

AGENDA FOR REGULAR MEETING

CITY OF KERRVILLE, TEXAS

ECONOMIC IMPROVEMENT CORPORATION

MONDAY, DECEMBER 16, 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, DECEMBER 16, 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 November 25, 2013.

3. MONTHLY REPORTS:

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

3B. Capital projects update. (staff)

River Trail and Parks projects

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

4. CONSIDERATION AND POSSIBLE ACTION:

4A. Funding request from the City of Kerrville for improvements to the Cailloux Theater in the amount of \$500,000.00. (staff)

4B. Discuss a workshop for budget and capital projects. (staff)

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-258-1118 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time December 13, 2013 at 11:00 a.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Cheryl Brown

Deputy City Secretary, City of Kerrville, Texas

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:

- Funding request from the City of Kerrville for improvements to the Cailloux Theater in the amount of \$500,000.00.

7. ADJOURNMENT

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-258-1118 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: December 13, 2013 at 11:00 a.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Cheryl Brown

Deputy City Secretary, City of Kerrville, Texas

Agenda Item:

2A. Minutes of the regular meeting held on November 25, 2013. (staff)

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING** **November 25, 2013**

On Monday, November 25, 2013, the regular meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by David Wampler, President in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas.

The invocation was offered by Larry Howard.

Members Present:

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

Members Absent:

City Executive Staff Present:

Todd Parton, City Manager
Kristine Ondrias, Assistant City Manager
Cheryl Brown, Deputy City Secretary
Mike Hayes, City Attorney
Sandra Yarbrough, Director of Finance
Ashlea Boyle, Main Street/Special Projects Manager
Malcolm Matthews, Director of Parks and Recreation
Laura Bechtel, Library Director

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 October 28, 2013.

Mr. Cochrane moved to approve the minutes for the regular meeting held October 28, 2013. Ms. Keeble seconded, and the motion passed 7-0

3. MONTHLY REPORTS:

3A. Monthly financials for October 2013.

Ms. Yarbrough reported that the beginning balance in the sales tax improvement fund was \$2,598,336.00. During the month of October, there was \$241,879.00 in revenue, and \$121,100.00 in expenses, leaving an ending balance as of October

31, 2013 of \$2,719,115.00. Sales tax collected in October was 5.78% higher than was budgeted. She also reviewed the debt service fund, which was to be paid in full in February.

3B. Capital projects update
River Trail and Parks projects

Mr. Matthews reported that the condemnation process was on schedule, and the remaining trail easements should be in place before the end of December. He reported that both design teams were at 50% submittals. The design plans have been reviewed, and returned to the architects. The projects would be ready for the bid process after January 1, 2014. Construction was to start in the spring. He showed a power point presentation of pictures of the utility and River Trail projects.

3C. Update regarding "GO Team" activities

Ms. Boyle reported that the "GO Team" had not met since the last EIC meeting.

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

Mr. Titas reported on the KEDC activities.

4. PUBLIC HEARING AND POSSIBLE ACTION:

4A. Funding agreement between the City of Kerrville Economic Improvement Corporation and Habitat for Humanity in an amount not to exceed \$375,000.00.

Karen Quanstrom, Executive Director of Habitat for Humanity of Kerr County, Texas, responded to questions regarding the application for funding from Habitat for Humanity.

Mr. Wampler opened the public hearing at 4:28 p.m. There was no response from the audience, and he closed the public hearing at 4:28 p.m.

Ms. Quanstrom responded to questions from the board, as did Mr. Hayes.

Mr. Howard moved to approve the funding agreement to reimburse 50% of the applicable costs, up to \$375,000.00. Ms. Rickert seconded, and the motion passed 7-0.

4B. Funding agreement between the City of Kerrville Economic Improvement Corporation and Schreiner University in an amount not to exceed \$250,000.00.

Ms. Boyle presented the funding agreement.

Mr. Wampler opened the public hearing at 4:43 p.m. There was no response from the audience, and he closed the public hearing at 4:43 p.m.

Mr. Howard moved to approve the funding agreement as presented, up to \$250,000.00. Mr. Boyland seconded, and the motion passed 7-0.

5 CONSIDERATION AND POSSIBLE ACTION:

5A. Funding request from Playhouse 2000, Inc. in the amount of \$500,000.00

Ms. Boyle reviewed the funding request, and reported to the board that, according to the original contract for the Cailloux Theater, the City would be responsible for one-half of the utilities in the new building.

Mr. Parton went over the EIC 2014 adopted budget, which showed the revenue projections, and the funds available.

This matter was deferred to Executive Session.

5B. Funding request from the City of Kerrville for improvements to the History Center in the amount of \$400,000.00.

Mr. Parton reported that the City was going to move ahead with the foundation repair with existing City funds available.

