

AGENDA FOR REGULAR MEETING

KERRVILLE CITY COUNCIL

TUESDAY, FEBRUARY 24, 2015, 6:00 P.M.

KERRVILLE CITY HALL COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

**KERRVILLE CITY COUNCIL AGENDA**  
**REGULAR MEETING, TUESDAY, FEBRUARY 24, 2015, 6:00 P.M.**  
**CITY HALL COUNCIL CHAMBERS**  
**701 MAIN STREET, KERRVILLE, TEXAS**

**CALL TO ORDER**

**INVOCATION:** by Ben Argil, Pastor of Sanctuary.

**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. AWARDS AND RECOGNITIONS:**

2A. Proclamation for Red Cross Month. (Mayor Pratt)

2B. Resolution of Commendation to Polly Rickert for service on the Economic Improvement Corporation. (Mayor Pratt)

2C. Resolution of Commendation to Judy Carr Ward for service on the Library Advisory Board. (Mayor Pratt)

2D. Resolution of Commendation to Daniel Lowery for service on the Building Board of Adjustments and Appeals. (Mayor Pratt)

**3. PRESENTATION AND APPROVAL:**

3A. Fiscal year 2014 City of Kerrville Comprehensive Annual Financial Report (CAFR). (staff)

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The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-258-1117 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, February 20, 2015 at 2:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Cheryl Brown  
Deputy City Secretary, City of Kerrville, Texas

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**4. 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:

4A. Minutes of the regular city council meeting held January 27, 2015.

4B. Resolution No. 05-2015 adopting the City of Kerrville investment policy and strategy regarding the investment of city funds, in accordance with the Public Funds Investment Act. (staff)

4C. Request from the Cailloux Foundation to waive fees for police security for the Kerrville Chalk Festival event, in the amount of \$1,240. (staff)

4D. Construction contract with Nelson Lewis, Inc. for the Broadway lift station and Travis Street force main improvements project in the amount of \$356,536 and additional change orders which may exceed \$50,000 but not to exceed the total amount of \$445,670.00. (staff)

4E. Economic development grant agreement between the Cailloux Foundation (Kerrville Chalk Festival) and the City of Kerrville, Texas Economic Improvement Corporation and the event in an amount not to exceed \$15,000. (staff)

4F. Economic development grant agreement between Kerrville's Fourth on the River, Inc. and the City of Kerrville, Texas Economic Improvement Corporation in an amount not to exceed \$24,950. (staff)

4G. Economic development grant agreement between Kerrville Area Chamber of Commerce (Kerrfest) and the City of Kerrville, Texas Economic Improvement Corporation in an amount not to exceed \$25,000. (staff)

4H. Economic development grant agreement between City of Kerrville (Mardi Gras on Main) and the City of Kerrville, Texas Economic Improvement Corporation in an amount not to exceed \$10,000. (staff)

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Cheryl Brown  
Deputy City Secretary, City of Kerrville, Texas

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4l. Economic development grant agreement between Historic Downtown Business Alliance, Inc. (Sock Hop) and the City of Kerrville, Texas Economic Improvement Corporation and event in an amount not to exceed \$8,750. (staff)

**END OF CONSENT AGENDA**

**5. ORDINANCES SECOND AND FINAL READING:**

5A. Ordinance No. 2015-01 annexing approximately 23.38 acres out of the F. Rodriguez Survey No. 72, Abstract No. 280; said tract being located adjacent to the corporate limits of the City of Kerrville, Texas, and consisting as a portion of the property located at 5235 Highway 27 East; describing the territory to be annexed; adopting a service plan for the territory annexed; establishing the zoning for the area annexed and an adjacent tract which consists of approximately 6.385 acres, all of which property makes up approximately 29.765 acres, to be contained within a Planned Development District for manufacturing and industrial uses; and adopting a concept plan for the property. (staff)

5B. Ordinance No. 2015-02 amending the budget for fiscal year 2015 to account for various changes to the city's operational budget, which includes the receipt of grants and the closure of project accounts. (staff)

**6. CONSIDERATION AND POSSIBLE ACTION:**

6A. Resolution No. 06-2015 expressing support for the application of Brookhollow TAP, LLC, to the Texas Department of Housing and Community Affairs for 2015 competitive nine-percent housing tax credits; and for the acquisition/rehabilitation of Brookhollow Apartments located at 612 Travis Street and recognition of a commitment of funding assistance from the city to the project. (staff)

6B. Resolution No. 07-2015 evidencing the city's support of the redevelopment of the Brookhollow Apartments and the approval of available tax credits through the Texas Department of Housing and Community Affairs. (staff)

6C. Resolution No. 08-2015 authorizing publication of notice of intention to issue certificates of obligation. (staff)

**7. INFORMATION AND DISCUSSION:**

7A. Budget update. (staff)

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Cheryl Brown  
Deputy City Secretary, City of Kerrville, Texas

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**8. 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.

**9. 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.

**10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION**

**11. ADJOURNMENT.**

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Cheryl Brown  
Deputy City Secretary, City of Kerrville, Texas

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## **Agenda Item:**

2A. Proclamation for Red Cross Month. (Mayor Pratt)



**City of Kerrville**

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## PROCLAMATION

**WHEREAS,** For more than 98 years, the American Red Cross of the Texas Hill Country has been the place where citizens join together and are always willing to take care of others in situations from home fires and windstorms to flooding and man-made disasters; and

**WHEREAS,** The Red Cross is dedicated to training our community in the life-saving skills of CPR, first aid and disaster preparedness; and

**WHEREAS,** The Red Cross is a volunteer-led organization that relies on the generosity of the American people,

**NOW, THEREFORE,** I, Jack Pratt, Jr., Mayor of the City of Kerrville, Texas, do urge all residents of Kerr County to volunteer their time and give generously to the American Red Cross and its local office, and do hereby proclaim March 2015; as



**American  
Red Cross**

# MONTH



**IN WITNESS WHEREOF,** I have hereunto set my hand and caused the Seal of the City of Kerrville to be affixed hereto, the \_\_\_\_\_ day of \_\_\_\_\_, 2015

\_\_\_\_\_  
Jack Pratt, Jr., Mayor

## **Agenda Item:**

2B. Resolution of Commendation to Polly Rickert for service on the Economic Improvement Corporation. (Mayor Pratt)



**City of Kerrville**

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**RESOLUTION OF COMMENDATION**

**WHEREAS, POLLY RICKERT** has served as a member of the Economic Improvement Corporation with the date of service beginning September 13, 2011; and expiring December 31, 2014.

**WHEREAS, POLLY RICKERT** 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 **POLLY RICKERT** be recognized for outstanding service as a member of the Economic Improvement Corporation, 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 24<sup>th</sup> day of February, 2015.

ATTEST:

Brenda G. Craig  
Brenda G. Craig, City Secretary

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

E. Gene Allen, Councilmember

Carson Conklin  
Carson Conklin, Councilmember

Stacie Keeble, Councilmember

Gary Stork, Councilmember



## **Agenda Item:**

2C. Resolution of Commendation to Judy Carr Ward for service on the Library Advisory Board. (Mayor Pratt)



**City of Kerrville**

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**RESOLUTION OF COMMENDATION**

**WHEREAS, JUDY CARR WARD** has served as a member of the Library Advisory Board with the date of service beginning November 23, 2010; and

**WHEREAS, JUDY CARR WARD** 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 **JUDY CARR WARD** be recognized for outstanding service as a member of the Library 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 24<sup>th</sup> day of February, 2015.

ATTEST:

Brenda G. Craig  
Brenda G. Craig, City Secretary

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

Gene Allen  
Gene Allen, Mayor Pro Tem

Carson Conklin  
Carson Conklin, Councilmember

Stacie Keeble  
Stacie Keeble, Councilmember

Gary Stork  
Gary Stork, Councilmember



## **Agenda Item:**

2D. Resolution of Commendation to Daniel Lowery for service on the Building Board of Adjustments and Appeals. (Mayor Pratt)



**City of Kerrville**

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**RESOLUTION OF COMMENDATION**

**WHEREAS, DANIEL LOWERY** has served as a member of the Building Board of Adjustment and Appeals with the date of service beginning September 14, 2010; and

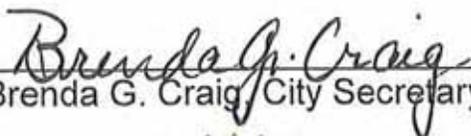
**WHEREAS, DANIEL LOWERY** has served faithfully and dutifully on said board;

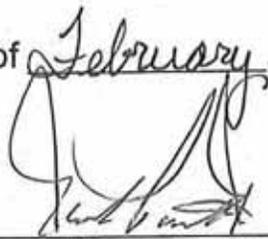
**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:**

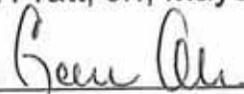
That **DANIEL LOWERY** be recognized for outstanding service as a member of the Board of Adjustment and Appeals, and that on behalf of the citizens of Kerrville as well as for ourselves individually, we wish to express our sincere appreciation for contributions to the city and the community.

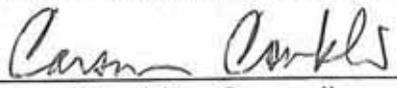
PASSED AND APPROVED, this the 24<sup>th</sup> day of February, 2015.

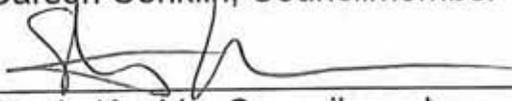
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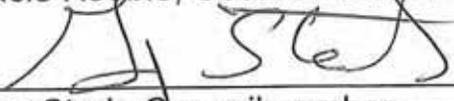
  
Brenda G. Craig, City Secretary

  
Jack Pratt, Jr., Mayor

  
E. Gene Allen, Mayor Pro Tem

  
Carson Conklin, Councilmember

  
Stacie Keeble, Councilmember

  
Gary Stork, Councilmember



## **Agenda Item:**

3A. Fiscal year 2014 City of Kerrville Comprehensive Annual Financial Report (CAFR). (staff)



## **Agenda Item:**

4A. Minutes of the regular city council meeting held January 27, 2015.

CITY COUNCIL MINUTES  
REGULAR MEETING

KERRVILLE, TEXAS  
JANUARY 27, 2015

On January 27, 2015, the Kerrville City Council meeting was called to order at 6:00 p.m. by Mayor Pratt in the city hall council chambers at 701 Main Street. The invocation was offered by Reverend Patty Edwards, Unity Church of the Hill Country, followed by the Pledge of Allegiance led by David Knight, Interim Chief of Police.

COUNCILMEMBERS PRESENT:

|                |               |
|----------------|---------------|
| Jack Pratt     | Mayor         |
| Gene Allen     | Mayor Pro Tem |
| Carson Conklin | Councilmember |
| Stacie Keeble  | Councilmember |
| Gary F. Stork  | Councilmember |

COUNCILMEMBER ABSENT: None

CITY CORE STAFF PRESENT:

|                  |                          |
|------------------|--------------------------|
| Todd Parton      | City Manager             |
| Mike Hayes       | City Attorney            |
| Brenda G. Craig  | City Secretary           |
| Sandra Yarbrough | Director of Finance      |
| Ashlea Boyle     | Special Projects Manager |
| David Knight     | Interim Chief of Police  |
| Dannie Smith     | Fire Chief               |
| Chris Stewart    | Senior Planner           |
| Dieter Werner    | City Engineer            |

VISITORS PRESENT: List on file in city secretary's office for the required retention period.

1. VISITORS/CITIZENS FORUM: no one spoke.

2. RECOGNITIONS:

2A. John C. and Linda Worden for volunteer service to the community.

3. CONSENT AGENDA:

Mr. Conklin moved to approve consent agenda items 3A through 3C; Mr. Allen seconded the motion, and it passed 5-0:

3A. Authorization to submit a funding request to the City of Kerrville, Texas Economic Improvement Corporation for Phase I of the streetscape enhancement project in an amount not to exceed \$650,000.

3B. Authorization to initiate the request for proposals process for recreation equipment concessions in city parks and the river trail.

3C. Resolution No. 04-2015 ordering that a general election be held on May 9, 2015, for the election of two city councilmembers; appointing election judges,

adopting an electronic counting system; establishing a central counting station; appointing a central counting station manager; appointing a tabulation supervisor; appointing the central counting station presiding judge; and authorizing the early processing of ballots.

3C. RESOLUCIÓN 04-2015 QUE DECRETA QUE LAS ELECCIONES GENERALES SE LLEVEN A CABO EL 9 DE MAYO DEL 2015 PARA ELEGIR DOS CONCEJALES MUNICIPALES; NOMBRAR A LOS JUECES ELECTORALES; ADOPTAR UN SISTEMA ELECTRÓNICO DE CONTEO DE VOTOS; ESTABLECER UNA ESTACIÓN CENTRAL DE CONTEO; NOMBRAR A UN ADMINISTRADOR(A) DE LA ESTACIÓN CENTRAL DE CONTEO; NOMBRAR A UN SUPERVISOR(A) DE TABULACIÓN; DESIGNAR AL JUEZ PRESIDENTE DE LA ESTACIÓN CENTRAL DE CONTEO; Y AUTORIZAR EL PROCESAMIENTO TEMPRANO DE LOS VOTOS ELECTORALES.

#### **END OF CONSENT AGENDA**

#### **4. PUBLIC HEARING:**

4A. Proposed voluntary annexation of approximately 23.38 acre tract of land located at 5235 Highway 27 East, James Avery Craftsman.

Mr. Stewart noted that JAC petitioned the city for voluntary annexation of 23.38 acres at 5235 SH 27 East.

Mayor Pratt opened the public hearing at 6:10 p.m.; no one spoke and the public hearing was closed at 6:11 p.m.

#### **5. CONSIDERATION AND POSSIBLE ACTION:**

5A. Presentation regarding a proposed athletics complex on approximately 75 acres located at the intersection of Holdsworth Drive and Town Creek Road and direction to city staff on negotiating an agreement with the Cailloux Foundation for its construction.

Mr. Parton presented the concept of a proposed 70-75 acre athletics complex at Holdsworth Drive and Town Creek Road in order that local youth would have affordable competition-level facilities for baseball, softball and soccer. He gave details of the project: 609 paved parking spaces; concession/restroom areas within each quad; championship area at center of complex; a 15,000-18,000 sq. ft. indoor multi-use facility for batting cages, pitching lanes, training, etc.; retail shop; meeting rooms, etc. The fields would be irrigated with reuse water.

Under the proposal, the Cailloux Foundation (CF) would donate \$2 million cash and the 70-75 acres, estimated at \$1 million. The city would contribute \$9 million from a 2015 debt issuance to be funded through an agreement (Item 5B) approved by the Economic Improvement Corporation (EIC) at their December 17 meeting. The EIC application was submitted as a quality of life project, even though there would be some economic benefit to the community through tourism and tournament activities. The CF would manage construction of the project, with city input into the design and construction, and the city would reimburse the CF based on actual contractor invoices. After completion of the project, the CF would dedicate the land and facilities to the city.

Mr. Parton stated that RVK, a professional architectural firm in San Antonio and a leader in sports complex design and planning, was doing the design work for the project, and RVK and local contractors estimated construction cost at \$12 million. Staff also met with representatives of D-BAT and other for-profit organizations and local investors who were interested in participating in the facility. If the facility was managed by the city, staff would work with various sports organizations to bring in tournaments. Mr. Parton stressed that priority use of the facility would be given to local organizations based on their scheduling and reservations. Revenue projections were based on the city operating the facility either with staff or by contracting out the services. A cost and revenue projection model anticipated the project would cash flow; however, the city budget could handle additional expenditures if needed. Mr. Parton stated that no additional property tax would be necessary to fund construction of the sports complex.

The proposed baseball and softball facilities would comprise of 12 fields meeting Little League, USSSA and ASA standards, and college and high school level facilities which were currently not available at the Little League facility. The existing baseball facility was maintained and managed by the Kerrville Little League; it had seven fields, a field house, two restrooms, storage area, concession area, non-paved parking, and irrigation was by private well.

The soccer area of the proposed complex contained 35 acres on the south side of Holdsworth Drive, and would accommodate future growth and additional programming. The proposed complex would have two restroom and concession areas and a 14' x 20' conference room. Fees to the organizations would be set at rates that would not require an increase in existing registration fees; however, the fee structure would be reevaluated after five years. The fees would help cover the cost of mowing, striping, utilities and capital costs.

The existing 13 acre soccer fields were managed by Hill Country Youth Soccer Assn. (HCYSA) and Crush Soccer Association on land at the city landfill, and that lease would expire in June. It contained two restrooms, a concession area, storage and meeting room, two portable toilets, non-paved parking, and irrigation was with reuse water. HCYSA and CRUSH paid \$30,000-40,000 annually to maintain their facility. Staff had several meetings with members of HCYSA and Crush and received comments and input into the design of the proposed facility.

The following persons spoke:

1. Teena Hirstine supported construction of the new complex and appreciated the support of the Cailloux Foundation and the City, and she supported both HCYSA and HCCA. HCYSA operated for 20 years at the current location. HCYSA was a non-profit organization that functioned at no cost to the city from revenue generated by the concession stand, this kept costs low so all kids could play. Under the proposed plan, HCYSA would be doomed to fail if forced to vacate the present location. She proposed that the city allow HCYSA to remain at the present location and allow opportunities for growth in both programs.

2. Gary Reichenau said he had been involved with HCYSA since it started 20 years ago and he helped do the grading and put in the existing soccer fields. It was a good location for soccer, but there was very little topsoil. There were not enough soccer fields now; both facilities were needed.
3. Fred Speck, representing HCYSA, was in favor of the new sports complex for baseball and soccer and it would be great for the community. He understood that priority use would be given to HCYSA and Crush and that nominal rates would be set so there would not be an increase in registration fees for five years, but he was apprehensive that the city could maintain low fees in the future. The city estimated outdoor maintenance at the proposed complex at \$365,000 per year. HCYSA's highest annual cost was \$37,000 for irrigation and maintenance; HCYSA could not cover even half the cost of the new complex. HCYSA operated at no cost to the taxpayer and kept registration low so all kids could play; no one was turned away; they had volunteer staff, coaches and referees. The existing area leased from the city totaled 30 acres, of which 13 acres were irrigated playing fields. The proposed complex had only 35 acres; he suggested the city build the new complex and give HCYSA a long term lease for continued use of the current fields in order to allow for future growth of soccer programs. The city could find alternative sources for soil.
4. Kiley Miller, a teacher at Schreiner University, thanked the CF and City for expanding youth soccer and making it a priority. She felt that better communication and involvement between the city and the soccer community could resolve some of the issues. She requested the city council hold formal conversations with both groups and see what their needs were before final plans were made so the groups could transition and make their plans also.
5. Carolyn Lipscomb asked if the CF would provide the land and \$2 million to build the complex if the city allowed the existing soccer fields to continue. Mayor Pratt noted it was not a condition; however, the city planned to expand operations at the landfill and create a reuse water reservoir. The need to close the lease at the soccer fields was not about dirt, the area was needed for municipal uses, including storage of future water supply. Ms. Lipscomb noted the city transferred trash to San Antonio so it would not fill the landfill. Mr. Parton noted that transferring was a temporary solution because the existing permitted area would last only seven years, and the city was in the process of expanding its permit and landfill cells. Ms. Lipscomb asked when the lease for the soccer fields expired. Mr. Parton noted June 2015. Ms. Lipscomb stated she was in favor of the new complex, but she questioned why the city was tearing up the \$1.2 million investment put in by HCYSA and Crush just for dirt if the city was not ready to expand now.
6. Sandra Garcia said she was in favor of the proposed facility, but the city would be spending a lot of money paying for facility maintenance and hiring staff instead of using volunteers. The proposed facility would not bring in the revenue stated and it would take away from the HCYSA. She asked that the city allow HCYSA to stay for a few more years until they could find their own property and build their own facility.

7. George Baroody noted he was on the Little League board, but speaking as a citizen, soccer and baseball were growing organizations and they received no financial support. The problem was the cost of the proposed facility--\$900,000 per year for 20 years, and if revenue did not come in as anticipated, user and registration fees would increase and they would lose players. As presented, the cost structure would have to go up for both organizations. Only the soccer fields needed to be moved, there was no need to move baseball. He suggested the city buy land with the \$3 million the CF offered. The city maintained the Singing Winds baseball field now and that was not working. The application to EIC was originally set up as an economic improvement application but was later changed to a quality of life project because it did not have enough revenue to support it as economic improvement; this was not a quality of life project. The proposed facility would take away the feeling of bonding that people get from volunteering.

Council also discussed the following:

- It would not be prudent of the council to allow HCYSA and Crush to make additional financial investments into the property when the city would be using the land for municipal purposes.
- The council was not trying to eliminate volunteers; volunteers were necessary to continue the baseball and soccer programs.
- The proposed soccer facility was 35 acres, almost triple the existing 13 acre soccer fields, and would accommodate future growth and additional programming.
- The proposed facility would have restrooms and people would not have to use portable toilets or put up with the smell from the wastewater plant or landfill.

Council asked Mr. Parton to explain why the area where the current soccer fields were located was needed for municipal purposes and to compare the footprint of the proposed effluent project to the existing soccer field.

Mr. Parton noted the city needed 200,000 cubic yards of soil to build a 26 ft. high berm for the effluent storage reuse project in order to store 350,000,000 gallons of effluent for water irrigation now and future potable water supply. Geotechnical testing had been done at the soccer fields and there was substantial amount of dirt available. If the city purchased soil elsewhere and hauled it to the landfill as suggested, the only storage area for that quantity of dirt was at the soccer fields, and the city would have the additional cost of transportation. The effluent project budget did include \$2 million for the purchase of dirt. The existing soccer fields were not in the footprint of the proposed effluent storage facility; however, excavation would occur up to the edge of the soccer fields. Also, Phase 2 of the project would be in the footprint of the existing facility and would put the fields underwater. The land was purchased many years ago for municipal use, and the lease for soccer fields always had been intended as a temporary lease.

Mr. Stork moved direct staff to negotiate an agreement with the Cailloux Foundation for construction of the athletics complex. Mr. Conklin seconded the motion and it passed 5-0.

5B. Project funding agreement between the City of Kerrville, Texas, Economic Improvement Corporation and the City of Kerrville, Texas for the development and construction of an athletic complex adjacent to Holdsworth Road in an amount not to exceed \$9,000,000.00.

Ms. Boyle noted the agreement would provide funding for the athletics complex as presented in Item 5A. EIC approved the agreement on December 17, 2014.

Mr. Hayes confirmed that the bonding attorney approved the project.

Ms. Keeble moved to approve the funding agreement as presented. Mr. Allen seconded the motion and it passed 5-0.

5C. Abandonment of the Upper Guadalupe River Authority (UGRA) flood control easement established in 1980 in conjunction with impoundment of a portion of the Guadalupe River, Nimitz Lake. Item deferred to executive session.

## **6. INFORMATION AND DISCUSSION:**

6A. Budget update.

Ms. Yarbrough gave the financial report for the period ending January 27, 2015: to date the general fund revenues totaled \$6,573,855 and expenditures \$5,311,586; water and sewer fund revenues totaled \$2,307,866 and expenditures \$3,025,522; hotel/motel fund revenues totaled \$246,802 and expenditures \$229,224; 7 permits were issued for new residential construction and 1 for new commercial construction.

## **7. APPOINTMENTS TO BOARDS AND COMMISSIONS:**

7A. Appointment to the Economic Improvement Corporation. Item deferred to executive session.

## **8. ITEMS FOR FUTURE AGENDAS**

## **9. ANNOUNCEMENTS OF COMMUNITY INTEREST:**

- Daddy Daughter Dinner and Dance, February 14.
- Mardi Gras on Main event, February 17.
- Petitions and applications for a place on the May 9 ballot were being accepted through February 27 for Place 1 or Place 2 on the Kerrville City Council.
- First Friday Wine Share would be February 6 at the Butt-Holdsworth Memorial Library, sponsored The Friends of the Library.
- Stuffed Animal Sleepover scheduled for February 7 at the Butt-Holdsworth Memorial Library.

## **10. EXECUTIVE SESSION:**

Mr. Conklin moved for the city council to go into executive closed session under Sections 551.071 and 551.074 of the Texas Government Code; motion was seconded by Mr. Allen and passed 5-0 to discuss the following:

Sections 551.071:

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:

- Abandonment of the Upper Guadalupe River Authority (UGRA) flood control easement established in 1980 in conjunction with impoundment of a portion of the Guadalupe River, Nimitz Lake.

Sections 551.074:

- Appointment to the economic improvement corporation.

At 7:35 p.m. the regular meeting recessed and council went into executive closed session at 7:37 p.m. At 8:21 p.m. the executive closed session recessed and council returned to open session at 8:22 p.m. The mayor announced that no action had been taken in executive session.

**11. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION: None.**

5C. Abandonment of the Upper Guadalupe River Authority (UGRA) flood control easement established in 1980 in conjunction with impoundment of a portion of the Guadalupe River, Nimitz Lake.

Mr. Allen moved to authorize abandonment of the Upper Guadalupe river Authority flood control easements established in 1980 in conjunction with impoundment of a portion of the Guadalupe River, Nimitz Lake. Mr. Stork seconded the motion and it passed 5-0.

7A. Appointment to the Economic Improvement Corporation.

Ms. Keeble moved to appoint James Wilson with term to expire June 1, 2015. Mr. Conklin seconded the motion and it passed 5-0.

**ADJOURNMENT.** The meeting adjourned at 8:23 p.m.

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

\_\_\_\_\_  
Jack Pratt, Jr., Mayor

ATTEST:

\_\_\_\_\_  
Brenda G. Craig, City Secretary

## **Agenda Item:**

4B. Resolution No. 05-2015 adopting the City of Kerrville investment policy and strategy regarding the investment of city funds, in accordance with the Public Funds Investment Act. (staff)



**CITY OF KERRVILLE, TEXAS  
RESOLUTION NO. 05-2015**

**A RESOLUTION ADOPTING THE CITY OF KERRVILLE  
INVESTMENT POLICY AND STRATEGY REGARDING  
THE INVESTMENT OF CITY FUNDS, IN ACCORDANCE  
WITH THE PUBLIC FUNDS INVESTMENT ACT**

**WHEREAS**, the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) requires a city to annually review its investment policy with respect to the investment of public funds collected and held by a city pending the need to spend said funds; and

**WHEREAS**, City staff has reviewed the City's current investment policy and recommends adopting a new, revised policy, including the investment strategy contained therein; and

**WHEREAS**, the City Council of the City of Kerrville, Texas, having reviewed said policy, concurs in the City staffs' recommendation and finds that it is in the public interest to adopt the new policy;

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

**SECTION ONE.** The City of Kerrville, Texas, Investment Policy and Strategy, attached as **Exhibit A**, is adopted.

**SECTION TWO.** All previous Investment Policies adopted by the City Council and their corresponding resolutions are terminated and repealed.

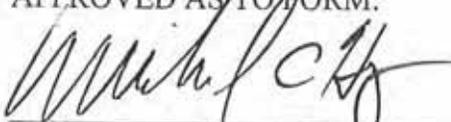
**PASSED AND APPROVED ON this the \_\_\_\_ day of \_\_\_\_\_, A.D., 2015.**

ATTEST:

\_\_\_\_\_  
Jack Pratt, Jr., Mayor

\_\_\_\_\_  
Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael C. Hayes, City Attorney

## **Investment Policy and Strategy**

### **General Policy**

It is the policy of the City of Kerrville (the "City") to administer its funds and the investment of those funds, as its highest public trust. The funds shall be invested in a manner, which provides for maximum safety of principal through risk management and diversification while meeting the City's daily cash needs. The investment of the City's funds should provide a reasonable investment return. The earnings from investment will be used in a manner that best serves the interests of the City.

The City shall administer its investment activities in conformance with the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"), the Public Collateral Act (Texas Government Code, Chapter 2257) and in conformance with any applicable state and federal regulations, applicable bond resolution requirements, and this investment policy.

### **Scope**

This investment policy governs the investment of all financial assets of the City as accounted for in the City's Comprehensive Annual Financial Report. This includes the financial assets of the following funds:

1. General Fund,
2. Special Revenue Fund,
3. Capital Project Fund,
4. Enterprise Fund,
5. Reserve Fund,
6. Trust and Agency funds, to the extent not required by law or existing contract to be kept segregated and managed separately,
7. Debt Service Fund, including reserve and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately, and
8. any new fund created by the City, unless specifically exempted from this policy by the City Council or by law.

### **Goals and Objectives**

Investment of the City funds shall be governed by the following investment objectives, in their order of priority:

1. Safety  
Safety of principal is the foremost objective of the investment program of the City. Investment shall be undertaken in a manner that seeks to ensure the preservation of capital and avoids security defaults or erosion of market values. To attain this objective, diversification is required in order that

potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

2. Liquidity

The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonable anticipated. Ongoing cash flow analysis will be used to identify changing liquidity needs. Demand deposits or other liquid investments should be maintained in an amount greater than or equal to one sixth (1/6) of the City's total annual operating budget in order to avoid the need to liquidate securities prior to maturity,

To the extent possible, the City will attempt to match its investment maturities with anticipated liabilities and cash flow requirements. Unless matched to a specific cash flow requirement, the City will not directly invest in any securities maturing more than two (2) years from the date of purchase. Such specific cash flow requirements would include operating funds, construction funds, and debt service funds.

To reflect the cash flow requirements and risk tolerance levels of the city, the weighted average maturity of the overall portfolio shall not exceed one (1) year.

3. Diversification

In order to minimize investment and market risk, the City will diversify its investments by market sector (security type) and maturity. The portfolio will be designed to avoid unreasonable risks within one market sector or from an individual financial institution.

4. Yield

The City's investment portfolio shall be designed with the objective of attaining a reasonable rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio. The portfolio(s) risk shall be measured quarterly against a benchmark based on cash flow analysis and the authorized portfolio structure. The overall portfolio shall have a maximum weighted average maturity of one (1) year. To measure the overall risk of the portfolio, a benchmark of the six-month Treasury Bill shall be reported.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. The City shall maintain a cash management program, which includes collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with invoice terms and the management of banking services.

## Investment Strategy

In compliance with the Act and as integral part of the administration of the City's investment activities, the City Council shall annually adopt a written investment strategy. The City maintains one commingled portfolio for investment purposes which incorporated the specific investment strategy consideration and the unique characteristics of the fund groups represented in the portfolio:

1. The investment strategy for operating, enterprise and special revenue funds has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity provided. The secondary objective is to create a portfolio structure which will experience minimal volatility. This may be accomplished by purchasing high quality, short to medium-term maturity securities (0-2 years) which will complement each other in a laddered maturity structure permitting some extension for yield enhancement. The maximum dollar weighted average maturity of one (1) year or less will be calculated using the stated final maturity date of each security.
2. The investment strategy for debt service funds shall have as its primary objective the assurance of available funds adequate to fund the debt service obligations on a timely basis. Successive debt service dates will be fully funded before extension.
3. The investment strategy for reserve funds shall have as its primary objective the ability to generate a revenue stream to the reserve funds from high quality securities with a low degree of volatility. The potential for loss shall be further controlled through the purchase of securities within the desired maturity range.
4. The investment strategy for capital projects or capital project funds will have as its primary objective assurance that anticipated cash flows are matched and provide adequate investment liquidity. At least 10% total liquidity is planned to provide flexibility and for unanticipated project outlays. The stated final maturity dates of securities held may not exceed the estimated project completion date.

The City shall pursue an active versus a passive portfolio management strategy. That is, securities may be sold before they mature if market conditions present an opportunity for the City to benefit from the trade. The Investment Officer and Adviser will continuously monitor the contents of the portfolio, the available markets, and the relative value of competing instruments to adjust the portfolio in response to market conditions.

## **Investment Officers**

Through Council resolution, the Director of Finance, Assistant Director of Finance and Financial Analyst are authorized to administer the investment activities of the City and, are designated as Investment Officers for the purposes of this policy. Upon recommendation of the City Manager, the City Council may designate one or more additional qualified employees or an SEC registered Investment Advisor, as Investment Officer(s). The designation of additional Investment Officers shall be by resolution, or award of contract. Authority and designation as an Investment Officer is effective until rescinded by the City, expiration of the officer's term, or until termination of employment.

Investment Officers shall be familiar with this policy and its underlying procedures. No Investment Officer may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance.

A trading resolution is established by adoption of this investment policy authorizing any Investment Officer to engage in investment transactions and open City designated accounts for time and demand deposits on behalf of the City. The persons so authorized to transact business are also authorized to approve wire transfers used in the process of investing.

## **Training**

All Investment Officers shall attend ten (10) hours of training in accordance with the Act within twelve (12) months of assuming responsibilities and attend (10) hours of training each successive two (2) year fiscal period. Training shall be provided or endorsed by the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, and the Texas Municipal League. Training should include topics such as investment controls, security risk, market risks, diversification of the investment portfolio and compliance with state laws. The City will provide for the costs of training in accordance with the Act.

