

AGENDA FOR REGULAR MEETING

CITY OF KERRVILLE, TEXAS

ECONOMIC IMPROVEMENT CORPORATION

MONDAY, NOVEMBER 16, 2015 AT 4:00 P.M.

KERRVILLE CITY HALL COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

**AGENDA FOR REGULAR MEETING OF THE
CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
MONDAY, NOVEMBER 16, 2015, 4:00 P.M.
KERRVILLE CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS**

CALL TO ORDER

INVOCATION

1. VISITORS / CITIZENS FORUM:

Any citizen with business not scheduled on the agenda may speak to the Economic Improvement Corporation. No deliberation or action can be taken on these items because the Open Meetings Act requires an item be posted on an agenda 72 hours before the meeting. Visitors are asked to limit their presentation to three minutes.

2. APPROVAL OF THE MINUTES:

2A. Minutes of the regular meeting held on October 19, 2015.

3. MONTHLY REPORTS:

3A. Monthly financials for October 2015. (staff)

3B. Projects update. (staff)

River Trail Project

Cailloux Theater Support Facility

Effluent Construction Project

Workforce Housing Project

4. PUBLIC HEARING AND POSSIBLE ACTION:

4A. Funding agreement with Playhouse 2000, in an amount not to exceed \$108,500. (staff)

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive service must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time November 13, 2015, at 3:00 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

5. DISCUSSION AND POSSIBLE ACTION:

5A. Amendments to the Development Agreement and Zoning for Airport Commerce Park. (staff)

5B. Select date for December EIC meeting. (staff)

6. EXECUTIVE SESSION:

The Economic Improvement Corporation may, as permitted by law, adjourn into executive session at any time to discuss any matter listed above including if they meet the qualifications in Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code.

Sections 551.071, 551.072, and 551.087:

- River Trail

7. ITEMS FOR FUTURE AGENDAS:

8. ANNOUNCEMENTS:

9. ADJOURNMENT

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive service must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time November 13, 2015, at 3:00 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

Agenda Item:

2A. Minutes of the regular meeting held on October 19, 2015.

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING** **OCTOBER 19, 2015**

On Monday October 19, 2015, the regular meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by David Wampler, President, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas.

The invocation was offered by Gary Cochrane.

Members Present:

David Wampler, President
Gary Cochrane, Vice President
Sheri Pattillo, Secretary
Delayne Sigerman
Paul Stafford
Gary Stork
James Wilson

Members Absent:

None

City Executive Staff Present:

Todd Parton, City Manager
Ashlea Boyle, Special Projects Manager
Mike Hayes, City Attorney
Cheryl Brown, Deputy City Secretary
Sandra Yarbrough, Director of Finance
Brian Crenwelge, Project Manager
Malcolm Matthews, Parks and Recreation Director

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

1. VISITORS/CITIZENS FORUM:

No one spoke.

2. APPROVAL OF MINUTES:

Approval of the minutes from the August 17, 2015, and the September 21, 2015 meetings.

Mr. Cochrane moved to approve the minutes as presented. Mr. Wilson seconded, and the motion passed 7-0.

3. MONTHLY REPORTS:

3A. Monthly financials for August, 2015:

Ms. Yarbrough reported a beginning balance of \$3,498,056; with \$265,567 revenue, and \$105,703 expenditures; leaving an ending cash balance on September 30, 2015 of \$3,657,920. There was a 5.72% tax revenue increase over 2014. She reviewed the capital projects status summary, which showed an ending cash balance of \$ 1,922,070 and the cash and investments fund, which showed an (annualized) interest earned of 0.12%.

3B. Projects update.

Cailloux Campus Support Facility

Mr. Crenwelge reported that HMC Construction completed the concrete foundation, and that curbing and sidewalk installation had begun. The metal building was to be delivered on October 5, 2015. The anticipated completion date was the end of January, 2016.

Lowry Park Trail

Mr. Crenwelge reported that the pre-construction meeting was held on September 10, 2015. Mobilization and construction was scheduled to begin around the beginning of October, with completion of construction by March 2016.

Effluent Construction Project

Mr. Parton gave an update on the project. He reported that Phase I design would be complete by December, 2015. Bonds were set to be sold in the beginning of 2016, with funding set for mid-2016. The projected time to begin delivering effluent was the end of 2017, or early 2018.

Workforce Housing Project

Mr. Parton reported that City staff spoke to a couple of companies, and still had one more group that was interested in the Peterson Farm Road property. Freese and Nichols, Inc. was working to finalize a study to cover all phases, including utilities, wastewater and fire protection. The study should be finished by early 2016, and at that time, City staff would come back before both City Council and EIC prior to beginning any work on the property.

4. CONSIDERATION AND POSSIBLE ACTION:

4A. Consider funding application from Playhouse 2000 in the amount of \$125,000.

Ms. Boyle reviewed the funding application, and indicated that the recommendation of City staff was to approve the funding request for \$108,500.

Jeffrey Brown, Director of Playhouse 2000, Inc. gave a presentation. He summarized the items that were in need of repair or replacement, which included the stage curtains, seating at the VK garage, and repairs to the Steinway grand piano at the Cailloux Theater. Mr. Brown responded to questions from the board.

Mr. Stork moved to approve the funding request in the amount of \$108,500 as presented. Mr. Wilson seconded, and the motion passed 7-0.

4B. Amendments to zoning and the agreement for Airport Commerce Park.

Ms. Boyle reviewed the purpose for the amendments to the agreement.

Bruce Stracke spoke briefly, and responded to questions from the board. The EIC directed staff to proceed with the zoning changes, and to present the changes to City Council, and bring the amendments back before the EIC for approval.

5. INFORMATION AND DISCUSSION:

Monthly report from Kerrville Economic Development Corporation. Jonas Titas, KEDC Executive Director, gave an update. He reported that KEDC elected new officers: Thomas Houdeshell-President, Charley McIlvain-Vice President, and Dan Troxell-Secretary/Treasurer. There was also a new member, Ward Jones. He reported there were various prospects for new businesses, and expansions of existing businesses.

