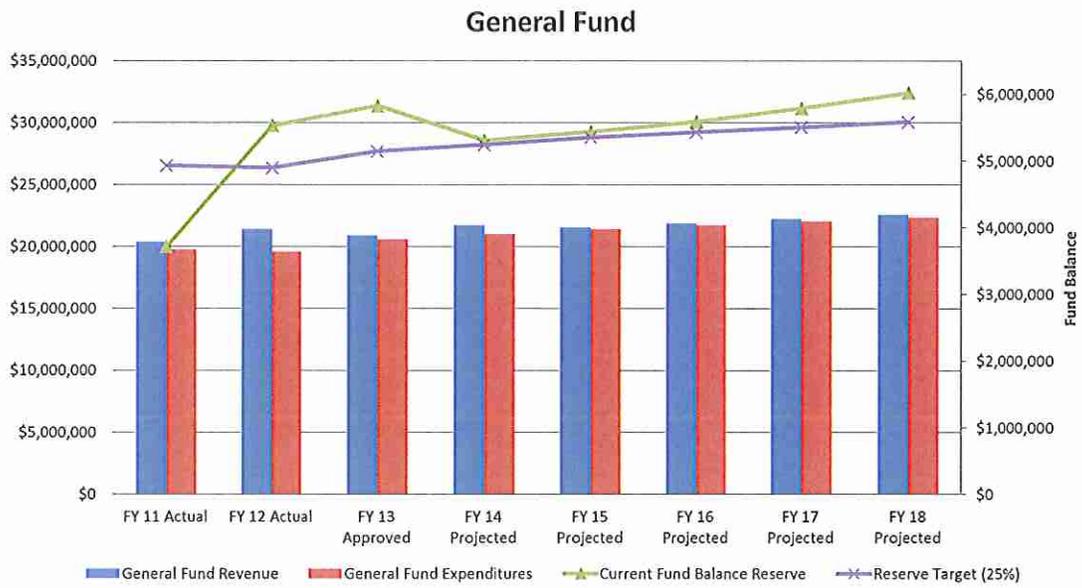
Staff recommends the authorization to schedule a workshop between the City Council and EIC.

