

AGENDA FOR REGULAR MEETING

KERRVILLE CITY COUNCIL

TUESDAY, NOVEMBER 11, 2014, 6:00 P.M.

KERRVILLE CITY HALL COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

KERRVILLE CITY COUNCIL AGENDA
REGULAR MEETING, TUESDAY, NOVEMBER 11, 2014, 6:00 P.M.
CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION: by Justin Carpenter, founder of Impact Cross Kingdom Ministries.

PLEDGE OF ALLEGIANCE TO THE FLAG

Those in attendance may stand if they wish.

1. VISITORS/CITIZENS FORUM:

Any citizen with business not scheduled on the agenda may speak to the City Council. Prior to speaking, each speaker must fill out the speaker request form and give it to the City Secretary. City Council may not discuss or take any action on an item but may place the issue on a future agenda. The number of speakers will be limited to the first ten speakers and each speaker is limited to four minutes.

2. PROCLAMATION:

2A. Resolution of commendation to Carol Lenard for service on the Parks and Recreation Advisory Board. (Mayor Pratt)

3. CONSENT AGENDA:

These items are considered routine and can be approved in one motion unless a councilmember asks for separate consideration of an item. It is recommended that City council approve the following items which will grant the mayor or City manager the authority to take all actions necessary for each approval:

3A. Banking services Agreement with Wells Fargo for depository services. (staff)

3B. Submission of a funding application to the City of Kerrville Economic Improvement Corporation for 2015 Mardi Gras on Main event in the amount of \$10,000.00. (staff)

3C. Memorandum of Agreement with the Veterans Administration for emergency services for Freedom's Path development at the South Texas Veterans Health Care System. (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 830-258-1117 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, November 7, 2014 at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

3D. Development Agreement between Kerrville Senior Apartments Limited Partnership and the City of Kerrville, Texas, pursuant to the development and Construction of Freedom's Path Senior Veterans Residences Housing Project. (staff)

3E. Resolution No. 37-2014 amending the City of Kerrville fee schedule by adding fees charged for the issuance of a hotel permit and related inspections. (staff)

END OF CONSENT AGENDA

4. PUBLIC HEARING:

4A. Annexation of property located at 421 Roy Street. (staff)

5. PUBLIC HEARINGS AND ORDINANCES, FIRST READING:

5A. Ordinance No. 2014-23, amending the comprehensive plan for the City of Kerrville, Texas, pursuant to Chapter 213 of the Texas Local Government Code; by revising the Future Land Use Plan for certain properties located along West Main Street and between its intersection with Powell Ave N. and Cox Avenue N.; and specifically, changing the future land use of this area to Neighborhood Commercial. (staff)

5B. Ordinance No. 2014-22, amending the City's "Zoning Code" by changing the zoning district of certain properties located along West Main Street and between its intersection with Powell Avenue N. and Cox Avenue N.; such change will result in the placement of the properties within a Residential Transition (RT) district; containing a cumulative clause; containing a savings and severability clause; providing for a maximum penalty or fine of two thousand dollars (\$2000.00); ordering publication; and providing other matters relating to the subject. (staff)

6. ORDINANCES, FIRST READING:

6A. Ordinance No. 2014-25 altering the prima facie speed limit on State Highway 173 (Bandera Highway) from approximately two hundred feet south of the intersection of the highway with Comanche Trace Drive and continuing south to the City's limits, such distance equal to 0.179 mile; reducing said speed limit to 45 miles per hour; authorizing installation of appropriate signs and markings; containing a savings and severability clause; providing for a maximum penalty or fine of two hundred dollars (\$200.00) and ordering publication. (staff)

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6B. Ordinance No. 2014-26, amending Chapter 58, Article III of the City's Code of Ordinances titled "Smoking in enclosed public places and places of employment"; to prohibit the sale, purchase, and possession of electronic vaping devices; containing a cumulative clause; containing a savings and severability clause; ordering publication; and providing other matters related to the subject. (staff)

7. ORDINANCES, SECOND AND FINAL READING:

7A. Ordinance No. 2014-21 amending Chapter 30 "Businesses" of the City's Code of Ordinances by adopting a new Article V "Tourist Courts, Hotels, Inns, and Rooming Houses"; enacting minimum health and sanitation standards for tourist courts, hotels, inns, and rooming houses; requiring a hotel permit for all hotels operated within the City; establishing standards for the issuance of said permit; establishing rules and regulations under which such permit will remain in force; containing a cumulative clause; containing a savings and severability clause; providing for penalties not to exceed \$2,000.00; ordering publication; providing an effective date; and providing other matters related to the subject. (staff)

8. CONSIDERATION AND POSSIBLE ACTION:

8A. Tax abatement for James Avery Craftsman expansion. (Jonas Titas, Kerr Economic Development Corporation)

9. INFORMATION AND DISCUSSION:

9A. Quarterly report by Playhouse 2000. (staff)

10. ITEMS FOR FUTURE AGENDAS

11. ANNOUNCEMENTS OF COMMUNITY INTEREST:

Announcement of items of community interest, including expressions of thanks, congratulations, or condolences; information regarding holiday schedules; honorary recognitions of City officials, employees, or other citizens; reminders about upcoming events sponsored by the City or other entity that is scheduled to be attended by City officials or employees; and announcements involving imminent threats to the public health and safety of the City. No action will be taken.

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City Secretary, City of Kerrville, Texas

12. EXECUTIVE SESSION:

City Council 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 matters:

Sections 551.071 and 551.072:

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

- River trail
- 800 Junction Highway, former City Hall property

Sections 551.087:

- Tax abatement for James Avery Craftsman.

13. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

14. ADJOURNMENT.

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Agenda Item:

2A. Resolution of commendation to Carol Lenard for service on the Parks and Recreation Advisory Board. (Mayor Pratt)



City of Kerrville

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RESOLUTION AND COMMENDATION

WHEREAS, CAROL LENARD has served as a member of the Parks and Recreation Advisory Board with the date of service beginning April 09, 2013 and

WHEREAS, CAROL LENARD has served faithfully and dutifully on said board;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

That **CAROL LENARD** be recognized for outstanding service as a member of the Parks and Recreation Advisory Board, and that on behalf of the citizens of Kerrville, as well as for ourselves individually, we wish to express our sincere appreciation for contributions to the city and the community.

PASSED AND APPROVED, this the 11th day of November, 2014.

ATTEST:

Brenda G. Craig
Brenda G. Craig, City Secretary

Jack Pratt, Jr.
Jack Pratt, Jr., Mayor

Gene Allen
Gene Allen, Mayor Pro Tem

Stacie Keeble
Stacie Keeble, Councilmember

Carson Conklin
Carson Conklin, Councilmember

Gary Stork
Gary Stork, Councilmember



Agenda Item:

3A. Bank depository contract with Wells Fargo for banking depository services.
(staff)

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

SUBJECT: Authorize the City Manager to enter into a bank depository contract with Wells Fargo beginning January 1, 2015 and extending through December 31, 2017 with two (2) one - year extension options.

FOR AGENDA OF: November 11, 2014

DATE SUBMITTED: October 30, 2014

SUBMITTED BY: Sandra Yarbrough
Director of Finance

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Analysis of Banking Depository Service Proposals

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:



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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

The current bank depository service contract with Wells Fargo has been in place since July 1, 2011 and Section 105.017 of Chapter 105 of the Local Government Code states a depository contract term not to exceed five years. The City placed an RFP on September 15, 2014 and received bids from Wells Fargo, Bank of America, Comerica, and Pioneer Bank. Each of the banks' proposals was very good and all banks offered solid banking services. Patterson & Associates, the City's investment advisor, worked with the City to write and review the banking RFP as they did in 2011. The recommendation from Patterson & Associates, that city staff concurred with, is to award the banking depository services contract to Wells Fargo. This recommendation is based on services provided, the costs avoided by not having to transition and the ultimate earnings in the bank. Wells Fargo allows the City to maintain the lowest deposit amount, \$2,124,743, to offset fees.

RECOMMENDED ACTION

The Director of Finance recommends authorizing the City Manager to enter into a contract with Wells Fargo for the banking depository service.

CITY OF KERRVILLE, TEXAS

Analysis of Bank Depository Service Proposals October 2014

In September 2014, the City of Kerrville solicited proposals for banking services to serve the City with efficient and cost effective banking services. The City intended for its banking partner to continue to provide state-of-the-art technology to assure that its current banking needs would be met and that it will be able to incorporate technological changes and improvements into its operations over the period of the contract. The contract is to be for a three year period with two possible one-year extensions.

The City received four proposals for banking services in response to the Request for Proposal (RFP). The proposals were made by Bank of America, Comerica, Pioneer Bank, and Wells Fargo. All the banks have facilities and services within the City and can provide the basic services.

The current economic conditions have somewhat dictated how this evaluation and bank services are reviewed and evaluated because of the various earnings capabilities within the banks. Normally, the best rates available to the City would be obtained through a 'sweep account' which moves funds out of the bank every night investing them into a higher yielding money market fund which then also reduces collateral requirements and costs. But, with overnight rates currently hovering at zero percent the earnings in money market funds are effectively negative with fees applied. Therefore, the earnings potential must be focused on the Earnings Credit Rate (ECR) which is applied to compensating balances and in interest bearing accounts. Rates are anticipated to be low for at least the first year of the contract based on Federal Reserve statements. However, it is quite possible that rates will rise and therefore the bottom line rates and sweep options will have a major influence in the costs and earnings potential in banking relationships.

Because of current rates none of the banks are recommending a sweep mechanism (except Comerica which suggests sweeping into another bank account.) It is critical that the chosen bank has the option available for the higher rate environment when rates rise. Regardless of rate environments the fees for services and the earnings potential at the banks are the key to evaluating the net savings/earnings to the City.

The evaluation was guided by the City's guiding objectives in the RFP:

- banking services costs and earnings potential,
- responsiveness and ability to provide services and reports required,
- collateral capacity,
- earnings potential, and
- creditworthiness and stability of the bank.

Since banks bundle services and price services differently, the evaluation of the proposals was made on several different levels to capture and evaluate those differences equitably.

- (1) All services offered and recommended have been evaluated as to the level of service offered compared to the required specifics. The bank was also evaluated to determine its adaptability and capability to grow into new technologies as they become available.
- (2) The cost of specific and overall services has been compared based on actual historical volumes.
- (3) The potential for earnings has been compared based on various account structures and based on historical data incorporating any floor rates offered.
- (4) The proposals have been evaluated combining all these factors and netting earnings and costs to create a final, unbiased assessment of net impact to the City.

These four levels of analysis have been completed through a detailed compilation of findings. The worksheets which were used to make these analyses are attached. The following report summarizes those findings highlighting only key areas to identify differences between banks. Comments are not all-inclusive but are made to highlight specific differences by way of explanation and illustration of the recommendation.

REQUIRED SERVICES EVALUATION

The City's RFP outlined and requested detailed information on all the services which would be required under the contract to perform its current banking services and to meet its projected needs. The goal is to assure that the bank performs those duties in the most cost effective/cost efficient manner.

The analysis evaluated all services which will be used initially or added during the term of the contract. Specific functional areas of required services are discussed briefly here noting significant differences in service levels or capabilities between banks. Neither the analysis nor recommendations automatically include all services available through the banks if the costs were prohibitive or if their use by the City was unlikely. It is imperative, however, that the bank be capable of providing the service should it be needed.

The banks were ranked on services by (a) weighting each question in the RFP by its relative importance to the City and to the performance of the service and (b) scoring each proposal's response. The total points received by each bank for service provisions are:

Bank of America	640
Comerica	578
Pioneer	544
Wells Fargo	737

The two larger national banks, as might be expected, have materially more services available and have incorporated more technology into their service base since they have a larger customer base over which to spread development costs. The difference in service ratings between the two sets of banks indicates the differences between service level capabilities in these two groups. Comerica is not offering any of the optional services requested: stored value cards, image lockbox or check printing. Pioneer is not offering the required reconciliation or company bank services and is not offering the optional stored value cards or check printing.

Customer Service

All the banks have local facilities for deposit purposes. The highest credit rated bank is Wells Fargo but the others are all investment grade. The banks were asked about their local involvement in the community and community causes and all responded that their staffs are involved. Only Wells Fargo listed the extensive activities and groups with which they are involved.

Ongoing daily service is handled by teams from local and national specialists at Bank of America and Wells Fargo giving a broader support. Comerica and Wells Fargo are the two banks which use a tracking system for questions and problem resolution.

Account Structure

The RFP required the ability to automatically sweep daily into an SEC regulated money market fund as an option when rates rise. The RFP also allowed for sweeps to an interest bearing account or stand-alone accounts to accommodate the current low rate environment.

All the banks except Pioneer have the ability to sweep in a ZBA (zero balance account) structure. Bank of America and Wells Fargo sweep to outside money market funds which in normal rate environments maximize earnings. Comerica sweeps to a bank internal money market fund with a target yield (fed funds plus 10 bps.). Of course, the banks are not recommending an outside sweep until rates rise. Wells Fargo does have an interesting Government Advantage Checking that will automatically sweep to the target balance and allow the remaining funds to earn interest but the bank has not completed the responses in this proposal.

In addition, the FDIC Assessment Fees charged by Bank of America and Wells Fargo is being waived by Comerica and Pioneer. This is an assessment by the FDIC which every bank faces.

The analysis of the proposals did include the potential to utilize the earnings credit rate (ECR) when rates so dictate assuming continuous full investment.¹ During the current period, paying bank fees through a “compensating balance” (i.e. target balance) is recommended because it is extremely cost effective with the bank’s ECR significantly higher than the pools or other liquid vehicles. The banks have been aggressive on their ECR rates which will be considered in detail below. Bank of America has an historical rate of 0.25%. Comerica has offered 0.45% but has stated that it is only for the first year of the contract. and Pioneer is not using a compensating balance so they offer 0.0% but offer 0.35% currently on interest bearing accounts. Wells Fargo has a materially higher historical rate at 1.30% and has set a floor rate of 0.70%. The impact of these floors and rates will be analyzed below.

Automation and Online Transactions

All the banks have the basic reporting and transactional services needed available through a single portal. There are two levels of automation with much more robust systems and options from Bank of America and Wells Fargo. All the banks utilize automated services which reduce time and effort required of City staff for standard banking functions (balance reporting, wires, ACH, stop pays, positive pay, etc.). All have dual or more levels of client controlled security administration and some customization to provide sufficient report detail and provide information in a timely manner. All have prior day activity available prior to 8:00 am for information processing. The intra-day reporting is limited at Comerica and Pioneer.

All the banks retain detail and summary information on line for a stated period of time. Others differences in automation come in the flexibility and customization allowed by Bank of America and Wells Fargo which have concentrated heavily on developing the technologies. Both have recently updated and stream-lined their portals and treasury management systems for user friendliness.

Deposit/Collection Services

In the area of basic deposit and collection services all the banks are essentially the same with local deposit sites. All the banks are recommending remotely captured checks for deposit. Bank of America (two) and Wells Fargo (one) have offered free scanners to expedite check deposits and reduce City float and liability in making deposits. All the banks remote systems are web based. Bank of America, Comerica, and Wells Fargo can link their remote deposit to additional receivables services. Pioneer has an earlier close on remote services at 4pm with the others between 8pm and 10pm. Only Comerica has a set-up fee for the service (\$20,000).

The banks all use poly-seal deposit bags and Pioneer has offered “a reasonable amount” of these free. Wells Fargo has offered free bags for the life of the contract as well as a free safe-deposit box for the life of the contract.

An important factor in deposit activities is the actual detail cost of each deposit. The RFP had a sample deposit ticket with checks, coin and currency and asked for a cost of making that deposit. Of the three

¹ The City has reserved right to change between fee and compensating balance basis for compensation determines the level of the sweep on an ongoing basis.

pricing the deposit Comerica was the lowest at \$69.86, then Bank of America at \$98.50 and Wells Fargo at \$123.99.

Disbursing Services and Commercial Card

The provision of standard disbursing services is basically the same at all the banks. All the banks have positive pay services for safety. In the area of disbursements, it is critical for any large institution/business to protect against fraudulent checks. The system designed by the banking industry to accomplish this is positive pay. It has been required in this RFP for all accounts to provide security.

In the area of positive pay an important consideration is the time available to City staff to review the check exceptions. These times for review vary which impacts staff time:

Bank of America	10:00am – 4:00
Comerica	n/a – 2:00pm
Pioneer	6:00am – 11:00am
Wells Fargo	5:30 – 4:00pm next day

Payment management has become a more effective service from the banks over the past several years which could be used by the City for efficient and cost effective payment handling. The same information processing is available at Comerica, Bank of America, and Wells Fargo. Pioneer does not have the service

The RFP requested information on a commercial card and its ability to be restricted for use as a purchasing card. Bank of America uses a Texas Public Cooperative card with rebate possibilities with a spend-out over \$500,000. Comerica and Pioneer have programs but few details on purchasing restrictions. Wells Fargo uses Visa with online management and spending limit and other restrictions.

Account Reconciliation

Bank of America, Comerica and Wells Fargo have reconciliation services but Pioneer relies solely on file downloads. All three can integrate this into their service platforms and full reports availability adding time efficiency.

Wires and Internal Transfers

In the area of wires and internal account transfers the banks are almost identical. All have initiation and monitoring along with notification of incoming wire activity in real time.

All the banks require at least dual security and security levels are set by the City administrator. All the banks can provide future dating of at least 30 days except Pioneer which can future date only one week.

ACH Services

ACH services are of paramount and growing importance as it represents the most cost efficient payment transfer system available. Its use is undoubtedly going to increase in importance in the future as new services develop and use this mechanism. All the banks must utilize the NACHA² formats and services and function through SWACHA so there is little difference in the basic service.

All of the banks give the City the ability to input by transmitted batch and have online input for single or multiple transactions. All the banks have the ability to establish blocks on the accounts for City transaction and account safety. All but Pioneer have ACH positive pay. The variety available for blocks/filters is greater at Bank of America and Wells Fargo.

² National Association of Automated Clearing House Association

Investment Safekeeping

The City does invest using securities for its portfolio so safekeeping is a required service. All will accommodate the service but will charge hard dollars except Bank of America which will charge it through the account analysis if desired. Comerica and Pioneer use correspondent banks for safekeeping.

The delivery versus payment (DVP) settlement and protective custody of the City's owned securities are paramount for safety and control. Bank of America, Comerica, and Wells Fargo provide online monitoring. Pioneer sends an email on transactions.

Collateral Conditions

The RFP outlined specific conditions for the provision and safekeeping of required collateral which were directed to maximum safety of the City's funds and listed authorized collateral. The requirements included the 102% margin level for collateral, authorized collateral types, and the provision for independent third party safe-keeping and reporting. The banks were required to accept the conditions as stated.

Bank of America, Pioneer and Wells Fargo confirmed agreement with only minor exceptions by Wells Fargo. Comerica has stated that they would monitor collateral not daily but weekly and they mention that conditions may change with the implementation of the Basel III regulations in 2016.

Wells Fargo use Bank of New York (BNY) as the Custodian and BNY provides online access to the collateral reporting along with market pricing.

Statements and Account Analyses

All the banks provide monthly statements online and make them available for downloads. Availability on the analysis and statements are shown below:

	Analysis	Statement
Bank of America	6 days	6 days
Comerica	9 days	5 days
Pioneer	n/a	1 day
Wells Fargo	5 days	4 days

All the banks will provide a CD record if desired by the City.

Overdraft Protection

Although the City does not anticipate any overdrafts the potential exists. All the banks view overdrafts as an extension of credit and review each occurrence and charge a similar fee.

Company Banking

The City asked the banks whether they had company banking programs to offer service to direct deposit employees, at no cost to the City. All the banks except Pioneer have a program of this type with extensive but similar services for the employees.

Stored Value Cards - Optional Service

The use of stored value cards was presented as an optional service in the RFP. Bank of America and Pioneer chose to not offer the service. Both Comerica and Wells Fargo have the program. Comerica uses MasterCard in a standard stored program. Wells Fargo has additional flexibility in their program offering instant issue, reloadable and non-reloadable cards.

Image Lockbox – Optional Service

Bank of America has chosen not to propose on the Image lockbox service.

Comerica and Wells Fargo both have their closest lockbox in Dallas. Pioneer’s payments would go to Chicago. Pioneer has differed from the other banks in not providing much specific information as to information availability transmission and reporting times. The other two banks have provided detail information on very similar lockbox operations.

Check Printing – Optional Service

The third optional service in the RFP was for Check Printing. Bank of America and Pioneer chose not to propose on the service. Comerica can provide same day check service if the file is received by 1 pm. Wells can provide same day checks with a 11 am deadline. Wells Fargo will do next day printing if the file arrives by 9:00 pm the previous evening. Both banks integrate the information with payables services.

BANKING COSTS EVALUATION

In its RFP the City has reserved the right to pay for services on either a fee or compensating balance basis dependent upon the interest rate environment³. Regardless of the method of compensation used, the total cost of the contract starts with the individual service fees in each bank. Both fees and compensating balances are based on these fees and the volumes of those services used. A detailed RFP Attachment form was used to capture unit costs for each services and levels of service. And, banks were alerted to the need to include all fees associated with the provision of a service if that fee was to be charged during the contract period.

Using the historical volumes for services from the City, a gross estimated monthly price level was calculated for each bank.

	Gross Fees
Bank of America	\$ 1,833
Comerica	\$ 3,923
Pioneer	\$ 150 (charging only certain fees)
Wells Fargo	\$ 2,806

Transition Incentives

The total cost of the contract is however also directly impacted by the transition incentives being offered by the banks. In the RFP, the banks were asked if they were offering the City any transition incentive to reduce the cost of changing banks or as an incentive to maintain the account.

- **Wells Fargo, as the incumbent depository, is offering an annual carry-over for settlement on fees on only an annual basis. They are waiving two (2) months analysis charges each year and effectively offering the annual contract for 10 months fees. The bank set a floor rate on**

³ In very low interest rate environments the ECR may exceed the interest paid in accounts or money funds. Rates rise however the ECR usually earns half of Fed Funds (i.e. overnight rates).

the ECR at 0.70%. They are also offering free deposit bags and a safe deposit box for the life of the contract and one free remote deposit scanner.

- Bank of America is not proposing any incentives but in the proposal they offered two free scanners.
- Comerica has offered a 0.45% ECR for the first year, no fee for collateral and a \$1,000 analysis credit for the transition.
- Pioneer is offering no incentive aside from their fee structure.

It should be noted also that Comerica has included several set up material fees which would be required in the first year.

Remote deposit setup fee	\$ 20,000
Automated services setup fee	\$ 20,000
Positive Pay setup fee	\$ 40,000
ARP setup fee	\$ 40,000
Image Lockbox set up	\$100,000
Check printing set up fee	\$ 3,000
A minimum safekeeping annual fee of	\$ 5,000

Wells Fargo has one set up charge: check printing requires a \$1,700 set up fee.

Using each bank's estimated gross cost per month these incentives have been included to measure the impact on the monthly cost of service. The average adjusted monthly charges over a three and five year contract period are shown below. (The average changes in these time frames because of the impact of front-end incentives. The level of fees is indicative but is not the full picture of the price of services as will be explained below.

	Gross Fees	Adjusted 3 Yrs	Adjusted 5 Yrs
Bank of America	\$ 1,833	\$ 1,777	\$ 1,800
Comerica	\$ 3,923	\$ 3,895	\$ 3,906
Pioneer	\$ 150	\$ 150	\$ 150
Wells Fargo	\$ 2,806	\$ 2,294	\$ 2,302

The fees at Pioneer are so different because the bank is proposing only a limited number of fees including those for imaging, positive pay and reconciliation, wires, and safekeeping. The bank is essentially saying that if the City maintains their normal \$4.5 million balance then the fees are waived. In addition the bank is offering a sole option of 0.35% (indexed on Fed Funds plus 10 bps). This rate should remain relatively stable through 2016 given Federal Reserve announcements.

Compensating Balance Calculations

When a compensating balance basis is used to pay bank fees, which could be estimated to continue another 1-2 years (conservatively), a target balance sufficient to generate interest equal to the fees must be maintained in the bank. The interest rate used to generate funds to pay the fees is called the ECR (Earnings Credit Rate). It is a unique managed bank rate applied only for this purpose. The higher the ECR the higher the earnings and the lower the target balances required. As a result, the City then has more funds to be used to invest otherwise or does not have to keep more funds in the bank. The target balance is set by the bank. The ECR rates offered by Comerica and Wells Fargo are particularly cost effective when

rates are low. It is likely that the rates will increase and then the City would switch to a fee compensation basis. But this is not likely in the next two years.

Based on the given historical ECR or floor rate and fees, the target balances required are:

	ECR %	Target Balance
Bank of America	0.25 %	\$ 8,638,016
Comerica	0.45%	\$ 10,416,833
Pioneer	0.00 %	\$ 4,500,000
Wells Fargo	1.30 %	\$ 2,124,743 (or at 0.70% floor \$ 3,945,951)

The City routinely maintains approximately \$ 4.5 million in a total bank balance with comp balances. The investment pools are yielding approximately 0.03-0.06% so investment in the higher ECR position is a benefit to the City and the 0.70% floor offered by Wells Fargo is significantly higher than the other banks. During this low interest rate environment, it is wiser to use the higher ECR rates for the target balance.

When, at some point the City moves to a fee basis for bank compensation the difference would be the amount of the fees we saw averaged above over the two year period at the rates below (currently).

	IB Rate	MMA (money market accounts)
Bank of America	0.00%	0.00%
Comerica	0.00%	0.00%
Pioneer	0.35%	0.00%
Wells Fargo	0.01%	0.05%

These rates are so affected by the rate environment that it is difficult to determine what the bank's rates would be in a normalized environment. In that situation there would be less money left in the bank at any rate as outside rates would be better.

Since rates are anticipated to keep the City in a compensating balance basis for most of the contract period, the most cost effective and earnings position goes to Wells Fargo.

RECOMMENDATION

The purpose of this analysis was to find the most cost effective and efficient banking situation for the City which provided all the necessary services and allowed for technology changes and improvements in the future. Initially the evaluation looked at service levels. Although basic services are available from all the banks there are material differences in service capabilities and Bank of America and Wells Fargo ranked significantly higher in service points and capabilities because of technology. Pioneer did not offer several of the required services and Comerica's set up fees reduced the banks' viability.

On a fee basis Pioneer was materially the lowest but depends on a continuing compensating basis. With incentives incorporated, Bank of America and then Wells Fargo had the lowest costs. However, with the ECR advantage of Wells Fargo and the significantly lower balance requirement (and its lower FDIC recoupment fee) Wells Fargo is markedly better in cost than the other banks. The materially higher ECR rates in the projected next two year period give Wells Fargo a natural advantage.

It is recommended that the City award the banking services contract to Wells Fargo.

*Patterson & Associates
Austin, TX*

COMBINED FINANCIAL ANALYSIS - WITHOUT MERCHANT SERVICES
CITY OF KERRVILLE
2014

	Bank of America	Comerica	Pioneer	Wells Fargo
Proposed Bank Fees/Mo	1,833	3,923	150	2,806
Service Score	640	578	544	737
Incentive Impact				
Scanner cost	2,000			1,000
Supplies Offered Free				300 /yr
Direct Credit		1,000		
Waiving of Analysis Fees				5,612
Total Incentive Value	2,000	1,000	0	6,612
Per year cost				
1st year	19,995	46,076	1,800	27,062
2nd year	21,995	47,076	1,800	27,762
3rd year	21,995	47,076	1,800	27,762
4th year	21,995	47,076	1,800	27,762
5th year	21,995	47,076	1,800	27,762
Avg mo. cost (over 5 years)	1,800	3,906	150	2,302
Avg mo cost (over 3 years)	1,777	3,895	150	2,294

Rates	Bank of America	Comerica	Pioneer	Wells Fargo
ECR	0.25%	0.45%	0.00%	1.30%
Interest Bearing	0.00%	0.00%	0.35%	0.01%
Money Market Account	0.00%	0.00%	0.00%	0.05%
Sweeps	0.00%	0.01%	0.00%	0.10%
Avg Balance	4,500,000	4,500,000	4,500,000	4,500,000

Compensating Balance Basis	Bank of America	Comerica	Pioneer	Wells Fargo
Mo. Comp Balance Req.	8,638,016	10,416,833	4,500,000	2,124,743
Balance Avail for Invest	-8,638,016	-10,416,833	-4,500,000	-2,124,743
Earnings in Sweep Accounts				
Earnings in Interest Bearing Accts				
Net Earnings per month	0	0	0	0

Fee Basis	Bank of America	Comerica	Pioneer	Wells Fargo
Fee per Month	1,800	3,906	150	2,302
Available Balance minus fees	4,498,200	4,496,094	4,499,850	4,497,698

Incentives Offered	Bank of America	Comerica	Pioneer	Wells Fargo
	no incentive	offers 0.45% ECR first yr. no fee for collateral \$1,000 transition credit	offers their fee structure	1-year settlement on acct waive any 2 months fee each yr floor rate of 0.70% ECR free checking for all employees DD free bags for contract free safe-deposit box one free scanner
	two scanners loaned to City		assuming \$4.5 on balance	

ATTACHMENT A ANALYSIS
CITY OF KERRVILLE -2014

PROPOSED FEE STRUCTURE ANALYSIS

AFP	Service Description	Avg Vol	Bank of America		Comerica		Pioneer		Wells Fargo		Notes	Cost	Notes
			Fee	Cost	Fee	Cost	Fee	Cost	Fee	Cost			
	Average Collected Balance												
	FDIC Recoupment Fee	545	0.1066	586.44								688.50	
010000	Master Account Maintenance Fee	4	15.0000	60.00								3.0000	
010000	Subsidiary Account Maintenance			0.00								10.0000	
010000	Money Market Account Maintenance Fee			0.00								0.00	
010000	Interest Bearing Accounts Maintenance Fee			0.00								3.0000	
010021	ZBA Account - Subsidiary	20	0.0000	0.00								0.00	
010111	ZBA Credit	20	0.0000	0.00								3.0000	
010111	ZBA Debit	20	0.0000	0.00								3.0000	
010020	ZBA Mo Maintenance	1	25.0000	25.00								45.0000	
010021	ZBA Master	2	10.0000	20.00								40.0000	
010021	ZBA Subsidiary	47	0.1500	7.05								0.0500	2.35
010101	Checks/Debits Posted	100	0.1500	15.00								0.7500	75.00
	Credits posted			0.00								2.0000	0.00
	Commercial Check cashing			0.00								1.0000	0.00
00210	Negative Collected Balance Fee			0.00								35.0000	0.00
150340	Overdraft Item Returned			0.00								35.0000	0.00
150341	Overdraft NSF Item Paid			0.00								40.0000	0.00
	Audit confirmations			0.00								10.0000	0.00
010307	Statement Cycle			0.00								2.5000	0.00
010310	Printed Statement			0.00								2.5000	0.00
010310	Additional Address Paper Statement			0.00								2.5000	0.00
	Post no checks			0.00								7.5000	0.00
019999	Non-account holder Check Cashing			127.05								94.71	0.00
	Subtotal												334.35
	Depository Services												
10000	Commercial Account Maintenance	4		0.00								32.00	0.00
100500	Branch Credits Posted			0.00								8.0000	0.00
100000	Branch Immediate Verification			0.00								0.00	0.00
100007	Branch Deposit Post Verification			0.00								0.0020	0.00
100048	Branch Deposit - Currency			0.00								0.0020	0.00
100210	Deposit Location Reporting			0.00								0.1300	0.00
100000	Credits Posted			0.00								0.7500	0.00
100220	On-us Items	842	0.0500	42.10								0.0450	37.89
100212	Transit	2,682	0.0500	134.10								0.0600	160.92
100228	Encoding Charge			0.00								4.0000	0.00
100015	Credits Posted OTC			0.00								0.0000	0.00
100015	Cash Deposit over \$1 Vault	7,798		0.00								0.0010	7.80
100401	Branch Cash Deposit	112,322		0.00								0.0010	112.32
100015	Branch Cash Deposit Post Verify	11,403		0.00								0.0010	11.40
100414	Return Item Image Mo Mant	3		0.00								4.5000	13.50
1-00414	Online return image Retrieved			0.00								0.00	0.00
100400	Return Item chargeback	8	3.5000	28.00								7.2000	57.60
100402	Return Item converted check	3	3.5000	10.50								3.1500	9.45
100401	return item converted check chargeback	3	3.5000	10.50								3.1500	9.45
100402	Return item redposit	9	3.5000	31.50								3.1500	28.35
	Branch Deposit Correction			0.00								0.00	0.00
100410	Branch Change Order	4		0.00								0.4000	1.60
100048	Branch Order Currency Strap	88	0.0000	0.00								0.1800	15.84
100048	Currency ordered branch per \$1	829	0.2000	165.80								0.00	0.00

AFP	Service Description	Avg Vol	Bank of America Fee	Cost	Notes	Comerica Fee	Cost	Notes	Pioneer Fee	Cost	Notes	Wells Fargo Fee	Cost	Notes
151352	Image retrieval per item			0.00			0.00			0.00		0.0100	0.00	
151352	Image retrieval per retrieve			0.00			0.00			0.00		0.0200	0.00	
15135	Online image <90 days	4	0.0000	0.00			0.00			0.00		1.0000	4.00	
151352	Image retrieval <90 days	6	0.2500	1.50			0.00			0.00		0.0100	0.06	
151352	Image retrieval >90 days	1	0.2500	0.25			0.00			0.00		0.0200	0.02	
	Subtotal			10.00				16.40				25.00		10.00
250000	ACH Processing													
	ACH Maintenance	3	25.0000	75.00		14.0000	42.00			0.00		15.0000	45.00	
	Setup Fee					40.0000						300		transmission set up
250000	ACH Online Maintenance			0.00			0.00			0.00			0.00	
251000	Transmission Setup			0.00			0.00			0.00			0.00	
250102	ACH electronic credits posted	368	0.0700	25.76		0.3900	143.52			0.00		0.2000	73.60	
250102	Smart Decision ACH Transit	715	0.0000	0.00			0.00	not available		0.00		0.1100	78.65	
250102	ACH One day	1,289	0.0700	90.23		0.0600	77.34			0.00		0.0500	64.45	
250102	ACH Two Day	1,541	0.0700	107.87		0.0600	92.46			0.00		0.0500	77.05	
25020	ACH received	286		0.00		0.1080	30.89			0.00		0.1000	28.60	
250302	ACH returned Fax Advice	5		0.00		3.0000	15.00			0.00		2.2500	0.00	
250120	ACH addenda Records (originate/receive)	38	0.0500	1.90		0.0100	0.38			0.00		0.0500	1.90	
251071	ACH Notification of Change	1	2.0000	2.00			0.00			0.00		0.0200	0.02	
250401	ACH Return Fax Notification			0.00			0.00			0.00		1.0000	0.00	
250710	ACH fax Services	8	1.0000	8.00		6.0000	48.00			0.00		1.0000	8.00	
251070	ACH OC Fax	2	1.0000	2.00		3.0000	6.00			0.00		5.0000	10.00	
250401	ACH Email or Online Notification			0.00			0.00			0.00		0.5000	0.00	
250501	ACH File Processing	3	25.0000	75.00		8.0000	24.00	no max \$140		0.00		1.0000	3.00	
250501	ACH Special Transmission	16	10.0000	160.00		8.0000	128.00	no max \$140		0.00		15.0000	240.00	
250501	ACH Customer Report	1		0.00			0.00			0.00		20.0000	20.00	
250720	ACH exception Processing	1		0.00		8.0000	8.00			0.00		40.0000	40.00	
250622	ACH special investigation	2		0.00		6.0000	12.00			0.00		35.0000	70.00	
251050	Debt Block Maintenance			0.00			0.00			0.00		0.0000	0.00	tiered
250050	Post No Checks			0.00			0.00			0.00		25.0000	0.00	first account
251051	Filter/Block Authorized ID			0.00			0.00			0.00		5.0000	0.00	other accounts
259999	Filter/Block report			0.00			0.00			0.00		0.0000	0.00	
250000	ACH Vendor maintenance			0.00			0.00			0.00		0.0000	0.00	
250305	ACH returnonline			0.00			0.00		15.0000			0.0000	0.00	
250640	ACH Delete/reverse File			0.00			0.00			0.00		1.5000	0.00	
250300	ACH return items DR/CR			0.00			0.00			0.00		20.0000	0.00	
250711	ACH return items faxes			0.00			0.00			0.00		0.1000	0.00	
250400	AACH Online Subscription Acct			0.00			0.00			0.00		2.2500	0.00	
250400	ACHOnline subscription per item			0.00			0.00			0.00		40.0000	0.00	
250311	ACH Item dishonored			0.00			0.00			0.00		1.5000	0.00	
25073	ACH Online Subscription Account			0.00			0.00			0.00		5.5000	0.00	
250703	ACH online Subscription per item			0.00			0.00			0.00		0.0000	0.00	
	Subtotal			547.76				627.59				0.00		760.27