6. EXECUTIVE SESSION:

Mr. Cochrane moved for the city council to go into executive closed session under Sections 551.071, 551.072 and 551.074 of the Texas Government Code; motion was seconded by Ms. Pattillo and passed 7-0 to discuss the following:

Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), and 551.087 (deliberation regarding economic development negotiations):

- River Trail.

At 4:59 p.m. the open session recessed and the EIC went into executive closed session at 4:59 p.m. At 5:21 p.m. the executive closed session recessed and the EIC returned to open session at 5:21 p.m. Mr. Wampler announced that no action was taken in executive session.

7. ITEMS FOR FUTURE AGENDAS: None

8. ANNOUNCEMENTS: None

9. ADJOURNMENT:

Mr. Wampler adjourned the meeting at 5:21p.m.

APPROVED: _____

David Wampler, President

ATTEST:

Cheryl Brown
Deputy City Secretary

Agenda Item:

3A. Monthly financials for October 2015. (staff)

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

SUBJECT: EIC Financials

FOR AGENDA OF: November 16, 2015 **DATE SUBMITTED:** November 10, 2015

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

EXHIBITS: Monthly Financials
AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

XD for Todd Parton

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OR FINANCE:

SUMMARY STATEMENT

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

RECOMMENDED ACTION

Recommend acceptance of the financials.

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Improvement Fund - Summary
For the month ending October 31, 2015

Beginning Cash Balance		\$ 3,657,920
Income:		
Sales Tax	\$ 227,707	
Interest Revenue	\$ 607	
Total Income	\$ 228,314	
Expenses:		
Administrative Service Fee	\$ 8,333	
Transfer for Debt Service - 2012	\$ 42,713	
Transfer for Debt Service 2015	\$ 49,694	
Kerr Economic Dev Corp	\$ 154,404	
Total Expenses	\$ 255,144	
Revenues Over (Under) Expenditures		\$ (26,829)
Ending Cash Balance		\$ 3,631,090

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Improvement Fund - Revenue and Expense Statement
For the month ending October 31, 2015

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
BEGINNING CASH BALANCE	\$ 3,657,920		\$ 3,657,920		
REVENUE:					
Sales and Use Tax	\$ 3,206,316	\$ 227,707	\$ 227,707	7.10%	\$ 2,978,609
Interest	\$ 5,000	\$ 607	\$ 607	12.14%	\$ 4,393
TOTAL REVENUE	<u>\$ 3,211,316</u>	<u>\$ 228,314</u>	<u>\$ 228,314</u>	<u>7.11%</u>	<u>\$ 2,983,002</u>
	Annual Budget	Current Period	Y-T-D Actual & Encumbrance	% of Budget	Budget Balance
EXPENDITURES:					
Administrative					
Local Meetings	\$ 500			0.00%	\$ 500
Administrative Services Fee	\$ 100,000	\$ 8,333	\$ 8,333	8.33%	\$ 91,667
Economic Development Governing Body	\$ 154,404	\$ 154,404	\$ 154,404	100.00%	\$ 0
Transfer to Debt Service Fund - River Trail	\$ 512,553	\$ 42,713	\$ 42,713	8.33%	\$ 469,840
Transfer to Debt Service Fund - Athlex Complex	\$ 596,329	\$ 49,694	\$ 49,694	8.33%	\$ 546,635
Total Administrative	<u>\$ 1,363,786</u>	<u>\$ 255,144</u>	<u>\$ 255,144</u>	<u>18.71%</u>	<u>\$ 1,108,642</u>
Category I - Business Development					
James Avery	\$ 610,000	\$ -	\$ -	0.00%	\$ 610,000
Total Category I	<u>\$ 610,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.00%</u>	<u>\$ 610,000</u>
Category II - Quality of Life					
LHP Lighting	\$ 250,000	\$ -	\$ -	0.00%	\$ 250,000
Olympic Pool	\$ 100,000	\$ -	\$ -	0.00%	\$ 100,000
Downtown Streetscape Enhancements:	\$ -				\$ -
Parking Garage	\$ 160,000	\$ -	\$ -	0.00%	\$ 160,000
Planter Boxes	\$ 20,000	\$ -	\$ -	0.00%	\$ 20,000
Street Furniture	\$ 100,000	\$ -	\$ -	0.00%	\$ 100,000
Total Category II	<u>\$ 630,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.00%</u>	<u>\$ 630,000</u>
Category III - Public Infrastructure					
Housing	\$ 100,000	\$ -	\$ -	0.00%	\$ 100,000
IH10 @ FM 783	\$ 500,000	\$ -	\$ -	0.00%	\$ 500,000
Total Category III	<u>\$ 600,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.00%</u>	<u>\$ 600,000</u>
Contingency	\$ -	\$ -	\$ -	0.00%	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
TOTAL EXPENDITURES	<u>\$ 3,203,786</u>	<u>\$ 255,144</u>	<u>\$ 255,144</u>	<u>7.96%</u>	<u>\$ 2,948,642</u>
NET REVENUES TO EXPENDITURES	<u>\$ 7,531</u>	<u>\$ (26,830)</u>	<u>\$ (26,830)</u>		
	Budget		Actual		
ENDING CASH BALANCE	\$ 3,665,450		\$ 3,631,090		

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Revenue Analysis - FY15
For the month ending October 31, 2015

Revenue Month	Actual FY 2013	Actual FY 2014	Actual FY 2015	Budgeted FY 2016	Actual FY 2016	FY2015 vs FY2016	Budget vs Actual
October	\$ 226,663	\$ 241,503	\$ 238,933	\$ 245,536	\$ 227,707	\$ (17,829)	-7.26%
November	\$ 210,744	\$ 234,150	\$ 257,654				-100.00%
December	\$ 204,782	\$ 214,424	\$ 251,851				-100.00%
January	\$ 217,647	\$ 229,761	\$ 245,845				-100.00%
February	\$ 284,177	\$ 296,036	\$ 335,071				-100.00%
March	\$ 205,749	\$ 207,869	\$ 223,251				-100.00%
April	\$ 215,800	\$ 218,030	\$ 227,065				-100.00%
May	\$ 251,468	\$ 268,682	\$ 273,281				-100.00%
June	\$ 234,781	\$ 267,530	\$ 255,511				-100.00%
July	\$ 216,641	\$ 222,961	\$ 238,328				-100.00%
August	\$ 245,964	\$ 266,321	\$ 296,422				-100.00%
September	\$ 224,905	\$ 238,926	\$ 256,246				-100.00%
YTD Total	\$ 2,739,321	\$ 2,906,194	\$ 3,099,458	\$ 245,536	\$ 227,707	\$ (17,829)	-7.26%

