

**AGENDA FOR REGULAR MEETING**

**CITY OF KERRVILLE, TEXAS**

**ECONOMIC IMPROVEMENT CORPORATION**

**MONDAY, JUNE 17, 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, JUNE 17, 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 May 20, 2013.

**3. MONTHLY REPORTS:**

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

3B. Capital projects update. (staff)

Harper Highway Project Phase II

Golf Course Improvements (Pavilion and Parking Lot Projects)

Downtown Utility Improvement Project

River Trail and Parks projects

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

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

**4. INFORMATION AND POSSIBLE ACTION:**

4A. Feasibility study for reuse of effluent water from the City of Kerrville Reclamation Plant. (staff)

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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 June 12, 2013 at 4:00 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

4B. Funding request for Cailloux Theater improvements from Playhouse 2000. (staff)

4C. Funding request for Cailloux Theater improvements from the City of Kerrville. (staff)

4D. Guidelines and Procedures for 4B Sales Tax Funding Requests (staff)

**5. PUBLIC HEARING AND POSSIBLE ACTION:**

5A. Grant Funding Agreement with Hill Country Quilt Guild (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:

Sections 551.071, 551.072 and 551.087 :

- River Trail

Sections 551/071, and 551.087:

- Funding request for Cailloux Theater improvements from Playhouse 2000
- Funding request for Cailloux Theater improvements from the City of Kerrville

**7. ADJOURNMENT**

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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: June 12, 2013 at 4:00 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

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**ADDENDUM TO THE**  
**KERRVILLE ECONOMIC IMPROVEMENT CORPORATION AGENDA**  
**REGULAR MEETING, MONDAY, JUNE 17, 2013, 4:00 P.M.**  
**CITY HALL COUNCIL CHAMBERS**  
**701 MAIN STREET, KERRVILLE, TEXAS**

**4. INFORMATION AND POSSIBLE ACTION:**

4E. Establishing a new time and date of r regular Economic Improvement Corporation (EIC) board meeting. (Board Member Keeble)

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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 830-258-1117 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, June 13, 2013 at 12:00 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

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## **Agenda Item:**

2A. Minutes of the regular meeting held May 20, 2013. (staff)

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

**May 20, 2013**

On Monday, May 20, 2013, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:02 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 (arrived at 4:06 pm)  
Rex Boyland, Secretary  
Gary Cochrane  
Larry Howard  
Stacie Keeble  
Polly Rickert

**Members Absent: None**

**City Executive Staff Present:**

Todd Parton, City Manager  
Kristine Ondrias, Assistant City Manager  
Mike Hayes, City Attorney  
Cheryl Brown, Deputy City Secretary  
Mike Erwin, Director of Finance  
Sandra Yarborough, Assistant Director of Finance  
Sai Vongchampa, Budget/Purchasing Manager  
Ashlea Boyle, Special Projects Coordinator  
Malcolm Matthews, Director of Parks and Recreation  
Kimberly Meisner, 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. Howard.

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

2. **APPROVAL OF THE MINUTES:**

2A. Minutes of the regular meeting held April 15, 2013. Mr. Howard moved for approval of the minutes of April 15, 2013; Ms. Keeble seconded, and the motion passed 7 to 0.

3. **MONTHLY REPORTS:**

3A. Monthly financials for April 2013: Mr. Vongchampa reported on the April 2013 financials. The sales tax fund received \$230,498.00, which was a 16% increase over last year. The expenditures for March totaled \$89,627.00, for a net

increase of \$116,697.00. The ending cash balance for April, 2013 was \$1,947,293.00. He reported on the sales tax debt service fund, and the capital projects fund. He presented a sales tax comparison between several cities of different sizes in the state of Texas and Kerrville for the month of April, as well as a break-down of the River Trail project expenditures and funding sources, EIC investments and funding agreements.

3B. Capital projects update. Mr. Parton reported:

Harper Highway Project Phase II: The installation of vegetation was complete, and city staff would draft a budget amendment to reallocate the remaining funds back to EIC, approximately \$360,000.00.

Golf Course Improvements (Pavilion and Parking Lot Projects): The punch-list was completed, and the dedication was scheduled for Friday, May 24, 2013.

Downtown Utility Improvement Project: Mr. Wittler, with KPUB, reported they were waiting for the telephone companies to finish their work, and when that was completed, KPUB would complete their work within a few days.

3C. Update regarding "Go" Team activities.

Ms. Boyle reported that the "Go" Team met on May 7, 2013, to review the application from the Hill Country Quilt Guild, which was found to qualify partially for 4B funding. They also met on May 13, 2013, to review the application from Playhouse 2000, which was found to qualify for 4B funding.

3D. Update on River Trail and Parks projects.

Mr. Matthews reported that staff was working on obtaining easements associated with Packages B and F. An appraiser was engaged to begin the final appraisal on possibly as many as four properties. Package B was under contract for design, but the site plan was not ready due to scope and location issues for some of the components, but hoped to have a design package ready for staff review in early June. He said both Package B and Package F should be constructed within the same time frame, as they were in different geographic areas and probably different contractors. Louise Hays Park was expected to close mid-July, and was to be closed for approximately eighteen months.

3E. Kerrville Economic Development Corporation (KEDC) Update regarding KEDC Activities.

Jonas Titas reported that he was working with a manufacturer and a trucking company, regarding possible new business opportunities; he was working with city staff to draft the 4B Sales Tax Funding Guidelines and Procedures, and he was working on a presentation for business retention and expansion to be presented to the EIC at a future meeting.

**4. PUBLIC HEARINGS AND POSSIBLE ACTION:**

**4A. Economic development grant agreement between Kerrville's 4<sup>th</sup> on the River and the City of Kerrville Economic Improvement Corporation.**

Ms. Boyle reported that the funding agreement had been drafted pursuant to the EIC's instructions at the last meeting.

Mr. Wampler opened the public hearing at 4:23 p.m. No one spoke, and the public hearing was closed at 4:23 p.m.

Mr. Early moved that the funding agreement be approved as written. Mr. Howard seconded, and the motion passed 7-0.

**4B. Economic development grant agreement between Texas Hill Country Wine and Brew Festival and the City of Kerrville Economic Improvement Corporation.**

Ms. Boyle reported that the funding agreement had been drafted pursuant to the EIC's instructions at the last meeting.

Mr. Wampler opened the public hearing at 4:27 p.m., and the following person spoke:

Robert Naman spoke in opposition to the funding agreement.

The public hearing was closed at 4:31 p.m.

Mr. Howard moved that the funding agreement be approved with the Texas Hill Country Wine and Brew Festival. Ms. Keeble seconded, and the motion passed 7-0.

**4C. Economic development grant agreement between the Texas Folk Music Foundation dba Kerrville Folk Festival and the City of Kerrville Economic Improvement Corporation.**

Ms. Boyle reported that the funding agreement had been drafted pursuant to the EIC's instructions at the last meeting.

Mr. Wampler opened the public hearing at 4:34 p.m. No one spoke, and the public hearing was closed at 4:34 p.m.

Mr. Boyland moved to approve the funding agreement as written. Mr. Early seconded, and the motion passed 7-0.

**4D. Economic development grant agreement between the Kerrville Area Chamber of Commerce and the City of Kerrville Economic Improvement Corporation.**

Ms. Boyle reported that the funding agreement had been drafted pursuant to the EIC's instructions at the last meeting. The event took place on May 17-19, 2013.

The following person spoke: Denny Foster gave an update of the event's revenue and expenditures for the event and he noted that more people were in

attendance than in previous years; he estimated attendance at approximately 3,300.

Mr. Wampler opened the public hearing at 4:36 p.m. No one spoke, and the public hearing was closed at 4:36 p.m.

Mr. Howard moved to approve the funding agreement as written. Mr. Boyland seconded, and the motion passed 7-0.

**5. CONSIDERATION AND POSSIBLE ACTION:**

**5A. Funding request from Hill Country Quilt Guild.**

Ms. Boyle reported that the "Go" Team received a funding request in the amount of \$2,700.00, which included \$1,000.00 to rent the facility and \$1,700.00 for judges' expenses. The amount of \$1,000.00 was found to qualify for funding, but the \$1,700.00 did not qualify.

This item was deferred to executive session.

**5B. Funding request from Playhouse 2000, Inc.**

Ms. Boyle reported that the "Go" Team received a funding request from Playhouse 2000, Inc. for improvements to the Cailloux Theater and the "VK Garage" area in the amount of \$1,068,652.00. Improvement would include interior and exterior lighting, a facility addition and outdoor staging, modular seating risers, and roof improvements to the VK Garage area. The "Go" Team determined that, since the Cailloux Theater was owned by the City of Kerrville, some of the improvements would be the City's responsibility, in the amount of \$300,652.00; and Playhouse 2000, Inc. responsible for \$768,000.00.

The following persons spoke:

1. Jeffrey Brown, Executive Director for Playhouse 2000, Inc., gave a presentation that detailed the proposed improvements to both the Cailloux Theater and the VK Garage area.
2. Mr. Gene Smith spoke in favor of the funding agreement.

This item was deferred to executive session.

**5C. Guidelines and Procedures for 4B Sales Tax Funding Requests.**

The board discussed the guidelines and procedures that were presented by Mr. Parton.

Mr. Boyland moved to defer final approval of this item until City all revisions were made and a final document had been prepared and emailed to EIC members. Mr. Howard seconded, and the motion passed 7-0.

**6. EXECUTIVE SESSION:**

Mr. Howard moved that the EIC go into executive closed session under Section 551.071 (consultation with attorney), Section 551.072 (deliberation regarding real

property), and Section 551.087 (deliberation regarding economic development negotiations); Ms. Rickert seconded the motion, and it passed 7-0, to discuss the following matters:

Sections 551.071, 551.072 and 551.087 :

- River Trail

Sections 551.071 and 551.087

- Funding request from Hill Country Quilt Guild
- Funding request from Playhouse 2000, Inc.

At 5:26 p.m. the regular meeting recessed and the EIC went into executive closed session at 5:32 p.m. At 6:15 p.m. the EIC board recessed the executive closed session and returned to open session at 6:15 p.m.

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

**ACTION TAKEN ON ITEMS DISCUSSED IN EXECUTIVE SESSION:**

5A. Funding request from Hill Country Quilt Guild

Mr. Howard moved to approve \$1,000.00 of the Quilt Guild's funding request. Rex Boyland seconded, and the motion passed 7-0.

5B. Funding request from Playhouse 2000, Inc.

Ms. Keeble moved to support items A and B, the interior and exterior lighting; Item E, improvements at the VK Garage, i.e. roof replacement and replacing the seating with a modular riser system. Regarding item D, outdoor staging, the city and Playhouse 2000 continue to explore different concepts and options for how it could be organized and who would own it. Regarding item C, the facility addition, EIC would like to see a firm number, with interest in a possible contribution.