Mr. Cochrane gave a brief review of the tour that was held on November 11, 2013.

This matter was deferred to Executive Session.

6. EXECUTIVE SESSION:

Mr. Howard moved that the EIC go into executive closed session under Section 551.071 (consultation with attorney), and 551.087 (deliberation regarding economic development negotiations) Mr. Boyland seconded the motion, and it passed 7-0, to discuss the following matters:

Sections 551.771 and 551.087: of Chapter 551 of the Texas Government Code

- Funding request from Playhouse, 2000, Inc. in the amount of \$500,000.00
- Funding request from the City of Kerrville for improvements to the History Center in the amount of \$400,000.00

At 6:52 the open session recessed and the EIC went into executive closed session at 6:57 p.m. At 7:50 p.m. the executive closed session recessed and the EIC returned to open session at 7:50 p.m. Mr. Wampler announced that no action was taken in executive session.

ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

5A. Funding request from Playhouse 2000, Inc. in the amount of \$500,000.00

Mr. Wampler stated that the board agrees that the funding agreement will be accepted, and approved, but prior to that, the board would like to direct staff to continue to meet with the Playhouse 2000, Inc. staff and board to see if there is a mechanism with which the City would have the first right of refusal to take over the VK Garage Theater, should Playhouse 2000 become insolvent, or otherwise incapable of producing shows there. Mr. Wampler volunteered to attend meetings with Playhouse 2000 and the City staff, if the parties feel that is necessary.

5B. Funding request from the City of Kerrville for improvements to the History Center in the amount of \$400,000.00

Mr. Wampler stated that there is not unanimous support for spending \$400,000.00 at this point, but there is unanimous support for improvements. Therefore, the board directed staff to continue to meet and discuss the project. The consensus of the board was to have a joint meeting with the City Council sometime in the near future to further discuss this project.

ANNOUNCEMENTS:

The meeting was adjourned at 6:22 p.m.

APPROVED: _____

David Wampler, President

ATTEST:

Cheryl Brown
Deputy City Secretary

Agenda Item:

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

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

SUBJECT: EIC Financials

FOR AGENDA OF: December 16, 2013 **DATE SUBMITTED:** December 12, 2013

SUBMITTED BY: Sandra G. Yarbrough
Director of Finance **CLEARANCES:**

EXHIBITS: Monthly Financials
AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OR FINANCE:

SUMMARY STATEMENT

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

RECOMMENDED ACTION

Recommend acceptance of the financials.

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Improvement Fund

Cash Balance as of November 1, 2013		\$ 2,719,115
Deposits:		
Sales Tax	\$ 233,371	
Interest Revenue	\$ 360	
Transfer In (closed projects)	\$ 6,950	
	<u>\$ 240,681</u>	
Expenses:		
Office Supplies	\$ -	
Administrative Service Fee	\$ 8,333	
Transfer for Debt Service - 1999	\$ 13,600	
Transfer for Debt Service - 2012	\$ 14,167	
Transfer - Park Improvements	\$ 25,000	
Total Expenses	<u>\$ 61,100</u>	
Revenues Over (Under) Expenditures		<u>\$ 179,582</u>
Ending Cash Balance as of November 30, 2013		<u><u>\$ 2,898,696</u></u>

City of Kerrville
Economic Improvement Corporation
Sales Tax Improvement Fund - Revenue and Expense Statement
For the month ending November 30, 2013