CITY OF KERRVILLE
Economic Improvement Corporation
Capital Projects Fund - Summary
For the month ending October 31, 2015

Beginning Cash Balance		\$ 1,922,070
Income:		
Total Income:	<u>\$ -</u>	
Expenses:		
Habitat for Humanity	\$ 52,771	
Cailloux Theater Expansion	\$ 92,496	
Total Expenses:	<u>\$ 145,267</u>	
Revenues Over (Under) Expenditures		<u>\$ (145,267)</u>
Ending Cash Balance		<u><u>\$ 1,776,802</u></u>

CITY OF KERRVILLE
Economic Improvement Corporation
Project Status Summary
For the month ending October 31, 2015

Fiscal Years	Projects	Agreement Commitment	EIC Funded To Date	Total Funded	Expenses to Date	Project Balance
2012-13	Downtown Streetscape	\$ 35,100	\$ 35,100	\$ 35,100	\$ 34,412	\$ 688
2013-14	Cailloux Theater Expansion	\$ 850,000	\$ 850,000	\$ 1,113,474	\$ 447,358	\$ 666,116
2013-14	Habitat for Humanity	\$ 375,000	\$ 375,000	\$ 375,000	\$ 375,000	\$ -
2014-15	James Avery	\$ 1,220,000	\$ 610,000	\$ 610,000		\$ 610,000
2014-15	ED Set Aside	\$ 500,000	\$ 500,000	\$ 500,000		\$ 500,000
2015-16	LHP Lighting	\$ 250,000				
2015-16	Olympic Pool	\$ 100,000				
2015-16	Parking Garage	\$ 160,000				
2015-16	Planter Boxes	\$ 20,000				
2015-16	Street Furniture	\$ 100,000				
TOTALS		\$ 3,610,100	\$ 2,370,100	\$ 2,633,574	\$ 856,771	\$ 1,776,802

Cash Balance on 10/31/2015 \$ 1,776,802

General Capital Improvement Projects - supported by EIC

Fiscal Years	Projects	Agreement Commitment	Total Funded	Expense To Date	To Balance
2011-12	River Trail	\$ 6,000,000	\$ 5,992,404	\$ 4,133,348	\$ 1,859,056
2011-12	Louise Hays/Lehmann Monroe parks	\$ 2,000,000	\$ 2,600,000	\$ 2,600,000	\$ (0)
Funding Agreement - C2011-76Totals		\$ 8,000,000	\$ 8,592,404	\$ 6,733,349	\$ 1,859,056

Notes:

6/24/14 - Project adjustments - \$600,000.00 moved from River Trail project to Louise Hays/Lehman Monroe park improvements per EIC and City Council meetings - additional funding to replenish River Trail project to be requested by city staff from EIC at future EIC meeting.

9/22/14 - Project replenished - \$600,000.00 approved at EIC meeting related to Louise Hays/Lehman Monroe park improvements (see note above) reported on 9/30/14 financial report at October 2014 meeting.

Cash and Investments

For the month ending October 31, 2015

Cash and Investment Balances by Fund			
<u>City G/L Fund</u>	<u>Fund Name</u>	<u>Balance</u>	<u>Period</u>
40	Sales Tax Improvement Fund (operating fund)	\$ 3,631,090	10/31/2015
75	EIC Projects Fund (capital projects fund)	\$ 1,776,802	10/31/2015
Total Cash and Investments		\$ 5,407,892	10/31/2015

Cash and Investments by Type - Placement - Amount					
<u>Type</u>	<u>Investment Placement</u>	<u>Amount</u>	<u>Interest Earned</u>	<u>Interest Earned (Annualized)</u>	<u>Period Ending</u>
Cash	Wells Fargo Checking	\$ 1,657,514	\$ -	0.00%	10/31/2015
ST Investment	EIC TexPool	\$ 1,624,757	\$ 133.28	0.10%	10/31/2015
ST Investment	EIC TexStar	\$ 1,626,091	\$ 151.68	0.11%	10/31/2015
HILCO FCU	CD	\$ 249,325	\$ 116.40	0.56%	10/31/2015
Kerr County FCU	CD	\$ 250,206	\$ 205.48	0.99%	10/31/2015
Total Cash and Investments		\$ 5,407,892	\$ 606.84	0.13%	10/31/2015

Agenda Item:

3B. Projects update. (staff)

River Trail Project

Cailloux Theater Support Facility

Effluent Construction Project

Workforce Housing Project

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

SUBJECT: Projects Update

FOR AGENDA OF: November 16, 2015 **DATE SUBMITTED:** November 12, 2015

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

EXHIBITS: Project Status Reports

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *TD for Todd Parton*

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

Staff will provide reports on the following projects:

- River Trail Project – Lowry Park
- Cailloux Theater Support Facility
- Effluent Construction Project
- Workforce Housing Project

RECOMMENDED ACTION

This report is for informational purposes only. No action required.

EIC Projects Update November 16, 2015

Cailloux Campus Support Facility:

Roofing and siding is underway as well as the interior framing.

The electrician has begun work along with the fire sprinkler installation.

The anticipated completion date is the end of January.

Lowry Park Trail:

The box culverts have been set for the Town Creek crossing.

Construction should be completed by March 2016.