Mr. Wampler clarified that the motion was to direct staff to request authorization from the City Council to submit a funding request to EIC for the interior and exterior lighting improvements. EIC would then expect Playhouse 2000 to come back to EIC with a firm funding request for the roof improvements and the modular seating. Mr. Howard seconded the motion, and it passed 7-0.

**ADJOURNMENT**

Mr. Wampler adjourned the meeting at 6:20 p.m.

APPROVED: \_\_\_\_\_

\_\_\_\_\_  
David Wampler, President

ATTEST:

\_\_\_\_\_  
Cheryl Brown  
Deputy City Secretary

## **Agenda Item:**

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

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

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**SUBJECT:** EIC Financials

**FOR AGENDA OF:** June 17, 2013    **DATE SUBMITTED:** June 12, 2013

**SUBMITTED BY:** Sandra Yarbrough *SY* **CLEARANCES:**  
Director of Finance

**EXHIBITS:** Monthly Financials  
**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** *JP*

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<b>Expenditure Required:</b>	<b>Current Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$	\$	\$	

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OR FINANCE:**

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**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

<b>Cash Balance as of May 1, 2013</b>		<b>\$ 1,947,293</b>
Deposits:		
Sales Tax	\$ 251,468	
Interest Revenue	\$ 443	
	<hr/>	
	\$ 251,911	
Expenses:		
Office Supplies		
Public Notice	\$ -	
Administrative Service Fee	\$ 8,333	
Transfer for Debt Service - 1999	\$ 42,083	
Transfer for Debt Service - 2012	\$ 14,167	
Transfer - Park Improvements	\$ 25,000	
Total Expenses	<hr/>	
	\$ 89,583	
Revenues Over (Under) Expenditures		<hr/>
		\$ 162,329
<b>Ending Cash Balance as of May 31, 2013</b>		<b><u><u>\$ 2,109,620</u></u></b>

City of Kerrville  
Economic Improvement Corporation  
Sales Tax Improvement Fund - Revenue and Expense Statement  
For the month ending May 31, 2013

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>BEGINNING CASH BALANCE</b>	\$ 1,788,939		\$ 1,788,939		
<b>REVENUE:</b>					
Sales and Use Tax	\$ 2,425,000	\$ 251,468	\$ 1,817,030	74.93%	\$ 607,970
Interest	\$ 5,000	\$ 443	\$ 3,790	75.80%	\$ 1,210
Refund Airport/TXDOT	\$ -	\$ -	\$ 11,006		\$ (11,006)
Reimbursement - Colvin		\$ -	\$ 14,190		\$ (14,190)
Transfer In			\$ 80,000		\$ (80,000)
<b>TOTAL REVENUE</b>	<b>\$ 2,430,000</b>	<b>\$ 251,911</b>	<b>\$ 1,926,016</b>	<b>79.26%</b>	<b>\$ 609,180</b>
	Annual Budget	Current Period	Y-T-D Actual & Encumbrance	% of Budget	Budget Balance
<b>EXPENDITURES:</b>					
<b>Administrative</b>					
Advertising/Supplies	\$ 500	\$ -	\$ 323	-	\$ 177
Transfer to Debt Service Fund	\$ 505,000	\$ 42,083	\$ 336,667	66.67%	\$ 168,333
Transfer to Debt Service Fund - River Trail	\$ 170,000	\$ 14,167	\$ 113,333		\$ 56,667
Economic Development Governing Body	\$ 175,000		\$ 127,000	100.00%	\$ 48,000
Annual Disclosure Fee	\$ 3,500		\$ 3,500		\$ -
Administrative Services Fee	\$ 100,000	\$ 8,333	\$ 66,667	66.67%	\$ 33,333
<b>Total Administrative</b>	<b>\$ 954,000</b>	<b>\$ 64,583</b>	<b>\$ 647,490</b>	<b>67.87%</b>	<b>\$ 306,510</b>
<b>Category I - Business Development</b>					
Unspecified	\$ 1,078,961			0.00%	\$ 1,078,961
<b>Total Category I</b>	<b>\$ 1,078,961</b>	<b>\$ -</b>	<b>\$ -</b>	<b>100.00%</b>	<b>\$ 1,078,961</b>
<b>Category II - Quality of Life</b>					
River Trail	\$ 300,000	\$ 25,000	\$ 200,000	66.67%	\$ 100,000
Downtown Wireless	\$ 100,000				\$ 100,000
Golf Course Improvements	\$ 608,141	\$ -	\$ 608,141	100.00%	\$ -
HCDJLS	\$ 150,000		\$ 149,703	99.80%	\$ 297
<b>Total Category II</b>	<b>\$ 1,158,141</b>	<b>\$ 25,000</b>	<b>\$ 957,844</b>	<b>82.71%</b>	<b>\$ 200,297</b>
<b>Category III - Public Infrastructure</b>					
Category III Unspecified	\$ 500,000			0.00%	\$ 500,000
<b>Total Category III</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 500,000</b>
<b>Contingency</b>	\$ -				\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,691,102</b>	<b>\$ 89,583</b>	<b>\$ 1,605,334</b>	<b>43.49%</b>	<b>\$ 2,085,768</b>
<b>NET REVENUES TO EXPENDITURES</b>	<b>\$ (1,261,101)</b>	<b>\$ 162,329</b>	<b>\$ 320,681</b>		
<b>ENDING CASH BALANCE: May 31, 2013</b>	<b>Budget</b> \$ 527,837		<b>Actual</b> \$ 2,109,620		

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	\$ 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	\$ 256,158	\$ 284,177	\$ 28,018	10.94%
March	\$ 163,136	\$ 169,754	\$ 186,812	\$ 175,922	\$ 205,749	\$ 29,826	16.95%
April	\$ 160,461	\$ 157,729	\$ 185,835	\$ 173,572	\$ 215,800	\$ 42,228	24.33%
May	\$ 203,235	\$ 234,742	\$ 223,320	\$ 230,918	\$ 251,468	\$ 20,550	8.90%
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!
<b>Total</b>	<b>\$ 2,243,991</b>	<b>\$ 2,355,166</b>	<b>\$ 2,545,329</b>	<b>\$ 1,599,006</b>	<b>\$ 1,817,030</b>	<b>\$ 218,025</b>	<b>13.64%</b>

CITY OF KERRVILLE  
Economic Improvement Corporation  
Sales Tax Debt Service Fund

<b>Cash Balance as of May 1, 2013</b>		<b>\$ 228,283</b>
Revenues:		
Transfer from Sales Tax Improvements Fund	<u>\$ 42,083</u>	
Total Deposits	\$ 42,083	
Expenses:		
Paying Agent Fee		
Bond Principal		
Bond Interest		
Total Expenses	<u>\$ -</u>	
Revenues Over (Under) Expenditures:		<u>\$ 42,083</u>
<b>Ending Cash Balance as of May 31, 2013</b>		<b><u><u>\$ 270,367</u></u></b>

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

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>BEGINNING CASH BALANCE</b>	\$ 421,672		\$ 421,672		
<b>REVENUE:</b>					
Transfer from Sales Tax Improvement Fund	\$ 505,000	\$ 42,083	\$ 336,667	66.67%	\$ 168,333
<b>TOTAL REVENUE</b>	\$ 505,000	\$ 42,083	\$ 336,667	66.67%	\$ 168,333
	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>EXPENDITURES:</b>					
Series 1999 Sales Tax Bond Debt Service	\$ 465,000	\$ -	\$ 465,000	100%	\$ -
Series 1999 Sales Tax Bond Interest Expense	\$ 33,248	\$ -	\$ 21,971	66%	\$ 11,277
Paying Agent Fees	\$ 1,000	\$ -	\$ 1,000	100%	\$ -
First Southwest Continuing Disclosure Fee	\$ -	\$ -	-	-	\$ -
<b>TOTAL EXPENDITURES</b>	\$ 499,248	\$ -	\$ 487,971	97.74%	\$ 11,277
<b>ENDING CASH BALANCE: May 31, 2013</b>	Budget \$ 427,424		Actual \$ 270,367		

CITY OF KERRVILLE  
Economic Improvement Corporation  
EIC Capital Projects Fund

<b>Cash Balance as of May 1, 2013</b>		<b>\$ 1,738,431</b>
Revenues:		
Hill Country Shooting Center	\$ -	
Total Revenues/Transfer In	<u>\$ -</u>	
Expenses:		
Services		
Special Services		
Harper Road Utilities - Phase 2	125,186	
Fox Tank	300,000	
Golf Course Improvements	218,704	
	<u>\$ -</u>	
	\$ 643,890	
Total Expenses	\$ 643,890	
Revenue Over (Under) Expenditures		<u>\$ (643,890)</u>
<b>Ending Cash Balance as of May 31, 2013</b>		<b><u><u>\$ 1,094,541</u></u></b>

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

**Project Status Summary**  
**For the month ending May 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		\$ 100,000	\$ 100,000		\$ 100,000	-	\$ 100,000	-
2010/11	Hill Country Shooting Center	FA 2010-03	\$ 494,838	\$ 494,838		\$ 495,585	\$ 495,580	\$ (0)	-
	Harper Hwy Utility Ext Phase 2		\$ 1,000,000	\$ 1,000,000		\$ 1,000,000	\$ 631,857	\$ 368,143	-
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	\$ 361,743	\$ 246,398	-
	Hill Country Jr. Livestock Assoc		\$ 150,000	\$ 149,703		\$ 149,703	\$ 149,703		297
<b>TOTALS</b>			<b>\$ 3,302,979</b>	<b>\$ 3,302,682</b>		<b>\$ 3,303,429</b>	<b>\$ 2,208,883</b>	<b>\$ 1,094,541</b>	<b>297</b>

Cash Balance on 5/31/2013      \$ 1,094,541

Fund 70 - General Capital Improvement Projects - supported by EIC			
PROJECTS	Funding Agreement	Agreement Commitment	Expense
2011-12	River Trail	C2011-76	\$ 308,691
2011-12	Louise Hays Park Improvements	C2011-76	\$ 13,784
<b>TOTALS</b>		<b>\$ 8,000,000</b>	<b>\$ 322,475</b>

## Agenda Item:

3B. Capital projects update. (staff)

Harper Highway Project Phase II

Golf Course Improvements (Pavilion and Parking Lot Projects)

Downtown Utility Improvement Project

River Trail and Parks projects

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

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**SUBJECT:** Capital Projects Update

**AGENDA DATE:** June 17, 2013

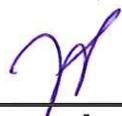
**DATE SUBMITTED:** June 12, 2013

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

**CLEARANCES:**

**EXHIBITS/INFORMATION:** Status Reports

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**



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<b>Expenditure</b>	<b>Current Balance</b>	<b>Amount</b>	<b>Account</b>
<b>Required:</b>	<b>in Account:</b>	<b>Budgeted:</b>	<b>Number:</b>
<b>\$</b>	<b>\$</b>	<b>\$</b>	

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

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**SUMMARY STATEMENT**

Attached are status reports for the following projects:

- Harper Highway Project Phase II
- Golf Course Improvements (Pavilion and Parking Lot)
- Downtown Utility Improvement Project
- River Trail and Parks Projects

**RECOMMENDED ACTION**

Update only. No action required.