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
BEGINNING CASH BALANCE	\$ 2,598,336		\$ 2,598,336		
REVENUE:					
Sales and Use Tax	\$ 2,750,000	\$ 233,371	\$ 474,874	17.27%	\$ 2,275,126
Interest	\$ 5,000	\$ 360	\$ 736	14.71%	\$ 4,264
Transfer In	\$ -	\$ 6,950	\$ 6,950	6911.00%	\$ -
TOTAL REVENUE	<u>\$ 2,755,000</u>	<u>\$ 233,731</u>	<u>\$ 482,560</u>	<u>17.52%</u>	<u>\$ 2,279,390</u>
	Annual Budget	Current Period	Y-T-D Actual & Encumbrance	% of Budget	Budget Balance
EXPENDITURES:					
Administrative					
Advertising/Supplies	\$ 500	\$ -	\$ -	0.00%	\$ 500
Transfer to Debt Service Fund	\$ 68,000	\$ 13,600	\$ 27,200	40.00%	\$ 40,800
Transfer to Debt Service Fund - River Trail	\$ 170,000	\$ 14,167	\$ 28,333	16.67%	\$ 141,667
Economic Development Governing Body	\$ 60,000	\$ -	\$ 60,000	100.00%	\$ -
Annual Disclosure Fee	\$ 3,500	\$ -	\$ -	0.00%	\$ 3,500
River Trail Contribution	\$ 300,000	\$ 25,000	\$ 50,000	16.67%	\$ 250,000
Administrative Services Fee	\$ 100,000	\$ 8,333	\$ 16,667	16.67%	\$ 83,333
Total Administrative	<u>\$ 702,000</u>	<u>\$ 61,100</u>	<u>\$ 182,200</u>	<u>25.95%</u>	<u>\$ 519,800</u>
Category I - Business Development					
Revolving Loan Fund	\$ 100,000	\$ -	\$ -	0.00%	\$ 100,000
ED Set Aside	\$ 250,000	\$ -	\$ -	0.00%	\$ 250,000
Unspecified	\$ 146,750	\$ -	\$ -	0.00%	\$ 146,750
Total Category I	<u>\$ 496,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>100.00%</u>	<u>\$ 496,750</u>
Category II - Quality of Life					
Special Events	\$ 100,000	\$ -	\$ -	0.00%	\$ 100,000
Downtown Wireless	\$ 100,000	\$ -	\$ -	0.00%	\$ 100,000
Streetscape	\$ 250,000	\$ -	\$ -	0.00%	\$ 250,000
History Center	\$ 400,000	\$ -	\$ -	0.00%	\$ 400,000
Baseball Complex	\$ 500,000	\$ -	\$ -	0.00%	\$ 500,000
Unspecified	\$ 365,000	\$ -	\$ -	0.00%	\$ 365,000
Total Category II	<u>\$ 1,715,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.00%</u>	<u>\$ 1,715,000</u>
Category III - Public Infrastructure					
Village West - Water (1/2 cost)	\$ 500,000	\$ -	\$ -	0.00%	\$ 500,000
Village West - Wastewater	\$ 750,000	\$ -	\$ -	0.00%	\$ 750,000
Total Category III	<u>\$ 1,250,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.00%</u>	<u>\$ 1,250,000</u>
Contingency	\$ -				\$ -
TOTAL EXPENDITURES	<u>\$ 4,163,750</u>	<u>\$ 61,100</u>	<u>\$ 182,200</u>	<u>4.38%</u>	<u>\$ 3,981,550</u>
NET REVENUES TO EXPENDITURES	<u>\$ (1,408,749)</u>	<u>\$ 172,633</u>	<u>\$ 300,360</u>		
ENDING CASH BALANCE: November 30, 2013	Budget \$ 1,189,586		Actual \$ 2,898,696		

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Debt Service Fund

Cash Balance as of November 1, 2013		\$ 441,024
Revenues:		
Transfer from Sales Tax Improvements Fund	<u>\$ 13,600</u>	
Total Deposits	<u>\$ 13,600</u>	
Expenses:		
Paying Agent Fee		
Bond Principal		
Bond Interest	<u>\$ -</u>	
Total Expenses		
Revenues Over (Under) Expenditures:		<u>\$ 13,600</u>
Ending Cash Balance as of November 30, 2013		<u><u>\$ 454,624</u></u>

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Debt Service Fund
Revenue and Expense Statement
For the month ending November 30, 2013

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
BEGINNING CASH BALANCE	\$ 427,424		\$ 427,424		
REVENUE:					
Transfer from Sales Tax Improvement Fund	\$ 68,000	\$ 13,600	\$ 27,200	40.00%	\$ 40,800
TOTAL REVENUE	\$ 68,000	\$ 13,600	\$ 27,200	40.00%	\$ 40,800
	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
EXPENDITURES:					
Series 1999 Sales Tax Bond Debt Service	\$ 485,000	\$ -	\$ -	0%	\$ 485,000
Series 1999 Sales Tax Bond Interest Expense	\$ 11,276	\$ -	\$ -	0%	\$ 11,276
Paying Agent Fees	\$ 1,000	\$ -	\$ -	0%	\$ 1,000
First Southwest Continuing Disclosure Fee	\$ -	\$ -	\$ -	-	\$ -
TOTAL EXPENDITURES	\$ 497,276	\$ -	\$ -	0.00%	\$ 497,276
ENDING CASH BALANCE: November 30, 2013	Budget \$ (1,852)		Actual \$ 454,624		

CITY OF KERRVILLE
Economic Improvement Corporation
EIC Capital Projects Fund

Cash Balance as of November 1, 2013		\$ 851,631
Revenues:		
Total Revenues/Transfer In	<u>\$ -</u>	
Expenses:		
Streetscape	486	
Golf Course	3,386	
Harper Rd Utilities #2	9,880	
Playhouse 2000	46,315	
Transfer Out (closed projects)	<u>6,950</u>	
Total Expenses	<u>\$ 67,017</u>	
Revenue Over (Under) Expenditures		<u>\$ (67,017)</u>
Ending Cash Balance as of November 30, 2013		<u><u>\$ 784,614</u></u>