Agenda Item:

4A. Funding agreement with Playhouse 2000, in an amount not to exceed \$108,500.
(staff)

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

SUBJECT: Hold a public hearing and consider a funding agreement between the City of Kerrville, Texas, Economic Improvement Corporation and Playhouse 2000, Inc. in an amount not to exceed \$108,500

FOR AGENDA OF: October 19, 2015 **DATE SUBMITTED:** October 14, 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: *AD for Todd Parton*

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

On October 19, 2015, the EIC board considered a quality of life funding application from Playhouse 2000 Inc. (P2K) in the amount of \$108,500 for three specific projects at The Cailloux Theater. These projects are outlined below.

1. The replacement of all stage curtains in The Cailloux Theater – (\$33,000);
2. Replacement of portable seating in the VK Garage Theater – (\$52,000); and
3. Repairs and maintenance to the Theater’s Steinway Concert Grand Piano – (\$23,500).

The EIC board approved the request and directed staff to prepare a funding agreement for consideration in addition to holding a public hearing. If approved, the last step in this process is consideration and final approval by City Council on December 8, 2015.

RECOMMENDED ACTION

Staff recommends holding a public hearing and approval of the agreement as presented.

ECONOMIC DEVELOPMENT GRANT AGREEMENT
BETWEEN PLAYHOUSE 2000, INC. AND
THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION

This Agreement entered into by and between **PLAYHOUSE 2000, INC.**, a Texas nonprofit corporation (“P2K”), acting herein by and through its duly authorized Executive Director, Jeffrey Brown (“P2K Officer”), and the **CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION** (“EIC”), a Texas nonprofit corporation established pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 (otherwise known as the Development Corporation Act of 1979 and now codified in Chapters 501, 502, and 505 of the Texas Local Government Code) (hereafter referred to as “the Act”), acting by and through its Board of Directors (“Board”) and 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:

“[L]and, buildings, *equipment, facilities, and improvements* found by the [Board] to be required or suitable for use for professional and amateur sports, including children’s sports, athletic, *entertainment, tourist, convention*, and public park purposes and events, including stadiums, ball parks, *auditoriums, amphitheaters, concert halls*, parks and park facilities, open space improvements, museums, *exhibition facilities, and related store, restaurant, concession*, and automobile parking facilities, related area transportation facilities, and related roads, streets, and water and sewer facilities, *and other related improvements that enhance any of the items described by Section 505.152 of the Act*” (emphasis supplied); and

WHEREAS, P2K produces a wide variety of performing arts and entertainment programming and is the manager of the Kathleen C. Cailloux City Center for the Performing Arts (“Auditorium”) pursuant to a contract with the City of Kerrville, Texas (“City”); and

WHEREAS, P2K wishes to improve and enhance the use and operation of the Auditorium; and

WHEREAS, P2K has applied to EIC for grant funding to pay for several projects, as described below, which are required for the safe and efficient use of the Auditorium; 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 P2K to provide sales tax revenues collected pursuant to the Act (“4B Revenues”) to P2K for its cost of the Project, as described below; and

WHEREAS, on November 16, 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 expenditures of 4B Revenues for the purposes provided herein;

NOW THEREFORE, for and in consideration of the recitals set forth above and the promises made herein, P2K and the EIC agree as follows:

**ARTICLE I.
EIC’S OBLIGATIONS**

- A. EIC hereby grants to P2K an amount up to **One Hundred Eight Thousand Five Hundred and No/100 Dollars (\$108,500.00)** (“Grant”) for costs relating to the replacement of stage curtains and portable seating and costs associated with repairs for a grand piano, collectively referred to herein as the “Project”. The Project is more specifically described and costs itemized in the attached **Exhibit A**.
- B. Subject to the terms and conditions set forth in Article II, EIC will administer and provide the Grant to P2K on a reimbursable basis. Prior to any payment from EIC, P2K shall submit written evidence of costs, such as invoices, receipts, and bills of sale, for review and approval by the EIC or its designated representative. Following each submission and verification thereof, which may include on-site inspections to confirm the purchases, replacements, and repairs specifically relating to the Project, EIC shall then reimburse P2K for the cost.
- C. Payments made by EIC to P2K from 4B Revenues will be limited to the payments of “costs” as defined by the Act and as specified above for the Project.
- D. In no event will the total amount of the Grant exceed **One Hundred Eight Thousand Five Hundred and No/100 Dollars (\$108,500.00)**.

**ARTICLE II.
P2K’S OBLIGATIONS**

- A. P2K shall complete the Project on or before June 1, 2016. Failure to complete the Project by this date will terminate EIC’s obligation to make any additional payments of the Grant.
- B. P2K shall keep and maintain complete and accurate records relating to the costs of the Project, 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. P2K will only be liable to EIC for the actual amount of the Grant to be conveyed to P2K 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 P2K under the terms of this Agreement.

**ARTICLE III.
SALE OF PROJECT, MERGER, OR CONSOLIDATION OF P2K**

- A. A sale of all or any of the assets of P2K will not release P2K from its duties and responsibilities to EIC under the terms of this Agreement and will 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 P2K's proposed successor shall have the financial condition to fully satisfy P2K's duties and responsibilities hereunder and agrees to assume P2K'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 P2K with any third party not affiliated with P2K, P2K 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 P2K'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 P2K'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 P2K. In the event of any sale or merger involving P2K or its affiliates, the surviving entity shall assume P2K's obligations and rights hereunder and be entitled to any and all benefits to be received pursuant to this Agreement.

**ARTICLE IV.
P2K'S REPRESENTATIONS AND WARRANTIES**

- A. P2K represents and warrants as of the date hereof:
- (1) P2K 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 P2K and this Agreement is not in contravention of P2K's governing authority or any agreement or instrument to which P2K 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 P2K Officer, threatened against or affecting P2K, which may result in a material adverse change in P2K's business, properties, or operations sufficient to jeopardize P2K's legal existence; and

(4) No written application, written statement, or correspondence submitted by P2K to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of P2K 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. The Application for 4B sales Tax Funds submitted by P2K is attached hereto as **Exhibit B** and shall be incorporated herein by reference and expressly made a part of this Agreement.