## EIC Status Report Harper Highway Utility Extension Phase Two

<b>SCOPE</b>	<ul style="list-style-type: none"> <li><b>Phase Two</b> Projects consists of the construction of approximately 4,600 linear feet of 12" water main &amp; 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 &amp; 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 &amp; appurtenances.</li> </ul>
<b>Status</b>	Construction contract was awarded to Qro Mex Construction at May 22, 2012 City Council meeting. Construction is complete. C-3 Environmental Specialties, LP was contracted to finalize the required revegetation and stabilization within the right of way of Harper Highway. Project final acceptance was issued May 7, 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	Complete		
	<del>1 easement (Howard) in negotiation</del>	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	
	TxDOT Permits	Approved	General construction permits for construction within TxDOT right of way	
Design	<del>under contract - HDR Engineering</del>	Complete		
Construction Drawings	final plans/specs/costs/ documents	completed 4/2012	all project elements	
Bidding/Contracts	Construction contract awarded to Qro Mex Construction 5/22/12		contract prep	
Construction	Construction Completed	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	\$631,857.06	\$368,142.94	Construction \$580,000 Materials Testing \$38,000	

## EIC Status Report    Golf Course Pavilion Project

<b>SCOPE</b>	<ul style="list-style-type: none"> <li>This project will consist of approximately a 40'x40' pavilion with 1600 square feet of covered space with a standing seam roof to match the pro shop, rehabilitation of the retaining wall below the pavilion area, cart path connection from the 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. Additionally, this project consists of the construction of an approximately 100 space parking lot, which will increase the existing parking by approximately 30 spaces; one main entrance into the golf course simplifying circulation; landscape islands to provide aesthetics and shade; a plaza area in front of the pro shop and a screen for the adjacent residences.</li> </ul>
<b>Status</b>	Construction contract was awarded to JM Lowe at February 12, 2013 City Council meeting. Construction began on February 26, 2013. The construction for the new pavilion, retaining wall, relocation of overhead utilities, and parking lot paving is now complete. Contractor is currently finishing the construction of fence and slope stabilization within the parking lot area.

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 Documents complete	Documents combined with the parking lot for one project at bidding.
	Bidding	January-February 2013	Advertise-Jan 18, Jan 25 Prebid-Jan 29 Open Bids-Feb 5	Bids opened on Feb 5. 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	Council awarded the construction contract to JM Lowe on February 12, 2013
Construction		February-April 2013	Begin Construction-Feb 25 Final Punch List-April 30 Open for use-May 24	Preconstruction meeting was held on Feb 22. Construction began on Feb 26.

FUNDING - BUDGET	Allocation	Expended - Encumbered	Balance	Cost Est. for Package	Needed to Complete Package
FA-2012-05 Survey Materials Testing Design	\$608,141.00 \$7,000.00 \$7,500.00 \$19,000.00 for Pavilion Parking lot improvements designed in house by Engineering Director and Project Engineer for a cost savings of approximately \$24,000.00	\$405,875.33	\$202,765.67	Construction \$330,000 Materials Testing \$4,000	
Construction	\$328,141.00				

# EIC Status Report Golf Course Pavilion Project

<b>SCOPE</b>	<ul style="list-style-type: none"> <li>This project will consist of approximately a 40'x40' pavilion with 1600 square feet of covered space with a standing seam roof to match the pro shop, rehabilitation of the retaining wall below the pavilion area, cart path connection from the 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. Additionally, this project consists of the construction of an approximately 100 space parking lot, which will increase the existing parking by approximately 30 spaces; one main entrance into the golf course simplifying circulation; landscape islands to provide aesthetics and shade; a plaza area in front of the pro shop and a screen for the adjacent residences.</li> </ul>
<b>Status</b>	Construction contract was awarded to JM Lowe at February 12, 2013 City Council meeting. Construction began on February 26, 2013. The construction for the new pavilion, retaining wall, relocation of overhead utilities, and parking lot paving is now complete. Contractor is currently finishing the construction of fence and slope stabilization within the parking lot area.

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 Documents complete	Documents combined with the parking lot for one project at bidding
	Bidding	January-February 2013	Advertise-Jan 18, Jan 25 Prebid-Jan 29 Open Bids-Feb 5	Bids opened on Feb 5. 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	Council awarded the construction contract to JM Lowe on February 12, 2013
		February-April 2013	Begin Construction-Feb 25 Final Punch List-April 30 Open for use-May 24	Preconstruction meeting was held on Feb 22. Construction began on Feb 26.

FUNDING - BUDGET		Allocation	Expended - Encumbered	Balance	Cost Est. for Package	Needed to Complete Package
FA-2012-05	Survey	\$608,141.00	\$405,875.33	\$202,765.67	Construction \$330,000	
	Materials Testing	\$7,000.00			Materials Testing \$4,000	
	Design	\$7,500.00				
		\$19,000.00 for Pavilion				
		Parking lot improvements designed in house by Engineering Director and Project Engineer for a cost savings of approximately \$24,000.00				
	Construction	\$328,141.00				



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                      Kenneth Early  
Rex Boyland                          Gary Cochrane  
Larry Howard                         Polly Rickert  
Councilmember Stacie Keeble

From: Mike Wittler

Date: June 10, 2013

Re: Update on Downtown Utility Conversion Project Status

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KPUB, Hill Country Telecommunications, and Time Warner have all completed their installations.

On the week of June 3<sup>rd</sup>, Windstream removed their overhead lines without realizing that they were still being used to provide service to Pampell's. A day later, they returned and installed overhead lines behind Pampell's to restore that service. Windstream is now working with that customer to change their service from overhead to underground.

Once Windstream has moved their service underground and removed their remaining overhead facilities, KPUB can remove the remaining poles and wires within a week.

KPUB does not have a representative familiar with the project available for your June 17<sup>th</sup> meeting. If you have any questions about the current status of the project, feel free to contact me at your convenience.

Sincerely,

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

# Monthly Status Report

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## River Trail/Parks Projects

June 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 MIMA
Property Survey	construction easements, if needed	NA	NA	NA
Misc. Reports/Permits	M&B and Topo surveys	complete (3/12)	identify property boundary and grades	
	LOMR	upon trail completion	flood level impact, if any	submittal to FEMA
	TPWD (land & water permit)	complete (5/12)	coffer dam - bridge construction review	review by TPWD
Design	USACE	complete (5/12)	involves jurisdictional waters of the US	no USACE individual permit required
	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	construct 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 — 25,000 \$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 fall 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 security lighting, observation areas, seating areas, bridging, drainage, signage, trail entries, kiosks, and interpretive signage.

Parks - park amenities, amphitheater/stage, interactive water feature, event areas, large pavilion upgrades, river access, restrooms, roads/parking, lighting, utilities, landscaping, signage.

PHASING	Action Item	Schedule (Status)	Task/Issues	Comments/Risks
Recreation easements or Property Agreements	easements to CoK from property owners	complete by 8/31/13	CoK to secure easements from property owners; title work and surveys	requires property owner approval, purchase, or other
Property Survey	construction easements, if needed	na	na	requires property owner approval
Misc. Reports/Permits	M&B and Topo surveys	M&B - complete (9/12) Topo - partially complete	identify property boundary and grades	
Design	LOMR	upon trail completion	flood impact, if any	may require submittal to FEEMA
	TPWD (land & water permit)	9/1/13, if needed	environmental impact to state waters	review by TPWD
	GLO (state property use)	9/1/13, if needed	routing preference	approval by State, if needed
	-Trail Routing Options - Half	complete (6/12)	define route options w/ costs	complete (6/12)
	-Final Design Contract - Half	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 fall 2013	all project elements	project delay assoc. with approvals
Bidding/Contracts	secure contractor	late 2013	bid process, contract prep	project delay, bid cost, etc.
Construction	construct project	start early 2014	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
	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)	define gradients and layout	waiting for private development
Routing	location of trail	(partially complete)		" " " "
	schematic plan with amenities; prelim. costs	50% review –	all project elements	" " " "
		75% review –	all project elements	" " " "
Preliminary Design		90% review –	all project elements	" " " "
	final plans/specs/costs/ documents	TBD	all project elements	" " " "
Construction Drawings	secure contractor	TBD	bid process, contract prep	" " " "
Bidding/Contracts	construct project	TBD	sequencing of work	" " " "
Construction				

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

# Status Report Kerrville River Trail

## Package E

<b>SCOPE</b>
<b>Package E</b> 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>
<b>Amenities</b> 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
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	
	LOMR		flood impact, if any	may require submittal to FEMA
	TPWD (land & water permit)		environmental impact to state waters	review by TPWD
Design	TBD			waiting for private development
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	" " " "
Construction Drawings	final plans/specs/costs/ documents	TBD	all project elements	" " " "
Bidding/Contracts	secure contractor	TBD	bid process, contract prep	" " " "
Construction	construct 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 F

<b>SCOPE</b>	<b>Package E</b> extends from G St. (Package B terminus) along the river into 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 fall 2013. <i>Total trail length: up to 2 miles</i>
<b>Amenities</b>	Trailheads with parking, security lighting, observation areas, seating areas, trail bridges, 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 8/31/13	CoK to secure easements from property owners	requires property owner approval, purchase, or other
Property Survey	construction easements, if needed	complete by 10/31/13, if needed	determine need by 8/1/13	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	upon trail completion	flood impact, if any	may require submittal to FEMA
	TPWD (land & water permit)	10/1/13, if needed	environmental impact to state waters	
Design	-Trail Confirmation - Terra Design Group (TDG)	complete (6/12)	define route options w/ costs	complete (6/12)
	-Final Design Contract - TDG	negotiate by 6/13/13	all remaining design phases	requires Council approval
Preliminary Design	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 late 2013	all project elements	project delay assoc. with approvals
Bidding/Contracts	secure contractor	early 2014	bid process, contract prep	project delay, bid cost, etc.
Construction	construct project	Start early 2014	sequencing of work	typical delays/field alterations

FUNDING - BUDGET	Allocation	Expended - Encumbered	Balance	Cost Est. for Package	Needed to Complete Package
COs (4B)	\$2,200,000				

## **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 trail segment allocations and 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:**

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

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

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**SUBJECT:** Update on "GO Team" activities

**FOR AGENDA OF:** June 17, 2013      **DATE SUBMITTED:** June 10, 2013

**SUBMITTED BY:** Ashlea Boyle, *AB*      **CLEARANCES:** Todd Parton,  
Main Street / Special Projects Manager      City Manager

**EXHIBITS:**

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** *TP*

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<b>Expenditure Required:</b>	<b>Current Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$	\$	\$	

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OF FINANCE:**

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**SUMMARY STATEMENT**

The Economic Development "GO Team" has not met since the last EIC meeting of May 20, 2013.