## **Standard of Care**

The standard of care to be used by the City's Investment Officer(s) shall be the "prudent person standard" and shall be applied in the context of managing the overall portfolio, rather than a consideration as to the prudence of a single investment; and whether the investment decision was consistent with this investment policy. The standard states:

Investment shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of the capital and the probable income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority:

1. Preservation and safety of principal
2. Liquidity
3. Diversification
4. Yield

Investment Officer(s) acting in accordance with the investment policy and exercising due diligence, shall be relieved of personal liability for an individual security's credit risk or market price change, provided that deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

An Investment Officer of the City who has a personal business relationship with a business organization offering to engage in an investment transaction with the City shall file a statement disclosing that personal business interest to the City and the Texas Ethics Commission. For the purpose of this statutory requirement, an Investment Officer has a personal business relationship with a business organization if:

1. The Investment Officer owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization
2. Funds received by the Investment Officer from the business organization exceed 10% of the Investment Officer's gross income for the previous year
3. The Investment Officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the Investment Officer

### **Standard of Ethics**

Investment officers shall act as custodians of the public trust and shall refrain from any transaction that might involve a conflict of interest or the appearance of a conflict of interest, or any activity that might otherwise discourage public confidence.

### **Authorized Professional Services and Investments**

The City recognizes that all investment decisions regarding the City's portfolio are ultimately the responsibility of the City Council and its Investment Officers. However, all Investment Advisors and broker/dealers conducting business with the City shall make every reasonable effort to adhere to the spirit, philosophy, and specific terms of this investment policy. All Investment Advisors and broker/dealers shall avoid recommending or suggesting transaction outside the spirit, philosophy, and specific terms of this investment policy.

#### **1. Broker/Dealers**

A list of not less than five authorized broker/dealers shall be maintained to assure a competitive process. See Exhibit A for a list of approved brokers. Investment officers will establish the criteria, monitor the service, and evaluate the broker/dealers based on their:

- a. Adherence to the City's policies and strategies
- b. Transaction pricing
- c. Responsiveness to the City's requests for service and information
- d. The quality of communications
- e. Understanding of the inherent fiduciary responsibility of public funds

Financial Institutions and broker/dealers who desire to transact business with the City must supply the following documents to the Investment Officer or Investment Advisor (as applicable):

- a. Current year audited financial statements
- b. Financial Institutions Regulatory Agency (FINRA) certification and FINRA's Central Depository Registration (CRD) number.
- c. Proof of Texas State Securities registration
- d. City Policy Certification

Broker/dealers shall also provide timely trade documentation and confirmations. In order to perfect delivery versus payment, no authorized broker/dealers or their affiliated bank will be used for safekeeping.

A list of complying broker/dealers shall be approved by the City Council at least annually. This list is provided in Exhibit A.

## 2. Certification

Before transacting any business with the City, an Investment Officer shall present each broker/dealer with a current copy of the City's investment policy and an authorized representative of the firm shall, in writing to the City, certify substantially to the effect that:

- a. The broker/dealer has received and reviewed the City's investment policy
- b. The firm has implemented reasonable procedures and controls to preclude investments with the City not authorized by the policy

The City shall not enter into any investment transaction with a broker/dealer prior to receiving the certification.

If material changes are made to the investment policy, an updated copy shall be provided to the authorized broker/dealer for re-certification.

## 3. Investment Pools

Investment pools shall be required to furnish to the Investment Officer an information statement in accordance with the Act. An investment pool shall invest the funds it receives from entities in authorized investments permitted by the Public Funds Investment Act. Investment pools must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one

nationally recognized rating service or no lower than investment grade by at least one nationally recognized rating service with a weighted average maturity no greater than 90 days.

Any investment pool that does not meet the requirements of one that is created to function as a money market mutual fund must maintain a maximum average dollar weighted maturity that does not exceed 365 days (or 366 days in the case of a leap year) and must provide a fixed interest rate and a fixed maturity term for each pool position.

#### 4. Investment Advisor

The City may contract with another investing entity registered under the 15 U.S.C. Section 80b-1 et seq. to invest its funds. A contract made under authority of this subsection may not be for an initial term longer than two years. A renewal or extension of the contract must be made by the City Council by order, ordinance, or resolution. The investing entity will be held to the same standards of this policy as the Investment Officer.

Investment Advisors shall be required to be registered with the U.S. Security and Exchange Commission and shall provide their SEC ADV Form to the City on an annual basis.

An Investment Officer shall present Investment Advisors with a current copy of the City's investment policy and an authorized representative of the firm shall, in writing, certify substantially to the effect that:

- a. The applicable advisors have received and reviewed the City's investment policy, and
- b. The firm has implemented reasonable procedures and controls to preclude investments with the City not authorized by the policy.

The City shall not enter into any investment transaction with an Investment Advisor prior to receiving the certification.

#### 5. Authorized Investments

Authorized investments under this policy shall be limited to the instruments listed below as further described by the Act.

- a. Obligations of the United States Government, its agencies and instrumentalities, excluding mortgage backed securities, with a stated final maturity not to exceed two (2) years.
- b. Fully collateralized or FDIC insured depository certificates of deposit from banks doing business in Texas with a final state maturity not to exceed eighteen (18) months. Funds shall be collateralized in accordance with the investment policy and governed by a written

agreement that complies with federal and state regulations for properly securing a pledged security interest.

- c. FDIC insured brokered certificates of deposit securities from a bank in any US state, delivered versus payment to the City's safekeeping agent, not to exceed one (1) year to maturity. Before purchase, the Investment Officer must verify the FDIC status of the bank to assure that the bank is FDIC insured.
- d. Fully insured share certificates from credit unions in Texas not to exceed eighteen (18) months to stated maturity and insured by the National Credit Union Share Insurance Fund or its successor.
- e. Commercial paper rated A1/P1 or its equivalent by two (2) nationally recognized rating agencies and with a final stated maturity not to exceed one hundred eighty five (185) days from the date of issuance.
- f. AAA-rated SEC registered money market mutual funds, striving to maintain a \$1 net asset value.
- g. Constant-dollar, AAA-rated or AAA-m rated Texas Local Government Investment Pools, approved by resolution of the City Council and conforming in every respect of the Act. The City investment in any investment pool shall not exceed 5 percent of the total assets of the pool.
- h. Fully insured or collateralized interest bearing accounts of any bank in Texas. Fully collateralized or insured demand deposit accounts at authorized City depositories, under the provisions of a written collateral/depository agreement.
- i. State and municipal obligations of any state rated not less than AA by two nationally recognized rating agencies and with a stated maturity not to exceed two years.
- j. Fully collateralized repurchase agreements transacted with a primary securities dealer as defined by the Federal Reserve, under a written master repurchase agreement, with a defined termination date, secured by obligations as defined by this policy held by an independent third party custodian approved by the city, and with a stated final maturity not to exceed ninety (90) days.

This authorization includes flexible repurchase agreements ("flex repos") to be utilized only in the investment of bond proceeds with a stated final maturity not to exceed the expenditure plan on the bond proceeds.

The City shall not invest, in the aggregate, more than 90 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in approved investment pools.

#### **Delivery versus Payment**

All security transactions shall be settled on a delivery versus payment (DVP) basis in order to ensure that the City has total control of its investments and its funds at all times.

#### **Competitive Bidding**

All investment transactions, including certificates of deposit, will be made on a competitive basis to assure that the City is receiving fair market prices. Bids for certificates of deposit may be solicited orally, in writing, electronically, or in any combination of those methods.

#### **Monitoring Credit Ratings**

The Investment Officer or Investment Adviser shall monitor, on no less than a monthly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by policy, the Investment Officer or Adviser shall notify the Finance Director of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available, to determine liquidation options within five business days after the loss of the required rating.

#### **Monitoring FDIC Status**

The Investment Officer or Investment Advisor shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the City based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officer or Advisor shall immediately liquidate any brokered CD which places the City above the FDIC insurance level.

#### **Collateralization**

Consistent with the requirements of the Act and the Public Funds Collateral Act, the City shall require collateral equal to 102% of total deposits including accrued interest on all repurchase agreements and all time and demand deposits above the limits of federal insurance.

#### **Time and Demand Deposits - Pledged Collateral**

Financial institutions serving as City depositories will be required to execute a depository agreement with the City outlining, among other conditions, collateral

conditions and limitations. The agreement shall define the City's rights to the collateral in case of default, bankruptcy or closing,

Collateral authorized by the City will be limited to the following

1. Obligations of the US Government, its agencies and instrumentalities, including mortgage backed securities, which pass the Federal Reserve bank test.
2. Obligations of any US state, their agencies and instrumentalities, and municipalities rated A or better by two nationally recognized rating agencies.

Collateral pledged to the City must be maintained with a margin of 102% of the total time or demand amounts being collateralized including accrued interest. The banking institution shall be held contractually liable for monitoring and maintaining the required margins at all time. All collateral shall be held by an independent third party banking institution outside the holding company of the pledging bank. A clearly marked evidence of ownership (safekeeping receipt) must be provided to the City for all securities pledged and must clearly state that the security is pledged to the City. Substitution of collateral shall only be made after prior written approval by the City.

The pledging institution shall be responsible for providing a monthly report, preferably from the custodian, on pledged collateral listing at a minimum, the security description, cusip, par value, maturity, and current market value.

#### **Repurchase Agreement - Owned Collateral**

Collateral under a master repurchase agreement is owned by the City under a buy-sell transaction. It will be held by an independent third party safekeeping agent approved by the City under an executed Bond Market Association Master Repurchase Agreement. Collateral with a market value totaling 102% of the principal and accrued interest is required and the counter-party is responsible for the monitoring and maintaining of collateral and margins at all times.

#### **Safekeeping of City Owned Securities**

The laws of the state, this policy, and prudent treasury management require that all securities be settled on a delivery versus payment basis and be held in safekeeping by an independent third party financial institution approved by the City. The City shall contract with its banking services depository or another financial institution(s) as safekeeping agent for the safekeeping of any securities owned by the City. The designated safekeeping agent will be responsible for the clearing and safekeeping of all security trades and will provide a monthly report of holdings. All securities held by the safekeeping agent on behalf of the City shall be evidenced by a safekeeping receipt. In order to perfect delivery versus payment no brokerage subsidiary or bank used for safekeeping will be designated as an authorized broker.

## Diversification

Diversification by security types shall be established by the following maximum percentages of investment type to the total City investment portfolio:

|  |     |
|--|-----|
| Obligations of the US Government             | 90% |
| Obligations of US Agencies/Instrumentalities | 90% |
| Depository Certificates of Deposit           | 90% |
| Limitation by banking institution            | 15% |
| Brokered Certificate of Deposit Securities   | 20% |
| Credit Union Share Certificates              | 10% |
| Commercial Paper                             | 20% |
| Limitation by Issuer                         | 10% |
| Money Market Mutual Funds                    | 70% |
| Limitation by ownership in fund              | 5%  |
| Constant Dollar Texas Investment Pools       | 90% |
| Limitation by ownership in fund              | 5%  |
| State and municipal Obligations              | 25% |

Maximum percentages listed above are to be based on amortized book value.

## Internal Control

The Director of Finance shall maintain a system of internal controls over the investment activities of the City and his/her subordinate employees. The controls shall be designed to address fraud, employee error, misrepresentation by third parties, unanticipated market changes, and imprudent actions. Controls deemed most important include: control of collusion, separation of duties, custody and safekeeping, delegation of authority, securities losses and remedial actions, and documentation on all transactions.

The City's internal controls over investment activities, and quarterly investment reports, shall be reviewed annually by the City's independent auditor as part of the annual audit process. Any irregularities or suggestions for improvement shall be reported to the City Council.

## Cash Flow Forecasting

Cash flow forecasting is a control designed to protect and sustain cash flow requirements of the City. The Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions of investment purposes.

## Reporting

Not less than quarterly, the Director of Finance shall report to the City Council regarding the City's investment activities for the quarter in compliance with the Act.

The reports shall contain sufficient information to permit an informed outside reader to evaluate the performance of the investment program. At a minimum the report shall include:

- description of each investment and depository position
- book and market values at the beginning and end of the reporting period
- additions, and changes to the market value during the period
- book value and market value of each separately invested asset at the beginning and end of the reporting period market sector and fund
- maturity date of each separately invested asset
- account, fund, or pooled group fund for which each investment was acquired
- earnings for the period
- overall yield for the portfolio(s) in comparison to its benchmark yield for the period

Market prices for market value calculations shall be obtained from independent sources. The quarterly report shall be signed by the Investment Officer and Investment Advisor as applicable.

### **Depositories**

The City will designate one banking institution through a competitive process as its central banking services provider at least every five (5) years. In selecting a depository, the services, cost of services, credit worthiness, earnings potential, and collateralization of each financial institution shall be considered. This institution will be used for normal banking services including disbursement, deposits, and safekeeping of securities.

Depository agreements, executed in accordance with FIRREA (Financial Institutions Resource and Recovery Enforcement Act), will be established before funds are transferred.

Other banking institutions from which the City may purchase depository certificates of deposit will also be designated as depositories and must execute a written depository (collateral) contract in accordance with the provisions of this policy.

### **Policies and Strategy Review**

The City Council shall review and adopt the City investment policy and incorporated investment strategy not less than annually. The City Council shall adopt a written resolution stating that it has reviewed the policy and strategy and the adopting resolution shall record any changes made.

The City's investment activities shall be reviewed annually by the City's independent auditors as part of the annual audit process. The objective of the review shall be to ascertain compliance of the City's investment activities with the investment policy, investment strategy, and the Act. Any irregularities shall be reported to the City Council through a report as prescribed by the audit engagement agreement.

Exhibit A

**Authorized Broker / Dealers**

1. Bank of America Merrill Lynch
2. Barclays
3. Duncan Williams
4. GX Clarke
5. Mizuho Securities
6. Morgan Stanley
7. Mutual Securities
8. Raymond James
9. RBC Capital Markets
10. Stifle Nicolaus

## **Agenda Item:**

4C. Request from the Cailloux Foundation to waive fees for police security for the Kerrville Chalk Festival event, in the amount of \$1,240. (staff)

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

**SUBJECT:** Request from The Cailloux Foundation to waive fees for police security for the Kerrville Chalk Festival event

**FOR AGENDA OF:** February 24, 2015 **DATE SUBMITTED:** February 16, 2015

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

**EXHIBITS:** Letter of Request Dated February 10, 2015

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

| <u>Expenditure</u> | <u>Current Balance</u> | <u>Amount</u>    | <u>Account</u> |
|--------------------|------------------------|------------------|----------------|
| <u>Required:</u>   | <u>in Account:</u>     | <u>Budgeted:</u> | <u>Number:</u> |
| \$                 | \$                     | \$               |                |

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OF FINANCE:**

**SUMMARY STATEMENT**

Attached is a letter from The Cailloux Foundation requesting in-kind police services for the *Kerrville Chalk Festival* event to be held June 6-7, 2015. The request also includes overnight security for the equipment and artwork as this is a two day event. The total value of this request is \$1,240 (31 hours X \$40 / hr).

**RECOMMENDED ACTION**

City staff is requesting consideration and approval of the request as presented.



February 10, 2015

Mrs. Ashlea Boyle  
City of Kerrville-Special Projects Manager  
701 Main Street  
Kerrville, Texas 78028

Dear Ashlea,

The Kerrville Chalk Festival will be a celebration of art, family and community in downtown Kerrville. The sidewalks of Peterson Plaza will become a festive canvas for Kerrville artists, as well as invited guest artists from around the state. The Kid's Chalk zone is sure to be a family favorite. Festival attendees can enjoy watching artists transform the Plaza. Add live music and an array of food trucks, downtown shops and eateries, and you have the setting for an amazing experience. Festival proceeds will be used to install an elevator in the historic Schreiner Mansion, making the second floor accessible to all.

**The Cailloux Foundation respectfully requests that security will be provided by the Kerrville Police Department.**

The event will take place at the Peterson Plaza on June 6 and 7, 2015 from 10:00am - 5:00pm each day. Overnight security will also be needed for the equipment, tents, merchandise and the artwork. Anticipated attendance is between 4,000 people over the course of the two day event. A minimum of one officer on site at all times is requested.

Your support will provide our community with a dynamic art event to boost tourism, increase local economic development and free entertainment as well as direct support to the Schreiner Mansion. Funds raised are to support Schreiner Mansion this first year and other nonprofit organizations in the future. The Mansion, designed by Alfred Giles and completed in 1897, was the last home of Captain Charles Schreiner and is listed on the National Register of Historic Landmarks.

Visit [kerrvillechalk.org](http://kerrvillechalk.org), email [info@kerrvillechalk.org](mailto:info@kerrvillechalk.org), or please call Mr. Ben Modisett at (830) 895-5222 with any additional questions you may have.

Thank you again for your thoughtful consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandra Cailloux".

Sandra Cailloux  
Executive Director  
The Cailloux Foundation

## **Agenda Item:**

4D. Construction contract with Nelson Lewis, Inc. for the Broadway lift station and Travis Street force main improvements project in the amount of \$356,536 and additional change orders which may exceed \$50,000 but not to exceed the total amount of \$445,670.00. (staff)

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

**SUBJECT:** Council authorization for the City Manager to execute a construction contract with Nelson Lewis, Inc. for the Broadway Lift Station and Travis Street Force Main Improvements project in the amount of \$356,536.00 and authorize the City Manager to execute additional change orders which may exceed \$50,000 but not to exceed the total amount of \$445,670.00.

**FOR AGENDA OF:** February 24, 2015

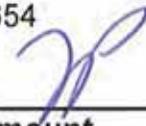
**DATE SUBMITTED:** February 16, 2015

**SUBMITTED BY:** Dieter Werner, P.E.  
Director of Engineering

**CLEARANCES:** Kristine Day  
Deputy City Manager

**EXHIBITS:** Recommendation of Award  
Bid Tabulation

**PAYMENT TO BE MADE TO:** Nelson Lewis, Inc.  
PO Box 235  
Marble Falls, TX 78654

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

| <u>Expenditure</u> | <u>Current Balance</u> | <u>Amount</u>    | <u>Account</u> |
|--------------------|------------------------|------------------|----------------|
| <u>Required:</u>   | <u>in Account:</u>     | <u>Budgeted:</u> | <u>Number:</u> |
| \$445,670.00       | \$481,520.31           | \$500,000.00     | U07            |

**REVIEWED BY THE FINANCE DIRECTOR:**

**SUMMARY STATEMENT**

The Broadway Lift Station and Travis Street Force Main Improvements are included in the City's CIP as a result of diverting flows from the old G Street Lift Station force main to the recently constructed G Street Interceptor and Birkdale Lift Station construction projects. Eliminating flows from the G Street Lift Station to the Broadway Lift Station has reduced the overall wastewater flows to the Broadway Lift Station, requiring a reduction in the pumping capacity at that station in order to maintain required flows within the system. The improvements to the Broadway Lift Station will consist of replacing 2,000 gallon per minute (gpm) pumps with smaller 500 gpm pumps, thereby allowing for reduced capacity, quicker cycle times, and a result of fewer odors. The Travis Street Force Main will be reduced size from the existing 12" diameter force main to the proposed 8" diameter force main to accommodate the smaller pumps. The proposed reduction of flow capacity was approved by City Council as a Capital Improvement Project as part of the FY 2014 Budget.

On February 10, 2015, three (3) bids were opened and the apparent low bidder was Nelson Lewis, Inc. Staff along with Hewitt Engineering evaluated the contractor and recommend awarding the Broadway Lift Station and Travis Street Force Main

Improvements project to Nelson Lewis, Inc. for a project cost of \$356,536.00.

**RECOMMENDED ACTION**

The Director of Engineering recommends the City Council authorize the City Manager to execute a construction contract with Nelson Lewis, Inc. for the Broadway Lift Station and Travis Street Force Main Improvements project in the amount of \$356,536.00 and authorize the City Manager to execute additional change orders which may exceed \$50,000 but not to exceed the total amount of \$445,670.00.



Hewitt Engineering Inc.

Consulting Engineering Services

February 17, 2015

Mr. Dieter Werner, P.E.  
Director of Engineering and Planning  
City of Kerrville  
200 Sidney Baker Street North  
Kerrville, TX 78028

**Re: Broadway Lift Station and Travis Street Force Main Improvements  
Bid Tabulation**

Dear Dieter,

Sealed bids were received at 3:00 p.m. on February 10, 2015 for the City of Kerrville Broadway Lift Station and Travis Street Force Main Improvements project. Three bids were received for the project.

The low bid for the project was submitted by Nelson Lewis, Inc. for \$356,536.00. The engineer's estimate for this project was \$355,100 which included the lift station improvements and installation of approximately 1,829 linear feet of 8-inch HDPE force main. The project scope of work includes the replacement of two pumps and installation of ductile iron piping, gate valves, check valves, reducers, tees, and bends in the Broadway Lift Station. The force main improvements include the pipe installation, access pits and traffic control and regulation.

The low bid is less than one percent (1%) above the projected construction estimate and approximately 20% below the average bid of \$450,497 for the three received bids. Based on a review and tabulation of the proposals and recent performance by Nelson Lewis, Inc. on City projects, I recommend award of the contract to Nelson Lewis, Inc. on the basis of their low bid of \$356,536.00.

Please feel free to call me at 830-315-8800 or by email at [jmhewitt@hewitt-inc.com](mailto:jmhewitt@hewitt-inc.com) if you have any questions or require additional information.

**HEWITT ENGINEERING INC.**  
Texas Registered Engineering Firm F-10739

John M. Hewitt, P.E., CFM



## **Agenda Item:**

4E. Economic development grant agreement between the Cailloux Foundation (Kerrville Chalk Festival) and the City of Kerrville, Texas Economic Improvement Corporation and the event in an amount not to exceed \$15,000. (staff)

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

**SUBJECT:** Approval of a Funding Agreement between the City of Kerrville, Texas, Economic Improvement Corporation and The Cailloux Foundation in an amount not to exceed \$15,000 for the Kerrville Chalk Festival event

**FOR AGENDA OF:** February 24, 2015 **DATE SUBMITTED:** February 16, 2015

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

**EXHIBITS:** Funding Agreement

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OF FINANCE:**

**SUMMARY STATEMENT**

On January 26, 2015, the Economic Improvement Corporation (EIC) considered and approved a community event funding request application from The Cailloux Foundation for the *Kerrville Chalk Festival* event in the amount of \$15,000. The festival will be held June 6-7, 2015 in Peterson Plaza and will be a new event to raise funds for local charitable causes. The event will include vibrant chalk art "street paintings" on the Plaza's pavement by artists and youth groups, activities, food, and live music. The funding will be used for the purchase and / or rental of equipment and materials such as tables, chairs, umbrellas, tents, merchandise carts, and chalk.

Staff was directed to prepare a funding agreement to be considered at the February 23, 2015 EIC meeting in addition to holding a public hearing. If approved, the last step in this process is consideration and final approval by City Council.

**RECOMMENDED ACTION**

City staff is requesting consideration and approval of the funding agreement as presented.

**ECONOMIC DEVELOPMENT GRANT AGREEMENT BETWEEN  
THE CAILLOUX FOUNDATION (KERRVILLE CHALK FESTIVAL) AND  
THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION**

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

**WITNESSETH:**

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

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

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

**WHEREAS**, THE FOUNDATION is hosting its Kerrville Chalk Festival ("Event") on June 6-7, 2015, which consists of a new community event; and

**WHEREAS**, THE FOUNDATION has and will continue to advertise the Event both locally and beyond so as to maximize the attendance of tourists at the Event; and

**WHEREAS**, THE FOUNDATION has applied for a grant from EIC for funding to be used to purchase materials and supplies and to rent equipment including tables, chairs, and umbrellas for the Event; and

**WHEREAS**, EIC has determined that such a grant complies with the Act and is in keeping with the mission of EIC and *City of Kerrville Economic Improvement Corporation 4B Sales Tax Funding Request Guidelines and Procedures* in that it will enhance the "quality of life" within the community; and

**WHEREAS**, EIC finds that it will be in the public interest to enter into an agreement with THE FOUNDATION to provide sales tax revenues collected pursuant to the Act ("4B Revenues") to THE FOUNDATION for its cost in renting or purchasing equipment for use at the Event; and

WHEREAS, on February 23, 2015, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, EIC held a public hearing pursuant to Section 505.159 of the Act related to the proposed expenditure of 4B Revenues for the purposes provided above;

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

#### ARTICLE I. EIC'S OBLIGATIONS

- A. EIC grants to THE FOUNDATION an amount up to \$15,000.00 ("Grant") for costs relating to equipment rental ("Equipment") and purchase of materials and supplies for the Event. The specific items that THE FOUNDATION intends to rent or purchase are listed on the attachment included as **Exhibit A**.
- B. Subject to the terms and conditions set forth in Article II, the Grant will be provided to THE FOUNDATION by EIC and EIC shall administer the Grant on a reimbursable basis. Prior to any payment from EIC, THE FOUNDATION must first 1) submit written evidence of costs, such as invoices, receipts, and bills of sale for review and approval; and 2) comply with section D of Article II. Following the submission and verification thereof, EIC shall then reimburse THE FOUNDATION for the costs.
- C. Payments made by EIC to THE FOUNDATION from 4B Revenues will be limited to the payments of "costs" as defined by the Act and as specified above for the Project.
- D. In no event will the total amount of the Grant exceed \$15,000.00.

#### ARTICLE II. THE FOUNDATION'S OBLIGATIONS

- A. In order to receive reimbursement from EIC, THE FOUNDATION must rent or purchase the Equipment for the Event and may not use the Equipment for any other purpose.
- B. THE FOUNDATION must keep and maintain complete and accurate records relating to the costs of the Equipment, separate and identifiable from its other records, for three (3) years following the termination of this Agreement. EIC and its representatives shall be entitled to inspect the records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice.
- C. THE FOUNDATION will only be liable to EIC for the actual amount of the Grant to be conveyed to THE FOUNDATION and will not be liable to EIC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by THE FOUNDATION under the terms of this Agreement.
- D. THE FOUNDATION shall provide a minimum of five (5) photos depicting the event, and a completed Post Event Report (attached as **Exhibit B**) to the EIC no later than 30 days following the Event.

**ARTICLE III.**  
**SALE OF PROJECT, MERGER OR CONSOLIDATION OF THE FOUNDATION**

- A. A sale of all or any of the assets of THE FOUNDATION will not release THE FOUNDATION from its duties and responsibilities to EIC under the terms of this Agreement and shall not result in the assignment of this Agreement by such acquiring entity without prior written consent from EIC, which will not be unreasonably withheld; provided, that THE FOUNDATION's proposed successor shall have the financial condition to fully satisfy THE FOUNDATION's duties and responsibilities hereunder and agrees to assume THE FOUNDATION's responsibilities under this Agreement. EIC may, in its sole discretion, reasonably determine whether such proposed successor's financial condition is satisfactory.
  
- B. In the event of any proposed merger or other consolidation of THE FOUNDATION with any third party not affiliated with THE FOUNDATION, THE FOUNDATION shall at least thirty (30) days prior to any such merger or consolidation provide EIC with information and assurance reasonably acceptable to EIC regarding: (1) the surviving entity's assumption and satisfaction of THE FOUNDATION's obligations hereunder; and (2) the financial condition of the surviving entity upon such merger or other consolidation to demonstrate that the surviving entity has the financial condition to fully satisfy THE FOUNDATION's duties and responsibilities hereunder. Failure to provide such information may be considered a breach of this Agreement.
  
- C. Notwithstanding anything in this Agreement to the contrary, it is expressly understood and agreed that EIC shall have no rights to approve or disapprove any sale or merger transaction of any kind involving THE FOUNDATION. In the event of any sale or merger involving THE FOUNDATION or its affiliates, the surviving entity shall assume THE FOUNDATION's obligations and rights hereunder and be entitled to any and all benefits to be received pursuant to this Agreement.

**ARTICLE IV.**  
**THE FOUNDATION'S REPRESENTATIONS AND WARRANTIES**

- A. THE FOUNDATION represents and warrants as of the date hereof:
  - (1) THE FOUNDATION is a Texas nonprofit corporation existing in good standing and authorized to do business in the State of Texas;
  
  - (2) Execution of this Agreement has been duly authorized by THE FOUNDATION and this Agreement is not in contravention of THE FOUNDATION's governing authority or any agreement or instrument to which THE FOUNDATION is a party or by which it may be bound as of the date hereof;
  
  - (3) No litigation or governmental proceeding is pending, or, to the knowledge of THE FOUNDATION Officer, threatened against or affecting THE FOUNDATION, which may result in a material adverse change in THE FOUNDATION's business, properties, or operations sufficient to jeopardize THE FOUNDATION's legal existence; and

(4) No written application, written statement, or correspondence submitted by THE FOUNDATION to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of THE FOUNDATION Officer, contains any untrue statement of a material fact or fails to state any material fact necessary to keep the statements contained therein from being misleading.

- B. Except as expressly set forth in this Article IV, THE FOUNDATION makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE V.  
EIC'S REPRESENTATIONS AND WARRANTIES**

- A. EIC represents and warrants as of the date hereof:

(1) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the Act and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;

(2) Execution of this Agreement has been duly authorized by EIC;

(3) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and

(4) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.

- B. Except as expressly set forth in this Article V, EIC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE VI.  
CONDITIONS UNDER WHICH EIC MAY SUSPEND PERFORMANCE  
OF ITS OBLIGATIONS UNDER THIS AGREEMENT**

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

(1) THE FOUNDATION becomes insolvent. "Insolvent" is defined to mean one either has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, or is insolvent within the meaning of the federal bankruptcy law;

(2) The appointment of a receiver of THE FOUNDATION;

(3) The adjudication of THE FOUNDATION as bankrupt; and

(4) The filing by THE FOUNDATION of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

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

#### **ARTICLE VII. REMEDIES**

- A. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement by any party hereto, or any successor to such party, such defaulting or breaching party (or successor) shall upon written notice from the other party, proceed immediately to cure or remedy such default or breach. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach.
- B. Upon breach of this Agreement by either party and the failure to cure as permitted by this Article VII, the non-breaching party shall have the sole right and discretion to either terminate this Agreement and/or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that THE FOUNDATION is not entitled to recover any amounts in excess of the Grant contracted for under this Agreement and that EIC, pursuant to a breach and failure to cure by THE FOUNDATION in accordance with this Agreement, is entitled to recover attorney fees, collection costs, and any other costs due to its pursuit of repayment and remedies under this Agreement.
- C. Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights will not, so long as the breach or default by another party is continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor will any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

#### **ARTICLE VIII. GENERAL PROVISIONS**

- A. Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.
- B. Amendment. This Agreement may be amended only by written amendment signed by both parties.

- C. Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement will be made or performed in Kerrville, Kerr County, Texas. Venue exists in Kerr County, Texas; and this Agreement is governed by and construed in accordance with the laws of the State of Texas.
- D. Notices. All notices given with respect to this Agreement must be in writing and will be deemed to have been properly given for all purposes (i) if sent by an overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

For EIC  
President  
City of Kerrville, Texas, Economic Improvement Corporation  
701 Main Street  
Kerrville, Texas 78028  
Facsimile: (830) 792-3850

*With a copy to:*  
City Manager  
City of Kerrville  
701 Main Street  
Kerrville, Texas 78028  
Facsimile: (830) 792-3850

The Cailloux Foundation  
Sandra Cailloux  
Executive Director  
912 Guadalupe Street  
Kerrville, Texas 78028  
Telephone: (830) 895-5222

- E. Assignment. This Agreement is binding upon the parties hereto and their successors and assigns. Except as set forth in Article III, this Agreement may not be assigned by either party without the specific prior written consent of the other, which consent will not be unreasonably withheld. In the event that a party consents to any valid assignment of this Agreement by the other party hereto, the assigning party will be relieved of any and all obligations and liabilities on the part of such assigning party under this Agreement.
- F. Parties In Interest. Nothing in this Agreement entitles anyone other than THE FOUNDATION or EIC to any claim, cause of action, remedy, or right of any kind.

- G. Term. The term of this Agreement (the "Term") shall commence on the date that signatures of the parties are affixed to this Agreement (the "Effective Date"), and will terminate on the earlier of: (i) November 1, 2015, or when the requirements set forth in this Agreement are completed, whichever date is later; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Articles VI or VII; (iv) or at THE FOUNDATION's sole and absolute discretion, but only upon THE FOUNDATION's return of all Grant funding to EIC that it has received under this Agreement. Upon termination of this Agreement, all rights, duties, and obligations of any kind under this Agreement will automatically expire and terminate and be of no other force and effect.
- H. Interpretation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement will therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arms length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.
- I. No Joint Venture. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties or between the parties and the City of Kerrville, Texas.
- J. Survival of Terms. All rights, duties, liabilities and obligations accrued prior to termination will survive termination.
- K. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof.

**EXECUTED AND EFFECTIVE**, as of the date indicated above, by the City of Kerrville, Texas, Economic Improvement Corporation, by and through its Board President, duly authorized to execute same by action of the Board; and by THE CAILLOUX FOUNDATION, acting through THE FOUNDATION Officer.