B. Except as expressly set forth in this Article IV, P2K 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, is legally authorized to enter into this Agreement by virtue of the statute under which it is governed and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;

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

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

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

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

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

A. Under any of the following conditions EIC may, at its option, after fifteen (15) days written notice to P2K, suspend its further performance under this Agreement until such time as P2K shall have cured the condition(s) and so notified EIC, in writing, that the condition(s) have been cured:

(1) P2K 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 P2K, or of all or any substantial part of the Property, and the failure of such receiver to be discharged within sixty (60) days thereafter.

(3) The adjudication of P2K as bankrupt.

(4) The filing by P2K 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 P2K within ninety (90) days, P2K will be considered to have breached this Agreement and EIC may, at its option, with written notice to P2K, terminate this Agreement and P2K shall be obligated to refund the EIC the full amount of any Grant funding received from the EIC.

ARTICLE VII. REMEDIES

- A. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement by any party hereto, or any successor to such party, such defaulting or breaching party (or successor) shall upon written notice from the other party, proceed immediately to cure or remedy such default or breach, and, in any event, within sixty (60) days after receipt of such notice. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time (but in no event later than ninety (90) days from the date of notification of such breach), the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including but not limited to, seeking specific performance and/or injunctive relief.
- B. Upon breach of this Agreement by either party and the failure to cure as permitted by this Article VII, the non-breaching party shall have the sole right and discretion to either terminate this Agreement and/or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that P2K 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 P2K in accordance with this Agreement, is entitled to recover attorney fees, collection costs, and any other costs due to its pursuit of repayment and remedies under this Agreement.
- C. Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights will not, so long as the breach or default by another party is continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor will any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

ARTICLE VIII. GENERAL PROVISIONS

- A. Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court having competent jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a

part of this Agreement, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

- B. Amendment. This Agreement may be amended only by written amendment signed by both parties.
- C. Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement shall be made or performed in Kerrville, Kerr County, Texas. Venue will lie in Kerr County, Texas; and this Agreement is governed by and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof.
- D. Notices. All notices given with respect to this Agreement must be in writing and will be deemed to have been properly given for all purposes (i) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

For EIC

President – David Wampler
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

For Playhouse 2000, Inc.

Executive Director – Jeffrey Brown
Playhouse 2000, Inc.
P.O. Box 290088
Kerrville, Texas 78029

- 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. P2K may, without written consent of EIC, assign this Agreement to any entity controlled and

100% owned by P2K or by the parent, subsidiary, or affiliate of P2K provided the entity assumes all of P2K's obligations and liabilities under this Agreement; agrees to comply with all provisions of this Agreement; has the legal, managerial, technical, and financial ability to properly perform and discharge such obligations and liabilities; and such abilities are each at least as great as those of P2K and P2K provides a written guarantee of such assignee's performance in a form reasonably acceptable to EIC. EIC shall be advised in writing of such assignment and of the entity's qualifications at least sixty (60) days before such assignment occurs.

- F. Parties In Interest. Nothing in this Agreement shall entitle any party other than P2K or EIC to any claim, cause of action, remedy, or right of any.
- G. Term. The term of this Agreement (the "Term") will commence on December 9, 2015 (the "Effective Date"), and will terminate on the earlier of: (i) either on June 1, 2016, 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 P2K's sole and absolute discretion, but only upon the P2K's return of all Grant funding to EIC that it has received under this Agreement. Upon termination of this Agreement as specified herein, all rights, duties, and obligations of any kind under this Agreement shall automatically expire and terminate and be of no other force and effect, with the exception of those duties and obligations that specifically last beyond any such date.
- 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. Indemnity. **IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES THAT P2K, IN PERFORMING ITS OBLIGATIONS HEREUNDER, IS ACTING INDEPENDENTLY, AND EIC ASSUMES NO RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH TO THEIR PARTIES. P2K AGREES TO INDEMNIFY AND HOLD HARMLESS EIC, ITS OFFICERS, AND AGENTS, AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS, AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE, OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS THAT MAY ARISE OUT OF OR BE OCCASIONED BY P2K'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT, OR BY ANY NEGLIGENT ACT OR OMISSION OF P2K, ITS OFFICER, AGENTS, ASSOCIATES, OR EMPLOYEES, IN THE PERFORMANCE OF THIS AGREEMENT; AND NOTHING HEREIN SHALL BE CONSTRUED AS A WAIVER OF ANY GOVERNMENTAL IMMUNITY AVAILABLE TO EIC UNDER TEXAS LAW.**
- J. No Joint Venture. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties.

- K. Survival of Terms. All rights, duties, liabilities, and obligations accrued prior to termination will survive termination.
- L. 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 President, duly authorized to execute same by action of the Board; and by Playhouse 2000, Inc., acting through the P2K Officer.

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

PLAYHOUSE 2000, INC.

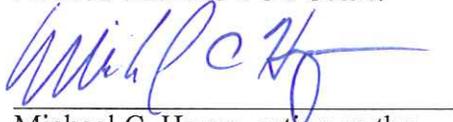
David Wampler, President
Date: _____

Jeffrey Brown, Executive Director
Date: _____

ATTEST:

Cheryl Brown, Recording Secretary

APPROVED AS TO FORM:



Michael C. Hayes, acting as the
Attorney for EIC

1: Installing New Stage Curtains

We are requesting \$33,000 to be used to upgrade all "Soft Goods" inside The Cailloux Theater:

1. Improve the "Look" and usability of the main stage
 - Curtains, Legs and Teasers are main aspect of all stage appearance
 - Current soft goods are (potentially) 55 years old, and are patched, torn, and rotted.
2. Address serious concerns regarding safety and usability
 - 100% of current inventory failed NFPA Field Fire Test
 - All inventory deemed "at the end of their usable life."
3. Requested funds would provide and install upgrades for all currently hanging soft goods, including main drape, all legs, both travelers, all borders, cyclorama and scrim

2: Acquiring Modular Seating

We are requesting \$52,000 to be used to purchase high quality Modular Seating for the VK Garage Theater:

1. Expand Audience Capacity
 - Provide seating for 140 guests, up from 100
2. Improve Audience Comfort
 - Replace chairs that are 15 years old, and are now both uncomfortable and unsightly
 - Proposed chairs are similar in quality to permanent seating
3. Maintain the flexibility of the "Black Box" space
 - Chairs set up quickly and attach securely for orderly rows
 - Chairs store easily when not in use