**RECOMMENDED ACTION**

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

## **Agenda Item:**

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

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

---

**SUBJECT:** Update on Kerrville Economic Development Corporation Activities

**FOR AGENDA OF:** June 17, 2013      **DATE SUBMITTED:** June 12, 2013

**SUBMITTED BY:** Ashlea Boyle, *AB*      **CLEARANCES:** Todd Parton,  
Main Street / Special Projects Manager      City Manager

**EXHIBITS:**

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** *TP*

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<b>Expenditure Required:</b>	<b>Current Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$	\$	\$	

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OF FINANCE:**

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**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. Feasibility study for reuse of effluent water from the City of Kerrville Reclamation Plant. (staff)

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

---

**SUBJECT:** Reuse Feasibility Study

**FOR AGENDA OF:** June 17, 2013 **DATE SUBMITTED:** June 12, 2013

**SUBMITTED BY:** Kristine Ondrias      **CLEARANCES:**  
Assistant City Manager

**EXHIBITS:** Scope of Services

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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<b>Expenditure Required:</b>	<b>Current Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DEPARTMENT:**

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**SUMMARY STATEMENT**

In April 2013, at the request of EIC, staff presented preliminary information on the concept of constructing reuse ponds for future water infrastructure needs. At the conclusion of the discussion, EIC directed staff to continue to explore the next step to determine feasibility of the location of a reuse pond on the city land discussed, the cost of converting in the future to potable water for storage, and determine the capacity of such ponds.

Staff has worked with Freese and Nichols, Inc. on the attached scope of services to study the feasibility of the reuse pond system. This study would include environmental survey and permitting, geotechnical evaluation for potential depths of the ponds, landfill evaluation for existing permits and expansion needs, review of the flood plain and reuse regulatory requirements. Draft report would take about 180 days from the Notice to Proceed.

Freese and Nichols will be at the meeting to answer any questions the EIC may have regarding the scope of services as well as regulatory requirements with this type of project.

**RECOMMENDED ACTION**

Discuss and provide direction to staff on next steps.

**EXHIBIT A**  
**City of Kerrville**  
**Reuse Feasibility Study**  
**SCOPE OF SERVICES**

**A. Environmental Services**

- A1. Site Visits: Prior to making a field visit, FNI will obtain information for the vicinity such as soils maps, National Wetland Inventory maps, topographic maps, floodplain maps, and other readily available, pertinent data. This information will be evaluated to guide the field survey described below. FNI's scientists will conduct a pedestrian survey of the proposed reuse pond(s) and associated facilities to assess the conditions at the site.
- A2. Section 404 Permitting: Waters of the U. S. are regulated by the USACE and require a permit for activities conducted within the jurisdictional boundaries. The presence of jurisdictional waters such as ephemeral, intermittent, or perennial streams; wetlands; or other open waters will be documented and mapped.
- A3. Threatened and Endangered Species Survey: FNI will conduct reconnaissance-level field surveys within the area of the proposed water reuse ponds to identify potential habitat and document any threatened or endangered (T&E) species encountered. Emphasis will be on federally listed species, but the Texas Parks and Wildlife Department T&E species database will be reviewed and documented.
- A4. Archeological Review: FNI environmental scientist will provide desktop review of the Texas Archeological Research Laboratory (TARL) to determine the likelihood and potential extent of coordination with the Texas Historical Commission (THC). Subsequent activities, potentially including shovel test and/or backhoe trenching, may require the services of a qualified archeologist, as an additional service.
- A5. Environmental Permitting Technical Memorandum: FNI will prepare a technical memorandum that will include a description of field observations described above; and if so, the type(s) of waters; an estimate of the area of impact to waters of the U.S.; and a discussion of USACE 404 permit authorizations. The results of the T&E species review will also be documented in the memorandum.

**B. Geotechnical and Landfill Investigation**

- B1. Geologic Atlas Review: FNI will review the Geologic Atlas of Texas to study general geologic conditions at the project site
- B2. Select Locations for Exploratory Borings: FNI will select locations for exploratory borings and coordinate with Texas 811 and the City regarding underground utilities, other existing construction and accessibility. The borings will be staked the same day as drilling occurs.

- B3. Perform Drilling of Borings: FNI will subcontract with a drilling contractor to drill a total of 8 borings to a depth of 25 feet for the re-use ponds (5 borings for Ponds 1 and 2 and 3 borings for Pond 3). Samples will be collected intermittently using continuous flight augers and either split-spoon or tube samplers. At completion, the boreholes will be backfilled with auger cuttings to the ground surface.
- B4. Lab Testing and Log Preparation: FNI will provide an engineer or geologist to direct the drilling, log the borings, record field test data, and handle and transport the samples. FNI will select samples for laboratory testing, assign tests, deliver samples to a subcontractor laboratory selected by FNI (with concurrence by City of Kerrville) and review test results. Testing is expected to include classification tests (liquid and plastic limits and percent passing a #200 sieve or gradation) and moisture content tests.
- B5. Technical Memorandum on Geotechnical Investigation: Prepare a technical memorandum summary report of the geotechnical investigation to include:
- Appendix with the boring locations, boring logs, laboratory test results, and a key to the symbols used.
  - Discussion of subsurface conditions and soil properties indicated by the field and laboratory work, and the implications for design.
  - General discussion of expected earthwork and construction related issues
- B6. Review Landfill Documents: Review existing landfill documents (Site Development Plan, Monitoring Well Data, etc.) and identify potential issues related to the impact of the landfill on the re-use ponds.
- B7. Conference Call on Landfill Issues: Discuss with City staff (by telephone) existing landfill data, including City monitoring of leachate, groundwater issues (if present) and future plans for landfill expansion, and the impact these issues may have on the re-use ponds.
- B8. Technical Memorandum on Landfill Issues: FNI will provide a technical memorandum that identifies potential landfill issues that may impact the operation of the re-use ponds.

### C. Flood Plain Analysis

The Federal Emergency Management Agency (FEMA) floodplain map shows that the subject tributary has an approximate floodplain noted as Zone A on FIRM Panel 48265C0490F. We understand that the City wishes to establish base flood elevations along the subject tributary to more accurately define the existing condition floodplain. To accomplish this FNI proposes to complete an existing condition study for this project by developing hydrologic and hydraulic models to reflect current conditions and floodplain limits. This floodplain will then be evaluated to determine how it affects the potential development of the project. If floodplain reclamation is needed for the proposed development, FNI will coordinate with the City to discuss the feasibility of reclaiming or reshaping the floodplain.

- C1. Data Collection: Utilize topographic data obtained during Task G for watershed delineations. A site visit will be made to determine hydrologic and hydraulic conditions

and parameters. City specific flood study requirements will be coordinated with the City. Obtain GIS base data from the City, including existing land use maps, road centerlines, building footprints, property lines, and aerials. Obtain as-built data for road crossings within the study limits from the City and/or County

- C2. Hydrologic Analyses: Using topographic data obtained in Item 1, develop a drainage area map to describe stormwater runoff patterns through the study limits. Use USDA soil data to determine hydrologic soil groups for each watershed.
  - a. Determine existing land use conditions in the watershed based on field visits, information obtained from the City and available maps.
  - b. Determine hydrologic parameters including curve numbers, time of concentration, hydraulic lengths, and slopes for existing land use conditions.
  - c. Develop a hydrologic model using USACE HEC-HMS to describe the expected stormwater runoff through the study limits for the 100-year storm event based on existing land use conditions.
  - d. For scoping purposes, it is assumed that runoff conditions along the reach will remain the same between pre-project and project conditions; therefore changes to the flow regime based on project conditions is not included and can be developed as an additional service.
  
- C3. Pre-Project Hydraulic Analyses: Develop new cross section data using topographic data obtained in Item 1 to adequately describe the study reach.
  - a. Add bridge and culvert information for structures within the study limits. It is assumed that geometry data for the crossings will be based on approximate field measurements and topography data.
  - b. Develop a pre-project condition hydraulic model through the study reach for the storm events described above.
  - c. Delineate 100-year floodplain limits through the study reach based on existing land use conditions for pre-project conditions.
  
- C4. Project Team Coordination: Attend one meeting with the City to discuss the impacts of the pre-project floodplain on the proposed development and develop up to three (3) conceptual project alternatives to mitigate such impacts.
  
- C5. Project Conditions Hydraulic Analyses: Modify the pre-project condition cross sections to develop a project conditions hydraulic model for up to three (3) project alternatives. Prepare a tabular comparison of the project conditions results to the pre-project condition flood levels and velocities to determine if there are any adverse impacts due to project conditions. This comparison shall be completed for up to three project alternatives. Delineate 100-year floodplain limits through the study reach based on existing land use conditions for up to three (3) project conditions.
  
- C6. Prepare Hydrologic and Hydraulic Analyses Technical Report: Summarize the hydrologic and hydraulics analyses outlined in Items C1-5 above. Report text shall include a description of the methodology used in the analysis, hydrologic results, pre-project conditions hydraulic results, up to three (3) project conditions hydraulic results and a final design recommendation.

- a. Figures shall include a drainage area map depicting the time of concentration path for each basin, existing land use maps, soils map, cross sections map and floodplain delineations for both pre-project and project conditions.
- b. Schematic designs of up to three (3) project alternatives shall be developed to describe the general concept of each alternative, including plan view and typical cross section alignments.

#### **D. Water Reuse Pump Station Requirements**

- D1. Analyze Topographic Information: FNI will analyze topographic information from Task G to determine if possibilities exist for gravity flow to or from the plant and the proposed reuse ponds. FNI will also recommend a preliminary location for a reuse pump station.
- D2. Reuse Pump Station Arrangement and Pipe Sizing: FNI will analyze the feasibility of a single, multi-use pump station or if two, separate pump stations would be required for the reuse project. FNI will describe the pump station arrangements and discharge pipe size. Drawings are not included in the scope of services.