AFP	Service Description	Avg Vol	Bank of America	Comerica	Pioneer	Wells Fargo	Notes	Cost	Fee	Notes	Cost
150030	Positive Pay with Reconciliation Services										
	Positive Pay Monthly Maintenance with Partial Recon	1	65.0000	39.0000	50.0000			39.00			50.00
	Set Up Fee			40.0000				0.00			0.00
150031	Positive Pay Monthly Maintenance with Full Recon							0.00			0.00
150030	Positive Pay Monthly Maintenance without Recon	1	0.00	22.0000	35.0000			22.00			35.00
	Set Up Fee			40.0000				0.00			0.00
150122	Payee Name Image Reviewed Item			0.0120				0.00			0.00
15030	Positive Pay Exceptions Online							0.00			0.00
200300	Issue nput File with Recon							0.00			0.00
150723	PP Exception Online Image							0.00			0.00
150129	Check returned	1	0.00	4.0000	0.0000			4.00			0.00
200201	ARP PP Issue							0.00			0.00
200399	ARP Ppxceptions	1	5.0000	0.0600	0.0000			5.00			0.00
20021	ARP Manual Entry							0.00			0.00
200305	ARP online Statement							0.00			0.00
200301	ARP Outgoing File							0.00			0.00
200320	AP Fax Fees							0.00			0.00
209999	Aged Record eord on File							0.00			0.00
	ARP partial Recon							0.00			0.00
200310	AR Paper Statement Mo							0.00		0.00 not applicable	0.00
200329	ARP paper statement delivered							0.00		0.00 not applicable	0.00
200020	ARP Partial Recon Maint	2	0.00	28.0000	0.0000			56.00			20.00
	Setup fee			40.0000				0.00			0.00
200201	ARP Partial recon Detail	338	0.0300	100.05				100.05			6.76
150100	ARP check_spaid Partial	323	0.1500	0.2960				95.61			6.46
200329	ARP Paper Delivery	2	0.00	0.2960				0.59			10.00
200310	AR Paper Statement Mo	2	0.00	0.2960				0.59			0.04
209999	ARP Aged Issue	2,498	0.00	0.2960				739.41			14.99
203100	ARP Partial Recon Item	327	0.0300	0.2960				96.79			6.54
200301	Recon output File Transmission							0.00			0.00
200201	Recon Output detail							0.00			0.00
	Desist Recon Items							0.00			0.00
	Subtotal			128.59	316.72					85.00	50.22
150410	Stop Pays - Automated	1	10.0000	6.4000				6.40			12.00
150510	Stop Pay - Automatic Renewal							0.00			0.00
	Subtotal							6.40			12.00
	Wires and Transfers										
350300	wire out repair							0.00			0.00
350402	Wire Detail Report Subscription	3	0.0000	0.0800				0.24			36.00
350300	Incoming Tsraight	7	5.0000	4.4000				30.80			105.00
350541	In and out repair							0.00			0.00
350103	Outgoing repetitive							17.60			40.00
350101	Outgoing non-repetitive	4	10.0000	4.4000	10.0000			40.00		10	40.00
350541	Debit repair							0.00			0.00
350999	CHIP Online							0.00			0.00
250700	Book Debit S/T - Electronic							0.00			0.00
250700	Book Credit							0.00			0.00
350124	Book Transfer Online	2	1.0000	2.0000				4.00			16.00
	Book Debit repair							0.00			0.00
350551	Template storage							0.00			0.00
400001	Transfer item							0.00			0.00
	Mail Debit advice							0.00			0.00

AFP	Service Description	Avg Vol	Bank of America	Comerica	Pioneer	Wells Fargo	Notes	Cost	Fee	Notes	Cost
	Mail Credit Advice							0.00			0.00
350104	Wire Out FX							0.00			0.00
	Email Wire Alert Notification	3		0.8000				2.40			0.00
								0.00			0.00
	Subtotal			77.00			55.04				40.00
	Securities Custody Services (using \$100 million PAR)										
459999	Service Monthly Maintenance Custody	1		500.0000				41.67	\$500 annual fee		80.0000
	Set up fee										
	Minimal Fee	1		5000.0000				416.67	\$5.00/annual min.		
459999	Clearing Fees	2						0.00			0.00
459999	FRB	1						0.00			0.00
450102	DTC	1						0.00			0.00
450499	Safeguarding Fees	4						0.00			0.00
450499	FRB (40mm)	1						666.67	2 bps		0.00
450111	DTC (10 mm)	1						166.67	2 bps		0.00
	receipt held							0.00			0.00
	wire fee							17.00			0.00
450102	Income Collection to DDA	1						0.00			0.00
459999	Income Collection - Coupons	1						0.00			0.00
459999	Income Collection - Maturities	1						0.00			0.00
459999	Income Collection - Calls	1						0.00			0.00
	Subtotal						1,308.67				0.00
	Commercial Card										
80000	Monthly Maintenance	1						20.83	annual \$250		0.00
80100	Commercial Card Transaction	432						0.00	If <\$250.000/yr		0.00
80340	Commercial Card Issuance	2						0.00			0.00
	REQUIRED SERVICES TOTAL SCORE							3,922.98			150.00
	OPTIONAL SERVICES										
	Pay Cards (assume 50 cards)										
	Card Customization							0.00			0.00
	Mo Maintenance	1		500.0000				0.00		0.00	not applicable
	Enrollment per card	3		100.0000				100.00		0.00	not applicable
	Funding monthly enrollment	2		0.5000				1.50		0.00	not applicable
	Inactivity fee	3		1.0000				2.00		0.00	not applicable
	replacement fee	1		10.0000				0.00	w/\$100 bulk del	0.00	not applicable
	web user fee							0.00		0.00	not applicable
	web lead							0.00		0.00	not applicable
	service to user							0.00		0.00	not applicable
	ATM Cash withdrawal							0.00		0.00	not applicable
	Cash Advance OTC							0.00		0.00	not applicable
	ATM Balance Inquiry							0.00		0.00	not applicable
	POS with PIN							0.00		0.00	not applicable
	Non-pin purchase							0.00		0.00	not applicable
	Service request call							0.00		0.00	not applicable
	Image Lockbox							0.00		0.00	not applicable
050020	SNLB Maintenance	1		200.0000				200.00			257.0000
	Subtotal										225.00
											18.75
											\$225 annual
											0.00
											114.00

BANK SERVICES EVALUATION MATRIX
Service Analysis

Question	Wgt	Bank of America			Comerica			Pioneer			Wells Fargo		
		Score	Total	Notes	Score	Total	Notes	Score	Total	Notes	Score	Total	Notes
1 Fiscal Strength and Creditworthiness audited financials provided and confirmation	1	3	3	link	3	3	link	3	3	link	3	3	link
2 CRA rating and confirmation on changes	2	3	6	Outstanding	3	6	Outstanding	2	4	satisfactory	3	6	outstanding
3 Debt rating	3	1	3	Baa2/A- stable and Negative	2	6	agree A-/A3 - A2/P2 stable	3	9	no debt- Veribanc Green ***	3	9	AA-/A2 - A+/A3
2 Customer Service Local Bank personnel	2	3	6	team no##	3	6	22- set rep	3	6	seven	3	6	team local and corp
support for the City	2	3	6	team	3	6	tracking	2	4	contact person	3	6	
How does holding company monitor service?	1	3	3	team	3	3	tracking	2	2	local by COO	3	3	tracking
Support for local	2	3	6	Fact Sheet	2	4	active	2	4	various	3	6	extensive list
Distinctive automation	2	3	6		3	6	e-payables and receivables	1	2	one person to help with all	3	6	commerce mgr, payables, receivables, invoicing
Incentives	3	1	3	none later says 2 free scanners on loan	2	6	0.45% ECR first year, no fee for collateral, \$1,000 credit	2	6	most service charges waived	3	9	1 year carry-over, 2 months every year, one scanner, ECR floor 0.70%, free bags and safe dep, free employee checking
Disaster support	3	2	6	redundant	2	6	corp plan redundant	2	6	multiple hosts thru FIS Global	3	9	redundent
Auditor	2	3	6	agree	3	6	agree	3	6	accepts	3	6	yes
References	1	0	0	Klein, Arief, Dallas ISD	0	0	Troy, Ellis Cty, Irving ISD, Dearborn				3	3	san marcos
4 Implementation Timetable													
Proposed timeline.	1	2	2	depends	2	2	depends	3	3	all ready by 1/1/15	3	3	incumbent
Limitations	1	0	0	no answer	0	0	no answer	3	3	none	3	3	no
TOTALS FOR SECTION	26				56			60			58		78
VI REQUIRED SERVICES													
1 Account structure													
ZBA	3	3	9		3	9	yes ZBA-link for comp balance sweep to MMA	1	3	all interest bearing accounts	3	9	yes
Sweep?	2	3	6	want to sweep not maintain balances	3	6	yes	1	2	no because all IB	3	6	WF
Other structure	1	2	2		2	2	use ECR	3	3	IB all accounts	3	3	ECR
Sweep daily reporting	3	2	6		2	6	online for extra fee - can target	1	3	not applicable	3	9	yes
Interest application	3	2	6	master	2	6	investment account - Master	3	9	not applicable - all IB	3	9	master
EOD?	3	3	9	EOD	3	9	EOD	1	3	ria	3	9	EOD

Question	Wgt	640			578			544			737		
		Score	Total	Notes	Score	Total	Notes	Score	Total	Notes	Score	Total	Notes
g Prospectus	1	0	0	if awarded	1	1	Comerica I think - never really says	1	1	n/a	3	3	WF
h Index on rates	2	0	0	no answer	1	2	discretion of bank	3	6	target FF + 10 bps - now 0.35%	3	6	managed
i FDIC Fee?	3	1	3	vague but no	3	9	no fee	3	9	no	1	3	yes 0.1275 per \$1,000
TOTAL FOR SECTION	21				41						39		
2) On-line services													
a Describe online service - list services	3	3	9		2	6	inquiry, DD, PP, transfers, stops, pay/rec.	2	6	balances, statements, transfers, ACH, stops, wires, PP, images, alerts	3	9	full
b web based	3	3	9		3	9	web	3	9	yes	3	9	yes
c reporting availability	2	3	6	prior by 7am - intra-day	3	6	7am	3	6	prior day by 8am - wires real time	3	6	current, prior and mobile, alerts
d history and retention	1	3	3		2	2	18 months-later for fee	3	3	images and history 1 year	3	3	7 years
e customized reporting	1	3	3		2	2	40 reports set	0	0	no	3	3	yes
f back up	1	3	3	redundancy	2	2	disaster plan	2	2	email or fax	3	3	rep can
g security protocols	1	3	3		3	3	administrator	1	1	2 forms ID - maint thru bank	3	3	3-tier admin
h hours for tech support	2	3	6	24/7	1	2	8-5 thru rep	1	2	from 8-5	3	6	MA-F 7/8pm
i major screen samples	2	3	6	ok	2	4	simple but complete	2	4	link on DEMO simple but complete	3	6	demo
j images online - how long	3	2	6	90 days no fee	2	6	yes no answer on how long	3	9	one year	2	6	varies
k monthly CD?	3	3	9	yes	2	6	on CD	1	3	if requested for fee on 5th	3	9	Cd or DVD
l How are images charged	2	3	6	90 free	1	2	charge on line not on reports	3	6	no charge for image	2	4	store, review
TOTAL FOR SECTION	24				69						51		
Deposit and Collection Services													
a Cut off times - by location	3	3	9	multiple ways	3	9	vary - 6pm - unique availability schedules - remote 8pm	1	3	5pm - remote 4pm	3	9	5pm-vault 3pm
b strapping and rolling	2	3	6	9pm remote - 4pm branch roll or loose >\$10	2	4	strap not divide	3	6	prefer not require	3	6	not required
c deposits per bag	2	3	6	one per	2	4	one per	3	6	City request	3	6	one per
d advices	2	3	6	online	0	0	no answer	3	6	online asap, image online	3	6	online - no return
e location on deposits	3	3	9	yes	3	9	yes off MICR	3	9	yes	3	9	yes MICR or self
f location tracking	3	3	9	yes	2	6	auxiliary MICR	0	0	no	3	9	yes
g deposit reconciliation	2	3	6	yes	1	2	yes from MICR - no reort but noted	0	0	no recon but can track deposit	3	6	Deposits by Location

Question		Wgt	640		578		544		737							
			Score	Total	Notes	Score	Total	Notes	Score	Total						
h	discrepancies	3	2	6	>\$500	2	6	advice to note discrepancy	2	6	call City	3	9	notr all		
i	notification on returns handling	3	3	9	online	2	6	notice but no method noted - options on choices/responses	3	9	call or as requested	3	9	inline		
j	deposit bag type	3	2	6	poly	2	6	clear poly - buy thru Comerica	2	6	lock or seal - provides "reasonable number to City"	3	9	poly		
k	immediate and post verification	2	2	4	QBD	2	4		2	4		2	4			
l	any delays?	2	3	6	no	2	4	customizes	3	6	no	3	6	no		
m	Coin orders advance notice?	1	3	3	same day	1	1	Friday by 4pm not online	3	3	30 minutes	3	3	online or phone - size matters		
n	deposit locations	2	3	6	601 Main	3	6	three	3	6	600 Main	3	6	Junction Highway		
o	Price on sample deposit	2	3	6		2	4	69.86	3	6		0	1	2	123.99	
	TOTAL FOR SECTION	35						71				76			99	
	Remote Deposit Capabilities. Describe equipment.	3	3	9		3	9	yes same references	3	9	standard	3	9	9	9	9
b	current experience	2	3	6		2	4		2	4	corporate users	2	4	2004 then mobile in 2011	no ref	
c	cut off time	1	3	3	10pm	3	3	8pm	1	1	4pm - no limits	3	3	9pm		
d	liability	3	3	9		2	6	no holds on deposits - City keeps checks	3	9	yes	3	9	same		
e	how long retained	2	3	6		2	4	30 days	2	4	21 days	3	6	5-14 days		
f	scanner options	2	3	6	two scanners free	2	4	certify thru 3rd party - 500	2	4	Panini Vision X - lease \$15/mo. \$500	3	6	free one		
	TOTAL FOR SECTION	13						30				31			37	
	4 Disbursements and commercial card	3	3	9		2	6	prior on web no time given - has CD	2	6	6:00 AM	3	9	9	9	9
a	daily information availability	3	3	9	CashPro - intra-day	2	6	same day - 80 days online	2	6	yes	3	9	yes		
b	image all checks?	3	3	9		2	6	prior day and can set standard reports	2	6		2	6	yes		
c	level of recording on received items	2	3	6		2	4	prior day and CD	2	4	number, amount and date	3	6	yes		
d	non-account holder	3	3	9		3	9	agreed	3	9	yes	3	9	yes	1994 - Visa - online mgmt, own system, spending limits, no liability after notification	
e	commercial card program?	3	3	9	TX Public Coop - no threshold - one bill - rebate if >\$500,000	2	6	MC - talks about team support	3	9	yes - pay monthly	3	9	yes		
f	can commercial car be purchasing card?	2	3	6	yes	2	4	ghost and purchasing cards -	3	6	yes each has spend limit	3	6	MC coes, admin options		
g	file formats	2	2	4	compatible file	2	4	several options -	2	4	3rd party options	2	4	yes		
	TOTAL FOR SECTION	0						39				44			52	

Question		Wgt	Score	Total	Notes	Score	Total	Notes	Score	Total	Notes	Score	Total	Notes	
			640	578	544	737									
5 Positive Pay															
a	Describe deadlines and transmission needs.	2	2	4	24 hours prior to release	3	6	decline 1am file	3	6	web	3	6	ARPPortal input - 14 off cycle	
b	payee PP available?	3	3	9	yes	3	9	yes	3	9	yes	3	9	yes	
c	online for manuals	3	3	9	yes	3	9	yes 2pm	3	9	yes online	3	9	yes	
d	all online for exceptions?	3	3	9	yes	3	9	yes	3	9	or call	3	9	yes	
e	repair before sending?	3	3	9	yes	3	9	yes	3	9	yes	3	9	yes	
f	time reported	1	3	3	notify at 10am	0	0	never says	3	3	6:00am	3	3	5:30am	
g	time deadline	2	3	6	4pm	2	4	2pm	1	2	11am	3	6	4pm next day	
h	responses available?	1	3	3	pay, no pay, fraud, refer to maker	2	2	pay/no pay	2	2	pay/return	2	2	pay or not	
i	all OTC verified	3	3	9	yes	3	9	thru day yes	3	9	real time	3	9	yes	
j	liability policy if no PP available	2	3	6	not applicable	3	6	not applicable	3	6	n/a	3	6	ok	
k	fraud control paper?	1	1	1	no	1	1	thru vendor	1	1	through vendor Delux	3	3	from WF vendor	
TOTAL FOR SECTION		24				68			64			65		71	
7 Account Reconciliation															
a	Describe partial	2	3	6		3	6	yes	0	0	uses PP	3	6	ok	
b	deposit recon?	2	3	6	yes Depository+	3	6	yes partial and deposit	0	0		3	6	full and partial	
c	cost efficiencies	3	3	9	bundled	3	9	partial and PP \$39 PP only \$22	0	0		3	9	all	
d	transmission requirements	3	3	9	3 standard	3	9	SFTP or FTP with PGP	0	0		3	9	all	
e	available reports	3	3	9	3-5 days	2	6	5 days after cycle web	0	0		3	9	listed	
f	sample recon reports	1	3	3	given	2	2	standard	0	0		3	3		
TOTAL FOR SECTION		14				42			38			0		42	
6 Wires and Transfers															
a	online monitoring on outgoing?	2	3	6	yes initiate and monitor	3	6	admit by City	3	6	online	3	6	yes and monitored	
b	repetitive templates	2	3	6	yes online and save-us	3	6	yes	3	6	yes	3	6	yes	
c	same level security	1	3	3	less on repetitive	2	2	same - paper if called in	2	2	yes	3	3	tiered	
d	dual required?	1	3	3	recommended	3	3	yes as implemented - dual on template	3	3	customized	3	3	tiered	
e	future dating	1	3	3	30 days	3	3	30 days	2	2	one week	3	3	60 days	
f	cut off times	2	3	6	5:30	2	4	basically 4pm	2	4	2pm cutoff	3	6	4:30 basically	
g	ledger balancpolicy	3	0	0	available	0	0	available funds only	2	6	case by case	3	9	risk group wwill monitor	
h	internal transfers - fee?	3	1	3	fee	1	3	online transfer is \$1.20	3	9	no fee	1	3	fee	

Question	Wgt	Score	Total	Notes	640	578	544	737
TOTAL FOR SECTION					30	27	38	
8) ACH Services								39
a all online	3	0	0	option of set up both		9 online	9 yes online - 2pm next day	3 9 11pm or 5pm same day
b returned tem policy	2	0	0	same		4 all chargeback with detail	6 advice no fee	3 6 before sending
c future dated	2	0	0	10 days		6 30 days	6 one year	3 6 45 days
d filters and blocks	3	0	0	full		6 ACH PP	6 blocks	3 9 yes whole range
e pre-note policy	3	0	0			9 encourage them	9 required	3 9 yes
TOTAL FOR SECTION	13	0	0		34			36
10) Safekeeping								39
a Online information available? Describe.	2	3	6	Cashpromonitor		6 online info not transaction	4 email as occur	3 6 WF Brokerage
b Correspondent? Describe	2	3	6	BoA		4 Internal I think just talk safety	4 yes a correspondent	3 6 no
c Identify the correspondent	3	1	3	trade thru Merrill self clearing		6 Citibank	6 FHLB or IBB Dallas	3 9 no
d charged hard dollar or AA	2	3	6	either way		2 hard dollar separate	2 will be charged hard	2 4 hard
TOTAL FOR SECTION	9	21	21		18			16
11) Collateralization								25
a Acceptance of conditions?	3	3	9	BNY online acces, wants sub.		0 statements	9 agreed	2 6 some changes
TOTAL FOR SECTION	3	9	9		0	talk re Basel II 1/16		9
12) Account Analysis								6
a Sample provided?	2	3	6			6 attached	2 attached	3 6 ok
b Availability?	2	3	6	6th day		4 9th day - email or online	6 1st day	3 6 5th
c CD	2	3	6	yes		4 yes	0 no	3 6 can
d How long on line	1	3	3	24 months		2 45 days - to see online \$6	0 not online	3 3 13 months
TOTAL FOR SECTION	7	21	21		16			8
12) Monthly Statement								21
a Sample provided?	2	3	6	ok		6 attached	6 attached	3 6 ok
b Availability?	2	2	4	6th say - mailed on 5th		6 mail in 5 days - next day online	6 1st day	3 6 ARP 4 days
c Online availability? How long online?	2	3	6	yes or paper online 24 months		6 - assume this means not online	6 yes and on CD if given	3 6 pdf instead 3 cycles
d CD and a fee	1	3	3	no fee		3 on CD - no fee paper	3 no fee	3 3 no statement on CD
TOTAL FOR SECTION	7	19	19		21			21

		640			578			544			737		
Question	Wgt	Score	Total	Notes	Score	Total	Notes	Score	Total	Notes	Score	Total	Notes
14 Account Executive Structure for support? What level from local reps?	2	2	4		2	4	VP Municipalities	3	6		3	6	
All answers in one day	2	3	6		2	4	primary rep	3	6		3	6	
Name and title of execs?	2	3	6	tech team	3	6	yes plus specialists	3	6	tech team	3	6	tech team
Technical problem handling?	2	3	6	tech team	2	4	tech support 8-5	2	4	will handle all	3	6	tech team
Additional tech support?	2	3	6	yes	3	6	tech support 8-5	0	0	not available after hours	3	6	yes
TOTAL FOR SECTION	10			28			24			16			30
15 Overdrafts													
Aggregation for charges?	3	2	6	fee	1	3	intraday at account level no cap on fees	2	6	\$15 per	3	9	fee
TOTAL FOR SECTION	3			6			3			6			9
15 Stop Payments													
Describe service and policy	3	3	9	searches paid to 36 months	3	9	standard	3	9	online or call	3	9	
How long are standard? Time options?	3	2	6	chocase	2	6	6 months extend for 6 months	2	6	180 days	3	9	6 months
How is it renewed or cancelled?	2	3	6	online to 36 months	2	4		2	4	180 days	3	6	online
Cancellations	3	3	9	online	3	9	yes online or call	3	9	online or call	3	9	online
Deadline for same day action?	1	3	3	real time	2	2	phone by 8pm - not guaranteed	2	2	4pm	2	2	
Will online verify if check has cleared?	3	3	9	yes	1	3	back one month	0	0	no	3	9	
TOTAL FOR SECTION	15			42			33			30			44
16 Company Banking													
Available	1	3	3		2	2		0	0	no	3	3	
Services	1	3	3		2	2		0	0	no	3	3	
TOTAL FOR SECTION	2			6			4			0			6
TOTAL FOR REQUIRED BANK SERVICES				640			578			544			737
OPTIONAL SERVICES													
1 Stored Value Cards													
Does bank provide service currently? How long?	2	0	0	no proposal	3	6	Workplace Card since 1995	0	0		3	6	reload or not - instant issue
Number of customers?	3	0	0		2	6	many	0	0		3	9	available
Authorization mark?	3	0	0		3	9	MC	0	0		3	9	online
Describe enrollment process.	2	0	0		2	4	cards, contract and training issues	0	0		3	6	online
Dormancy charges? Triggers?	2	0	0		3	6	none	0	0		3	6	11 months no activity
Servicing - bi-lingual?	2	0	0		3	6	800-NVR 24/7 - immediate block	0	0		3	6	yes

Question	Wgt	Score	Total	Notes	Score	Total	Notes	Score	Total	Notes	Score	Total	Notes
g	1		0		3	3	issues final check to cardholder - if not escheat		0		3	3	yes
h	2		0		2	4	7pm file		0		3	6	standard
i	1		0		2	2	done		0		3	3	fees
TOTAL FOR SECTION			18		0	46			0				54
Image Lockbox													
a	3		0	no proposal	3	9	yes	2	6	can do	3	9	ok
b	3		0		2	6	summary thru day - 3xday	0	0	need more info	3	9	online
c	2		0		2	4	standard	1	2	mid January	3	6	file transmit
d	3		0		2	6	support	1	3	help design	3	9	customize
e	2		0		3	6	to 4 weeks	2	4	8-16 weeks	3	6	test and team
f	2		0		3	6	Dallas	1	2	Chicago	3	6	gives outline
g	3		0		2	6	standard but barebones	2	6	attached	3	9	dallas
h	3		0		1	3	no times given	3	9	7x per day	3	9	ok
i	2		0		2	4	yes for additional fee	3	6	yes	3	6	4x day
j	3		0		2	6	standard	2	6	no weekend	3	9	yes
k	3		0		3	9	6x day	1	3	log in	2	6	ok
l	1		0		3	3	4 hours from specialist assigned	0	0	not applicable	3	3	yes report M-F
m	2		0		2	4	same as above	1	2	disaster plan	1	2	yes tracked
n	2		0		2	4	redundancy	0	0	file specs	3	6	available later
o	2		0		3	6	files	2	4	request	3	6	yes redundant
p	2		0		2	4	noon	2	4	request	3	6	ok
TOTAL FOR SECTION			38		0	86			57				107
Check Printing													
a	2		0	no proposal	3	6	yes - integrate with payables		0	not available	3	6	9pm next day - same 11am
b	3		0		3	9	1pm - then Standard Register same day		0		3	9	file transmit - FX, business days only processing
TOTAL FOR SECTION					0	147							
TOTAL FOR OPTIONAL SERVICES					0								176

2014

CITY OF KERRVILLE
ATTACHMENT B ANALYSIS

<u>Earnings Credit Rate (ECR)</u>		Bank of America	Comerica	Pioneer	Wells Fargo
Month/Year	Rate	Rate	Rate	Rate	Rate
Sep-13	0.250%	0.250%	0.000%	1.300%	
Oct-13	0.250%	0.250%	0.000%	1.300%	
Nov-13	0.250%	0.250%	0.000%	1.300%	
Dec-13	0.250%	0.250%	0.000%	1.300%	
Jan-14	0.250%	0.250%	0.000%	1.300%	
Feb-14	0.250%	0.250%	0.000%	1.300%	
Mar-14	0.250%	0.250%	0.000%	1.300%	
Apr-14	0.250%	0.250%	0.000%	1.300%	
May-14	0.250%	0.250%	0.000%	1.300%	
Jun-14	0.250%	0.250%	0.000%	1.300%	
Jul-14	0.250%	0.250%	0.000%	1.300%	
Aug-14	0.250%	0.250%	0.000%	1.300%	
Avg.	0.250%	0.250%	0.000%	1.300%	

offers 0.45% for
first year

will pay interest on
all accounts

Interest Bearing Accounts

Month/Year	Rate	Rate	Rate	Rate
Sep-13	0.000%	0.150%	0.350%	0.010%
Oct-13	0.000%	0.150%	0.350%	0.010%
Nov-13	0.000%	0.150%	0.350%	0.010%
Dec-13	0.000%	0.150%	0.350%	0.010%
Jan-14	0.000%	0.150%	0.350%	0.010%
Feb-14	0.000%	0.150%	0.350%	0.010%
Mar-14	0.000%	0.150%	0.350%	0.010%
Apr-14	0.000%	0.150%	0.350%	0.010%
May-14	0.000%	0.150%	0.350%	0.010%
Jun-14	0.000%	0.150%	0.350%	0.010%
Jul-14	0.000%	0.150%	0.350%	0.010%
Aug-14	0.000%	0.150%	0.350%	0.010%
Avg	0.000%	0.150%	0.350%	0.010%

Money Market Accounts

under \$500,000 FF+ 10bps
0.100%

Month/Year	Rate	Rate	Rate	Rate
Sep-13	0.000%	0.000%	0.000%	0.050%
Oct-13	0.000%	0.000%	0.000%	0.050%
Nov-13	0.000%	0.000%	0.000%	0.050%
Dec-13	0.000%	0.000%	0.000%	0.050%
Jan-14	0.000%	0.000%	0.000%	0.050%
Feb-14	0.000%	0.000%	0.000%	0.050%
Mar-14	0.000%	0.000%	0.000%	0.050%
Apr-14	0.000%	0.000%	0.000%	0.050%
May-14	0.000%	0.000%	0.000%	0.050%
Jun-14	0.000%	0.000%	0.000%	0.050%
Jul-14	0.000%	0.000%	0.000%	0.050%
Aug-14	0.000%	0.000%	0.000%	0.050%
Avg	0.000%	0.000%	0.000%	0.050%

intends to pay interest
on all accounts

Sweep Alternative(s)

Month/Year	Rate	Rate	Rate	Rate
Sep-13	0.000%	0.010%	0.000%	0.100%
Oct-13	0.000%	0.010%	0.000%	0.100%
Nov-13	0.000%	0.010%	0.000%	0.100%
Dec-13	0.000%	0.010%	0.000%	0.100%
Jan-14	0.000%	0.010%	0.000%	0.100%
Feb-14	0.000%	0.010%	0.000%	0.100%
Mar-14	0.000%	0.010%	0.000%	0.100%
Apr-14	0.000%	0.010%	0.000%	0.100%
May-14	0.000%	0.010%	0.000%	0.100%
Jun-14	0.000%	0.010%	0.000%	0.100%
Jul-14	0.000%	0.010%	0.000%	0.100%
Aug-14	0.000%	0.010%	0.000%	0.100%
Avg	0.000%	0.010%	0.000%	0.100%

Agenda Item:

3B. Submission of a funding application to the City of Kerrville Economic Improvement Corporation for 2015 Mardi Gras on Main event in the amount of \$10,000.00. (staff)

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

SUBJECT: Authorization to submit a community event funding application to the Economic Improvement Corporation in the amount of \$10,000 for the 2015 Mardi Gras on Main event

FOR AGENDA OF: November 11, 2014 **DATE SUBMITTED:** October 31, 2014

SUBMITTED BY: Ashlea Boyle *ab* **CLEARANCES:** Todd Parton
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

The Economic Improvement Corporation (EIC) began accepting funding applications for community events in 2013. City staff is requesting authorization to submit a funding application to the EIC in the amount of \$10,000 for equipment items and supplies to support the 2015 *Mardi Gras on Main* event. Funding applications for community events for the 2015 calendar year are due to the EIC by December 1, 2014. The EIC will consider the community event applications at their January 2015 meeting.

Mardi Gras on Main (MGOM) began in 2005 as a celebration of Kerrville Main Street's 10th Anniversary. It has since evolved into a festival that focuses on Cajun food, entertainment, art, fine drinks, and a royal court. Each year since its inception, people gather to celebrate Mardi Gras Kerrville Style. In 2014, the event was brought outside on the streets of Historic Downtown Kerrville (Earl Garrett Street) for the very first time. Due to its success, the 2015 *MGOM* will again be held in the same location on Fat Tuesday, February 17th from 6:00 p.m. – 9:00 p.m.

In an effort to provide affordability and increase attendance, entry to the 2015 event will be free. In the past, ticket prices ranged from \$30-\$75 each, which is expensive for an event of this nature. Events such as *Kerrville's 4th on the River* became much more successful once the ticket prices were dropped, thus allowing more of the general public an opportunity to attend. Even more fantastic enhancements are planned such as a gumbo cook-off, addition of Cajun food, and a costume contest. A major component of *MGOM* is the arts. A call to artists is currently being advertised for the Signature Art piece. All

artwork submitted will be juried and one signature piece will be chosen as well as others to be displayed at the event. The signature piece will be professionally reproduced on posters as well as featured on a private wine label for the Signature Wine.

MGOM is the only fundraiser hosted by Kerrville Main Street. Previously, proceeds benefited solely public art projects with the installation of the Mother's Love sculpture by James Avery located at the corner of Earl Garrett Street and Main Street as the first completed project. Proceeds are now being designated to be returned back downtown through public art and revitalization projects. The new downtown banners are a minor project of these proceeds in addition to recent marketing efforts and a contribution to the lighting of the downtown buildings for the holidays. City staff and the Main Street Advisory Board are currently developing a program of incentives to make available to downtown businesses through marketing / advertising grants, enhancing sign and façade grants in addition to a revised scope for public art.

RECOMMENDED ACTION

City staff is requesting authorization to submit a funding application to the EIC in the amount of \$10,000 for the 2015 Mardi Gras on Main event.

Agenda Item:

3C. Memorandum of Agreement with the Veterans Administration for emergency services for Freedom's Path development at the South Texas Veterans Health Care System. (staff)

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

SUBJECT: Memorandum of Agreement between the Veterans Administration and the City of Kerrville for the provision of police, fire and emergency medical services to the Freedom's Path development

FOR AGENDA OF: Nov. 11, 2014

DATE SUBMITTED: Nov. 6, 2014

SUBMITTED BY: Todd Parton
City Manager

CLEARANCES:

EXHIBITS: Draft Memorandum of Agreement

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$0	\$0	\$0	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

Kerrville Senior Apartments Limited Partnership ("Developer") is finalizing its plans for the construction of the Freedom's Path senior veterans' housing project to be located at the Kerrville VA Hospital on Memorial Boulevard. The first phase of the project will include the construction of 49 apartment units to provide a permanent, supportive housing facility for combat disabled veterans.

This Memorandum of Agreement (MOA) will establish that the City of Kerrville will have jurisdiction to provide police, fire and emergency medical services. This is necessary since the Freedom's Path project is on federal land and subject to federal jurisdiction. The VA does not have adequate resources to serve the development. The Kerrville Police Department currently assists VA police for the hospital and the Kerrville Fire Department provides fire and emergency medical services to the hospital. No additional staff or equipment is necessary to serve the development.

Property taxes will be collected on the buildings and improvements of the Freedom's Path development. It is estimated that the project will add approximately \$7 million to the tax roll and generate approximately \$30,000 in annual maintenance and operations property taxes to the City of Kerrville to help cover the costs associated with serving the project.

RECOMMENDED ACTION

City staff recommends that the City Council approve this MOA as presented.

Memorandum of Agreement (MOA)

This Memorandum of Agreement ("MOA") is entered into this _____ day of _____, 2014, by and between Kerrville Senior Apartments Limited Partnership (dba Freedom's Path at Kerrville) ("Lessee"), with its principle offices at 3550 South Tamiami Trail, Suite 301, Sarasota, Florida 34239, the City of Kerrville ("City"), with its principal offices at 701 Main Street, Kerrville Texas 78028, and the South Texas Veterans Health Care System ("STVHCS"), located at 3600 Memorial Blvd, Kerrville, Texas 78028.

1. **PURPOSE.** The parties wish to enter into a MOA to describe and identify their respective responsibilities concerning Fire, Police, and Emergency Medical Services to be provided by City to and for the benefit of Lessee (the "Project"), which owns and operates a residential apartment facility to be located on approximately 5 acres of land at the Kerrville Division STVHCS campus.

2. **PROJECT DESCRIPTION.** The contemplated Project is a 49 unit permanent supportive housing facility (with a proposed Phase 2 of 51 units of housing) located on approximately 5 acres of land at the Kerrville Division of STVHCS campus. The Developer and STVHCS entered into an Enhanced-Use Lease in December of 2011, and now contemplate entering into to an Enhanced-Use Lease Amendment #1 with VA (the "EUL"), which Lease will govern the development of the apartment community, constructed as shown on the site development plans approved by the City of Kerrville on May 16th, 2014.

3. COMMUNICATIONS/ROLES AND RESPONSIBILITIES

A. *Communication.* Throughout the development and subsequent operation of the Project, the Lessee and the City will meet and/or communicate regularly to discuss services relative to the Project as appropriate (as such services are discussed more fully below). The frequency and nature of the meetings will be determined by the phase of the Project's development.

B. *Roles and Responsibilities.*

(i) Services. It is understood Lessee will pay property taxes to the City as required by law, and therefore will be entitled to City services. With respect to emergencies requiring "first responders," the City will provide all reasonable police, fire, and emergency medical services for the Project in the sole discretion of the City. The City will determine, in its sole discretion, the amount and type of equipment and number of personnel it will furnish in response to any emergency or other call. The parties acknowledge and agree that the City's response may be impacted at times due to the occurrence of natural disasters or other catastrophic events, which may limit or render the City's response substantially impossible.

(ii) Access. It is understood the only way to access the Project by vehicle is by traveling on STVHCS roads which are Federal property. Therefore, STVHCS agrees to grant City's and other first responders full access to VA roads so they can provide services to the Project.

(iii) Jurisdiction. It is understood the City's first responders will have full jurisdictional authority to provide services within the boundaries of the Project.

(iv) Police. This MOA does not affect the, "Memorandum of Declaration for Mutual Assistance," currently in effect between STVHCS Police and City of Kerrville Police Department for service on STVHCS property. STVHCS Police will in no way interfere with the Kerrville Police Department in their duties to provide services to the Project.

(v) Costs and Expenses. STVHCS is not responsible for costs and expenses associated with the services provided by City under this this MOA.

4. AUTHORIZED REPRESENTATIVES. Each party agrees to have one person who will serve as its lead contact and who is empowered to make all non-financial and non-legal decisions on the party's behalf with respect to this MOA. If a party changes its designated lead, it will notify the other party in writing. The designated leads are as follows:

The Lessee:	Craig Taylor, President
The City:	Police Chief
The STVHCS:	Marie Weldon, Director (STVHCS)

5. SUCCESSORS, ASSIGNMENTS. No party may assign its rights or obligations under this MOA without the prior written consent of the other parties, which consent may be given or withheld in the other parties' sole discretion.

6. APPROVAL. Except as otherwise specifically provided in this MOA, wherever the consent or approval of a party is required under this MOA, such consent or approval shall not be unreasonably withheld or delayed.

7. AUTHORITY. Each of the parties has the right, power and authority to enter into this MOA and perform its respective obligations hereunder. Without the prior written consent of the other parties, which may be given or withheld in one's sole discretion, no party shall have the authority to:

- A. Do any act in contravention of this MOA;
- B. Do any act which would make it impossible for the parties to carry out their respective obligations hereunder;
- C. Assign the rights of the parties;
- D. Transfer or assign their rights in the MOA; or
- E. Terminate this MOA other than as otherwise permitted hereunder.

8. TERM. This MOA shall be effective of the date set forth above, and shall continue thereafter until the occurrence of the earliest of the following events:

- A. Mutual agreement of the parties;
- B. Termination of the Lease, which notice of the termination must be provided to City by STVHCS within five days of such occurrence; or
- C. The failure by a party to perform its obligations under this MOA and such failure shall continue for a period of at least thirty (30) days after written notice thereof from the party or parties claiming such default, or such longer period as reasonably necessary to cure such default, provided that the defaulting party is proceeding diligently with such cure.

9. MISCELLANEOUS

- A. *Notices.* All notices under this MOA shall be in writing, shall be effective upon delivery by certified or express U.S. Mail or an express delivery services which shall show the location and delivery date and shall be addressed as follows:

The Lessee:

Kerrville Senior Apartments Limited Partnership
C/o Communities For Veterans
3550 S. Tamiami Trail, Suite 301
Sarasota, FL 34239
Attn: Craig Taylor

The City:

City of Kerrville
Police Chief
429 Sidney Baker
Kerrville, TX 78028

Department of Veterans Affairs (VA):

STVHCS
7400 Merton Minter
San Antonio, TX 78229
Attn: Marie Weldon

- B. *Binding Effect.* This MOA shall inure to and bind the parties, their respective representatives, successors and assigns.
- C. *Counterparts.* This MOA may be executed in counterparts, all of which taken together shall be deemed one original agreement.
- D. *Captions.* Sections, titles, or captions in no way define, limit, extend or describe the scope of this MOA to the intent of any of its provisions, and are for convenience of reference only.
- E. *Governing Law.* This MOA shall be construed in accordance with and be governed by the provisions of the laws of the State of Texas. Venue shall occur in Kerr County, Texas.
- F. *Waiver.* No waiver of any right under this MOA shall be deemed effective unless contained in writing signed by the party charged with the waiver. No waiver of any breach or any failure to perform shall be deemed to be a waiver of any future breach or failure to perform or of any other right arising under this MOA.
- G. *Entire Agreement.* This MOA sets forth the entire agreement of the parties. This MOA may not be modified except in writing signed by authorized signatories of each
- H. *Mediation.* In the event of a conflict between the parties, the parties shall use their best efforts to resolve the conflict in a manner that is in the best interests of the Project. In the event such conflict cannot be resolved in a timely manner, the parties shall try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to some other dispute resolution procedure. Either party may request mediation by giving notice to the other party and by filing its applicable submission or request for mediation as required by the American Arbitration Association under its Commercial Mediation Procedures within thirty (30) days of the date of such notice.