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

**THE CAILLOUX FOUNDATION**

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

\_\_\_\_\_  
Sandra Cailloux, Executive Director  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Cheryl Brown, Recording Secret

APPROVED AS TO FORM:

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

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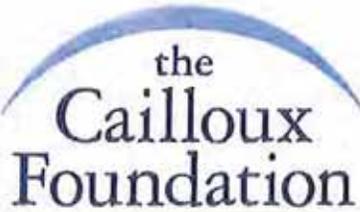


EXHIBIT "A"

December 1, 2014

P.O. Box 291276 • Kerrville, Texas 78029-1276  
Phone (830) 895-5222 • Fax (830) 895-5212

Mr. Jonus Titas, Executive Director  
Kerrville Economic Development Corporation  
1700 Sidney Baker  
Kerrville, TX 78028

Dear Mr. Titas,

In the spring of 2015, The Cailloux Foundation will sponsor iCHALK! A Festival on the Plaza. This will be a new community biennial event for the purpose of creating economic development, interest in Kerrville's historic downtown area, encouraging participation in the arts, and to raise funds for local charitable causes. The Festival will be June 6 and 7, 2015 on the Peterson Plaza in Kerrville. This first year, the event will benefit Schreiner University's Schreiner Mansion.

The free event will feature vibrant chalk art or "street paintings" on the Plaza's pavement. Artist Henry Darnell, of Dallas, will be featured with a 12' x 12' street painting in the center of the Plaza. More than 20 additional guest artists from across the state will create large works. An estimated 25 local artists and youth groups will also be creating street paintings. Art will range from 12' x 12' to 4' x 4' in size. An area for children will be provided for 2' x 2' junior masterpieces. The community mural will be an opportunity for the general public to spontaneously join in to express their creativity on the pavement.

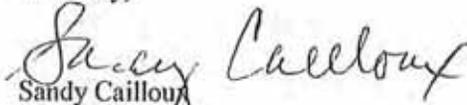
Because this is a new event, we are basing our estimate of more than 4,000 attendees on attendance reported from the 2014 Kerrville Festival of the Arts. Festival related merchandise will be sold on site and live music will be provided during most of the event. Gourmet food trucks will provide refreshments to complement offerings from existing downtown restaurants. The Festival will apply for a license to serve beer and wine at the event.

The Foundation is prepared to supplement funding for this event but believes it will become a stand-alone organization. Funds will be raised from sponsorships sold for each street painting, merchandise and drink sales, and donations. Sponsors will receive many benefits including their name in large letters above the art. Through responsible management, thorough marketing efforts, and thousands of volunteer hours the Festival will become self-sustaining by the second or third event as are a number of street painting festivals across the country.

We request \$15,000 to be used to purchase or rent equipment and materials including tables, chairs, umbrellas, tents, merchandise carts and chalk. Large tents will be rented to shield artists and attendees from the weather. Umbrellas will be purchased for artists not under the large tents and for seating provided for the crowd. Merchandise carts and art chalk will be purchased. Purchased equipment will be stored at the expense of The Cailloux Foundation for use at future events. We anticipate that these costs will be approximately 40% of expenses based on the enclosed event budget.

Please let us know if we can provide additional information. Thank you for your consideration of our request.

Sincerely,

  
Sandy Cailloux  
Executive Director

**SECTION II - APPLICANT INFORMATION**

Submittal Date: 12/1/14

**ORGANIZATION**

The Cailloux Foundation - CHALK! A festival on the Plaza

Applicant Name

P.O. Box 291270 Kerrville TX 78029  
Address City State Zip

830-895-5222 830-377-5455  
Phone Alt. Phone Fax

www.caillouxfoundation.org and/or  
Website www.kerrvillechalk.org

**PROJECT CONTACT**

Katharine Schaafs Festival Coordinator  
Contact Person Name Title

1700 Park Kerrville TX 78028  
Address City State Zip

512-203-7414 nk  
Phone Alt. Phone Fax

kbschaafs@gmail.com  
Email Address

Amount of Funding Requested: \$ 15,000.00

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

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

**Continue to Section III**

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

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

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

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

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

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

**SECTION III - PROJECT INFORMATION**

This application is for a:  
Business Development   
▪ Expansion of Existing Facility  or  
▪ New Construction   
▪ Other ( )

Capital Improvements for Public Infrastructure  
▪ Utilities   
▪ Roadways   
▪ Other ( )

Quality of Life  
▪ Community Event   
▪ Project

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

**SECTION IV - PROJECT DESCRIPTION**

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

Anticipated Number within 12 months of Completion of this project \_\_\_\_\_  
Anticipated Number within 24 months of Completion of this project \_\_\_\_\_  
Typical Job Descriptions or Job Titles of these employees: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

**Part E - Payroll Impact** *n/a*

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

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

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

**SECTION VI - OTHER ASSISTANCE**

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

No  Yes

Describe:

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

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

Sandra Cailloux  
Printed name  
Executive Director  
Title  
*Sandra Cailloux*  
Signature

12-1-14  
Date

# Chalk A Festival on the Plaza 2019 Event Budget

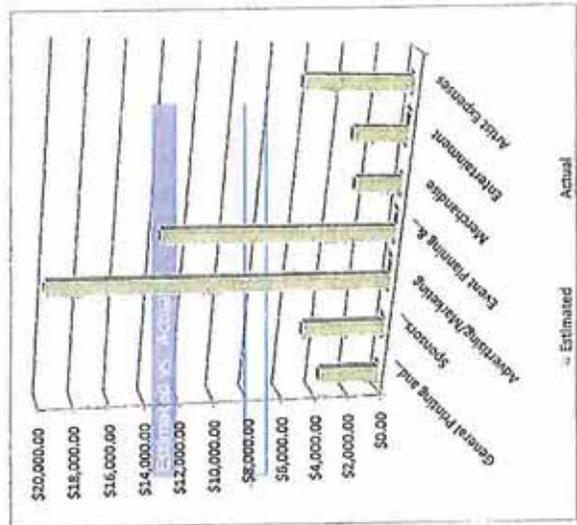
| General Printing and Postage                                      | Estimated          | Actual        | Comments                         |
|---|--------------------|---------------|----------------------------------|
| Letterhead & Envelopes  | \$300.00           |               |                                  |
| Promo Pamphlet/sponsor packet                                     | \$625.00           |               |                                  |
| Festival Program  | \$1,750.00         |               |                                  |
| Postage & mailing supplies (sponsor direct mail)                  | \$500.00           |               |                                  |
| Signage needed at event (food/directional)                        | \$325.00           |               |                                  |
| Misc Printing (filers, VIP passes, etc)                           | \$100.00           |               |                                  |
| <b>Total</b>  | <b>\$3,600.00</b>  |               |                                  |
| Sponsor's Planning/Coordinating                                   | Estimated          | Actual        | Comments                         |
| Sponsor VIP Party   | \$1,500.00         |               |                                  |
| Misc Sponsorship Materials/Supplies                               | \$100.00           |               |                                  |
| Sponsor signage (banners/flags/fixtures)                          | \$2,500.00         |               |                                  |
| VIP venue snacks  | \$500.00           |               |                                  |
| VIP lanyards/badges/nametags                                      | \$150.00           |               |                                  |
| Sponsor photo holders   | \$100.00           |               |                                  |
| Photo processing  | \$100.00           |               |                                  |
| <b>Total</b>  | <b>\$4,950.00</b>  |               |                                  |
| Advertising/Marketing   | Estimated          | Actual        | Comments                         |
| Print Advertising (newspaper, magazine, guides)                   | \$10,000.00        |               | Texas Monthly and Texas Highways |
| Online Advertising (travel sites, facebook, google, digital buys) | \$3,000.00         |               |                                  |
| Postcards and Posters   | \$750.00           |               |                                  |
| Media Video   | \$1,500.00         |               | PSA with Charlie                 |
| Billboard   | \$3,000.00         |               |                                  |
| Graphics Designer stipend   | \$1,500.00         |               | Includes website                 |
| Misc. Marketing supplies and banners                              | \$100.00           |               |                                  |
| <b>Total</b>  | <b>\$19,850.00</b> | <b>\$0.00</b> |                                  |
| Event Planning & Logistics/Description                            | Estimated          | Actual        | Comments                         |
| COK booth fees/permits/lane closures                              | \$0.00             |               |                                  |
| Security  | \$1,500.00         |               |                                  |
| Radio rental  | \$250.00           |               |                                  |
| Golf cart rental  | \$750.00           |               |                                  |
| U-Haul truck rental   | \$200.00           |               |                                  |
| Port-o-Potties  | \$1,300.00         |               |                                  |
| Committee meals (grid team; event day set-up)                     | \$125.00           |               |                                  |
| Trash removal and dumpsters                                       | \$750.00           |               |                                  |
| Rentals (storage unit, street cleaner, tents, etc)                | \$8,000.00         |               | tents are \$4k                   |
| Misc Logistics  | \$750.00           |               |                                  |
| <b>Total</b>  | <b>\$13,625.00</b> | <b>\$0.00</b> |                                  |
| Merchandise   | Estimated          | Actual        | Comments                         |
| T-shirts  | \$1,500.00         |               |                                  |
| Magnets   | \$750.00           |               |                                  |
| Specialty item  | \$500.00           |               |                                  |
| <b>Total</b>  | <b>\$2,750.00</b>  | <b>\$0.00</b> |                                  |
| Entertainment   | Estimated          | Actual        | Comments                         |
| All Performers  | \$2,000.00         |               |                                  |
| Misc expenses/supplies  | \$250.00           |               | donated                          |
| P/A System and stage  | \$0.00             |               |                                  |
| Activity supplies   | \$975.00           |               |                                  |
| <b>Total</b>  | <b>\$3,225.00</b>  |               |                                  |
| Artist Expenses   | Estimated          | Actual        | Comments                         |
| Guest Artist Expenses   | \$1,000.00         |               |                                  |
| Loggng and artist thank you bags                                  | \$500.00           |               |                                  |
| Artist Tent Hospitality   | \$500.00           |               | water and snacks                 |
| Artist and volunteer thx you cards                                | \$100.00           |               |                                  |
| Promo Event: misc (snacks, water, wipes)                          | \$100.00           |               |                                  |
| Fall Workshop: (artist stipend, snacks, water, wipes)             | \$350.00           |               |                                  |
| All chalk order - KOSS  | \$3,000.00         |               | supply drive?                    |
| Art supplies: spray chalk, tempura, wipes, clothes, tarps)        | \$750.00           |               |                                  |
| Misc Artist Expenses  | \$100.00           |               |                                  |
| <b>Total</b>  | <b>\$6,400.00</b>  | <b>\$0.00</b> |                                  |
| Total Expenses  | Estimated          | Actual        | Comments                         |
|   | <b>\$54,400.00</b> | <b>\$0.00</b> |                                  |

## Actual Post Breakdown



- General Printing and Postage
- Sponsor's Planning/Coordinating
- Advertising/Marketing
- Merchandise
- Entertainment
- Artist Expenses

## Estimated vs. Actual





January \_\_, 2015

Name  
Business  
Address  
City, State, Zip

Dear (Insert Name),

We invite you to join us in sponsoring a first time ever biennial happening on Peterson Plaza. This unique-to-Kerrville event, *iCHALK! A Festival on the Plaza*, will be a family oriented event for the community taking place June 6 & 7, 2015. Artists of all ages will fill the Plaza pavement with festive chalk drawings, large and small, while spectators enjoy the creative process, listen to live music and browse food trucks, downtown shops and eateries.

To you or your company, sponsorship will mean:

- Exposure to a diverse audience with recognition in promotions and the media
- Your company/family name aligned with leading Kerrville institutions
- Exclusive marketing strategies and opportunities to build your name and relationships with clients and prospects
- Your company/family name artistically chalked alongside one artist's chalk drawing in large letters
- Link to your URL at [kerrvillechalk.org](http://kerrvillechalk.org) and your company/family name featured online
- One color photograph of your sponsored chalk painting

Major sponsors will also receive additional benefits such as tickets to *iCHALK! the Star Sponsor Reception* and onstage event recognition. Special sponsorship packages may be tailored to meet your specific needs.

Your sponsorship will provide the community with a distinctive art event to boost tourism, increase local economic development and free entertainment as well as direct support to the historic Schreiner Mansion. Funds raised are to support Schreiner Mansion this first year and other nonprofit organizations in the future. The Mansion, designed by Alfred Giles and completed in 1897, was the last home of Captain Charles Schreiner and is listed on the National Register of Historic Landmarks. All Festival proceeds will be used to install an elevator in the historic building making the second floor accessible to all.

Visit [kerrvillechalk.org](http://kerrvillechalk.org), email [info@kerrvillechalk.org](mailto:info@kerrvillechalk.org), call Beth Johnson at (830)792-7204 or simply send your completed sponsor form back by the post office or email. Sponsor *iCHALK! A Festival on the Plaza* today!

Sincerely,

A handwritten signature in cursive script that reads 'Sandy P. Cailloux'.

Sandy Cailloux  
Executive Director  
The Cailloux Foundation

A handwritten signature in cursive script that reads 'Mark Tuschak'.

Mark Tuschak  
Vice President for Advancement  
Schreiner University



June 6 - 7, 2015

Street Painting on Peterson Plaza in Kerrville, Texas



**Being a sponsor puts you in good company.**

The Cailloux Foundation is the founding sponsor for iCHALK! A Festival on the Plaza.

Yes, we would like to partner with Schreiner University and The Cailloux Foundation in building a vibrant community as a sponsor of the 2015 *iChalk! A Festival on the Plaza*.

- \$5,000 Top Floor!
- \$2,500 Going Up!
- \$1,000 Ground Floor!
- \$500 Garden Level!

**ARTIST INFORMATION**

Please provide an artist for my sponsored square.

I will recommend/provide an artist and contact information for my artist:

Artist name: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Email address: \_\_\_\_\_

**SPONSOR INFORMATION**

I wish to pledge my support with full payment due by March 31, 2014

Enclosed is my check payable to **The Cailloux Foundation** for the Schreiner Mansion

Please charge my credit card:       Amex       MC       Visa      Security Code: \_\_\_\_\_

Credit Card # \_\_\_\_\_ Expires: \_\_\_\_\_

Name: \_\_\_\_\_

As it appears on credit card

Contact Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

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

The Cailloux Foundation and Schreiner University are 501 (c)(3) organizations and your donation is tax-deductible as allowed by law.

**Please mail completed sponsor form with check to CHALK! at P.O. Box 291276, Kerrville, TX 78029-1276, pay at [www.kerrvillechalk.org](http://www.kerrvillechalk.org), scan and email form to [sales@kerrvillechalk.org](mailto:sales@kerrvillechalk.org).**



# ICHALK!

A Festival on the Plaza



Street painting or chalk art takes many forms from contemporary to classical. The 12' X 12' image to the left was created by Henry Darnell, of Dallas, on an obviously cracked portion of pavement with double yellow lines across the center. Darnell, a professional artist working in animated films and visual effects, is scheduled to be the Featured Artist for *ICHALK! A Festival on the Plaza*. He will also teach a free street painting class hosted by the Kerr Arts and Cultural Center in April, 2015.

The 16' X 8' 3-D image on pavement shown below was created by Houston muralist Anat Ronen in 2014. Ronen will be one of the Guest Artists at the Festival.



Schreiner & Mansion  
HISTORIC SITE AND FOUNDATION CENTER  
Schreiner University

June 6 - 7, 2015

Street Painting on Peterson Plaza in Kerrville, Texas



Post Event Report – Community Event Funding  
Economic Improvement Corporation

1. Event Details:
  - a. Name: \_\_\_\_\_
  - b. Date(s): \_\_\_\_\_
  - c. Location: \_\_\_\_\_
  - d. Time: \_\_\_\_\_

2. Event Summary:

3. Total Grant From EIC:

4. Total Actual Reimbursement:

5. Grant Funds used for (list specifics):

6. Attendance:

- a. Total Attendance:
- b. Estimated number of attendees from outside of Kerr County:
- c. Factors that affected attendance (if any):

7. Total Ticket Sales (if applicable):

8. Gross Revenue:

9. Total Expenses:

10. Any additional information you would like to share:

Attach the following:

- List of Exhibitors
- Written Evidence of Costs (invoices, receipts, etc.)
- Photos of the Event (e-mail to [ashlea.boyle@kerrvilletx.gov](mailto:ashlea.boyle@kerrvilletx.gov))

Report Completed by: \_\_\_\_\_ Date: \_\_\_\_\_

## **Agenda Item:**

4F. Economic development grant agreement between Kerrville's Fourth on the River, Inc. and the City of Kerrville, Texas Economic Improvement Corporation in an amount not to exceed \$24,950. (staff)

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

**SUBJECT:** Approval of a Funding Agreement between the City of Kerrville, Texas, Economic Improvement Corporation and Kerrville's Fourth on the River in an amount not to exceed \$24,950 for the annual July 4<sup>th</sup> event

**FOR AGENDA OF:** February 24, 2015 **DATE SUBMITTED:** February 16, 2015

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

**EXHIBITS:** Funding Agreement

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OF FINANCE:**

**SUMMARY STATEMENT**

On January 26, 2015, the Economic Improvement Corporation (EIC) considered and approved a community event funding request application from Kerrville's Fourth on the River (K4OR) for rented items in conjunction with hosting the annual independence day celebration to be held on July 4, 2015 in Louise Hays Park. The event will consist of children's activities, food / beverage vendors, and live music in conjunction with the annual City fireworks display sponsored by Mamacita's. There is no admission fee associated with this event.

K4OR is a 501C3 organization and has hosted this event since 2011. Their mission is to help the Kerrville Community in its revitalization efforts to attract and create a more vibrant downtown focusing on the Guadalupe River.

The funding request is for a total of **\$24,950** for the purchase and / or rental of equipment and materials such as stage / sound, tents, port-a-potties, generators, tables and chairs.

Prior funding received from EIC:

2013 – \$25,000 granted, \$21,371 actual reimbursement

2014 – \$23,100 granted, \$23,100 actual reimbursement

Staff was directed to prepare a funding agreement to be considered at the February 23, 2015 EIC meeting in addition to holding a public hearing. If approved, the last step in this process is consideration and final approval by City Council.

**RECOMMENDED ACTION**

City staff is requesting consideration and approval of the funding agreement as presented.

**ECONOMIC DEVELOPMENT GRANT AGREEMENT BETWEEN  
KERRVILLE'S FOURTH ON THE RIVER, INC. AND  
THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION**

This Agreement is entered into by and between **KERRVILLE'S FOURTH ON THE RIVER, INC.**, a Texas nonprofit corporation ("KFOR"), acting herein by and through its duly authorized President, Ben Modisett ("KFOR Officer"), and the **CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION** ("EIC"), a Texas nonprofit corporation established pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 and codified in Chapters 501, 502, and 505 of the Texas Local Government Code, otherwise known as the Development Corporation Act of 1979 (the Act"), and acting by and through its duly authorized President, David Wampler.

**WITNESSETH:**

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

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

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

**WHEREAS**, KFOR is hosting its annual event in conjunction with the City's July 4<sup>th</sup> fireworks display ("Event") on July 4, 2015; and

**WHEREAS**, KFOR has and will continue to advertise the Event both locally and beyond so as to maximize the attendance of tourists at the Event; and

**WHEREAS**, KFOR has applied for a grant from EIC for funding to rent or purchase equipment, including a stage, tents, and generators for the Event; and

**WHEREAS**, EIC has determined that such a grant complies with the Act and is in keeping with the mission of EIC and *City of Kerrville Economic Improvement Corporation 4B Sales Tax Funding Request Guidelines and Procedures* in that it will enhance the "quality of life" within the community; and

**WHEREAS**, EIC finds that it will be in the public interest to enter into an agreement with KFOR to provide sales tax revenues collected pursuant to the Act ("4B Revenues") to KFOR for its cost in renting equipment for use at the Event; and

**WHEREAS**, on February 23, 2015, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, EIC held a public hearing pursuant to Section

505.159 of the Act related to the proposed expenditure of 4B Revenues for the purposes provided above;

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

**ARTICLE I.  
EIC'S OBLIGATIONS**

- A. EIC grants to KFOR an amount up to \$24,950.00 ("Grant") for costs relating to equipment rental ("Equipment") for the Event. The specific items that KFOR intends to rent are listed on the attachment included as **Exhibit A**.
- B. Subject to the terms and conditions set forth in Article II, the Grant will be provided to KFOR by EIC and EIC shall administer the Grant on a reimbursable basis. Prior to any payment from EIC, KFOR must first 1) submit written evidence of costs, such as invoices, receipts, and bills of sale for review and approval; and 2) comply with section D of Article II. Following the submission and verification thereof, EIC shall then reimburse KFOR for the costs.
- C. Payments made by EIC to KFOR from 4B Revenues will be limited to the payments of "costs" as defined by the Act and as specified above for the Project.
- D. In no event will the total amount of the Grant exceed \$24,950.00.

**ARTICLE II.  
KFOR'S OBLIGATIONS**

- A. In order to receive reimbursement from EIC, KFOR must rent or purchase the Equipment for the Event and may not use the Equipment for any other purpose.
- B. KFOR must keep and maintain complete and accurate records relating to the costs of the Equipment, separate and identifiable from its other records, for three (3) years following the termination of this Agreement. EIC and its representatives shall be entitled to inspect the records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice.
- C. KFOR will only be liable to EIC for the actual amount of the Grant to be conveyed to KFOR and will not be liable to EIC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by KFOR under the terms of this Agreement.
- D. KFOR shall provide a minimum of five (5) photos and a completed Post Event Report (attached as **Exhibit B**) to the EIC no later than 30 days following the Event.

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

- A. A sale of all or any of the assets of KFOR will not release KFOR from its duties and responsibilities to EIC under the terms of this Agreement and shall not result in the assignment of this Agreement by such acquiring entity without prior written consent from EIC, which will not be unreasonably withheld; provided, that KFOR's proposed successor shall have the financial condition to fully satisfy KFOR's duties and responsibilities hereunder and agrees to assume KFOR's responsibilities under this Agreement. EIC may, in its sole discretion, reasonably determine whether such proposed successor's financial condition is satisfactory.
- B. In the event of any proposed merger or other consolidation of KFOR with any third party not affiliated with KFOR, KFOR shall at least thirty (30) days prior to any such merger or consolidation provide EIC with information and assurance reasonably acceptable to EIC regarding: (1) the surviving entity's assumption and satisfaction of the KFOR's obligations hereunder; and (2) the financial condition of the surviving entity upon such merger or other consolidation to demonstrate that the surviving entity has the financial condition to fully satisfy KFOR's duties and responsibilities hereunder. Failure to provide such information may be considered a breach of this Agreement.
- C. Notwithstanding anything in this Agreement to the contrary, it is expressly understood and agreed that EIC shall have no rights to approve or disapprove any sale or merger transaction of any kind involving KFOR. In the event of any sale or merger involving KFOR or its affiliates, the surviving entity shall assume KFOR's obligations and rights hereunder and be entitled to any and all benefits to be received pursuant to this Agreement.

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

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

of a material fact or fails to state any material fact necessary to keep the statements contained therein from being misleading.

- B. Except as expressly set forth in this Article IV, KFOR makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE V.  
EIC'S REPRESENTATIONS AND WARRANTIES**

- A. EIC represents and warrants as of the date hereof:

(1) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the Act and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;

(2) Execution of this Agreement has been duly authorized by EIC;

(3) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and

(4) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.

- B. Except as expressly set forth in this Article V, EIC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE VI.  
CONDITIONS UNDER WHICH EIC MAY SUSPEND PERFORMANCE  
OF ITS OBLIGATIONS UNDER THIS AGREEMENT**

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

(1) KFOR becomes insolvent. "Insolvent" is defined to mean one either has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, or is insolvent within the meaning of the federal bankruptcy law;

(2) The appointment of a receiver of KFOR;

(3) The adjudication of KFOR as bankrupt; and

(4) The filing by KFOR of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

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

## **ARTICLE VII. REMEDIES**

- A. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement by any party hereto, or any successor to such party, such defaulting or breaching party (or successor) shall upon written notice from the other party, proceed immediately to cure or remedy such default or breach. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach.
- B. Upon breach of this Agreement by either party and the failure to cure as permitted by this Article VII, the non-breaching party shall have the sole right and discretion to either terminate this Agreement and/or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that KFOR is not entitled to recover any amounts in excess of the Grant contracted for under this Agreement and that EIC, pursuant to a breach and failure to cure by KFOR in accordance with this Agreement, is entitled to recover attorney fees, collection costs, and any other costs due to its pursuit of repayment and remedies under this Agreement.
- C. Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights will not, so long as the breach or default by another party is continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor will any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

## **ARTICLE VIII. GENERAL PROVISIONS**

- A. Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.
- B. Amendment. This Agreement may be amended only by written amendment signed by both parties.
- C. Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement will be made or performed in Kerrville, Kerr County, Texas. Venue exists in Kerr County, Texas; and this Agreement is governed by and construed in accordance with the laws of the State of Texas.

- D. Notices. All notices given with respect to this Agreement must be in writing and will be deemed to have been properly given for all purposes (i) if sent by an overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

For EIC  
President  
City of Kerrville, Texas, Economic Improvement Corporation  
701 Main Street  
Kerrville, Texas 78028  
Facsimile: (830) 792-3850

*With a copy to:*  
City Manager  
City of Kerrville  
701 Main Street  
Kerrville, Texas 78028  
Facsimile: (830) 792-3850

Kerrville's Fourth on the River, Inc.  
Benjamin Modisett  
President  
Kerrville's 4th on the River  
P.O. Box 295081  
Kerrville, Texas 78029  
bmodisett@me.com  
Telephone (830) 370-9316

- E. Assignment. This Agreement is binding upon the parties hereto and their successors and assigns. Except as set forth in Article III, this Agreement may not be assigned by either party without the specific prior written consent of the other, which consent will not be unreasonably withheld. In the event that a party consents to any valid assignment of this Agreement by the other party hereto, the assigning party will be relieved of any and all obligations and liabilities on the part of such assigning party under this Agreement.
- F. Parties In Interest. Nothing in this Agreement entitles anyone other than KFOR or EIC to any claim, cause of action, remedy, or right of any kind.
- G. Term. The term of this Agreement (the "Term") shall commence on the date that signatures of the parties are affixed to this Agreement (the "Effective Date"), and will terminate on the earlier of: (i) September 1, 2015, or when the requirements set forth in this Agreement are completed, whichever date is later; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Articles VI or VII; (iv) or at

the KFOR's sole and absolute discretion, but only upon the KFOR's return of all Grant funding to EIC that it has received under this Agreement. Upon termination of this Agreement, all rights, duties, and obligations of any kind under this Agreement will automatically expire and terminate and be of no other force and effect.

- H. Interpretation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement will therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arms length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.
- I. No Joint Venture. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties or between the parties and the City of Kerrville, Texas.
- J. Survival of Terms. All rights, duties, liabilities and obligations accrued prior to termination will survive termination.
- K. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof.

**EXECUTED AND EFFECTIVE**, as of the date indicated above, by the City of Kerrville, Texas, Economic Improvement Corporation, by and through its Board President, duly authorized to execute same by action of the Board; and by Kerrville's Fourth on the River, Inc., acting through the KFOR Officer.

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

**KERRVILLE'S FOURTH ON  
THE RIVER, INC.**

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

\_\_\_\_\_  
Ben Modisett, President  
Date: \_\_\_\_\_

ATTEST:

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

APPROVED AS TO FORM:

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

October 27, 2014

EXHIBIT A

Dear Mr. Wampler,

Kerrville's 4<sup>th</sup> on the River is a 501(c)3 tax-exempt organization based in Kerrville, TX. The mission of Kerrville's 4<sup>th</sup> on the River is to help the Kerrville Community in its revitalization efforts to attract and create a more vibrant downtown focusing on the Guadalupe River.

Kerrville's 4<sup>th</sup> on the River was started 4 years ago and has been successful events that coincided with the City of Kerrville's fireworks presentation. You may have heard about our events, for Kerrville was one of the only communities to even have a fireworks display in 2011, and was one of the most amazing displays we have ever seen. Thanks to many generous businesses in Kerrville like Mamacias (who has given the city a grant to fund the fireworks display for 10 years) and James Avery Craftsman (our title sponsor for the 2011 event) and HEB and Guadalupe National Bank (title sponsors in 2012) we were able to bring upwards of 20,000 people to our downtown and city park to enjoy the festivities.

I am writing this letter to ask the Kerrville Economic Improvement Corporation to assist us this year in providing a free concert in downtown Kerrville.

We will have food vendors, kid's activities, and the live music. We want our event to be very family oriented and to be as economically feasible as possible for everyone to enjoy.

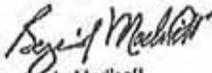
As our annual attendance has grown, and the possible changes to the event, we are hoping to bring upwards of 10,000 people to the day's festivities.

For the first two years of the event we were able to fund the concert solely on donations and ticket sales, and was able to breakeven. This past two years, we were able to raise enough money to put some towards next year's show, and plan to make our first grant to the Friends of the River Trail in 2014.

Our project Budget is as follows:

|                |             |
|----------------|-------------|
| Stage/Sound    | \$14,500.00 |
| Tents          | \$ 3,500.00 |
| Port n Potties | \$ 2,000.00 |
| Generators     | \$ 4,250.00 |
| Tables/Chairs  | \$ 700.00   |
| Total          | \$24,950.00 |

Thank you for your consideration.

  
Benjamin Modisett  
Kerrville's 4<sup>th</sup> on the River  
President

SECTION II - APPLICANT INFORMATION

Submittal Date: 10/27/14

ORGANIZATION

Kerrville's 4<sup>th</sup> on the River  
 Applicant Name  
P.O. Box 295081 Kerrville TX 78029  
 Address City State Zip  
830.370.9316 Alt. Phone Fax  
kerrvilles4th.org  
 Website

PROJECT CONTACT

Ben Modisett President  
 Contact Person Name Title  
3908 blewild Austin TX 78731  
 Address City State Zip  
830.370.9316 Alt. Phone Fax  
bmodisett@me.com  
 Email Address

Amount of Funding Requested: \$ 24,950

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

Continue to Section III

**Business Development Projects**

Submittal Date:   /  /  

**ORGANIZATION**

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

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

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

Website \_\_\_\_\_

**PROJECT CONTACT**

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

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

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

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

Type of Business Structure: Corporation  Partnership  Sole Proprietorship

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

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

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

Full-Time Employees receive the following benefits:

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

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

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

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

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

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

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

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### SECTION III - PROJECT INFORMATION

This application is for a:  
Business Development   
▪ Expansion of Existing Facility  or  
▪ New Construction   
▪ Other ( )

Capital Improvements for Public Infrastructure  
▪ Utilities   
▪ Roadways   
▪ Other ( )

Quality of Life  
▪ Community Event   
▪ Project

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

### SECTION IV - PROJECT DESCRIPTION

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

Improvements; and (4) providing a list of eligible improvements; (5) provide a list of major, fixed equipment along with manufacturer specifications and cost quote from the manufacturer.

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

### SECTION V - ECONOMIC IMPACT INFORMATION

#### Part A - Project Investment In Improvements

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

#### Part B - Project Investment In Fixed Equipment

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

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

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

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

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

Anticipated Number of New Part-Time Employees as a result of this project \_\_\_\_\_

Anticipated Number within 12 months of Completion of this project: \_\_\_\_\_  
Anticipated Number within 24 months of Completion of this project: \_\_\_\_\_  
Typical Job Descriptions or Job Titles of these employees: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

**Part E - Payroll Impact**  
Within 12 months of Project Completion \_\_\_\_\_ Within 24 months of Project  
Completion \_\_\_\_\_

\$ \_\_\_\_\_ FTE X Avg. Wage X 40 hrs X 52 wks      \$ \_\_\_\_\_ PTE X Avg. Wage X 20 hrs X 52 wks

#### SECTION VI - OTHER ASSISTANCE

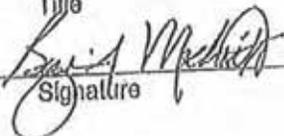
Has the Company applied for any State or Federal assistance on this project?  
No  Yes   
Describe: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Benjamin Moshier  
Printed name

10-27-14  
Date

President  
Title

  
Signature



Post Event Report – Community Event Funding  
Economic Improvement Corporation

1. Event Details:
  - a. Name: \_\_\_\_\_
  - b. Date(s): \_\_\_\_\_
  - c. Location: \_\_\_\_\_
  - d. Time: \_\_\_\_\_
  
2. Event Summary:
  
3. Total Grant From EIC:
  
4. Total Actual Reimbursement:
  
5. Grant Funds used for (list specifics):
  
6. Attendance:
  - a. Total Attendance:
  - b. Estimated number of attendees from outside of Kerr County:
  - c. Factors that affected attendance (if any):
  
7. Total Ticket Sales (if applicable):
  
8. Gross Revenue:
  
9. Total Expenses:
  
10. Any additional information you would like to share:

Attach the following:

- List of Exhibitors
- Written Evidence of Costs (invoices, receipts, etc.)
- Photos of the Event (e-mail to [ashlea.boyle@kerrvilletx.gov](mailto:ashlea.boyle@kerrvilletx.gov))

Report Completed by: \_\_\_\_\_ Date: \_\_\_\_\_

## **Agenda Item:**

- 4G. Economic development grant agreement between Kerrville Area Chamber of Commerce (Kerrfest) and the City of Kerrville, Texas Economic Improvement Corporation in an amount not to exceed \$25,000. (staff)

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

**SUBJECT:** Approval of a Funding Agreement between the City of Kerrville, Texas, Economic Improvement Corporation and the Kerrville Area Chamber of Commerce in an amount not to exceed \$25,000 for the Kerrfest event

**FOR AGENDA OF:** February 24, 2015 **DATE SUBMITTED:** February 16, 2015

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

**EXHIBITS:** Funding Agreement

**AGENDA MAILED TO:**

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

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OF FINANCE:**

**SUMMARY STATEMENT**

On January 26, 2015, the Economic Improvement Corporation (EIC) considered and approved a community event funding request application from the Kerrville Area Chamber of Commerce for the Kerrfest event in the amount of \$25,000 for the rental of grandstands. The event will be held May 14-17, 2015 at the Hill Country Youth Event Center and will include rodeo events, peddlers show, BBQ and chili contests, car show, dance, and local vendors.