#### **E. Water Reuse Regulatory Requirements**

- E1. Permitting Requirements: FNI will analyze regulatory requirements that relate to the feasibility of the proposed reuse project.
  - a. Permeability standards - FNI will identify permeability requirements for the proposed effluent storage pond, considering the historical effluent quality and pond location. FNI will also determine if this location is within the Edwards Aquifer recharge zone.
  - b. Existing Reuse Authorization - FNI will review the existing reuse authorization to determine if the proposed project requires amendment of the existing authorization.
  - c. TCEQ Chapter 210 – FNI will analyze this regulation to determine if there are any additional requirements for the proposed reuse project as currently conceived.
- E2. Reuse Pond Treatment Requirements: FNI will analyze and document the categorical quality of the existing plant's wastewater effluent prior to storage in the proposed reuse ponds (effluent quality – Type 1 or Type 2).
- E3. Future Reuse Strategies: FNI will evaluate the future reuse strategies under consideration by the City for direct potable water reuse and aquifer storage and recovery (ASR).
  - a. Direct Potable Water Reuse – FNI will briefly discuss existing regulatory requirements for direct potable water reuse and blending ratio practices. FNI will also discuss trends in Texas and across the United States with respect to direct potable reuse projects. Direct potable reuse system drawings and costs are not included in this scope of services.
  - b. ASR – FNI will discuss the treatment/regulatory requirements for sending reclaimed water to an ASR system.

## **F. Cost Development and Report Preparation**

- F1. Conduct Kickoff Meeting with City: FNI will conduct a kick-off meeting with the City to discuss project goals, scope, schedule, and milestones. FNI will coordinate this kickoff meeting's timing so that initial site investigations can be done on the same day. FNI will submit a data request memorandum outlining the data needs and schedule for the project. FNI will prepare and provide meeting minutes.
- F2. Data Collection: FNI will compile information from the City including GIS files, wastewater and reuse system data, and landfill data for use in the feasibility study.
- F3. Develop Conceptual Reuse Costs, Schedule, and Mapping: Develop costs for each proposed project in Year 2013 dollars including engineering and contingencies. GIS maps will be produced showing proposed projects and recommended in-service dates of proposed projects. FNI will provide City with cost and schedule data needed for City to perform reuse system cost analyses.
- F4. Prepare Draft Reuse Feasibility Report: FNI will prepare a Reuse Feasibility Report summarizing the feasibility of the Reuse System. An electronic PDF file and five hard copies of the Draft Report will be submitted to the City for review.
- F5. Conference Call with City to Review Draft Reuse Feasibility Report: FNI will conduct a conference call with City to discuss the Draft Reuse Feasibility Report. Comments will be solicited and incorporated into the Final Reuse Feasibility Report.
- F6. Finalize Reuse Feasibility Report: FNI will revise the report based on City's comments and submit 10 final hard copies and one electronic copy in PDF format of the Reuse Feasibility Report to the City.
- F7. Council and EIC Presentations: FNI will present the Reuse feasibility report to City Council and the City's Economic Improvement Corporation. FNI will be available to answer questions and discuss content.

## **G. Surveying (by sub-consultant MDS Land Surveying)**

- G1. Locate and verify existing survey control: The work shall include all horizontal and vertical coordinates of the survey. The survey shall use the same coordinate system typically used by the City of Kerrville and compatible with the City's existing survey data and adjoining construction projects. The surveyor is responsible for locating any benchmarks necessary to establish his work in this coordinate system.
- G2. Provide survey data for the Kerrville WWTP proposed pond locations
- G3. Tie in the existing features and structures on the survey as follows:
  - a. WWTP structures
  - b. Re-use water outfall
  - c. Trees greater than twenty-four (24) inches in diameter



- d. Building and structures on City property
- e. Edges of roadway
- f. Channels and drainage ways
- g. Utilities, signs and structures (Gas To Be Marked By Atmos)
- h. Fences and property pins
- i. Geotechnical Boring locations (to be staked by FNI)
- j. Edges of impounded water, floors of ponds (by sounding or rodding), and grade breaks

G4. Research and locate utilities and easements within the project boundaries.

G5. Provide sufficient ground shots to create two (2) foot contours for the project. Level fields may be surveyed using 300 ft. grid spacing, or as required to obtain contours.

#### Summary of Reuse Feasibility Study Deliverables

- 1. Technical Memorandums:
  - a. Environmental Permitting
  - b. Geotechnical Investigation
  - c. Landfill Issues
  - d. Hydrologic and Hydraulic Analyses
- 2. Draft and Final Reuse Feasibility Study Report

#### Schedule for Reuse Feasibility Study

- 1. Draft Report within 180 Days after NTP
- 2. Final Report within 15 days after receiving City Comments

#### Summary of Reuse Feasibility Study Fee

Task A - Environmental Services	\$9,000
Task B - Geotechnical and Landfill Investigation	\$17,500
Task C - Flood Plain Analysis	\$45,000
Task D & E - Pump Station and Treatment Requirements	\$31,000
Task F - Cost Development and Report Preparation	\$22,500
Task G - Surveying	<u>\$10,000</u>
TOTAL:	\$135,000

## **Agenda Item:**

4B. Funding request for Cailloux Theater improvements from Playhouse 2000.  
(staff)



allow for the alteration of seating configurations to fit the needs of the play being produced by eliminating the labor and materials cost involved with creating seating on a project-by-project basis. The cost for a modular system is approximately \$49,000.

**RECOMMENDED ACTION**

Staff is requesting consideration and approval of the application as presented.

Playhouse 2000, Inc.  
Application to the Economic Improvement Corporation  
May, 2013

REVISED JUNE, 2013

## SECTION IV - PROJECT DESCRIPTION

Thank you for this opportunity to apply for EIC support of proposed improvements to the facility and equipment at Playhouse 2000 and The Kathleen C. Cailloux Theater.

As producers of local arts and entertainment programming and managers of the Kathleen C. Cailloux City Center for the Performing Arts on behalf of the City of Kerrville, we are anxious to move forward with available opportunities to provide economic impact on our community. We're seeking assistance in meeting the challenges that stand in the way of meeting those goals.

NOTE: This revised application includes only those portions of our initial proposal which were approved for further action, and were not deemed to be more appropriately applied for by The City of Kerrville.

### **A: Interior Lighting - Cailloux Theater Auditorium, upgrade**

This portion of our prior application has been moved to an application presented by The City of Kerrville.

### **B: Exterior Lighting - Cailloux Theater, upgrade**

This portion of our prior application has been moved to an application presented by The City of Kerrville.

### **C: Facility addition - Storage, Scene/Costume Shop, Backstage support**

- We request permission to re-submit this portion of our prior application at a later date.

### **D: Outdoor Staging - Support of City Services**

We request permission to re-submit this portion of our prior application at a later date.

### **E: Improvements - VK Garage Theater**

As discussed above, the VK Garage Theater's use as a performing space is a key component of the Playhouse 2000 business plan (attached with this document), allowing the Cailloux Theater greater flexibility of scheduling and offering P2k a better means to achieve the funds necessary to subsidize the performing arts center's annual expenses.

In order for the VK Garage to live up to its potential as a performing hall, it needs some significant improvements.

Currently, the public spaces are so poorly insulated that they can only be effectively used outside of the summer months. The best method of insulating the space has been determined to be a composite roof that will protect against sound infiltration as well as heat/cold (not to mention fix our problems with water leaks.) A roof replacement would immediately expand the usability of the space by half, and allow P2k to move forward with the first steps in program expansions including a return to theater training and performances for young people. Our current estimate for replacing the roof as described is about \$69,000.

We are currently investing \$38,500 in fire-protective sprinklers and alarms under a grant provided by the Peterson Foundation. This will allow us to expand our seating capacity to meet the growing demand for P2k products. A modular seating riser system will allow us to maintain the flexibility of altering the seating configuration to fit the needs of the play being produced, and maximize the safety and comfort of our audiences, while reducing labor and materials costs on a project-by-project basis. We have a current estimate on the system we prefer that comes to \$49,000.

Playhouse 2000, Inc.  
Application to the Economic Improvement Corporation  
June, 2013

**Items proposed in this application: Overview**

A: Interior Lighting - Cailloux Theater Auditorium	moved to City request
B: Exterior Lighting - Cailloux Theater	moved to City request
C: Facility addition - Storage, Scene/Costume Shop, Backstage support, Class/Meeting Rooms	to be re-submitted at a later date
D: Outdoor Staging - Support of City Services	to be re-submitted at a later date
E: Improvements - VK Garage Theater	
1: Roof replacement	\$69,000
2: Modular Seating Riser System	\$49,000
	<hr/>
Total Request This Proposal	\$118,000

## **Agenda Item:**

4C. Funding request for Cailloux Theater improvements from the City of Kerrville. (staff)

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

**SUBJECT:** 4B Sales Tax Funding Request from the City of Kerrville for improvements to  
The Kathleen C. Cailloux Theater

**FOR AGENDA OF:** June 17, 2013      **DATE SUBMITTED:** June 12, 2013

**SUBMITTED BY:** Ashlea Boyle, *AB*      **CLEARANCES:** Todd Parton,  
Main Street / Special Projects Manager      City Manager

**EXHIBITS:**

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** *[Signature]*

<b>Expenditure Required:</b>	<b>Current Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
\$	\$	\$	

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OF FINANCE:**

**SUMMARY STATEMENT**

At its meeting of May 20, 2013, the Economic Improvement Corporation (EIC) considered an application from Playhouse 2000, Inc. for improvements to the Cailloux Theater. The EIC made a motion of support for two separate applications to be submitted and directed staff to present it to the City Council for their consideration and approval. A revised application from P2K will be submitted for roof upgrades and replacement to the VK Garage and for a modular seating riser system in addition to an application from the City of Kerrville.

At its meeting of May 28, 2013 the City Council authorized staff to proceed with submitting an application to the EIC for upgrades to the interior and exterior lighting of the Cailloux Theater in an amount not to exceed \$200,652 which are outlined below. Staff is looking into the possibility of energy efficient grant funding through KPUB.

**Interior Lighting – up to \$121,000**

The overhead lighting in the auditorium appears to be from the original building dating back to 1959. One “bank” of lights has failed in a way that cannot be repaired, leaving a dark swath across the center of the seating chamber. Addressing this issue is necessary for the safety of the public as well as avoiding possible failure to additional segments of the system which could render the auditorium unusable. A replacement of the dimmer system would cost \$43,290. Due to the age of the equipment, the application is for upgrades with a dimmable energy efficient LED overhead lighting system to the entire facility which includes the lobby totaling to an amount not to exceed \$121,000.

**Exterior Lighting – up to \$79,652**

The Cailloux Theater was constructed with exterior lighting to bathe the building in a beautiful white light. Over time, the fixtures have suffered water infiltration which has rendered the system inoperable thus requiring complete replacement of the lighting system. Replacement of the system is expected to cost \$79,652. City staff is evaluating several options that include replacing the recessed lights, installing surface mounted ground lights, and building mounted lights.

If this funding application is approved, staff will draft a funding agreement, as directed, to be presented at the July 15<sup>th</sup> EIC meeting in conjunction with holding a public hearing.

**RECOMMENDED ACTION**

Staff is requesting consideration and approval of the application as presented.