The Wenger Model 23

- Luxury seating that doesn't need to be secured to the floor
- Quickly and easily adapts to changing needs
- Integrated high-quality audience seating system
- Designed for today's modular performance environments



STANDARD PORTABLE AUDIENCE CHAIR

3: Improving the Piano

We are requesting \$23,500 to be used for improvements to the Steinway Concert Grand Piano

1. The "Gold Standard of Concert Pianos" in declining condition
 - 1960 Steinway Model "D", 9' Grand Piano
 - Now in its 56th year of service
 - Tone and Action are both showing signs of decline, which will accelerate without attention
2. Refurbish, Not Replace
 - Cost of replacement with similar piano would fall between \$150,000 and \$200,000
 - Upgraded interior parts could extend the life of the piano by 30 years or more
3. Bring This Piano Back to World-Class Standards
 - Rebuild "action," replace all hammers, shafts and dampers, restore key bed, replace strings and tuning pins
 - Reclaim the tone for which the Steinway was created

KERRVILLE'S COMMUNITY THEATER

PLAYHOUSE

2 · 0 · 0 · 0

EXHIBIT "B"

Playhouse 2000, Inc.
P.O. Box 290088
Kerrville, TX 78029
305 Washington Street
www.Playhouse2000.com
(830) 896-9393

Board of Directors

Kit Werlein
President

Tom Terrell
Vice President

Stephen Fine
City of Kerrville
Representative

Susan Neely Balentine

Arthur Bell

Chris Distel

Paul E. Stafford

Roxie Orms

Gene Smith

Gary Stork

Nancy B. Watts

James E. Wilson

Staff

Jeffrey Brown

Executive Director

jbrown@caillouxtheater.com

Extension 303

Nicholas Boland

Technical Director/
Facilities Manager

nick@caillouxtheater.com

Extension 305

Amy Goodyear

Office Manager

amy@caillouxtheater.com

Extension 304

Sarah Distel

Associate Producer for
Children's Programming

distelse@gmail.com

Susan Burns

Front-of-House Manager

susan@caillouxtheater.com

Extension 302

Josie Reyes

Box Office Manager

boxoffice@caillouxtheater.com

Extension 301

Managers of the
Kathleen C. Cailloux
City Center for the
Performing Arts

Kerrville's
Community Theater

22 September 2015

Kerr Economic Development Corporation (KEDC)
1700 Sidney Baker, Ste 100
Kerrville, Texas 78028

Dear Mr. Titas,

We are pleased to submit the attached application for support from the Economic Improvement Corporation. This letter will provide background information as requested in the 4B Sales Tax Funding Request application.

Playhouse 2000, Inc, is a 501(c)(3)-recognized organization whose mission is to ensure a wide variety of performing arts events and activities are available to all residents of Kerrville, Kerr County and the Texas Hill Country. We achieve this mission by managing and programming the City-Owned Kathleen C. Cailloux City Center for the Performing Arts, and by producing local events including a full Community Theater season, a Youth Theater and Young People's Performances Series, a Fine-Arts Performances Series, an annual "Shakespeare In the Park" and several others.

We are requesting \$125,000 to be used for three specific projects that are required for the continued safe and efficient use of the Cailloux City Center complex. These projects are: 1) the replacement of all stage curtains in The Cailloux Theater; 2) replacement of portable seating in the VK Garage Theater; and 3) repair and maintenance of the Cailloux City Center's Steinway Concert Grand Piano.

As stewards of this beautiful complex on behalf of The City of Kerrville, we take seriously the need to ensure the continued usability of all of its components, and work hard to be aware of needs for improvement before they become urgent. Even so, successful completion of these three projects is urgent if The Cailloux City Center is to remain an active and vital part of the Hill Country's arts community.

I am hopeful that the balance of our application, including the project narrative, will provide all of the information necessary for your consideration. If anything else is needed, please feel free to contact me at the address or phone number above, or by email at Jeffrey@Playhouse2000.com.

Sincerely,



Jeffrey Brown, Executive Director
Playhouse 2000, Inc. and
The Kathleen C. Cailloux City Center
For the Performing Arts

Submittal Date: 09/22/15

ORGANIZATION

Playhouse 2000, Inc.

Applicant Name			
305 Washington St.	Kerrville	TX	78028
Address	City	State	Zip
(830) 896-9393			
Phone	Alt. Phone	Fax	
www.Playhouse2000.com or www.CaillouxTheater.com			
Website			

PROJECT CONTACT

Jeffrey Brown	Executive Director		
Contact Person Name	Title		
P.O. Box 290088	Kerrville	TX	78029
Address	City	State	Zip
(830) 896-9393 x 303			
Phone	Alt. Phone	Fax	
jeffrey@playhouse2000.com			
Email Address			

Amount of Funding Requested: \$ 125,000

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

Continue to Section III

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

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.

Jeffrey Brown

Printed name

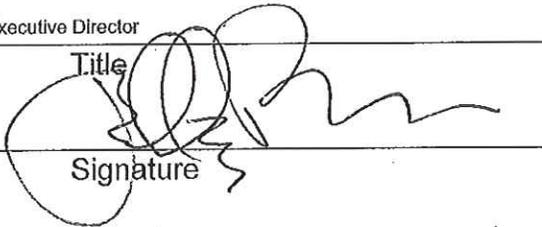
Date

9/21/2015

Executive Director

Title

Signature



Playhouse 2000, Inc.
Application to the Kerrville Economic Improvement Corporation
September, 2015

SECTION IV - PROJECT DESCRIPTION

Thank you for this opportunity to apply for EIC support of proposed repairs and improvements to the facilities of The Kathleen C. Cailloux City Center for the Performing Arts.

Playhouse 2000 has been proud to serve as managers and stewards of this outstanding asset owned by The City of Kerrville, for the past decade. We work hard to ensure that the facility and its furnishings are always in top condition and able to represent the very best our City has to offer to guests from across the region.