State of the City



EIC Meeting
February 25, 2013

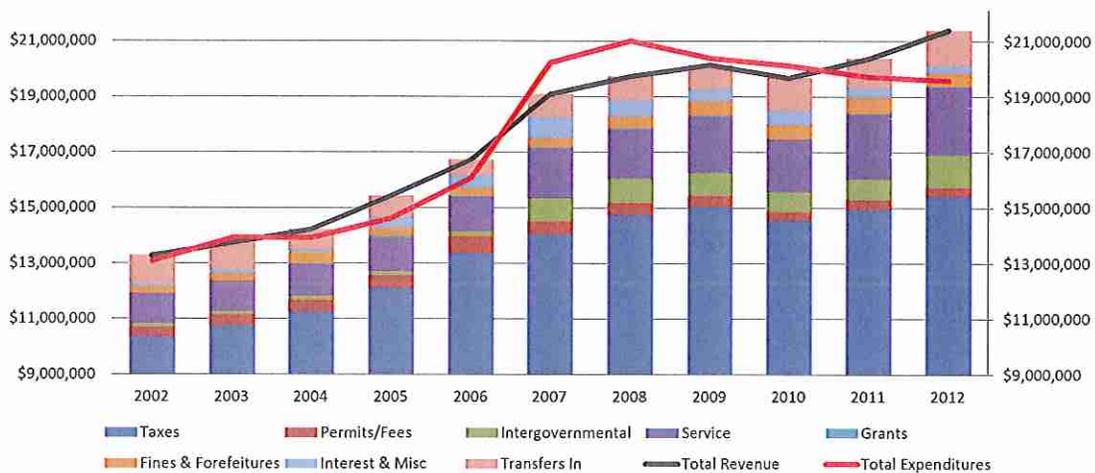
5 Year Forecast

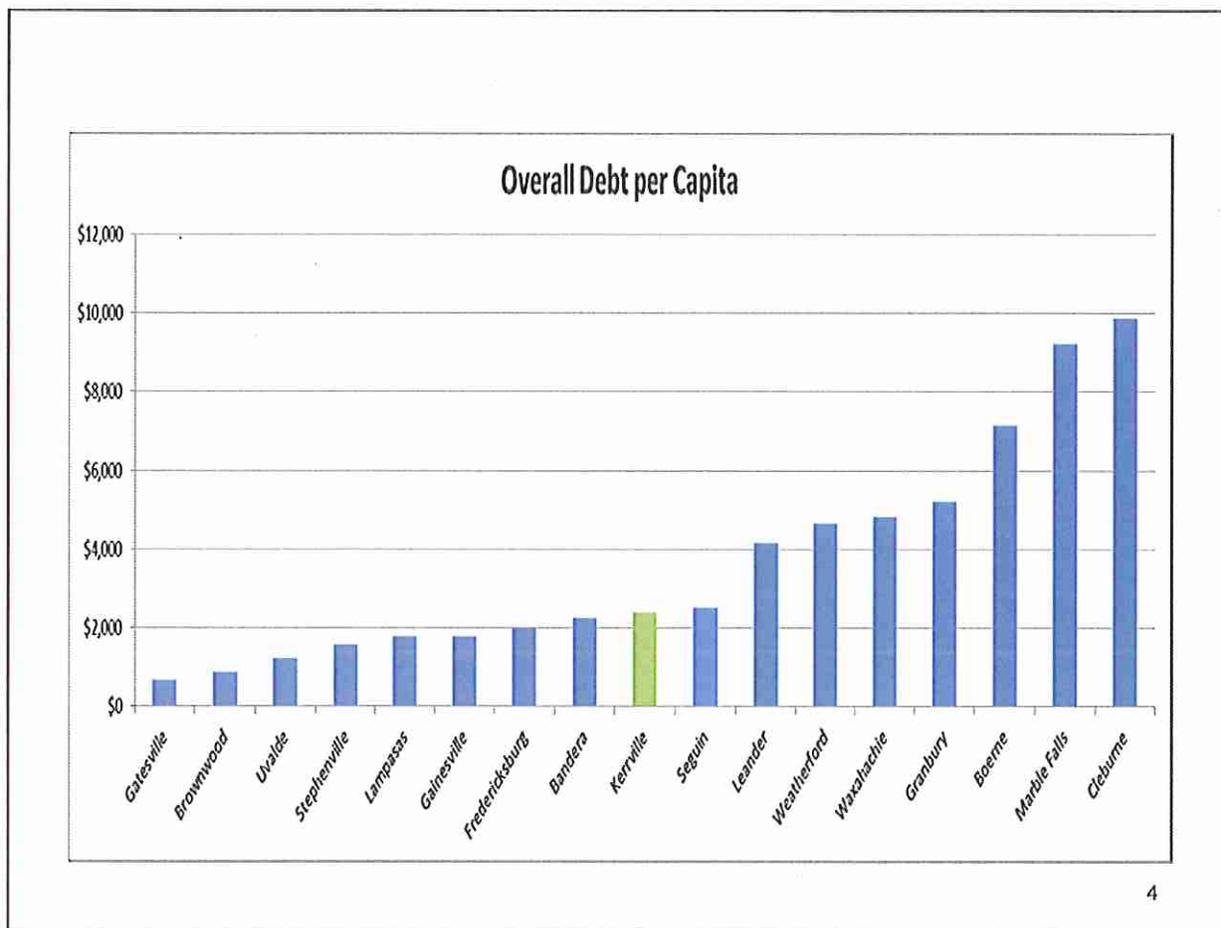


General Fund

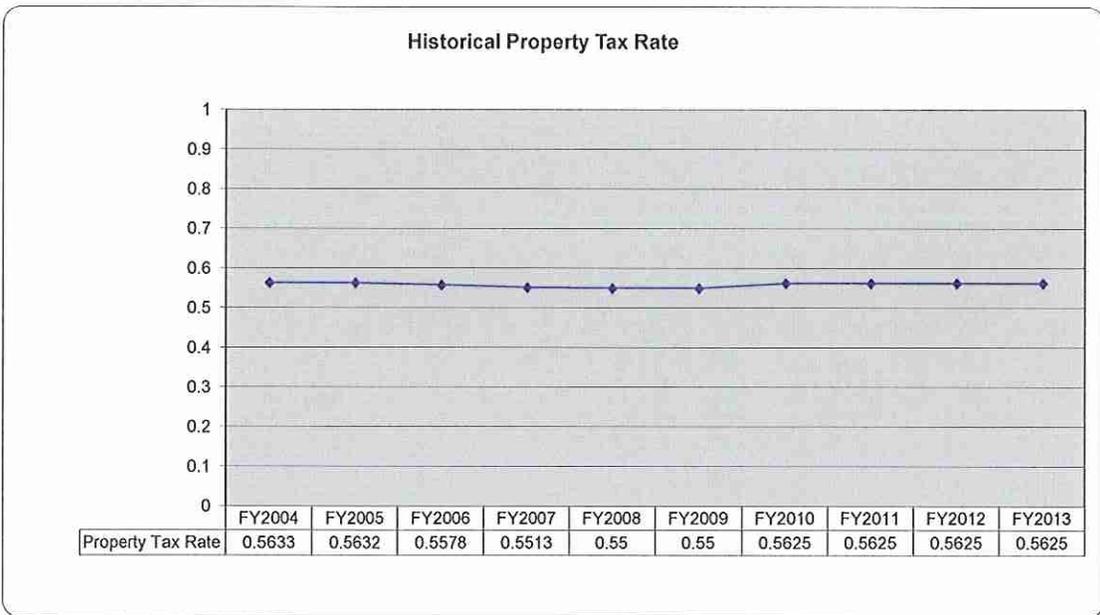
- **Balanced Budget**

General Fund Revenue and Expenditure Trend





Historical Property Tax Rate



Strategic Plan

- Scope of Place
 - types and intensities of uses
- Quality of Place
 - degree Kerrville is attractive to a wide range of residents