IN WITNESS WHEREOF, the parties have executed this MOA as of the date first written above.

Kerrville Senior Apartments Limited Partnership (Lessee)
By: Communities For Veterans LLC

Don Paxton, Manager

Date

City of Kerrville

Todd Parton, City Manager

Date

South Texas Veterans Health Care System (STVHCS)

Marie Weldon, Director
VA South Texas Health Care System

Date

Agenda Item:

3D. Development Agreement between Kerrville Senior Apartments Limited Partnership and the City of Kerrville, Texas, pursuant to the development and Construction of Freedom's Path Senior Veterans Residences Housing Project.
(staff)

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

SUBJECT: Development agreement between the City of Kerrville and Kerrville Senior Apartments Limited Partnership for the City's installation and construction of an eight-inch (8") water line

FOR AGENDA OF: Nov. 11, 2014

DATE SUBMITTED: Nov. 6, 2014

SUBMITTED BY: Todd Parton
City Manager

CLEARANCES:

EXHIBITS: Draft Agreement

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$0	\$0	\$0	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

Kerrville Senior Apartments Limited Partnership ("Developer") is finalizing its plans for the construction of the Freedom's Path senior veterans' housing project to be located at the Kerrville VA Hospital on Memorial Boulevard. The first phase of the project will include the construction of 49 apartment units to provide a permanent, supportive housing facility for combat disabled veterans.

Adequate fire flow and pressure is required by code to serve this project. The Developer is extending a water line approximately 1,210 feet from an existing main in Spur 100. The Spur 100 water tank was on line when the Developer started designing the project and at that time the system was adequate. As a direct result of taking the Spur 100 water tower off line due to water quality issues the originally design line no longer provides adequate flow and pressure for firefighting. The Developer's line must be looped in order to provide adequate flow and pressure. Pursuant to this agreement the City of Kerrville will construct, at its sole cost, an eight-inch (8") water main to loop the Developer's line.

In order to loop the Developer's line, city staff would install approximately 1,255 linear feet of eight-inch (8") diameter pipe. Construction is expected to take approximately two weeks and materials and supplies are estimated to cost \$30,000. Providing this loop also provides a broader public purpose in that it ensures fire flow for the veterans' hospital and that portion of the city.

This agreement specifies that the city will initiate construction once the VA grants a right of access for the line and the Developer initiates construction of its water line extension.

RECOMMENDED ACTION

City staff recommends that the City Council approve this development agreement and loop the Freedom's Path water line since the reduced water flow and pressure are directly related to taking the Spur 100 tank off line and that the project also serves a broader community purpose.

DEVELOPMENT AGREEMENT BETWEEN KERRVILLE SENIOR APARTMENTS LIMITED PARTNERSHIP AND THE CITY OF KERRVILLE, TEXAS, PURSUANT TO THE DEVELOPMENT AND CONSTRUCTION OF THE "FREEDOMS PATH" SENIOR VETERANS RESIDENCES HOUSING PROJECT

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into as of the ____ day of November, 2014, by Kerrville Senior Apartments Limited Partnership, a Texas limited partnership ("Developer"), and the City of Kerrville, Texas ("City"), a Texas home rule municipality.

WITNESSETH:

WHEREAS, the Department of Veterans Affairs ("VA") owns all of that certain tract of land within the City of Kerrville, Kerr County, Texas, located between loop 534 (Veterans Highway) and Highway 27 on the east side of Kerrville (hereafter sometimes referred to as the "VA Property"); and

WHEREAS, the Developer has leased 5.0 acres of land from the VA to construct a senior veterans residential housing project, to provide a permanent supportive housing facility for combat disabled veterans, which land is more particularly described in **Exhibit "A"** attached hereto and incorporated herein by reference for all purposes (hereafter sometimes referred to as the "Project Property"). The Project Property is part of the VA Property; and

WHEREAS, the City and Developer find it to be to their mutual advantage to enter into this Agreement regarding the construction of appropriate and necessary public improvements, which in this case consists of public water lines; and

WHEREAS, Texas Local Government Code §212.071, as amended, authorizes municipalities to participate in the developer's costs of construction of public improvements related to the development of subdivisions within the municipality without compliance with Chapter 252 of the Texas Local Government Code, as amended;

NOW, THEREFORE, in consideration of the covenants, conditions, and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Developer does hereby agree that the Project Property shall be developed in accordance with the following provisions and conditions, in addition to other City ordinance requirements or other applicable governmental regulations (hereafter sometimes collectively referred to as "Codes"):

1. The Recitals are incorporated herein by reference.
2. This Agreement is contingent on the VA approving the location for a perpetual, 20 foot wide easement over and across the VA Property along the route described in **Exhibit "B"** attached hereto and incorporated herein by reference (the "Easement Property"). The City shall have the route surveyed at the City's sole cost and expense and shall prepare an

easement agreement as provided by and using the VA's form, and subject to review and approval by the VA. The City anticipates that the VA will initially grant a revocable license for the City's installation of the water line on the VA Property, following which the VA will grant the perpetual easement, both of which the City anticipates will be forthcoming following the date of this Agreement.

3. Developer agrees to construct its water line generally described in Paragraph 4, below, and more particularly set forth in engineering drawings titled Civil Construction Plans for Freedoms Path at Kerrville prepared on behalf of Developer at Developer's expense by Wellborn Engineering, LLC, and approved by the City Engineer on November 5, 2014 (hereafter collectively called "the Specifications"). The Specifications are hereby incorporated herein by reference and made a part of this Agreement. Developer must substantially comply with the Specifications in the performance of its work pursuant to this Agreement. No amendment to the Specifications may be made without the written approval of the City Engineer.
4. The water line to be constructed by Developer pursuant to this Agreement is as generally described and depicted on the Specifications. Prior to the commencement of any work by Developer, Developer shall participate in a preconstruction meeting with the City Engineer and must then receive a notice to proceed from City in accordance with the process described in **Exhibit "C"**.
5. The City shall construct a water line in accordance with **Exhibit "A"** which includes, but is not limited to, an eight inch (8.0") diameter water main from the southwestern corner of the Project Property in a northwesterly direction approximately 1,255 feet and connecting to the City's existing six inch (6.0") water line that currently serves the VA Property. The City shall connect or cause to be connected its new eight inch (8.0") line with the eight inch (8.0") inch line to be constructed by Developer. The work to be accomplished by the City is referred to herein as the "Public Improvements", all of which shall be done at the City's sole cost.
6. The City's construction of the Public Improvements shall be accomplished using open cut installation. The City shall repair, at its sole cost, any existing lines, including without limitation, water lines, electrical lines, gas lines, and communication lines, driveways, sidewalks, curbs, and gutters, damaged during its construction of the Public Improvements. Upon completion of the Public Improvements, the City shall grade, seed, and mulch that portion of the VA Property damaged during installation of the Public Improvements; provided, however, that the City shall not be responsible to replace any trees or shrubbery damaged or removed during construction of the Public Improvements.
7. The City shall commence construction of the Public Improvements not later than fourteen days following the commencement of construction of Developer's eight inch (8.0") water line and the execution of a license agreement (or easement) between the City and VA providing authority for the City to construct the Public Improvements. City shall complete the Public Improvements not later than thirty days following the City's start of construction, but may delay such completion date due to Acts of God and weather

conditions. City shall document and provide written notice to Developer of such days. When complete, the Public Improvements will supply potable water to the Project Property adequate to provide fire water protection and domestic water service for Developer's Freedoms Path at Kerrville Project.

8. The Public Improvements serve a legitimate public purpose in that the City of Kerrville will establish sufficient water supply to serve the health, safety, and welfare needs of the City's people. The public benefit to be derived from the Public Improvements is a potable water delivery system that meets or exceeds standards required by the Texas Commission on Environmental Quality.
9. The City has adequate funds for the Public Improvements within its immediate control. As of the effective date of this Agreement the City has ordered the supplies and equipment necessary for construction of the Public Improvements.
10. City Inspectors will do utility construction inspection for the Developer's work installing the waterline as described herein during the construction phase. The City Engineer shall attempt to cause such work to be inspected not later than two (2) days after notice from Developer. Notwithstanding anything herein to the contrary, the City's utility inspection and approvals must occur prior to the backfilling of the water line or ancillary improvements. If the City Engineer determines that all work has been completed in conformance with the Specifications and all City codes, then the City Engineer shall give his approval for that improvement work.
11. The City will continue to work in good faith with the VA to obtain the easement over the VA property.
12. This Agreement may be modified or amended only by the mutual consent of the parties hereto.
13. This Agreement contains the complete and entire agreement between the parties respecting the matters addressed herein, and supersedes all prior negotiations, agreements, representations and understandings, if any, between the parties respecting such matters.
14. Except as may be otherwise specifically provided in this Agreement, all notices required or permitted hereunder shall be in writing as follows:

If to Developer:
Robert Smith
Vice President, Beneficial Communities
3550 So. Tamiami Trail
Sarasota, FL 34239

If to City:
City Manager
City of Kerrville, Texas
800 Junction Highway
Kerrville, Texas 78028

15. In any action brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorney's fees and court costs in addition to any other relief that may be awarded.
16. Any clause, sentence, provision, paragraph or article of this Agreement held by a court of competent jurisdiction to be invalid, illegal or ineffective shall not impair, invalidate or nullify the remainder of this Agreement, but the effect thereof shall be confined to the clause, sentence, provision, paragraph or article so held to be invalid, illegal or ineffective.
17. This Agreement shall be construed under the laws of the State of Texas and all obligations of the parties hereunder are performed in Kerr County, Texas.

EXECUTED in duplicate the day and year first above written.

CITY OF KERRVILLE, TEXAS

Kerrville Senior Apartments Limited Partnership, a Texas limited partnership.

By _____
Todd Parton, City Manager

By _____

ATTEST:

Brenda G. Craig, City Clerk

APPROVED AS TO FORM:

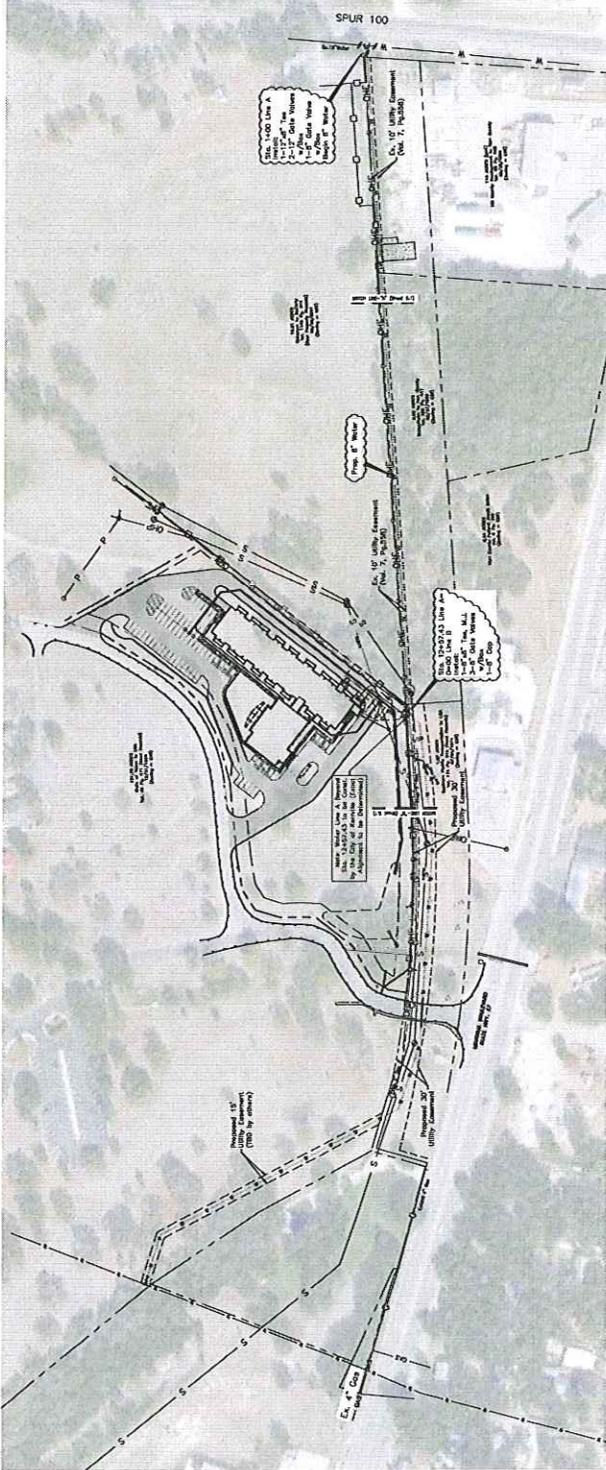
Michael C. Hayes, City Attorney

Exhibit A

Description of Subject Tract

FORTHCOMING

Exhibit B



WELLBORN ENGINEERING, P.C.
 602 CARDINAL DRIVE
 TULSA, OKLAHOMA 74106-7701
 TEL: 918.438.1100
 FAX: 918.438.1101
 CONTACT: TYN ONG

COMMUNITIES FOR VETERANS
 2300 JOHN BIRNEY AVENUE
 KERRVILLE, TEXAS 76021
 TEL: 817.972.2700
 CONTACT: BOB SMITH

CONTRACTORS
 CONTRACT: TYN ONG

CONSULTANTS
 CONTRACT: TYN ONG

PROJECT PARTNER
 CONTRACT: TYN ONG

- UTILITY GENERAL NOTES**
1. THE LOCATION OF ALL UTILITIES LOCATED ON THESE PLANS WERE IDENTIFIED BY THE PROJECT FROM AVAILABLE RECORDS. THE EXACT LOCATION AND ELEVATION OF ALL UTILITIES MAY NOT BE EXACT. THE CONTRACTOR SHALL VERIFY THE HORIZONTAL AND VERTICAL LOCATION OF ALL UTILITIES PRIOR TO CONSTRUCTION AND/OR DEMOLITION COMMENCEMENT. IT SHALL BE THE CONTRACTOR'S RESPONSIBILITY TO IDENTIFY ANY ADDITIONAL FACILITIES OTHER THAN THOSE SHOWN ON THE PLANS THAT MAY BE PRESENT. THE CONTRACTOR SHALL PROTECT ALL UTILITIES IN THE CONSTRUCTION OF THIS PROJECT. ALL MANHOLES, CLEAN-OUTS, WATER METERS, VALVE BOXES, FIRE HYDRANTS, AND OTHER FACILITIES SHALL BE ADJUSTED TO PROPER LINE AND GRADE BY THE CONTRACTOR PRIOR TO AND AFTER THE PLACING OF CONCRETE. ALL UTILITIES SHALL BE MAINTAINED TO PROPER LINE AND GRADE DURING CONSTRUCTION OF THIS PROJECT. THE CONTRACTOR SHALL BE RESPONSIBLE FOR ALL CONNECTIONS INCLUDING BUT NOT LIMITED TO: WATER, SANITARY SEWER, GAS, AND TELEPHONE. ANY DISCREPANCIES BETWEEN THESE PLANS TO THE ENGINEER PRIOR TO CONSTRUCTION.

- WATER NOTES**
1. ALL MATERIALS, CONSTRUCTION, TESTING, AND WORKMANSHIP SHALL CONFORM TO THE CITY OF KERRVILLE STANDARD SPECIFICATIONS DATED JANUARY 2005, EXCEPT AS NOTED HEREIN.
 2. IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO PROTECT ALL EXISTING UTILITIES INCLUDING BUT NOT LIMITED TO FENCING AND UTILITIES IN THE AREAS OF THE PROJECT AND PRIOR TO FINAL ACCEPTANCE. CLEAN-OUTS, VALVE BOXES, FIRE HYDRANTS, ETC. MUST BE ADJUSTED TO PROPER LINE AND GRADE BY THE CONTRACTOR TO COMPLETION AND/OR FINAL ACCEPTANCE. UTILITIES MUST BE MAINTAINED TO PROPER LINE AND GRADE DURING CONSTRUCTION OF THIS PROJECT.
 3. ALL TIE-INS TO EXISTING WATER MAINS SHALL BE PERFORMED BY THE CITY OF KERRVILLE PERSONNEL AT CONTRACTOR'S EXPENSE UNLESS OTHERWISE APPROVED BY THE DIRECTOR OF PUBLIC WORKS.
 4. CONTRACTOR SHALL NOTIFY THE CITY ENGINEER AT LEAST 48 HOURS PRIOR TO CONNECTING PROPOSED WATER LINE TO EXISTING WATER SYSTEM AND PRIOR TO ANY DISRUPTION OF WATER SERVICE TO ANY PROPERTY.
 5. FOR THE PURPOSE OF RECORD DRAWINGS BY AS-BUILTS FOR THE CITY OF KERRVILLE, THE CONTRACTOR SHALL FURNISH THE ENGINEER WITH ALL THE FINAL MEASUREMENTS UPON COMPLETION OF THE PROJECT AND PRIOR TO FINAL ACCEPTANCE.
 6. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY ENGINEER MUST BE OBTAINED FOR APPROVAL IN ADVANCE OF ANY DECISION TO DEFLECT WATER LINES. CONTRACTOR SHALL KEEP ACCURATE RECORDS OF ALL DEFLECTIONS AND SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE MANUFACTURER OF THE PIPE.
 7. ALL CONNECTIONS ARE TO BE COORDINATED WITH THE OWNER IN SUCH A MANNER AND AT SUCH A LOCATION AS TO BE REMOVED FOR A CONNECTION, THEN THE WORK OF THE CONTRACTOR SHALL PROGRESS WITHOUT INTERRUPTION UNTIL COMPLETE. NO MAKING THE CONNECTION SHALL BE MADE WITHOUT INTERUPTION UNTIL COMPLETE. NO WORK SHALL BE STOPPED FOR ANY REASON UNLESS OTHERWISE APPROVED BY THE CITY ENGINEER. COMPENSATION FOR NET CONNECTION UNDER UNFAVORABLE WORKING CONDITIONS SHALL BE INCIDENTAL TO THE WATER MAIN ONLY WHEN REQUESTED BY THE CONTRACTOR AND ACCEPTED BY THE CITY ENGINEER.
 8. ALL FITTINGS, VALVES, OR OTHER APPURTENANCES NECESSARY FOR TESTING OR DISINFECTION OF UTILITY LINES SHALL BE PROVIDED BY THE CONTRACTOR AT NO ADDITIONAL COST TO THE CITY OF KERRVILLE. TESTING SHALL BE THE CONTRACTOR'S RESPONSIBILITY UPON SUCCESSFUL COMPLETION OF ALL TESTING (NO SEPARATE PAY).
 9. ALL PIPE USED FOR WATER MAINS SHALL BE C-400 DR-14, OR AS OTHERWISE REQUIRED BY THE CITY OF KERRVILLE.
 10. WATER LINE ALIGNMENT AND REMOVING EXISTING TREES & VEGETATION WITHIN THE WATER LINE ALIGNMENT AND REMOVING & REPLACING SITE FENCING AS NECESSARY. CONTRACTOR SHALL COORDINATE WITH AFFECTED PROPERTY OWNERS PRIOR TO CONSTRUCTION.

- LEGEND**
- PROPERTY BOUNDARY LINES
 - EFFECTIVE BOUNDARY LINES
 - UTILITY ALIGNMENT
 - EXISTING WATER
 - EXISTING SANITARY SEWER
 - EXISTING UNDERGROUND ELECTRIC
 - EXISTING GAS
 - EXISTING CHALKLINE FENCE
 - EXISTING SAN SEWER MANHOLE
 - EXISTING WATER WALK
 - EXISTING POWER POLE
 - EXISTING CONCRETE PATIWAY
 - EXISTING EDGE OF PAVEMENT
 - EXISTING STORM SEWER PIPE
 - PROPOSED BUILDING
 - PROPOSED STAIRING
 - PROPOSED CURB

CITY APPROVAL

These plans have been reviewed and approved by _____ on _____ at _____.

This approval is subject to the approval of the City Engineer. The City Engineer reserves the right to require changes to these plans. The City Engineer's approval is not a guarantee of the accuracy of the information provided hereon. The City Engineer's approval is not a guarantee of the accuracy of the information provided hereon.

CAUTION:

1. Existing water, sanitary sewer, gas, electric, telephone, cable television, and other may be in close proximity to proposed construction. The contractor shall be responsible for locating these facilities prior to construction commencement and protect the same during construction.
2. Call B11 for utility locates.

SCALE: 1"=100'

0 50 100 200

PROJECT PARTNER

NO.	DATE	DESCRIPTION
1	10/23/2014	ISSUED FOR PERMIT
2	10/23/2014	ISSUED FOR PERMIT
3	10/23/2014	ISSUED FOR PERMIT
4	10/23/2014	ISSUED FOR PERMIT
5	10/23/2014	ISSUED FOR PERMIT
6	10/23/2014	ISSUED FOR PERMIT
7	10/23/2014	ISSUED FOR PERMIT
8	10/23/2014	ISSUED FOR PERMIT
9	10/23/2014	ISSUED FOR PERMIT
10	10/23/2014	ISSUED FOR PERMIT

PROJECT PARTNER

NO.	DATE	DESCRIPTION
1	10/23/2014	ISSUED FOR PERMIT
2	10/23/2014	ISSUED FOR PERMIT
3	10/23/2014	ISSUED FOR PERMIT
4	10/23/2014	ISSUED FOR PERMIT
5	10/23/2014	ISSUED FOR PERMIT
6	10/23/2014	ISSUED FOR PERMIT
7	10/23/2014	ISSUED FOR PERMIT
8	10/23/2014	ISSUED FOR PERMIT
9	10/23/2014	ISSUED FOR PERMIT
10	10/23/2014	ISSUED FOR PERMIT

PROJECT PARTNER

3600 BLOCK MEMORIAL BLVD
 AT THE KERRVILLE, TEXAS
 VA CAMPUS

PROJECT PARTNER

3600 BLOCK MEMORIAL BLVD
 AT THE KERRVILLE, TEXAS
 VA CAMPUS

PROJECT PARTNER

3600 BLOCK MEMORIAL BLVD
 AT THE KERRVILLE, TEXAS
 VA CAMPUS

PROJECT PARTNER

3600 BLOCK MEMORIAL BLVD
 AT THE KERRVILLE, TEXAS
 VA CAMPUS

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 AT THE KERRVILLE, TEXAS
 VA CAMPUS

PROJECT PARTNER

3600 BLOCK MEMORIAL BLVD
 AT THE KERRVILLE, TEXAS
 VA CAMPUS

PROJECT PARTNER

3600 BLOCK MEMORIAL BLVD
 AT THE KERRVILLE, TEXAS
 VA CAMPUS

Exhibit C



PRE-CONSTRUCTION

PROJECT NAME: _____

CHECK LIST

Received:	Date:	Requirement:
		Executed Contract Documents and Technical Specifications
		Executed Notice to Proceed Letter
		List of Contractors
		-
		Letter from Planning Department stating that Site Plan has been approved.
		Filed Easements for Off-site work (if applicable):
		-
		Coordination Letter from Adjacent Property Owners
		Unit Breakdown of Construction Cost (must be in City format)
		Payment of 3.5% Inspection Fee
		Certificate of Insurance
		Performance Bond (must be in City format)
		Payment Bond (must be in City format)
		Maintenance Bond - Note: One bond must be submitted in City format covering all public improvements (water, sanitary sewer, drainage, excavation, paving, etc.). Bond typically from GC or Developer.
		City Approved Construction Documents:
		Approved Concrete Batch Design:
		-1 for Machine Finish
		-1 for Hand Finish
		TCEQ Permit for Batch Plant or Letter stating that no on-site Batch Plant will be utilized for this development.
		Sealed Geotechnical Report for Lime Stabilization under City Paving (must test for sulfates)
		TX-DOT Coordination Permit (if applicable)
		C.L.O.M.R. (if applicable)
		Trench Safety Affidavit / Plan (Max. Allowable Slope = 1:1)
		Traffic Control Plan
		2 Copies of TCEQ N.O.I. & C.S.N.:
		Install Phase 1 BMPs for Erosion Control.
		Pre-Construction Meeting
		Other:

Agenda Item:

3E. Resolution No. 37-2014 amending the City of Kerrville fee schedule by adding fees charged for the issuance of a hotel permit and related inspections.
(staff)

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 37-2014**

**A RESOLUTION AMENDING THE CITY OF KERRVILLE FEE
SCHEDULE BY ADDING FEES CHARGED FOR THE ISSUANCE OF A
HOTEL PERMIT AND RELATED INSPECTIONS**

WHEREAS, the City Council of the City of Kerrville adopted a Fee Schedule by Resolution No. 91-138 on September 24, 1991, and has amended said document on a number of occasions; and

WHEREAS, City staff recommends the imposition of additional fees for the issuance of a hotel permit and related inspections and the City Council has determined it is in the public interest of the citizens of Kerrville to add such fees to the Fee Schedule;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

The Fee Schedule of the City of Kerrville, Texas, is amended as set forth in **Exhibit A**, attached hereto and incorporated herein by reference.

**PASSED AND APPROVED ON this the _____ day of _____ A.D.,
2014.**

Jack Pratt, Jr., Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Brenda G. Craig, City Secretary

CITY OF KERRVILLE
FEE SCHEDULE

ADMINISTRATION DEPARTMENT

		Adopted October 1, 2014	
COPIES OF PUBLIC INFORMATION:			
Standard size paper copy	per page		\$0.10
Non-standard size copy:			
Computer diskettes	each		\$1.00
Computer magnetic tape	each		\$10.00
Audio cassette	each		\$1.00
Oversized paper copy	per page		\$0.50
Other	ACTUAL COST		
Labor charge (per hour and if applicable under state law)	per hour		\$15.00
Overhead charge (if applicable under state law)	20% of Personnel Charge		
Microfiche or microfilm charge:			
Paper copy	per page		\$0.10
Fiche or film copy	ACTUAL COST		
Remote document retrieval	ACTUAL COST		
FAX TRANSMISSIONS:			
Local	per page		\$0.10
Long distance, same area code	per page		\$0.50
Long distance, different area code	per page		\$1.00
Other costs	ACTUAL COST		
DOWNTOWN RESTROOM AFTER HOURS USE (Between 5:30 PM and 9:30 AM):			
User Fee Per Day			
More than 4 hours	+ 4 hrs/Day		\$50.00
Less than 4 hours	- 4hrs/Day		\$25.00
Deposit (refundable)			\$100.00
VEHICLE FOR HIRE PERMIT:			
	each		\$25.00
NATURAL GAS TRANSPORTED THROUGH PIPELINE:			
			see note

NOTE: Fee is equal to 3% of purchase price of gas transported or delivered within the City during the preceeding month for consumption or use within the City.

CODE COMPLIANCE

JUNK YARD OPERATION LICENSE:		\$5.00
PEDDLERS AND SOLICITORS FEES:		
Base Charge	per year	\$600.00
For Each Additional Person	30 days	\$10.00
For Each Additional Person	1 year	\$100.00
Deposit (refundable)		\$750.00

Exemptions

- * Temporary special events, sales and festivals sponsored by charitable organizations (recognized by Internal Revenue Service), governmental subdivisions, school districts, Chamber of Commerce or Convention and Visitor's Bureau and other special events approved by Council, provided the organizer/operator of said events provides the information required for an open air market.
- * Traveling salesman or solicitor calling only upon commercial businesses.
- * Garage sales.
- * A business with a separate business location in the City that furnishes proof of payment to the payment to the City of all ad valorem and personal property tax the due.
- * Six or more businesses that are organized in a sales show, convention, or similiar sale by an indoor shopping mall, hotel, or similar sponsor.
- * Businesses conducted in an open air market in compliance with all laws and applicable zoning regulations.
- * Sale of fresh produce (fruit, nuts, and vegetables)
- * Sale of firewood

SEXUALLY ORIENTED BUSINESSES:

- Annual License
- Annual Fee per Employee

Adopted October 1, 2014	
per business	\$500.00
per employee	\$50.00

TRAVELING SHOW AND EXHIBITION LICENSE:

Exceptions

Carnivals, circuses, travel shows, tent shows, exhibits, menagerie which are actually operated by volunteers of a public school, bona fide charity, or a service organization located in Kerr County

30 days	\$100.00
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GROUP AND BOARDING HOMES

- Permit
- Re-inspection fees
- Variance Fee for distance

annual	\$1,000.00
per inspection	\$75.00
per variance	\$150.00

EMERGENCY MEDICAL SERVICES

RESPONSE/TRANSPORTATION:

- Basic Life Support - Non Emergency
- Basic Life Support - Emergency
- Advanced Life Support 1 - Non Emergency
- Advanced Life Support 1 - Emergency
- Advanced Life Support 2 - Emergency
- Specialty Care Transport
- Aid Only - No Transport
- Dedicated Standby
- Response Fee
- Local Transport - No Supplies Used
- Mileage

per person	\$417.92
per person	\$668.66
per person	\$521.50
per person	\$814.04
per person	\$1,149.28
per person	\$1,149.28
per person	\$150.00
per hour	\$100.00
per person	\$75.00
no supplies	\$150.00
per loaded mile	\$21.48

SUPPLY/PROCEDURE CHARGES:

- IV Administration
- Medication Administration
- Bandaging and Splinting

per procedure	\$20.00
per procedure	\$30.00
per procedure	\$20.00

NON EMERGENCY TRANSFER AGREEMENT:

- Local Transport
- Local Mileage

per person	\$163.83
per loaded mile	\$8.42

NON EMERGENCY AMBULANCE LICENSE:

- Annual License
- Annual Ambulance Permit
- Re-issue for Lost Permit
- Inspection Reschedule Fee

per year	\$400.00
per unit	\$150.00
per unit	\$50.00
per unit	\$50.00

ENGINEERING DEPARTMENT

FLOODPLAIN DEVELOPMENT PERMIT:

each	\$25.00
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MAPPING INFORMATION:

- Subdivision Specifications
- City Survey Coordinate System Book
- B & W
- Color
- B & W
- Color
- B & W
- Color
- 36" x 54" ETJ Maps
- Digital Map on Disk

each	\$25.00
each	\$30.00
each	\$3.00
each	\$5.00
each	\$5.00
each	\$7.00
each	\$10.00
each	\$25.00
each	\$25.00
each	\$30.00

CONSTRUCTION INSPECTION OVERTIME:

per hour	\$35.00
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LAND RECORD FILING FEES:*

- First page
- Second page and each additional
- Names in excess of 5 names to be indexed
- Records Management Fees per document
- Courthouse Security Fee per document
- Records Archive Fee per document

* Fees are subject to change based on the County's fee schedule and will be charged accordingly.

Adopted
October 1, 2014

each	\$5.00
each	\$4.00
each	\$0.25
each	\$5.00
each	\$1.00
each	\$5.00

FIRE DEPARTMENT

REQUEST FOR PUBLIC INFORMATION:

- Hard Copy (Paper) Format - See Administrative Fee Schedule
- Electronic Format - See Administrative Fee Schedule

PLAN REVIEW FEE: (credited toward permit when permit is approved)

	50% of Permit Fee
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OUTDOOR BURN PERMITS:

- Cermonial Fire Permits (Bonfires)
- Controlled burns
- Recreational fire (less than 3 feet diameter and 2 feet in height)

per site	\$250.00
per site	\$150.00
N/C for permit	

BULK STORAGE AND DISPENSING OF LP GAS:

Annual	\$100.00
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STORAGE OF PORTABLE LP GAS CONTAINERS:
(awaiting use or resale)

per site	\$20.00
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STORAGE OR HANDLING OF COMPRESSED GASES:
(in excess of amounts listed in Table 105.6.9 of the e2006 *International Fire Code*)

per site	\$50.00
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BLASTING PERMIT:

per site	\$150.00
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COMMERCIAL BAR-B-QUE PIT:

per site	\$20.00
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UNDERGROUND FUEL STORAGE TANK REMOVAL:

per site	\$75.00
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TENT, CANOPY, MEMBRANE STRUCTURE PERMIT:

per item	\$20.00
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SPRAY ROOM, DIP TANK OR BOOTH:
(used for flammable or combustible finishes)

per space	\$50.00
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INDUSTRIAL OVEN PERMIT:

per unit	\$25.00
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INDUSTRIAL OVEN INSTALLATION, REPAIR, OR MODIFICATION:

per unit	\$40.00
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COOKING HOOD FIRE SUPPRESSION SYSTEM:

per system	\$50.00
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LIQUID PROPANE TANK INSTALLATION:

per tank	\$75.00
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UNDER/ABOVE GROUND FUEL STORAGE TANK:

- Repair/replace existing tank
- Repair/replace existing product line

per tank	\$40.00
per site	\$40.00

WATER FLOW TEST:

per test	\$75.00
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PROFESSIONAL PYROTECHNICAL DISPLAY:

per event	\$250.00
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FIRE SPRINKLER:

- Above ground - new installation, repair, remodel, or addition
- Underground - new installation, repair, remodel, or addition
- Standpipe system - new installation, repair, remodel, or addition

per system/floor	\$50.00
per system	\$50.00
per system	\$50.00

FIRE PUMP / EQUIPMENT INSTALLATION / MODIFICATION:

per system	\$50.00
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FIRE ALARM INSTALLATION (new, repair, remodel, or addition):

per system/floor	\$50.00
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Adopted
October 1, 2014

ALL OTHER FIRE PROTECTION/DETECTION SYSTEMS:
ELECTRIC CONTROLLED SECURITY GATES, DELAY EGRESS LOCKS, SECURITY GRILLS,

per system	\$50.00
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ACCESS-CONTROLLED EGRESS DOORS, ETC.:
FALSE FIRE ALARM FEE:

per device	\$20.00
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More than 3 times but less than 6 in preceding 12 months
More than 5 times but less than 8 in preceding 12 months
Eight (8) or more times in preceding 12 months

	\$50.00
	\$75.00
	\$100.00

RE-INSPECTION FEE REQUESTED/SCHEDULED (excludes annual fire inspection):

First inspection list(s) is/are not completed on first and subsequently thereafter
Not ready for inspection on arrival
Contractor fails to keep appointment
No access to site or building

per scheduled	\$50.00

FIRE INSPECTIONS REQUESTED/SCHEDULED - NON BUSINESS HOURS:

Non-Holiday (2 hour minimum, paid in advance)
City recognized holiday (2 hour minimum, paid in advance)

per hour	\$60.00
per hour	\$80.00

HAZARDOUS MATERIALS PERMIT:

	\$50.00
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FLAMABLE/COMBUSTIBLE LIQUIDS - STORAGE/HANDLING/DISPENSING:

	\$75.00
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MISCELLANEOUS COMBUSTIBLE STORAGE:

	\$75.00
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HIGH PILE STORAGE PERMIT:

	\$50.00
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STATE MANDATED OCCUPANCY INSPECTION - OUTSIDE CITY LIMITS:

Daycare, Foster Care, Adoption
Daycare, Halfway Houses, Group Care, MHMR
Youth Camps and Day Camps
Schools and Instructional Facilities
Hospital, Nursing Home, Assisted Living Facility Inspection
All Other

7 or fewer children	\$50.00
7 or more children	\$75.00
	\$150.00
	\$150.00
	\$150.00
	\$100.00

FIRE PUMP ACCEPTANCE TEST:

	\$100.00
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EVENT PERMIT (carnivals and fairs):

	\$75.00
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HOT WORK PERMIT:

	\$20.00
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AMUSEMENT BUILDING PERMIT:

	\$50.00
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EXHIBIT OR TRADE SHOW PERMIT:

	\$50.00
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OTHER PERMIT:

Any other permit designated by the *International Fire Code*

	\$20.00
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CHANGE OF OCCUPANCY INSPECTION:

	\$20.00
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INVESTIGATION FEE:

If Permit is issued after constructions is started without an approved permit

	Permit Fee Amt
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APPEAL TO BUILDING BOARD OF ADJUSTMENTS AND APPEALS:

	\$150.00
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GOLF: SCOTT SHREINER MUNICIPAL GOLF COURSE

GREEN FEES:

Adopted

October 1, 2014

Regular

- Weekday
- Weekend and holidays*

9 Hole / 18 Hole	\$12.00/\$20.00
9 Hole / 18 Hole	\$18.00/\$27.00

Member

- Weekday
- Weekend and holidays*

9 Hole / 18 Hole	\$5.00/\$6.00
9 Hole / 18 Hole	\$6.00/\$7.00

Junior

- Weekday
- Weekend and holidays*

9 Hole / 18 Hole	\$2.75/\$4.00
9 Hole / 18 Hole	\$5.50 / \$6.75

CART RENTAL:

- Full Cart
- Half Cart

9 Hole / 18 Hole	\$12.00/\$24.00
9 Hole / 18 Hole	\$6.00/\$12.00

TRAIL FEE:

- Member Private Cart w/annual Private Cart Fee
- Non-member Private Cart
- Private Cart Passenger w/annual Private Cart Fee
- Private Cart Passenger w/o annual Private Cart Fee

9 Hole / 18 Hole	\$4.00/\$7.00
9 Hole / 18 Hole	\$6.00/\$11.00
9 Hole / 18 Hole	\$4.00/\$7.00
9 Hole / 18 Hole	\$5.50/\$12.00

MEMBER DUES:

- Annual Golf - First family member
- Annual Golf - Second family member
- Quarter Golf - First family member
- Annual Private Cart

per year	\$550.00
per year	\$450.00
per quarter	\$200.00
per year	\$220.00

NOTE: All annual fees shall expire on the same date. Should a second annual fee be required, it shall be prorated to expire on the same date as the first annual fee with all subsequent payments due and payable at the same time.