Cash and Investments

Cash and Investment Balances by Fund			
<u>Fund</u>	<u>Fund Name</u>	<u>Balance</u>	<u>Period</u>
40	Sales Tax Improvement Fund	\$ 2,898,696	11/30/2013
43	EIC Debt Service Fund	\$ 454,624	11/30/2013
75	EIC Projects Fund	\$ 784,614	11/30/2013
Total EIC Cash Balance		\$ 4,137,934	11/30/2013

<u>Type</u>	<u>Investment Vehicle</u>	<u>Amount</u>	<u>Interest Earned</u>	<u>Interest Earned (Annualized)</u>	<u>Period</u>
Cash	Wells Fargo Checking	\$ 397,791	\$ -	0.00%	11/30/2013
ST Investment	EIC TexPool	\$ 1,623,365	\$59.47	0.05%	11/30/2013
ST Investment	EIC TexStar	\$ 1,624,462	\$54.16	0.05%	11/30/2013
HILCO FCU	CD	\$ 246,394	\$141.69	0.71%	11/30/2013
Kerr County FCU	CD	\$ 245,921	\$104.39	0.51%	11/30/2013
Total Cash & Investments		\$ 4,137,934	\$359.71	0.12%	

Agenda Item:

- 3B. Capital projects update. (staff)
River Trail and Parks projects

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

SUBJECT: Capital Projects Update

AGENDA DATE: December 16, 2013 **DATE SUBMITTED:** December 11, 2013

SUBMITTED BY: Todd Parton
City Manager

CLEARANCES:

EXHIBITS/INFORMATION: Status Reports

APPROVED FOR SUBMITTAL BY CITY MANAGER:



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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Staff will provide reports on the following projects:

- River Trail and Parks Projects
- Cailloux Theater Lighting Project

RECOMMENDED ACTION

Update only. No action required.

Monthly Status Report

River Trail/Parks Projects

December 2013

Updates highlighted.

4B Funds

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

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

Status Report Kerrville River Trail

Riverside Nature Center (RNC) to Louise Hays Park (Package A)

SCOPE

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: 0.7 miles

Amenities

Trailheads with lighting, observation/seating areas, bridge, drainage, and signage. [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 from CoK	complete (6/12)	City to provide lease to RNC	City Council approval (6/12)
	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	M&B and Topo surveys	complete (3/12)	identify property boundary and grades	
Misc. Reports/Permits	LOMR	upon trail completion	flood level impact, if any	submission to FEMA
	TPWD (land & water permit)	complete (5/12)	coffer dam - bridge construction review	review by TPWD
	USACE	complete (5/12)	involves jurisdictional waters of the US	no USACE permit required
Design	contract - Hewitt Engineering			
Routing	location of trail	complete (12/11)	define gradients and layout	
Preliminary Design and Construction Drawings	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	
Final Bid Documents	final plans/specs/costs/ documents	complete (3/12)	all project elements	
Bidding/Contracts	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); complete (12/12)	sequencing of work	Dedication and opening 12/15/12

FUNDING - BUDGET	Allocation	Expended - Encumbered	Balance	Cost Est. for Package	Needed to Complete Package
G.O. bonds (2002)	\$500,000	\$811,836 (final)	GO's (2002) \$0	na	2002 bonds/P Ded
Park Dedication Funds	25,000		Park Ded. \$0		COs
	\$525,000	[includes completion of the River Trail Master Plan, design, survey, permitting, construction]			
COs (4B)	\$384,830		CO's (4B) \$173,994		
total	\$909,830				\$525,000 \$286,836 \$811,836 [complete]

Status Report Kerrville River Trail

Louise Hays Park to G St. (Package B) and Parks Project

SCOPE	Connects to the west end of the Louise Hays Park parking lot (Package A), through Louise Hays Park and Lehmann & Monroe Park, to G St. (west r.o.w. line). 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 early 2014. This segment 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 11/31/13	CoK to secure from property owners; title work and surveys	final easement legal proceedings 12/19/13
	construction easements, if needed	na	na	
Property Survey	M&B and Topo surveys	M&B - complete (9/12) Topo - partially complete	identify property boundary and grades	
Misc. Reports/Permits	LOMR	upon trail completion	flood impact, if any	may require submittal to FEMA
	TPWD (land & water permit)	12/1/13, if needed	environmental impact to state waters	review by TPWD
	GLO (state property use)	12/1/13, if needed	routing preference	approval by State, if needed
Design	-Trail Routing Options - Half	complete (6/12)	define route options w/ costs	complete (6/12)
	-Design Contract Document - Half, PLA*	complete (approved 12/11/12)*	all remaining design phases	Council approval
Preliminary Design and Construction Drawings	schematic plan with amenities/est.	Schematic - (complete) 50% review - (complete) 75% review - (complete) 90% review -	all project elements all project elements all project elements	coord. with utilities projects; water feature design/build details being finalized
Final Bid Documents Bidding/Contracts	final plans/specs/costs/ documents	complete by late 2013	all project elements	project delay assoc. with approvals
	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

* Half Assoc. design agreement terminated; new design agreement with Peter Lewis Architect + Assoc. (PLA) approved 8/13/13.