## **Agenda Item:**

4D. Guidelines and procedures for 4B sales tax funding requests. (staff)

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

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**SUBJECT:** Guidelines and Procedures for the 4B Sales Tax Funding Requests

**FOR AGENDA OF:** June 17, 2013

**DATE SUBMITTED:** June 12, 2013

**SUBMITTED BY:** Ashlea Boyle, *ab*  
Main Street / Special Projects Manager

**CLEARANCES:** Todd Parton,  
City Manager

**EXHIBITS:** 4B Sales Tax Funding Request Guidelines and Procedures

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** *MP*

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<b>Expenditure</b>	<b>Current Balance</b>	<b>Amount</b>	<b>Account</b>
<b>Required:</b>	<b>in Account:</b>	<b>Budgeted:</b>	<b>Number:</b>
\$	\$	\$	

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OF FINANCE:**

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**SUMMARY STATEMENT**

At its budget workshop of April 4, 2013, EIC directed staff to revise the 4B Sales Tax Funding Request Guidelines and Procedures as well as include criteria for community events. Attached is the revised draft guidelines developed by staff and the KEDC Executive Director. Once approved, these guidelines will be presented to the City Council for review.

**RECOMMENDED ACTION**

City staff recommends the approval of these guidelines as presented.

**City of Kerrville Economic Improvement Corporation  
4B Sales Tax Funding Request  
Guidelines and Procedures**

**4B Funding from the 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:

**Kerr Economic Development Corporation (KEDC)  
1700 Sidney Baker, Ste 100  
Kerrville, Texas 78028  
(830) 896-1157**

KEDC will review the application to determine if the application is complete and if the project would create a desired economic development effect.

All actions of the EIC are subject to the Development Corporation Act of 1979 (Article 5190.6 Vernon's Civil Statutes, Section 4B and now codified in Chapters 501, 502, and 505 of the Texas Local Government Code). The EIC is a legal entity with statutory authority to spend economic development sales tax dollars ("4B Revenues"). The Corporation is city-chartered and governed by a Council-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.

**Types of Projects**

The Economic Improvement Corporation will consider applications for:

1. **Direct contributions to business development;** projects should include support of retention, expansion, or recruitment, resulting in public economic benefit, and economic and demographic analyses used for policy development.
2. **Participation in Public Infrastructure;** Projects that are found by the EIC Board of Directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises (Section 501.103 of the Texas Local Government Code).
3. **Quality of Life;** Quality of Life projects which are owned by the City of Kerrville upon completion; or, where funding is requested for the construction of private (which includes non-profit) development projects, but only if the resulting facility is accessible or open to the public; both such Quality of Life projects indirectly result in economic benefits.
4. **Community Event projects;** Community Event projects are those that significantly contribute to the City's objective of promoting tourism and the hotel / conference market.

## **Business Development and Participation in Public Infrastructure Projects**

### Mission and Goals of Business Development and Public Infrastructure Projects

It shall be the mission of the City, EIC and KEDC in administration of these Guidelines and Procedures to promote, encourage, and enhance the creation and retention of jobs which retain and / or expand the City tax base and economy through granting business incentives which assist in the retention, expansion and recruitment of Primary Employers.

A primary employer is any business in which at least 51% of its goods and / or services are sold to customers that are located outside Kerr County, Texas and / or are in one of the following three digit NAICS codes: 31-33 Manufacturing, 42 Wholesale Trade, 48-49 Transportation and Warehousing, 52 Finance and Insurance, 54 Professional and Technical, or 55 Management of Companies (as defined by Texas Legislature HB 2912, 2003 Regular Session); or is a supplier who supplies at least 70% of its non-retail goods and/or services to local primary employer(s) that are located outside of Kerr County, Texas.

Business Incentives are economic incentives for a Primary Employer to induce the creation or retention of primary jobs and Capital Investment that may include, but not limited to job, land, facilities, equipment and infrastructure grants or reimbursements for new facilities or modernizations of current facilities to be determined by the EIC and the City Council.

The goals of the City, EIC and KEDC in administration of these Guidelines and Procedures are to:

- Create and retain primary jobs,
- Expand the City tax base and economy, and
- Strengthen and diversify primary employers within the local economy.

## Principles and Guidelines

In making a determination regarding business incentives under these Guidelines and Procedures, the City, EIC and KEDC shall take into consideration the following non-exclusive list of principles and guidelines, if applicable, as factors in its determination:

- The payoff period of a business incentive to the City,
- The number of primary jobs added or retained by the primary employer,
- The average or median gross annual pay and any benefits for each primary job added by the primary employer,
- Whether the potential recipient of business incentives would otherwise locate in Kerrville without the business incentive,
- The type and amount of capital investment by the primary employer,
- The type of the proposed business venture,
- The potential impact on public infrastructure and resources,
- The financial strength of the primary employer,
- Whether the primary employer is consistent with target markets,
- Whether the primary employer is compatible with the community
- The contributions pledged to the primary employer, if any, by the State of Texas, any other governmental entity, KEDC or any other person, entity or association.

Nothing in this section shall be binding upon the City, EIC or KEDC, but is presented for reference by any prospective primary employer and KEDC. Moreover, the factors listed herein are not an exclusive list. Each determination shall be determined on a case-by-case basis taking into account the factors deemed relevant by the City, EIC and KEDC to that particular project.

### Business Incentives Authorized

The EIC and City will contemplate the use of all incentive options available to create an appropriate incentive package tailored for each prospect on a case-by-case basis.

### Primary Employer Business Incentives

Authorized Facilities - A capital investment for a facility may be eligible for business incentives by a funding agreement if it creates or retains primary jobs for a primary employer. Incentives may be granted for land or capital investment related to either new facilities, improvements to existing facilities for the purpose of modernization, expansion, for capital investment necessary for the retention of an existing primary employer, or for relocation expenses.

The following types of property shall be ineligible for business incentives: inventories, supplies, tools, furnishings or other forms of movable personal property (not including capital production equipment), vehicles, vessels, aircraft, deferred maintenance investments, improvements to real property which have an economic life of less than 10 years, with the exception of the City or EIC, property owned or used by the State of Texas or its political subdivisions, or by any organization owned or directed by a political subdivision of the State of Texas.

Periodic Certification - The business incentive agreement shall require periodic certification of capital investment as required by the funding agreement.

Completion of Facility Construction - The completion of facility construction or installation of capital investment shall be deemed to occur in the earliest of the following events (as determined by the City and EIC):

- When a certificate of occupancy is issued for the project,
- When commercial production of a product or provision of a service is achieved at the facility,
- When the architect or engineer supervising construction issues a certificate of substantial completion, or some similar instrument, or
- Two years after the date of the funding agreement.

Wage Requirement - In determining an incentive based on new primary jobs, the following matrix shall be considered:

<b>New Gross Payroll</b>	<b>Incentive per New Primary Job</b>
<\$30,000 per new primary job	Up to \$3,000 per new primary job
\$30,000-\$40,000 per new primary job	\$3,001 to \$5,000 per new primary job
\$40,000-\$50,000 per new primary job	\$5,001 to \$9,000 per new primary job
>\$50,000 per new primary job	Up to \$10,000 per new primary job

Job Creation Qualification - Unless there are extraordinary circumstances, in order to be eligible for business incentives, the planned capital investment shall create or retain and maintain the minimum of 10 full time (2,080 hours / year) permanent, primary jobs within one year of an effective date as set out in the agreement.

Minimum Capital Investment Qualification - In order to be eligible for business incentives, the planned capital investment must exceed \$200,000 in new plant, infrastructure, site prep and equipment.

Schedule of Incentives - The implementation schedule of any and all incentives shall be determined on a case-by-case basis to include periods of one or more years.

## Universal Requirements

Project Implementation - An authorized project funded by a business incentive must be implemented within two years of the date of the effective date of the funding agreement.

Location or Residency Requirement - The City will prefer projects be located within City limits or its extraterritorial jurisdiction (ETJ) with voluntary provision for annexation, provided the ability to be annexed is met within 10 years. Projects outside of the City limits must be approved by the Kerr County Commissioners Court. Facilities constructed in the ETJ must be built to minimum City standards, to include building codes and public improvements standards.

'Buy Local' Provision - Each recipient of business incentives shall additionally agree to use best efforts to give preference and priority to local manufacturers, suppliers, contractors, and labor, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operating efficiency or quality. For the purposes of this provision, the term 'local' is used to describe manufacturers, suppliers, contractors, and labor shall include firms, businesses, and persons who reside in or maintain an office within Kerr County, Texas.

Insurance Requirements - Each recipient of business incentives shall carry workers' compensation insurance and / or other appropriate liability insurance coverage as the EIC determines is appropriate.

### Application

KEDC will accept applications for projects at any time. Applications will not be considered until complete. Applicants must be available to present projects at EIC & City Council meetings, as needed.

Contents of Application - The application process shall consist of a completed application form accompanied (when applicable) by: five years annual financials that include profit and loss statements, balance sheets, cash flow statements, IRS reporting forms, pro forma, a general description of proposed capital investments to the facility, a descriptive list of the improvements or program for which business incentives are requested, a list of the kind, number and location of all proposed improvements of the property, a map and property description, and a time schedule for undertaking and completing the proposed improvements or programs. In the case of a modernization or expansion project, a statement of the assessed value of the existing facility as stated by the Kerr Central Appraisal District, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial or other information as the EIC and / or KEDC deems appropriate for evaluating the financial capacity and other relevant factors of the applicant. The applicant will be allowed to address and explain in writing any negative findings before action is taken on a funding agreement.

Feasibility Impact Study - After receipt of a completed application, KEDC may cause to be performed a study of the feasibility and economic impact using an independent consultant selected by KEDC. If both parties agree, KEDC may share costs with the applicant of performing the study. If performed, this study shall include, but not be limited to, an estimate of the economic effect of the business expansion.

No Business Incentives if Construction has Commenced - No funding agreement shall be approved if the application was filed after the commencement of any construction, alteration or installation of improvements related to the proposed facility modernization, expansion or new facility.

#### "GO Team"

An executive team ("GO Team") will evaluate and review applications based on:

1. Compliance with legal requirements (with necessary assistance from the City Attorney),
2. Funding Availability,
3. Consistency with the Comprehensive Plan, Capital Improvement Plan, Airport Master Plan and Parks Master Plan,
4. 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,
5. Project status; for example, projects already under construction.

The "GO Team" will consist of the City Manager, Main Street / Special Projects Manager, EIC Board Member and the Executive Director of the Kerrville Economic Development Corporation. Additional members of staff may be added to the "GO Team" where appropriate depending on the nature and location of the project.

Upon review of the application and support documents, the "GO Team" will make a report to the EIC. KEDC will then notify the applicant of the next available EIC meeting for a project presentation.

The EIC may direct a public hearing to be scheduled and a funding agreement to be drafted. The EIC and the City Council must both approve the funding agreement. Public infrastructure improvement projects will be placed in the Capital Improvements Plan, and when complete, the project is owned by the City.