CART STORAGE:

- Annual
- Quarterly

per year	\$420.00
per quarter	\$140.00

NOTE: The City can only accept payments up to ONE period (quarter or annual) in advance.

SPECIAL GOLF FEES:

- Senior rate (65 or older) - green fees only

	\$14.00
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Twilight Fees

Starts at 2:00 PM (green fees only)

- Member - Weekday
- Member - Weekend *
- Non-Member - Weekday
- Non-Member - Weekend *

weekday only	\$3.00
weekend only	\$4.00
weekday only	\$11.00
weekend only	\$14.75

Tournament/Promtion Fees (minimum - 25 individual players)

- Standard group rate for 25+ players Weekday/ Weekend afternoons
- Standard group rate for 25+ players Weekend mornings

per player	\$25.00
per player	\$35.00

Driving Range Fees

- Small Bucket
- Large Bucket

per bucket	\$3.00
per bucket	\$6.00

- Driving Range Membership - Annual
- Driving Range Membership - Quarterly

per year	\$300.00
per quarter	\$100.00

- Rental Clubs
- Pull Carts

9 Hole / 18 Hole	\$15.00/\$25.00
9 Hole / 18 Hole	\$3.00/\$6.00

* WEEKEND RATES APPLY FRIDAY THROUGH SUNDAY.

HEALTH DEPARTMENT

		Adopted October 1, 2014
HEALTH PERMITS (by total floor area - square footage):		
0 < 1,000		\$70.00
1,000 - 1,900		\$85.00
2,000 - 2,900		\$100.00
3,000 - 3,999		\$125.00
4,000 - 4,999		\$150.00
5,000 - 10,000		\$200.00
> 10,000		\$350.00
CATERING ESTABLISHMENT PERMITS:		
0 < 1,000		\$70.00
1,000 - 1,900		\$85.00
2,000 - 2,900		\$100.00
3,000 - 3,999		\$125.00
4,000 - 4,999		\$150.00
5,000 - 10,000		\$200.00
> 10,000		\$350.00
BARS AND LOUNGES - FREE STANDING		
0 < 1,000		\$70.00
1,000 - 1,999		\$85.00
2,000 - 2,999		\$100.00
3,000 - 3,999		\$125.00
4,000 - 4,999		\$150.00
5,000 - 10,000		\$200.00
>10,000		\$350.00
Exemptions: Taxing authorities, non-profit organizations		
HEALTH PERMIT - LATE FEE (after October 15 in addition to original permit):		
	per permit	\$50.00
NON-PROFIT ORGANIZATION:		
	per event	\$10.00
CERTIFICATE OF OCCUPANCY INSPECTION:		
	per site	\$50.00
FOOD ESTABLISHMENT PLAN REVIEW:		
	per site	\$25.00
REINSPECTION FEES:		
First Reinspection	No charge	
Second Reinspection	same violation	\$100.00
Subsequent Reinspection	same violation	\$150.00
AFTER HOURS INSPECTION - EMERGENCY (4 hr minimum):		
	per hour	\$50.00
SANITATION AND ENVIRONMENTAL INSPECTIONS (foster homes, day care, pools):		
	per site	\$40.00
SEMI PUBLIC POOLS/SPAS (single pool facilities):		
	single	\$75.00
ADDITIONAL SEMI PUBLIC POOLS/SPAS (single pool facilities):		
	per unit	\$25.00
TEMPORARY FOOD SERVICE ESTABLISHMENT - SPECIAL EVENT:		
	14 day	\$35.00
SEASONAL PERMITS:		
SEASONAL (non-hazardous foods)	10 month	\$50.00
SEASONAL (non-hazardous foods)	per event	\$10.00
SEASONAL (potentially hazardous foods)	10 months	\$100.00
SEASONAL (potentially hazardous foods)	per event	\$15.00
MANIFEST BOOKS:		
	per book	\$5.00
MOBILE FOOD ESTABLISHMENT PERMITS:		
UNRESTRICTED Mobile Food Establishment (peddlers permit required also):	per unit	\$150.00
RESTRICTED Mobile Food Establishment (peddlers permit required also):	per unit	\$50.00

Adopted
October 1, 2014

CATERING LICENSE:	annual	\$70.00
GENERAL SERVICE CATERING VEHICLE:	each	\$75.00
REPLACE LOST, STOLEN, DAMAGED PERMIT OR CERTIFICATE:	each	\$5.00
PEDDLERS PERMIT:	See Administrative Fee Schedule	
HOTEL PERMIT: (Tourists Courts, Hotels, Inns, and Rooming Houses)	annual permit	\$50.00
First complaint inspection fee	inspection	\$100.00
Subsequent complaint inspection fee	inspection	\$150.00

INSPECTION DEPARTMENT

PROFESSIONAL AND OCCUPATIONAL LICENSES:		
General Contractor License	initial issue	\$500.00
General Contractor License Renewal	annual	\$100.00
General Contractor License / Single Project (currently charged at GC rate)	per project	\$100.00

BUILDING, CONSTRUCTION, DEMOLITION PERMITS (single family by value):		
\$1,000 and less	per permit	\$25.00
\$1,001 - \$50,000 (\$25.00 first \$1,000, plus)	per/\$1,000	\$5.00
\$50,001 - \$100,000 (\$270.00 first \$50,000, plus)	per/\$1,000	\$4.00
\$100,001 - \$500,000 (\$470.00 for first \$100,000, plus)	per/\$1,000	\$3.00
\$500,001 and up (\$1,670.00 for first \$500,000, plus)	per/\$1,000	\$2.00
NOTE: Value of construction is the greater of value quoted by contractor or calculated value using the ICC project valuation tables		

DEMOLITION AND MOVING DEPOSIT:	per structure	\$500.00
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BUILDING, CONSTRUCTION, DEMOLITION PERMITS (commercial by value):		
\$1,000 and less	per permit	\$25.00
\$ 1,001 and greater	per/\$1,000	\$5.00
\$500,000 and greater (approval of City Manager, fees may be determined by actual cost of service)	per permit	TBD

DEMOLITION AND MOVING DEPOSIT:	per structure	\$500.00
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BUILDING, CONSTRUCTION, DEMOLITION PLAN REVIEW:		
Plan review fee is due at permit application	50% of Building Permit Fee	

ELECTRICAL PERMITS:		
Circuits	per permit	\$40.00
Fixtures	per unit	\$2.00
Motors (1 hp or smaller)	per unit	\$0.50
Motors (over 1 to 10 hp)	per unit	\$2.00
Motors (over 10 to 25 hp)	per unit	\$2.50
Motors (over 25 hp)	per unit	\$3.00
Services	per unit	\$5.00
Services (per additional meter)	per unit	\$7.50
Appliances (range, water heater, dishwasher, disposal, dryer)	per unit	\$7.50
Equipment (welder)	per unit	\$2.00
Equipment (transformers)	per unit	\$3.00
Equipment (other)	per unit	\$5.00
Signs	per unit	\$3.00
Neon signs for transformer	per unit	\$5.75
	per unit	\$1.00

PLAN REVIEW FEE:		
First Review (due at permit application, includes review of minor changes)	50% of permit fee	
Subsequent Review (due to substantial submittal or project changes)	per hour	\$60.00

Adopted
October 1, 2014

REINSPECTION FEE:

- First reinspection fee
- Second reinspection fee
- Subsequent reinspection

	\$0.00
same permit	\$100.00
same permit	\$150.00

CHANGE OF CONTRACTOR ON ACTIVE PERMIT:

- Administrative fee

NOTE: Regular permit fees and requirements apply to new contractor for changes to original plans

same permit	\$100.00
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SPECIAL INSPECTION FEE:

- During business hours
- After business hours - scheduled
- After business hours - emergency

per permit	\$50.00
per hour/2 min	\$50.00
per hour/4 min	\$50.00

IRRIGATION SYSTEM PERMITS (landscape systems):

- City water customer
 - Permit - \$30.00 plus
 - Plan review

per/\$1,000	\$3.00
50% of permit fee	

- Non-city water customer
 - Permit - \$45.00, plus minimum of 2 inspections
 - Plan review

per inspection	\$100.00
50% permit fee	

PLUMBING AND GAS PERMITS:

- Permit
- Fixtures
- Building drain
- Water heater and/or Vent
- Gas Piping (1 - 5 outlets)
- Piping for water treatment
- Replace sewer yard line

per permit	\$30.00
per unit	\$2.20
per unit	\$7.50
per unit	\$10.00
per unit	\$10.00
per unit	\$7.50
per unit	\$10.00

MECHANICAL PERMITS:

- Permit
- First \$1,000.00 value, or part thereof
- Each additional \$1,000.00 value over first \$1,000.00

per permit	\$30.00
	\$15.00
per /\$1,000	\$3.00

INSPECTION FEE:

- Add or replace electrical wiring or panel
- Replacement equipment
- New equipment
- Alter existing equipment

per unit	\$15.00
per unit	\$15.00
per unit	\$15.00
per unit	\$10.00

CHANGE OF OCCUPANCY (existing structure):

per structure	\$20.00
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BUILDING REPORTS (not for resale):

per report	\$5.00
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ISSUANCE OF PERMIT (building, electrical, mechanical, plumbing, irrigation, etc.)
AFTER CONSTRUCTION PROJECT IS STARTED, FIRST OCCURRENCE BY CONTRACTOR

Greater of double the original permit fee	
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ISSUANCE OF PERMIT (building, electrical, mechanical, plumbing, irrigation, etc.)
AFTER CONSTRUCTION PROJECT IS STARTED, SUBSEQUENT OCCURRENCES BY CONTRACTOR

Greater of double the original permit fee	
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APPEAL TO BUILDING BOARD OF ADJUSTMENTS AND APPEALS FEE:

- Mechanics Board of Adjustments and Appeals; Plumbing Board of Adjustments and Appeals; Electrical Board of Adjustments and Appeals

per appeal	\$150.00
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LIBRARY: BUTT-HOLDSWORTH LIBRARY

Adopted
October 1, 2014

RENTALS:

- Meeting Room
- Gazebo
- Repairs of damages to furniture, equipment or facility

per day	\$20.00
per day	\$30.00
Actual Cost	

COPIES/PRINTING (Library and History Center)

- Photocopier - black and white
- Photocopier - color
- Computer/internet - black and white
- Computer/internet - color

per page	\$0.10
per page	\$0.25
per page	\$0.10
per page	\$0.25

CIRCULATION CHARGES:

- City resident card
- Non-city resident materials checkout only
- Non-city resident computer use only
- Non-city resident temporary use
- Non-city resident full use
- Library card replacement

No charge	
per year	\$35.00
per year	\$35.00
per month	\$8.00
per year	\$65.00
per card	\$1.00

OVERDUE FINES:

- Fines/fees between \$1.00 - \$4.99 - Patron must pay \$1.00 each time they use library
- Fines/fees between \$5.00-\$9.99 - Patron must pay \$2.00 each time they use library
- Fines/fees \$10.00 and above - Borrowing privileges suspended
- Books - Adult patrons (\$12.00 maximum)
- Books - Children patrons (\$5.00 maximum)
- Audiobooks and CDs (\$12.00 maximum)
- DVDs and BluRay (\$12.00 maximum)
- Story Time Kits (\$12.00 maximum)
- Other Kits (\$12.00 Maximum)
- Overdue Electronic Device (up to cost of item)

item per day	\$0.10
item per day	\$0.10
item per day	\$0.10
item per day	\$1.00
item per day	\$5.00
item per day	\$0.10
item per day	\$10.00

PROCESS FEE:

- Lost or damaged items - non electric device (plus replacement cost)
- Lost or damaged electronic device (plus replacement cost)
- Collection agency submission for non-payment of fine

per item	\$6.00
per item	\$25.00
per fine	\$10.00

ELECTRONIC DEVICE FEES:

- Any patron wishing to borrow an electronic device must sign a credit card authorization form listing a valid credit card to kept on file.
- Electronic device not returned according to policy
- Programs/applications charged to library account (actual cost plus)
- Personal Earbuds

per item	\$25.00
per item	\$6.00
per set	\$2.00

LOST/DAMAGED ITEMS:

Patrons who have failed to return library material with a total value over \$50.00 may receive a citation for violation of City of Kerrville, Code of Ordinance, Section 66-39(g) for failure to return property to the library.

- Books (BHML - all ages - actual cost plus)
- Books (History Center - rare, out of print - lesser of appraised value plus)
- CDs (Book, music, MP3 - actual cost plus)
- Individual CD in a set when available (book, music, MP3 - \$10.00 per disc plus)

per item	\$6.00
per item	\$100.00
per item	\$6.00
per item	\$6.00

- DVD (all ages - includes set - actual cost plus)
- Kits (all ages - actual cost)

per item	\$6.00
per item	\$6.00

Actual cost of items below or next available generation of item if original is no longer on the market plus:

- Apple iPad 2 (includes accessories)
- Amazon Kindle Fire (includes accessories)
- Dell Latitude E5410 laptop (includes accessories)
- Dell Latitude 2120 mini laptop (includes accessories)
- Samsung Galaxy Tablet (includes accessories)
- Electronic device accessories - actual cost plus

per item	\$25.00
per item	\$6.00

INTERLIBRARY LOAN:

Any additional fees or charges to be determined by the lending library are the patron's responsibility.
 Any overdue item (\$15.00 maximum)
 Lost or damaged item - cost assessed by lending library plus
 Return postage

Adopted
 October 1, 2014

item per day	\$1.00
per item	\$6.00
No charge	

REPLACEMENT OF MISCELLANEOUS PARTS:

CD/DVD case (single)
 DVD case (multiple)
 Book on CD case (multiple up to 12 CDs)
 Book on CD case (multiple up to 24 CDs)
 CD Jewel case (multiple, 2 disc)
 AV storage bags

per item	\$1.00
per item	\$4.00
per item	\$12.00
per item	\$16.00
per item	\$3.00
per item	\$1.00

RESEARCH FEES (requested from outside of service area):

Handling fee/postage
 Photocopy
 FAX (United State)
 FAX (International)
 FAX (International) additional pages

per request	\$3.00
per page	\$0.10
per page	\$1.00
first page	\$5.00
per page	\$1.00

MUNICIPAL COURT FEES

ONLINE TRANSACTION FEE:

per transaction	\$1.50
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MUNICIPAL COURT TECHNOLOGY FEE:

per conviction	\$4.00
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BUILDING SECURITY FEE:

per conviction	\$3.00
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PARKS AND RECREATION

Kerrville-Schreiner Park

DAILY ENTRANCE FEES:

Adult (13 and over), not to exceed \$10.00 per vehicle
 Child (12 and under)
 Senior (over 65)
 Commercial vehicles
 Group/school sponsored trip (ages 13 - 18 - not overnight)

per person	\$4.00
per person	\$1.00
per person	\$2.00
per vehicle	\$20.00
per person	\$0.50

ANNUAL DAY USE PASS:

Valid ONLY at Kerrville-Schreiner Park (excludes commercial vehicles)
 Second vehicle registered at the same address

per vehicle	\$25.00
per vehicle	\$15.00

FACILITY USE FEES:

Camping fees cover entrance for up to 4 persons per site. Camp sites accommodate up to 8 people. Guests 5 - 8 must pay daily entrance fee.

Tent site w/ water
 General campsites ONLY - year round

per night	\$15.00
per month	\$297.00

RV sites 221-235 and 317-323 (30 amp w/water, no sewer)
 Above RV sites - September 15 - May 15 - all utilities

per night	\$23.00
per month	\$413.00

RV sites 211-220 Riverside only (30 amp w/water and sewer)
 Above RV sites - September 15 - May 15 - all utilities

per night	\$26.00
per month	\$490.00

RV sites 111-130 Deerfield Loop only (30 amp water and sewer)
 Above RV sites - September 15 - May 15 - all utilities

per night	\$26.00
per month	\$528.00

RV sites 201-210 Riverside only (50 amp w/water and sewer)
 Above RV sites - September 15 - May 15 - all utilities

per night	\$28.00
per month	\$561.00

Mini-Cabin - beds for 4 persons (NO PETS); hotel/motel tax additional
 Cabins are air-conditioned, heated, table and chairs, campfire rings (pit/grill) and picnic table. No linens provided. Security deposit required.

Mini-Cabin - Security Deposit

per night	\$50.00
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deposit	\$25.00
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Park Cabin - beds for 6 persons (NO PETS); hotel/motel tax additional

per night	\$110.00
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**Adopted
October 1, 2014**

Cabins are air-conditioned, heated, table and chairs, picnic table with combination campfire (pit/grill). Linens provided. Fee covers entrance up to 6 persons. Excess of 6 persons subject to daily entrance fee. Security deposit required.

Park Cabin - Security Deposit

deposit	\$50.00
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Ranch House - beds for 8 persons (NO PETS); hotel/motel tax additional
House is air-conditioned, heated, table and chairs, picnic table with combination campfire (pit/grill). Linens provided. Fee covers entrance up to 8 person. Excess of 8 persons subject to daily entrance fee. Security deposit required.

Ranch House - Security Deposit

per night	\$190.00
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Bunk House (only rented w/Ranch House)

deposit	\$150.00
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per night	\$50.00
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Group Dining Hall - capacity 100 persons (NO PETS)

Screened building is NOT AIR-CONDITIONED, equiped with full kitchen including deep sinks, hot water, two microwave ovens, and refrigerator/freezer. Full width serving bar and table with seating for approximately 100 persons. Outside has large charcoal grill. Includes entrance fee up to 100 persons. Security deposit required.

Group Dining Hall - Security Deposit

per day	\$145.00
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deposit	\$50.00
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Group Recreation Hall - day capacity 100 persons (NO PETS)
overnight capacity 50 persons, no beds provided, requires 2 day rental

Air-conditioned, heated, restrooms inside. Full kitchen with 2 microwave ovens, refrigerator/freezer, 8 folding banquet tables with 50 chairs. Large charcoal grill outside. Includes entrance fee up to 100 persons. Security deposit required.

Group Recreation Hall - Security Deposit

per day	\$300.00
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deposit	\$100.00
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Group Picnic Area - capacity 100 persons - specific location not guaranteed
Includes entrance fee up to 10 persons.

per day	\$50.00
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Amphitheater only - capacity 220 persons

per day	\$100.00
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Amphitheater rented in conjunction with Group Recreation Hall

per day	\$25.00
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CANCELLATION FEE:

Applies to each site or facility reservation.

per site/facility	\$20.00
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RV/TRAILER DUMP FEE (if not camping in park - no entrance fee):

per vehicle	\$25.00
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EXCESS VEHICLE PARKING (all vehicles over 2 vehicles per site):

per vehicle	\$5.00
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BUTTERFLY GARDEN (private events only - does not include entrance fee):

per event	\$50.00
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EXTRA PERSON OCCUPANCY FEE:

Applies to each site and facility.

per person	\$3.00
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Other Parks and Recreation

SPECIAL EVENTS PERMITS: (by application only)

per event	\$30.00
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BOARDWALK PAVILION (4 hr maximum - deposit required):

per hour	\$100.00
deposit	\$200.00

LOUISE HAYS LARGE PAVILION AND PLAZA AREA (deposit required)

per day	\$200.00
deposit	\$200.00

FAMILY PAVILION (deposit required)

per day	\$100.00
deposit	\$100.00

FOUNTAIN AND PLAZA (limit of one rental per weekend)

per 1/2 day	\$500.00
deposit	\$300.00

TRANQUILITY ISLAND (deposit required)

per day	\$150.00
deposit	\$150.00

Adopted
October 1, 2014

CARVER PARK PAVILION AND BBQ AREA:

10 tables and restrooms - all day - security deposit required

per day	\$100.00
deposit	\$100.00

SMALL PARK PAVILIONS (various locations - security deposit required):

per day	\$40.00
deposit	\$25.00

RIVER TRAIL (trailheads) - deposit required

KSP to G Street (2.2 miles)

G Street - Tranquility Island (1 mile)

Tranquility Island - Riverside Nature Center (.7 mile)

All of Trail

per day	\$200.00
per day	\$200.00
per day	\$100.00
per day	\$500.00
deposit	equal total rental

ATHLETIC FIELD/COURT (without lights):

ATHLETIC FIELD/COURT (with lights):

per hour	\$15.00
per hour	\$20.00

CENTENNIAL STAGE (with electricity - security deposit required):

CENTENNIAL STAGE (without electricity-security deposit required):

per day	\$200.00
per day	\$100.00
deposit	\$200.00

SOFTBALL FEES (deposit requirements below):

Field - without lights

Field - with lights

Tournament - Deposit

Base and equipment - Deposit

per day	\$150.00
per day	\$170.00
per event	\$150.00
per event	\$100.00

TENNIS COURT FEES:

All ages - 1 1/2 hour - single reservation

All ages - 2 hours per doubles reservation

per person	\$3.00
per person	\$3.00

TENNIS TOURNAMENT FEES:

Exemptions:

KISD tournaments and practice

Schreiner University tournaments

Negotiated in contract	
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TENNIS ANNUAL FEES:

Juniors (under 21 years)

Adults (21 and over)

Family

KISD Joint Use

per person	\$90.00
per person	\$150.00
per family	\$225.00
per agreement	

SWIMMING POOL ADMISSION FEES:

Olympic Pool - Adult (13 and older)

Olympic Pool - Children (4 - 12 years)

Olympic Pool - Children (3 year and under with adult)

Olympic Pool - Non swimmers - all ages

per person	\$1.00
per person	\$1.00
per person	\$0.00
per person	\$1.00

SWIMMING POOL RENTAL FEES (does not include pool admission):

Private party - includes lifeguards

2 hours	\$200.00
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SWIMMING POOL PAVILION FEES (does not include pool admission or rental):

2 hours	\$20.00
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SWIMMING POOL/PAVILION CANCELLATION FEE:

per site	\$10.00
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SWIMMING LESSONS:

per person	\$35.00
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PLANNING DEPARTMENT

CONCEPT PLANS:

each	\$500.00
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PRELIMINARY PLANS:

\$300.00 plus the greater of	\$20.00 per lot or \$10.00 per acre
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FINAL, MINOR, VACATING, DEVELOPMENT, AMENDING PLATS, REPLATS:

\$150.00 plus the great of	\$10.00 per lot
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Adopted
October 1, 2014

ZONING MAP AMENDMENT (Planned development, special use permit):	each	\$300.00
TEXT AMENDMENT:	each	\$300.00
ZONING VARIANCE:	each	\$150.00
APPEAL TO CITY COUNCIL OR PLANNING & ZONING COMMISSION:	each	\$15.00
ADMINISTRATIVE APPEAL:	each	\$150.00
LAND USE PERMIT	each	\$25.00

In case, where legal notice of public hearing is required and applicant defers scheduled action, reapplication is required based on fee on original application

POLICE DEPARTMENT

ACCIDENT REPORTS:	each	\$6.00
ALARM SERVICE (Police):	each	\$25.00
FALSE ALARM FEE:		
More than 3 times but fewer than 6 in preceding 12 month period		\$50.00
More than 6 times but fewer than 8 in preceding 12 month period		\$75.00
More than 8 or more times in preceding 12 month period		\$100.00
FINGERPRINTING:		\$10.00
FUNERAL ESCORT SERVICE: (minimum of 2 officers with 2 hours per officer)		\$160.00
HOUSE MOVING & OTHER ESCORT:		\$30.00
LETTERS OF CLEARANCE:		\$10.00
OFFENSE/INCIDENT REPORTS:		\$4.00
PARADE DEPOSITS:		
Deposit - Class A (Less than 50 entries)		\$250.00
Deposit - Class B (More than 50 entries)		\$750.00
Deposit - Class C (motorcades, marches, etc.)		\$100.00
PARADE FEES:		
Class A		\$50.00
Class B		\$100.00
Class C		\$25.00
STOCK DRIVER PERMIT:		\$5.00
ALARM SERVICE PERMIT FEE:		
Residential		\$50.00
Commercial		\$100.00

PUBLIC WORKS

TRAFFIC CONTROL FEE:	per man hour	\$40.00
BANNER PERMIT:	per banner	\$60.00
BANNER PERMIT ADMINISTRATION FEE:	per banner	\$25.00
STREET SIGNS:	per sign	\$250.00
SIDEWALK CAFÉ:	per table	\$50.00

SOLID WASTE

SOLID WASTE COLLECTION SERVICE LICENSE:

Application Fee:

- Small Waste Collector
- Small Waste Collector
- Waste Collector
- Collection Vehicle

Application Renewal:

- Small Waste Collector
- Collection Vehicle
- Waste Collector
- Collection Vehicle

**Adopted
October 1, 2014**

per permit	\$150.00
each vehicle	\$5.00
each	\$250.00
each	\$5.00

each	\$75.00
each	\$5.00
each	\$100.00
each	\$5.00

SOLID WASTE DISPOSAL SERVICE:

- Municipal Solid Waste - Compacted
- Municipal Solid Waste - Compacted minimal
- Municipal Solid Waste - Loose
- Municipal Solid Waste - Loose minimal
- Municipal Solid Waste - Compacted (weight scale not operational)
- Municipal Solid Waste - Compacted minimal (weight scale not operational)
- Municipal Solid Waste - Loose - (weight scale not operational)
- Municipal Solid Waste - Loose minimal (weight scale not operational)
- Surcharge
- Special waste - Asbestos
- Special waste - Asbestos minimal
- Special waste - Liquids
- Small Tire
- Large Tire
- Small Animal
- Large Animal
- Weight/Scale
- Ticket/Copy
- Pull Off
- Loads not covered with tarp or net
- Residential Garbage Collection
- Disposal Pass Through
- Mobile Home Service
- Disposal Pass Through
- Composting
- Recycling

per ton	\$44.38
less than 360lbs	\$10.10
per ton	\$44.38
less than 360lbs	\$10.10
per yard	\$10.14
per yard	\$10.14
per yard	\$10.14
per yard	\$10.10
per ton	\$11.00
per ton	\$44.38
less than 360lbs	\$10.10
per gallon	\$0.25
each	\$2.58
each	\$12.83
each	\$8.53
each	\$32.85
each	\$1.18
each	\$2.35
each	\$6.44
per occurrence	\$5.00
per month	\$5.82
per month	\$4.69
per month	\$4.37
per month	\$4.69
per month	\$2.12
per month	\$3.49

SOLID RECYCLING SERVICE:

- Recycling bins

each	\$10.00
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WATER, WATER RECLAMATION AND LABORATORY

WATER TAPS:

- 3/4" tap - Material, labor and equipment
- 1" tap - Material, labor and equipment
- Above 12" in size will be quoted using current pricing for meter/materials
- 1" Water Service Split
- 2" Water Service Commercial and Domestic
- 2" Water Service Irrigation

per tap	\$1,420.20
per tap	\$1,509.20
To be determined	
	\$250.00
Comp Meter	\$4,371.20
	\$3,371.20

WATER METER SET/INSTALL, IF THE WATER TAP EXISTS:

- 3/4 X 5/8 meter- Material, labor and equipment
- 3/4" meter - Material, labor and equipment
- 1" meter - Material, labor and equipment
- Above 1" in size will be quoted using current pricing for meter/materials

	\$200.00
	\$175.00
	\$250.00
To be determined	

SEWER TAPS:

- 4" tap - Material, labor and equipment - Out of manhole
- 6" tap - Material, labor and equipment - Out of manhole
- 6" tap - Material, labor and equipment - With manhole
- Additional charge per foot of depth for manholes over 8 feet deep

	\$1,441.40
	\$1,560.00
	\$3,712.00
	\$200.00

Adopted
October 1, 2014

SEPTAGE:

Septage/chemical toilet waste received at treatment plant

	\$0.08
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LABOR AND EQUIPMENT FOR REQUESTED SERVICES:

Labor
Backhoe/Loader
Dump Truck
Hydro-jet Sewer Cleaning Truck
Air Compressor
Televising Wastewater Mains (per hour - includes crew and equipment)
Service Truck with tools
Backflow Prevention Test - Reduced Pressure Zone Device

per hour/person	\$23.40
per hour	\$45.00
per truck	\$30.00
per hour	\$95.00
per hour	\$12.50
per hour	\$150.00
per hour	\$25.00
per test	\$100.00

Backflow Prevention Test - Double Check Device
Scale Fee
Water Violation Reconnect Fee
Sewer Only Customers
Inspection Fee For Privately installed water + wastewater tap

per test	\$70.00
each	\$1.00
each account	\$25.00
each account	\$50.00
each account	\$50.00

WATER WELL LICENSE APPLICATION:

each	\$50.00
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LABORATORY SERVICES (by parameter, per each test):

Alkalinity (as CaCO₂)
Ammonia Nitrogen
Total BOD₅
Carbonaceous BOD₅
Chlorides
Conductivity
Iron
Hardness, Total
Nitrogen, Nitrate
Nitrogen, Nitrite
Oil and Grease
Phosphorous, Total
Solids, Total Dissolved
Solids, Total Suspended
Solids, Volatile Suspended
Sulfates
Total Organic Carbon

per test	\$20.00
per test	\$30.00
per test	\$33.00
per test	\$40.00
per test	\$10.00
per test	\$5.00
per test	\$15.00
per test	\$15.00
per test	\$18.00
per test	\$18.00
per test	\$45.00
per test	\$20.00
per test	\$35.00
per test	\$15.00
per test	\$15.00
per test	\$15.00
per test	\$50.00

BACTERIOLOGICAL TEST:

Total Coliform/E. Coli (presence/absence)
Coliform, Fecal (count)
Total Coliform/E. Coli Enumeration (Quanti-Tray)
Heterotrophic Plate Count

per test	\$16.00
per test	\$20.00
per test	\$18.00
per test	\$20.00

SAMPLE COLLECTION FEE

Water Sample Collection Fees (inside of city limits only)

per test	\$25.00
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STANDARD ANALYSIS PACKAGE (DRINKING WATER)

Included: Alkalinity, chlorides, conductivity, total hardness, Iron, Nitrate, Sulfate, total dissolved solids, total coliform/E. coli

	\$100.00
--	----------

WATER RECORDS/FINANCE DEPARTMENT

RETURNED ITEM HANDLING:

(Checks, bank drafts, credit or debit cards)

per item	\$25.00
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LIEN FILING FEE

ACTUAL COST	
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NEW ACCOUNT FEE (water, sewer, garbage):

NEW ACCOUNT FEE (water, sewer, garbage - with auto payment option):

per account	\$25.00
per account	\$15.00

UTILITY CUSTOMER DEPOSIT:

Residential
Commercial

per account	\$75.00
per account	\$75 - 2x Avg Usage

SERVICE CHARGE:

(new account turn-on, pull or lock meter, additional trips to meter locations, and accounts not paid in full by 5:00 p.m. on due date)

During regular business hours

After regular business hours, weekends, holidays

**Adopted
October 1, 2014**

per account	\$25.00
per account	\$50.00

RECYCLING BINS:

Residential - 1st one complimentary; additional bins

each	\$10.00
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WATER RATES - INSIDE CITY LIMITS:

Residential

Monthly Account Maintenance Fee

0 - 6000 gallons

6,001 - 15,000 gallons

15,001 - 25,000 gallons

25,001 - 50,000 gallons

50,001 and up gallons

per account	\$11.43
per 1,000	\$3.06
per 1,000	\$3.46
per 1,000	\$4.38
per 1,000	\$5.57
per 1,000	\$7.12

Commercial

Monthly Account Maintenance Fee

0 - 25,000 gallons

25,001 - 50,000 gallons

50,001 and up gallons

per account	\$11.43
per 1,000	\$3.43
per 1,000	\$3.88
per 1,000	\$4.41

Irrigation

Monthly Account Maintenance Fee

0 -15,000 gallons

15,001 - 25,000 gallons

25,001 and up gallons

per account	\$11.43
per 1,000	\$4.38
per 1,000	\$5.38
per 1,000	\$6.87

Fire Hydrant

Monthly Account Maintenance Fee

Deposit (refundable)

Meter Set-up or Move

New Account Fee

0 -15,000 gallons

15,001 - 25,000 gallons

25,001 and up gallons

per account	\$62.40
per account	\$2,750.00
per account	\$200.00
per account	\$25.00
per 1,000	\$4.38
per 1,000	\$5.38
per 1,000	\$6.87

WATER RATES - OUTSIDE CITY LIMITS

Residential

Monthly Account Maintenance Fee

0 - 6000 gallons

6,001 - 15,000 gallons

15,001 - 25,000 gallons

25,001 - 50,000 gallons

50,001 and up gallons

per account	\$17.15
per 1,000	\$4.59
per 1,000	\$5.19
per 1,000	\$6.57
per 1,000	\$8.36
per 1,000	\$10.68

Commercial

Monthly Account Maintenance Fee

0 - 25,000 gallons

25,001 - 50,000 gallons

50,001 and up gallons

per account	\$17.15
per 1,000	\$5.15
per 1,000	\$5.82
per 1,000	\$6.62

Irrigation

Monthly Account Maintenance Fee

0 -15,000 gallons

15,001 - 25,000 gallons

25,001 and up gallons

per account	\$17.15
per 1,000	\$6.57
per 1,000	\$8.07
per 1,000	\$10.31

Fire Hydrant

Monthly Account Maintenance Fee

Deposit

Meter Set-up or Move

New Account Fee

0 -15,000 gallons

15,001 - 25,000 gallons

25,001 and up gallons

per account	\$93.60
per account	\$2,750.00
per account	\$200.00
per account	\$25.00
per 1,000	\$6.57
per 1,000	\$8.07
per 1,000	\$10.31

EFFLUENT OR RE-USE WATER (pumped):

Monthly Account Maintenance Fee

(unless otherwise agreed to in separate contract)

per account	\$11.43
per/1,000	\$0.38

WATER BY THE TRUCK LOAD:

Re-Use Water

0 - 3,000 gallons
3,000 - 8,000 gallons

Potable Water

0 - 3,000 gallons
3,000 - 8,000 gallons

Adopted
October 1, 2014

per load	\$10.00
per load	\$17.50

per load	\$12.50
per load	\$20.00

SEWER RATES - INSIDE CITY LIMITS:

Residential

Monthly Account Maintenance Fee
Per 1,000 gallons

	\$8.55
	\$5.17

Commercial

Monthly Account Maintenance Fee
Per 1,000 gallons

	\$8.55
	\$5.50

Wholesale

Wholesale Sewer rate
Wholesale sewer rate excess capacity

	\$5.10
per day	\$1,000.00

SEWER RATES - OUTSIDE CITY LIMITS:

Residential

Monthly Account Maintenance Fee
Per 1,000 gallons

	\$12.83
	\$7.76

Commercial

Monthly Account Maintenance Fee
Per 1,000 gallons

	\$12.83
	\$8.25

Wholesale

Wholesale Sewer rate
Wholesale sewer rate excess capacity

	\$5.10
per day	\$1,000.00

NOTE: Outside city limits - water and sewer rates are 1 1/2 times inside city limits rates.

Fee Schedule amended by Resolution 37-2014

Agenda Item:

4A. Annexation of 421 Roy Street. (staff)

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

SUBJECT: First public hearing, concerning a proposed voluntary annexation and an initial zoning classification of (RM) "Residential Mix" District, for an approximately 3.05 acre tract of land out of the W.H. Crawford Survey No. 653, Abstract No. 123, Kerr County, Texas, located at 421 Roy Street.

FOR AGENDA OF: November 11, 2014 **DATE SUBMITTED:** October 29, 2014

SUBMITTED BY: Chris Stewart, AICP,
Interim Senior Planner

CLEARANCES:

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 OR FINANCE:

SUMMARY STATEMENT

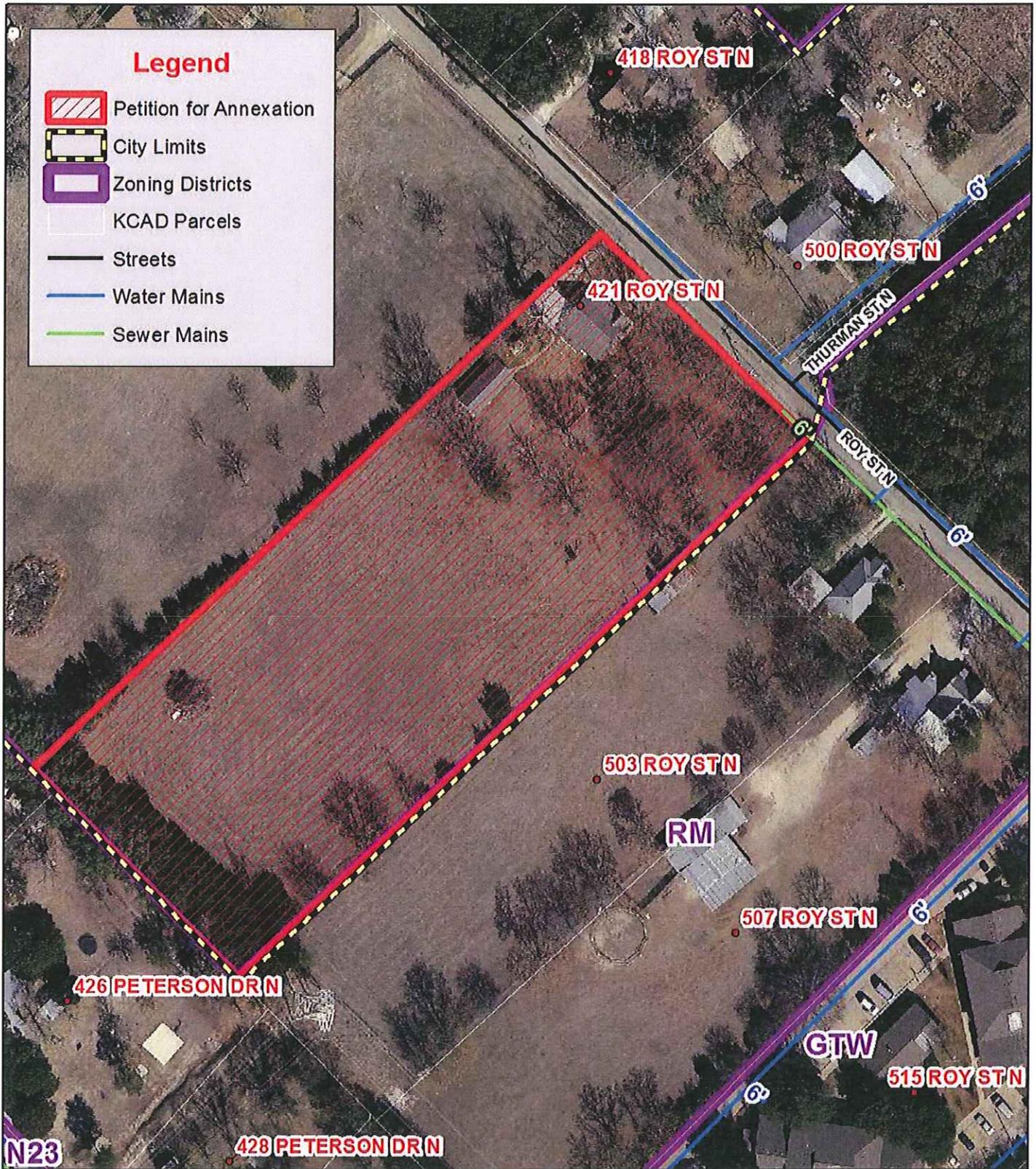
This item concerns a public hearing only for the voluntary annexation and initial zoning classification of 421 Roy St. The applicants requested annexation by petition on August 1, 2014 and the Council granted the petition and directed Staff to begin the proceedings with Resolution No. 27-2014 on September 23, 2014.