FUNDING - BUDGET	Allocation	Expended - Encumbered	Balance	Cost Est. for Package	Needed to Complete Package
COs (4B) - River Trail	\$1,000,000	\$99,537	\$900,463	\$2,600,000	\$1,000,000
COs (4B) - LHP/LMP Project	\$2,000,000	\$199,073	\$1,800,927		\$2,000,000

Status Report Kerrville River Trail

G St. to Kerrville-Schreiner Park (Package F)

SCOPE	Extends from G St. (west r.o.w. line) along the south bank of 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: + 2 miles</i>
Amenities	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; land acquisition	complete by 1/31/14	CoK to secure from property owners; title work and surveys	tract acquisition proceeding; final easement proceedings in early 2014.
	construction easements, if needed	complete by 12/13, if needed	determine need by 10/13	from property owners
Property Survey	M&B and Topo surveys	M&B amend. - complete (10/13) Topo - partially complete	identify property boundary and grades	coord. w/ utilities projects
Misc. Reports/Permits	LOMR	upon trail completion	flood impact, if any	may require submittal to FEMA
	TPWD (land & water permit)	12/1/13; if needed	environmental impact to state waters	associated with Guadalupe River
	GLO (lease)	Not required per GLO	state land/water under G St. bridge	
Design	-Trail Confirmation - Terra Design Group (TDG)	complete (6/12)	define route options w/ costs	complete (6/12)
	-Final Design Contract - TDG	complete (6/23/13)	all remaining design phases	Council approval (6/23/13)
Preliminary Design and Construction Drawings	schematic plans with amenities/est.	Schematic - (complete) 50% review - (complete) 75% review - (complete) 90% review -	all project elements all project elements all project elements	coord. with utilities projects
	final plans/specs/costs/ documents	complete by late 2013	all project elements	project delay assoc. with approvals
	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)	\$2,300,000	\$228,305	\$2,071,695	\$2,071,695	\$2,300,000

Status Report Kerrville River Trail

RNC to Knapp Crossing (Packages C and D)

SCOPE	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. 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 from property owners; title work and surveys	from property owners
	construction easements, if needed	TBD	TBD	from property owners
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)		" " " "
Preliminary Design and Construction Drawings	schematic plan with amenities/est.	50% review –	all project elements	
		75% review –	all project elements	" " " "
		90% review –	all project elements	" " " "
Final Bid Documents	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

Knapp Crossing to West Terminus (Package E)

SCOPE	Extends from Knapp Crossing trailhead to the west terminus of trail on Junction Hwy along the river's edge. The 10' wide trail will be constructed of concrete. Total trail length: up to 1 mile
Amenities	Trailheads with lighting, observation areas, seating areas, trail bridge, drainage, signage, trail entries, kiosks, and interpretive signage.

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

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

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) will be completed by one firm in order to comprehensively address the issues and data collection/reporting. This will avoid multiple submittals (costs) and reduce mistakes and need for resubmittals.
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**

SUBJECT: Update on "GO Team" activities

FOR AGENDA OF: December 16, 2013 **DATE SUBMITTED:** December 11, 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: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

The Economic Development "GO Team" has not met since the last EIC meeting of November 25, 2013.

Several community event applications have been submitted pursuant to the December 1st application deadline. A "GO Team" meeting has been scheduled for December 19, 2013 to review the applications. The funding requests will be presented in January 2014.

RECOMMENDED ACTION

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

Agenda Item:

4A. Funding request from the City of Kerrville for improvements to the Cailloux Theater in the amount of \$500,000.00. (staff)

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

SUBJECT: Consider a funding request by the City of Kerrville in the amount of \$500,000 for improvements to the Cailloux Theater

FOR AGENDA OF: December 16, 2013 **DATE SUBMITTED:** December 12, 2013

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

EXHIBITS:

1. Performing Arts Center Development and Operation Agreement Between the City of Kerrville and Playhouse, 2000 Inc.; page 9, section 3.21 and page 18, section 5.22
2. Funding Request Application

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

At its meeting of May 20, 2013, the Economic Improvement Corporation (EIC) considered an application from Playhouse 2000, Inc. (P2K) for multiple projects. One of the projects that was supported but deferred until more detail was available was for the construction of a support facility to the Cailloux Theater.