This is the fifth year for the event to take place and it continues to grow in attendance each year from 700-800 people in 2011 to over 4,000 people in 2014. The venue does not have spectator seating to accommodate the visitors or the growth in the event. The event seated approximately 300 people in its first two years, 700 in 2013, and increased to 1,300 in 2014 and 2015.

Prior funding received from EIC:  
2013 – \$10,500 granted, \$10,500 actual reimbursement  
2014 – \$25,000 granted, \$25,000 actual reimbursement

Staff was directed to prepare a funding agreement to be considered at the February 23, 2015 EIC meeting in addition to holding a public hearing. If approved, the last step in this process is consideration and final approval by City Council.

**RECOMMENDED ACTION**

City staff is requesting consideration and approval of the funding agreement as presented.

**ECONOMIC DEVELOPMENT GRANT AGREEMENT BETWEEN  
KERRVILLE AREA CHAMBER OF COMMERCE, INC. (KACCFEST) AND  
THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION**

This Agreement is entered into by and between **KERRVILLE AREA CHAMBER OF COMMERCE, INC.**, a Texas nonprofit corporation ("KACC"), acting herein by and through its duly authorized President/CEO, Harold Dean ("KACC Officer"), and the **CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION** ("EIC"), a Texas nonprofit corporation established pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 and codified in Chapters 501, 502, and 505 of the Texas Local Government Code, otherwise known as the Development Corporation Act of 1979 (the Act"), and acting by and through its duly authorized President, David Wampler.

**WITNESSETH:**

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

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

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

**WHEREAS**, KACC is hosting its annual Kerrfest on May 14-17, 2015, which is an event that includes rodeo events, food cook-offs, a street dance with live music, and vendors ("Kerrfest"); and

**WHEREAS**, KACC has and will continue to advertise Kerrfest both locally and beyond so as to maximize the attendance of tourists at Kerrfest; and

**WHEREAS**, KACC has applied for a grant from EIC for funding to rent equipment, including grandstands; and

**WHEREAS**, EIC has determined that such a grant complies with the Act and is in keeping with the mission of EIC and *City of Kerrville Economic Improvement Corporation 4B Sales Tax Funding Request Guidelines and Procedures* in that it will enhance the "quality of life" within the community; and

**WHEREAS**, EIC finds that it will be in the public interest to enter into an agreement with KACC to provide sales tax revenues collected pursuant to the Act ("4B Revenues") to KACC for its cost in renting equipment for use at Kerrfest; and

**WHEREAS**, on February 23, 2015, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, EIC held a public hearing pursuant to Section 505.159 of the Act related to the proposed expenditure of 4B Revenues for the purposes provided above;

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

**ARTICLE I.  
EIC'S OBLIGATIONS**

- A. EIC grants to KACC an amount up to \$25,000.00 ("Grant") for costs relating to equipment rental ("Equipment") for Kerrfest. The specific items that KACC intends to rent are listed on the attachment included as **Exhibit A**.
- B. Subject to the terms and conditions set forth in Article II, the Grant will be provided to KACC by EIC and EIC shall administer the Grant on a reimbursable basis. Prior to any payment from EIC, KACC must first 1) submit written evidence of costs, such as invoices, receipts, and bills of sale for review and approval; and 2) comply with section D of Article II. Following the submission and verification thereof, EIC shall then reimburse KACC for the costs.
- C. Payments made by EIC to KACC from 4B Revenues will be limited to the payments of "costs" as defined by the Act and as specified above for the Project.
- D. In no event will the total amount of the Grant exceed \$25,000.00.

**ARTICLE II.  
KACC'S OBLIGATIONS**

- A. In order to receive reimbursement from EIC, KACC must rent the Equipment for Kerrfest and may not use the Equipment for any other purpose.
- B. KACC must keep and maintain complete and accurate records relating to the costs of the Equipment, separate and identifiable from its other records, for three (3) years following the termination of this Agreement. EIC and its representatives shall be entitled to inspect the records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice.
- C. KACC will only be liable to EIC for the actual amount of the Grant to be conveyed to KACC and will not be liable to EIC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by KACC under the terms of this Agreement.
- D. KACC shall provide a minimum of five (5) photos depicting the event and a completed Post Event Report (attached as **Exhibit B**) to the EIC no later than 30 days following Kerrfest.

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

- A. A sale of all or any of the assets of KACC will not release KACC from its duties and responsibilities to EIC under the terms of this Agreement and shall not result in the assignment of this Agreement by such acquiring entity without prior written consent from EIC, which will not be unreasonably withheld; provided, that KACC's proposed successor shall have the financial condition to fully satisfy KACC's duties and responsibilities hereunder and agrees to assume KACC's responsibilities under this Agreement. EIC may, in its sole discretion, reasonably determine whether such proposed successor's financial condition is satisfactory.
- B. In the event of any proposed merger or other consolidation of KACC with any third party not affiliated with KACC, KACC shall at least thirty (30) days prior to any such merger or consolidation provide EIC with information and assurance reasonably acceptable to EIC regarding: (1) the surviving entity's assumption and satisfaction of the KACC's obligations hereunder; and (2) the financial condition of the surviving entity upon such merger or other consolidation to demonstrate that the surviving entity has the financial condition to fully satisfy KACC's duties and responsibilities hereunder. Failure to provide such information may be considered a breach of this Agreement.
- C. Notwithstanding anything in this Agreement to the contrary, it is expressly understood and agreed that EIC shall have no rights to approve or disapprove any sale or merger transaction of any kind involving KACC. In the event of any sale or merger involving KACC or its affiliates, the surviving entity shall assume KACC's obligations and rights hereunder and be entitled to any and all benefits to be received pursuant to this Agreement.

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

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

of a material fact or fails to state any material fact necessary to keep the statements contained therein from being misleading.

- B. Except as expressly set forth in this Article IV, KACC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE V.  
EIC'S REPRESENTATIONS AND WARRANTIES**

- A. EIC represents and warrants as of the date hereof:

(1) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the Act and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;

(2) Execution of this Agreement has been duly authorized by EIC;

(3) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and

(4) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.

- B. Except as expressly set forth in this Article V, EIC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE VI.  
CONDITIONS UNDER WHICH EIC MAY SUSPEND PERFORMANCE  
OF ITS OBLIGATIONS UNDER THIS AGREEMENT**

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

(1) KACC becomes insolvent. "Insolvent" is defined to mean one either has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, or is insolvent within the meaning of the federal bankruptcy law;

(2) The appointment of a receiver of KACC;

(3) The adjudication of KACC as bankrupt; and

(4) The filing by KACC of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

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

#### **ARTICLE VII. REMEDIES**

- A. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement by any party hereto, or any successor to such party, such defaulting or breaching party (or successor) shall upon written notice from the other party, proceed immediately to cure or remedy such default or breach. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach.
- B. Upon breach of this Agreement by either party and the failure to cure as permitted by this Article VII, the non-breaching party shall have the sole right and discretion to either terminate this Agreement and/or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that KACC is not entitled to recover any amounts in excess of the Grant contracted for under this Agreement and that EIC, pursuant to a breach and failure to cure by KACC in accordance with this Agreement, is entitled to recover attorney fees, collection costs, and any other costs due to its pursuit of repayment and remedies under this Agreement.
- C. Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights will not, so long as the breach or default by another party is continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor will any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

#### **ARTICLE VIII. GENERAL PROVISIONS**

- A. Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.
- B. Amendment. This Agreement may be amended only by written amendment signed by both parties.
- C. Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement will be made or performed in Kerrville, Kerr County, Texas. Venue exists in Kerr County, Texas; and this Agreement is governed by and construed in accordance with the laws of the State of Texas.

- D. Notices. All notices given with respect to this Agreement must be in writing and will be deemed to have been properly given for all purposes (i) if sent by an overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

For EIC  
President  
City of Kerrville, Texas, Economic Improvement Corporation  
701 Main Street  
Kerrville, Texas 78028  
Facsimile: (830) 792-3850

*With a copy to:*  
City Manager  
City of Kerrville  
701 Main Street  
Kerrville, Texas 78028  
Facsimile: (830) 792-3850

Kerrville Area Chamber of Commerce, Inc.  
Harold Dean, IOM  
President/CEO  
Kerrville Area Chamber of Commerce  
1700 Sidney Baker, Ste. 100  
Kerrville, Texas 78028  
president@kerrvilletx.com  
Telephone: (830) 896-1155

- E. Assignment. This Agreement is binding upon the parties hereto and their successors and assigns. Except as set forth in Article III, this Agreement may not be assigned by either party without the specific prior written consent of the other, which consent will not be unreasonably withheld. In the event that a party consents to any valid assignment of this Agreement by the other party hereto, the assigning party will be relieved of any and all obligations and liabilities on the part of such assigning party under this Agreement.
- F. Parties In Interest. Nothing in this Agreement entitles anyone other than KACC or EIC to any claim, cause of action, remedy, or right of any kind.
- G. Term. The term of this Agreement (the "Term") shall commence on the date that signatures of the parties are affixed to this Agreement (the "Effective Date"), and will terminate on the earlier of: (i) July 1, 2015, or when the requirements set forth in this Agreement are completed, whichever date is later; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Articles VI or VII; (iv) or at

the KACC's sole and absolute discretion, but only upon the KACC's return of all Grant funding to EIC that it has received under this Agreement. Upon termination of this Agreement, all rights, duties, and obligations of any kind under this Agreement will automatically expire and terminate and be of no other force and effect.

- H. Interpretation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement will therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arms length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.
- I. No Joint Venture. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties or between the parties and the City of Kerrville, Texas.
- J. Survival of Terms. All rights, duties, liabilities and obligations accrued prior to termination will survive termination.
- K. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof.

**EXECUTED AND EFFECTIVE**, as of the date indicated above, by the City of Kerrville, Texas, Economic Improvement Corporation, by and through its Board President, duly authorized to execute same by action of the Board; and by Kerrville Area Chamber of Commerce, Inc., acting through the KACC Officer.

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

**KERRVILLE AREA CHAMBER  
OF COMMERCE, INC.**

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

\_\_\_\_\_  
Harold Dean, President/CEO  
Date: \_\_\_\_\_

ATTEST:

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

APPROVED AS TO FORM:

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

EXHIBIT "A"



December 1, 2014

Dear Economic Improvement Corporation:

Thank you for your consideration of the request from the Kerrville Area Chamber of Commerce for funding for Kerrfest. The requested amount is \$25,000 for the lease of grandstands, to be held May 14-17, 2015, at the Hill Country Youth Event Center.

We will be hosting several events during Kerrfest such as a Peddlers Show, BBQ and Chili Contest, Rodeo, Car Show, Dance and Local Vendors. On Thursday night, we will kick off Kerrfest with a Junior rodeo. A Jackpot team roping will take place Saturday morning with an estimated 100 teams. Open Pro Rodeo performances will be held Friday and Saturday nights. These events will draw contestants, spectators, and families from all over the state of Texas and beyond.

This is the fifth year for the event to take place. Participation has grown from 700 people the first year to over 4,000 this past year. The anchor of Kerrfest is the Rodeo that takes place Friday and Saturday nights. Unfortunately, there is no spectator seating at the outdoor arena in order to accommodate our visitors. For the first two years, we had to bring in portable aluminum bleachers, with seating only provided for approximately 300 people. The last 2 years, with the EIC funding, we were able to increase that seating to almost 1300. In order to grow this event, and increase the economic impact and number of visitors, we feel it is imperative that we provide adequate seating.

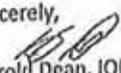
Providing safe, professional-grade, adequate seating for our anchor event is absolutely essential to the continued success and reputation of Kerrfest. We have enjoyed great partnerships with the City of Kerrville, Kerr County, and the Kerrville Convention and Visitors Bureau to promote our hill country town and businesses.

Our future plans are to continue to grow the event substantially every year. Last years economic impact was \$822,000.00 for Kerrville/Kerr County. We recognize the inherent need for permanent seating at the outdoor arena and are exploring several different avenues for that, including public-private partnerships.

Mission Statement: The Kerrville Area Chamber of Commerce exists to strengthen and improve the greater Kerrville area business community in order to promote the economic well-being of our citizens.

Kerrfest is the largest special event hosted by KACOC.

Sincerely,

  
Harold Dean, IOM  
President/CEO

051



***KerrFest 2014  
Estimated Economic  
Impact Report***

79 Sponsors

Total Cash Revenue: \$84,000.00

*Approximately 4,000 attendees - estimated 60% of attendees + contestants were from outside Kerr County (provided by the Kerrville Area Chamber of Commerce)*

Special Event Expenditures, based on the following assumptions:

4,000 attendees

60% or 2400 attendees stayed overnight-based on family of 3.3 persons per family staying 2 nights (Industry standard) = 1,455 special event roomnights.

\$110 average expenditure/person/day (Industry standard)

2400 X \$110.00 = 264,000.00 X 2 days = \$528,000.00

Total Cash Revenue: \$84,000 X 3.5 turnover = \$294,000.00

Estimated Economic Impact for KerrFest 2014: \$822,000.00

Developed by C. McIlvlin  
Kerrville CVB  
May 28, 2014



# Proposal

**Company**  
 Kerrville Area Chamber of Commerce  
 1700 Sidney Baker Ste. 100  
 Kerrville, TX 78028

**Attn:** Harold Donn  
 E-mail: president@kerrvilletx.com  
 Office: 830-896-1155  
 Fax:  
 Cell:

**Proposal Date:** 11/06/14  
**Withdrawn By:** 1/06/15  
**Amended Date:** 12/05/14  
**Presented By:** Mary Fryer  
**Mobile:** (210) 632-5017  
**Mary.Fryer@starfovents.com**

**Job Site:**  
 Youth Exhibition Center/ Kerrfest  
 3805 State Hwy 27 B  
 Kerrville, TX 78028  
**Event Date:** Friday, May 15<sup>th</sup>, 2014 @ 8a-8p  
**Delivery:** Monday, May 11<sup>th</sup>, 2014 @ 8a-4p  
**Strike:** Monday, May 18<sup>th</sup>, 2014 @ 8a-4p

*Star of Texas Events, an Austin Sales, Inc. Company is pleased to quote the following for your consideration:*

|  |                     |
|--|---------------------|
| <b>Bleachers</b>                             |                     |
| 1 - 13 Row by 180' long 6' elevated bleacher |                     |
| Approximate Gross seating 1680               |                     |
| Net seating 1388                             | \$22,020.00         |
| 1 - 8' X 180' long deck with 18 (8'X8') VIP  |                     |
| Sections w/ stairs for access to bleacher    | \$ 5,225.00         |
| Seating as well as VIP sections              |                     |
| 1 - 40x80 Frame Tent w/8' Legs               | \$ 1,440.00         |
| 20 - Water Barrels                           | \$ 200.00           |
| 2 - Hubbles (for lighting in tent)           | \$ 100.00           |
| 2 - 100' Extension Cords                     | \$ 20.00            |
| <b>Less Discount</b>                         | <b>\$- 2,072.36</b> |
| <b>Delivery</b>                              | <b>\$ 1,800.00</b>  |
| <b>8.25% Tax</b>                             | <b>Exempt</b>       |
| <b>Estimated Total</b>                       | <b>\$29,332.65</b>  |

Client to provide forklift

Note: All work is quoted as work performed during normal business hours. Any work performed before or after normal business hours are subject to overtime rates

### Quality People \* Superior Service

Plus Applicable Taxes

Terms: 50% with Order, Balance Due Before Delivery

**Austin Sales, Inc. provides \$2,000,000.00 General Liability and Workman's Comp. insurance**

All materials will be of the best grade available and will be constructed to meet OSHA and ANSI regulations. Any alterations or deviation from the above specifications involving extra costs will be assessed only upon written orders, and will become an extra charge over and above the proposal. The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do as specified. Payment due upon receipt of invoice, unless otherwise stated.

Authorized By: \_\_\_\_\_ Date: \_\_\_\_\_

6735 Walzem Rd., #2 \* San Antonio TX 78239 \* (210) 656-1136 \* Fax (210) 656-1143



**Proposal Addendum**

**Normal conditions are as follows.**

1. **Rental equipment:** This proposal is subject to the terms and conditions of our standard rental or sales contract.
2. **Terms:** Terms of proposal are 50% to Secure Order, balance to be paid before delivery.
3. **Normal working hours:** This quotation is based on all work being carried out during normal working hours, Monday -- Friday 7:00 am -- 4:00 pm, Saturday 8:00 am - 1:00pm, excluding holidays. All work executed outside these hours will be charged at overtime rates.
4. **Fluctuation:** This proposal is based on rates in effect at the date of our initial proposal and is subject to any increases after 30 days.
5. **Extras:** Any alteration or deviation from the proposal as quoted is subject to be charged at an additional amount. No additional work will be undertaken until approval has been received in writing from an authorized agent of your company.
6. **Alterations:** Any modification or alterations to the erected structure, by anyone including the Client, will be at the sole risk of the Client, and will remove liability from Star of Texas Events
7. **Incomplete Structures:** No one except Austin Sales, Inc., employees will be allowed to perform any work on or under the structure while erection, dismantling, additions or alterations are being performed.
8. **Access & Permits:** Reasonable access for men and materials are to be provided by Client. All permits are the Client's Responsibility.
9. **Delays:** If the completion of work is delayed, interrupted, or otherwise held up or discontinued because of Weather, Accidents, or any cause whatsoever beyond our control, and is not attributable to negligence or willful failure to perform, we shall not be held liable for any loss sustained by the Client or owner. Client will be liable for any delay, interruption, or stoppage that is attributable to Client or his client.
10. **Completion and Use of Rented Items:** Client accepts responsibility for all work performed as complete and safe. Client agrees to abide by all local, state and federal laws and OSHA regulations. No open flames or smoking is permitted under any tent structure.
11. **Liability and Indemnification:** Refer to the Rental Contract or Sales Contract.
12. **Making Reservations:** Quotes and Proposals do not guarantee availability of rental equipment. Equipment will be reserved only upon receipt of a signed rental contract and a 50% deposit. Final payment is due before delivery and installation.
13. **Cancellations:** (Non-Refundable 50% Deposit) When you reserve any product from us, and pay the required deposit, we will immediately remove the items from our inventory and schedule a crew. Therefore, any cancellation received within 14 days of installation will be charged 50% of the rental contract order. If the order is cancelled within 24 hours, full payment is due.
14. **Tent Installation:** Tent installation must be done correctly for the protection of the Client, the tent, and ultimately the success of the event. Therefore, a tent may not be erected in rain, excess wind, electrical storms, or any other weather conditions that pose a danger to any property or injury to any individual. The field supervisor will make the final call on whether the job can be completed safely. Star is not responsible for any acts of God.
15. **Weather:** Client understands that tents are temporary structures and are **NOT** to be used as safe protection or shelter from weather conditions like, but not limited to, strong winds, lightning, rain, hail or snow. Please evacuate the tents and seek adequate shelter if any unsafe conditions arise.
16. **Damages:** Star will take every possible means to protect the client's property. Client agrees to hold harmless Austin Sales, Inc, dba Star of Texas Events from any liability for any damage incurred during delivery, setup, dismantling and removal while on Client's property. This includes, but not limited to, ruts in the grass, sprinkler systems, scratches or cracks on the installed surface, and high wind related damages. Client also understands that tents are temporary structures and may leak during heavy rain.

Terms and conditions accepted by:

Presented by:  
 Mary Fryer  
 Austin Sales, Inc.  
 Dba Austin Sales & Scaffold  
 Dba Star of Texas Events

\_\_\_\_\_  
 Signature Date

\_\_\_\_\_  
 Contact & Mobile #

\_\_\_\_\_  
 Date

# APPLICATION FOR 4B SALES TAX FUNDS

## CITY OF KERRVILLE ECONOMIC IMPROVEMENT CORPORATION

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

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

All actions of the EIC are subject to the Development Corporation Act of 1979, article 5190.6 Vernon's Civil Statutes, Section 4B (now codified in Chapters 501, 502, and 505 of the Texas Local Government Code). The EIC is a legal entity with statutory authority to spend economic development sales tax dollars. The Corporation is city-chartered and governed by a Council-appointed board of directors. The EIC is a 4B Corporation and may fund "projects" focused on the creation of "primary jobs" and / or to provide an economic benefit to the City of Kerrville, as well as "Quality of Life" projects. Application approvals are subject to funding availability.

## APPLICATION SECTION 1 - DEFINITIONS

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

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

**City** - City of Kerrville, Texas

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

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

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

SECTION II - APPLICANT INFORMATION

Submittal Date: 12/1/2014

ORGANIZATION

Kerrville Area Chamber of Commerce  
 Applicant Name  
1700 Sidney Baker, Suite 100 Kerrville, TX 78028  
 Address City State Zip  
830-896-1155 830-896-1175  
 Phone Alt. Phone Fax  
www.kerrville.tx.com  
 Website

PROJECT CONTACT

Harold Dean, FOM President/CEO  
 Contact Person Name Title  
1700 Sidney Baker, Suite 100 Kerrville TX 78028  
 Address City State Zip  
830-896-1155 930-928-4311 830-896-1175  
 Phone Alt. Phone Fax  
president@kerrville.tx.com  
 Email Address

Amount of Funding Requested: \$ 25,000.00

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

Continue to Section III

**Quality of Life Projects**

Submittal Date:   /  /  

**ORGANIZATION**

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

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

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

Website \_\_\_\_\_

**PROJECT CONTACT**

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

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

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

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

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

- Please include a cover letter and supplemental information as deemed appropriate that:
- clearly states the mission statement of the organization(s),
  - what the requested funding shall be used for,
  - pertinent financial information (costs, revenues, percentage of funding request of total budget and financial history), and
  - other information, as requested.

*Continue to Section III*

**Business Development Projects**

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

**ORGANIZATION**

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

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

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

Website \_\_\_\_\_

**PROJECT CONTACT**

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

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

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

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

Type of Business Structure: Corporation  Partnership  Sole Proprietorship

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

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

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

Full-Time Employees receive the following benefits:

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

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

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

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

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

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

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

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### SECTION III - PROJECT INFORMATION

This application is for a:  
Business Development   
▪ Expansion of Existing Facility  or  
▪ New Construction   
▪ Other ( )

Capital Improvements for Public Infrastructure  
▪ Utilities   
▪ Roadways   
▪ Other ( )

Quality of Life  
▪ Community Event   
▪ Project

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

### SECTION IV - PROJECT DESCRIPTION

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

improvements; and (4) providing a list of eligible improvements; (5) provide a list of major, fixed equipment along with manufacturer specifications and cost quote from the manufacturer.

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

### SECTION V - ECONOMIC IMPACT INFORMATION

#### Part A - Project Investment in Improvements

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

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

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

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

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

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

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

Anticipated Number of New Part-Time Employees as a result of this project \_\_\_\_\_

Anticipated Number within 12 months of Completion of this project \_\_\_\_\_  
Anticipated Number within 24 months of Completion of this project \_\_\_\_\_  
Typical Job Descriptions or Job Titles of these employees: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

**Part E - Payroll Impact**  
Within 12 months of Project Completion \_\_\_\_\_ Within 24 months of Project  
Completion \_\_\_\_\_

\$ \_\_\_\_\_ FTE X Avg. Wage X 40 hrs X 52 wks      \$ \_\_\_\_\_ PTE X Avg. Wage X 20 hrs X 52 wks

#### SECTION VI - OTHER ASSISTANCE

Has the Company applied for any State or Federal assistance on this project?  
No  Yes   
Describe:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

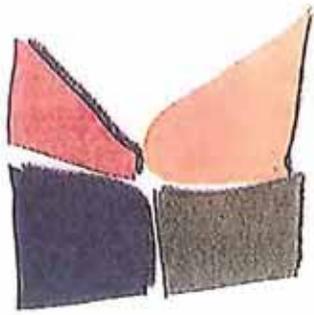
To the best of my knowledge, the above information is an accurate description of the proposed project details.

Harold Dean  
Printed name

12-1-14  
Date

President / CEO  
Title

  
Signature



Kerrville

KERRVILLE AREA CHAMBER OF COMMERCE

It's all right here.

VISION 2016

## 2014-2015 Kerrville Area Chamber of Commerce Board of Directors

Mike Graziola

Chairman of The Board

Kerrville Daily Times

Ward Jones

Chair-Elect

Benefit Choices Company

Kim Clarkson

First Vice Chairman

Kerr County Abstract & Title Co.

Randy Evans, CPA

Treasurer

Massey-Itzschner & Company, P.C.

Tammy Clanton Roach

Secretary

Schreiner University

Kyle Bond

Immediate Past Chairman

Terminix Pest Control

Gregg Appel

Centennial Bank

Bill Muse

Schreiner University

Denny Foster

Lemon Tree Cleaners

Lisa Winters

Peterson Regional Medical Center

Denise LeMeilleur

LeMeilleur's RV, Truck & Equipment Repair

Scott Rain

Huser Construction

Paul Urban

Community Foundation of the Texas Hill Country

Debbie Freed

Taylor Properties

Jeff Talarico, CRPC

Ameriprise Financial-Talarico & Associates

## Strategic Plan 2013-2016

### Mission

The Kerrville Area Chamber of Commerce exists to strengthen and improve the greater Kerrville area business community in order to promote the economic well-being of our citizens.

### Vision Statement

We the Chamber wish to preserve the natural beauty and rich heritage of the Hill Country by encouraging responsible commerce and thoughtful, progressive growth by promoting opportunities for all citizens and future generations.

### Goals

- ♦ Achieve increasing economic improvement and growth.
- ♦ Diversify our tax base.
- ♦ Become the voice for the future of our community.
- ♦ Combine physical efforts with Convention and Visitors Bureau.
- ♦ Develop a community-wide branding effort.
- ♦ Foster and encourage the development of transportation resources.
- ♦ Promote the civic interests, general welfare, trade, and commerce of the Kerr County communities.
- ♦ Be the advocate for employers & employees as new government policies are considered.
- ♦ Implement a plan to achieve a balanced demographic.
- ♦ Become the leading Chamber of Commerce in our peer group.

## Strategies

---

- ◊ Chamber takes lead role to emphasize Kerrville as a “Regional Hub” and a “Tourism Destination” along with continued support for retirement opportunities.
- ◊ Chamber takes responsibility to understand and communicate economic health, economic future, challenges, and solutions and develop a reporting system for progress (economic report card).
- ◊ Build a single, strong brand to better market Kerrville.
- ◊ Update Chamber Membership Program (i.e., Dues Structure, Retention of existing members and Five-Star Accreditation of Chamber).
- ◊ Create and promote a commercial development plan to be able to respond quickly to economic development opportunities.
- ◊ Be a policy advocate/Shape policy to the benefit of all businesses.
- ◊ Utilize & Communicate valid research.
- ◊ Educate Business Members, Potential Members, and the entire community.
- ◊ Be the information hub for the community.
- ◊ Encourage the recruitment and retention of job creators.

## Tactics and Performance Indicators

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- ⇒ Promote a community-wide charette composed of the following entities, including but not limited to: Chamber of Commerce; Convention & Visitors Bureau Board; Kerr Economic Development Corporation; Economic Improvement Corporation; City; County; Kerr County Bar Association; Peterson Foundation; Cailloux Foundation; Historic Downtown Business Alliance; Board of Realtors; Alamo Colleges; Schreiner University; Kerrville Independent School District; Peterson Regional Medical Center; Hill Country Veterans' Council; West Kerr County Chamber of Commerce.
- ⇒ Achieve consensus from all stakeholders on a consolidated image.
- ⇒ With the assistance from stakeholders create a new vision and branding for Kerrville for deployment by the end of 2013.
- ⇒ Identify a team to compose and publish an economic report card.
- ⇒ Advocate for all businesses and provide updates on legislation affecting them. Provide this information on a regular basis starting in March 2013.
- ⇒ Develop and implement a new structure for dues that is business friendly in FY 2012-2013.
- ⇒ Work with Convention & Visitors Bureau on physical relocation efforts. Have a contractual agreement in place by June 2013 or sooner.

## Duration

The Strategic Plan shall take 3 years to accomplish all goals. The President/CEO of the Kerrville Area Chamber of Commerce, Executive Director of the Kerr Economic Development Corporation and the Executive Director of the Kerrville Convention & Visitors Bureau shall meet on a monthly basis and offer updates for compliance on this Plan. Bench marks shall be met for this plan to be complete. An annual update shall be presented to each entity mentioned in the Tactics and Performance Indicators section. During the 2<sup>nd</sup> year of this plan a committee shall review the progress and start the process of creating a new plan.

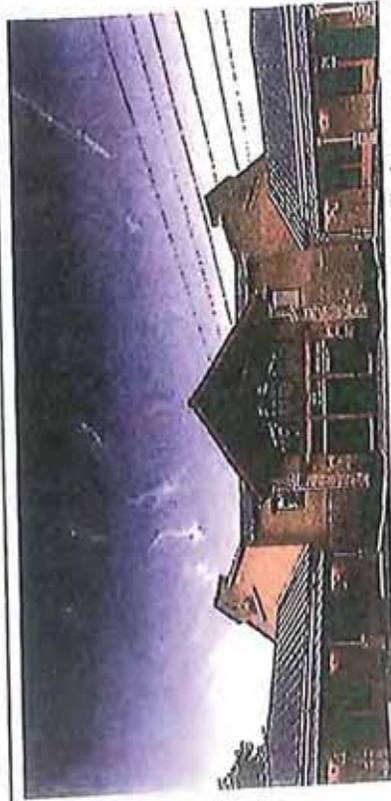


Photo credit: [www.kerrvillephoto.com](http://www.kerrvillephoto.com)

Kerrville Area Chamber of Commerce  
1700 Sidney Baker, Ste. 100  
Kerrville, Texas 78028  
830.896.1155  
[www.kerrvilletx.com](http://www.kerrvilletx.com)



1:52 PM  
01/07/15  
Accrual Basis

Kerrville Area Chamber of Commerce  
Profit & Loss  
October 2013 through September 2014  
Kerrfest Oct '13 - Sep 14

| Ordinary Income/Expense                   |                  |
|---|------------------|
| Income                                    |                  |
| 42000 • FUNDRAISING EVENTS                | 78,095.12        |
| 42040 • KerrFest                          | <u>78,895.12</u> |
| Total 42000 • FUNDRAISING EVENTS          | <u>78,095.12</u> |
| Total Income                              | <u>78,095.12</u> |
| Gross Profit                              | 78,695.12        |
| Expense                                   |                  |
| 52000 • FUNDRAISING EVENTS EXPENSES       |                  |
| 52300 • Program Fees Expense              | 48,956.16        |
| 52330 • KerrFest                          | <u>48,956.16</u> |
| Total 52300 • Program Fees Expense        | <u>48,956.16</u> |
| 52400 • Facility Rental                   | 21,200.25        |
| 52430 • KerrFest                          | <u>21,200.25</u> |
| Total 52400 • Facility Rental             | <u>21,200.25</u> |
| 52600 • Prizes/Awards                     | 2,282.03         |
| 52630 • KerrFest                          | <u>2,282.03</u>  |
| Total 52600 • Prizes/Awards               | <u>2,282.03</u>  |
| 52800 • Entertainment                     | 600.00           |
| 52830 • KerrFest                          | <u>600.00</u>    |
| Total 52800 • Entertainment               | <u>600.00</u>    |
| Total 52000 • FUNDRAISING EVENTS EXPENSES | <u>73,044.44</u> |
| Total Expense                             | <u>73,044.44</u> |
| Net Ordinary Income                       | <u>5,650.68</u>  |
| Net Income                                | <u>5,650.68</u>  |



Post Event Report – Community Event Funding  
Economic Improvement Corporation

1. Event Details:
  - a. Name: \_\_\_\_\_
  - b. Date(s): \_\_\_\_\_
  - c. Location: \_\_\_\_\_
  - d. Time: \_\_\_\_\_

2. Event Summary:

3. Total Grant From EIC:

4. Total Actual Reimbursement:

5. Grant Funds used for (list specifics):

6. Attendance:

- a. Total Attendance:
- b. Estimated number of attendees from outside of Kerr County:
- c. Factors that affected attendance (if any):

7. Total Ticket Sales (if applicable):

8. Gross Revenue:

9. Total Expenses:

10. Any additional information you would like to share:

Attach the following:

- List of Exhibitors
- Written Evidence of Costs  
(invoices, receipts, etc.)
- Photos of the Event  
(e-mail to [ashlea.boyle@kerrvilletx.gov](mailto:ashlea.boyle@kerrvilletx.gov))

Report Completed by: \_\_\_\_\_ Date: \_\_\_\_\_

## **Agenda Item:**

- 4H. Economic development grant agreement between City of Kerrville (Mardi Gras on Main) and the City of Kerrville, Texas Economic Improvement Corporation in an amount not to exceed \$10,000. (staff)

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

**SUBJECT:** Approval of a Funding Agreement between the City of Kerrville, Texas, Economic Improvement Corporation and the City of Kerrville in an amount not to exceed \$10,000 for Kerrville Main Street's Mardi Gras on Main event

**FOR AGENDA OF:** February 24, 2015 **DATE SUBMITTED:** February 16, 2015

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

**EXHIBITS:** Funding Agreement

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OF FINANCE:**

**SUMMARY STATEMENT**

On January 26, 2015, the Economic Improvement Corporation (EIC) considered and approved a community event funding request application from the City of Kerrville for the *Mardi Gras on Main* event to be held on Fat Tuesday, February 17, 2015 in Historic Downtown Kerrville.