Following the additional public notice process and Planning and Zoning Commission hearing on initial zoning, the item will return to the Council for a second public hearing on the annexation/initial zoning on December 9, 2014 and for a first reading on the requested annexation and zoning ordinances on January 13, 2015. The process is scheduled for second reading on both ordinances January 27, 2015.

The applicant has requested RM "Residential Mix" zoning. This district allows all uses permitted in the "RC" Residential Cluster District with the addition of the development of subdivisions which include the location of manufactured housing, subject to certain development restrictions.

RECOMMENDED ACTION

Staff recommends that the Council hold the required public hearing to receive public comments. No action required at this time.



Legend

-  Petition for Annexation
-  City Limits
-  Zoning Districts
-  KCAD Parcels
-  Streets
-  Water Mains
-  Sewer Mains



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only approximate relative locations.

0 50 100 200 Feet

1 inch = 100 feet



PETITION REQUESTING ANNEXATION TO THE CORPORATE LIMITS OF THE CITY OF KERRVILLE, TEXAS, OF TEXAS ACRES OUT OF THE W.H. Crawford Survey, Abstract Number 123, KERR COUNTY TEXAS

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF KERRVILLE, TEXAS:

Pat Jackson Karr Is the sole owner of an approximately 3 acre tract of land located adjacent to the incorporated limits of the City of Kerrville which is out of the Survey No. 653 Abstract No. 123 Kerr County, Texas, and is more particularly described as follows:

SEE EXHIBIT "A". (Paste in legal description here & provide two copies of the survey with the legal description to Development Services Department)

The above-described property is (a) one-half mile or less in width, (b) contiguous to the incorporate limits of the City of Kerrville, Texas, and (c) presently vacant and without residents or on which fewer than three qualified voters reside.

In accordance with Texas Local Government Code §43.028, Pat Jackson Karr hereby respectfully requests and petitions that the above-described property be annexed into the incorporated limits of the City of Kerrville, Texas. SUBMITTED THIS 1 day of Aug. 2014

By: Elizabeth Jackson D'Ambrosi
Legally authorized signature

By: Elizabeth Jackson D'Ambrosi
Elizabeth

ACKNOWLEDGEMENT

~~THE STATE OF TEXAS~~

COUNTY OF KERR

§
§
§

This instrument was acknowledged before me on the 1 day of Aug 2014 by Elizabeth Jackson for and on behalf of Patricia Ridd Jackson D'Ambrosi Karr.

Eric Carl
NOTARY PUBLIC, STATE OF TEXAS

Printed Name: _____

My Commission Expires: _____

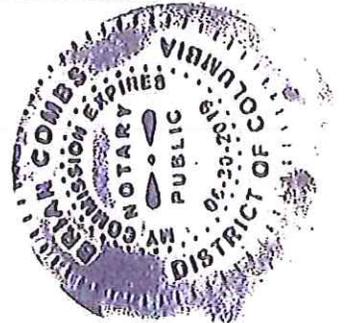


Exhibit A - Pg. 1

FIELD NOTES DESCRIPTION FOR 3.05 ACRES OF LAND OUT OF THE PAT JACKSON KARR LAND ALONG ROY STREET IN KERR COUNTY, TEXAS

Being all of a certain tract or parcel of land containing 3.05 acres, more or less, out of W. H. Crawford Survey No. 653, Abstract No. 123 in Kerr County, Texas; that same land conveyed as 3 acres from Jewel Osborne, et al to Pat Jackson Karr by a Warranty Deed executed the 3rd day of July, 1995 and recorded in Volume 805 at Page 467 of the Real Property Records of Kerr County, Texas; and being more particularly described by metes and bounds as follows:

BEGINNING at a fence cornerpost in the southwest right-of-way line of Roy Street, a public street for the east corner of the herein described tract and said 3 acre tract, and the north corner of a certain one acre tract conveyed as SECOND TRACT from Oillia Marie January, et al to David R. Jackson by a Warranty Deed executed the 3rd day of May, 1994 and recorded in Volume 744 at Page 536 of the Real Property Records of Kerr County, Texas;

THENCE, along a fence with the common line between said 3 acre tract and SECOND TRACT S47°16'34"W, at 548.6 ft. passing a fence cornerpost, then continuing not along a fence for a total distance of 600.00 ft. to an unmarked point in the northeast line of a certain one acre tract conveyed from George Griesbach, Independent Executor to Rogelio Fuentes and Debra Fuentes by a Warranty Deed with Vendor's Lien executed the 13th day of January, 2006 and recorded in Volume 1501 at Page 666 of the Official Public Records of Kerr County, Texas for the south corner of the herein described tract and southwest common corner of 3 acre tract and SECOND TRACT;

THENCE, with the common line between said 3 and one acre tracts N45°29'26"W, 223.15 ft. to an unmarked point for the west corner of the herein described tract and 3 acre tract, and the south corner of a certain 5.0 acre tract conveyed from Isabel Spenrath to Isabel Spenrath, Trustee by a Warranty Deed executed the 7th day of March, 2007 and recorded in Volume 1595 at Page 567 of the Official Public Records of Kerr County, Texas;

THENCE, with the common line between said 3 and 5.0 acre tracts N47°27'31"E, at 36.7 ft. passing a fence cornerpost, then continuing along a fence for a total distance of 597.20 ft. to a fence cornerpost in the southwest right-of-way line of said Roy Street for the north corner of the herein described tract and northeast common corner of 3 and 5.0 acre tracts;

THENCE, with the northeast line of said 3 acre tract along the southwest right-of-way line of said Roy Street S46°14'19"E, at 87.8 ft. passing a fence cornerpost, then continuing along a fence for a total distance of 221.40 ft. to the PLACE OF BEGINNING.

I hereby certify that these field notes and accompanying plat are accurate representations of the property shown and described hereon as determined by a survey made on the ground under my direction and supervision, except no survey was made to reestablish Patent Survey lines or corners; and that all property corners are as shown. (Bearing basis = True north based on GPS observations)

Date Surveyed: June 11, 2014

Dated this 22nd day of July, 2014

Lee C. Voelkel

Registered Professional Land Surveyor No. 3909
County Surveyor for Kerr County, Texas

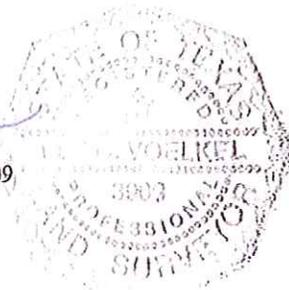
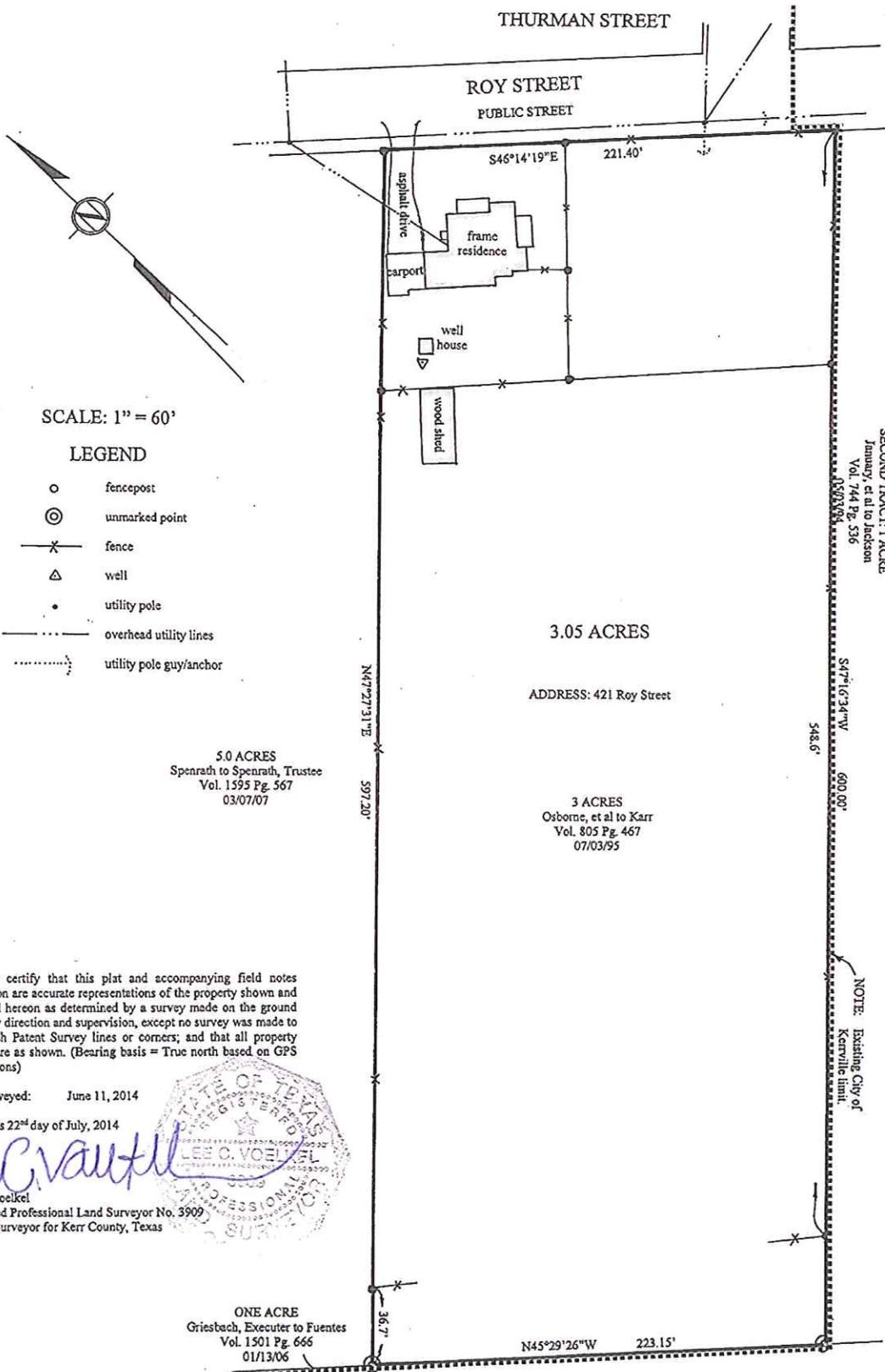


Exhibit A - Pg. 2

SURVEY PLAT FOR 3.05 ACRES OF LAND, MORE OR LESS, OUT OF W. H. CRAWFORD SURVEY NO. 653, ABSTRACT NO. 123 IN KERR COUNTY, TEXAS; THAT SAME LAND CONVEYED AS 3 ACRES FROM JEWEL OSBORNE, ET AL TO PAT JACKSON KARR BY A WARRANTY DEED EXECUTED THE 3RD DAY OF JULY, 1995 AND RECORDED IN VOLUME 805 AT PAGE 467 OF THE REAL PROPERTY RECORDS OF KERR COUNTY, TEXAS



SCALE: 1" = 60'

LEGEND

- fencepost
- ⊙ unmarked point
- X— fence
- △ well
- utility pole
- · — · — overhead utility lines
- · — · — utility pole guy/anchor

5.0 ACRES
Spenrath to Spenrath, Trustee
Vol. 1595 Pg. 567
03/07/07

I hereby certify that this plat and accompanying field notes description are accurate representations of the property shown and described hereon as determined by a survey made on the ground under my direction and supervision, except no survey was made to reestablish Patent Survey lines or corners; and that all property corners are as shown. (Bearing basis = True north based on GPS observations)

Date Surveyed: June 11, 2014

Dated this 22nd day of July, 2014

Lee C. Voelkel
Lee C. Voelkel
Registered Professional Land Surveyor No. 3909
County Surveyor for Kerr County, Texas

ONE ACRE
Griesbach, Executer to Fuentes
Vol. 1501 Pg. 666
01/13/06

EXHIBIT C

ANNEXATION SERVICE PLAN

SERVICE	DETAILS OF SERVICE PROVIDED	TIMETABLE
Animal Control	The provisions of animal control services shall be in effect following annexation of the property.	Immediately following annexation
Code Enforcement	The provisions of Code Enforcement services, including the application and enforcement of building, electrical, plumbing, and other related code requirements adopted by the City shall be made immediately to the area upon annexation. The preparation of a zoning plan shall serve as a basis for the zoning of land following annexation. The adoption of the zoning plan shall be in accordance with the procedures of the City's Zoning Ordinance.	Immediately following annexation, zoning to be concurrent with annexation
Fire Protection and Suppression	Fire protection and suppression personnel and equipment from the Kerrville Fire Department will be provided to the area as needed.	Immediately following annexation
Fire Prevention	The services of the City's Fire Marshall shall be provided to the area.	Immediately following annexation.
Library	Future residents of the area, if any, will continue to be entitled to utilize all City's Library facilities.	Immediately following annexation.
Parks and Recreation	The City's Parks and Recreation services will continue to be available to any area residents.	Immediately following annexation
Police Protection	Kerrville Police Department protection personnel and equipment shall be provided to the area immediately upon annexation. Police enforcement and protection services shall be provided through regular patrol activities.	Immediately following annexation

ANNEXATION SERVICE PLAN (CONTINUED)

SERVICE	DETAILS OF SERVICE PROVIDED	TIMETABLE
Public Services - Street Department	Public streets not maintained by the Texas Department of Transportation within the area shall be maintained by the City.	Immediately following annexation
Sanitation (Refuse Collection)	Refuse collection shall be available to any residents of the annexed area at the same costs and procedures as required of City residents and businesses.	Immediately following annexation
Traffic Engineering	Traffic control devices and street markers shall be installed where deemed necessary by the City Street Department, except as provided by the Texas Department of Transportation.	Immediately following annexation
Utilities (Water Distribution and Wastewater Collection)	Extension of utilities to the property shall be in accordance with the City's Subdivision Ordinance.	As the property develops

Agenda Item:

5A. Ordinance No. 2014-23, amending the comprehensive plan for the City of Kerrville, Texas, pursuant to Chapter 213 of the Texas Local Government Code; by revising the future land use plan for certain properties located along West Main Street and between its intersection with Powell Ave N. and Cox Avenue N.; and specifically, changing the future land use of this area to neighborhood commercial. (staff)

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

SUBJECT: Public hearing, consideration, and first reading of Ordinance No. 2014-23 concerning a proposed Comprehensive Plan Amendment to amend the future land use category from "Low-Density Residential" to the future land use category of "Neighborhood Commercial" for approximately 0.80 acres of land consisting of lots 10, 11, and part of lots 13, 15, and 17, Block 1, of the A. L. Lewis Second Addition Subdivision and to amend the future land use category from "General Commercial" to the future land use category of "Neighborhood Commercial" for approximately 0.30 acres of land consisting of Lots 3 & 4 of the Powel Addition Subdivision, located at 304, 308, 312, 314, 316, 320, and 324 West Main Street.

FOR AGENDA OF: November 11, 2014 **DATE SUBMITTED:** October 29, 2014

SUBMITTED BY: Chris Stewart, AICP,
Interim Senior Planner

CLEARANCES:

EXHIBITS: Future Land Use Map

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OR FINANCE:

SUMMARY STATEMENT

The applicant is seeking a rezoning of the subject property from Single-Family Residential (R-1A) with apartment to the Residential Transition District (RT). Before any change in zoning may be approved the City of Kerrville's adopted Comprehensive Plan must be amended.

Currently the comprehensive plan calls for the future land use of this area to be "General Commercial" (shown in pink) and "Low-Density Residential" (shown in yellow). Based on the fact that the subject area is located between a single-family zoning district and a general commercial district, staff recommends that the area be amended and placed in the future land use category of "Neighborhood Commercial". This future land use would allow the properties to take advantage of being adjacent to a commercial zoning district by allowing small-scale commercial uses such as Real Estate or Doctors' offices, and at the same time protecting the single-family area from further encroachment into the neighborhood from high intensity land uses that would be permitted under a general commercial zoning district.

The goal of the "Neighborhood Commercial" as defined in the City's Comprehensive Plan is "An area intended to provide for small-scale, limited impact retail, restaurant and office uses that are compatible with and adjacent to low and medium density residential neighborhoods which provide retail and personal service needs to the adjacent/nearby neighborhoods".

Based on the location of the subject property, access to major thoroughfares, and that the requested future land use satisfies the definition of "Neighborhood Commercial" staff recommends approval of the requested Comprehensive Plan amendments.

At the time this packet was distributed 32 land owners within 200' were notified and no official protests have been received.

The Planning and Zoning Commission held a public hearing, received no comment, and recommended approval with a 5-0 vote.

RECOMMENDED ACTION

Staff recommends that the Council hold the required public hearing to receive public comments and render a decision on the requested comprehensive plan amendments.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2014-23**

AN ORDINANCE AMENDING THE COMPREHENSIVE PLAN FOR THE CITY OF KERRVILLE, TEXAS, PURSUANT TO CHAPTER 213 OF THE TEXAS LOCAL GOVERNMENT CODE; BY REVISING THE FUTURE LAND USE PLAN FOR CERTAIN PROPERTIES LOCATED ALONG WEST MAIN STREET AND BETWEEN ITS INTERSECTION WITH POWELL AVE N. AND COX AVENUE N.; AND SPECIFICALLY, CHANGING THE FUTURE LAND USE OF THIS AREA TO NEIGHBORHOOD COMMERCIAL

WHEREAS, City Council adopted Ordinance No. 2002-14 on July 9, 2002, which adopted the *Kerrville Comprehensive Plan—A Link To The Future* as the City’s Comprehensive Plan (Plan); and

WHEREAS, the Plan, pursuant to Section 213.002 of the Texas Local Government Code, was adopted as a planning tool for the long-range development of the City; and

WHEREAS, a Future Land Use Plan (“FLUP”) was included as part of the Plan; and

WHEREAS, Section 211.004 of the Texas Local Government Code requires zoning regulations to be adopted in accordance with the Plan; and

WHEREAS, the Plan, specifically the FLUP, as found at figure 3.2 of the Plan, must now be amended in conjunction with a pending application for a zoning change; and

WHEREAS, the City Council finds that a public hearing was held on the proposed revisions to the Plan as required by law and the Council has heard and considered any such comments; and

WHEREAS, the City Council finds it in the public interest to amend the Plan as provided herein;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

SECTION ONE. The above recitals and findings are hereby found to be true and correct.

SECTION TWO. The *City of Kerrville Comprehensive Plan – A Link To The Future*, and specifically the FLUP, found at **Exhibit A** and attached hereto and incorporated herein for all purposes, is amended as follows:

A. changing the future land use designation from “Low-Density Residential” to “Neighborhood Commercial” for those properties, as depicted at **Exhibit A**,

consisting of an approximate 0.80 acre tract of land, Lots 10, 11, 12, and parts of Lots 13, 15, and 17, Block 1 of the A.L. Lewis Second Addition, a subdivision within the City of Kerrville, Texas; and

B. changing the future land use designation from "General Commercial" to "Neighborhood Commercial" for those properties, as depicted at **Exhibit A**, consisting of an approximate 0.30 acre tract of land, Lots 3 and 4, Powell Addition, a subdivision within the City of Kerrville, Texas;

said properties collectively being more commonly referred to as 304, 308, 312, 314, 316, 320, and 324 of West Main Street.

SECTION THREE. The provisions contained herein amend and revise, as appropriate, the provisions of Ordinance No. 2002-14. Further, that the provisions of this Ordinance are cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent with or in conflict with any of the provisions of this Ordinance are hereby expressly repealed to the extent of any such inconsistency or conflict.

SECTION FOUR. If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding will not affect the validity of the remaining portions of this Ordinance. The Council of the City of Kerrville, Texas, hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

PASSED AND APPROVED ON FIRST READING, this the ___ day of _____, A.D., 2014.

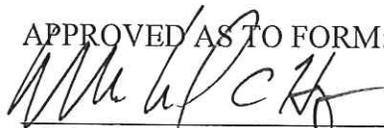
PASSED AND APPROVED ON SECOND AND FINAL READING, this the ___ day of _____, A.D., 2014.

Jack Pratt, Jr., Mayor

ATTEST:

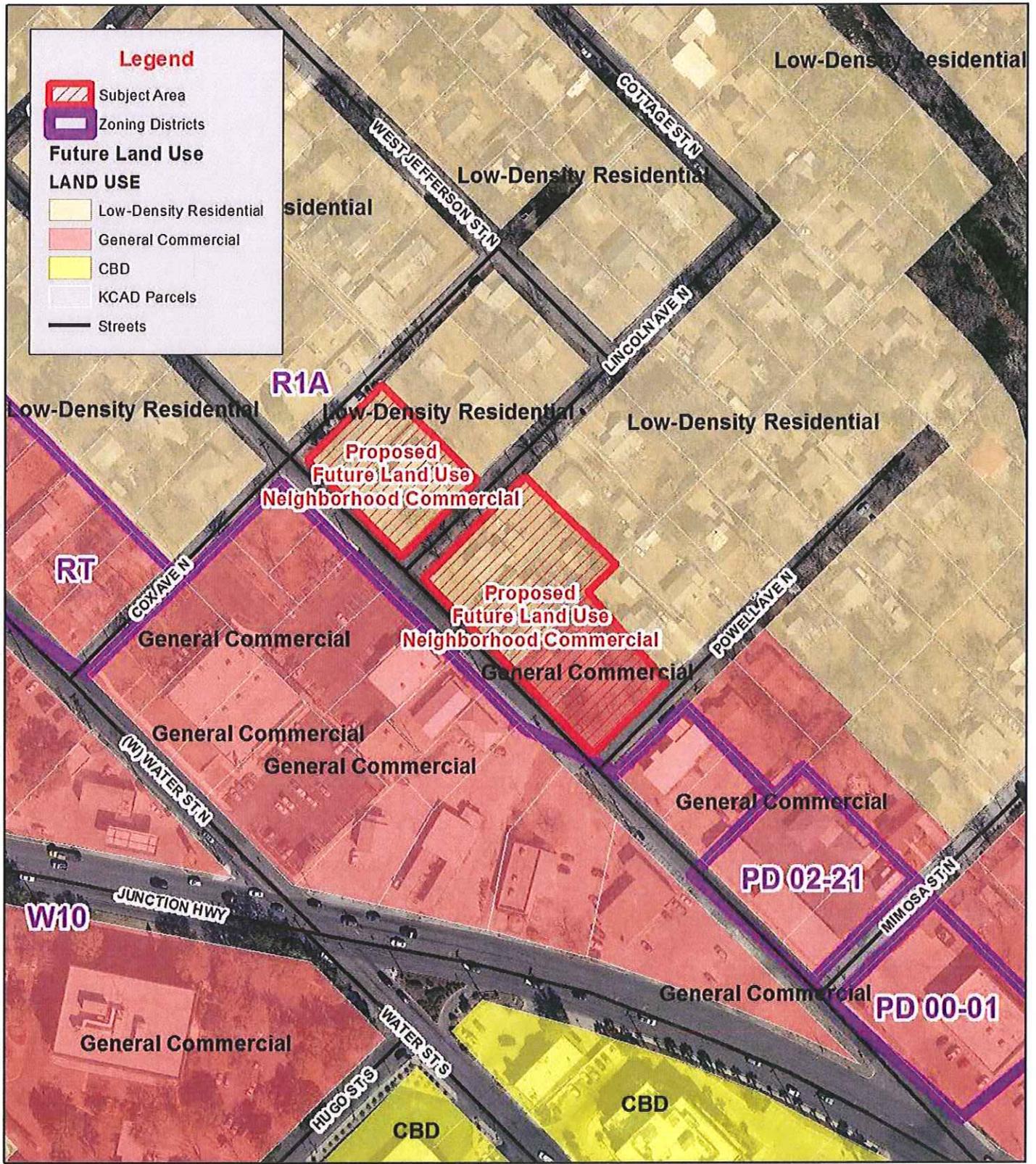
Brenda G. Craig, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

P&Z Case #2014-038 - Comprehensive Plan Amendment - Location Map



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only approximate relative locations.



1 inch = 150 feet



Agenda Item:

5B. Ordinance No. 2014-22, amending the City's "Zoning Code" by changing the zoning district of certain properties located along West Main Street and between its intersection with Powell Avenue N. and Cox Avenue N.; such change will result in the placement of the properties within a residential transition (RT) district; containing a cumulative clause; containing a savings and severability clause; providing for a maximum penalty or fine of two thousand dollars (\$2000.00); ordering publication; and providing other matters relating to the subject. (staff)

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

SUBJECT: Public hearing, consideration, and first reading of Ordinance No. 2014-22 concerning a requested zoning change from a (R-1A) Residential District to a (RT) Residential Transition District for approximately 1.10 acres consisting of lots 10, 11, and part of lots 13, 15, and 17, Block 1, of the A. L. Lewis Second Addition Subdivision and Lots 3 & 4 of the Powel Addition Subdivision, located at 304, 308, 312, 314, 316, 320, and 324 West Main Street.

FOR AGENDA OF: November 11, 2014 **DATE SUBMITTED:** October 29, 2014

SUBMITTED BY: Chris Stewart, AICP,
Interim Senior Planner

CLEARANCES:

EXHIBITS: Proposed Zoning Map

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:



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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OR FINANCE:

SUMMARY STATEMENT

The applicant is seeking a rezoning of the subject property from Single-Family Residential (R-1A) with apartment to the Residential Transition District (RT).

The requested (RT) district limits land uses to retail, offices, and personal services. The purpose of the (RT) district is "specifically designed to be a transition zone between single family areas and commercial properties. Because of development regulations that require the appearance of a business located in an "RT" Residential Transition District to be that of a single family residence, the "RT" Residential Transition District can be used in various areas of the City where existing lots are occupied in part by single family houses but where limited business uses may be under certain conditions appropriate and desirable".

To further protect single-family residential uses the (RT) district limits commercial uses, limits the size of buildings to 3,000 square feet, and requires them to be designed to look like a single-family residence.

Based on the location of the subject property, access to major thoroughfares, and that the requested zoning district was intended for areas that are similar in nature to the subject area, staff recommends approval of the requested zoning change.

At the time this packet was distributed 32 land owners within 200' were notified and no official protests have been received.

The Planning and Zoning Commission held a public hearing, received no comment, and recommended approval with a 5-0 vote.

RECOMMENDED ACTION

Staff recommends that the Council hold the required public hearing to receive public comments and render a decision on the requested zoning change.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2014-22**

AN ORDINANCE AMENDING THE CITY'S "ZONING CODE" BY CHANGING THE ZONING DISTRICT OF CERTAIN PROPERTIES LOCATED ALONG WEST MAIN STREET AND BETWEEN ITS INTERSECTION WITH POWELL AVENUE N. AND COX AVENUE N.; SUCH CHANGE WILL RESULT IN THE PLACEMENT OF THE PROPERTIES WITHIN A RESIDENTIAL TRANSITION (RT) DISTRICT; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS (\$2000.00); ORDERING PUBLICATION; AND PROVIDING OTHER MATTERS RELATING TO THE SUBJECT

WHEREAS, pursuant to Texas Local Government Code Sections 211.006 and 211.007, notice has been given to all parties in interest and citizens by publication in the official newspaper for the City of Kerrville, Texas ("City"), and otherwise, of a hearing which was held before the City Council on November 11, 2014, which considered a report of the City's Planning and Zoning Commission regarding its recommendations on an ordinance, the adoption of which will result in the change of a zoning district for certain properties located along West Main Street and between its intersection with Powell Avenue N. and Cox Avenue N., such change to result in the placement of the properties within a Residential Transition (RT) District; and

WHEREAS, such public hearing was held in the Council Chambers beginning at approximately 6:00 p.m. on November 11, 2014, as advertised; and

WHEREAS, after a full hearing, at which all parties in interest and citizens were given an opportunity to be heard; and after receiving and considering the recommendations of the Planning and Zoning Commission and City staff; and after considering among other things, the character of the various areas of the City and the suitability of particular uses in each area; and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout the City, the Council finds it to be in the best interest of the health, safety, morals, and general welfare of the City of Kerrville, Texas, to amend the City's Zoning Code to change the zoning district for the properties described below to placement within a Residential Transition (RT) District;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

SECTION ONE. The zoning district for those properties generally located along West Main Street between its intersection with Powell Avenue N. and Cox Avenue N., commonly referred to as 304, 308, 312, 314, 316, 320, and 324 West Main Street, and more specifically described as follows, is changed from a "R-1A" Residential District to a Residential Transition (RT) District:

Being all of certain tracts or parcels of land containing 1.10 acres, more or less, consisting of Lots 10, 11, 12, and parts of Lots 13, 15, and 17, Block 1, of the A.L. Lewis Second Addition Subdivision, and Lots 3 and 4 of the Powel Addition Subdivision, both of which are subdivision within the City of Kerrville, Texas, and being more particularly described and depicted at Exhibit A, attached hereto and made a part hereof for all purposes.

SECTION TWO. The zoning district change from a "R-1A" Residential District to a Residential Transition (RT) District also means that the newly created district will become connected to, merge with, and consist as a part of the existing Residential Transition (RT) District located southwest of and across West Main Street from the subject properties.

SECTION THREE. The City Manager or designee is authorized and directed to amend the City's official zoning map to reflect the change in districts adopted herein and to take other actions contemplated by and in accordance with Section 11-I-4(c) of the City's Zoning Code.

SECTION FOUR. The provisions of this Ordinance are cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent with or in conflict with any of the provisions of this Ordinance are expressly repealed to the extent of any such inconsistency or conflict.

SECTION FIVE. If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this Ordinance. The Council of the City of Kerrville, Texas, declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION SIX. The penalty for violation of this Ordinance shall be in accordance with the general penalty provisions contained in Section 1-7, Chapter 1 of the Code of Ordinances of the City of Kerrville, Texas, which provides for a fine not exceeding TWO THOUSAND DOLLARS (\$2,000.00).

SECTION SEVEN. Pursuant to Texas Local Government Code §52.013(a) and Section 3.07 of the City's Charter, the City Secretary is hereby authorized and directed to publish the descriptive caption of this Ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

SECTION EIGHT. This Ordinance shall become effective immediately upon the expiration of ten days following publication, as provided for by Section 3.07b. of the City Charter.

PASSED AND APPROVED ON FIRST READING, this the ____ day of _____, A.D., 2014.

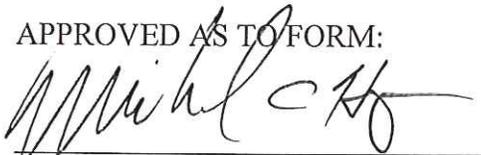
PASSED AND APPROVED ON SECOND AND FINAL READING, this the ____ of _____, A.D., 2014.

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

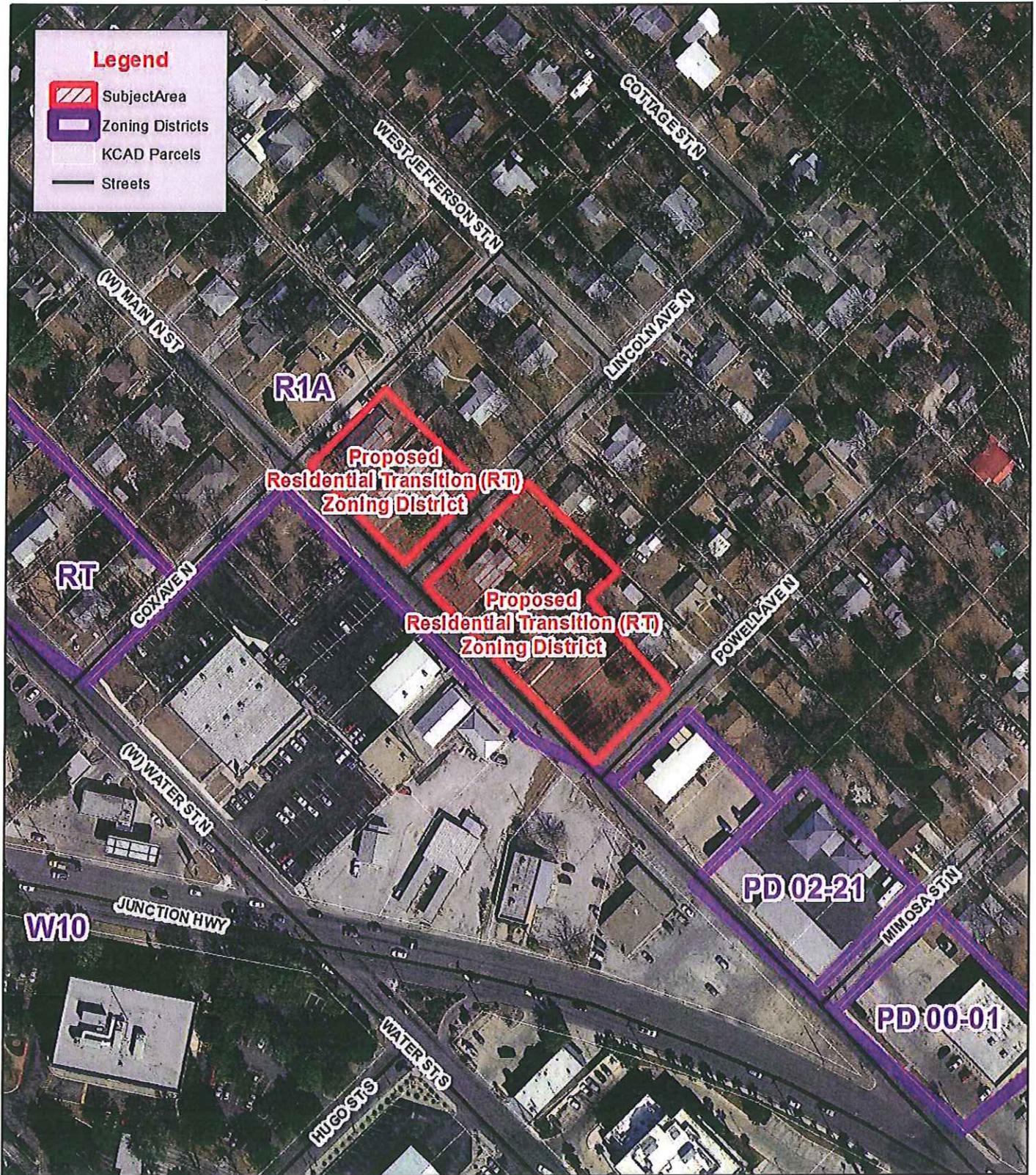


Michael C. Hayes, City Attorney

P&Z Case #2014-039 - Zoning Change Request - Location Map

Legend

-  Subject Area
-  Zoning Districts
-  KCAD Parcels
-  Streets



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only approximate relative locations.



1 inch = 150 feet



Agenda Item:

6A. Ordinance No. 2014-25 altering the prima facie speed limit on State Highway 173 (Bandera Highway) from approximately two hundred feet south of the intersection of the highway with Comanche Trace Drive and continuing south to the city's limits, such distance equal to 0.179 mile; reducing said speed limit to 45 miles per hour; authorizing installation of appropriate signs and markings; containing a savings and severability clause; providing for a maximum penalty or fine of two hundred dollars (\$200.00) and ordering publication. (staff)

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

SUBJECT: ORDINANCE FIRST READING, MODIFICATION TO SPEED LIMIT ON STATE HIGHWAY 173 BETWEEN COMANCHE TRACE BOULEVARD AND KERRVILLE CITY LIMITS.

FOR AGENDA OF: 11/11/14

DATE SUBMITTED: 10/29/14

SUBMITTED BY: Stuart Barron *SB*
Director of Public Works

CLEARANCES: Kristine Day *KD*
Deputy City Manager

EXHIBITS: Ordinance

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted	Number:
\$ 0	\$ 0	\$ 0	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

The Texas Department of Transportation (TXDOT) has conducted an engineering and traffic investigation for State Highway 173 (SH 173) southeast of Kerrville. The study area included 0.179 miles of SH 173 inside the City Limits of Kerrville, and was in compliance with Transportation Code, Sec. 545.353, *Authority of Texas Transportation Commission to Alter Speed Limits*. After evaluating the study TXDOT has recommended decreasing the speed limit on SH 173 from the existing 65 mph to 55 mph. The new speed limit would affect 0.179 miles (200 feet) of highway inside the City Limit and 2.5 miles of SH 173 from the City Limits to Lower Turtle Creek Road.