At its meeting of October 28, 2013, the EIC considered a funding application from P2K on the follow-up application in the amount of \$500,000 to construct a 6,000 square foot facility addition. The overall cost for the project is \$755,000 and will consist of expanded dressing / green-rooms, rehearsal / classroom space, scenic and costume construction spaces, and storage. The building will be placed immediately behind the Cailloux Theater facing the parking lot with an attractive side facade facing Jefferson Street. Peter Lewis Architect + Associates prepared the conceptual plans and proposed exterior materials are limestone veneer to complement the Cailloux Theater, and the general downtown theme. Staff was directed by the EIC to review the operational and maintenance agreement between the City and P2K as it pertained to conveyance and utility payments.

On November 25, 2013, staff provided an update to the EIC regarding the findings of the questions relating to the operation and management agreement as directed. Section 3.21

of the agreement addresses the conveyance of real property. According to the agreement, as the support facility constitutes a functional part of the facilities, P2K must convey the property to the City. The City is obligated, under section 5.22, section B of the agreement, to pay one-half costs of the utilities used in the operation and management phase. As directed, staff has continued discussions with P2K regarding the project. P2K has agreed to convey the land of the proposed building to the City and provide a first right of refusal of the VK Garage to the City in the event P2K becomes insolvent or vacates the building. In the event P2K becomes insolvent or vacates, P2K has requested to include negotiation language in the agreement to convey the building at a cost to the City.

Since the project would be city managed and owned, the City Council must authorize staff to submit a funding request. Staff received authorization at the December 10, 2013 City Council meeting to submit the funding application, not to exceed \$500,000, for improvements to the Cailloux Theater for construction of a support facility contingent upon conveyance of property to the City at the appropriate time. P2K has committed to secure the additional funding for the project.

RECOMMENDED ACTION

City staff is requesting consideration and approval of this funding application. Staff recommends the following requirements to be included in the funding agreement:

- Property to be conveyed to the City prior to the start of the project, and
- The City reserves a first right of refusal in the event that P2K becomes insolvent or vacates the VK Garage.

certification by Playhouse's architect and construction manager that the construction performed conforms with the approved plans and specifications, and (3) a certificate of occupancy has been issued in accordance with City ordinances, City shall issue final acceptance of the Project Improvements, provided, however, that warranty obligations of the contractor(s) and correction of defective work shall not by such acceptance become the responsibility of the City, but shall remain the responsibility of Playhouse and its construction manager and its contractor(s).

Section 3.19 Exemption From Sales and Use Taxes:

Except for work done on land owned by Playhouse which is not a functional part of the Facilities, the Project Improvements and all Project construction work, materials, equipment, and supplies shall belong to City. City acknowledges and agrees that all amounts paid by Playhouse to the contractors and suppliers will be paid as agent for and on behalf of City in accordance with the provisions of this Agreement. City qualifies for exemption from state and local sales taxes, pursuant to the provisions of Section 151.309 of the Texas Tax Code, as amended. To the extent permitted by law, Playhouse shall not pay any sales or use taxes which would otherwise be payable in connection with the construction of the Project Improvements.

Section 3.20 Fee Simple Title to City:

The parties acknowledge that fee simple title to the Project Improvements shall, upon final written acceptance of the City Manager, automatically vest in City without any further action by either party hereto, free and clear of all liens and other encumbrances arising by, through or under Playhouse, and Playhouse agrees to take no action before, during or after construction that would prejudice City's ability to secure clear fee simple title to the Auditorium and the Facilities.

Section 3.21 Conveyance of Real Property Acquired by Playhouse:

It is understood and acknowledged by City that Playhouse may acquire by purchase, gift, or other means fee simple title to real property within the vicinity of the Property on which may be constructed a portion of the Project Improvements or which may otherwise be used in conjunction with the management and operations of the Facilities. Playhouse agrees to convey such real property to City in fee simple and indefeasible title, at no cost to City, upon completion of construction of the Project Improvements if (1) a portion of the Auditorium is constructed on the property, or (2) the property constitutes a functional part of the Facilities such that the operation of the Facilities will be negatively impacted if such property and the improvements thereon are not owned by the City. For purposes of this Section 3.21, property purchased by Playhouse and used for purposes including, but not limited to, parking lots, driveways, utilities, storage buildings, and other types of uses reasonably necessary for the operation of the Facilities for their intended and designed use shall be deemed functional parts of the Facilities. Parking lots and driveways on such other Playhouse property, intended for use only in the operation of such other property, shall not be deemed a functional part of the Facilities, nor shall such other Playhouse property be deemed a functional part of the Facilities merely because it is connected to the Facilities by a walkway.

Section 3.22 Construction Warranties:

All rights under construction warranties shall be assigned to City and administered by Playhouse or its construction manager; provided, however, that any net funds received after deduction of expenses by Playhouse in settlement or compromise of, or otherwise resulting from, rights associated with any of such warranties shall belong to, and promptly be paid to Playhouse, to the

Section 5.18 Vendor Contracts:

Playhouse shall have the sole right to negotiate and execute (in its own name and not the name of City) and perform vendor contracts.