- Core Infrastructure
 - accommodate or sustain development

- Comp Plan, Water and Wastewater Master Plan, Kerrville / Kerr County ED Strategic Plan

Scope of Place

- Businesses
- Guadalupe River
- Natural Environment
- Small Town

Quality of Place

- Conserve natural resources and open spaces
- Develop a pedestrian and bicycle network
- Culture

Core Infrastructure

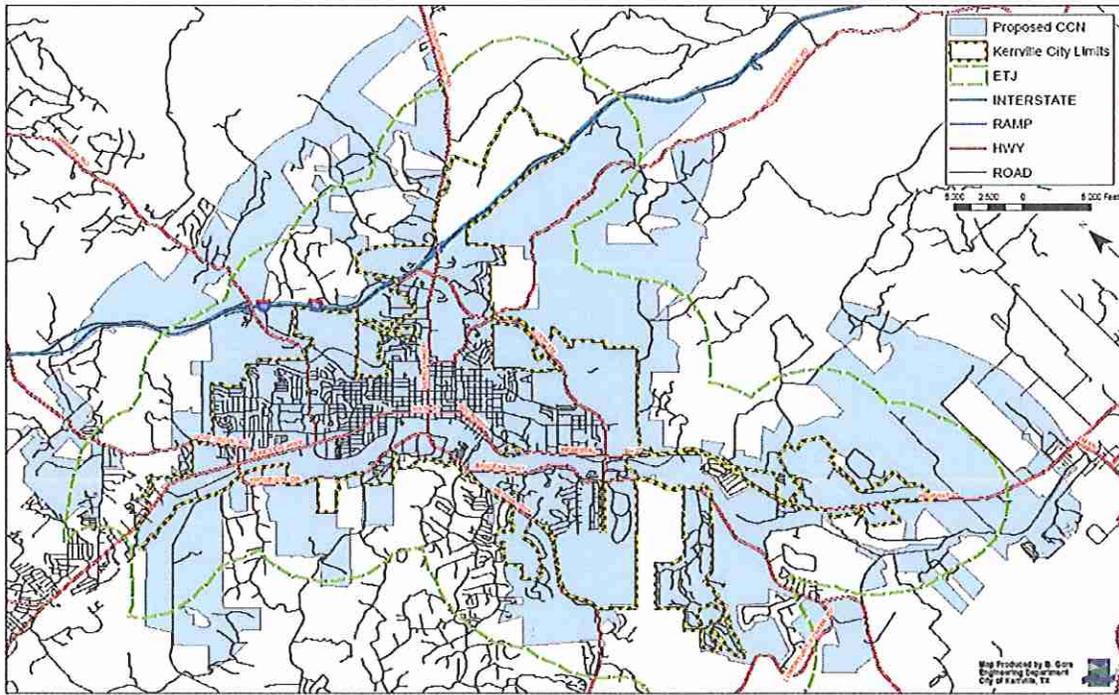
- Water Supply
- Water System
- Wastewater System