RECOMMENDED ACTION

Approve ordinance as presented on first reading.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2014-25**

AN ORDINANCE ALTERING THE PRIMA FACIE SPEED LIMIT ON STATE HIGHWAY 173 (BANDERA HIGHWAY) FROM APPROXIMATELY TWO HUNDRED FEET SOUTH OF THE INTERSECTION OF THE HIGHWAY WITH COMANCHE TRACE DRIVE AND CONTINUING SOUTH TO THE CITY'S LIMITS, SUCH DISTANCE EQUAL TO 0.179 MILE; REDUCING SAID SPEED LIMIT TO 45 MILES PER HOUR; AUTHORIZING INSTALLATION OF APPROPRIATE SIGNS AND MARKINGS; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO HUNDRED DOLLARS (\$200.00); AND ORDERING PUBLICATION

WHEREAS, Section 545.353 of the Texas Transportation Code authorizes the Texas Transportation Commission to make certain findings based upon engineering and traffic investigations and to alter prima facie speed limits on state roads located in whole or in part within the limits of an incorporated municipality; and

WHEREAS, the Texas Department of Transportation has made studies and surveys of the traffic flowing along a state road within the City limits of Kerrville, Texas; and

WHEREAS, the Texas Department of Transportation has found and determined from the above-mentioned studies that State Highway 173 from approximately two-hundred feet (200') south of its intersection with Comanche Trace Drive and as it continues south until reaching the City's limits, as hereinafter described in this Ordinance, should be speed zoned to rates set out in this Ordinance; and

WHEREAS, the City Council of the City of Kerrville, Texas, finds it to be in the public interest to comply with the request from the Texas Department of Transportation to adopt an ordinance altering the prima facie speed limit along a portion of State Highway 173;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

SECTION ONE. No person shall drive a vehicle on those certain portions of State Highway 173 from approximately two-hundred feet (200') south of the intersection of the highway with Comanche Trace Drive and as the highway continues south until reaching the City's limits, as set out and described below, at a speed greater than is reasonable or prudent under the circumstances then existing. The approximate location of the relevant area is depicted in the attachment found at **Exhibit A**. The speed limits specified in this Section are lawful, but any speed in excess of the limit specified in this Section will be prima facie evidence that the speed is not reasonable or prudent and is unlawful. The speed of motor vehicles on those streets as set out below is hereby established at the rate or rates shown opposite the affected streets, roads or highways, to wit:

<i>Beginning Point</i>	<i>Ending Point</i>	<i>Speed Limit</i>
Approximately 200' South of Intersection of SH 173 and Comanche Trace Drive and 0.179 North of City's limits along SH 173	City's limits south of intersection of SH 173 and Comanche Trace Drive, an approximately distance of 0.179 mile	55 mph

SECTION TWO. The above speed zoning is based upon findings and determinations of the City Council made as a result of certain traffic surveys and studies made by the Area Engineer for the Texas Department of Transportation, a summary of which is attached as **Exhibit B**.

SECTION THREE. The Texas Department of Transportation is hereby authorized and directed to install appropriate speed zone signs commensurate with the provisions of this Ordinance.

SECTION FOUR. Any person violating the prima facie speed limits established by this Ordinance shall, upon conviction, be punished by a fine of not less than One Dollar (\$1.00) nor more than Two Hundred Dollars (\$200.00), as fully prescribed by Texas Transportation Code §542.401, or as may be amended.

SECTION FIVE. All existing ordinances, or any part thereof, in conflict with this Ordinance are hereby expressly repealed. Not repealed, amended, or in any way affected by this Ordinance are those ordinances establishing speed zones or school crossings.

SECTION SIX. The repeal of ordinances, or parts of ordinances, effectuated by the enactment of this Ordinance shall not be construed as abating any actions pending under or by virtue of such ordinances; or as discontinuing, abating, modifying or altering any penalty accruing or to accrue; or as affecting the liability of any person, firm or corporation; or as waiving any right of the municipality under any section or provision existing at the time of the passage of this Ordinance.

SECTION SEVEN. If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this Ordinance. The Council of the City of Kerrville hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION EIGHT. The City Secretary is hereby authorized and directed to publish the descriptive caption of this Ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

PASSED AND APPROVED ON FIRST READING, this the _____ day of _____, A.D., 2014.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ day of _____, A.D., 2014.

Jack Pratt, Jr., Mayor

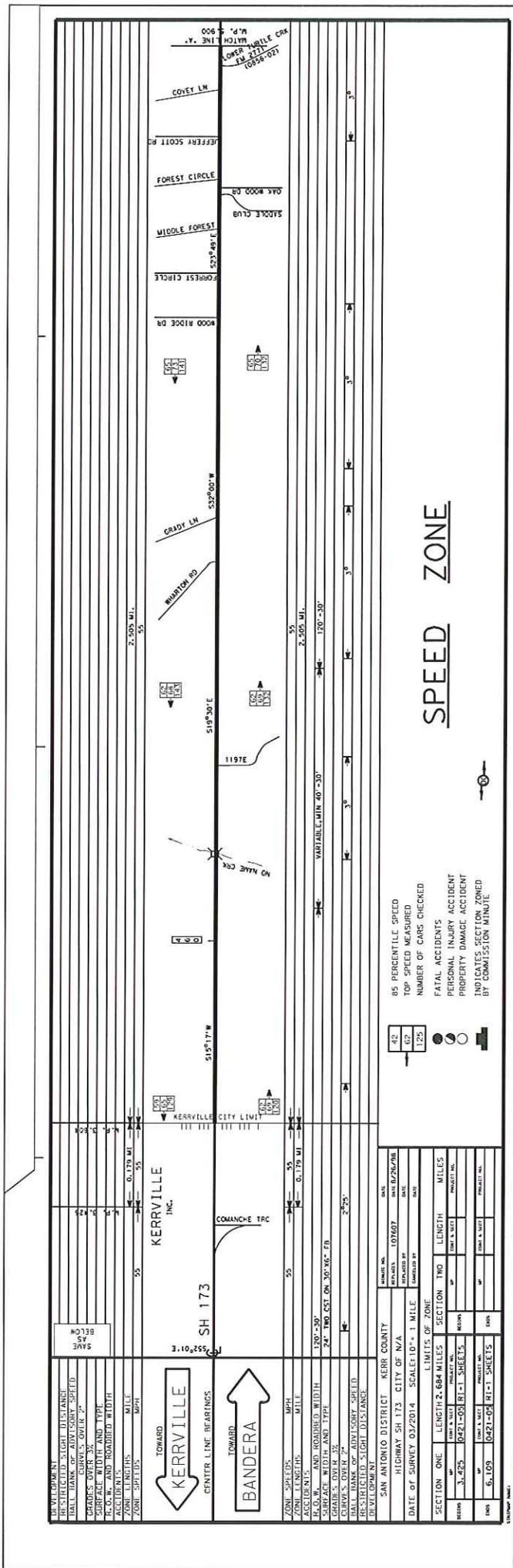
ATTEST:

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney



SPEED ZONE

85 PERCENTILE SPEED
 TOP SPEED MEASURED
 NUMBER OF CARS CHECKED
 FATAL ACCIDENTS
 PERSONAL INJURY ACCIDENT
 PROPERTY DAMAGE ACCIDENT
 INDICATES SECTION ZONED
 BY COMMISSION MINUTE



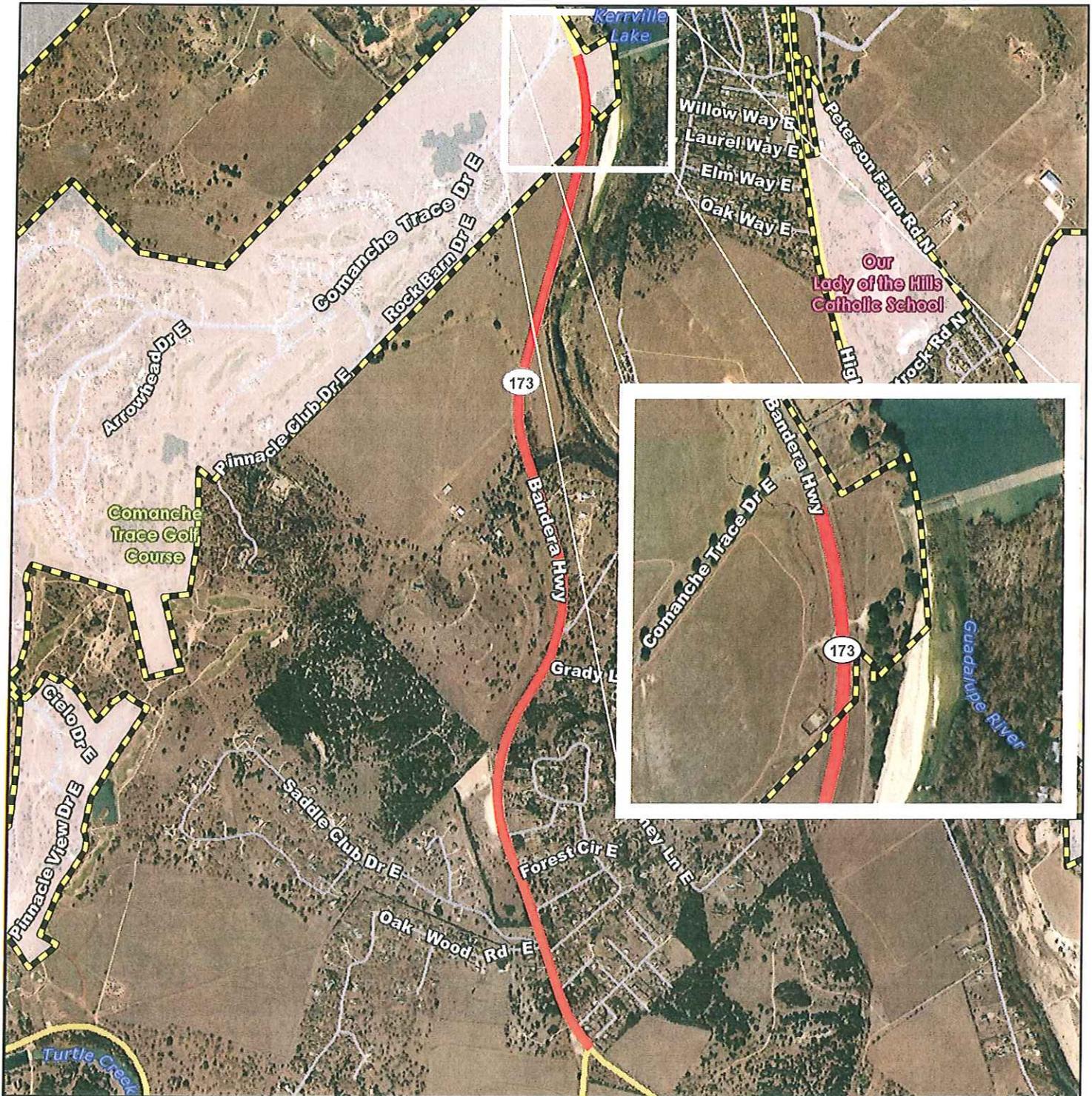
DEVELOPMENT		KERRVILLE INC.	
SECTION		SH 173	
DATE		03/20/14	
SCALE		1" = 100'	
DRAWN BY		[Signature]	
CHECKED BY		[Signature]	
APPROVED BY		[Signature]	
DATE		03/20/14	
PROJECT NO.		107607	
SHEET NO.		1 OF 1	
SECTION		SECTION TWO	
LENGTH		2.684 MILES	
MILES		2.684	
SHEETS		31-429-0421-05 R1-1 SHEETS	
NO.		6,109 0421-04 R1-1 SHEETS	

SAN ANTONIO DISTRICT - KERR COUNTY	
DATE OF SURVEY	03/20/14
SCALE	1" = 100'
SECTION	SECTION TWO
LENGTH	2.684 MILES
MILES	2.684
SHEETS	31-429-0421-05 R1-1 SHEETS
NO.	6,109 0421-04 R1-1 SHEETS

1/4" = 100' (AS SHOWN)



Recommended Highway 173 Speed Limit Reduction



Legend

-  TxDOT Speed Limit Change
-  City Limits



Exported By: joyoung
 Exported On: 10/30/2014 1:46 PM
 0 500 1,000 2,000
 Scale In Feet

Agenda Item:

6B. Ordinance No. 2014-26, amending Chapter 58, Article III of the City's Code of Ordinances titled "Smoking in enclosed public places and places of employment"; to prohibit the sale, purchase, and possession of electronic vaping devices; containing a cumulative clause; containing a savings and severability clause; ordering publication; and providing other matters related to the subject.
(staff)

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

SUBJECT: First reading of an ordinance establishing a minimum age to purchase or possess electronic cigarettes and electronic cigarette products

FOR AGENDA OF: Nov. 11, 2014

DATE SUBMITTED: Nov. 4, 2014

SUBMITTED BY: Todd Parton
City Manager

CLEARANCES:

EXHIBITS: Draft Ordinance

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$0	\$0	\$0	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

At its meeting of October 28, 2014, the City Council directed staff to amend the City of Kerrville Code of Ordinance, Chapter 58, Article III. Smoking in Enclosed Public Places and Places of Employment to establish a minimum age limit of eighteen (18) to purchase or possess electronic cigarettes or electronic cigarette products. This draft ordinance establishes the age limit as directed by the City Council.

RECOMMENDED ACTION

City staff recommends that the City Council approve this ordinance as presented.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2014-26**

AN ORDINANCE AMENDING CHAPTER 58, ARTICLE III OF THE CITY'S CODE OF ORDINANCES, TITLED "SMOKING IN ENCLOSED PUBLIC PLACES AND PLACES OF EMPLOYMENT"; TO PROHIBIT THE SALE, PURCHASE, AND POSSESSION OF ELECTRONIC VAPING DEVICES; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; ORDERING PUBLICATION; AND PROVIDING OTHER MATTERS RELATED TO THE SUBJECT

WHEREAS, the City Council enacted Ordinance 2001-16 on September 19, 2001, which regulated smoking in public places; and

WHEREAS, Ordinance 2001-16 was codified into Chapter 58 "Health and Safety Code", Article III "Smoking in Enclosed Public Places and Places of Employment" of the City's Code of Ordinances ("Code"); and

WHEREAS, following a successful voter initiative brought pursuant to the authority found in the City's Charter, the City Council amended Ordinance 2001-16 with Ordinance 2008-16 on June 10, 2008, to prohibit smoking in City parks and on downtown streets during large public gatherings, in bars and private membership clubs, within twenty feet of a public entrance to a building, and in restaurants unless the restaurant's smoking area is completely enclosed; and

WHEREAS, the City Council desires to amend Chapter 58, Article III of the Code to prohibit the sale, purchase, and possession of electronic vaping devices, more commonly known as electronic cigarettes or e-cigarettes, and similar devices within the City; and

WHEREAS, the United States Food and Drug Administration ("FDA") has conducted laboratory tests showing the vapors from electronic cigarettes contain carcinogens, including nitrosamines. Further, the FDA tests found that e-cigarette vapors were found to contain toxic chemicals such as, diethylene glycol, a common ingredient in antifreeze; and

WHEREAS, the City Council finds that manufacturers of electronic cigarettes market and provide liquid nicotine cartridges in a variety of flavors, including cherry, chocolate, and vanilla, which the FDA and public health advocates warn are purposefully intended to appeal to and attract young people to purchase and use their products and are sometimes referred to as "training wheels" for traditional cigarettes; and

WHEREAS, studies show that adolescents can become addicted to nicotine after ingesting the equivalent of twenty (20) traditional cigarettes, the amount generally available in a single pack, and the appeal created by the flavored electronic cigarettes and/or liquid nicotine can lead young people into a lifetime of nicotine addiction; and

WHEREAS, the City Council has determined that a ban on the sale, purchase, and possession of electronic vaping devices in the City to persons under the age of eighteen (18) will

help minimize the physical accessibility to minors and serves an important public interest in furtherance of the health, safety, and general welfare of the citizens of the City; and

WHEREAS, the state, through Chapter 161, Subchapter H, of the Texas Health and Safety Code, prohibits the possession, purchase, consumption, or receipt of cigarettes or tobacco products by minors, which includes prohibiting the use of the same by minors, and the City enforces such regulations; and

WHEREAS, the City Council finds that in order to promote the public health, safety, and welfare of the City and its citizens, it is in the best interest of the City and its citizens to amend the Code of Ordinances as set forth below;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

SECTION ONE. Chapter 58, Article III, of the Code of Ordinances of the City of Kerrville, Texas, is amended by adding the language that is underlined (added) as follows:

**“CHAPTER 58 HEALTH & SANITATION
ARTICLE III. SMOKING IN ENCLOSED PUBLIC PLACES AND PLACES OF
EMPLOYMENT; USE OF ELECTRONIC VAPING DEVICES”**

SECTION TWO. Chapter 58, Article III, of the Code of Ordinances of the City of Kerrville, Texas, is amended by adding the language that is underlined (added) to Section 58-62 as follows:

“Sec. 58-62. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

⋮

Electronic vaping device means any electronically or battery powered device that uses an atomizer or similar device allowing users to inhale nicotine vapor or any other vapor to simulate the smoking of tobacco or other substances, to include electronic cigarettes (e-cigarettes), electronic pipes (e-pipes), electronic cigars (e-cigars) and any other type of electronic nicotine delivery system or any part thereof.

Liquid nicotine means any liquid product composed either in whole or in part of pure nicotine and propylene glycol and/or any other substance and manufactured for use with an electronic vaping device.

Minor means any person under the age of eighteen (18) years of age.”

SECTION THREE. Chapter 58, Article III, of the Code of Ordinances of the City of Kerrville, Texas, is amended by adding a new Section 58-69, as indicated by the language that is underlined (added) as follows:

“Sec. 58-69. Sale or provision of electronic vaping devices and/or liquid nicotine to a minor.

(a) It is unlawful and a person or retailer commits an offense if the person sells, provides, or causes to be sold or provided an electronic vaping device and/or liquid nicotine to a minor.

(b) If the offense under this section occurs in connection with a sale of an electronic vaping device and/or liquid nicotine at a business by an employee of the business, the employee who committed the offense is subject to prosecution.

(c) This section is intended to apply strict liability to sellers and providers of electronic vaping devices and/or liquid nicotine. A culpable mental state is not required to prove a violation of this section.

(d) It is a defense to prosecution under this section that the person to whom the electronic vaping device and/or liquid nicotine was sold or provided presented to the person who sold or provided the electronic vaping device and/or liquid nicotine an apparently valid Texas driver's license or identification card, issued by the department of public safety and containing a physical description consistent with the person's appearance that purported to establish the person was eighteen (18) years of age or older."

SECTION FOUR. Chapter 58, Article III, of the Code of Ordinances of the City of Kerrville, Texas, is amended by adding a new Section 58-70, as indicated by the language that is underlined (added) as follows:

"Sec. 58-70. Purchase of electronic vaping device and/or liquid nicotine by a minor.

(a) It is unlawful and a person commits an offense if he is a minor and intentionally or knowingly purchases or attempts to purchase an electronic vaping device and/or liquid nicotine within the incorporated limits of the City.

(b) It is unlawful and a person commits an offense if he or she is a minor and the minor (1) falsely states to any person engaged in the business of selling electronic vaping devices and/or liquid nicotine within the incorporated limits of the City that the minor person is not a minor or (2) presents to any person engaged in the business of selling electronic vaping devices and/or liquid nicotine within the incorporated limits of the City any document that purports to establish that the minor is not a minor.

(c) It is not a violation of this section if the minor purchases an electronic vaping device and/or liquid nicotine while under the direction and supervision of a police officer in the process of enforcing any provision of this article."

SECTION FIVE. Chapter 58, Article III, of the Code of Ordinances of the City of Kerrville, Texas, is amended by adding a new Section 58-71, as indicated by the language that is underlined (added) as follows:

"Sec. 58-71. Possession of Electronic Vaping Devices and/or Liquid Nicotine by a minor.

(a) It is unlawful and a person commits an offense if he is a minor as defined under this article and intentionally or knowingly possesses an electronic vaping device and/or liquid nicotine within the incorporated limits of the City.

(b) It is an affirmative defense to prosecution under this section that the minor's parent or legal guardian consented to the possession of the electronic vaping device and/or liquid nicotine by the minor and such possession was either in the residence of the minor's parent or legal guardian or in the presence of the minor's parent or legal guardian.

(c) It is an affirmative defense to prosecution under this section that the minor possessed an electronic vaping device and/or liquid nicotine as an employee of a commercial establishment that sells or distributes electronic vaping devices and/or liquid nicotine pursuant to a requirement by the minor's employer that the minor possessed electronic vaping device and/or liquid nicotine in the performance of the minor's duties as an employee of the commercial establishment.

(d) It is not a violation of this section if the minor possesses the electronic vaping device and/or liquid nicotine while under the direction and supervision of a peace officer in the process of enforcing any provision of this article."

SECTION SIX. The City Secretary is authorized and directed to submit this amendment to the publisher of the City's Code of Ordinances and the publisher is authorized to amend the Code to reflect the adopted amendments, to correct any typographical errors, and to index, format, number, and letter the paragraphs to the existing Code, as appropriate.

SECTION SEVEN. The provisions of this Ordinance are to be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent with or in conflict with any of the provisions of this Ordinance are expressly repealed to the extent of any such inconsistency or conflict.

SECTION EIGHT. If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding will not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Kerrville, Texas, declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION NINE. Pursuant to Texas Local Government Code §52.013(a) and Section 3.07 of the City's Charter, the City Secretary is authorized and directed to publish the descriptive caption of this Ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

SECTION TEN. The penalty for violation of this Ordinance shall be in accordance with the general penalty provisions contained in Section 1-7, or its successor section, of the Code of

Ordinances of the City of Kerrville, Texas, which provides for a fine not exceeding TWO THOUSAND DOLLARS (\$2,000.00).

SECTION ELEVEN. This Ordinance will become effective immediately upon the expiration of ten days following publication, as provided for by Section 3.07b. of the City Charter.

PASSED AND APPROVED ON FIRST READING, this the _____ day of _____, A.D., 2014.

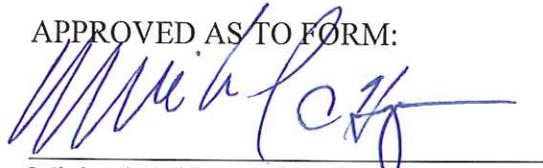
PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ day of _____, 2014.

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

Agenda Item:

7A. Ordinance No. 2014-21 amending Chapter 30 "Businesses" of the city's Code of Ordinances by adopting a new Article V "Tourist Courts, Hotels, Inns, and Rooming Houses"; enacting minimum health and sanitation standards for tourist courts, hotels, inns, and rooming houses; requiring a hotel permit for all hotels operated within the city; establishing standards for the issuance of said permit; establishing rules and regulations under which such permit will remain in force; containing a cumulative clause; containing a savings and severability clause; providing for penalties not to exceed \$2,000.00; ordering publication; providing an effective date; and providing other matters related to the subject.
(staff)

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

SUBJECT: Second reading of Ordinance No. 2014-21 to establish minimum health and sanitation standards for lodging establishments

FOR AGENDA OF: Nov. 11, 2014

DATE SUBMITTED: Nov. 5, 2014

SUBMITTED BY: Todd Parton
City Manager

CLEARANCES:

EXHIBITS: Ordinance No. 2014-21

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:



Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$0	\$0	\$0	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

Ordinance No. 2014-21 establishes minimum health and sanitation standards for lodging establishments as discussed by the City Council in September 2014. This ordinance applies to lodging facilities that contain a minimum of eight (8) rooms and requires an annual permit to legally operate.

The ordinance may be implemented with existing staff resources and a nominal permit fee. Here is how the permitting and inspection processes would work:

1. An annual permit is issued to a lodging establishment and no inspections are required as a condition of the permit. It would be illegal to operate without a permit.
2. Inspections would be conducted as part of an investigation of complaints about a lodging establishment.
3. Should an establishment fail to adequately address a valid complaint after notice by the city, the Chief Building Official would have the authority to revoke the permit.
4. Should an establishment receive six (6) validated complaints within a six (6) month period the Chief Building Official would have the authority to revoke the permit or to apply conditions to the permit. These conditions could include requiring routine inspections. The establishment would be required to cover the costs to implement the conditions like extermination, environmental monitoring, and testing costs.
5. An establishment would have the right to appeal a decision of the Chief Building Official to the City Manager.
6. An establishment would have the right to appeal a decision of the City Manager to the City Council.

7. An establishment could file for relief in district court for a decision of the City Council.

This inspection process is designed to operate on a complaint basis and affords ample opportunity to correct valid complaints and would greatly supplement the existing code enforcement efforts and protocols. The appeal processes also ensure due process. Due process is extremely important in that the decision to revoke or add conditions to a permit could have significant impacts to existing businesses.

RECOMMENDED ACTION

City staff recommends that the City Council approve Ordinance No. 2014-21 upon its second and final reading.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2014-21**

AN ORDINANCE AMENDING CHAPTER 30 “BUSINESSES” OF THE CITY’S CODE OF ORDINANCES BY ADOPTING A NEW ARTICLE V “TOURIST COURTS, HOTELS, INNS, AND ROOMING HOUSES”; ENACTING MINIMUM HEALTH AND SANITATION STANDARDS FOR TOURIST COURTS, HOTELS, INNS, AND ROOMING HOUSES; REQUIRING A HOTEL PERMIT FOR ALL HOTELS OPERATED WITHIN THE CITY; ESTABLISHING STANDARDS FOR THE ISSUANCE OF SAID PERMIT; ESTABLISHING RULES AND REGULATIONS UNDER WHICH SUCH PERMIT WILL REMAIN IN FORCE; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR PENALTIES NOT TO EXCEED \$2,000.00; ORDERING PUBLICATION; PROVIDING AN EFFECTIVE DATE; AND PROVIDING OTHER MATTERS RELATED TO THE SUBJECT

WHEREAS, the City of Kerrville, Texas, is a Texas home-rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, Chapter 341 of the Texas Health and Safety Code (the “Code”) establishes standards of sanitation and health protection for certain industries; and

WHEREAS, Section 341.066 of the Code establishes minimum health and sanitation standards for lodging establishments; and

WHEREAS, Section 341.081 of the Code and Section 51.072 of the Texas Local Government Code permit a home-rule city to enact equivalent or more stringent standards than those set forth in Chapter 341 of the Code; and

WHEREAS, City Council has determined that the regulation of lodging establishments through this Ordinance, which includes the adoption of health and sanitation standards, the issuance of permits, possible inspections of such businesses, and the ability to enforce the provisions of the Ordinance, is in the best interest of the public and will promote the public health, safety, and welfare of the City;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

SECTION ONE. Chapter 30 “Businesses” of the Code of Ordinance of the City of Kerrville, Texas, is amended by adding a new Article V “Tourist Courts, Hotels, Inns, and Rooming Houses” to add the language that is underlined (added) as follows:

“Chapter 30 - BUSINESSES

ARTICLE V. TOURIST COURTS, HOTELS, INNS, AND ROOMING HOUSES

Sec. 30-151. State Regulations Adopted.

Section 341.066 of the Texas Health and Safety Code, entitled “Tourist Courts, Hotels, Inns, and Rooming Houses,” as it may be amended, is adopted by the City of Kerrville, Texas, as if set forth fully herein.

Sec. 30-152. Definitions.

The following definitions apply to this Article:

Bathroom means an enclosed space or spaces containing one or more toilets, lavatories, bathtubs, showers, or any combination of fixtures serving similar purposes.

Building codes mean the National Electric Code, International Building Code, International Fire Code, International Mechanical Code, and International Plumbing Code, adopted by the City which was in effect at the time of construction of the building in question.

City means the City of Kerrville.

Common nuisance means a place to which persons habitually go for the following purposes or to commit the following acts:

- (1) discharge of a firearm in a public place as prohibited by the Texas Penal Code;
- (2) reckless discharge of a firearm as prohibited by the Texas Penal Code;
- (3) engaging in organized criminal activity as a member of a combination as prohibited by the Texas Penal Code;
- (4) delivery, possession, manufacture, or use of a controlled substance in violation of Chapter 481, Texas Health and Safety Code;
- (5) gambling, gambling promotion, or communicating gambling information as prohibited by the Texas Penal Code;
- (6) prostitution, promotion of prostitution, or aggravated promotion of prostitution as prohibited by the Texas Penal Code;
- (7) compelling prostitution as prohibited by the Texas Penal Code;
- (8) Commercial manufacture, commercial distribution, or commercial exhibition of obscene material as prohibited by the Texas Penal Code;
- (9) aggravated assault as described by the Texas Penal Code;

(10) sexual assault or aggravated sexual assault as described by the Texas Penal Code;

(11) robbery or aggravated robbery as described by the Texas Penal Code;

(12) sexual assault as described by the Texas Penal Code;

(13) unlawfully carrying a weapon as described by the Texas Penal Code; or

(14) murder or capital murder as described by the Texas Penal Code.

Dangerous building(s) means all structures, buildings, dwellings, dwelling units, and accessory structures which have any or all of the following defects:

(1) walls or other vertical structural members list, lean, or buckle in excess of three-fourths inch ($\frac{3}{4}$ ") of horizontal measurement for each foot of vertical measurement.

(2) showing thirty-three (33) percent or more damage or deterioration of the supporting members, or fifty (50) percent or more damage or deterioration of the nonsupporting or outside walls or coverings.

(3) parts thereof which are attached in ways that they may fall or injure a person or property.

(4) by reason of dilapidated or deteriorated conditions, the presence of unsafe or defective electrical wiring devices or equipment, unsafe or defective gas piping, or appliances which are liable to cause or promote fires.

(5) damage by fire, explosion, wind, vandalism, or elements of nature so as to have become dangerous to the life, safety, or the general health and welfare of the guests, occupants, or other persons.

(6) dilapidated, decayed, unsafe, unsanitary, conditions or conditions which utterly fail to provide amenities essential to decent living such that they are unfit for human habitation or likely to cause sickness or disease so as to work injury to the health, safety, or general welfare of guests, occupants, or anyone else.

(7) existing violations of any provision of the building code or other ordinances of the City, to such an extent that they are dangerous to the health, safety, and welfare of guests, occupants, or anyone else.

(8) building, shed, fence, or other manmade structure, which because of its condition or because of lack of doors or windows is available to and frequented by malefactors, disorderly persons, or anyone else who is not a lawful guest or occupant of such structures.

Designated city official ("DCO") means the City Manager's designee or delegated staff or duly authorized representative of the City. This term includes a code enforcement officer, building inspector, fire inspector, or health officer.

Health care facility means any institution that provides medical, surgical, and overnight facilities for patients, including hospitals, clinics, physical therapy facilities, medical offices, dental offices, nursing homes, adult care facilities, convalescent homes, and residential treatment centers/homes.

Hotel means any hotel, motel, lodging house, rooming house, tourist court or inn in the City having eight (8) or more rooms where transient guests are fed or lodged for pay. This term does not include any boarding home or healthcare facility located within the City.

Hotel room or room means the portion of the hotel which may be used by a guest as a temporary residence.

Let means to permit, provide, or offer possession or occupancy of a dwelling unit, rooming unit, building, premises, or structure by a person who is or is not the legal owner of record thereof, pursuant to a written or unwritten lease, agreement, or license.

Manager means any person who manages the business operations of any hotel, whose duties may include collecting rental charges, issuing keys, directing maintenance personnel, assigning rooms to guests, handling guest affairs, or overseeing security.

Operator means any person who is the proprietor of a hotel whether in the capacity as an owner, lessee, receiver, sublessee, franchisee, mortgagee in possession, manager or agent of any of the aforementioned, who offers or accepts payment for rooms, guestrooms, sleeping accommodations, or board and lodging, and retains the right of access to, and control of, the dwelling units.

Owner means any person, agent, operator, firm, or corporation having a legal or equitable interest in the property; or recorded in the official records of the state, Kerr County, or City as holding title to the property; or otherwise having control of the property, including the guardian of the estate of any such person, and the executor or administrator of the estate of such person if ordered to take possession of real property by a court.

Person means a natural person, his heirs, executors, administrators, or assigns, and also includes a firm, partnership, or corporation, its or their successors or assigns, or the agent of any of the aforesaid.

Plumbing means gas pipes, fuel supply lines, toilets, lavatories, sinks, laundry tubs, catch basins, wash basins, bathtubs, shower baths, waste sewer pipes and sewerage systems, septic tanks, drains, vents, traps, and any other fuel-burning or water-using fixtures and appliances, private fire hydrants, and all connections to water, waste, sewer, or gas pipes.

Substandard building means a building which, by reason of faulty construction, age, or lack of repair, fails to meet the minimum construction standards imposed by applicable provisions of the building codes.

Sec. 30-153. Permit Required.

- (a) It is unlawful and a person commits an offense if he operates a hotel without a hotel permit issued by the City. A person must submit an application to the City on a form provided for that purpose and pay the applicable fee.
- (b) Each hotel owner or operator must file an application for an annual hotel permit with the City on a yearly basis. The initial deadline to file an application is January 1, 2015. The City will issue or deny the hotel permit within 30 days of receipt of the completed application. All initial hotel permits will remain effective through December 31, 2015, unless revoked earlier. Renewal applications thereafter must be submitted prior to December 31st each year, or if this date falls on a Saturday or Sunday or City holiday, on the next business day. All hotel permits will remain effective, unless revoked, through December 31st.
- (c) In the event that a new hotel applies for a hotel permit during the year (after the December 31st application deadline), the hotel permit will be issued or denied within 30 days and the hotel permit will be effective until December 31st of the subsequent year. The application fee will be prorated based on the number of months remaining before the December 31st expiration of the hotel permit. Any subsequent hotel permit will be applied for in accordance with the December 31st deadline above.
- (d) An application for a hotel permit constitutes consent of the applicant, owner, or operator and subjects the property considered for or under a permit to possible inspections of the entire permitted premises at reasonable times by the DCO for the purposes of determining whether there is any violation of any City ordinance or other applicable law on the premises.
- (e) It is unlawful and a person, to include the owner, operator, or manager, commits an offense by denying the DCO access to the hotel. Where access is denied, the DCO may use all legal methods to gain entry.
- (f) Continued compliance with this Article are conditions that are necessary to retain a hotel permit and to obtain any renewal of a hotel permit.
- (g) A hotel permit is not transferable or assignable from one person, firm, partnership, corporation or entity to another person, firm, partnership, corporation, or entity.
- (h) Whenever a change in the operator or owner occurs at an existing hotel, the new operator or owner shall apply for a hotel permit within 30 days after closing on the sale of the property. If the prior owner or operator's hotel permit was denied or revoked, the City may issue a provisional hotel permit to the new owner or operator with special conditions designated by the DCO while the new owner or operator's application for a permit is pending a decision.
- (i) The owner and operator shall display the hotel permit and, where applicable, a copy of the most recent inspection report in the hotel in an open and conspicuous public place in the lobby at or near the check-in desk.
- (j) Failure to obtain or maintain a hotel permit at all times may result in the DCO's revocation of the hotel's certificate of occupancy.

- (k) The DCO, upon presentation of proper identification to the occupant in charge of any hotel room, may enter, with the occupant's permission, any hotel room; provided, however, that in cases of emergency where extreme hazards are known to exist which may involve imminent injury to person, loss of life, or severe property damage, the DCO may, after presentation of proper identification, enter a hotel room at any time. Where access is denied, the DCO may use all legal methods to gain entry.
- (l) If the DCO finds that a hotel does not pass an inspection, all necessary corrections must be made and the owner, operator, or manager shall request a reinspection. When a hotel reinspection is requested, the City will assess reinspection fee for each reinspection until corrections are made and compliance is achieved.

Sec. 30-154. Issuance of Hotel Permit.

- (a) The City shall approve the issuance of a hotel permit to an applicant within 30 days after receipt of an application, unless it finds one or more of the following to be true:
 - (1) The applicant failed to supply all of the information requested on the application;
 - (2) The applicant gave false, fraudulent, or untruthful information on the application;
 - (3) The hotel permit, inspection, or reinspection fees required by this Article have not been paid;
 - (4) The hotel owner, operator, or manager has failed to submit the required hotel occupancy tax in accordance with Chapter 94, Article III of this Code; or
 - (5) The hotel as constructed or as proposed to be operated by the applicant does not comply with all applicable laws including, the building, zoning, housing, fire, safety, and health regulations and codes, and the provisions of this Article to include where dangerous buildings, substandard buildings, and/or common nuisance exists.
- (b) The owner or operator may appeal the DCO's decision not to issue a permit in accordance with this Article.

Sec. 30-155. Hotel Permit Denial; Appeal Process.

- (a) Filing appeal. Where the DCO denies issuing a permit to a hotel, the owner or operator may appeal this action to the City Manager. The appeal must be filed within 10 days from the denial by the DCO. The owner or operator must file an appeal in the office of the City Secretary containing the following:
 - (1) A caption reading: "Appeal of Denial for a Hotel Permit," giving the names of the appellant(s) participating in the appeal;
 - (2) A brief statement setting forth the legal interest of the appellant;

(3) A brief statement in ordinary and concise language of that action protested, together with any material facts claimed to support the contentions of the appellant;

(4) A brief statement in ordinary and concise language of the relief sought and reasons why it is claimed the denial should be reversed;

(5) The signatures of the appellant(s) and his/her official mailing address;

(6) A verification, by declaration under penalty or perjury, of at least one appellant as to the truth of the matters stated in the appeal; and

(7) All documents that are relied upon for the appeal.

(b) Processing and consideration of appeal. Upon receipt of an appeal that is administratively complete, the City Manager shall consider the appeal and issue a written decision to the appellant within 10 days.

Sec. 30-156. Appeal to Council.

(a) Filing appeal. Where the City Manager upholds the DCO's denial of a permit to a hotel, the owner or operator may appeal this action to the City Council. The appeal must be filed within 10 days from the date of such denial by the City Manager. The owner or operator must file an appeal in the office of the City Secretary containing the following:

(1) A caption reading: "Appeal of Denial for a Hotel Permit," giving the name of the appellant(s) participating in the appeal;

(2) A brief statement setting forth the legal interest of the appellant;

(3) A brief statement in ordinary and concise language of that action protested, together with any material facts claimed to support the contentions of the appellant;

(4) A brief statement in ordinary and concise language of the relief sought and reasons why it is claimed the denial should be reversed;

(5) The signatures of the appellant(s) and his/her official mailing address;

(6) A verification, by declaration under penalty of perjury, of at least one appellant as to the truth of the matters stated in the appeal; and

(7) All documents that are relied upon for the appeal.

(b) Processing of appeal. Upon receipt of an appeal that is administratively complete, the City Manager shall present it at the next available regular meeting of City Council after proper notice.

(1) Notice of hearing.

(A) Notice of the hearing before the City Council must be delivered to the owner and operator as listed on the permit application, and any lienholder or mortgagee that can be discovered with a reasonably diligent search of the instruments on file in the office of the county clerk.

(B) Notice must be by one of the following methods at least 10 days prior to the hearing:

(i) Personal service;

(ii) Certified mail, return receipt requested, and regular mail. Notice is sufficient if the return receipt is returned; or unsigned for any reason, and the regular mail is not returned; and/or

(iii) If the owner, operator, or lienholders of interest in the property cannot be located, by publication in a newspaper of general circulation in the City.