*Mardi Gras on Main (MGOM)* began in 2005 as a celebration of Kerrville Main Street's 10<sup>th</sup> Anniversary. It has since evolved into a festival that focuses on Cajun food, entertainment, art, fine drinks, and a royal court. 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.

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 4<sup>th</sup> 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.

*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.

The funding will be used for the purchase and / or rental of equipment and materials including stage, generators, port-a-potties, photo booth, tables, chairs, linens, trash receptacles, and heaters.

Staff was directed to prepare a funding agreement to be considered at the February 23, 2015 EIC meeting in addition to holding a public hearing. If approved, the last step in this process is consideration and final approval by City Council.

#### **RECOMMENDED ACTION**

City staff is requesting consideration and approval of the funding agreement as presented.

**ECONOMIC DEVELOPMENT GRANT AGREEMENT BETWEEN  
CITY OF KERRVILLE (MARDI GRAS ON MAIN) AND  
THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION**

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

**WITNESSETH:**

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

**WHEREAS**, pursuant to the Act, the EIC is authorized to provide funding relating to projects which the EIC finds to be encompassed within the definition of “Projects” as that word is defined by Chapters 501 and 505 of the Act, including:

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

**WHEREAS**, CITY is hosting its annual Mardi Gras on Main (MGOM) on February 17, 2015, which is an event that includes, food, entertainment, art, food cook-offs, a street dance with live music, and a costume contest; and

**WHEREAS**, CITY has and will continue to advertise MGOM both locally and beyond so as to maximize the attendance of tourists at MGOM; and

**WHEREAS**, CITY has applied for a grant from EIC for funding to rent or purchase equipment, including stage, generators, tables and chairs; and

**WHEREAS**, EIC has determined that such a grant complies with the Act and is in keeping with the mission of EIC and *City of Kerrville Economic Improvement Corporation 4B Sales Tax Funding Request Guidelines and Procedures* in that it will enhance the “quality of life” within the community; and

**WHEREAS**, EIC finds that it will be in the public interest to enter into an agreement with CITY to provide sales tax revenues collected pursuant to the Act (“4B Revenues”) to CITY for its cost in renting equipment for use at MGOM; and

**WHEREAS**, on February 23, 2015, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, EIC held a public hearing pursuant to Section

505.159 of the Act related to the proposed expenditure of 4B Revenues for the purposes provided above;

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

**ARTICLE I.  
EIC'S OBLIGATIONS**

- A. EIC grants to CITY an amount up to \$10,000.00 ("Grant") for costs relating to equipment rental ("Equipment") for MGOM. The specific items that CITY intends to rent are listed on the attachment included as **Exhibit A**.
- B. Subject to the terms and conditions set forth in Article II, the Grant will be provided to CITY by EIC and EIC shall administer the Grant on a reimbursable basis. Prior to any payment from EIC, CITY must first 1) submit written evidence of costs, such as invoices, receipts, and bills of sale for review and approval; and 2) comply with section D of Article II. Following the submission and verification thereof, EIC shall then reimburse CITY for the costs.
- C. Payments made by EIC to CITY from 4B Revenues will be limited to the payments of "costs" as defined by the Act and as specified above for the Project.
- D. In no event will the total amount of the Grant exceed \$10,000.00.

**ARTICLE II.  
MAIN STREET'S OBLIGATIONS**

- A. In order to receive reimbursement from EIC, CITY must rent or purchase the Equipment for MGOM and may not use the Equipment for any other purpose.
- B. CITY must keep and maintain complete and accurate records relating to the costs of the Equipment, separate and identifiable from its other records, for three (3) years following the termination of this Agreement. EIC and its representatives shall be entitled to inspect the records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice.
- C. CITY will only be liable to EIC for the actual amount of the Grant to be conveyed to CITY and will not be liable to EIC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by CITY under the terms of this Agreement.
- D. CITY shall provide a minimum of five (5) photos depicting the event and a completed Post Event Report (attached as **Exhibit B**) to the EIC no later than 30 days following Event.

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

- A. A sale of all or any of the assets of CITY will not release CITY from its duties and responsibilities to EIC under the terms of this Agreement and shall not result in the assignment of this Agreement by such acquiring entity without prior written consent from EIC, which will not be unreasonably withheld; provided, that CITY's proposed successor shall have the financial condition to fully satisfy CITY's duties and responsibilities hereunder and agrees to assume CITY's responsibilities under this Agreement. EIC may, in its sole discretion, reasonably determine whether such proposed successor's financial condition is satisfactory.
- B. In the event of any proposed merger or other consolidation of CITY with any third party not affiliated with CITY, CITY shall at least thirty (30) days prior to any such merger or consolidation provide EIC with information and assurance reasonably acceptable to EIC regarding: (1) the surviving entity's assumption and satisfaction of the CITY's obligations hereunder; and (2) the financial condition of the surviving entity upon such merger or other consolidation to demonstrate that the surviving entity has the financial condition to fully satisfy CITY's duties and responsibilities hereunder. Failure to provide such information may be considered a breach of this Agreement.
- C. Notwithstanding anything in this Agreement to the contrary, it is expressly understood and agreed that EIC shall have no rights to approve or disapprove any sale or merger transaction of any kind involving CITY. In the event of any sale or merger involving CITY or its affiliates, the surviving entity shall assume CITY's obligations and rights hereunder and be entitled to any and all benefits to be received pursuant to this Agreement.

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

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

of a material fact or fails to state any material fact necessary to keep the statements contained therein from being misleading.

- B. Except as expressly set forth in this Article IV, CITY makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE V.  
EIC'S REPRESENTATIONS AND WARRANTIES**

- A. EIC represents and warrants as of the date hereof:

- (1) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the Act and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;

- (2) Execution of this Agreement has been duly authorized by EIC;

- (3) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and

- (4) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.

- B. Except as expressly set forth in this Article V, EIC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE VI.  
CONDITIONS UNDER WHICH EIC MAY SUSPEND PERFORMANCE  
OF ITS OBLIGATIONS UNDER THIS AGREEMENT**

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

- (1) CITY becomes insolvent. "Insolvent" is defined to mean one either has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, or is insolvent within the meaning of the federal bankruptcy law;

- (2) The appointment of a receiver of CITY;

- (3) The adjudication of CITY as bankrupt; and

- (4) The filing by CITY of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

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

#### **ARTICLE VII. REMEDIES**

- A. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement by any party hereto, or any successor to such party, such defaulting or breaching party (or successor) shall upon written notice from the other party, proceed immediately to cure or remedy such default or breach. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach.
- B. Upon breach of this Agreement by either party and the failure to cure as permitted by this Article VII, the non-breaching party shall have the sole right and discretion to either terminate this Agreement and/or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that CITY is not entitled to recover any amounts in excess of the Grant contracted for under this Agreement and that EIC, pursuant to a breach and failure to cure by CITY in accordance with this Agreement, is entitled to recover attorney fees, collection costs, and any other costs due to its pursuit of repayment and remedies under this Agreement.
- C. Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights will not, so long as the breach or default by another party is continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor will any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

#### **ARTICLE VIII. GENERAL PROVISIONS**

- A. Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.
- B. Amendment. This Agreement may be amended only by written amendment signed by both parties.
- C. Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement will be made or performed in Kerrville, Kerr County, Texas. Venue exists in Kerr County, Texas; and this Agreement is governed by and construed in accordance with the laws of the State of Texas.

- D. Notices. All notices given with respect to this Agreement must be in writing and will be deemed to have been properly given for all purposes (i) if sent by an overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

For EIC  
President  
City of Kerrville, Texas, Economic Improvement Corporation  
701 Main Street  
Kerrville, Texas 78028  
Facsimile: (830) 792-3850

*With a copy to:*  
City Manager  
City of Kerrville  
701 Main Street  
Kerrville, Texas 78028  
Facsimile: (830) 792-3850

- E. Assignment. This Agreement is binding upon the parties hereto and their successors and assigns. Except as set forth in Article III, this Agreement may not be assigned by either party without the specific prior written consent of the other, which consent will not be unreasonably withheld. In the event that a party consents to any valid assignment of this Agreement by the other party hereto, the assigning party will be relieved of any and all obligations and liabilities on the part of such assigning party under this Agreement.
- F. Parties In Interest. Nothing in this Agreement entitles anyone other than CITY or EIC to any claim, cause of action, remedy, or right of any kind.
- G. Term. The term of this Agreement (the "Term") shall commence on the date that signatures of the parties are affixed to this Agreement (the "Effective Date"), and will terminate on the earlier of: (i) July 1, 2015, or when the requirements set forth in this Agreement are completed, whichever date is later; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Articles VI or VII; (iv) or at the CITY's sole and absolute discretion, but only upon the CITY's return of all Grant funding to EIC that it has received under this Agreement. Upon termination of this Agreement, all rights, duties, and obligations of any kind under this Agreement will automatically expire and terminate and be of no other force and effect.
- H. Interpretation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement will therefore be deemed to have

been negotiated and prepared at the joint request, direction, and construction of the parties, at arms length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.

- I. No Joint Venture. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties or between the parties and the City of Kerrville, Texas.
- J. Survival of Terms. All rights, duties, liabilities and obligations accrued prior to termination will survive termination.
- K. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof.

**EXECUTED AND EFFECTIVE**, as of the date indicated above, by the City of Kerrville, Texas, Economic Improvement Corporation, by and through its Board President, duly authorized to execute same by action of the Board; and by CITY acting through the CITY Officer.

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

**CITY OF KERRVILLE**

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

\_\_\_\_\_  
Todd Parton, City Manager  
Date: \_\_\_\_\_

ATTEST:

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

APPROVED AS TO FORM:

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

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EXHIBIT "A" 23



City of Kerrville  
701 MAIN STREET · KERRVILLE, TEXAS 78028 · 830.257.8000 · KERRVILLETX.GOV

November 12, 2014

City of Kerrville, Texas  
Economic Improvement Corporation  
701 Main Street  
Kerrville, Texas 78028

Subject: EIC Application for Community Events – Mardi Gras on Main

EIC Members:

This letter serves as the cover letter for the community event funding application for the 2015 *Mardi Gras on Main (MGOM)* event. The mission of Kerrville Main Street is to encourage civic, social, and economic welfare, to foster civic pride and cooperation, and to enhance the aesthetic, historical and cultural aspects of Kerrville through the four-point approach to Main Street. Kerrville Main Street envisions a partnership between business owners, residents, and the city on economic growth and stability through promotions and historic preservation of its downtown district and the surrounding area.

Kerrville Main Street hosts two special events in the main street district, *MGOM* and the *Holiday Lighted Parade*. *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 to downtown through public art and revitalization programs and 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 facade grants in addition to a revised scope for public art, all through funds raised by *MGOM*.

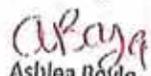
*MGOM* began in 2005 as a celebration of Kerrville Main Street's 10<sup>th</sup> Anniversary. It has since evolved into a festival that focuses on food, entertainment, art, fine beer and wine, royal court, and crowning of the Mardi Gras King and Queen at the event. In

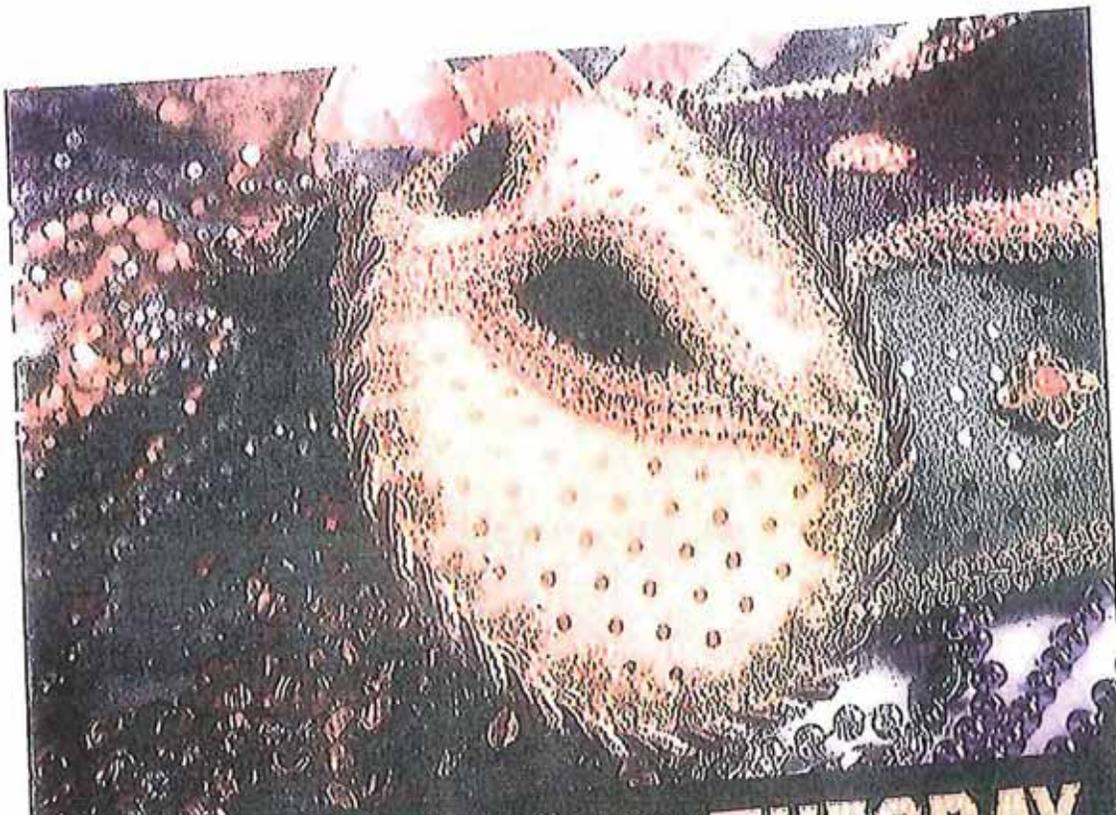
2014, the event was brought outside on the streets of Historic Downtown Kerrville (Earl Garrett Street) for the very first time. Due to its success, the 2015 MGOM will again be held in the same location on Fat Tuesday, February 17<sup>th</sup> from 6:00 p.m. – 9:00 p.m. Even more fantastic enhancements 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 has been completed for the Signature Art piece which will be professionally reproduced on posters, marketing materials, as well as featured on the private wine label for the event's Signature Wine.

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 and annual attendance for the event has slowly declined as a result. Events such as Kerrville's 4<sup>th</sup> on the River became much more successful once the ticket prices were eliminated, thus allowing more of the general public an opportunity to attend.

The City of Kerrville is respectfully requesting up to \$10,000 in funding to offset the costs relating to the purchase / rental of equipment to support the event such as: stage, generators, port-a-pottles, photo booth, tables, chairs, linens, trash cans, and heaters.

Sincerely,

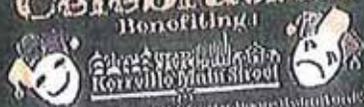
  
Ashlea Boyle  
Special Projects Manager  
City of Kerrville



# FAT TUESDAY

## 2.17.15

**10**  
Year  
**GLOWTASTIC**  
Celebration



Without Doubt, Every Month of the Year is a Time to Celebrate  
Korville Main Street

**6-9 P.M. Earl Carroll St.**  
CAJUN FOOD GUMBO COOK OFF

**Glow Party** - Celebrate the Mardi Gras  
The band you loved in 2014 is back all the way from New Orleans!

**Cedryl Ballou & The Zydeco Trendsetters**  
Cajun Zydeco with the  
**Royal King and Queen**

# MARDI GRAS ON MAIN

Kerrville Main Street would be honored if you would consider being a sponsor for Mardi Gras on Main. Levels of support are listed below. Please join in support of Kerrville Main Street and this exciting downtown event! Thank you for your valuable time and consideration.

Mardi Gras on Main is the sole fundraiser benefiting the central city redevelopment efforts of the City of Kerrville Main Street program. The Main Street Advisory Board designates the funds to be returned downtown through revitalization projects and incentive programs such as facade and signage grants, marketing, public art, Christmas lighting and general beautification projects.

## 2015 Sponsorship Opportunities

### \$2,000 Event Sponsorship (Only 2 Available)

- Logo Placement on Event Cups
- Front Page Program Recognition as Event Sponsor
- 1 Full Page Advertisement in Official Event Program
- 2 Reserved Tables with Premium Spotlight Placement with Sponsor Centerpiece
- Company Banner at the Event
- Included in all Media Coverage
- Logo on Event Website with Hyperlink to your Website
- Logo on Event Flyer
- 16 tickets to VIP Sponsor Reception
- 2 drink tickets for up to 16 company representatives

### \$1,000 Sponsorship

- Half-Page Advertisement in Official Event Program
- 1 Reserved Table with Premium Spotlight Placement with Sponsor Signage
- Company Banner at the Event
- Included in all Media Coverage
- Logo on Event Website with Hyperlink to your Website
- Logo on Event Flyer
- 8 tickets VIP Sponsor Reception
- 2 drink tickets for up to 8 company representatives

For more information, please contact:

**Allison Bueche**  
MGOM Committee  
allisonbueche@gmail.com  
c: 830-329-5173

**Kimberly Snyder**  
Main Street Manager  
kim.snyder@kerrvilletx.gov  
c: 830-353-1504

### \$800 Sponsorship

- Quarter Page Advertisement in Official Event Program
- Logo on Event Website with Hyperlink to your Website
- 4 tickets VIP Sponsor Reception
- 2 drink tickets for up to 4 company representatives

### \$200 Sponsorship

- Recognition in the Official Event Program
- Recognition on Event Website
- 2 tickets VIP Sponsor Reception



SECTION II - APPLICANT INFORMATION

Submittal Date: 11/12/14

ORGANIZATION

City of Kerrville

|                |                     |                |                |
|----------------|---------------------|----------------|----------------|
| Applicant Name | City of Kerrville   |                |                |
| Address        | Kerrville           | Texas          | 78028          |
| Phone          | (830) 257-8000      | (830) 258-1153 | (830) 792-8350 |
| Website        | www.kerrvilletx.gov |                |                |

PROJECT CONTACT

Ashlea Boyle

Special Projects Manager

|                     |                              |       |     |
|---------------------|------------------------------|-------|-----|
| Contact Person Name | Ashlea Boyle                 |       |     |
| Address             | same as above                | State | Zip |
| Phone               | ashlea.boyle@kerrvilletx.gov |       |     |

Amount of Funding Requested: \$ 10,000.00

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

Continue to Section III



**Business Development Projects**

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

**ORGANIZATION**

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

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

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

Website \_\_\_\_\_

**PROJECT CONTACT**

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

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

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

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

Type of Business Structure: Corporation  Partnership  Sole Proprietorship

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

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

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

Full-Time Employees receive the following benefits:

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

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

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

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

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

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

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

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### SECTION III - PROJECT INFORMATION

This application is for a:  
Business Development   
▪ Expansion of Existing Facility  or  
▪ New Construction   
▪ Other ( )

Capital Improvements for Public Infrastructure  
▪ Utilities   
▪ Roadways   
▪ Other ( )

Quality of Life  
▪ Community Event   
▪ Project

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

### SECTION IV - PROJECT DESCRIPTION

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

improvements; and (4) providing a list of eligible improvements; (5) provide a list of major, fixed equipment along with manufacturer specifications and cost quote from the manufacturer.

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

### SECTION V - ECONOMIC IMPACT INFORMATION

#### Part A - Project Investment in Improvements

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

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

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

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

Anticipated Number of New Full-Time Employees as a result of this project \_\_\_\_\_  
Anticipated Number within 12 months of Completion of this project \_\_\_\_\_  
Anticipated Number within 24 months of Completion of this project \_\_\_\_\_  
Typical Job Descriptions or Job Titles \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Anticipated starting salaries of these employees: (avg.) \$ \_\_\_\_\_/hour

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

Anticipated Number of New Part-Time Employees as a result of this project \_\_\_\_\_

Anticipated Number within 12 months of Completion of this project \_\_\_\_\_  
Anticipated Number within 24 months of Completion of this project \_\_\_\_\_  
Typical Job Descriptions or Job Titles of these employees: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Part E - Payroll Impact  
Within 12 months of Project Completion \_\_\_\_\_ Within 24 months of Project  
Completion \_\_\_\_\_

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

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

#### SECTION VI - OTHER ASSISTANCE

Has the Company applied for any State or Federal assistance on this project?  
No  Yes   
Describe: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Ash/oa Boyle \_\_\_\_\_  
Printed name

November 12, 2014 \_\_\_\_\_  
Date

Special Projects Manager \_\_\_\_\_  
Title

A. Boyle \_\_\_\_\_  
Signature



Post Event Report – Community Event Funding  
Economic Improvement Corporation

- 1. Event Details:
  - a. Name: \_\_\_\_\_
  - b. Date(s): \_\_\_\_\_
  - c. Location: \_\_\_\_\_
  - d. Time: \_\_\_\_\_

2. Event Summary:

3. Total Grant From EIC:

4. Total Actual Reimbursement:

5. Grant Funds used for (list specifics):

6. Attendance:

- a. Total Attendance:
- b. Estimated number of attendees from outside of Kerr County:
- c. Factors that affected attendance (if any):

7. Total Ticket Sales (if applicable):

8. Gross Revenue:

9. Total Expenses:

10. Any additional information you would like to share:

**Attach the following:**

- List of Exhibitors
- Written Evidence of Costs  
(invoices, receipts, etc.)
- Photos of the Event  
(e-mail to [ashlea.boyle@kerrvilletx.gov](mailto:ashlea.boyle@kerrvilletx.gov))

Report Completed by: \_\_\_\_\_ Date: \_\_\_\_\_

## **Agenda Item:**

41. Economic development grant agreement between Historic Downtown Business Alliance, Inc. (Sock Hop) and the City of Kerrville, Texas Economic Improvement Corporation and event in an amount not to exceed \$8,750. (staff)

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

**SUBJECT:** Approval of a Funding Agreement between the City of Kerrville, Texas, Economic Improvement Corporation and the Historic Downtown Business Alliance in an amount not to exceed \$8,750 for the Sock Hop on the Star event

**FOR AGENDA OF:** February 24, 2015 **DATE SUBMITTED:** February 16, 2015

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

**EXHIBITS:** Funding Agreement

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OF FINANCE:**

**SUMMARY STATEMENT**

On January 26, 2015, the Economic Improvement Corporation (EIC) considered and approved a community event funding request application from the Historic Downtown Business Alliance (HDBA) for the 3<sup>rd</sup> Annual *Sock Hop on the Star* event to be held in Historic Downtown Kerrville on September 19, 2015. Please note that the event date changed from the original date of September 26<sup>th</sup> included on the application cover letter. HDBA resurrected the former Harvest Moon Dance with a new 50's theme twist that includes a variety of fun oldies type booths and activities, live music, food, and more. Approximately 450 people attended the first *Sock Hop on the Star* event in 2013 and approximately 1,300 attended in 2014.

The funding will be used for the purchase and / or rental of equipment and materials including tables, chairs, table cloths, and booth and raffle supplies.

Prior funding received from EIC:

2014 – \$5,016 granted, \$5,016 actual reimbursement

Staff was directed to prepare a funding agreement to be considered at the February 23, 2015 EIC meeting in addition to holding a public hearing. If approved, the last step in this process is consideration and final approval by City Council.

**RECOMMENDED ACTION**

City staff is requesting consideration and approval of the funding agreement as presented.

**ECONOMIC DEVELOPMENT GRANT AGREEMENT BETWEEN  
HISTORIC DOWNTOWN BUSINESS ALLIANCE, INC. (SOCK HOP) AND  
THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION**

This Agreement is entered into by and between **HISTORIC DOWNTOWN BUSINESS ALLIANCE, INC.**, a Texas nonprofit corporation (“HDBA”), acting herein by and through its duly authorized President, Keri Wilt (“HDBA Officer”), and the **CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION** (“EIC”), a Texas nonprofit corporation established pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 and codified in Chapters 501, 502, and 505 of the Texas Local Government Code, otherwise known as the Development Corporation Act of 1979 (the Act’), and acting by and through its duly authorized President, David Wampler.

**WITNESSETH:**

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

**WHEREAS**, pursuant to the Act, the EIC is authorized to provide funding relating to projects which the EIC finds to be encompassed within the definition of “Projects” as that word is defined by Chapters 501 and 505 of the Act, including:

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

**WHEREAS**, HDBA is hosting its 3<sup>rd</sup> Annual Sock Hop on the Star (“Event”) on September 19, 2015, which consists a multigenerational family event; and

**WHEREAS**, HDBA has and will continue to advertise the Event both locally and beyond so as to maximize the attendance of tourists at the Event; and

**WHEREAS**, HDBA has applied for a grant from EIC for funding to rent or purchase equipment, including tables, chairs, and booth supplies for the Event; and

**WHEREAS**, EIC has determined that such a grant complies with the Act and is in keeping with the mission of EIC and *City of Kerrville Economic Improvement Corporation 4B Sales Tax Funding Request Guidelines and Procedures* in that it will enhance the “quality of life” within the community; and

**WHEREAS**, EIC finds that it will be in the public interest to enter into an agreement with HDBA to provide sales tax revenues collected pursuant to the Act (“4B Revenues”) to HDBA for its cost in renting equipment for use at the Event; and

**WHEREAS**, on February 23, 2015, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, EIC held a public hearing pursuant to Section

505.159 of the Act related to the proposed expenditure of 4B Revenues for the purposes provided above;

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

**ARTICLE I.  
EIC'S OBLIGATIONS**

- A. EIC grants to HDBA an amount up to \$8,750.00 ("Grant") for costs relating to equipment rental ("Equipment") for the Event. The specific items that HDBA intends to rent are listed on the attachment included as **Exhibit A**.
- B. Subject to the terms and conditions set forth in Article II, the Grant will be provided to HDBA by EIC and EIC shall administer the Grant on a reimbursable basis. Prior to any payment from EIC, HDBA must first 1) submit written evidence of costs, such as invoices, receipts, and bills of sale for review and approval; and 2) comply with section D of Article II. Following the submission and verification thereof, EIC shall then reimburse HDBA for the costs.
- C. Payments made by EIC to HDBA from 4B Revenues will be limited to the payments of "costs" as defined by the Act and as specified above for the Project.
- D. In no event will the total amount of the Grant exceed \$8,750.00.

**ARTICLE II.  
HDBA'S OBLIGATIONS**

- A. In order to receive reimbursement from EIC, HDBA must rent or purchase the Equipment for the Event and may not use the Equipment for any other purpose.
- B. HDBA must keep and maintain complete and accurate records relating to the costs of the Equipment, separate and identifiable from its other records, for three (3) years following the termination of this Agreement. EIC and its representatives shall be entitled to inspect the records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice.
- C. HDBA will only be liable to EIC for the actual amount of the Grant to be conveyed to HDBA and will not be liable to EIC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by HDBA under the terms of this Agreement.
- D. HDBA shall provide a minimum of five (5) photos and a completed Post Event Report (attached as **Exhibit B**) to the EIC no later than 30 days following the Event.

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

- A. A sale of all or any of the assets of HDBA will not release HDBA from its duties and responsibilities to EIC under the terms of this Agreement and shall not result in the assignment of this Agreement by such acquiring entity without prior written consent from EIC, which will not be unreasonably withheld; provided, that HDBA's proposed successor shall have the financial condition to fully satisfy HDBA's duties and responsibilities hereunder and agrees to assume HDBA's responsibilities under this Agreement. EIC may, in its sole discretion, reasonably determine whether such proposed successor's financial condition is satisfactory.
- B. In the event of any proposed merger or other consolidation of HDBA with any third party not affiliated with HDBA, HDBA shall at least thirty (30) days prior to any such merger or consolidation provide EIC with information and assurance reasonably acceptable to EIC regarding: (1) the surviving entity's assumption and satisfaction of the HDBA's obligations hereunder; and (2) the financial condition of the surviving entity upon such merger or other consolidation to demonstrate that the surviving entity has the financial condition to fully satisfy HDBA's duties and responsibilities hereunder. Failure to provide such information may be considered a breach of this Agreement.
- C. Notwithstanding anything in this Agreement to the contrary, it is expressly understood and agreed that EIC shall have no rights to approve or disapprove any sale or merger transaction of any kind involving HDBA. In the event of any sale or merger involving HDBA or its affiliates, the surviving entity shall assume HDBA's obligations and rights hereunder and be entitled to any and all benefits to be received pursuant to this Agreement.

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

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

of a material fact or fails to state any material fact necessary to keep the statements contained therein from being misleading.

- B. Except as expressly set forth in this Article IV, HDBA makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE V.  
EIC'S REPRESENTATIONS AND WARRANTIES**

- A. EIC represents and warrants as of the date hereof:

(1) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the Act and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;

(2) Execution of this Agreement has been duly authorized by EIC;

(3) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and

(4) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.

- B. Except as expressly set forth in this Article V, EIC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE VI.  
CONDITIONS UNDER WHICH EIC MAY SUSPEND PERFORMANCE  
OF ITS OBLIGATIONS UNDER THIS AGREEMENT**

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

(1) HDBA becomes insolvent. "Insolvent" is defined to mean one either has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, or is insolvent within the meaning of the federal bankruptcy law;

(2) The appointment of a receiver of HDBA;

(3) The adjudication of HDBA as bankrupt; and

(4) The filing by HDBA of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

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

## **ARTICLE VII. REMEDIES**

- A. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement by any party hereto, or any successor to such party, such defaulting or breaching party (or successor) shall upon written notice from the other party, proceed immediately to cure or remedy such default or breach. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach.
- B. Upon breach of this Agreement by either party and the failure to cure as permitted by this Article VII, the non-breaching party shall have the sole right and discretion to either terminate this Agreement and/or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that HDBA is not entitled to recover any amounts in excess of the Grant contracted for under this Agreement and that EIC, pursuant to a breach and failure to cure by HDBA in accordance with this Agreement, is entitled to recover attorney fees, collection costs, and any other costs due to its pursuit of repayment and remedies under this Agreement.
- C. Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights will not, so long as the breach or default by another party is continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor will any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

## **ARTICLE VIII. GENERAL PROVISIONS**

- A. Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.
- B. Amendment. This Agreement may be amended only by written amendment signed by both parties.
- C. Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement will be made or performed in Kerrville, Kerr County, Texas. Venue exists in Kerr County, Texas; and this Agreement is governed by and construed in accordance with the laws of the State of Texas.

- D. Notices. All notices given with respect to this Agreement must be in writing and will be deemed to have been properly given for all purposes (i) if sent by an overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

For EIC

President

City of Kerrville, Texas, Economic Improvement Corporation

701 Main Street

Kerrville, Texas 78028

Facsimile: (830) 792-3850

*With a copy to:*

City Manager

City of Kerrville

701 Main Street

Kerrville, Texas 78028

Facsimile: (830) 792-3850

Historic Downtown Business Alliance, Inc.

Keri Wilt

President

Historic Downtown Business Alliance

P.O. Box 294443

Kerrville, Texas 78028

keri@grapejuiceonline.com

Telephone: (830) 343-7259

- E. Assignment. This Agreement is binding upon the parties hereto and their successors and assigns. Except as set forth in Article III, this Agreement may not be assigned by either party without the specific prior written consent of the other, which consent will not be unreasonably withheld. In the event that a party consents to any valid assignment of this Agreement by the other party hereto, the assigning party will be relieved of any and all obligations and liabilities on the part of such assigning party under this Agreement.
- F. Parties In Interest. Nothing in this Agreement entitles anyone other than HDBA or EIC to any claim, cause of action, remedy, or right of any kind.
- G. Term. The term of this Agreement (the "Term") shall commence on the date that signatures of the parties are affixed to this Agreement (the "Effective Date"), and will terminate on the earlier of: (i) November 1, 2015, or when the requirements set forth in this Agreement are completed, whichever date is later; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Articles VI or VII; (iv) or at

the HDBA's sole and absolute discretion, but only upon the HDBA's return of all Grant funding to EIC that it has received under this Agreement. Upon termination of this Agreement, all rights, duties, and obligations of any kind under this Agreement will automatically expire and terminate and be of no other force and effect.