Section 5.19 Payments:

Playhouse shall pay all expenses related to the operation, maintenance, and management of the Facilities, and shall make all debt service payments to its lenders pursuant to the terms of its loan documents. Playhouse shall not enter into any contractual arrangements for services that require more than reasonable and customary compensation.

Section 5.20 Advertising:

Playhouse shall be responsible for the sale of all commercial advertising in the Auditorium. The term of advertising contracts shall not exceed five (5) years, unless this requirement is waived by City in writing. The form and content of the advertising shall not, in the opinion of City, be in bad taste or inappropriate for the viewing or hearing of children or minors, or would reflect negatively upon the City of Kerrville. If so, Playhouse shall promptly remove, or have removed, the advertising from the Auditorium.

Section 5.21 Hotel Occupancy Tax Request:

Playhouse may, from time to time, apply to City for funds collected by City pursuant to the levy of the hotel occupancy tax in accordance with City's established policy for distribution of such funds, as such policy may change from time to time, said funds to be used in accordance with a separate contract with City and in compliance with applicable state law.

Section 5.22 Direct City Support:

In consideration of the uses without charge described in Section 5.8, 5.9, and 5.10, City agrees as follows:

- a. to pay all costs of utilities used in the operation of the Facilities during the Preliminary Phase;
- b. to pay one-half of the costs of utilities used in the operation of the Facilities during the Construction Phase and the Management Phase;
- c. to purchase and maintain fire and casualty insurance on the Facilities and the City Personal Property during the term of this Agreement;
- d. to maintain all parking lots and related drives and roadways located on the Property during the term of this Agreement.

For purposes of this Section 5.22, "utilities" shall only include water, sanitary sewer, gas, and electricity.

Section 5.23 Assignment of City Employee:

Commencing with the Management Phase, and for five years thereafter, City agrees to:

**City of Kerrville
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.

General Process for Applications

1. Application will be submitted to the KEDC.
2. Once the application is complete, a "GO Team" meeting will be scheduled.
3. If the application is considered feasible, the KEDC Board will review the application (*Business Development projects only*).
4. The EIC will consider the application. The EIC may:
 - a. approve the application and direct a funding agreement to be drafted and presented at the next EIC meeting in conjunction with holding a public hearing,
 - b. request the application be revised and resubmitted, or
 - c. not approve the application. If this occurs, the application process is considered complete and the application will not move forward.
5. Once the public hearing is held and the funding agreement is approved, the funding agreement will be presented to the City Council for final approval. The City Council may:
 - a. approve the funding agreement,
 - b. request the funding agreement be revised and resubmitted, or
 - c. not approve the funding agreement. If this occurs, the process is considered complete and the funds will not be approved.
6. Once the funding agreement is approved by the both the EIC and City Council, funding will not be available until 60 days after the date of the public hearing.

Note – this is a general guide only and the process may take several months to complete. Procedures may change without notice.

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. 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:

New Gross Payroll	Incentive per New Primary Job
<\$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 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 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 before it on a case-by-case basis and determine in its sole and absolute discretion whether the proposed project should be granted any funding, whether it complies with these Guidelines and Procedures, is feasible, and whether or not the proposed grant will be to the long term benefit of the City. The final decision regarding any business incentive agreement shall be made by the City.

Community Event Projects

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.**

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. Event History,
4. Event Sustainability.

The minimum amount of funding per eligible project is \$5,000 with a maximum amount of \$25,000. 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 1st of each year for the following calendar 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. The EIC will not approve funding applications for events that have already taken place.

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 before it on a case-by-case basis and determine in its sole and absolute discretion whether the proposed project should be granted any funding, whether it complies with these Guidelines and Procedures, is feasible, and whether or not the proposed grant will be to the long term benefit of the City. The final decision regarding any business incentive agreement shall be made by the City.

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 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 preformed 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 comprise 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.

SECTION II - APPLICANT INFORMATION

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.