Projects - Airport

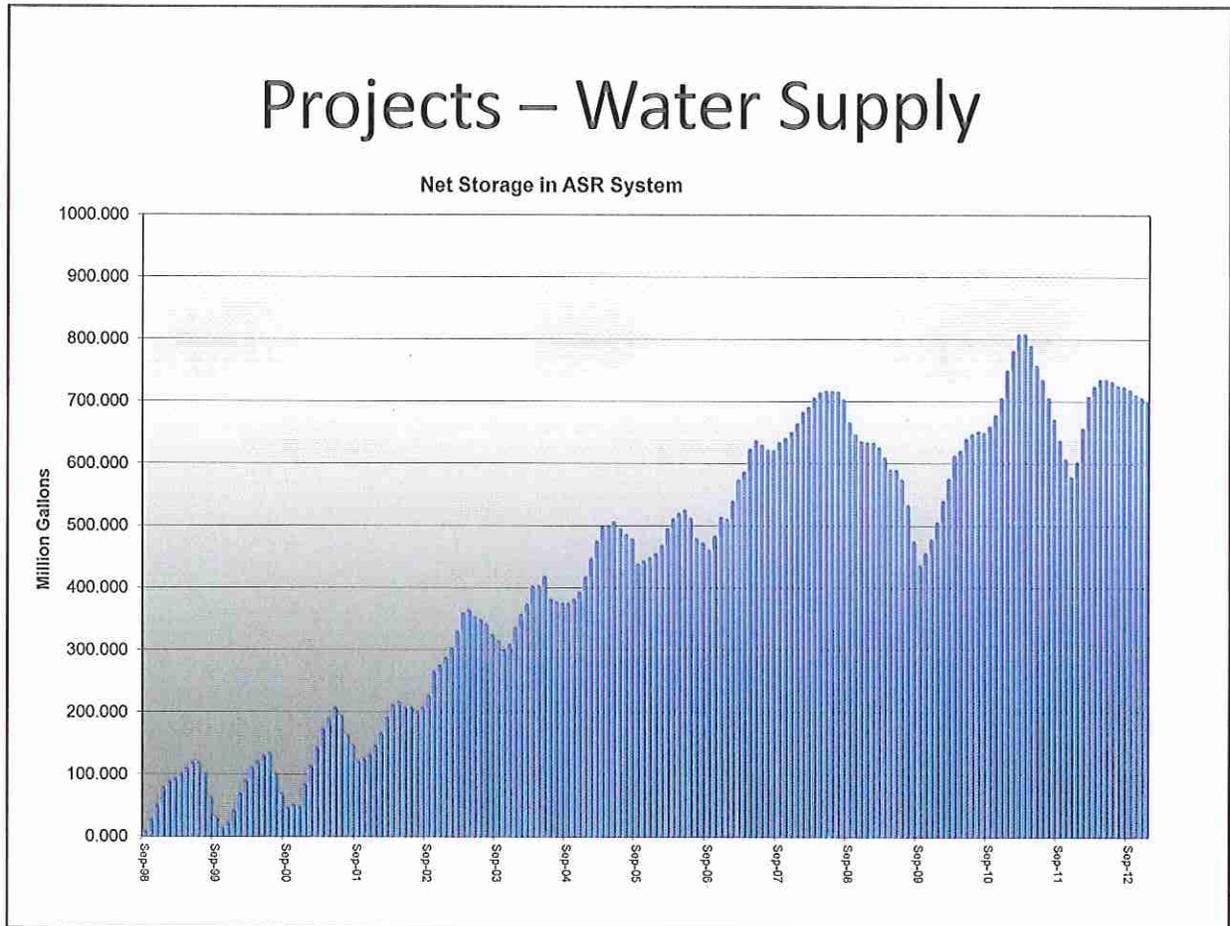


- Good Economic Development Tool
- Strategic Planning
- Goal of self-sufficient in 5 years