- H. Interpretation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement will therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arms length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.
- I. No Joint Venture. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties or between the parties and the City of Kerrville, Texas.
- J. Survival of Terms. All rights, duties, liabilities and obligations accrued prior to termination will survive termination.
- K. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof.

**EXECUTED AND EFFECTIVE**, as of the date indicated above, by the City of Kerrville, Texas, Economic Improvement Corporation, by and through its Board President, duly authorized to execute same by action of the Board; and by Historic Downtown Business Alliance, Inc., acting through the HDBA Officer.

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

**HISTORIC DOWNTOWN  
BUSINESS ALLIANCE, INC.**

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

\_\_\_\_\_  
Keri Wilt, President  
Date: \_\_\_\_\_

ATTEST:

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

APPROVED AS TO FORM:

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



Post Event Report – Community Event Funding  
Economic Improvement Corporation

1. Event Details:
  - a. Name: \_\_\_\_\_
  - b. Date(s): \_\_\_\_\_
  - c. Location: \_\_\_\_\_
  - d. Time: \_\_\_\_\_

2. Event Summary:

3. Total Grant From EIC:

4. Total Actual Reimbursement:

5. Grant Funds used for (list specifics):

6. Attendance:
  - a. Total Attendance:
  - b. Estimated number of attendees from outside of Kerr County:
  - c. Factors that affected attendance (if any):

7. Total Ticket Sales (if applicable):

8. Gross Revenue:

9. Total Expenses:

10. Any additional information you would like to share:

Attach the following:

- List of Exhibitors
- Written Evidence of Costs (invoices, receipts, etc.)
- Photos of the Event (e-mail to [ashlea.boyle@kerrvilletx.gov](mailto:ashlea.boyle@kerrvilletx.gov))

Report Completed by: \_\_\_\_\_ Date: \_\_\_\_\_

EXHIBIT "A" 55

December 1, 2014

Kerr Economic Development Corporation  
1700 Sidney Baker, Ste. 100  
Kerrville, Texas 78028

To whom it may concern:

The Historic Downtown Business Alliance would like to request \$8,750 in funds to support their third annual Sock Hop on the Star Event to be held in the heart of Downtown Kerrville on September 26<sup>th</sup>, 2015 from 8-10pm. The funds will be used to cover hard costs of equipment rentals, tables, chairs, table cloths, and booth and raffle supplies.

Event Purpose

- 1) To create a multi-generational family friendly community event that will drive potential customers into Downtown Kerrville.
- 2) To raise awareness of the businesses in Downtown Kerrville.
- 3) To raise funds for the Historic Downtown Business Alliance.

Event History

With the help of the EIC funding last year, HDDBA was able to grow the event from 450 people to close to 1300 in just one year. The second Annual Sock Hop on the Star event was free with sponsored tables, street food and vendors, dancing to the local New Buddy Holly Band, and various 50's inspired booths. There were dance, costume, big hair, bubble gum and hula hoop contests too.

HDDBA brought back the old tradition of the Harvest Moon Dance that took place every fall in Downtown Kerrville, but replaced it with a fun for all ages 50's street dance that has been very well received.

Growth Plan

HDDBA plans to grow the event attendance and its revenue in the following ways:

- 1) By continuing to spread the word about this family friendly event to locals, triathletes, and their families.
- 2) By charging vendors for booth space.
- 3) By soliciting additional lead and table sponsors.
- 4) By increasing the marketing budget to include Radio and additional print.



For more information:  
Email: [contacthdiba@downtownkerrville.com](mailto:contacthdiba@downtownkerrville.com)  
Website: [www.downtownkerrville.com/hdiba](http://www.downtownkerrville.com/hdiba)

HDDBA  
P.O. Box 29444  
Kerrville, Texas 78029

### Historic Downtown Business Alliance Purpose

The Historic Downtown Business Alliance is a not-for-profit organization funded by its membership and local fundraisers.

#### HDDBA's Mission:

- o Promote a strong business climate in Historic Downtown Kerrville by developing ideas and programs to promote existing businesses and to attract new businesses;
- o Raise monies through membership dues, sponsorships, donations, grants, and fundraising activities to fund activities and advertising focused on expanding the customer base for all Downtown businesses;
- o Foster communication and a spirit of cooperation within the Downtown community.

#### HDDBA Background

HDDBA in its current format began in 2012 by a group of downtown business owners who wanted to get involved in the revitalization of downtown Kerrville and work together to drive awareness and customers into the heart of our city. The Kerrville Downtown Business Association was currently in existence, but was not making an impact. The Downtown Businesses joined the then KDBA and revised the mission and bylaws to breathe new life into the organization and Downtown Kerrville.

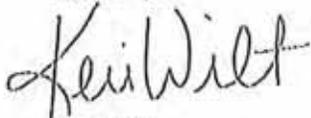
For a brand new organization, HDDBA has quickly become involved with the city and partnering with Main Street on key downtown issues, creating new events and refreshing old ones, and working hard to promote Downtown Kerrville.

#### Downtown Kerrville

Why is focusing on and supporting Downtown important? A successful downtown is important because that is an indicator of community pride, economic vitality, and social capital. Therefore, when the city center suffers, the whole city suffers. Creating an inviting and vibrant city center is an asset for recruiting new residents, businesses, industry, visitors, & the like. It also keeps the current residents happy & excited to call their city home.

Thank you for your time and consideration of funding. If you have any questions, please contact me directly at 830-343-7259 or at [contacthdaba@downtownkerrville.com](mailto:contacthdaba@downtownkerrville.com).

Sincerely,



Kerl Wilt  
President of the Historic Downtown Business Alliance



For more information:  
Email: [contacthdaba@downtownkerrville.com](mailto:contacthdaba@downtownkerrville.com)  
Website: [www.downtownkerrville.com/hdaba](http://www.downtownkerrville.com/hdaba)

HDDBA  
PO. Box 29444  
Kerrville, Texas 78029

SECTION II - APPLICANT INFORMATION

Submittal Date: 12/1/14

ORGANIZATION

Historic Downtown Business Alliance

Applicant Name

PO Box 294443 Kerrville Tx 78029  
Address City State Zip

8303437259 8309929463 N/A  
Phone Alt. Phone Fax

www.downtownkerrville.com/hdba  
Website

PROJECT CONTACT

Keri Wilt President, HDBA  
Contact Person Name Title

1023 Water St. Kerrville, TX 78028  
Address City State Zip

8303437259 8309929463 N/A  
Phone Alt. Phone Fax

contacthdba@downtownkerrville.com  
Email Address

Amount of Funding Requested: \$ 8,750.00

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

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

Continue to Section III

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

Annual Sales for Corporation / Company \$ \_\_\_\_\_  
This Facility \$ \_\_\_\_\_  
Local Sales Tax paid Annually \$ \_\_\_\_\_  
Current Payroll \$ \_\_\_\_\_

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

### SECTION III - PROJECT INFORMATION

This application is for a:  
Business Development   
    ▪ Expansion of Existing Facility  or  
    ▪ New Construction   
    ▪ Other ( )

Capital Improvements for Public Infrastructure  
    ▪ Utilities   
    ▪ Roadways   
    ▪ Other ( )

Quality of Life  
    ▪ Community Event   
    ▪ Project

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

### SECTION IV - PROJECT DESCRIPTION

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

improvements; and (4) providing a list of eligible improvements; (5) provide a list of major, fixed equipment along with manufacturer specifications and cost quote from the manufacturer.

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

### SECTION V - ECONOMIC IMPACT INFORMATION

#### Part A - Project Investment In Improvements

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

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

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

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

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

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

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

Anticipated Number of New Part-Time Employees as a result of this project \_\_\_\_\_

Anticipated Number within 12 months of Completion of this project \_\_\_\_\_  
Anticipated Number within 24 months of Completion of this project \_\_\_\_\_  
Typical Job Descriptions or Job Titles of these employees: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

**Part E - Payroll Impact**  
Within 12 months of Project Completion \_\_\_\_\_ / Within 24 months of Project  
Completion \_\_\_\_\_

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

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

#### SECTION VI - OTHER ASSISTANCE

Has the Company applied for any State or Federal assistance on this project?  
No  Yes   
Describe: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Keri Wilt  
Printed name

12/1/14  
Date

President  
Title

Keri Wilt  
Signature

# Sock Hop Budget

Attendants

Expenses

Music

1 Band

Stage Rental

Security

\$160 per police officer

BEER/NOYII

Beer

Sangria

table/scones

Cups

Doath Supplies

Scavenger Hunt Prizes and Gum

Decorations

Balloons

Cut Outs & Photo Background

Wallys, stago fringe, wristbands

Committee Shirts

Records

Doath/Table Supplies

Rentals

Tables/Chairs/Table Coths/generator

Raffle Supplies

Candy

Tickets

Tickets and Old Time Candy for Sponsors

Marketing

Printing of Posters

Signs/Printing/Laminating

Ink for Printing

Social Media Boosts

Permanent Posters/Banners

Radio Ads

Total Costs

Revenue

Drink/Activity/Raffle Tickets

Sponsorship

Vendors

ETC Funds

Tables Sold & Cash Sponsors

Donor Donations Total

Net Profit

ETC Refundable Items

% of Budget

|   | Sept 27th<br>2014 | Sept 26th<br>2015 | TOD<br>2016 | TOD<br>2017 |
|---|-------------------|-------------------|-------------|-------------|
|   | 1300              | 1800              | 2100        | 2800        |
|   | \$2,400           | \$3,300           | \$3,300     | \$3,300     |
| Music                                   | \$1,800           | 2500              | 2500        | 2500        |
| 1 Band                                  | \$600             | 800               | 800         | 800         |
| Stage Rental                            | \$180             | \$640             | \$800       | \$900       |
| Security                                | \$180             | 640               | 800         | 900         |
| BEER/NOYII                              | \$1,307           | \$1,475           | \$2,019     | \$2,531     |
| Beer                                    | \$313             | 400               | 800         | 1000        |
| Sangria                                 | \$144             | 144               | 288         | 600         |
| table/scones                            | \$231             | 231               | 231         | 231         |
| Cups                                    | \$609             | 700               | 700         | 700         |
| Doath Supplies                          | \$144             | \$300             | \$300       | \$300       |
| Scavenger Hunt Prizes and Gum           | \$144             | 100               | 100         | 100         |
| Decorations                             | \$1,427           | \$1,150           | \$1,450     | \$1,750     |
| Balloons                                | \$78              | 100               | 100         | 100         |
| Cut Outs & Photo Background             | \$41              | 0                 | 0           | 0           |
| Wallys, stago fringe, wristbands        | \$265             | 300               | 400         | 500         |
| Committee Shirts                        | \$730             | 250               | 250         | 250         |
| Records                                 | \$56              | 0                 | 0           | 0           |
| Doath/Table Supplies                    | \$277             | 500               | 700         | 1100        |
| Rentals                                 | \$3,221           | \$4,500           | \$5,500     | \$6,500     |
| Tables/Chairs/Table Coths/generator     | \$3,221           | 4500              | 5500        | 6500        |
| Raffle Supplies                         | \$434             | \$500             | \$700       | \$900       |
| Candy                                   | \$296             | 100               | 100         | 500         |
| Tickets                                 | \$32              | 0                 | 50          | 50          |
| Tickets and Old Time Candy for Sponsors | \$105             | 150               | 250         | 300         |
| Marketing                               | \$841             | \$1,050           | \$1,325     | \$1,650     |
| Printing of Posters                     | \$127             | 150               | 200         | 200         |
| Signs/Printing/Laminating               | \$317             | 100               | 400         | 500         |
| Ink for Printing                        | \$94              | 100               | 125         | 150         |
| Social Media Boosts                     | \$97              | 200               | 300         | 500         |
| Permanent Posters/Banners               | \$207             | 100               | 300         | 100         |
| Radio Ads                               | \$0               | 500               | 500         | 500         |
| Total Costs                             | \$10,334          | \$12,915          | \$15,794    | \$17,891    |
| Revenue                                 | \$1,558           | 2500              | 3000        | 3500        |
| Drink/Activity/Raffle Tickets           | \$1,500           | 2000              | 2500        | 3000        |
| Sponsorship                             | \$350             | 500               | 800         | 1000        |
| Vendors                                 | \$5,016           | 8750              | 5000        | 3000        |
| ETC Funds                               | \$7,000           | 12000             | 15000       | 18000       |
| Tables Sold & Cash Sponsors             | \$19,424          | \$28,750          | \$26,300    | \$28,500    |
| Donor Donations Total                   | \$19,424          | \$28,750          | \$26,300    | \$28,500    |
| Net Profit                              | \$8,090           | \$22,835          | \$20,006    | \$20,609    |
| ETC Refundable Items                    | \$2,200           | \$1,700           | \$1,100     | \$1,000     |
| % of Budget                             | 70%               | 6%                | 6%          | 7%          |

Dear Prospective HDDBA Member,

HDDBA was started in 2012 by a group of downtown business owners who wanted to get involved in the revitalization of downtown Kerrville and work together to drive awareness and customers into the heart of our city.

Why is focusing on and supporting Downtown important? A successful downtown is important because that is an indicator of community pride, economic vitality, and social capital. Therefore, when the city center suffers, the whole city suffers. Creating an inviting and vibrant city center is an asset for recruiting new residents, businesses, industry, visitors, & the like. It also keeps the current residents happy & excited to call their city home.

And for a brand new organization, we have surely made our mark by getting involved with the city and partnering with Main Street on key downtown issues, creating new events and refreshing old ones, and working hard to promote Downtown Kerrville.

We hope that you will consider becoming a member of the Kerrville Historic Downtown Business Alliance (HDDBA) so we can work together to make Downtown Kerrville the best it can be for businesses and the community.

The following are just a few of the projects HDDBA has been involved in for 2012/13:

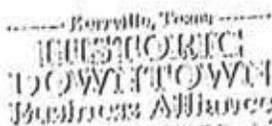
- o HDDBA Events helping to drive customers to Downtown:
  - o The Holiday Stroll
  - o Ladies Night Outs
  - o Get on the Bus
  - o Block Party
  - o Wine Shores
  - o 4<sup>th</sup> on the River
- o HDDBA Events Coming Up:
  - o Sock Hop on the Star
  - o Kerrville Tri
  - o October Chamber Mixer
  - o Downtown Open House
- o Worked with the City & Other Organizations On:
  - o DTown Parking Analysis
  - o Signage Ordinance
  - o Historical Narrative Signs
  - o "I Wish This Was" Project
- o HDDBA Marketing:
  - o Banner Sign at Key Events and near camps
  - o A Frames promoting events
  - o [downtownkerrville.com](http://downtownkerrville.com)
  - o Print Media
  - o Facebook Postings
  - o Press Releases and Moral

As an HDDBA member, we hope that you will take advantage of the many opportunities to:

- o Network with other downtown businesses during our regular meetings and events
- o Being among the first people to learn about issues affecting downtown
- o Work with a cohesive group of individuals who have a strong voice when it comes to presenting issues to local government and civic organizations
- o Finding a committee or position that allows you to use your strengths to better downtown

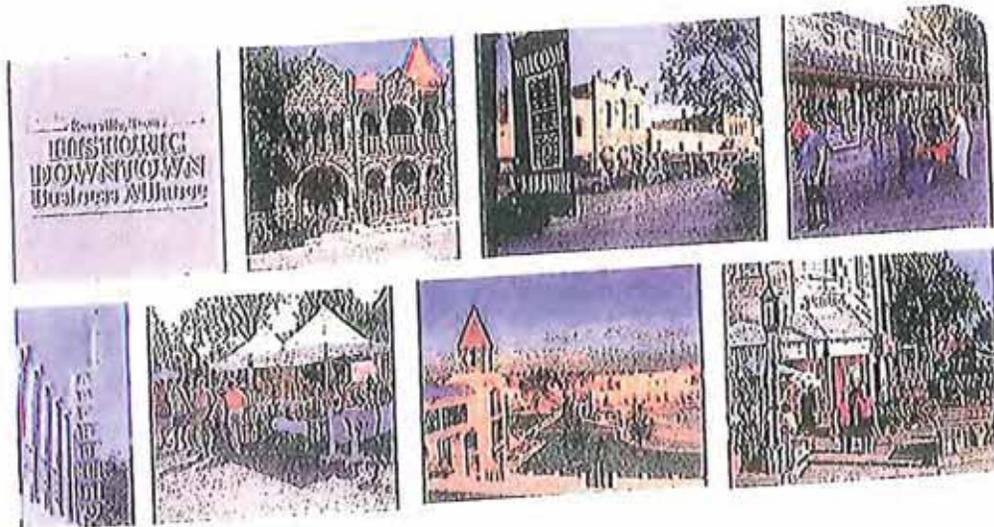
Sincerely,

Keri Witt  
President of the Historic Downtown Business Alliance



For more information:  
Email: [contacthdaba@downtownkerrville.com](mailto:contacthdaba@downtownkerrville.com)  
Website: [www.downtownkerrville.com/hdaba](http://www.downtownkerrville.com/hdaba)

HDDBA  
PO. Box 294443  
Kerrville, Texas 78029



### Who We Are

The Historic Downtown Business Alliance is a not-for-profit organization funded by its membership and local fundraisers. Its success is driven by the hard work and dedication of the volunteers that work to make Downtown Kerrville thrive. We are your direct link to the City of Kerrville and hope to build a stronger more unified downtown through our various committees and our presence within Kerrville.

### Our Mission

- Our members work hard together to:
- Promote a strong business climate in Historic Downtown Kerrville by developing ideas and programs to promote existing businesses and to attract new businesses;
- Raise monies through membership dues, sponsorships, donations, grants, and fundraising activities to fund activities and advertising focused on expanding the customer base for all Downtown businesses;
- Foster communication and a spirit of cooperation within the Downtown community.

### Officers

- President: Karl Wilt, Grape Juice/ Gather
- Vice President: Lanza Teague, Kerr Arts and Cultural Center
- Secretary: Sara Cotton, Yoga Space
- Treasurer: Kristy Vandenberg, Hill Country Chapter of the American Red Cross

### Meetings

HDDBA meetings are held quarterly on the second Thursday of the month. January and July's meetings are at 6:00 p.m. and April and October's meetings are held at 8:30 a.m. at the Hill Country Red Cross. Members will also be informed regularly with updates regarding downtown via email.



For more information:  
 Email: [contacthdba@downtownkerrville.com](mailto:contacthdba@downtownkerrville.com)  
 Website: [www.downtownkerrville.com/hdba](http://www.downtownkerrville.com/hdba)

HDDBA  
 PO, Box 294443  
 Kerrville, Texas 78029

## Membership Benefits

| Benefits   | Downtowner | Friends of Historic Downtown |
|--|------------|------------------------------|
| Be a part of a cohesive, strong group that makes a difference for downtown   | X          | X                            |
| Network with other HDDBA members at quarterly meetings, events, and more   | X          | X                            |
| Stay Informed about issues effecting downtown through quarterly meetings and regular email newsletters                           | X          | X                            |
| Work with local groups and organizations such as the CVB, the Chamber, and Main Street to enhance downtown and attract customers | X          | X                            |
| Get involved in our various committees   | X          | X                            |
| Receive a list of new and current HDDBA members, sent electronically each month  | X          | X                            |
| Participate in, or sponsor HDDBA events such as Ladies Night Out, the Holiday Stroll, the Block Party, Sock Hop and more         | X          | X                            |
| Give input on all things downtown including events, marketing, changes, revitalization efforts of downtown and more              | X          | X                            |
| Benefit from HDDBA advertising of downtown   | X          |                              |
| Participate in HDDBA promotions  | X          |                              |
| Reach new customers through HDDBA's social media sites   | X          |                              |
| Take advantage of various benefits through HDDBA's Chamber of Commerce membership  | X          |                              |
| Request press releases on business expansions, new businesses, events, and more  | X          |                              |
| Vote on important decisions regarding downtown   | X          |                              |

## Membership Descriptions

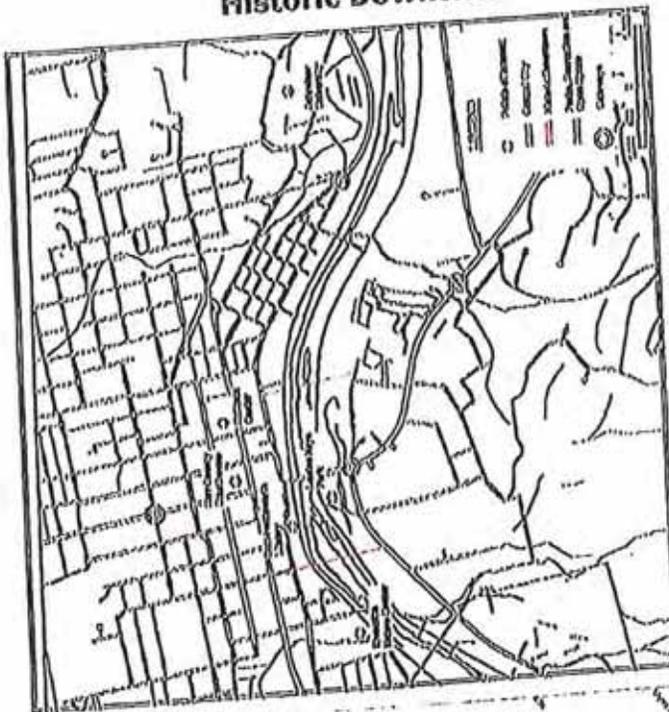
- **Downtowner Membership** is open to all businesses, property owners, non-profit organizations and community events within the Historic Downtown as defined by the City of Kerrville Comprehensive Plan adopted July 9, 2002 (see map on next page). General members are voting members of the Alliance and may request for a roll call vote on any issue to be decided by a vote of the membership. General members may hold office and serve on any committee or project team. General membership costs \$100.00 yearly.
- **Friends of Historic Downtown Membership** is open to all who love downtown Kerrville! This membership allows you to share your thoughts and opinions about downtown to make a difference. Friends of Historic Downtown members are non-voting members but do have opportunities to work within committees, attend meetings, and volunteer to accomplish the mission of the Alliance. Friends of Historic Downtown membership costs \$50.00 a year.

Kerrville, Texas  
**HISTORIC  
 DOWNTOWN  
 BUSINESS ALLIANCE**

For more information:  
 Email: [contacthdba@downtownkerrville.com](mailto:contacthdba@downtownkerrville.com)  
 Website: [www.downtownkerrville.com/hdba](http://www.downtownkerrville.com/hdba)

HDDBA  
 P.O. Box 294443  
 Kerrville, Texas 78029

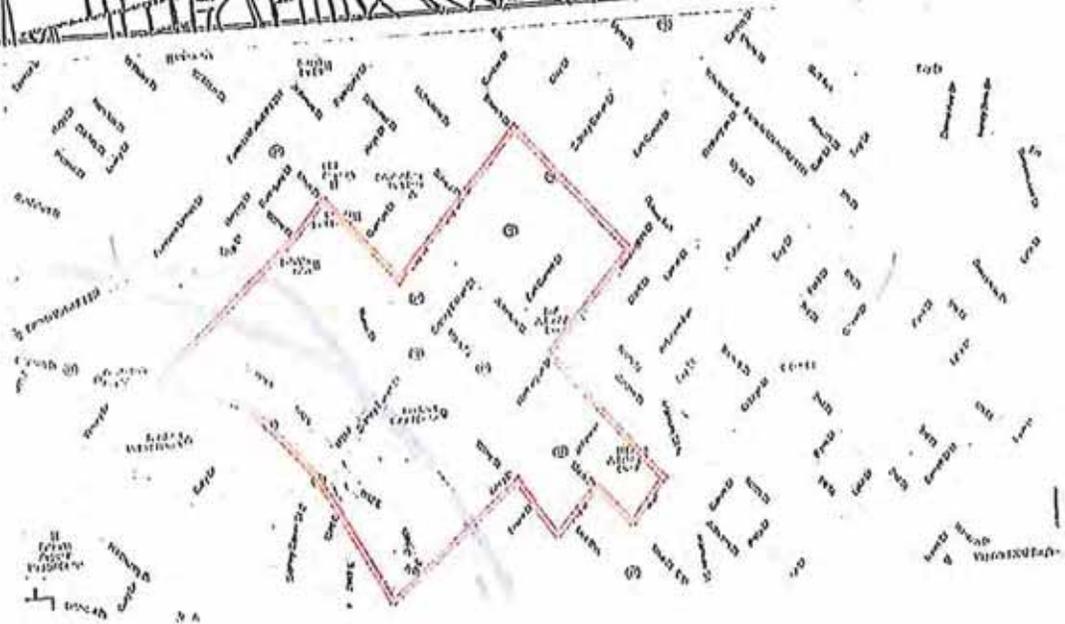
## Historic Downtown Kerrville Defined



Historic Downtown Kerrville lines were created by the City of Kerrville as a part of their Comprehensive Plan (see left).

This area is the sole focus of the HDBA.

Below is a more detailed map with the Historic Downtown lines drawn in red.



Kerrville, Texas  
**HISTORIC  
 DOWNTOWN  
 Business Alliance**

For more information:  
 Email: [contacthdba@downtownkerrville.com](mailto:contacthdba@downtownkerrville.com)  
 Website: [www.downtownkerrville.com/hdba](http://www.downtownkerrville.com/hdba)

HDBA  
 PO. Box 294443  
 Kerrville, Texas 78029



**HDBA Driven Events**

**DOWNTOWN KERRVILLE HOLIDAY STROLL**  
 FRIDAY NOV. 30TH 11-3PM  
 COME ENJOY...  
 SHOPPING QUICK DRAW  
 WINE SHARE  
 MUSIC & BEERS

**FRIDAY OCT 5TH 5-8PM**  
**DOWNTOWN KERRVILLE 2012 BLOCK PARTY**  
 SHOPPING QUICK DRAW  
 WINE SHARE  
 MUSIC & BEERS

**SAVE, EASY, FUN!**  
**BUS FOR FREE**  
 MARKET DAYS & RECEPTIONS  
 KERRVILLE POLICE FESTIVAL

**KERRVILLE'S 4TH ON THE RIVER**  
 FREE FIREWORKS  
 FREE CONCERTS  
 Robert Earl Koon and special guests  
 Queen Temple and more!

**FIRST FRIDAY WINE SHARE**  
**PARK-N-PARTY**  
 SHOW DAY DELAY  
 A GROCERY!

**LADIES NIGHT OUT**  
 THURSDAY APRIL 11TH  
 6:00 PM to 8:00 PM  
 HISTORIC DOWNTOWN KERRVILLE

Kerrville, Texas  
**HISTORIC DOWNTOWN**  
 Business Alliance

For more information:  
 Email: [contacthdba@downtownkerrville.com](mailto:contacthdba@downtownkerrville.com)  
 Website: [www.downtownkerrville.com/hdba](http://www.downtownkerrville.com/hdba)

HDBA  
 PO. Box 294443  
 Kerrville, Texas 78029

### One Time Credit Card Payment Authorization Form

Sign and complete this form to authorize the HISTORIC DOWNTOWN BUSINESS ALLIANCE (HDBA) to make a onetime debit to your credit card listed below.

By signing this form you give us permission to debit your account on or after the indicated date. This is permission for a single transaction only, and does not provide authorization for any additional unrelated debits or credits to your account.

Please complete the information below:

I \_\_\_\_\_ (Full name) authorize the HDBA to charge my credit card account indicated below for \_\_\_\_\_ (Amount) on or after \_\_\_\_\_ (Date). This payment is for Historic Downtown Business Alliance membership dues. (Description of Goods/ Services)

Billing Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

|                  |   |                                     |   |                                   |
|------------------|---|-------------------------------------|---|-----------------------------------|
| Account Type:    | <input type="checkbox"/> Visa   | <input type="checkbox"/> Mastercard | <input type="checkbox"/> American Express | <input type="checkbox"/> Discover |
| Cardholder Name: | _____   |                                     |   |                                   |
| Account Number:  | _____   |                                     | Exp. Date:                                | _____                             |
| CVV2:            | (3 digit number on the back of Visa, Discover, Mastercard; 4 digits on the front of American Express) _____ |                                     |   |                                   |

I authorize the above named business to charge the credit card indicated in this authorization form according to the terms above. This payment authorization is for the goods/services described above, for the amount indicated above only, and is valid for one time use only. I certify that I am an authorized user of this credit card and that I will not dispute the payment with my credit card company; so long as the transaction corresponds to the terms indicated in this form.

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_



For more information:  
Email: [contacthdba@downtownkerrville.com](mailto:contacthdba@downtownkerrville.com)  
Website: [www.downtownkerrville.com/hdba](http://www.downtownkerrville.com/hdba)

HDBA  
PO. Box 294443  
Kerrville, Texas 78029

## **Agenda Item:**

5A. Ordinance No. 2015-01 annexing approximately 23.38 acres out of the F. Rodriguez Survey No. 72, Abstract No. 280; said tract being located adjacent to the corporate limits of the City of Kerrville, Texas, and consisting as a portion of the property located at 5235 Highway 27 East; describing the territory to be annexed; adopting a service plan for the territory annexed; establishing the zoning for the area annexed and an adjacent tract which consists of approximately 6.385 acres, all of which property makes up approximately 29.765 acres, to be contained with a Planned Development District for manufacturing and industrial uses; and adopting a concept plan for the property. (staff)

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

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**SUBJECT:** Ordinance annexing an approximately 23.38 acre tract of land out of the F. Rodriguez Survey No. 72, Abstract No. 280, Kerr County, Texas; said property being located adjacent to the corporate limits of the City of Kerrville, Texas, and consisting of the property addressed as 5235 State Highway 27 East; further describing the territory to be annexed; adopting a service plan for the territory annexed; and establishing the zoning for the area annexed. Applicant: AP29, LLC (File No.2014-044)

**FOR AGENDA OF:** February 24, 2015    **DATE SUBMITTED:** February 20, 2015

**SUBMITTED BY:** Dieter Werner    **CLEARANCES:** Kristine Day

**EXHIBITS:**

- Ordinance
- Resolution 38-2014
- Petition for Annexation
- Exhibit A – Metes & Bounds Description and Survey
- Exhibit B – Location Map
- Exhibit C – Annexation Service Plan

**AGENDA MAILED TO:** Harvey Brinkmann C/O Lee Voelkel  
212 Clay Street  
Kerrville, Texas 75201

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

---

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OF FINANCE:**

---

**SUMMARY STATEMENT**

The applicant is seeking annexation in order to connect to the City of Kerrville's utility systems for water and sanitary sewer and receive other city services. The subject property is currently undeveloped and consists of 23.38 acres located at 5235 State Highway 27. The site is across the highway from the airport and is bounded on the other side by the Guadalupe River. The Future Land Use plan shows the area as "Industrial". The Planning and Zoning Commission has recommended approval of the PDD zoning concept, as submitted under File No. 2014-47.

Public hearings were held on January 13<sup>th</sup> and January 27<sup>th</sup>. The first ordinance reading was held at the regular City Council meeting on February 10<sup>th</sup>. The current item is second

reading of the ordinance to annex the subject property and set the initial zoning.

**RECOMMENDED ACTION**

Staff recommends approval of the Ordinance.

CITY OF KERRVILLE, TEXAS  
RESOLUTION NO. 38-2014

A RESOLUTION GRANTING A PETITION REQUESTING THE ANNEXATION OF AN APPROXIMATE 23.38 ACRE TRACT OUT OF THE F. RODRIGUEZ SURVEY NO. 72, ABSTRACT NO. 280, WITHIN KERR COUNTY, TEXAS, AND CONSISTING OF THE PROPERTY ADDRESSED AS 5235 STATE HIGHWAY 27; AND ORDERING THE PREPARATION OF AN ANNEXATION ORDINANCE

WHEREAS, on November 3, 2014, the owner of an approximate 23.38 acre tract out of the F. Rodriguez Survey No. 72, Abstract No. 280, within Kerr County, Texas, and more commonly known as 5235 State Highway 27, filed a petition with the City and requested annexation of this property; and

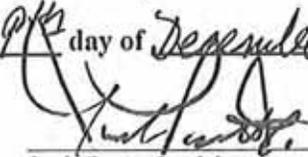
WHEREAS, having considered the petition and hearing the recommendation from City staff, City Council finds it to be in the public interest to grant said petition and to initiate the annexation process, which includes the preparation of an ordinance annexing the subject property;

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

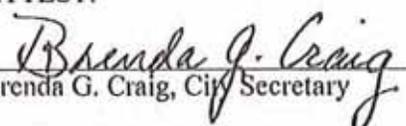
SECTION ONE. The petition requesting annexation of an approximate 23.38 acre tract out of the F. Rodriguez Survey No. 72, Abstract No. 280, within Kerr County, Texas, consisting of the property addressed as 5235 State Highway 27, and more fully described in said petition, a copy of which is attached as Exhibit A, is granted.