We have a regular schedule of inspections and assessments that help us review the condition and fitness of assets within the City Center, and these have helped us uncover three specific areas that need attention soon.

These problem areas, why they are important, and our recommended action, are described below.

1. Replacement of all "soft goods" inside the Cailloux Theater:

Theatrical Curtains are important to the polished look of any performance hall. "Curtains" and "Travelers" are large, full-stage drapes, usually made with velour or similar to enhance their light-carrying characteristics. "Legs" and "Teasers" go together to frame the stage at various distances from front to back. All of them assist theatrical and concert designers to "finish" the set dressing appropriately.

These curtains - known collectively as "Soft Goods" - are treated for fire resistance for safety, and are usually black in color. Occasionally the front curtain (The "Grand Drape") is colored to match the décor of the auditorium.

All of the curtains on The Cailloux stage have been tested for both suitability-to-purpose and fire retarding properties, and almost all of them failed one or the other (or both) aspects of this test. It appears that the curtains, legs, teasers and valances were not replaced during the 2003 renovation, which may explain why they are exhibiting "dry-rot" and other problems. Many are torn and patched, making them unsightly, and all have outlived their fire-resistance treatments.

While it is possible, in some instances to refurbish hanging soft-goods - usually a process of cleaning, repairing tears, and refreshing fire-retardant chemicals - this is impossible in this case due to the curtains' advanced state of wear.

We have an estimate from Texas Scenic Company, a San Antonio based theatrical supplier, to construct and deliver replacement curtains, plus equipment for storage of curtains when they are not in use, totaling \$26,850. A contingency of 15% will cover potential changes in cost or design,

We request a grant of (up to) \$33,000 in this portion of the application.

2. Seating for the VK Garage Theater:

With the opening of the Cailloux Support Facility, the VK Garage will transition to a full-time performance venue, with expanded seating capacity. The chairs that we currently use for audience seating were adequate when they were purchased for use in "The Interim Theater" in 1998; they are now showing wear badly. In addition to being somewhat unsightly and less than comfortable, there are too few of them to outfit the new performance space.

We propose to purchase a full set of 140 chairs manufactured by the Wenger Corporation, a well-known manufacturer of theatrical equipment. The chairs are truly theatrical in style, without

the need for being permanently attached to the floor. With spring-return "flip-up" seats, heavy duty frame and upholstery, and coupling attachments for stability, these chairs provide an excellent audience experience with all the flexibility needed by the VK Garage Theater's "Black Box" design.

We have a quote direct from The Wenger Corporation that includes 140 chairs, storage for times the chairs are not in use, and freight, which totals \$47,235, to which we add a contingency of 10% to cover potential price changes.

We request \$52,000 in this portion of our request.

3. Repairs to the concert piano.

The Cailloux Theater is blessed to house a 1960 Steinway Model "D" Concert Grand Piano. This instrument is the "gold standard" of concert pianos, but ours is definitely "showing its age."

Consistent use over the 55 years of the piano's life have led to predictable wear on the many thousands of moving parts inside the piano, as well as on strings, hammers and felts. This wear has left the piano with an uncharacteristically "bright" tone which is noticeable to both artists and sensitive audience members. Failure to provide upkeep at this point could render the piano inadequate to some of the uses for which we require it now and in the future.

Replacement of the Concert Grand Piano has been considered, but it would be expensive and could leave The Cailloux with an instrument inferior to the one we have now. A brand-new replacement Model D would cost about \$118,000 retail, plus delivery from New York, and according to many experts, it would be an inferior instrument when compared to the 1960 Model D in prime condition. A comparable new piano by Bosendorfer or Mason & Hamlin (there is MUCH discussion about whether or not these are truly comparable pianos) would cost between \$110,000 and \$200,000, according to retail price guides.

Our regular piano technician for many years, Mr. Ramon Ramirez of Austin, has provided a report on the need for a thorough rebuild of the piano. The types of services required include replacing worn parts, re-balancing the action, evening the tone of the instrument, and refinishing the instrument's exterior. His estimate for a comprehensive "re-build" of the Steinway comes to \$35,000. We will also need to factor in the cost of renting a replacement instrument during the re-building process.

We request a grant of up to \$40,000 in this portion of the application.

In each of these cases, repair or replacement of vital equipment is needed in the near term, and the cost of repair or replacement is more than we would be able to absorb without years of fundraising. We are requesting the EIC's assistance in tackling these sensitive items before a larger problem or an emergency exists.

Additional Information, including financial reports, IRS reports, and time schedules are readily available and will be supplied as needed.

Additional Attachments

Attachment 1: Quotation from Texas Scenic Company related to Project 1: Replacement of Soft Goods

PLEASE NOTE: THIS QUOTATION INCLUDES PRICING FOR EQUIPMENT NOT INCLUDED IN THIS REQUEST. The Total cost related to this project is \$26,850 for curtains.

Attachment 2: Customer Quotation from Wenger Corporation related to Project 2: Seating for the VK Garage Theater

Attachment 3: An email letter from piano technician Ramon Ramirez related to Project 3: Repairs to the Cailloux Theater Grand Piano.

Customer Quotation



Quote: 970990

Date: 4/29/2015

Effective: For 30 days only

Ship Within: 60 days

Prepared For: Nick Boland
 Playhouse 2000, Inc.
 305 Washington St
 Kerrville, TX 78028-4509

Delivery Within:
 Tax: Not Included
 Terms: PENDING CREDIT APPROVAL
 F.O.B. Point: Destination

Regarding: Standard Portable Aud Chairs/Carts

Page: 1

Item	Description	Quantity	Unit Price	Price
027A101.111	CHAIR,AUD.STD.MODEL 23 SINGLE SIZE: 23 IN. OUTSIDE/OUTSIDE FABRIC: ** UNDEFINED **	140	280.00	39,200.00
027A036	STORAGE CART,AUDIENCE CHAIR Note: Cart capacity is 24 chairs.	6	854.00	5,124.00
Total Product Charge				44,324.00
Freight/Handling Charge				2,911.00
Total Charge				47,235.00
***** The freight reflected in this quotation is for common carrier shipment with tailgate delivery. Tailgate delivery will require staff at your location to be available for unloading, moving the product to your desired location and completing any assembly or installation. Contact your Wenger representative if you want to look into delivery and installation by Wenger truck and technician. *****				

* Terms and Conditions of Sale appear on following page.