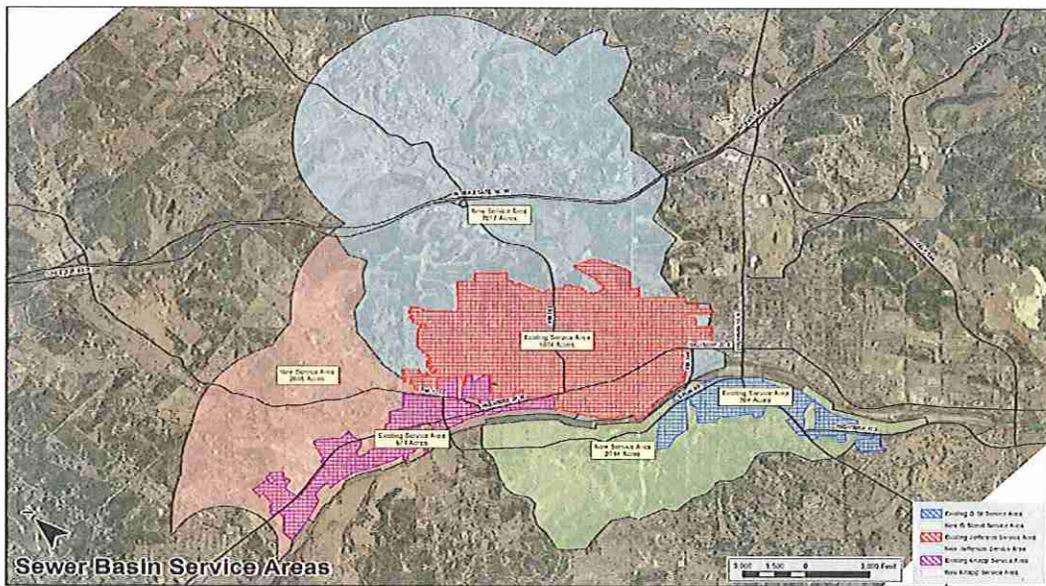
Projects - CCN



Projects – Water Supply

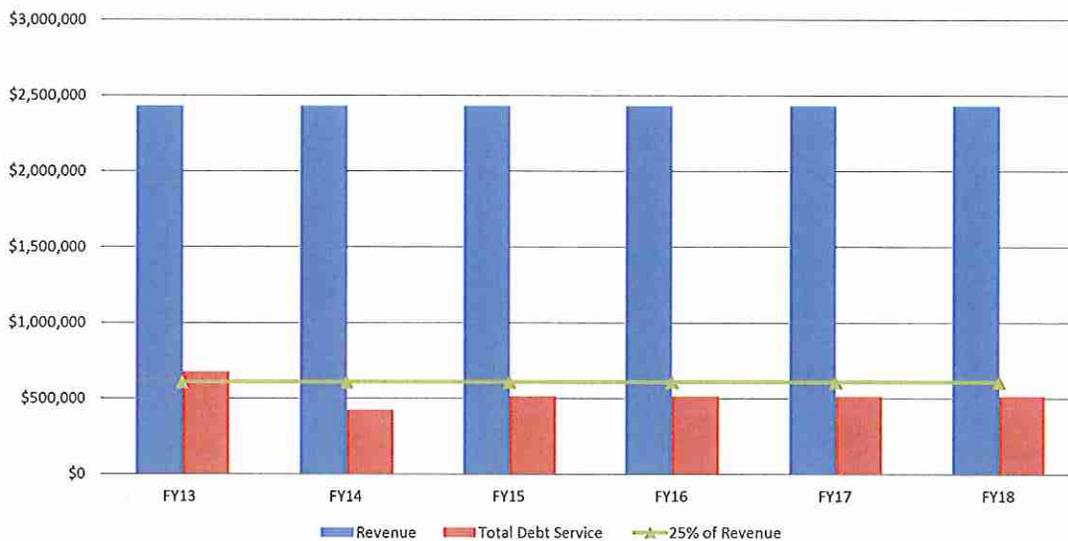


Projects - Utilities