SECTION TWO. City staff is directed to initiate the annexation process under the authority of the City's Charter and Section 43.021 of the Texas Local Government Code and to prepare an ordinance annexing the subject property described in the above-referenced petition.

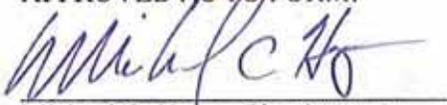
PASSED AND APPROVED ON this the 9<sup>th</sup> day of September, A.D., 2014.

  
\_\_\_\_\_  
Jack Pratt, Jr., Mayor

ATTEST:

  
\_\_\_\_\_  
Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael C. Hayes, City Attorney



**FIELD NOTES DESCRIPTION FOR 23.38 ACRES OF LAND OUT OF  
THE AP 29, LLC LAND ALONG STATE HIGHWAY NO. 27 IN KERR  
COUNTY, TEXAS**

Being all of a certain tract or parcel of land containing 23.38 acres, more or less, out of F. Rodriguez Survey No. 72, Abstract No. 280 in Kerr County, Texas; part of a certain 29.15 acre tract conveyed from Amegy Bank National Association to AP 29, LLC by a Special Warranty Deed executed the 29<sup>th</sup> day of March, 2013 and recorded in File No. 13-02298 of the Official Public Records of Kerr County, Texas; and being more particularly described by metes and bounds as follows:

**BEGINNING** at an unmarked point in a fence, the northwest line of said 29.15 acre tract for the north corner of the herein described tract; which point bears: 349.42 ft. S27°31'37"W from 1/2" iron stake found for the north corner of 29.15 acre tract; and approximately, 5285 ft. North and 1536 ft. West from the southeast corner of said Survey No. 72:

**THENCE**, upon, over and across said 29.15 acre tract S52°11'40"E, 982.25 ft. to an unmarked point in its east line for the east corner of the herein described tract;

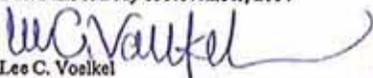
**THENCE**, with the east line of said 29.15 acre tract: 74.50 ft. along the arc of a 23°45' curve to the right subtended by a 17°41'47" central angle and 241.21 ft. radius (long chord: S10°57'51"W, 74.21 ft.) to a 1/2" iron stake found at its end; S19°48'48"W, 295.07 ft. to a fence angle post; S20°19'58"W, 15.74 ft. to a fence angle post; S52°47'18"W, 795.55 ft. to a fence angle post; and S55°38'25"W, 209.17 ft. to a 1/2" iron stake found on the east bank of the Guadalupe River for the south corner of the herein described tract and 29.15 acre tract;

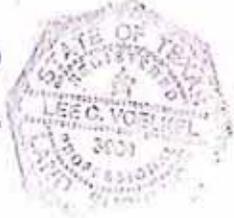
**THENCE**, along the east bank of the said Guadalupe River with the southwest line of the said 29.15 acre tract: N17°53'04"W, 86.02 ft. to an unmarked point; N17°20'46"W, 438.90 ft. to a 1/2" iron stake found at the base of a 34" diameter Cypress tree; N09°14'47"W, 204.76 ft. to a found 1/2" iron stake; and N08°58'14"W, 164.18 ft. to a 1/2" iron stake found for the west corner of the herein described tract and 29.15 acre tract;

**THENCE**, with the northwest line of said 29.15 tract N27°31'37"E, 790.95 ft. to the **PLACE OF BEGINNING**.

I hereby certify that this field notes description 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.

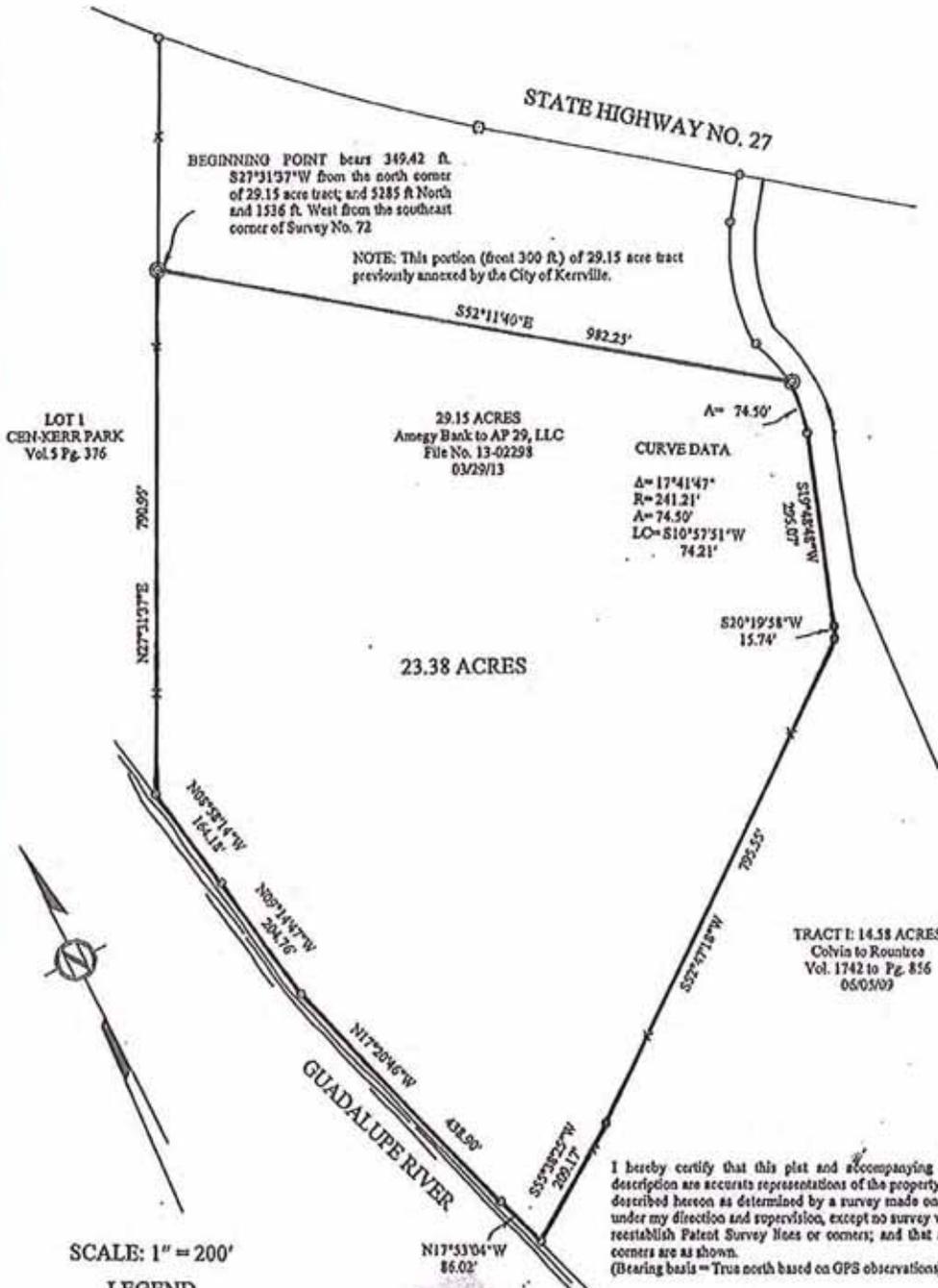
(Bearing basis = True north based on GPS observations)

Dated this 3rd day of November, 2014  
  
Lee C. Voelkel  
Registered Professional Land Surveyor No. 3909  
County Surveyor for Kerr County, Texas



R 38-2014

**SURVEY PLAT FOR 23.38 ACRES OF LAND, MORE OR LESS, OUT OF F. RODRIGUEZ SURVEY NO. 72, ABSTRACT NO. 280 IN KERR COUNTY, TEXAS; PART OF A CERTAIN 29.15 ACRE TRACT CONVEYED FROM AMEGY BANK NATIONAL ASSOCIATION TO AP 29, LLC BY A SPECIAL WARRANTY DEED EXECUTED THE 29<sup>TH</sup> DAY OF MARCH, 2013 AND RECORDED IN FILE NO. 13-02298 OF THE OFFICIAL PUBLIC RECORDS OF KERR COUNTY, TEXAS**



I hereby certify that this plat and accompanying field notes description are accurate representations of the property shown and described herein 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)

Dated this 3rd day of November, 2014

*Lee C. Voelkel*

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

*R 38-2014*

**CITY OF KERRVILLE, TEXAS  
ORDINANCE NO. 2015-01**

**AN ORDINANCE ANNEXING APPROXIMATELY 23.38 ACRES OUT OF THE F. RODRIGUEZ SURVEY NO. 72, ABSTRACT NO 280; SAID TRACT BEING LOCATED ADJACENT TO THE CORPORATE LIMITS OF THE CITY OF KERRVILLE, TEXAS, AND CONSISTING AS A PORTION OF THE PROPERTY LOCATED AT 5235 HIGHWAY 27 EAST; DESCRIBING THE TERRITORY TO BE ANNEXED; ADOPTING A SERVICE PLAN FOR THE TERRITORY ANNEXED; ESTABLISHING THE ZONING FOR THE AREA ANNEXED AND AN ADJACENT TRACT WHICH CONSISTS OF APPROXIMATELY 6.385 ACRES, ALL OF WHICH PROPERTY MAKES UP APPROXIMATELY 29.765 ACRES, TO BE CONTAINED WITHIN A PLANNED DEVELOPMENT DISTRICT FOR MANUFACTURING AND INDUSTRIAL USES; AND ADOPTING A CONCEPT PLAN FOR THE PROPERTY**

**WHEREAS**, pursuant to Texas Local Government Code Section 43.052(h)(2), the owner of the property described in Section One, below, previously petitioned the City to annex the property into the corporate limits of the City of Kerrville, Texas; and

**WHEREAS**, having provided all required public notices, held all required public hearings at which persons with an interest in the matter were provided an opportunity to be heard, the City Council of the City of Kerrville, Texas, finds it to be in the public interest to approve an ordinance annexing the subject property and an adjacent tract, adopt a service plan as required by state law, and establish zoning regulations for the property;

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

**SECTION ONE.** The property described in **Exhibit A** and depicted in **Exhibit B** ("Annexed Property") is hereby annexed and incorporated into the corporate limits of the City of Kerrville, Texas, for all legal purposes.

**SECTION TWO.** The service plan regarding the provision of public services set forth in **Exhibit C** is adopted for the Annexed Property as required by Texas Local Government Code §43.056.

**SECTION THREE.** Upon the adoption of this Ordinance, the Annexed Property, as well as an adjacent 6.385 acre tract, more or less, both of which are as described and depicted in **Exhibit D** and which together, make up approximately 29.785 acres ("Zoned Property"), shall be placed in a newly created "Planned Development

District which will allow the Zoned Property to be used in ways consistent with the following land uses as these terms are defined by Article 11-I-3 of the Zoning Code:

- a. Manufacturing Custom; and
- b. Manufacturing and Industrial, Limited.

**SECTION FOUR.** The Concept Plan, attached as **Exhibit E**, is approved and adopted and will apply to the development and use of the Zoned Property.

**SECTION FIVE.** The provisions of this Ordinance are to be cumulative of all 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 SIX.** 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, 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 SEVEN.** The penalty for violation of this Ordinance shall be in accordance with the general penalty provisions contained in Article 1-1-9 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 EIGHT.** In accordance with Section 3.07 of the City Charter and Texas Local Government Code §52.013(a), 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.

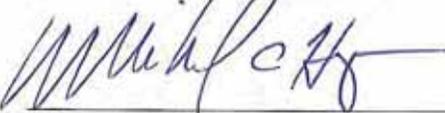
PASSED AND APPROVED ON FIRST READING, this the 10<sup>th</sup> day of February A.D., 2015.

PASSED AND APPROVED ON SECOND READING, this the \_\_\_\_\_ day of \_\_\_\_\_ A.D., 2015.

*(signatures begin on following page)*

\_\_\_\_\_  
Jack Pratt, Jr., Mayor

APPROVED AS TO FORM:



\_\_\_\_\_  
Michael C. Hayes, City Attorney

ATTEST:

\_\_\_\_\_  
Brenda C. Craig, City Secretary

EXHIBIT A

FIELD NOTES DESCRIPTION FOR 23.38 ACRES OF LAND OUT OF  
THE AP 29, LLC LAND ALONG STATE HIGHWAY NO. 27 IN KERR  
COUNTY, TEXAS

Being all of a certain tract or parcel of land containing 23.38 acres, more or less, out of F. Rodriguez Survey No. 72, Abstract No. 280 in Kerr County, Texas; part of a certain 29.15 acre tract conveyed from Amegy Bank National Association to AP 29, LLC by a Special Warranty Deed executed the 29<sup>th</sup> day of March, 2013 and recorded in File No. 13-02298 of the Official Public Records of Kerr County, Texas; and being more particularly described by metes and bounds as follows:

BEGINNING at an unmarked point in a fence, the northwest line of said 29.15 acre tract for the north corner of the herein described tract; which point bears: 349.42 ft. S27°31'37"W from 1/2" iron stake found for the north corner of 29.15 acre tract; and approximately, 5285 ft. North and 1536 ft. West from the southeast corner of said Survey No. 72:

THENCE, upon, over and across said 29.15 acre tract S52°11'40"E, 982.25 ft. to an unmarked point in its east line for the east corner of the herein described tract;

THENCE, with the east line of said 29.15 acre tract: 74.50 ft. along the arc of a 23°45' curve to the right subtended by a 17°41'47" central angle and 241.21 ft. radius (long chord: S10°57'51"W, 74.21 ft.) to a 1/2" iron stake found at its end; S19°48'48"W, 295.07 ft. to a fence angle post; S20°19'58"W, 15.74 ft. to a fence angle post; S52°47'18"W, 795.55 ft. to a fence angle post; and S55°38'25"W, 209.17 ft. to a 1/2" iron stake found on the east bank of the Guadalupe River for the south corner of the herein described tract and 29.15 acre tract;

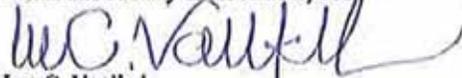
THENCE, along the east bank of the said Guadalupe River with the southwest line of the said 29.15 acre tract: N17°53'04"W, 86.02 ft. to an unmarked point; N17°20'46"W, 438.90 ft. to a 1/2" iron stake found at the base of a 34" diameter Cypress tree; N09°14'47"W, 204.76 ft. to a found 1/2" iron stake; and N08°58'14"W, 164.18 ft. to a 1/2" iron stake found for the west corner of the herein described tract and 29.15 acre tract;

THENCE, with the northwest line of said 29.15 tract N27°31'37"E, 790.95 ft. to the PLACE OF BEGINNING.

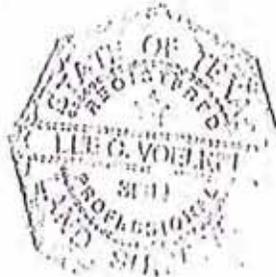
I hereby certify that this field notes description and accompanying plat are accurate representations of the property shown and described hereon as determined by a survey made on the ground under my direction and supervision, except no survey was made to reestablish Patent Survey lines or corners; and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

(Bearing basis = True north based on GPS observations)

Dated this 3rd day of November, 2014



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



FIELD NOTES DESCRIPTION FOR 23.38 ACRES OF LAND OUT OF  
THE AP 29, LLC LAND ALONG STATE HIGHWAY NO. 27 IN KERR  
COUNTY, TEXAS

Being all of a certain tract or parcel of land containing 23.38 acres, more or less, out of F. Rodriguez Survey No. 72, Abstract No. 280 in Kerr County, Texas; part of a certain 29.15 acre tract conveyed from Amegy Bank National Association to AP 29, LLC by a Special Warranty Deed executed the 29<sup>th</sup> day of March, 2013 and recorded in File No. 13-02298 of the Official Public Records of Kerr County, Texas; and being more particularly described by metes and bounds as follows:

BEGINNING at an unmarked point in a fence, the northwest line of said 29.15 acre tract for the north corner of the herein described tract; which point bears: 349.42 ft. S27°31'37"W from 1/4" iron stake found for the north corner of 29.15 acre tract; and approximately, 5285 ft. North and 1536 ft. West from the southeast corner of said Survey No. 72:

THENCE, upon, over and across said 29.15 acre tract S52°11'40"E, 982.25 ft. to an unmarked point in its east line for the east corner of the herein described tract;

THENCE, with the east line of said 29.15 acre tract: 74.50 ft. along the arc of a 23°45' curve to the right subtended by a 17°41'47" central angle and 241.21 ft. radius (long chord: S10°57'51"W, 74.21 ft.) to a 1/4" iron stake found at its end; S19°48'48"W, 295.07 ft. to a fence angle post; S20°19'58"W, 15.74 ft. to a fence angle post; S52°47'18"W, 795.55 ft. to a fence angle post; and S55°38'25"W, 209.17 ft. to a 1/4" iron stake found on the east bank of the Guadalupe River for the south corner of the herein described tract and 29.15 acre tract;

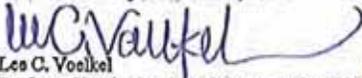
THENCE, along the east bank of the said Guadalupe River with the southwest line of the said 29.15 acre tract: N17°53'04"W, 86.02 ft. to an unmarked point; N17°20'46"W, 438.90 ft. to a 1/4" iron stake found at the base of a 34" diameter Cypress tree; N09°14'47"W, 204.76 ft. to a found 1/4" iron stake; and N08°58'14"W, 164.18 ft. to a 1/4" iron stake found for the west corner of the herein described tract and 29.15 acre tract;

THENCE, with the northwest line of said 29.15 tract N27°31'37"E, 790.95 ft. to the PLACE OF BEGINNING.

I hereby certify that this field notes description 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)

Dated this 3rd day of November, 2014

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

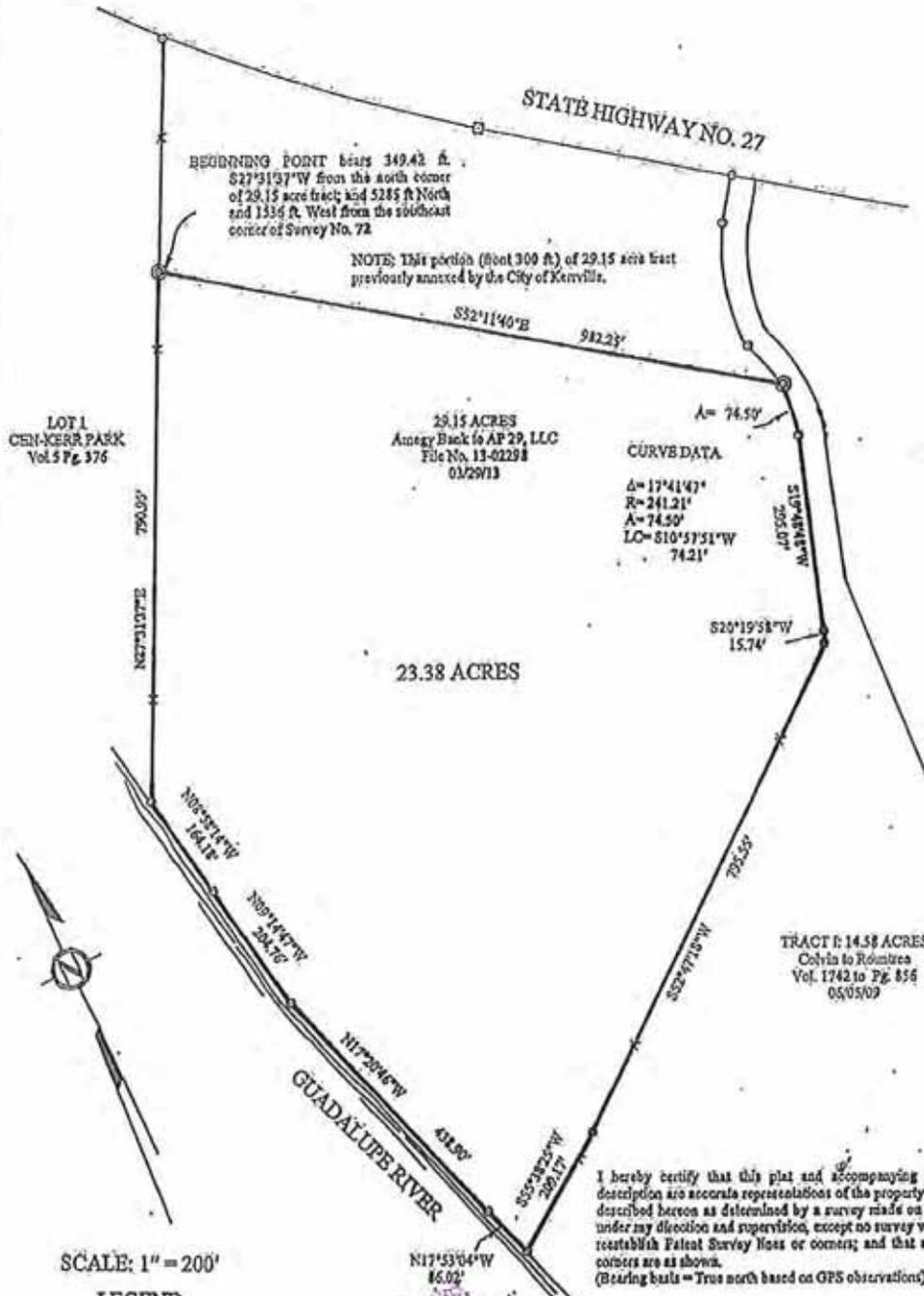


VOELKEL

LAND SURVEYING, PLLC • PHONE: 830-257-3313 • 212 CLAY STREET, KERRVILLE, TEXAS 78028

EXHIBIT B

SURVEY PLAT FOR 23.38 ACRES OF LAND, MORE OR LESS, OUT OF F. RODRIGUEZ SURVEY NO. 72, ABSTRACT NO. 280 IN KERR COUNTY, TEXAS; PART OF A CERTAIN 29.15 ACRE TRACT CONVEYED FROM AMEGY BANK NATIONAL ASSOCIATION TO AP 29, LLC BY A SPECIAL WARRANTY DEED EXECUTED THE 29<sup>TH</sup> DAY OF MARCH, 2013 AND RECORDED IN FILE NO. 13-02298 OF THE OFFICIAL PUBLIC RECORDS OF KERR COUNTY, TEXAS



SCALE: 1" = 200'

LEGEND

- found W' iron stake
- ⊕ fencepost
- ⊙ unmarked point
- X— fence

I hereby certify that this plat and accompanying field notes description are accurate representations of the property shown and described herein 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)

Dated this 3rd day of November, 2014

*Lee C. Voelkel*

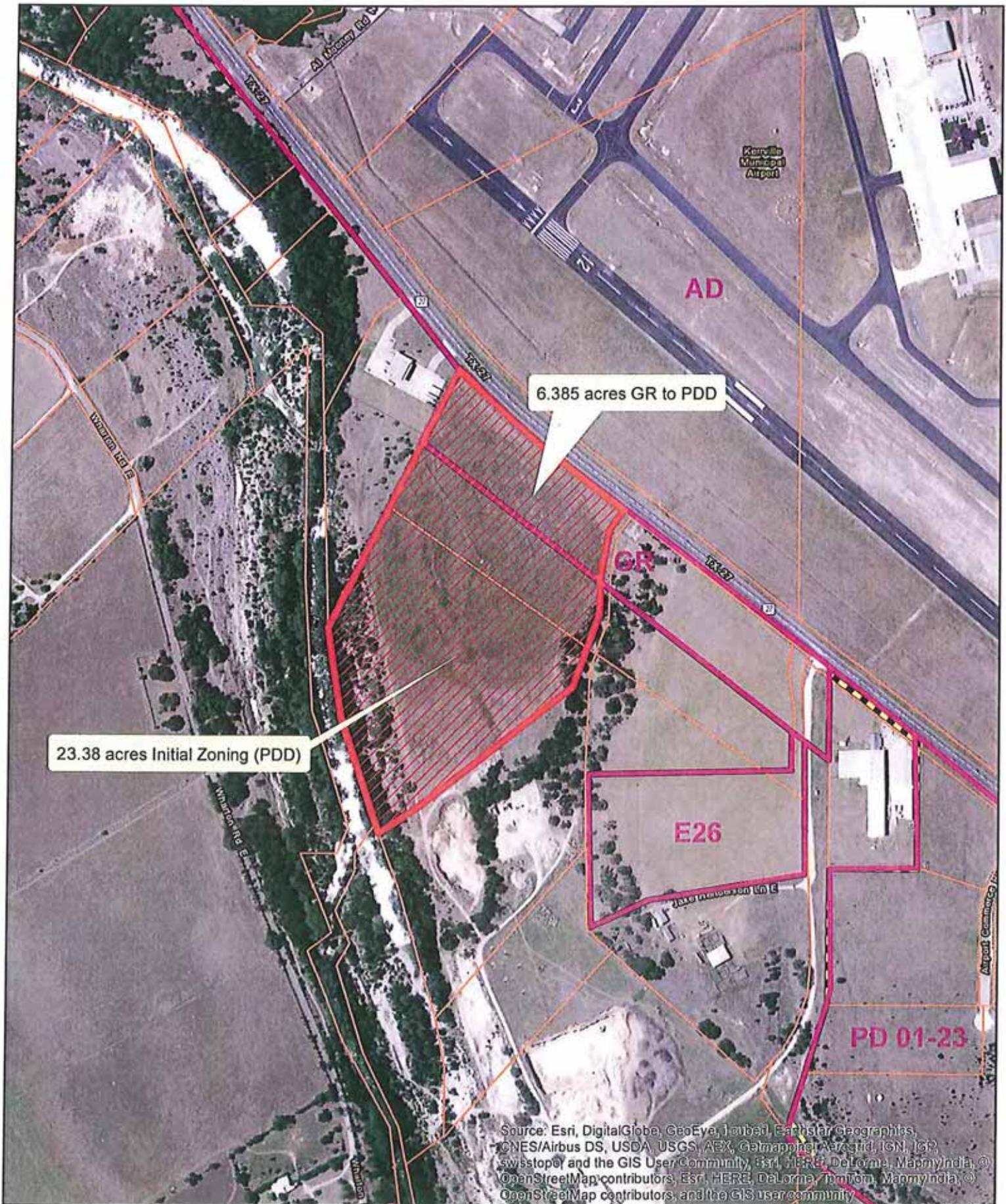
Lee C. Voelkel  
Registered Professional Land Surveyor No. 3909  
County Surveyor for Kerr County, Texas

## EXHIBIT C

## ANNEXATION SERVICE PLAN

| SERVICE                                | DETAILS OF SERVICE PROVIDED  | TIMETABLE   |
|--|--|---|
| <b>Animal Control</b>                  | The provisions of animal control services shall be in effect following annexation of the property.   | Immediately following annexation  |
| <b>Code Enforcement</b>                | The provisions of Code Enforcement services, including the application and enforcement of building, electrical, plumbing, and other related code requirements adopted by the City of Kerrville 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 of Kerrville's Zoning Ordinance. | Immediately following annexation, zoning to be concurrent with annexation |
| <b>Fire Protection and Suppression</b> | Fire protection and suppression personnel and equipment from the Kerrville Fire Department will be provided to the area as needed.   | Immediately following annexation  |
| <b>Fire Prevention</b>                 | The services of the City of Kerrville Fire Marshall shall be provided to the area.   | Immediately following annexation.   |
| <b>Library</b>                         | Residents of the area, if any, will continue to be entitled to utilize all City of Kerrville Library facilities.   | Immediately following annexation.   |
| <b>Parks and Recreation</b>            | City of Kerrville Parks and Recreation services will continue to be available to the area residents, if any.   | Immediately following annexation  |
| <b>Police Protection</b>               | Police 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  |

| <b>SERVICE</b>  | <b>DETAILS OF SERVICE PROVIDED</b>  | <b>TIMETABLE</b>                 |
|---|---|----------------------------------|
| <b>Public Services - Street Department</b>                      | Public streets not maintained by the Texas Department of Transportation within the area shall be maintained by the City of Kerrville.   | Immediately following annexation |
| <b>Sanitation (Refuse Collection)</b>                           | Refuse collection shall be available to residents of the annexed area at the same costs and procedures as required of City residents and businesses.                              | Immediately following annexation |
| <b>Traffic Engineering</b>                                      | 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 |
| <b>Utilities (Water Distribution and Wastewater Collection)</b> | Extension of utilities within the property shall be in accordance with the City of Kerrville's Subdivision Ordinance.   | As the property develops         |



Source: Esri, DigitalGlobe, GeoEye, iSat, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Geomatics Aero, IGN, IGP, swisstopo, and the GIS User Community, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, Esri, HERE, DeLorme, TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS user community

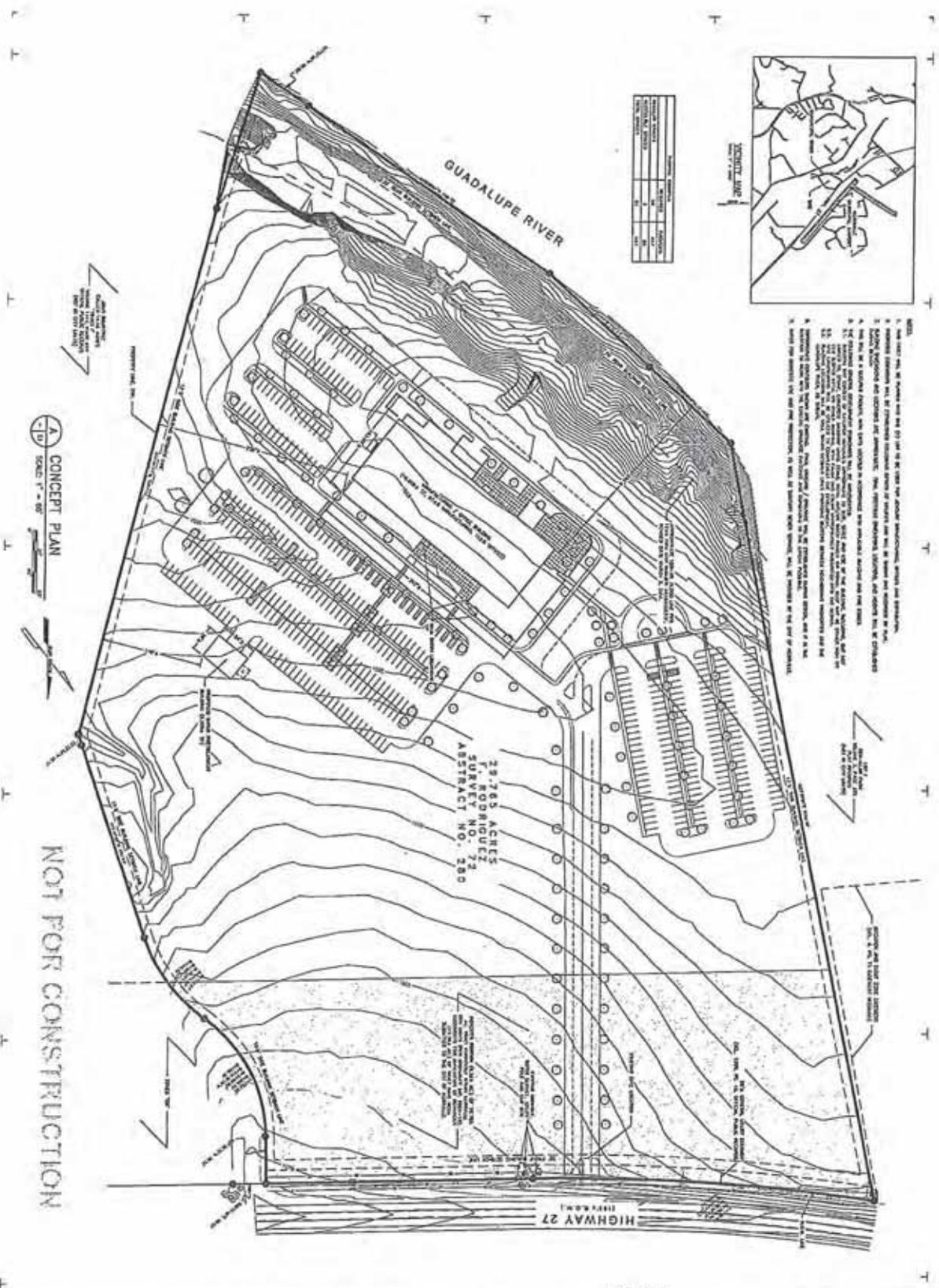
This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only approximate relative locations.