Submitted By: Doug Olson
 Sales Representative

Phone: 800-733-0393 Ext 182 Fax: 507-455-4258
 Email: doug.olson@wengercorp.com
 Printed by: Sue Morris

WENGER CORPORATION
 555 Park Drive, PO Box 448
 Owatonna, MN 55060-0448
 Phone 800.4WENGER (493-6437)
 Fax 507.455.4258
 Parts & Service 800.887.7145

WENGER CORPORATION
 CANADA OFFICE
 Phone 800.268.0148

WORLDWIDE
 Phone 1.507.455.4100
 Fax 1.507.774.8576

WEB SITE
 www.wengercorp.com





eduardo Ramirez <ramonantonioramirez@gmail.com>

Cailloux Theater Steinway

1 message

Ramon Ramirez <ramonantonioramirez@gmail.com>

Mon, Nov 8, 2010 at 11:04 PM

To: nicholasboland@gmail.com, Ramon Ramirez <ramonantonioramirez@gmail.com>

Mr. Nick Boland
Cailloux Theater
Kerrville, TX
(830) 792-6447

Dear Nick,

At your request, I have assembled the following information to help with the long term maintenance planning of the Cailloux Theater grand piano. It is the result of our conversations along with some research I have done. This piano is a Steinway brand Model D concert grand. (At just under nine feet in length, this model is the gold standard of concert halls the world over.) The Cailloux Steinway bears the serial number 367336 and was manufactured in 1960. It is now fifty years old, and has served the theater very well. However, it has wear issues to be sure and its future use mandates that these issues eventually be dealt with.

The Steinway D is still being manufactured, of course, and replacing 367336 with a new D would be a very simple solution if the high cost were not an issue. A new D retails now for roughly 115,000 dollars. 367336 has trade in value, but given its age and wear, the final cost of a new D would still be high -- my guess would be in the 80,000 to 90,000 dollar range. Our conversations have revealed that cost is an issue, however, and my experience with this instrument has formed the opinion that given appropriate maintenance, 367336 can continue to serve the theater very well for many years to come.

A comprehensive restoration of a quality concert grand piano would currently run in the 35,000 dollar range. Such a restoration would entail a complete rebuilding of the action and damper systems, replacement of the pin block and strings, replacement of the sound board, and complete refinishing and/or case restoration. It would also typically require the removal of the piano from the theater for perhaps a year or so. Therefore, while a considerable savings would be realized over replacing the instrument, some of that savings would be lost in the rental of a suitable piano for the performances that take place during its absence.

In our discussions, the possibility of leaving the finish alone has come up as a viable means of reducing restoration costs since the piano's appearance has proven acceptable. Also, the sound board is in good shape and likely to hold up for another extended period of time. Finally, the pin block is in good shape and would not necessarily need to be replaced; restringing the piano with over-size tuning pins looks to be a viable option.

What we are left with would be: rebuilding the action, rebuilding the damper system, and restringing with oversize tuning pins. By eliminating the case restoration, sound board replacement, and pin block replacement, we would end up with a figure roughly one-half of the cost of a comprehensive restoration. Further, if selected to perform this work, I could do it over the course of one Summer thus eliminating or at least greatly reducing the need for renting a piano while 376336 is being worked on. (I do not perform comprehensive restoration; a quality shop would have to be used.)

All of the three operations in the preceding paragraph could be performed individually. However, when totaled, the cost would be greater due to logistics. (The piano would have to be transported here for restringing. Once here, rebuilding the action and damper systems could be done without trips to Kerrville.) I have most of the information needed to produce an estimate for these operations, but with one more look at the piano I could commit to some solid figures.

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Agenda Item:

5A. Amendments to the Development Agreement and Zoning for Airport Commerce Park. (staff)

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

SUBJECT: Amendments to the development agreement and zoning for Airport Commerce Park

FOR AGENDA OF: November 16, 2015 **DATE SUBMITTED:** November 12, 2015

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

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *KD for Todd Parton*

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

At the August 11, 2015 City Council meeting, Bruce John Stracke with Brinkman Commercial Properties requested that the Airport Commerce Park Development Agreement and Zoning be considered for revision. City Council directed staff to study the agreement and to bring back recommendations to the EIC and Council.

At the October 19, 2015 EIC meeting, staff presented the following recommended modifications to the PDD and Agreements.

- Use E-26 District as the Base for Zoning;
- Exclude Multifamily Use and Primary Education Use;
- Include General Building Construction and Workforce Training Use;
- Extend Contract Deadline 15 years;
- Collect Payment in Conjunction with Building Permit Fees;
- Alleviate Trigger for Second Phase Based on First Phase Lot Consumption;
- Provide Flexibility to Develop Phases;
- Generalize Allowed Uses
 - I. Heavy Equipment Maintenance
 - II. Fuel Sales
 - III. All Manufacturing and Assembly
 - IV. All Personnel Services and Restaurants
 - V. New and Used Vehicle Sales
- Performance Standards

- I. Use City's Existing Codes as a Baseline
- II. Highway Frontage
 - Prohibit Driveway Entrances on Junction Highway
 - Establish Buffer / Screening Standards for Outside Storage along Highway

EIC directed staff to make the aforementioned revisions to the agreement. Staff will provide an update at this meeting.

RECOMMENDED ACTION

For informational purposes only. No action required.

Agenda Item:

5B. Select date for December EIC meeting. (staff)

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

SUBJECT: Consider changing the date for the regular December 2015 meeting

FOR AGENDA OF: November 16, 2015 **DATE SUBMITTED:** November 12, 2015

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

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

TD for Todd Parton

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

The regular meeting date for the December EIC meeting falls during the week of the Christmas holiday.

RECOMMENDED ACTION

Staff recommends considering selecting a new date in December to meet due to the holiday.