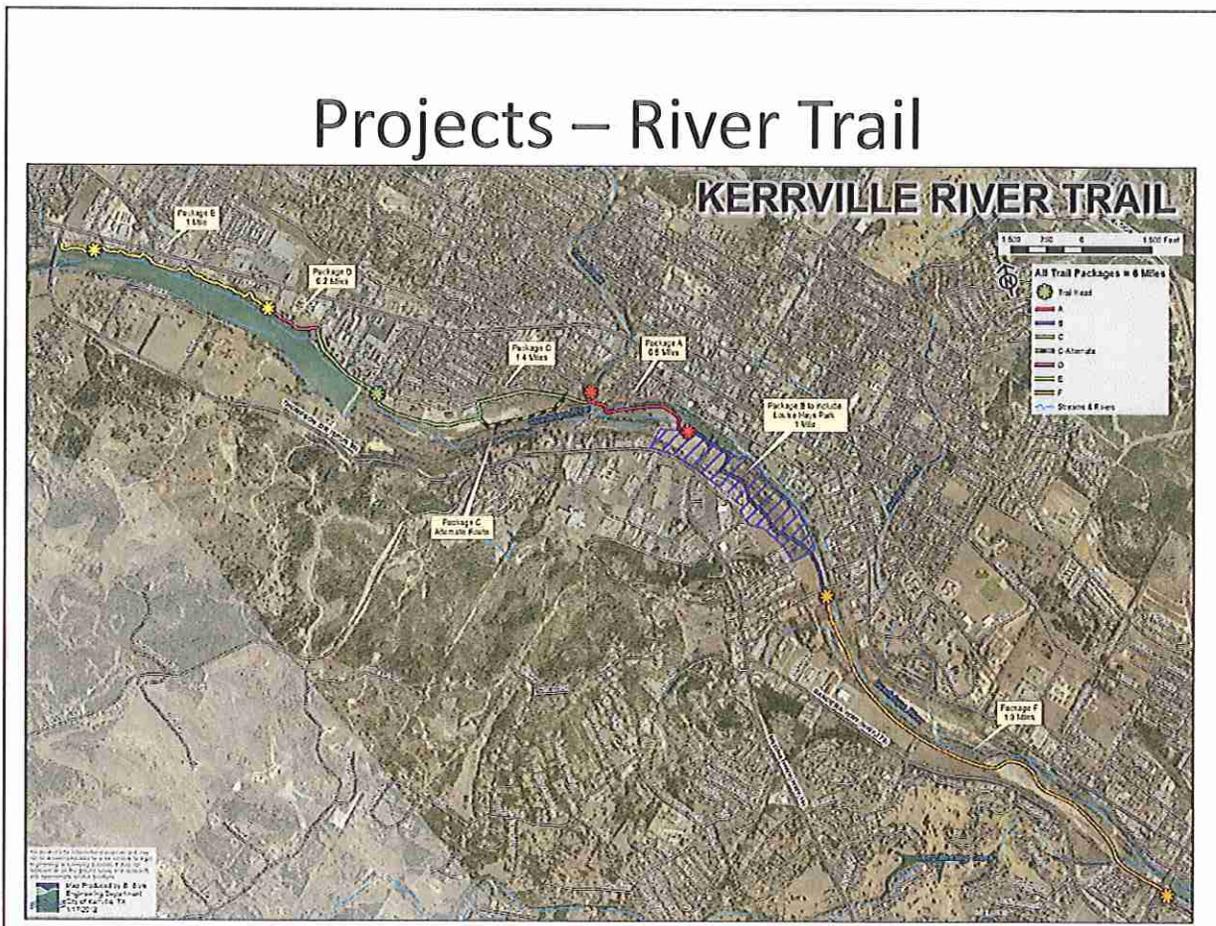


EIC

EIC Revenue to Debt Service



Projects – River Trail



Projects – New City Hall