-  29\_ac\_PDD\_request
-  Zoning\_Districts
-  Tax Parcels
-  City Limits

# PDD Zoning Request

## Case #2014-047





| NO. | DESCRIPTION      | DATE     |
|-----|------------------|----------|
| 1   | PRELIMINARY PLAN | 11-15-54 |
| 2   | REVISIONS        |          |
| 3   | REVISIONS        |          |
| 4   | REVISIONS        |          |
| 5   | REVISIONS        |          |
| 6   | REVISIONS        |          |
| 7   | REVISIONS        |          |
| 8   | REVISIONS        |          |
| 9   | REVISIONS        |          |
| 10  | REVISIONS        |          |

1. THIS PLAN IS A CONCEPT PLAN AND IS NOT TO BE USED FOR CONSTRUCTION PURPOSES. THE ARCHITECT ASSUMES NO LIABILITY FOR THE ACCURACY OF THE INFORMATION PROVIDED HEREON.
2. THE ARCHITECT HAS CONDUCTED VISUAL SURVEYS AND HAS OBTAINED PHOTOGRAPHS AND AERIAL PHOTOGRAPHS OF THE SITE AND SURROUNDING AREAS. THE ARCHITECT HAS CONDUCTED VISUAL SURVEYS AND HAS OBTAINED PHOTOGRAPHS AND AERIAL PHOTOGRAPHS OF THE SITE AND SURROUNDING AREAS. THE ARCHITECT HAS CONDUCTED VISUAL SURVEYS AND HAS OBTAINED PHOTOGRAPHS AND AERIAL PHOTOGRAPHS OF THE SITE AND SURROUNDING AREAS.
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10. THE ARCHITECT HAS CONDUCTED VISUAL SURVEYS AND HAS OBTAINED PHOTOGRAPHS AND AERIAL PHOTOGRAPHS OF THE SITE AND SURROUNDING AREAS. THE ARCHITECT HAS CONDUCTED VISUAL SURVEYS AND HAS OBTAINED PHOTOGRAPHS AND AERIAL PHOTOGRAPHS OF THE SITE AND SURROUNDING AREAS.

CONCEPT PLAN  
SCALE: 1/8" = 1'-0"

NOT FOR CONSTRUCTION



Concept Plan  
SCALE: 1/8" = 1'-0"  
DATE: 11-15-54

**Kerrville Craftsman Center**  
for  
**James Avery Jewelry**  
Highway 27, Kerrville, Texas 78028



MAXWELL  
ENGINEERING, P.L.L.C.

**Studio**  
**ARCHITECTURE**  
1000 10th Street  
Kerrville, Texas 78028

## **Agenda Item:**

5B. Ordinance No. 2015-02 amending the budget for fiscal year 2015 to account for various changes to the city's operational budget, which includes the receipt of grants and the closure of project accounts. (staff)

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

---

**SUBJECT:** Second reading of an ordinance amending the FY2015 Budget

**FOR AGENDA OF:** February 24, 2015      **DATE SUBMITTED:** February 11, 2015

**SUBMITTED BY:** Sandra Yarbrough <sup>DM</sup>  
Director of Finance      **CLEARANCES:** Todd Parton  
City Manager

**EXHIBITS:** Ordinance Amending FY2015 Budget  
Attachment A – detailing changes

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

---

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DEPARTMENT:**

---

**SUMMARY STATEMENT**

The attached ordinance provides for the first amendment to the FY2015 budget, and includes budget amendments as per Attachment A.

**RECOMMENDED ACTION**

It is recommended that the City Council approve the second reading of an ordinance amending the FY2015 budget and authorize city staff to make all necessary entries and adjustments to reflect the attached changes.

CITY OF KERRVILLE, TEXAS  
ORDINANCE NO. 2015-02

AN ORDINANCE AMENDING THE BUDGET FOR FISCAL YEAR 2015 TO ACCOUNT FOR VARIOUS CHANGES TO THE CITY'S OPERATIONAL BUDGET, WHICH INCLUDES THE RECEIPT OF GRANTS AND THE CLOSURE OF PROJECT ACCOUNTS

WHEREAS, Ordinance No. 2014-15, dated September 23, 2014, adopted the Fiscal Year 2015 Budget; and

WHEREAS, the City Council of the City of Kerrville, Texas, finds that amending the City's Fiscal Year 2014 Budget is in the best interest of the citizens of the City of Kerrville;

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

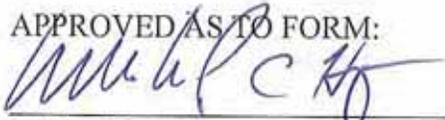
In accordance with Section 8.07 of the City Charter, the Official Budget for Fiscal Year 2014 is amended as set forth in **Attachment A**.

PASSED AND APPROVED ON FIRST READING, this the 10<sup>th</sup> day of February A.D., 2015.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the \_\_\_\_\_ day of \_\_\_\_\_, A.D., 2015.

\_\_\_\_\_  
Jack Pratt, Jr., Mayor

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael C. Hayes, City Attorney

ATTEST:

\_\_\_\_\_  
Brenda G. Craig, City Secretary

Attachment A - Budget Amendment - February 2015

| Fund                  | Account Number | Description   | Amount       |
|-----------------------|----------------|---|--------------|
| General Fund          | 01-830-102     | Received Grant #H3588 and TOB911 - revenue budgeted but off-set expense was not         | 11,321.00    |
| General Fund          | 01-6502        | Security cameras for parking garage, the plaza, and entrances at City Hall              | 47,969.00    |
| General Fund          | 01-870-506     | Security cameras for parking garage, the plaza, and entrances at City Hall              | 62,859.00    |
| General Fund          | 01-803-001     | Department re-organization  | 3,889.60     |
| General Fund          | 01-803-005     | Department re-organization  | 297.55       |
| General Fund          | 01-803-006     | Department re-organization  | 341.12       |
| General Fund          | 01-804-001     | Department re-organization  | 6,895.00     |
| General Fund          | 01-804-005     | Department re-organization  | 527.47       |
| General Fund          | 01-804-006     | Department re-organization  | 604.69       |
| General Fund          | 01-870-410     | Department re-organization  | 21,233.57    |
| General Fund          | 01-6111        | Actual levy lower than budgeted due to adjustments made by ARB after budget was adopted | (40,000.00)  |
| General Fund          | 01-6113        | Higher collections than anticipated   | 100,000.00   |
| Grant Fund            | 85-6561-03     | Grant awarded   | 386,000.00   |
| Grant Fund            | 85-861-504-03  | Purchase equipment with grant funds   | 385,194.82   |
| History Center Fund   | 68-6901        | Benefactor increased monthly contribution   | 16,800.00    |
| History Center Fund   | 68-800-970     | Funding for Project #H01  | 34,500.00    |
| General CIP Fund      | 70-7068        | Funding for Project #H01  | 34,500.00    |
| Hotel/Motel Fund      | 20-800-470     | Kerrville Festival of the Arts - 23,210.00/ Kerrville Triathlon Festival - \$25,000.00  | 48,210.00    |
| Library Memorial Fund | 15-6921        | Record revenue received from Howard Estate  | 25,000.00    |
| EIC CIP Project Fund  | 75-800-940     | Close Project #E61  | 4,531.50     |
| EIC Operating Fund    | 40-7075        | Close Project #E61  | 4,531.50     |
| EIC CIP Project Fund  | 75-800-940     | Close Project #E99  | 1,943.99     |
| EIC Operating Fund    | 40-7075        | Close Project #E99  | 1,943.99     |
| EIC Operating Fund    | 40-800-443     | Adjust to actual annual expense   | 8,750.00     |
| EIC Operating Fund    | 40-800-975-01  | Adjustments due to re-designation of FY15 projects                                      | 610,000.00   |
| EIC Operating Fund    | 40-800-975-02  | Adjustments due to re-designation of FY15 projects                                      | (600,000.00) |
| EIC CIP Project Fund  | 75-800-940     | Return unspent funds for 2009-10 and 2010-11 Commercial improvements                    | 180,000.00   |
| EIC Operating Fund    | 40-7075        | Return unspent funds for 2009-10 and 2010-11 Commercial improvements                    | 180,000.00   |

## **Agenda Item:**

6A. Resolution No. 06-2015 expressing support for the application of Brookhollow TAP, LLC, to the Texas Department of Housing and Community Affairs for 2015 competitive nine-percent housing tax credits; and for the acquisition/rehabilitation of Brookhollow Apartments located at 612 Travis Street and recognition of a commitment of funding assistance from the city to the project. (staff)

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

**SUBJECT:** Resolution expressing support for the application of Brookhollow Tap, LLC, to the Texas Department of Housing and Community Affairs for 2015 competitive nine-percent housing tax credits; and for the acquisition/rehabilitation of Brookhollow Apartments located at 612 Travis Street and recognition of a commitment of funding assistance from the City to the project.

**FOR AGENDA OF:** February 24, 2016    **DATE SUBMITTED:** February 20, 2015

**SUBMITTED BY:** Kristine Day     **CLEARANCES:**  
Deputy City Manager

**EXHIBITS:** Letter of request from Think Housing Development Resolution

**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 City of Kerrville has received a request from Think Housing Development LLC for the City's support of the redevelopment of the Brookhollow Apartments located at 612 E. Travis Street through available tax credits with the Texas Department of Housing and Community Affairs.

To ensure the success of the housing tax credit application, Think Housing LLC is requesting a resolution for a commitment of development funding by the City of Kerrville, in the form of a tax abatement in the amount of \$55,000.00. Pursuant to Chapter 312 of the Texas Tax Code, the city would establish a reinvestment zone and enter into a tax abatement agreement. This commitment of funding by the City to the Project will comply with all requirements of the TDHCA in order for the Applicant to qualify for the maximum points for the project.

The attached resolution confirms City Council's support for the proposed redevelopment of the Brookhollow Aparatments and the TDHCA Application #15021 and provides for the City's commitment to funding for this project.

**RECOMMENDED ACTION**

Consider and take action on attached resolution.



February 17, 2015

Mayor Jack Pratt  
City of Kerrville  
700 Main Street  
Kerrville, TX 78028

Dear Mr. Pratt,

As you are aware, Christian Szymczak of Think Housing Development LLC, Alison Malkhassian of Alara Ventures, and William Szymczak of Preservation Partners Development (together, the "Applicant") are submitting an application for 9% housing tax credits to the Texas Dept. of Housing and Community Affairs on February 27, 2015, for the rehabilitation of Brookhollow Apartments, located at 612 E. Travis Street in Kerrville.

To ensure the success of the housing tax credit application, the Applicant hereby requests two resolutions from the Kerrville City Council. The first is a general resolution stating that the City of Kerrville supports the project. The second is a resolution for a commitment of development funding by the City of Kerrville, in the form of a tax abatement in the amount of \$55,000.

We very much appreciate the City of Kerrville's consideration of our project.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Szymczak".

Christian Szymczak  
Managing Partner  
Think Housing Development LLC  
1601 Pacific Coast Highway, Suite 290  
Hermosa Beach, CA 90254  
510-931-9684 phone  
christian@thinkhousingdev.com

**CITY OF KERRVILLE, TEXAS  
RESOLUTION NO. 06-2015**

**A RESOLUTION EXPRESSING SUPPORT FOR THE APPLICATION OF BROOKHOLLOW TAP, LLC, TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR 2015 COMPETITIVE NINE-PERCENT HOUSING TAX CREDITS; AND FOR THE ACQUISITION/REHABILITATION OF BROOKHOLLOW APARTMENTS LOCATED AT 612 TRAVIS STREET AND RECOGNITION OF A COMMITMENT OF FUNDING ASSISTANCE FROM THE CITY TO THE PROJECT**

**WHEREAS**, Brookhollow TAP, LLC (“Applicant”) has brought to the City a proposal to acquire and rehabilitate an affordable rental housing community named Brookhollow Apartments, which is located at 612 Travis Street in the City of Kerrville, Texas 78028; and

**WHEREAS**, the Applicant intends to file an application with the Texas Department of Housing and Community Affairs (“TDHCA”) for an allocation of 2015 Competitive 9% Housing Tax Credits (“HTC”) for the construction and redevelopment of Brookhollow Apartments (“Project”); and

**WHEREAS**, pursuant to the rules that govern the allocation of HTCs by TDHCA, applicants who provide a resolution from a city, or a qualifying instrumentality of such city, committing to provide a certain level of development funding to a project proposed to be located on a development site within the city, or the ETJ of such city, will improve the overall success of its application; and

**WHEREAS**, the Applicant has requested from the City support for its application for HTC to TDHCA for the acquisition/rehabilitation of the Project and for a commitment of required funding assistance for its application;

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

**SECTION ONE.** The City supports the acquisition/rehabilitation of the Project for affordable rental housing at its location of 612 Travis Street, in the City of Kerrville, Texas 78028.

**SECTION TWO.** The City approves a commitment to Brookhollow TAP, LLC, of funds in the amount of \$55,000.00 in the form of the City’s commitment to establish a reinvestment zone and to enter into a tax abatement agreement pursuant to Chapter 312 of the Texas Tax Code, in order to grant Brookhollow TAP, LLC a tax abatement for the aforementioned amount of \$55,000. This commitment of funding by the City to the Project will comply with all requirements of TDHCA in order for the Applicant to qualify for the maximum points under Sections 11.9(d)(2), 11.9(d)(2)(C), and 11.9(d)(2)(D) of the Texas Administrative Code, which govern the HTC program.

**SECTION THREE.** Notwithstanding anything herein to the contrary, the funding

**Reso. No. 06-2015**

commitment by the City as set forth in this Resolution is contingent on (a) the Applicant securing HTCs from TDHCA in an amount sufficient to develop the Project; and (b) zoning and site plan approval of the proposed development by the City.

**PASSED AND APPROVED ON this the \_\_\_\_\_ day of \_\_\_\_\_ A.D., 2015.**

\_\_\_\_\_  
Jack Pratt, Jr., Mayor

APPROVED AS TO FORM:



\_\_\_\_\_  
Michael C. Hayes, City Attorney

ATTEST:

\_\_\_\_\_  
Brenda G. Craig, City Secretary

## **Agenda Item:**

6B. Resolution No. 07-2015 evidencing the city's support of the redevelopment of the Brookhollow Apartments and the approval of available tax credits through the Texas Department of Housing and Community Affairs. (staff)

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

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**SUBJECT:** Resolution evidencing the City's support of the redevelopment of the Brookhollow Apartments and the available tax credits through the Texas Department of Housing and Community Affairs.

**FOR AGENDA OF:** February 24, 2016    **DATE SUBMITTED:** February 20, 2015

**SUBMITTED BY:** Kristine Day  **CLEARANCES:**  
Deputy City Manager

**EXHIBITS:** Information Packet on Think Housing Development LLC Resolution

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OF FINANCE:**

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**SUMMARY STATEMENT**

The City of Kerrville has received a request from Think Housing Development LLC for the City's support of the redevelopment of the Brookhollow Apartments located at 612 E. Travis Street through available tax credits with the Texas Department of Housing and Community Affairs.

Attached is information on Think Housing Development LLC and previous projects completed by the developer.

The attached resolution confirms City Council's support for the proposed redevelopment of the Brookhollow Apartments and the TDHCA Application #15021.

**RECOMMENDED ACTION**

Consider and take action on attached resolution.



**Think**  
Housing Development LLC

### Who we are

Think Housing Development acquires, rehabilitates and permanently preserves "at-risk" affordable housing resources using the U.S. Department of Housing and Urban Development (HUD) financing and direct rental subsidy programs.

Our objective is to provide long term, secure housing communities and supportive social services focused on the most basic needs of very low income families and seniors.

THD is run by its managing partner Christian Szymczak, and is partnered with Alison Malkhassian of Alara Ventures and William Szymczak of Preservation Partners.

## Think Housing Development

- Think Housing's partnerships with Alara Ventures and Preservation Partners brings decades of experience in real estate investments, property management and the rehabilitation of low income housing.
- Christian Szymczak brings 8 years of experience in the preservation of existing affordable housing. His expertise consists of financial modeling and underwriting, securing conventional and FHA permanent financing, preparing tax-credit applications and general Section 8 expertise.
- Alison Malkhassian of Alara Ventures is a 25 year veteran of the real estate investment business with experience in all facets of multifamily investments. Her experience is across a variety of capital platforms including investment banking, pension fund advisory and private equity.
- William Szymczak of Preservation Partners is an experienced low income housing developer who has worked as an FHA multifamily lender for 10 years, has over 15 years' experience working at HUD and now leads his own company with a portfolio of over 3,300 units of low income



At Think Housing Development, our goal is to provide safe, sanitary and affordable housing for families in the most need.

**Christian Szymczak**  
Founder & CEO

1601 Pacific Coast Hwy Suite 290  
Hermosa Beach, Ca 90254  
Phone: 310-698-0739  
Szymczak34@gmail.com

## Previously Completed Projects

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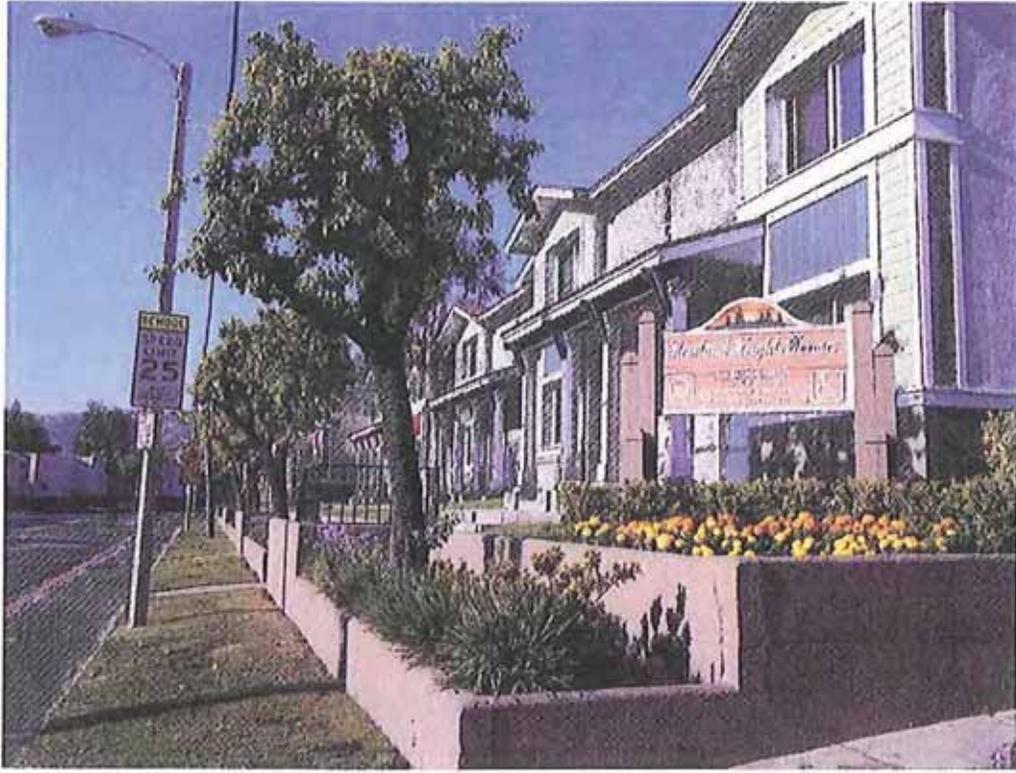
**Rowland Heights Terrace – Rowland Heights, California 144 units,  
built 1973, acquired & renovated 2000/2010 \$4.654.400 Renovation**



**After Renovation**



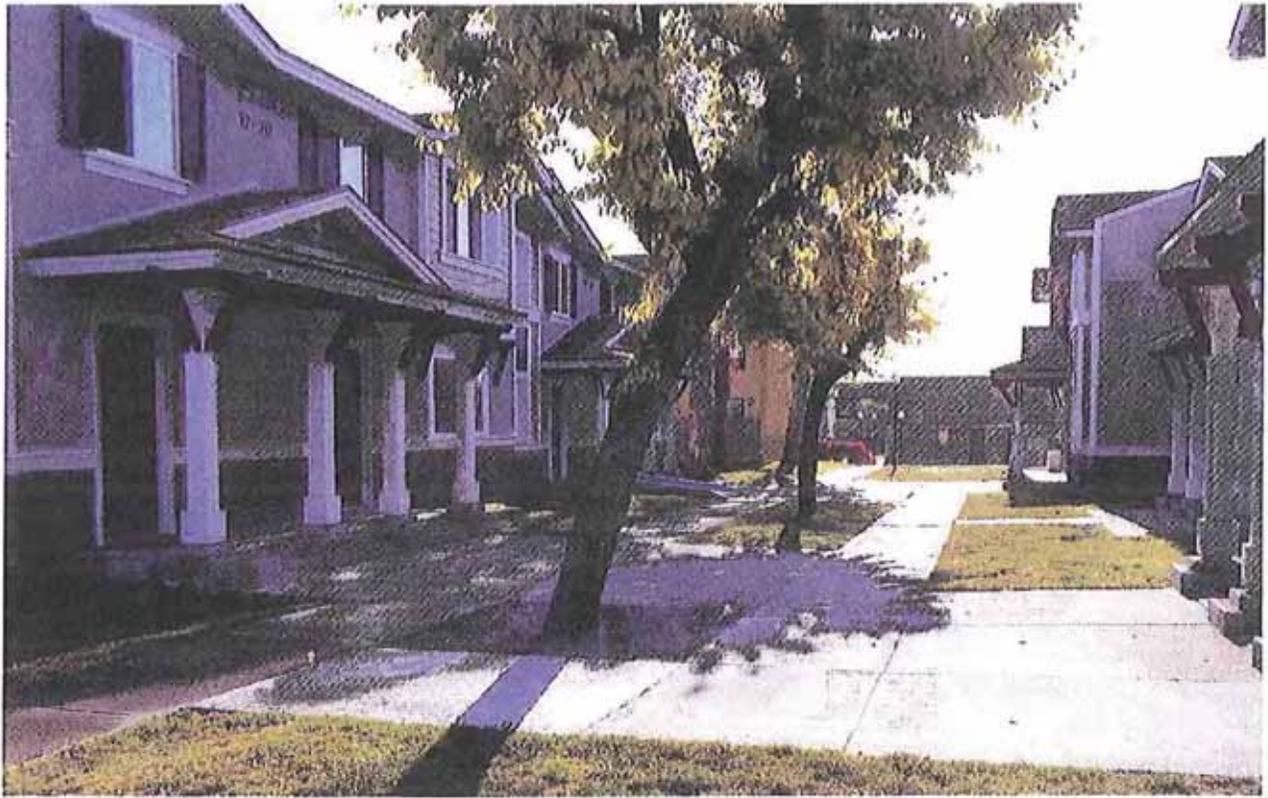
**On Acquisition**



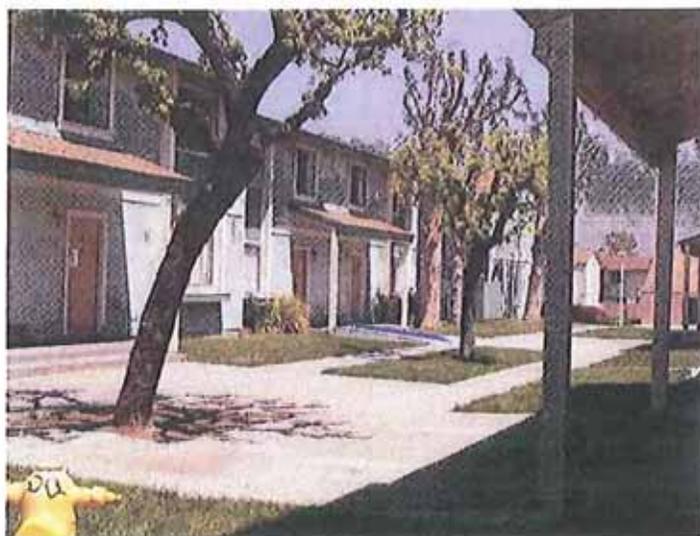
**After Renovation**



**On Acquisition**



**After Renovation**



**On Acquisition**

## Previously Completed Projects

**Pioneer Village Estates – Bakersfield, California 85 units, built 1983.  
Acquired & renovated 2011 \$3,835,892 Renovation**



**After Renovation**



**On Acquisition**



**After Renovation**



**On Acquisition**

**CITY OF KERRVILLE, TEXAS  
RESOLUTION NO. 07-2015**

**A RESOLUTION EVIDENCING THE CITY'S SUPPORT OF THE  
REDEVELOPMENT OF THE BROOKHOLLOW APARTMENTS AND  
THE APPROVAL OF AVAILABLE TAX CREDITS THROUGH THE  
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

WHEREAS, Brookhollow Tap, LLC, has proposed a development for affordable rental housing at 612 Travis Street, Kerrville, Texas, named Brookhollow Apartments; and

WHEREAS, Brookhollow Tap, LLC, has advised the City that it intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2015 Competitive 9% Housing Tax Credits for the Brookhollow Apartments;

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

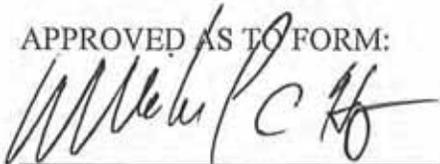
**SECTION ONE.** The City Council hereby confirms that it supports the proposed redevelopment of the Brookhollow Apartments (TDHCA Application #15021).

**SECTION TWO.** The City Manager is hereby authorized, empowered, and directed to certify this Resolution to TDHCA and to take all other action necessary thereto.

**PASSED AND APPROVED ON this the \_\_\_\_\_ day of \_\_\_\_\_ A.D., 2015.**

\_\_\_\_\_  
Jack Pratt, Jr., Mayor

APPROVED AS TO FORM:



\_\_\_\_\_  
Michael C. Hayes, City Attorney

ATTEST:

\_\_\_\_\_  
Brenda G. Craig, City Secretary

## Agenda Item:

6C. Resolution No. 08-2015 authorizing publication of notice of intention to issue certificates of obligation. (staff)

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

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**SUBJECT:** Resolution Authorizing Publication of Notice of Intent to Issue  
Certificates of Obligation

**FOR AGENDA OF:** February 24, 2015 **DATE SUBMITTED:** February 16, 2015

**SUBMITTED BY:** Sandra Yarbrough  **CLEARANCES:** Todd Parton  
Director of Finance City Manager

**EXHIBITS:** Resolution; Notice of Intent to Issue Certificates of Obligation

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:** 

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

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**SUMMARY STATEMENT**

The FY15 budget includes CIP projects funded by Certificates of Obligation (COs). While COs are backed by the full faith and credit of the City, the City expects to enter into an agreement with the City of Kerrville Economic Improvement Corporation (the "EIC") pursuant to which the EIC is expected to agree to provide funds to the City in an amount sufficient to pay all debt service on the Certificates of Obligation.. The debt will be used to acquire, construct and equip renovations and improvements to the City's parks and trails system and for paying professional services related thereto.

The aggregate amount of certificates of obligation will not exceed \$9,000,000. Because the total issued by the City in calendar year 2015 is less than \$10,000,000, this issue will be bank qualified which should make it more attractive to banks because of the tax benefits associated with this type of issue.

**RECOMMENDED ACTION**

Approve resolution authorizing publication of notice of intent to issue certificates of obligation.

**CITY OF KERRVILLE, TEXAS  
RESOLUTION NO. 08-2015**

**A RESOLUTION AUTHORIZING PUBLICATION OF  
NOTICE OF INTENTION TO ISSUE CERTIFICATES OF  
OBLIGATION**

**WHEREAS**, the City Council of the City of Kerrville, Texas (the "City") hereby determines that it is necessary and desirable to acquire, construct, and equip an athletic complex, including baseball, softball, and soccer facilities, which will be considered a part of, and will be operated by, the City's Parks and Recreation Department (the "Project"); and

**WHEREAS**, the City Council of the City intends to finance the Project from proceeds derived from the sale of a series of *Combination Tax and Revenue Certificates of Obligation* issued by the City pursuant to Sections 271.041-271.064, Texas Local Government Code, as amended; and

**WHEREAS**, pursuant to Section 271.049, Texas Local Government Code, the City Council deems it advisable to give notice of intention to issue certificates of obligation in an amount not to exceed an aggregate of \$9,000,000 for the purpose of paying, in whole or in part, the Project, to pay all or a portion of the legal, fiscal, and engineering fees in connection with the Project, and to pay the costs of issuance related to the certificates of obligation; and

**WHEREAS**, it is hereby officially found and determined that the meeting at which this resolution was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code;

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

**SECTION ONE.** Approval of Notice of Intention. Attached hereto is a form of the "*Notice of Intention to Issue Combination Tax and Revenue Certificates of Obligation*," the form and substance of which is hereby adopted and approved.

**SECTION TWO.** Authorization to Publish Notice of Intention. The City Secretary shall cause said notice to be published in substantially the form attached hereto in a newspaper, as defined in Section 2051.044, Texas Government Code, that is of general circulation in the area of the City, on the same day in each of two consecutive weeks, the date of the first publication thereof to be at least 31 days before the date tentatively set for the passage of the ordinance authorizing the issuance of such certificates of obligation as shown in said notice. The City Manager and the Director of Finance are each authorized to make changes to said Notice as necessary prior to its publication.

**SECTION THREE.** Incorporation of Recitals. The City Council hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the City Council hereby incorporates such recitals as a part of this Resolution.

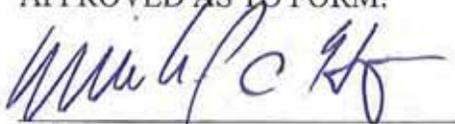
**SECTION FOUR.** Effective Date. This Resolution shall become effective immediately upon passage.

\_\_\_\_\_  
Jack Pratt, Jr., Mayor

ATTEST:

\_\_\_\_\_  
Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael C. Hayes, City Attorney

**Exhibit A**  
**CITY OF KERRVILLE, TEXAS**  
**NOTICE OF INTENTION TO ISSUE**  
**COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION**

The City Council of the City of Kerrville, Texas (the "City") does hereby give notice of intention to issue one or more series of *City of Kerrville, Texas Combination Tax and Revenue Certificates of Obligation* in the maximum aggregate principal amount not to exceed \$9,000,000 for the purpose of paying, in whole or in part, contractual obligations to acquire, construct and equip renovations and improvements to the City's parks and trail system and for paying professional services related thereto. The City proposes to provide for the payment of such Certificates of Obligation from the levy and collection of ad valorem taxes in the City as provided by law and from a lien on and pledge of revenues, received by the City from the Economic Improvement Corporation. The City Council proposes to authorize the issuance of such Certificates of Obligation at 6:00 p.m. on Tuesday, April 14, 2015 at a Regular Meeting, at the City Hall, Kerrville, Texas.

## **Agenda Item:**

7A. Budget update. (staff)



**City of Kerrville**  
**Month ending January 31, 2015**  
 (Month 4 of FY15 Budget)

|                           | Current<br>Month   | Year<br>To-Date     | Budget @<br>33.33% | Prior Year<br>To-Date |
|---------------------------|--------------------|---------------------|--------------------|-----------------------|
| <b>General Fund</b>       |                    |                     |                    |                       |
| <b>Total Revenues</b>     | <b>\$4,183,301</b> | <b>\$10,732,821</b> | 44.23%             | <b>\$11,421,028</b>   |
| Property tax              | \$2,773,438        | \$5,876,362         | 67.32%             | \$6,945,616           |
| Sales tax                 | \$497,842          | \$1,994,877         | 33.73%             | \$1,839,878           |
| <b>Total Expenditures</b> | <b>\$2,246,420</b> | <b>\$7,535,573</b>  | 31.06%             | <b>\$6,759,582</b>    |

|                             |                  |                    |        |                    |
|-----------------------------|------------------|--------------------|--------|--------------------|
| <b>Water and Sewer Fund</b> |                  |                    |        |                    |
| <b>Total Revenues</b>       | <b>\$663,947</b> | <b>\$2,971,813</b> | 30.12% | <b>\$3,226,258</b> |
| Water Sales                 | \$306,277        | \$1,485,278        | 28.61% | \$1,467,448        |
| Sewer Service               | \$299,303        | \$1,241,577        | 31.84% | \$1,275,059        |
| <b>Expenditures</b>         | <b>\$720,852</b> | <b>\$3,733,991</b> | 37.84% | <b>\$2,788,072</b> |

|                     |                 |                  |        |                  |
|---------------------|-----------------|------------------|--------|------------------|
| <b>Hotel/Motel:</b> |                 |                  |        |                  |
| <b>Revenues</b>     | <b>\$62,435</b> | <b>\$309,237</b> | 30.64% | <b>\$285,286</b> |
| <b>Expenditures</b> | <b>\$0</b>      | <b>\$454,474</b> | 48.82% | <b>\$431,543</b> |

|                                   |      |  |        |                    |
|-----------------------------------|------|--|--------|--------------------|
| <b>Unemployment: January 2015</b> |      | <b>Consumer confidence: January 2015</b>     |        |                    |
| National                          | 5.7% | National                                     | 102.9% | up 29.6% over 2014 |
| Texas                             | 4.6% | Texas  | 111.9% | up 7.1% over 2014  |
| Local                             | 3.3% | (Sources: State Comptroller/Workforce Alamo) |        |                    |

**Housing:**  
*Local:*  
 643 active residential listings; 53 residential sales January 2015  
 \$13,489,375 total residential sales dollars for January 2015  
 \$13,489,375 total residential sales dollars Y-T-D for 2015  
 (Source: Kerrville Board of Realtors)

**Building Permits Issued January 2015**  
 New Residential - 4  
 New Commercial - 1