(2) Contents of notice. The notice of hearing must contain the following:

(A) The street address or a legal description of the property;

(B) The place, date, and time of the hearing;

(C) A brief summary of the action of the DCO related to the property; and

(D) A statement that the appellant(s) will be required to submit proof at the hearing of the reason why the denial of the permit was in error.

(c) Hearing by the City Council.

(1) The DCO shall present to the City Council evidence of the property condition, the codes violated, the extent of danger or hazard to health, safety, and welfare, and all other evidence that supports denial of the permit.

(2) The appellant has the burden of proof to present evidence on relevant issues including the scope of any work that may be required to comply with City ordinances and the time it will reasonably take to perform the work.

(3) Any party may examine or cross-examine any witness before the Council. Strict rules of evidence or procedure are not required, but the City Council has the authority to enforce strict decorum and may cause the removal of anyone who causes a disruption.

(d) Only those matters or issues specifically raised by the appellant will be considered in the hearing of the appeal.

- (e) Enforcement of the denial for a hotel permit will be stayed during the pendency of an appeal therefrom that is properly and timely filed.
- (f) After hearing evidence from any interested party the City Council may uphold, reverse, or modify the denial of the hotel permit.

Sec. 30-157. Revocation of Hotel Permit.

- (a) Revocation of a hotel permit by the DCO:
 - (1) may occur at any time upon good cause shown that the operation of the hotel is such that an extreme hazard(s) is known to exist which may involve imminent injury or significant impact to the health, safety, or welfare of any person, to include that the hotel has a dangerous and/or substandard building or there exists a common nuisance;
 - (2) the DCO shall revoke a hotel permit where the DCO, over a rolling period of 180 consecutive days, receives 6 verified complaints regarding a dangerous or substandard building or the existence of a common nuisance; or
 - (3) may occur at any time if the DCO determines the hotel owner, operator, or manager has failed to submit the required hotel occupancy tax in accordance with Article Chapter 94, Article III of this code.
- (b) If the DCO revokes a hotel permit, the DCO shall file a written revocation request containing the following:
 - (1) A caption reading: "Revocation of a Hotel Permit," giving the names and addresses of owner(s) and operator(s), as shown on the most recent permit application, and the physical address of the hotel.
 - (2) A brief statement in ordinary and concise language of why the permit should be revoked together with any material facts claimed to support the contentions of the DCO.
 - (3) The signature of the DCO and his official mailing address.
- (c) The owner or operator may appeal the revocation of a hotel permit by availing himself to the appeal process specified in Sections 30-155 and 30-156.
- (d) Upon a final decision upholding the revocation of a hotel permit by the City Council, the DCO shall post on the hotel premises a copy or copies of the revocation of the hotel permit of the hotel. The notice must be sent by certified and regular mail to the owner and operator indicating the decision of the City Council.
- (e) A posted notice of the revocation of the hotel permit may only be removed by the DCO. It is unlawful and a person commits an offense if they remove, cover, deface, alter, or tamper with the posted notice.

- (f) Whenever a hotel permit has been revoked by the City, the owner or operator of the hotel for which the hotel permit was issued shall surrender such permit to the City. The operations of the hotel must immediately cease.

Sec. 30-158. Appeal to District Court.

Upon receipt of written notice of the denial or revocation of a hotel permit, the applicant whose application for a hotel permit has been denied or whose hotel permit has been revoked has the right to appeal by filing suit in district court within 30 days after the receipt of notice of the final decision. The filing of such suit will have the effect of staying denial or revocation for the hotel permit at such location, pending a judicial determination of the appeal. The City shall grant a provisional permit upon the filing of a court action to appeal the denial of a hotel permit; no provisional permit will be granted for a hotel that has been deemed to be a substandard building or dangerous building or where a common nuisance exists. Written notice of the refusal of a provisional permit and the basis for the denial will be provided by the City Secretary within 15 days of service of the court action upon the City.

Sec. 30-159. General Premises Requirements.

- (a) The hotel premises and guest rooms must fully comply with all state laws and City ordinances, including City building codes and any requirements imposed by this Article.
- (b) All hotel rooms must be thoroughly cleaned and provided with clean and sanitary sheets, towels and pillowcases upon a change of occupancy, or at least once a week when occupancy does not change. Daily cleaning schedules must be maintained in the manager's office.
- (c) Buildings or structures may be of any type of construction permitted by the building code. Roofs, floors, walls, foundations, and all other structural components of buildings must be capable of resisting any and all forces and loads to which they may be subjected.
- (d) All wood must be protected against termite damage and decay as provided in the building codes.
- (e) All guest rooms must be provided with either natural ventilation or mechanical ventilation that meet or exceed the following criteria:
- (1) All guest rooms must be provided with natural ventilation by means of screened exterior openings which are capable of being opened. Such openings must have an area of not less than one-twentieth (1/20) of the floor area of the guestroom rooms with a minimum of five (5) square feet; or
 - (2) If a mechanical ventilation system is provided in lieu of natural ventilation, the ventilation system must be capable of providing two (2) air changes per hour in all guest rooms and in public corridors. One-fifth (1/5) of the air supply must be taken from outside of the hotel.

- (f) In bathrooms, water closet compartments, laundry rooms, and similar rooms a mechanical ventilation system connected directly to the outside, capable of providing five (5) air changes per hour, must be provided.
- (g) All bathroom fixtures, to include the toilet, bathtub, sink, shower, mirror, must be maintained without cracks, chips, or stains. Floors must be washed with water and a sanitizer at change of occupancy or at least once a week when occupancy does not change. Daily cleaning schedules must be maintained in the manager's office.
 - (1) Every guest room must be provided with a bathroom equipped with facilities consisting of at least a toilet, a sink, and either a bathtub or a shower; or
 - (2) Where private water closets, lavatories and baths are not provided, there must be provided a bathroom on each floor consisting of at least one toilet, sink, and either a bathtub or shower accessible from a public hallway, for each sex. Additional bathrooms consisting of the above required minimum facilities must be provided on each floor for each sex at the rate of 1 for every additional 10 guests or fractional number thereof in excess of 10. Such facilities must be clearly marked for "Men" or "Women."
- (h) Every water closet, bathtub, or shower required by this code must be installed in a room which will afford privacy to the occupant. A room in which a water closet is located must be separated from food preparation or storage rooms by a tightfitting, self-closing door.
- (i) All plumbing fixtures must be connected to a sanitary sewer or to an approved private sewage disposal system. All plumbing fixtures must be connected to an approved system of water supply and provided with hot and cold running water necessary for its normal operation. All plumbing fixtures must be of an approved glazed earthenware type, stainless steel, or of a similarly nonabsorbent material. Wooden sinks or sinks of similarly absorbent material are not permitted.
- (j) All sanitary facilities must be installed and maintained in safe and sanitary condition and in accordance with all applicable laws. The owner or operator must ensure that water service is provided at all times. It is an affirmative defense to this section that it is impossible to provide water services because of an act of God.
- (k) The owner or manager must provide and maintain water heating equipment and facilities for every guest room which is connected with water lines if municipal water service is located within one hundred feet (100') of the property and which must be capable of heating water to such a temperature as to permit at all times an adequate supply of hot water to be drawn at every sink, lavatory basin, and bathtub or shower at a temperature of not less than one hundred ten (110) degrees Fahrenheit.
- (l) The owner or operator must provide a safe and unobstructed means of egress leading to safe and open space at ground level. When an unsafe condition exists through lack of, or improper location of exits, the DCO may require the installation of additional exits.

- (m) Every guest room must be equipped with heating facilities which are capable of safely and adequately heating all habitable rooms to a temperature of at least sixty-eight (68) degrees Fahrenheit at a distance of three (3) feet above floor level which are operable whenever necessary to maintain said temperature.
- (n) Where fuel burning appliances are installed and properly vented, said appliances must be rigidly connected to their fuel supply outlets and securely installed to avoid accidental displacement. Heating appliances which are connected to their fuel supply lines and which are not connected to exhaust vents that will safely exhaust carbon monoxide fumes to the outdoors are prohibited. No person may replace an existing appliance without a permit issued by City and without allowing the work to be inspected by the City if a permit for that work is required.
- (o) Carpeting must be free of stains, holes, rips, or odors in excess of normal wear and tear, and maintained in a sanitary, nondefective condition.
- (p) Noncarpeted floor surfaces must be made of nonabsorbent material. All surfaces and tile grouting must be maintained without cracks, rips or missing elements.
- (q) Wall and ceiling surfaces must be maintained without spots, stains, flakes, chips, holes, etc. and be maintained in a clean and sanitary condition.
- (r) All surfaces, including carpeting and flooring, and fixtures must be free from mold and mildew.
- (s) For the purpose of this Article, electrical equipment must include furniture items installed by the property owner, operator or property manager, including televisions, lamps, etc. All electrical items must be properly maintained and be in operable condition.
- (t) All furniture items must be maintained in proper working condition, without defects, chips, or holes.
- (u) Shades, draperies or blinds must be appropriately hung to cover all windows and appropriate light fixtures. All shades, draperies, blinds, must be free of stains, holes, rips or odors in excess of normal wear and tear, and be maintained in a sanitary, nondefective condition.
- (v) All windows designed to be opened must be operable and have an operable window security or locking device. All windows panes must be properly maintained and not broken.
- (w) All rooms are required to be outfitted with exterior electronic/magnetic locks for guests to gain access to their rooms or by locks that meet with the approval of the DCO. All locks must comply with state and local laws.
- (x) If any security bars are installed over windows or doors, the bars must be equipped with approved release mechanisms which are operable from inside without the use of a key, card, or combination. The release mechanisms for such bars must not require any special knowledge or effort to operate.

- (y) All wells, cesspools, and cisterns must be securely covered or securely closed.
- (z) All sidewalks, ramps, bridges, parking lots, stairs, and steps must be properly maintained, to include absence of cracks and other conditions that might lead a person to trip, stumble, or fall.
- (aa) All fences must be properly maintained and in compliance with all applicable ordinances.
- (bb) All parking lots must be properly maintained. All parking markings and fire lane markings must be legible and maintained in accordance with applicable laws. An owner or operator must ensure that guests do not use parking lots or hotel premises for the storage of heavy load, tractor trailers, or heavy equipment.
- (cc) All hotel premises must be treated for insects at least once a year by an exterminator licensed by the state.
- (dd) All hotel premises must be maintained so that they are free from rodents, insects, and vermin and free from conditions that encourage or harbor rodents, insects, and vermin.
- (ee) No more than 10 percent of guest rooms may be used for storage room purposes. A minimum of 90 percent of all guest rooms must be available or in use for occupancy at all times.

Sec. 30-160. Guest Registration Requirement.

- (a) Each owner, operator, or manager shall cause to be maintained a complete register for each person to whom any room at a hotel is let. The register must be made available to the DCO upon request and must contain the following information for guests of the hotel:
 - (1) Correct name and permanent address, designating street and number, city, state and country;
 - (2) Actual dates of occupancy indicating check-in time, checkout time and room number; and
 - (3) Number of individuals staying in the room.
- (b) Register records must be maintained for a period of two (2) years for each person who lets any room at a hotel.

Sec. 30-161. Limitation on Continuous and Cumulative Occupancy.

- (a) The sleeping accommodations of a hotel must be let only for the use of transient occupants and must not be occupied under any permanent basis, and no such occupant will be deemed to be a resident of the hotel.
- (b) It is unlawful for a hotel to let or otherwise provide any room therein to any person for more than 365 days.

- (c) For the purposes of this Article, hotel rooms may be rented to guests for periods greater than 30 days (extended-stay); however, no more than twenty-five percent (25%) of the total number of guestrooms in a hotel may be let as extended-stay.
- (d) It is unlawful for the owner, operator, or property manager to allow registration under a different name in order to avoid the continuous and cumulative occupancy provision defined in this Article.

Sec. 30-162. Enforcement.

- (a) Each violation of this Article constitutes a separate offense.
- (b) Allegation and evidence of a culpable mental state is not required for proof of an offense defined by this Article except where expressly required by this Article.
- (c) The DCO is authorized to enforce the terms and conditions of this Article, including the issuance of a citation for violations hereof.
- (d) Any condition which is reasonably believed to be imminently dangerous to the life, limb, health or safety of the occupants of the property or to the public, upon reasonable notice provided to the owner, operator or manager or other responsible person, may be immediately abated by the DCO.
- (e) Actions taken to abate the imminently dangerous conditions may include, but are not limited to, repair or removal of the condition creating the danger and/or the restriction from use of occupancy of the property on which the dangerous condition exists or any other abatement action determined by the DCO to be necessary. In the event use or occupancy is restricted, the owner, operator or the property manager shall discontinue the use or occupancy within the time prescribed by the DCO after receipt of such notice.
- (f) If entry onto the property and access to rooms or units constituting an imminently dangerous condition in violation of this Article is denied to the DCO by the owner, operator or manager of the property, the DCO may seek a court order and/or inspection and abatement warrant from a court of competent jurisdiction to authorize the immediate abatement of the imminently dangerous conditions.
- (g) Costs for any abatement performed by, or on behalf of the City, including the cost of police services provided and including the relocation of occupants of the property is recoverable by the City.
- (h) Expenses incurred pursuant to this Article must be charged against the real estate and attached as a lien on which the work is done or improvements made, and charged to the owner of the property for the same.
- (i) A hotel that does not comply with the provisions of this Article constitutes a public nuisance.

Sec. 30-163. Penalty.

- (a) An operator, owner, manager or responsible person who violates any provision of this Article is guilty of a misdemeanor, and upon conviction is punishable as set forth in Section 1-7 of this Code for each violation and for each day or part of a day during which the violation is committed, continued or permitted.
- (b) The provisions herein are cumulative of all other remedies including, injunctions, and other extraordinary writs. Section 1-7 of this Code governs all penalties for any violation of this Article, notwithstanding any language to the contrary contained in any other section of this code.”

SECTION TWO. The City Secretary is authorized and directed to send this Ordinance to the publisher of the City’s Code of Ordinances and the publisher is authorized to amend said Code to reflect the new Article I of Chapter 30 as adopted herein, to correct any typographical errors, and to index, format, number, and letter the paragraphs to the existing Code, as appropriate.

SECTION THREE. The provisions of this Ordinance are cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent with or in conflict with any of the provisions of this Ordinance are expressly repealed to the extent of any such inconsistency or conflict.

SECTION FOUR. If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding will not affect the validity of the remaining portions of this Ordinance. The Council of the City of Kerrville, Texas, declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION FIVE. The penalty for violation of this Ordinance shall be in accordance with the general penalty provisions contained in Section 1-7, or its successor section, of the Code of Ordinances of the City of Kerrville, Texas, which provides for a fine not exceeding TWO THOUSAND DOLLARS (\$2,000.00).

SECTION SIX. Pursuant to Texas Local Government Code §52.013(a) and Section 3.07 of the City’s Charter, the City Secretary is hereby authorized and directed to publish the descriptive caption of this Ordinance in the manner and for the length of time prescribed by law as an alternative method of publication.

SECTION SEVEN. Following passage and approval upon second reading, this Ordinance shall become effective on January 1, 2015.

PASSED AND APPROVED ON FIRST READING, this the ___ day of _____, A.D., 2014.

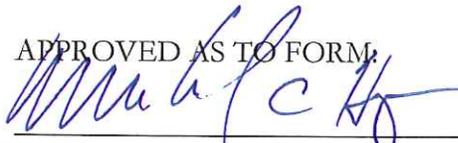
PASSED AND APPROVED ON SECOND AND FINAL READING, this the
day of _____, A.D., 2014.

Jack Pratt, Jr., Mayor

ATTEST:

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

Agenda Item:

8A. Tax abatement for James Avery Craftsman expansion. (Jonas Titas, Kerr Economic Development Corporation)

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

SUBJECT OF REQUEST: JAC Tax Abatement

AGENDA DATE: November 11, 2014 DATE SUBMITTED: November 3, 2014

REQUESTED/SUBMITTED BY: KEDC

PHONE: 896-1157

ORGANIZATION REPRESENTING: KEDC/JAC

MAILING ADDRESS: 1700 Sidney Baker, Ste. 100 - Kerrville, TX 78028

EMAIL ADDRESS: jonas.titas@kerr-edc.com

EXHIBITS/INFORMATION: Attached

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

WILL THIS ITEM REQUIRE CITY COUNCIL TO AUTHORIZE THE
EXPENDITURE OF CITY FUNDS? YES: _____ NO: _____

IF YES, STATE AMOUNT REQUESTED: \$ _____

DESCRIPTION OF REQUEST

Consider Tax Abatement for James Avery
Craftsman expansion.

RECOMMENDED COUNCIL ACTION

An Executive Summary of the Economic Impact of James Avery Craftsman, Inc. in Kerrville, Texas

October 27, 2014

Prepared for:

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

Prepared by:

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

An Executive Summary of the Projected Economic Impact from James Avery Craftsman, Inc.

Introduction

This report presents the results of an economic impact analysis performed by Impact DataSource, Austin, Texas. The analysis was to determine the impact that James Avery Craftsman, Inc. in Kerrville, Texas, will have on the economy of the Kerrville area and the costs and benefits for local taxing districts over the first ten years.

Description of the Facility

The firm will invest \$14.3 million in the expansion: \$7.8 million for a 53,000 square foot building, \$1.92 million for site improvements, \$3.4 million for machinery and equipment and the remainder for land.

The company will create 359 jobs with the expansion over six years. The estimated average hourly wages of these workers will be \$15.69.

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

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

Economic Impact over the Next Ten Years	
Total number of permanent direct and indirect jobs to be created	739
Number of direct and indirect workers who move to the city	94
Number of residents that the facility will bring to the city	282
Number of new residential properties to be built in the city	28
Number of new students for Kerrville ISD	61
Salaries to be created for direct and indirect workers	\$205,914,112
Taxable sales and purchases created in the City	\$57,950,628
The value of residential property to be built for direct and indirect workers who move to the city	\$7,385,699
The facility's assets that will be added to local tax rolls	\$17,800,000

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

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

Additional Revenues for Local Taxing Districts

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

Additional Revenues For Local Taxing Districts Over the Next Ten Years of the Facility's Operation					
	Sales Taxes	Property Taxes	Utilities	Utility Franchise Fees	Building Permits and Fees
City of Kerrville	\$869,259	\$1,300,316	\$1,098,338	\$145,278	\$77,760
Kerr County	\$289,753	\$952,410			
Kerrville ISD		\$2,727,775			
Upper Guadalupe River Authority Road District Underground Water		\$56,405			
Total	\$1,159,013	\$5,036,906	\$1,098,338	\$145,278	\$77,760
	Hotel Occupancy Taxes	Other Taxes and User Fees	Additional State and Federal School Funding	Total Additional Revenues	
City of Kerrville	\$5,471	\$48,108		\$3,544,532	
Kerr County		\$40,090		\$1,282,253	
Kerrville ISD			\$2,477,706	\$5,205,481	
Upper Guadalupe River Authority Road District Underground Water				\$56,405 \$74,667 \$17,106	
Total	\$5,471	\$88,198	\$2,477,706	\$10,088,671	

Additional Costs for Local Taxing Districts

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

Costs for Local Taxing Districts Over the Next 10 Years of the Facility's Operation					
	Costs of Services to New Residents	Costs of Providing Monthly Utility Services	Costs of Educating New Students	Reduction in State School Funding as a Result of Property being Added to Local Tax Rolls	Total
City of Kerrville	\$240,541	\$1,043,421			\$1,283,963
Kerr County	\$80,180				\$80,180
Kerrville ISD			\$2,340,056	\$2,404,141	\$4,744,196
Upper Guadalupe River Authority Road District					\$0
Underground Water					
Total	\$320,722	\$1,043,421	\$2,340,056	\$2,404,141	\$6,108,339

Additional Net Benefits

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

Net Benefits for Local Taxing Districts Over the Next 10 Years of the Facility's Operation			
	Benefits	Costs	Net Benefits
City of Kerrville	\$3,544,532	\$1,283,963	\$2,260,570
Kerr County	\$1,282,253	\$80,180	\$1,202,072
Kerrville ISD	\$5,205,481	\$4,744,196	\$461,285
Upper Guadalupe River Authority Road District	\$56,405	\$0	\$56,405
Underground Water			
Total	\$10,088,671	\$6,108,339	\$3,980,331

Analysis of Incentives for the Facility

The EIC may consider incentives for the project totaling \$1.219 million to be paid as new employees for the facility are hired as shown below:

4B Sales Tax Funding New Gross Payroll	Incentive per New Primary Job	Total New Primary Jobs
A < \$30,000 per new primary job	Up to \$3,000	\$942,000
B \$30,000 to \$40,000 per new primary job	\$3,001 to \$5,000	\$170,000
C \$40,000 to \$50,000 per new primary job	\$5,001 to \$9,000	\$27,000
D >\$50,000 per new primary job	Up to \$10,000	\$80,000
	Total	\$1,219,000

Incentives by Year:

Incentive per New Primary Job	2016	2017	2018	2019	2020	2021
A < \$30,000	\$150,000	\$162,000	\$129,000	\$180,000	\$162,000	\$159,000
B \$30,000 to \$40,000	\$65,000	\$40,000	\$65,000	\$0	\$0	\$0
C \$40,000 to \$50,000	\$54,000	\$0	\$9,000	\$9,000	\$0	\$0
D >\$50,000	\$60,000	\$0	\$10,000	\$10,000	\$0	\$0
Total	\$329,000	\$202,000	\$213,000	\$199,000	\$162,000	\$159,000

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

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

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

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

Rates of Return and Payback Periods Possible City/EIC Incentives		
Total Incentives	Annual Rate of Return	Payback Period (In years)
\$1,219,000	18.5%	5.86



James Avery

P.O. Box 291367 | Kerrville, Texas 78029-1367 | T 830 895 1122

October 20, 2014

Jonas Titas
Kerrville Economic Development Corporation
1700 Sidney Baker
Kerrville, Texas 78028

Mr. Titas,

We appreciate the opportunity to present this application to the Kerrville Economic Development Corporation. James Avery Craftsman, Inc. (James Avery Jewelry® or JAC) will be expanding its facilities by building a new, larger manufacturing plant on property located south of the Kerrville Airport in Kerr County. This expansion will consolidate and expand facilities currently located in multiple buildings and running at maximum capacity at 145 Avery Road, Kerrville, TX. This expansion will allow our business to continue to grow, significantly increase manufacturing and support staff, and increase the number of vendors and contractors that do business with JAC here in Kerrville.

Please let us know if there is any additional information or questions that you may have regarding this application. You may contact Paul Zipp at paul.zipp@jamesavery.com or by phone at 214-878-0870, (office) 830-895-6816.

Thank you for your time and consideration.

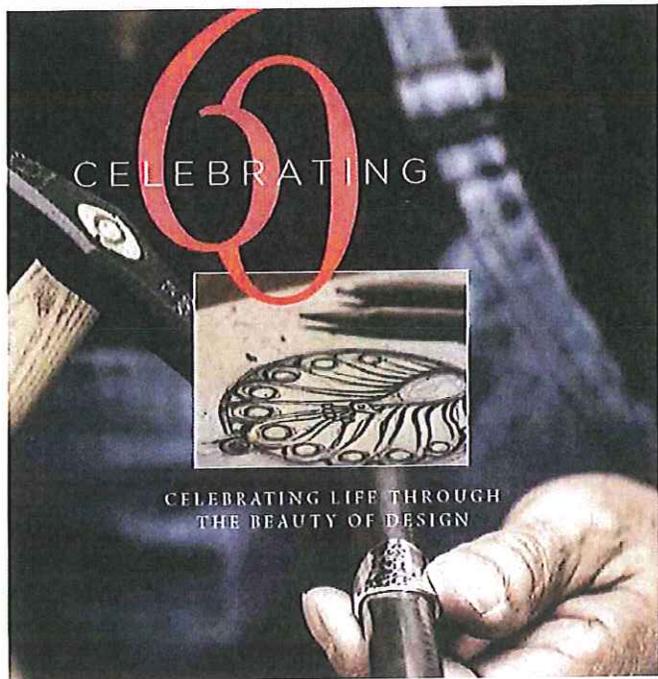
Chris Avery
James Avery Craftsman, Inc.
President and CEO

Kerr County Application

History of Operations in Kerr County

Established in 1954 in Kerrville, Texas, JAC has grown over the last 60 years from a one-man endeavor in a garage, into a team of almost 2,000 employees. JAC is headquartered in Kerrville and is vertically integrated, meaning the company designs, manufactures, and markets its own products. Designs for JAC jewelry originate in the corporate design studio and are produced by craftsmen in the company's five manufacturing facilities located throughout the Texas Hill Country.

JAC is a privately held family business offering a unique proprietary product line that is primarily focused on occasion, meaning, and connection. JAC is widely recognized for its traditional and faith-inspired collections, contemporary new designs, and its extensive offering of keepsake charms. JAC has a diverse selection of bracelets, earrings, necklaces, pendants, and rings crafted in sterling silver, 14K gold, and gemstones for women and men of all ages.



Our Mission is *"To Celebrate Life Through the Beauty of Design."*

One man's dream has ignited the passion of an extended team who believes in a well-crafted product, a strong set of values, and a commitment to doing all things well. Today, JAC has five manufacturing facilities located in Hondo, Fredericksburg,

Kerrville, and two in Comfort, Texas. The company operates 70 stores regionally in 10 states including: Alabama, Arkansas, Georgia, Kansas, Louisiana, Missouri, North Carolina, Oklahoma, Tennessee and Texas.



JAC sales have been steadily increasing through-out these past 60 years. Additionally, JAC recently entered into a wholesale marketing arrangement with Dillard's Department Stores (Dillard's), thereby expanding our distribution channels significantly. Dillard's began selling JAC in 43 of its stores in October 2014 with more store likely to be added over the next few years. To learn more about JAC visit: <http://www.jamesavery.com/custserv/custserv.jsp?pageName=Press>.

These expanded distribution efforts along with our significant, organic growth in our 70 retail stores, e-commerce website, catalog sales and wholesale require JAC to examine its manufacturing and production capacity and proceed with a commitment to build a significantly larger, more efficient manufacturing plant.

Current Employment

Companywide, JAC currently employs 1,056 full-time employees, 685 part-time employees, and ramps up to add over 2,000 seasonal employees (retail/direct sales, distribution, and engraving), with a few contract-based employees.

Current Payroll

The current payroll total for employees with JAC is \$5,288,109 per month, including profit sharing. Approximately, \$2,150,000 per month, or 40%, is paid to Kerrville-based employees.

Capital Investments to-date

During its most recent fiscal year, JAC made capital expenditures totaling \$4.2 million in Kerrville/Kerr County. Additionally, JAC is in the process of completing a \$2.2 million building that will include a new Visitor's Center and the Kerrville Retail Store and a \$775,000 expansion of its Human Resource offices at its headquarters on Harper Road. Once complete, JAC plans to repurpose the existing production facilities at its Harper Road campus to accommodate growth and increases to corporate and support functions.

Description of project explaining nature and scope of project

The project will include: a new production facility; any necessary drainage work and site landscaping; and a deceleration lane into the entrance to the 29-acre tract to comply with Texas Department of Transportation regulations. Current manufacturing operations located at the corporate headquarters on Harper Road will move to the new facility.

Description of proposed site and building improvements

The total expansion cost is estimated to be \$14.3 million, including land and development and additional equipment. **Attachment A** includes the rough sketch and architectural renderings of the planned facilities. In addition to the acquisition of the 29+ acre site, JAC will construct the 53,000+ square foot Kerrville Craftsman Center, approximately the size of a full football field, with a definitive Texas Hill Country architecture at an estimated cost of \$7.8 million to include space for the manufacturing work-stations, the Engraving Department, the Product Care Department, waste water treatment, lunchroom/break room, restrooms, and managers' offices. The site will also include improvements for drainage, walking path down by the Guadalupe River, a new property entrance way, landscaping, parking lots, and private roads at an estimated cost \$1.92 million.

Fixed equipment associated with project

The following equipment, requiring an estimated investment of \$3.4 million, will be

associated with the project:

- Manufacturing equipment (polishing engraving, welding) \$2.16 million
- Manufacturing fixtures/benches \$139,000
- Dust Collection System \$1.1 million

Square feet constructed

Manufacturing and Production Facility: 45,075 square feet
Covered Areas & Water Treatment: 8,530 square feet

JAC expects to add a 2,000 Kva transformer with service in a range of 2,500-3,000 amps and 480-Volt 3-phase by the electrical provider.

Number of jobs created with project

JAC plans to add 359 incremental jobs at the new Kerrville Craftsman Center over a 6 year time frame:

- 72 by 12 months from Completion of the Project
- 134 by 24 months from Completion of the Project
- 191 by 36 months from Completion of the Project
- 252 by 48 months from Completion of the Project
- 306 by 60 months from Completion of the Project
- 359 by 72 months from Completion of the Project

The hiring figures above are spread over 6 years to reflect expected labor availability within driving distance to Kerrville.

Financial Information

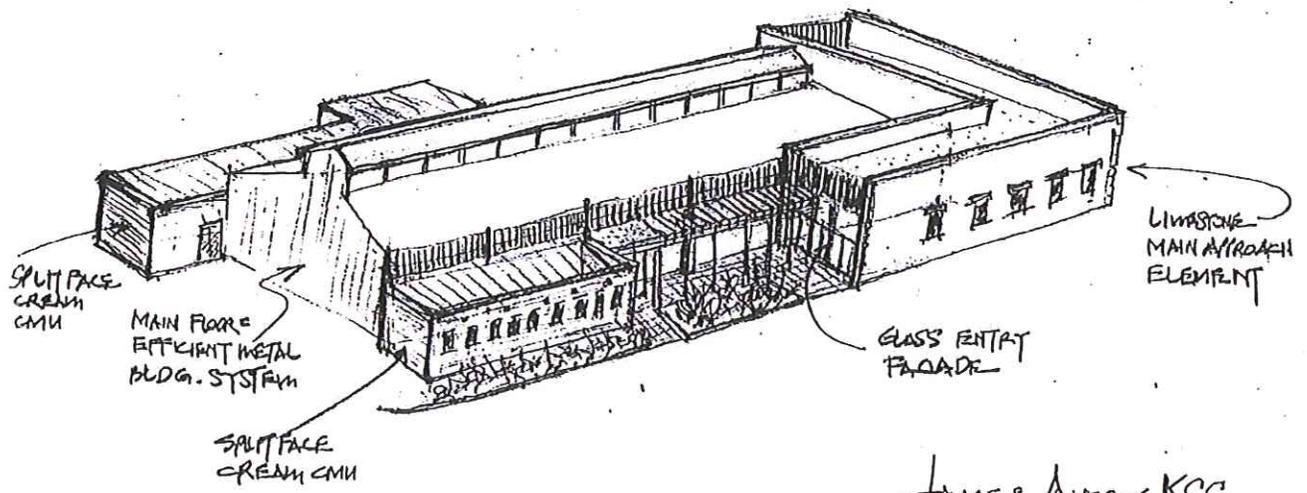
The Financial Information provided is all designated CONFIDENTIAL and PROPRIETARY information and intended solely for the viewing of the Kerrville Economic Development Corporation and the Kerrville City Council. This information is not intended to be or become a matter of public record. Any dissemination, copying or use of this information by or to anyone other than the designated and intended recipient is unauthorized and strictly prohibited.

See **Attachment B**. JAC has provided its Financial Statements for the past two fiscal years (Balance Sheet, Income Statement, Statement of Cash Flow), related federal tax return for Fiscal 2013 as well as its Fiscal 2015 Budget (Balance Sheet, Income Statement). Fiscal 2014 tax returns will be available in the coming weeks and can be provided at that time, if necessary.

Financial Highlights (rounded)

Fiscal 2015 Budgeted Annual Sales \$201,300,000

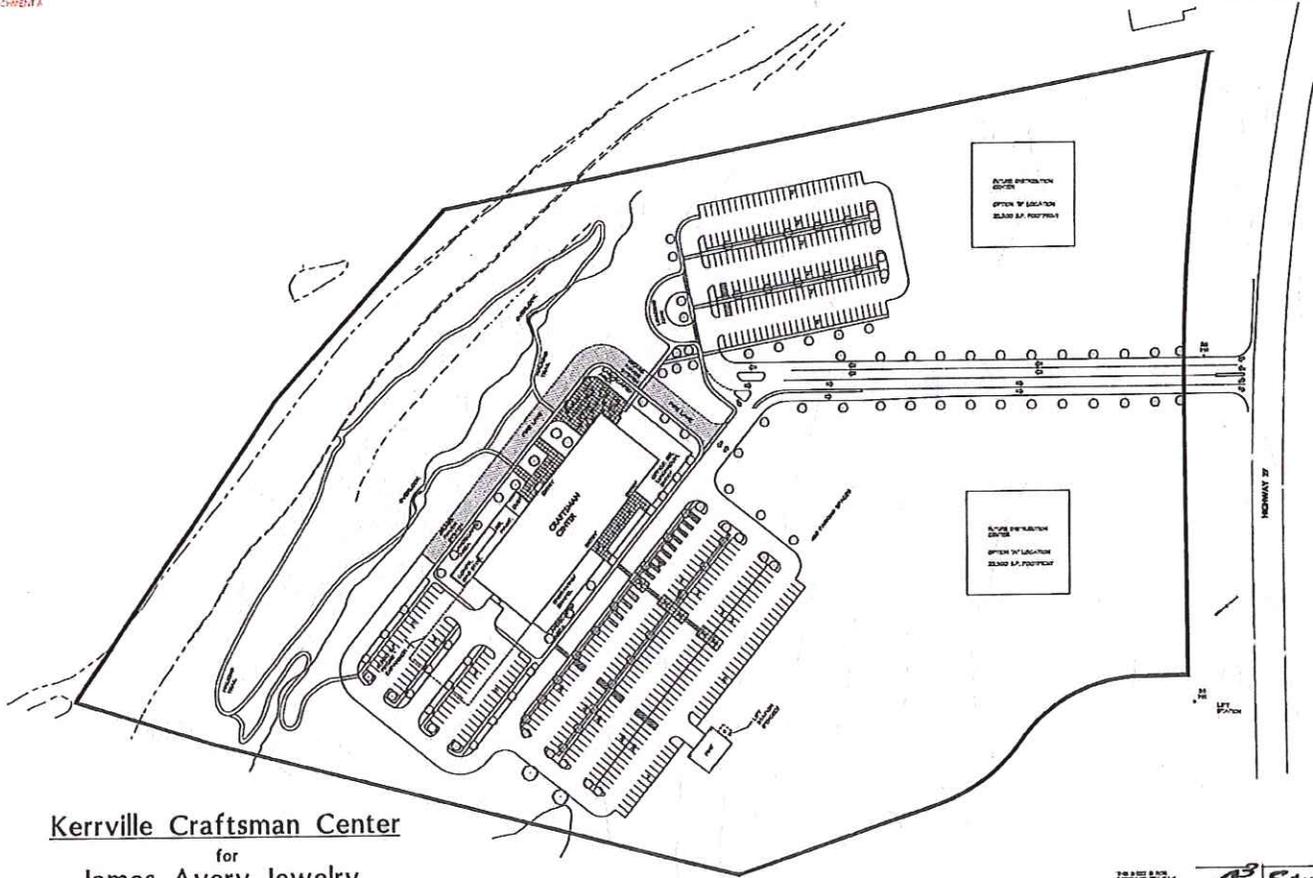
Fiscal 2014 Local Sales	\$17,796,000
Fiscal 2014 Charitable Giving	\$1,445,000
Calendar 2013 Local Property Taxes	\$359,000
Calendar 2013 Local Sales Taxes	\$417,000



JAMES AVERY KCC
KERRVILLE CRAFT CENTER
SCHEMATIC BLDG. MASS STUDY
DATE: 10.7.14

ATTACHMENT A

"CONFIDENTIAL AND PROPRIETARY"



Kerrville Craftsman Center

for

James Avery Jewelry

Kerrville, Texas

Site 1B

Highway 27/ Airport Site

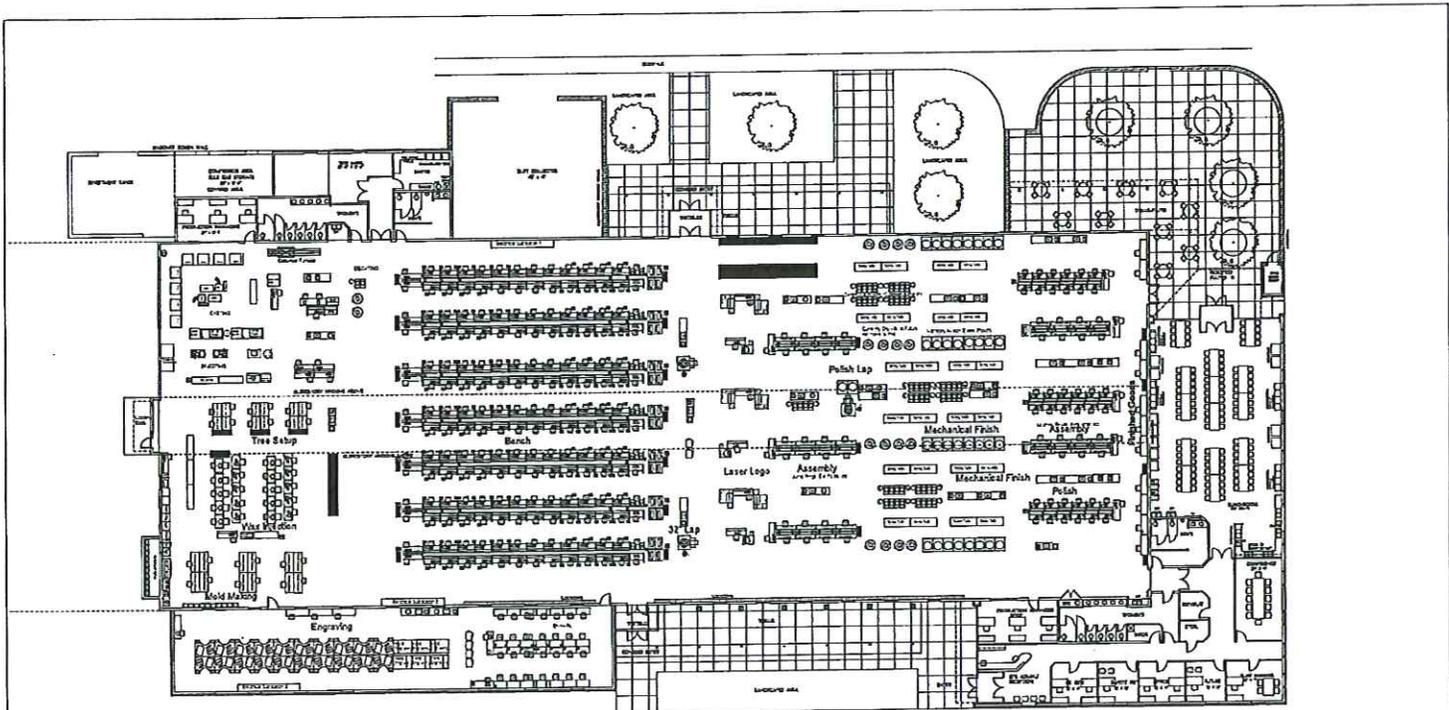
① SITE PLAN
REV. 7-10



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A3 Studio
ARCHITECTURE

104 West 17th St., Kerrville, Texas 78640
Phone: (817) 880-2222 Fax: (817) 880-2222



Kerrville Craftsman Center
James Avery Jewelry

Site 1B Highway 27 (Airport Site) Kerrville, Texas

10-2014

① Proposed floor plan
base building

41279 TOTAL S.F.
23221 S.F. OF HIGH BAY
OPEN PRODUCTION AREA

DATE: 10/20/14
BY: J. A. BROWN
CHECKED: J. A. BROWN
SCALE: AS SHOWN
PROJECT: JAMES AVERY JEWELRY
ARCHITECTURE
KERRVILLE, TEXAS

Benefit Program Highlight Summary

Health Plan Benefits: *All full-time, regular employees after the completion of a two calendar month waiting period.*

- **Medical (Boon Chapman & Aetna Network) and Rx (CVS Caremark)** - The company sponsors two comprehensive Medical and Rx plans for employees to choose from. Both plan options encourage in-network utilization as well as annual preventative exams. Under the Traditional PPO option, participants have copays for non-preventative office visits and prescription drugs and are required to satisfy an annual deductible before co-insurance amounts are applied. The Low Premium option is a qualified High Deductible Health Plan and participants must satisfy a combined medical and Rx deductible before co-insurance amounts are applied. Participants who enroll in the Low Premium option may be eligible to establish and contribute pre-tax dollars into a Health Savings Account (HSA). The company can also make contributions into this account on your behalf. Participants under both plan options can receive a 30 day supply of prescriptions drugs at retail stores or a 90 day supply of maintenance drugs by utilizing the mail order or CVS Retail Program. The prescription drug plan is designed to minimize participant out of pocket expenses when utilizing generic drugs and the mail order or the CVS Retail Program.
- **Vision (Boon Chapman & Aetna Network)** - Routine eye exams are covered every 12 month period. In addition, each participant receives \$300 towards the costs of materials such as frames, lenses and contacts.
- **Dental (Boon Chapman & DentalGuard Preferred Select Network)** - A dental plan that covers preventative services at 100%. Co-Insurance is applied to basic, major and orthodontia services and participants can choose to utilize network dentists with pre-negotiated discounts on services. The plan has an annual maximum benefit of \$1,500 while orthodontia has a lifetime maximum benefit of \$1,500.
- **Wellness Program** - The Company will pay employees and their spouse (if covered under the health plan) \$200 each once biometric screening and health risk assessment are completed. The biometric screening must be performed by an approved provider. In addition, the Company will reimburse up to 50% of gym memberships or weight watcher programs fees for employees and their covered spouse.
- **Employee Assistance Plan (UNUM)** - The Company has purchased this service to help employees achieve a work/life balance. The service includes counseling, referral service and web based tools for employees that are experiencing personal life events that cause stress.