The EIC reserves the right to determine the eligibility of a project and the terms and conditions of any funding agreement. Nothing herein shall be construed to limit the authority of the EIC to examine each application for business incentives before it on a case-by-case basis and determine in its sole and absolute discretion whether the proposed project should be granted any business incentive, whether it complies with these Guidelines and Procedures, is feasible, and whether or not the proposed business incentives will be to the long term benefit of the City. The final decision regarding any business incentive agreement shall be made by the City.

### Clawbacks

Each agreement shall contain clawback provisions established on a case-by-case basis to ensure the primary employer is meeting the benchmarks established in the funding agreement.

### Administration

Access to Facility - The funding agreement shall stipulate that employees and / or designated representatives of the EIC, and / or the City and KEDC Executive Director will have access to the facility or program during the term of the funding agreement for inspection to determine if the terms and conditions of the funding agreement are being met. All inspections will only be conducted in such manner as to not unreasonably interfere with the construction and / or operation of the facility or program. Inspections will be made with one or more representatives of the owner and in accordance with safety standards.

Periodic reviews - Funding agreement reviews will be conducted periodically by KEDC to ensure that the owner is in compliance with the provisions of the funding agreement. If the owner is not in compliance or is in default, then the appropriate provision of the funding agreement will be enforced to recover any business incentives paid to the owner, unless the owner remedies the default on or before the conclusions of any cure period.

Right to Modify or Cancel - Notwithstanding anything herein or in any funding agreement to the contrary, the EIC may cancel or modify the funding agreement if the owner fails to comply with the funding agreement.

## Quality of Life Improvement & Community Event Projects

Projects which, include land, buildings, equipment, facilities, and improvements found by the (EIC) board of directors to be required or suitable for use for professional and amateur sports, including children's sports, athletic, entertainment, tourist, convention, and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, parks and park facilities, open space improvements, museums, exhibition facilities, and related store, restaurant, concession, and automobile parking facilities, related area transportation facilities, and related roads, streets, and water and sewer facilities, and other related improvements that enhance any of the items described by this section (Section 505.152 of the Texas Local Government Code). Interested businesses, individuals, or non-profit groups are required to complete an application and provide appropriate documentation of the project. The "GO Team" will evaluate and recommend projects based on the following criteria:

1. Compliance with legal requirements (with necessary assistance from the City Attorney),
2. Funding Availability,
3. Consistency with the Comprehensive Plan, Capital Improvement Plan, Airport Master Plan and Parks Master Plan,
4. Project status; for example, projects already under construction.

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

**The objective of funding Community Event projects is to support tourism.** Strong consideration will be given to new projects that significantly contribute to the City's objective of growing the tourism and hotel / conference market. **Funding Applications intended to grow, expand or start events are given preferred consideration.** Applications are considered on a first come – first serve basis.

The minimum amount of funding per eligible project is \$5,000 with a maximum amount of \$25,000. The request must not be for more than 10% of the event budget. The EIC will cease consideration of Community Events applications after total funding of approved Community Events projects exceeds \$100,000 in a fiscal year.

Applications must be submitted by December 1<sup>st</sup> of each year. The EIC will consider the applications at the January EIC meeting. Once approved by both the EIC and City Council, funding will not be available until 60 days after the public hearing.

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The City of Kerrville Economic Improvement Corporation meets monthly at the Kerrville City Hall, Council Chambers, 701 Main Street, Kerrville, Texas. For additional information visit the City's website at [www.kerrvilletx.gov](http://www.kerrvilletx.gov) or call (830) 257-8000.

# APPLICATION FOR 4B SALES TAX FUNDS

## CITY OF KERRVILLE ECONOMIC IMPROVEMENT CORPORATION

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:

**Kerr Economic Development Corporation**  
**1700 Sidney Baker, Ste. 100**  
**Kerrville, TX 78028**  
**(830) 896-1157**

All actions of the EIC are subject to the Development Corporation Act of 1979, article 5190.6 Vernon's Civil Statutes, Section 4B (now codified in Chapters 501, 502, and 505 of the Texas Local Government Code). 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 Council-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 1 - DEFINITIONS

**Business Incentives** - Economic incentives for a Primary Employer to induce the creation or retention of primary jobs and Capital Investment that may include, but not limited to job, land, facilities, equipment and infrastructure grants or reimbursements of new facilities or modernizations of current facilities to be determined by the EIC and the City Council.

**Capital Investment** - The increase in the assessed value of an eligible property as a result of 'expansion' or 'modernization' of an 'existing facility' or construction of a 'new facility'.

**City** - City of Kerrville, Texas

**Clawback** - That provision in a Funding Agreement, which states how and to what extent any incentive payments from public funds must be repaid if the stated Performance Standards are not met.

**Current Payroll** - The company's total expenditure for all employees for the month immediately preceding this application multiplied by 12.

**Deferred Maintenance** - Improvements necessary for continued operations which do not improve productivity or are performed to meet regulatory obligations.

**Economic Life** - The number of years a property improvement or manufacturing / processing equipment is expected to be in service in a facility.

**EIC** - Kerrville Economic Improvement Corporation

**Employee Benefit** - Incentives offered to employees and paid for by the employer such as health care coverage, vacation, etc. If an employee pays 30% of the cost, or more, it should not be considered a "benefit" for purposes of this application.

**Facility** - Property Improvements completed or in the process of construction which together compromise an integral whole, as well as new fixed machinery and equipment. Includes an existing building purchased for expansion or relocation

**Full Time Job** - The employment of a person for a minimum of 35 hours per week and offering that person all those benefits adopted by company policy for Full Time Employees. Major stockholders or immediate family members should not be included in this number when considering "New Full-Time Jobs Created."

**Funding Agreement** - A written contract designed to protect the interest of local taxpayers by putting a businesses' job creation or capital investment commitments in writing and by linking the payment of any financial incentive to the business fulfilling its written commitments (i.e. clawbacks).

**Hourly Wage** - The gross amount paid to the employee for each hour worked not including the Employer's portion of FICA or FWH. Benefits should not be included in this figure, but should be listed separately under the compensation per employee section of the application.

**KEDC** - The Kerr Economic Development Corporation

**Modernization** - The replacement and upgrading of existing facilities which increase the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facilities. Modernization may result in from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing or the completion of deferred maintenance.

**New Facility** - Property previously undeveloped which is placed into service by means other than in conjunction with an expansion or modernization.

**Owner** - The owner of a facility or program subject to business incentives. If the facility is constructed on a leased property, the owner shall be the party which owns the property subject to the business incentive. A lessee or other interested third party may, at the discretion of the City, be required to join in the execution of the Agreement but shall not be obligated to assure performance of the party receiving the Business Incentive.

**Part-Time Job** - A person working less than 35 hours per week. Major stockholders or immediate family members should not be included in this category when completing the application under New Part-Time Jobs Created.

**Public Capital Project** - Improvements owned and maintained by the City of Kerrville included in the Capital Improvement Plan and funded by the capital budget.

**Payoff Period** - The amount of time in years that it will take the EIC and the City to recover the costs of business incentives from additional revenues it will receive from the facility.

**Primary Employer** - A business in which at least 51% of its goods and / or services are sold to customers that are located outside Kerr County, Texas and / or are in one of the following three digit NAICS codes: 31-33 Manufacturing, 42 Wholesale Trade, 48-49 Transportation and Warehousing, 52 Finance and Insurance, 54 Professional and Technical, or 55 Management of Companies (as defined by Texas Legislature HB 2912, 2003 Regular Session); or is a supplier who supplies at least 70% of its non-retail goods and/or services to local primary employer(s) that are located outside of Kerr County, Texas.

DRAFT

**SECTION II - APPLICANT INFORMATION**  
**Community Event Projects**

**Submittal Date:** \_\_\_/\_\_\_/\_\_\_

**ORGANIZATION**

\_\_\_\_\_  
Applicant Name

\_\_\_\_\_  
Address City State Zip

\_\_\_\_\_  
Phone Alt. Phone Fax

\_\_\_\_\_  
Website

**PROJECT CONTACT**

\_\_\_\_\_  
Contact Person Name Title

\_\_\_\_\_  
Address City State Zip

\_\_\_\_\_  
Phone Alt. Phone Fax

\_\_\_\_\_  
Email Address

**Amount of Funding Requested:** \$ \_\_\_\_\_

Please include a cover letter and supplemental information as deemed appropriate that:

- clearly states the mission statement of the organization(s),
- a business plan (a document that projects 3-5 years and outlines a plan to grow revenues),
- what the requested funding shall be used for,
- if it is a new, existing or annual event,
- the number of years the organization has been in existence,
- the date and location of the event,
- average annual attendance,
- pertinent financial information (costs, revenues, percentage of funding request of total event budget and financial history), and
- a plan or statement of how the event shall become self-sustained in future years.

**Quality of Life Projects**

**Submittal Date:** \_\_\_/\_\_\_/\_\_\_

**ORGANIZATION**

Applicant Name \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Alt. Phone \_\_\_\_\_ Fax \_\_\_\_\_

Website \_\_\_\_\_

**PROJECT CONTACT**

Contact Person Name \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Alt. Phone \_\_\_\_\_ Fax \_\_\_\_\_

Email Address \_\_\_\_\_

**Amount of Funding Requested:** \$ \_\_\_\_\_

Please include a cover letter and supplemental information as deemed appropriate that:

- clearly states the mission statement of the organization(s),
- what the requested funding shall be used for,
- pertinent financial information (costs, revenues, percentage of funding request of total budget and financial history), and
- other information, as requested.

**Business Development Projects**

Submittal Date: \_\_\_/\_\_\_/\_\_\_

**ORGANIZATION**

Applicant Name \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Alt. Phone \_\_\_\_\_ Fax \_\_\_\_\_

Website \_\_\_\_\_

**PROJECT CONTACT**

Contact Person Name \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Alt. Phone \_\_\_\_\_ Fax \_\_\_\_\_

Email Address \_\_\_\_\_

Type of Business Structure: Corporation \_\_\_ Partnership \_\_\_ Sole Proprietorship \_\_\_

Year Business Started: Year \_\_\_\_\_ Location \_\_\_\_\_

Current Employment: Permanent Full-Time \_\_\_\_\_ Permanent Part-Time \_\_\_\_\_

Average Production Wage \_\_\_\_\_

Full-Time Employees receive the following benefits:

\_\_\_\_\_  
\_\_\_\_\_

Financial Information: Five Years Annual Financials Attached \_\_\_\_\_  
Include: Statement of profit and loss; Balance sheet; Cash Flow Statement; IRS reporting forms, Pro forma

Annual Sales for Corporation / Company \$ \_\_\_\_\_

This Facility \$ \_\_\_\_\_

Local Sales Tax paid Annually \$ \_\_\_\_\_

Current Payroll \$ \_\_\_\_\_

Has the Company ever filed for bankruptcy protection under Chapter 7 or Chapter 11 of the Bankruptcy Statutes? No ( ) Yes ( ) Details:

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**SECTION III - PROJECT INFORMATION**

This application is for a:

- Business Development ( )
  - Expansion of Existing Facility ( ) or
  - New Construction ( )
  - Other ( )

Capital Improvements for Public Infrastructure

- Utilities ( )
- Roadways ( )
- Other ( )

Quality of Life

- Community Event ( )
- Project ( )

The proposed improvements are to be located within the following taxing district(s): City of Kerrville ( ) Kerr County ( ) Kerrville ISD ( ) Ingram ISD ( ) Center Point ISD ( )

**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, if any; (3) describing all proposed improvements; and (4) providing a list of eligible improvements; (5) provide a list of

major, fixed equipment along with manufacturer specifications and cost quote from the manufacturer.