Continue to Section III

Submittal Date: 12/12/13

ORGANIZATION

City of Kerrville

Applicant Name

701 Main Street Kerrville Texas 78028

Address City State Zip

830.257.8000

Phone Alt. Phone Fax

www.kerrvilletx.gov

Website

PROJECT CONTACT

Ashlea Boyle

Main Street / Special Projects Manager

Contact Person Name

Title

same as above

Address City State Zip

830.258.1153 830.258.1110

Phone Alt. Phone Fax

ashlea.boyle@kerrvilletx.gov

Email Address

Amount of Funding Requested: \$ 500,000

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

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

Continue to Section III

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:

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	\$ 755,000
Sq. Footage of New Building (s)	approximately 6,000 sf
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: _____

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:

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

Ashlea Boyle _____

Printed name

12/12/13 _____

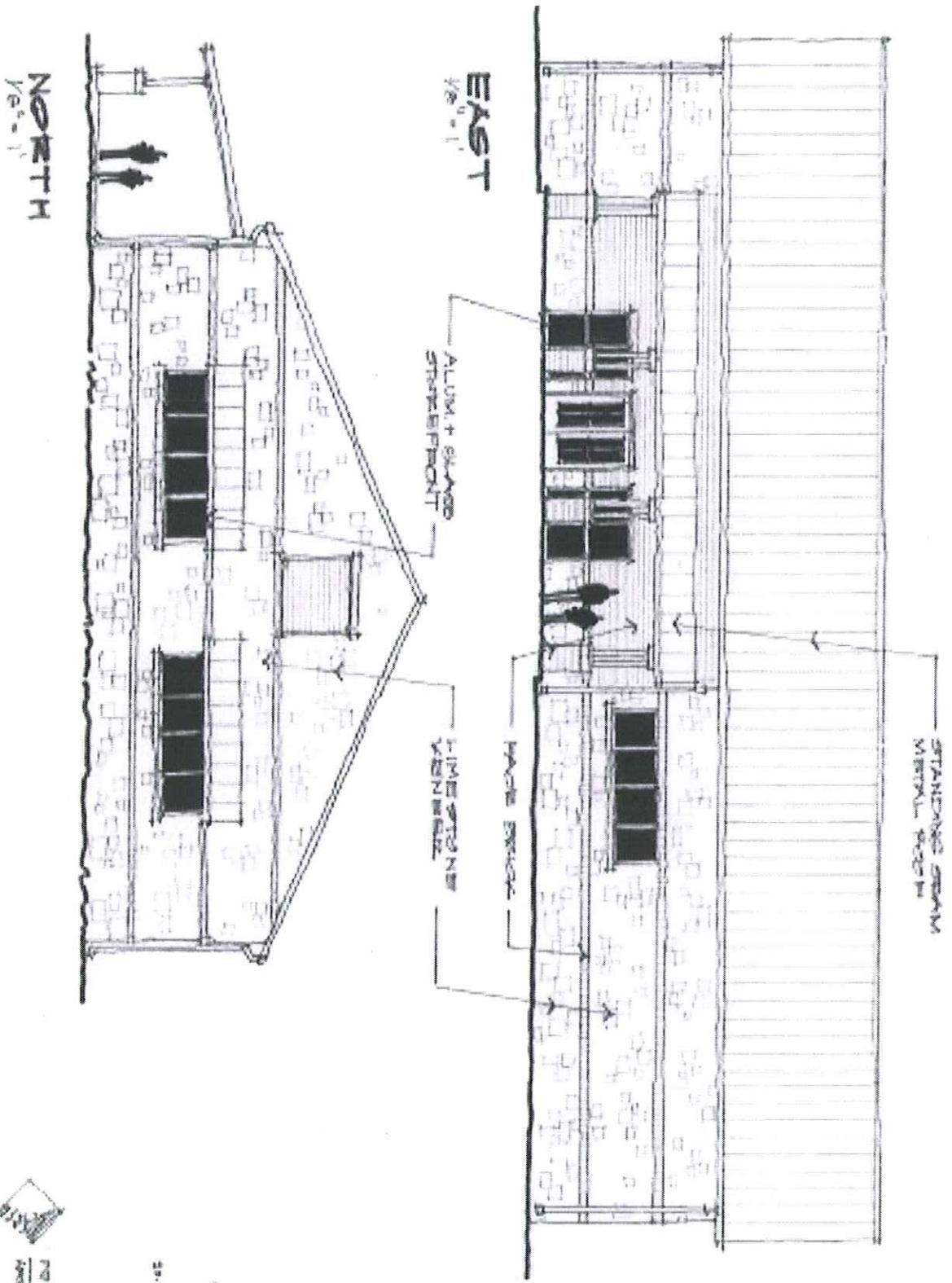
Date

Main Street / Special Projects Manager _____

Title



Signature



PLAYHOUSE 2000, INC.
ARCHITECTURAL DIVISION

PK
OPEN SHOP
20-10-2004 4/21/18

Agenda Item:

4B. Discuss a workshop for budget and capital projects. (staff)

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

SUBJECT: Discuss a workshop for budget and capital projects

FOR AGENDA OF: December 16, 2013 **DATE SUBMITTED:** December 11, 2013

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

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

Staff is requesting the Economic Improvement Corporation (EIC) consider a workshop to discuss the EIC budget and capital projects.

RECOMMENDED ACTION

Staff is requesting direction to schedule a budget and capital projects workshop for the Economic Improvement Corporation.