Retirement Benefits: *Employees who have attained the age of 21 and have worked 1,000 hours in the first year of employment, or any calendar year thereafter.*

- **401k Plan (Wells Fargo)** - The Company has developed a 401k retirement plan where employees can elect pre-tax contributions. The Company will match 100% of the first three percent plus 50% on the next two percent the employee contributes. Both the employee and company contributions are immediately fully vested. Investment funds are available for employees to select and the contributed funds grow on a tax-deferred basis. The Company pays 100% of the day to day administrative costs. Employees may incur investment related fees depending on the funds that are selected and transactional fees for distributions.

Occupational Injury Benefits: *All employees.*

- **Occupational Injury Plan (Texas Employees)** - The Company has developed an occupational injury plan to protect employees income and help pay for medical expenses as a result of a job related injury.
- **State Workers Compensation Plan (Non-Texas Employees)** - Each state's program will vary. For specific state requirements, check the Worker's Compensation poster in your store.

Exempt Profit Sharing Bonus Program: All salaried employees who have maintained a regular status throughout the Fiscal Plan Year are eligible to participate in this program. Depending on financial performance for the Fiscal Plan Year, the Company will pay a profit sharing bonus to exempt employees.

Income Protection and Leave Time Benefits: *All full-time, regular employees. A two calendar month waiting period applies to several of the benefits below.*

- **Life and Accident (UNUM)** - The Company has purchased life insurance that will provide coverage for up to two times the annual base salary for employees. The Company has also purchased accident insurance that may provide an additional two times the annual base salary coverage for employees who sustain a loss due to an accident. For dependents of employees, the Company has purchased \$5,000 spouse and \$2,500 child life insurance coverages.
- **Voluntary Life Insurance (UNUM)** - Supplemental life & accident insurance may be purchased that is in addition to the paid basic life & accident insurance provided by James Avery. The coverage cost is based on your age and the amount of coverage you elect and the premium amount you pay will be deducted from your paycheck.
- **Short Term Disability** - For disabling events that are not as a result of a work related injury, the Company has created a short term disability plan to help maintain its employee's income while they are disabled. The Company will continue 80% of pre-disability weekly earnings for a maximum period of 90 days. Benefits will begin on the 8th consecutive calendar day following an illness related disability or will begin the following day after an accident has occurred.
- **Long Term Disability (UNUM)** - For qualifying events that exceed the short term disability duration, the Company has purchased Long Term Disability (LTD) insurance for employees. The LTD insurance will pay up to 60% of pre-disability earnings until the employee is no longer considered disabled or normal retirement age.
- **Sick Pay/Personal Time** - Depending on length of service, the company offers paid Sick Pay/Personal Time (SPPT) hours for employees on their first day of employment. SPPT hours are allotted each March 1st Fiscal year and can be used in one hour increments. At each Fiscal year end, hourly employees can choose to be paid on up to 40 unused SPPT hours at time and a half or have the unused SPPT hours moved to a rolling bank for future use. For salaried employees, up to 40 unused SPPT hours can be moved into a rolling bank for future use. At any Fiscal year start, the maximum amount of SPPT time in the rolling bank can not exceed 60 hours.

Additional Leave Time Benefits: *See specific leave benefit description for eligibility.*

- **Holidays** - Regular full-time and regular part-time employees are eligible to receive holiday pay according to the holiday schedule released each year by the Human Resources department.
- **Funeral Leave** - Regular full-time and part-time employees are eligible for one to three days of paid funeral leave in order to make personal arrangements due to a loss of a family member.
- **Jury Duty** - The Company strongly encourages its employees to perform this very important civic service. The Company will pay all employees' regular compensation for scheduled work hours up to a maximum of 15 workdays in a calendar year.
- **Unpaid Time Off** - Part-time employees are eligible to use unpaid time off for unexpected absences from work. The amount of time varies depending on regular or seasonal part-time status.
- **Additional Leave** - For leaves that do not qualify for Family Medical or Military, all employees may be eligible for up to 30 days of job protected leave. The company will evaluate the unpaid time off request based on the employee's circumstances and the business needs of the company.

Additional Benefits: *See specific program description for eligibility.*

- **Employee Discount Program** - The Company allows each employee and their eligible dependent relative to purchase certain merchandise at a discount from retail prices. Each employee and eligible dependent receives a discount card and is subject to a calendar year maximum.

The purpose of this document is to provide a summary level explanation of the benefits available to employees. For specific details, please refer to your employee handbook, personnel guidelines or summary plan descriptions.

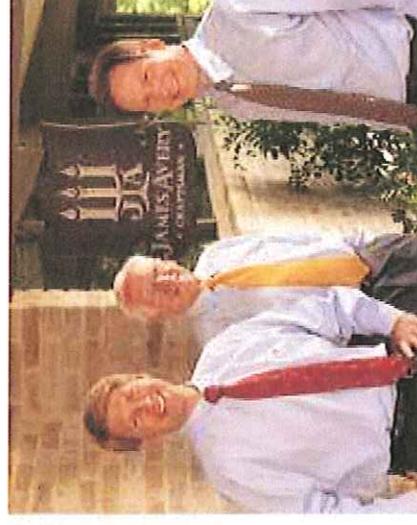
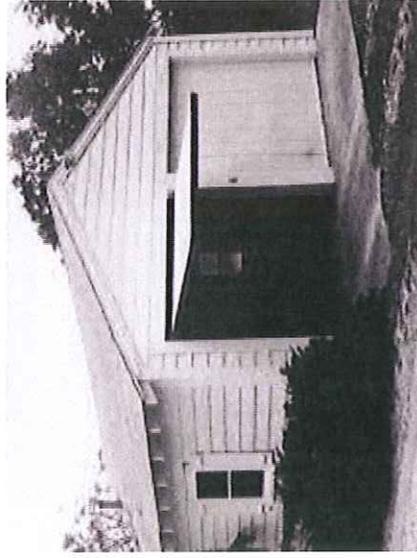


JAMES AVERY JEWELRY
KERRVILLE CRAFTSMAN CENTER
October 27, 2014

To Celebrate Life Through the Beauty of Design

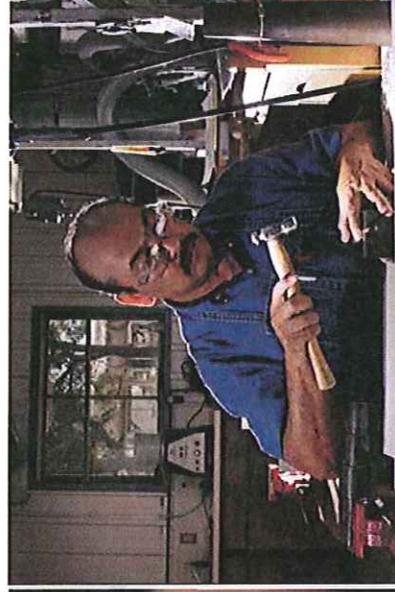
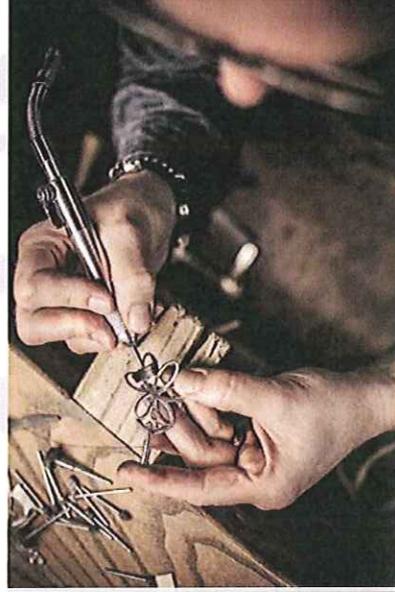
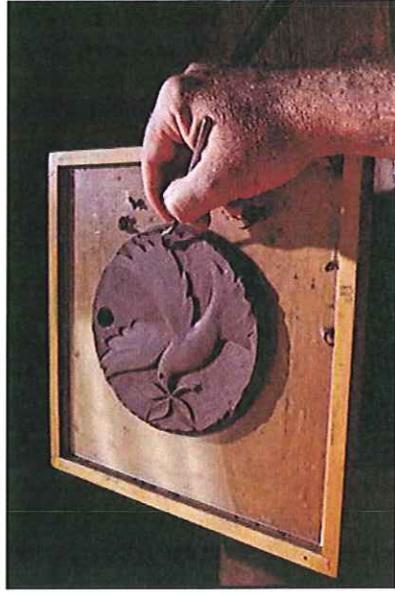
A Legacy Rooted in Kerrville

- ❑ One man in a Kerrville two-car garage in 1954
- ❑ First retail store opened in Kerrville in 1968
- ❑ First retail store outside Kerrville, Dallas in 1973
- ❑ Now, headquartered on 40 acres off Harper Rd with almost 2,000 employees across 10 states
- ❑ Owned & operated by the Avery family for 60 years



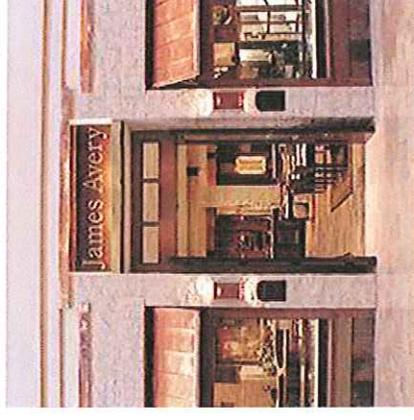
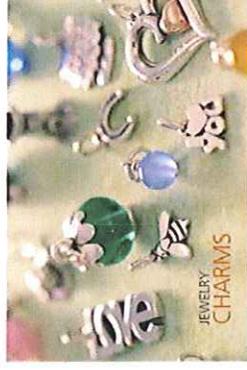
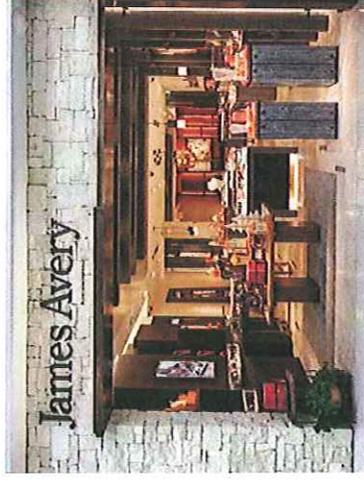
Vertical Integration Starts in Kerrville

- From design & product development to production, engraving, distribution and customer connection – it all starts here
- Designs are produced in 5 facilities located in Kerrville, Comfort (2), Fredericksburg and Hondo
- Kerrville Woodshop produces in-store cases, jewelry props, and other woodworking needs



From Kerrville to Customer

- James Avery sells its products through 70 Avery stores in 10 states, Kerrville Call Center and www.JamesAvery.com, which all ship from its Kerrville Distribution Center
- Recently announced initial launch with Dillard's Department Stores into 43 of its 280 stores and Dillards.com



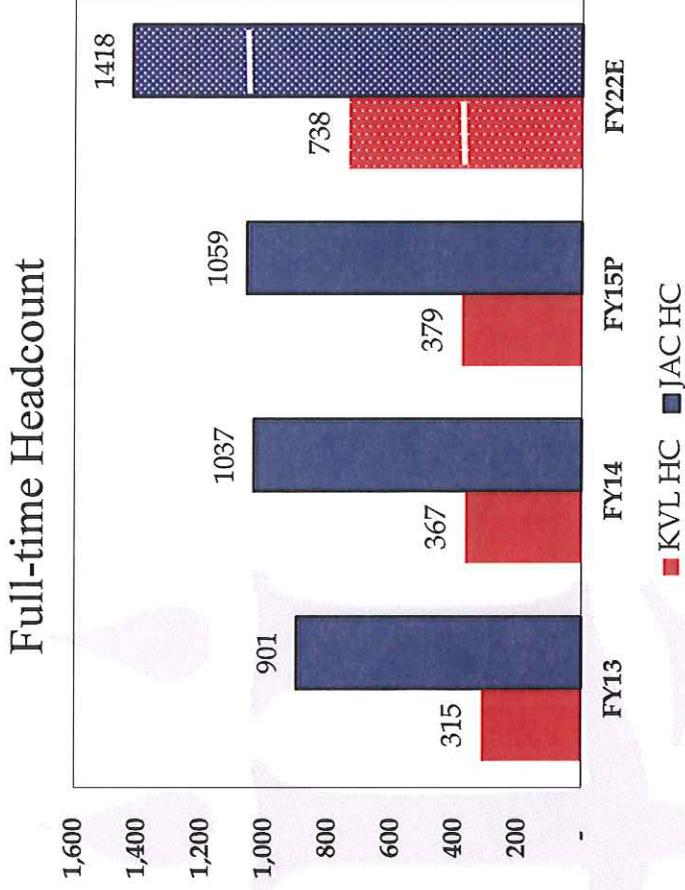
Giving Back, Paying Forward

- James Avery believes strongly in serving locally to improve the communities where we live & work.
- Charitable Giving targets needs in Arts & Culture, Education & Development, Healthcare & Disaster Relief, Faith-Based organizations and the Environment



Current Footprint

- Current Payroll:
Kerrville-based employees \$2.15MM per mo. Avg. All employees \$5.29MM per mo.
- Kerrville Manufacturing Sq Ftg = 15,700
- Total Manufacturing/Support Sq Ftg = 101,000
- 2,000+ seasonal employees – Kerrville 161
- 685 part-time employees – Kerrville 6





Recent Investments in Kerrville

- Key Kerrville Expansion Expenditures
 - \$2.2MM Retail & Visitor's Center – future Hill Country destination – Opens Nov 2014
 - \$775,000 Human Resource building expansion

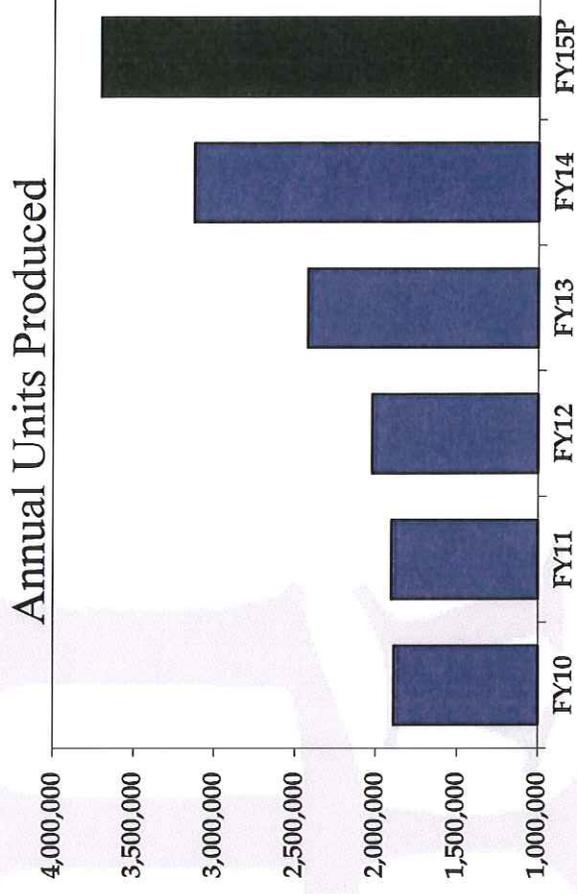
Both projects are employing local resources wherever possible.

□ Recent Kerrville Capital Investment

- \$1.1MM Fiscal 2012
- \$1.1MM Fiscal 2013
- \$4.2MM Fiscal 2014

James Avery needs more Capacity

- Production has almost doubled in the last 4 years
- Practical capacity will be reached within the next 18-24 months
- To support its organic and wholesale growth opportunities, James Avery must expand beyond current operations.





Why Expand Capacity in Kerrville?

- Proximity to Distribution Center given this will be our largest facility
- Ability to repurpose 6 buildings on our current campus for growth



Proposed Project: Expands the Kerrville Team

- Estimated Total Cost \$14.3MM – Incremental Building Cost \$7.8MM, Site Development \$1.92MM, and Equipment Purchases \$3.4MM
- Over Six years, Kerrville expansion will add estimated 359 Full-Time positions or \$31MM in Payroll
- Expanded Footprint:
Kerrville Craftsman Center Sq Ftg: 53,600

Enables a three-fold capacity increase, demonstrating James Avery's longer term commitment to the community.

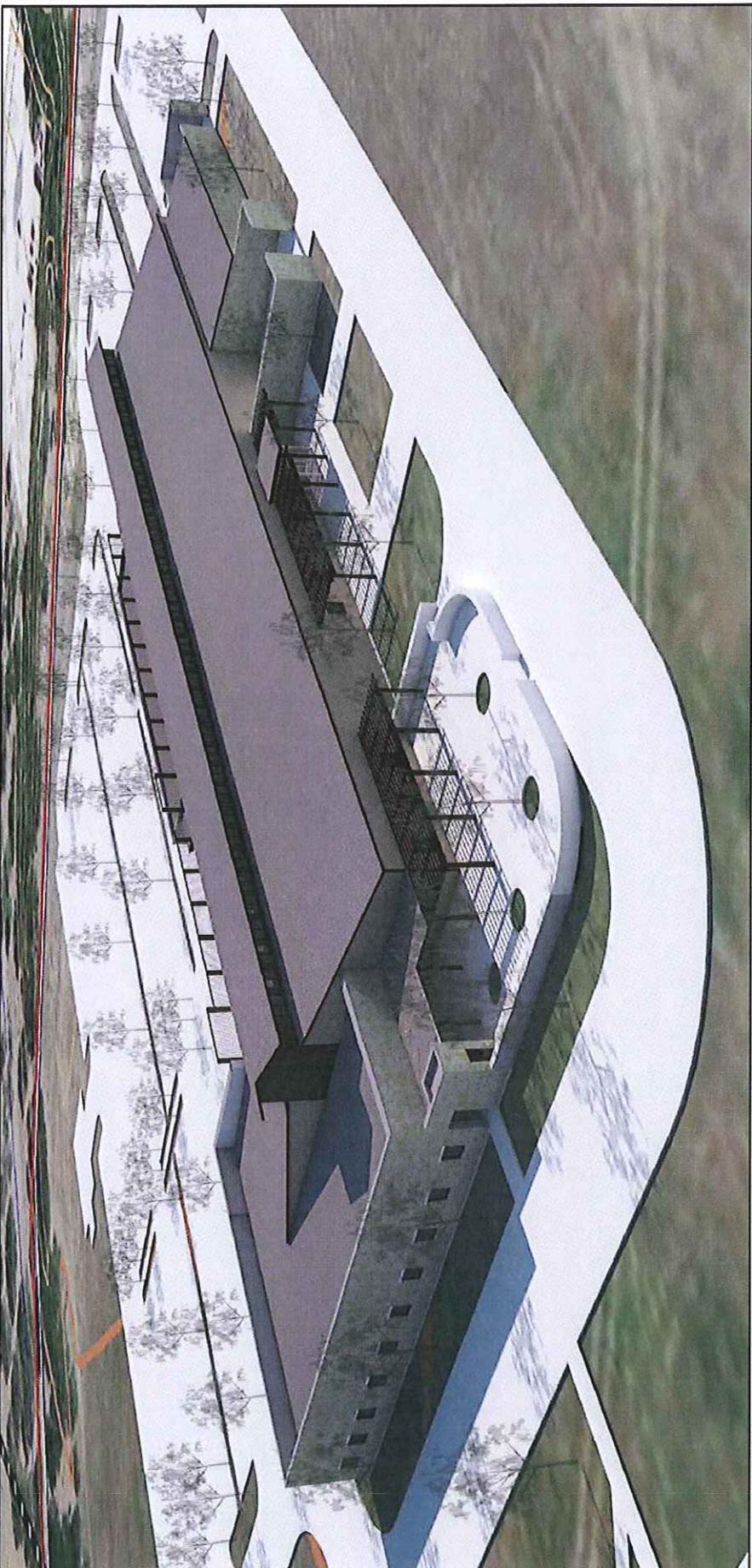
Kerrville Craftsmanship Center

– Rendering Front



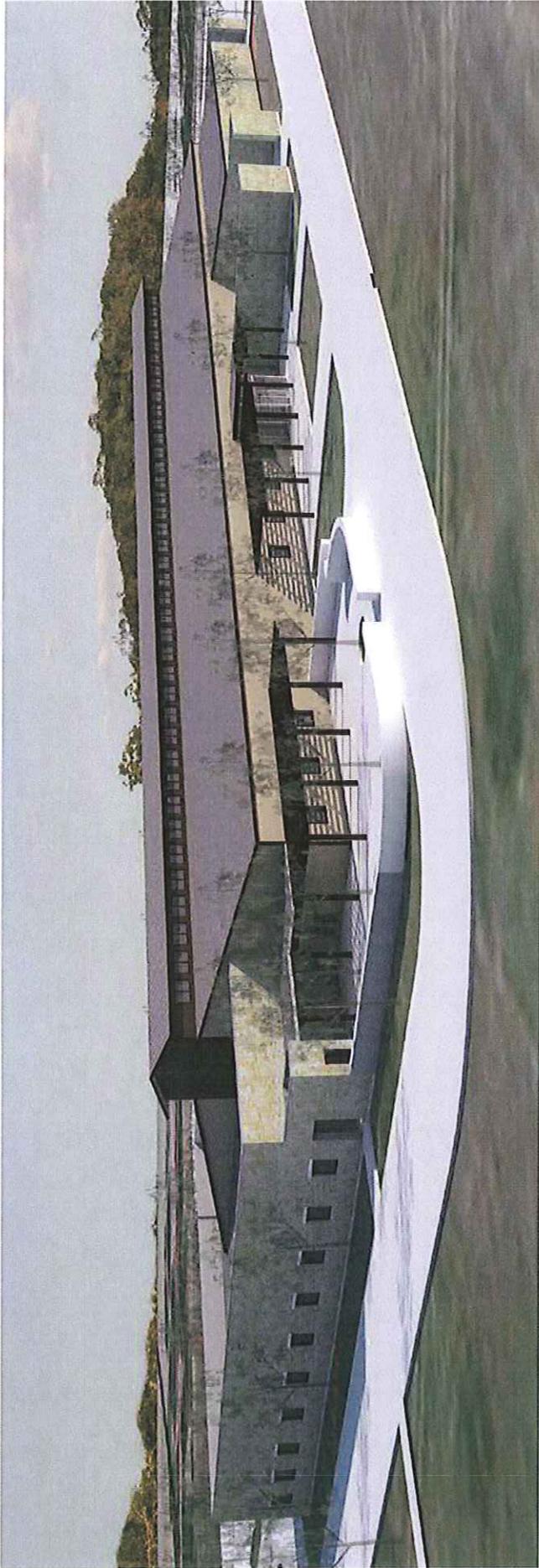
Kerrville Craftsmanship Center

– Rendering Rear

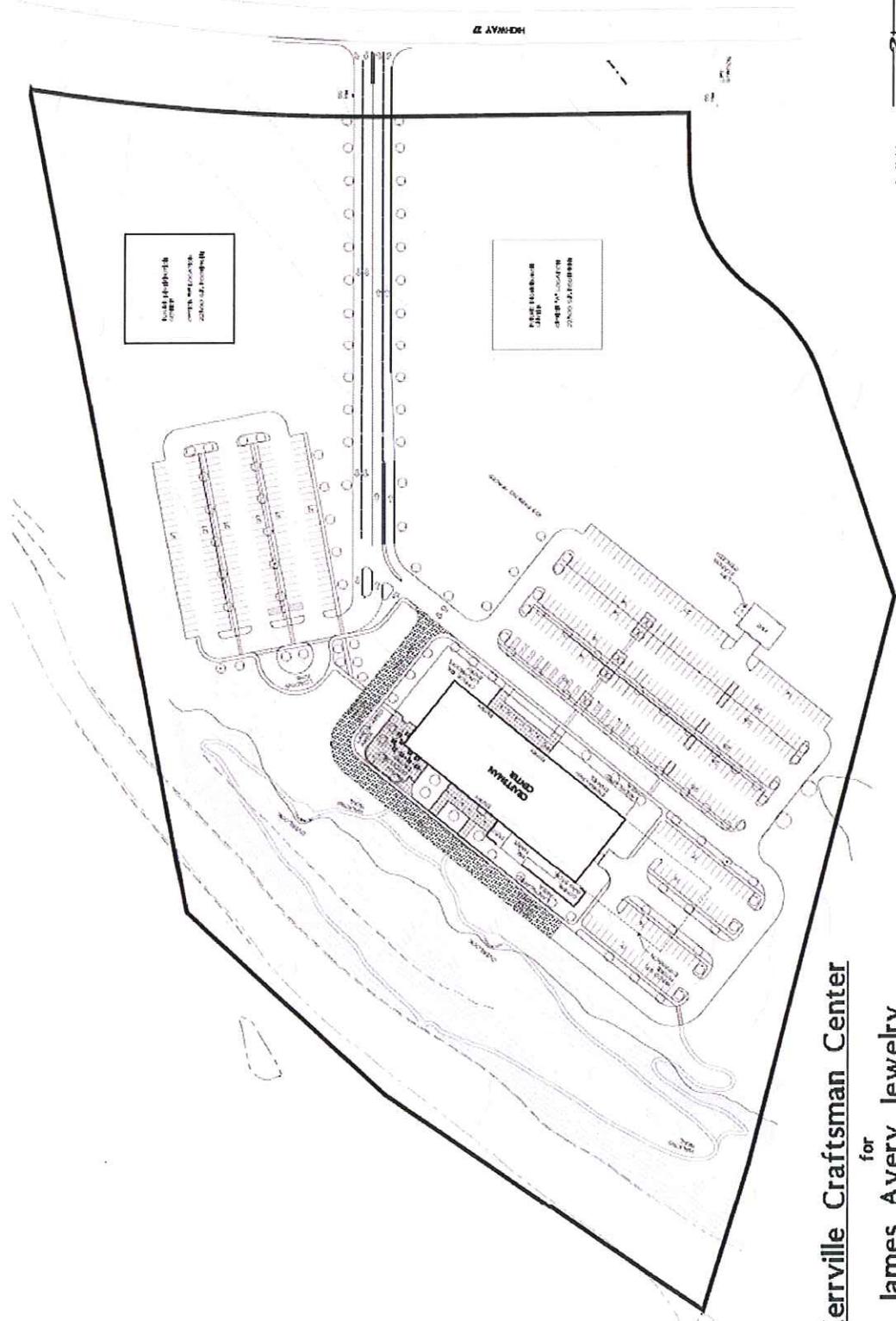


Kerrville Craftsmanship Center

– Rendering Rear



Site Plan



Kerrville Craftsman Center

for

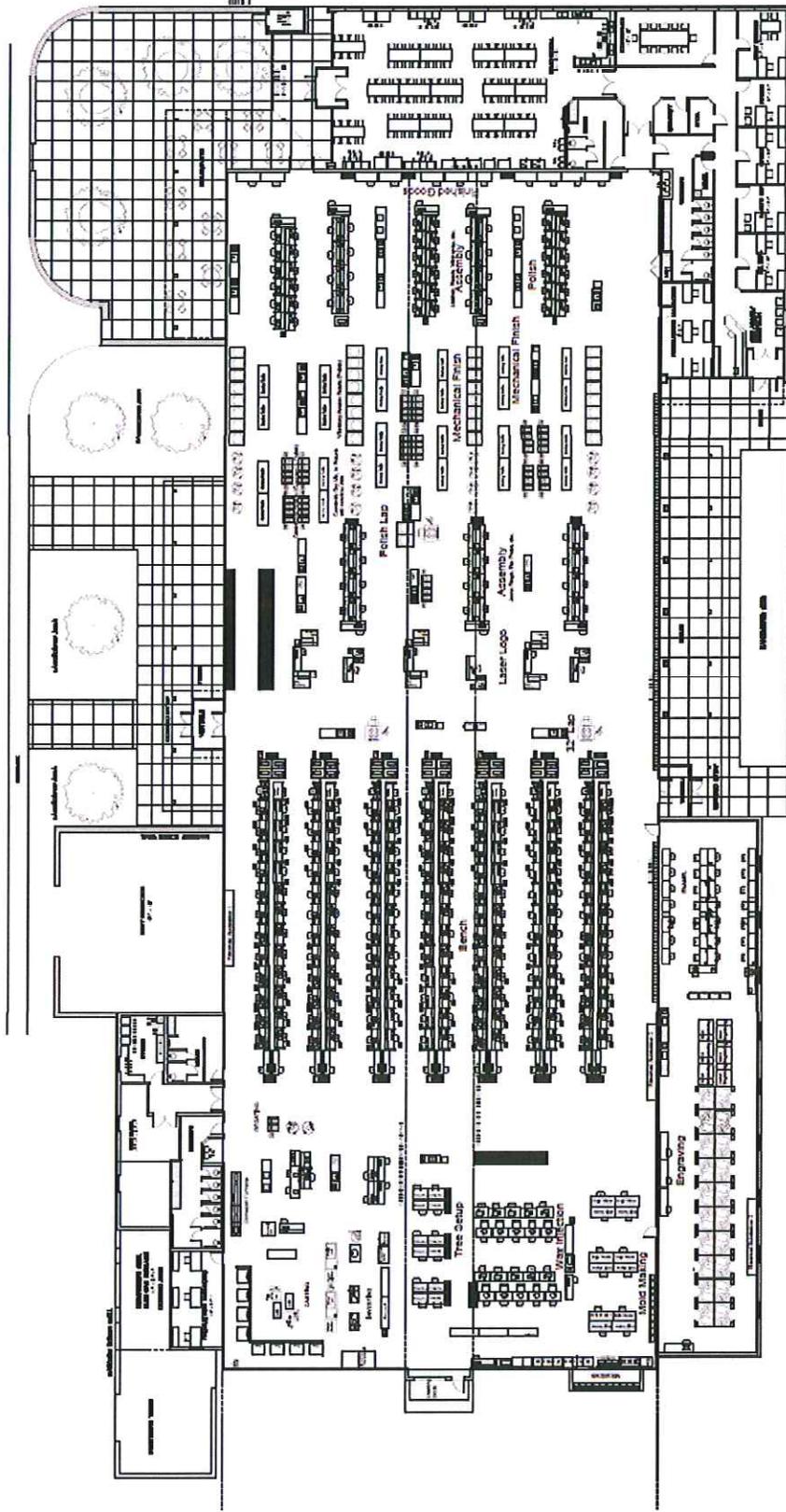
James Avery Jewelry

Kerrville, Texas

Site IB



Building Floor Plan



Kerrville Craftsman Center
James Avery Jewelry

Site 1B Highway 27 (Airport Site) Kerrville, Texas

Page 11

James Avery Jewelry
Kerrville, Texas
1998



1 Proposed Floor Plan

1998



Room to Grow

- 29+ Acre site opens potential for future expanded Distribution/Shipping operations
- Repurposed facilities at Harper Road headquarters offer a prime opportunity to relocate and expand marketing, administration, and key support functions as James Avery grows.



Repurposed for Future Expansion

Harper Rd. vacated space opens opportunity for re-use:

- Consolidate/Expand Product Development
- Corporate Training Center
- Relocation of Manufacturing Technology
- Relocation/Expansion of Chain Making
- Relocation of Technical Maintenance
- Expansion of Distribution Center layout
- Relocate Forecast/Planning from Coronado offices
- Vocational jewelry making for students from Kerrville and surrounding area

Jobs Incentive Request

Labor Categories Per City Of Kerrville 4B Sales Tax Funding Request Chart

<i>New Gross Payroll</i>	<i>Incentive per New Primary Job</i>	<i>Total New Primary Jobs</i>	2016	2017	2018	2019	2020	2021
A < \$30,000 per new primary job	Up to \$3,000	314	50	54	43	60	54	53
B \$30,000-\$40,000 per new primary job	\$3,001 to \$5,000	34	13	8	13	0	0	0
C \$40,000-\$50,000 per new primary job	\$5,001 to \$9,000	3	3	0	0	0	0	0
D >\$50,000 per new primary job	Up to \$10,000	8	6	0	1	1	0	0
Total:		359	72	62	57	61	54	53

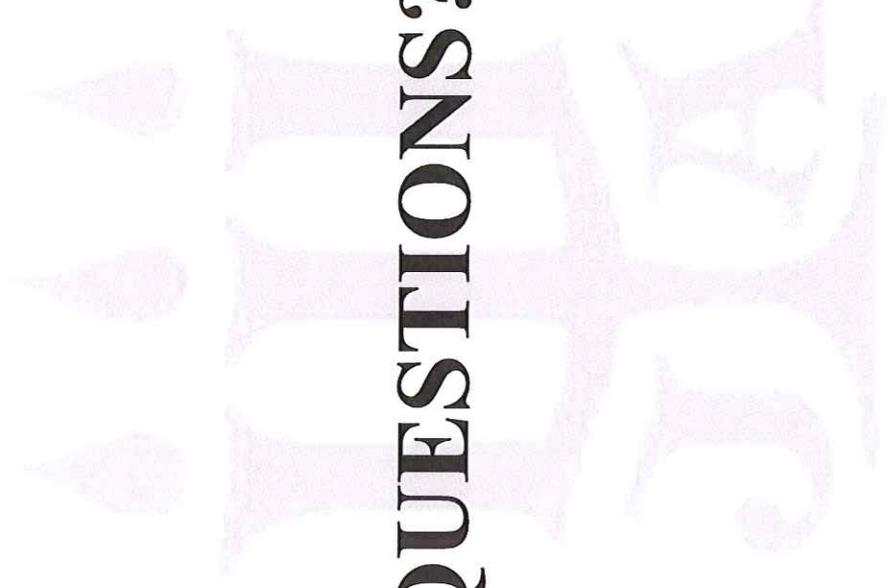
4B Sales Tax Funding

<i>New Gross Payroll</i>	<i>Incentive per New Primary Job</i>	<i>Total Incentive</i>
A < \$30,000 per new primary job	Up to \$3,000	\$ 942,000
B \$30,000-\$40,000 per new primary job	\$3,001 to \$5,000	\$ 170,000
C \$40,000-\$50,000 per new primary job	\$5,001 to \$9,000	\$ 27,000
D >\$50,000 per new primary job	Up to \$10,000	\$ 80,000
Total:		\$ 1,219,000

**Over Six years, Kerrville expansion will add estimated
359 Full-Time positions, or \$31MM in Payroll**



QUESTIONS??



Agenda Item:

9A. Quarterly report by Playhouse 2000. (staff)

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

SUBJECT: Quarterly Report by Playhouse, 2000 Inc.

FOR AGENDA OF: November 11, 2014

DATE SUBMITTED: October 31, 2014

SUBMITTED BY: Ashlea Boyle *ab*
Special Projects Manager

CLEARANCES: Todd Parton
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

The Executive Director of Playhouse 2000, Inc. will provide a report regarding activities, programming, and operations at the Kathleen C. Cailloux Theater.

RECOMMENDED ACTION

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