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.

**SECTION V – ECONOMIC IMPACT INFORMATION**

**Part A - Project Investment in Improvements**

Total \$ \_\_\_\_\_  
Sq. Footage of New Building (s) \_\_\_\_\_  
Size of Parking \_\_\_\_\_  
Other \_\_\_\_\_

**Part B - Project Investment in Fixed Equipment**

(New)\$ \_\_\_\_\_  
Manufacturer of Equipment \_\_\_\_\_  
Anticipated Useful Life of Equipment \_\_\_\_\_  
Purchase Price \$ \_\_\_\_\_ Installation Cost \$ \_\_\_\_\_  
Anticipated Delivery time from Date of Order \_\_\_\_\_

**Part C - Permanent Employment Estimates-** (do not include owners, stockholders or their dependents)

Anticipated Number of New Full-Time Employees as a result of this project \_\_\_\_\_  
Anticipated Number within 12 months of Completion of this project \_\_\_\_\_  
Anticipated Number within 24 months of Completion of this project \_\_\_\_\_  
Typical Job Descriptions or Job Titles \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Anticipated starting salaries of these employees: (avg.) \$ \_\_\_\_\_/hour

**Part D - Permanent Part-Time Employment Estimates-**  
(do not include owners, stockholders or their dependents)

Anticipated Number of New Part-Time Employees as a result of this project \_\_\_\_\_  
Anticipated Number within 12 months of Completion of this project \_\_\_\_\_

Anticipated Number within 24 months of Completion of this project \_\_\_\_\_  
Typical Job Descriptions or Job Titles of these employees: \_\_\_\_\_

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Anticipated starting salaries of these employees: (avg.) \$ \_\_\_\_\_ / hour

**Part E - Payroll Impact**

Within 12 months of Project Completion \_\_\_\_\_ Within 24 months of Project Completion \_\_\_\_\_

\$ \_\_\_\_\_  
FTE X Avg. Wage X 40 hrs X 52 wks

\$ \_\_\_\_\_  
PTE X Avg. Wage X 20 hrs X 52 wks

**SECTION VI- OTHER ASSISTANCE**

Has the Company applied for any State or Federal assistance on this project?

No ( ) Yes ( )

Describe:

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To the best of my knowledge, the above information is an accurate description of the proposed project details.

\_\_\_\_\_  
Printed name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

## **Agenda Item:**

- 5A. Grant funding agreement with Hill Country Quilt Guild. (staff)



reimbursement of expenses for rental of the Edington Gymnasium.

**RECOMMENDED ACTION**

City staff recommends holding a public hearing and the consideration and approval of this funding agreement as presented.

**ECONOMIC DEVELOPMENT GRANT AGREEMENT BETWEEN  
HILL COUNTRY QUILT GUILD AND THE CITY OF KERRVILLE, TEXAS  
ECONOMIC IMPROVEMENT CORPORATION**

This Agreement entered into by and between HILL COUNTRY QUILT GUILD, INC., a Texas nonprofit corporation (“HCQG”), acting herein by and through its duly authorized President, Barbara Quinby (“HCQG 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, David Wampler.

**WITNESSETH:**

**WHEREAS**, EIC was formed to administer a sales and use tax approved by the citizens of Kerrville, Texas, in May 1995 and collected for economic development projects; and

**WHEREAS**, pursuant to the Act, the EIC is authorized to provide funding relating to 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, including:

*Equipment and improvements found by the EIC to be required or suitable for use for professional and amateur sports, including children’s sports, athletic, entertainment, tourist, and events, including stadiums, auditoriums, parks and park facilities, exhibition facilities, and related store, restaurant, and concessions and other related improvements that enhance any of the items described by Section 505.152 of the Act; and*

**WHEREAS**, HCQG is hosting the biennial quilt show entitled “Quilts in Motion” (“Show”) to be held at Schreiner University on May 24-26, 2013; and

**WHEREAS**, HCQG has and will continue to advertise the Show both locally and beyond so as to maximize the attendance of tourists to the event; and

**WHEREAS**, HCQG was established in 1984 and supports and participates in activities that encourage the appreciation of fine quilts and quilt making; and

**WHEREAS**, HCQG has applied for a grant from EIC for funding to rent the Edington Gymnasium (the “Facility”) at Schreiner University for the Show; 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 enhance 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 HCQG to provide sales tax revenues collected pursuant to the Act (“4B Revenues”) to HCQG for its cost in renting the facility for its Show; and

**WHEREAS**, on June 17, 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, HCQG and the EIC agree as follows:

**ARTICLE I.  
EIC'S OBLIGATIONS**

- A. EIC hereby grants to HCQG an amount up to One Thousand and No/100 Dollars (\$1,000.00) ("Grant") for costs relating to the rental of the Facility for the Show. The Facility approved for rental by the HCQG is listed on the attachment included as **Exhibit A**.
- B. Subject to the terms and conditions set forth in Article II, the Grant will be provided to HCQG by EIC and EIC shall administer the Grant on a reimbursable basis. Prior to any payment from EIC, HCQG 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, EIC shall then reimburse HCQG for the cost.
- C. Payments made by EIC to HCQG from 4B Revenues will be limited to the payments of "costs" as defined by the Act and as specified above for the Project.
- D. In no event will the total amount of the Grant exceed One Thousand Dollars and No/100 (\$1,000.00).

**ARTICLE II.  
HCQG'S OBLIGATIONS**

- A. In order to receive reimbursement from EIC, HCQG must rent the Facility for the Show.
- B. HCQG must keep and maintain complete and accurate records relating to the costs of the Facility, 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.
- C. HCQG will only be liable to EIC for the actual amount of the Grant to be conveyed to HCQG and will 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 HCQG under the terms of this Agreement.
- D. HCQG shall provide a written report to the EIC no later than 30 days following the Show. The report shall include, but may not be limited to: attendance at the Show, gross receipts for the Show, total expenses for the Show, total ticket sales for the Show, list of exhibitors, and the estimated number of attendees at the Show from outside of Kerr County.

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

- A. A sale of all or any of the assets of HCQG will not release HCQG 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 HCQG's proposed successor shall have the financial condition to fully satisfy HCQG's duties and responsibilities hereunder and agrees to assume HCQG'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 HCQG with any third party not affiliated with HCQG, HCQG 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 HCQG's obligations hereunder and (2) the financial condition of the surviving entity upon such merger or other consolidation to demonstrate that the surviving entity has the financial condition to fully satisfy HCQG's duties and responsibilities hereunder. Failure to provide such information may be considered 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 HCQG. In the event of any sale or merger involving HCQG or its affiliates, the surviving entity shall assume HCQG's obligations and rights hereunder and be entitled to any and all benefits to be received pursuant to this Agreement.

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

- A. HCQG represents and warrants as of the date hereof:
- (1) HCQG is a Texas nonprofit group existing in good standing and authorized to do business in the State of Texas;
  - (2) Execution of this Agreement has been duly authorized by HCQG and this Agreement is not in contravention of HCQG's governing authority or any agreement or instrument to which HCQG 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 HCQG Officer, threatened against or affecting HCQG, which may result in a material adverse change in HCQG's business, properties, or operations sufficient to jeopardize HCQG's legal existence; and
  - (4) No written application, written statement, or correspondence submitted by HCQG to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of HCQG 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, HCQG 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**

- A. Under any of the following conditions EIC may, at its option, after fifteen (15) days written notice to HCQG, suspend its further performance under this Agreement until such time as HCQG shall have cured the condition(s) and so notified EIC, in writing, that the condition(s) have been cured:

(1) HCQG 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.

(2) The appointment of a receiver of HCQG, or of all or any substantial part of the Property, and the failure of such receiver to be discharged within sixty (60) days thereafter.

(3) The adjudication of HCQG as bankrupt.

(4) The filing by HCQG 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.

- B. Should any of these conditions not be cured by HCQG within ninety (90) days, HCQG will be considered to have breached this Agreement and EIC may, at its option, with written notice to HCQG, terminate this Agreement and HCQG shall be obligated to refund the EIC the full amount of any Grant funding received from the EIC.

#### **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 party, 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.
- 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 HCQG is not entitled to recover any amounts in excess of the Grant contracted for under this Agreement and that EIC, pursuant to a breach and failure to cure by HCQG in accordance with this Agreement, is entitled to recover attorney fees, collection costs, and any other costs due to its pursuit of repayment and remedies under this Agreement.
- C. Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights will not, so long as the breach or default by another party is continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor will 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 will 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 will lie in Kerr County, Texas; and this Agreement is 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 must be in writing and will 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  
City of Kerrville  
701 Main Street  
Kerrville, Texas 78028  
Facsimile: (830) 792-3850

Hill Country Quilt Guild  
Barbara Quinby  
President  
P.O. Box 293177  
Kerrville, Texas 78029-3177

- 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 will be relieved of any and all obligations and liabilities on the part of such assigning party under this Agreement. HCQG may, without written consent of EIC, assign this Agreement to any entity controlled and 100% owned by HCQG or by the parent, subsidiary, or affiliate of HCQG provided the entity assumes all of HCQG'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 HCQG and HCQG 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 HCQG or EIC to any claim, cause of action, remedy, or right of any kind except as expressly provided in Article IV.
- G. Term. The term of this Agreement (the "Term") shall commence on the date that signatures of the parties are affixed to this Agreement (the "Effective Date"), and will terminate on the earlier of: (i) either on August 31, 2013, or when the requirements set forth in this Agreement are completed, whichever date is later; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Articles VI or VII; (iv) or at the HCQG's sole and absolute discretion, but only upon the HCQG's return of all Grant funding to EIC that it has received under this Agreement. 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 will therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arm's 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 will 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 Hill Country Quilt Guild, acting through the HCQG Officer.

*(signatures begin on following page)*

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

**HILL COUNTRY QUILT GUILD**

\_\_\_\_\_  
David Wampler, President  
Date: \_\_\_\_\_

\_\_\_\_\_  
Barbara Quinby, President  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Cheryl Brown, Recording Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Michael C. Hayes, Attorney for EIC