

**AGENDA FOR REGULAR MEETING**

**CITY OF KERRVILLE, TEXAS**

**ECONOMIC IMPROVEMENT CORPORATION**

**MONDAY, MARCH 21, 2016 AT 4:00 P.M.**

**KERRVILLE CITY HALL CITY COUNCIL CHAMBERS**

**701 MAIN STREET, KERRVILLE, TEXAS**

**AGENDA FOR REGULAR MEETING OF THE  
CITY OF KERRVILLE, TEXAS  
ECONOMIC IMPROVEMENT CORPORATION  
MONDAY, MARCH 21, 2016, 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 MINUTES:**

2A. Approval of minutes for the regular meeting held on January 25, 2016 and February 15, 2016.

**3A. MONTHLY REPORTS:**

3A. Monthly financials for February 2016. (staff)

3B. Projects update. (staff)

River Trail Project

Cailloux Theater Support Facility

Kerrville Sports Complex

**4. DISCUSSION AND POSSIBLE ACTION:**

4A. Airport Commerce Park. (staff)

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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 March 17, 2016, 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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**5. 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

**6. ITEMS FOR FUTURE AGENDAS:**

**7. ANNOUNCEMENTS:**

**8. ADJOURNMENT**

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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 March 17, 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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## **Agenda Item:**

2A. Approval of minutes for the regular meeting held on January 25, 2016 and February 15, 2016.

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

**JANUARY 25, 2016**

On Monday January 25, 2016, 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 Stork.

**Members Present:**

David Wampler, President  
Gary Cochrane, Vice President  
Delayne Sigerman  
Paul Stafford  
Gary Stork

**Members Absent:**

Sheri Pattillo, Secretary  
James Wilson

**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 December 21, 2015 meetings.

Mr. Cochrane moved to approve the minutes as presented. Mr. Stafford seconded, and the motion passed 5-0.

**3. MONTHLY REPORTS:**

3A. Monthly financials for December, 2015:

Ms. Yarbrough reported a beginning balance of \$3,808,629; with \$255,671 revenue, and \$100,740 expenditures; leaving an ending cash balance on December 31, 2015 of

\$3,963,561. She reviewed the capital projects status summary, which showed an ending cash balance of \$ 1,621,472 and the cash and investments fund, which showed an (annualized) interest earned of 0.18%.

3B. Projects update.

Cailloux Campus Support Facility

Mr. Crenwelge reported that the masonry, parking lot, metal work, texturing, electrical and HVAC was complete. Completion was anticipated by the end of January

Lowry Park Trail

Mr. Crenwelge reported that the concrete work was underway at the Town Creek bridge crossing. Completion of construction was anticipated by March 2016.

**4. DISCUSSION AND POSSIBLE ACTION:**

4A. HEB Tennis Center Improvements Update

Ms. Boyle gave the update. There were three options for the renovations of the tennis courts. Staff planned to recommend the option that had the cost estimate of \$98,920.00. The option, Ms. Boyle explained, would best alleviate the immediate problems with the tennis courts, as well as give a longer life-span for future use.

4B. Discussion of Potential Workforce Project

Mr. Parton gave a report regarding the options for possible locations and types of projects for potential workforce housing.

**5. 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 Mr. Stork and passed 5-0 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 4:37 p.m. the open session recessed and the EIC went into executive closed session at 4:37 p.m. At 4:52 p.m. the executive closed session recessed and the EIC returned to open session at 4:52 p.m. Mr. Wampler announced that no action was taken in executive session.

**6. ITEMS FOR FUTURE AGENDAS:**

**7. ANNOUNCEMENTS:**

**8. ADJOURNMENT**

The meeting was adjourned by Mr. Wampler at 4:52 p.m.

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

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

ATTEST:

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

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION  
REGULAR MEETING** **FEBRUARY 15, 2016**

On Monday February 15, 2016, 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  
Gary Stork  
Sherry Pattillo, Secretary  
Delayne Sigerman  
Paul Stafford (arrived at 4:20 p.m.)

**Members Absent:**

James Wilson

**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  
Trent Robertson, City Planner

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

**1. VISITORS/CITIZENS FORUM:**

No one spoke.

**2. MONTHLY REPORTS:**

2A. Monthly financials for January 2016:

Ms. Yarbrough reported a beginning balance of \$3,963,561; with \$256,921 revenue, and \$229,121 expenditures; leaving an ending cash balance on January 31, 2016 of \$3,991,362. She reviewed the capital projects status summary, which showed an ending cash balance of \$ 857,066 and the cash and investments fund, which showed an (annualized) interest earned of 0.27%.

2B. Projects update.

Cailloux Campus Support Facility

Mr. Crenwelge reported that project was completed, and the contractor was working on the final punch list.

Lowry Park Trail

Mr. Crenwelge reported that the concrete work was 85% complete at the Town Creek bridge crossing. The walking trail had 160 feet of concrete completed. Completion of construction was anticipated by March 2016.

Kerrville Sports Complex

Mr. Parton gave an update on the athletic complex. He reported that the Cailloux Foundation was grading the land where the baseball fields and soccer fields will be. He mentioned that the Cailloux Foundation is paying that work, as well as providing the bid specifications and engineering and technical documents for the project. The Foundation also provided the digging for the electrical lines to the project. KUPB had begun work on those lines. The project was scheduled to go out to bid at the end of February, with bid tabs ready for consideration by the City Council by the end of April. The current forecasted completion timeline had the fields ready for play by spring of 2017. There was an agreement with Peter Lewis Architects for architectural work on the indoor facility. A final design of the indoor facility was tentatively scheduled to go before the City Council within the next six months, with an opening of the indoor facility in the fall of 2017.

**3. DISCUSSION AND POSSIBLE ACTION:**

3A. Airport Commerce Park

Mr. Robertson gave a presentation regarding the proposed amendments to the Airport Commerce Park agreement. The amendments were to section 3 of the original agreement that was signed in 2001. The permitted uses were amended, as well as the sections pertaining to lot regulations and sizes, building heights, landscaping, signage, building exteriors, driveways, screening regulations, and lot regulations and development.

The planned development district amendments were scheduled to be brought before the Planning and Zoning Commission at their first meeting in March, and before the City Council at a March meeting as well. After the PDD was approved by the City Council and P&Z, the amended development agreement would be brought back before the EIC for approval.

Ms. Pattillo moved to approve the changes to the ordinance. Mr. Stork seconded, and the motion passed 5-0.

**4. INFORMATION AND DISCUSSION:**

4A. Kerrville Economic Development Corporation Update.

Jonas Titas gave an update. He reported that KEDC planned to meet with all their stakeholders in a forum setting, probably in May. KEDC also planned to hold a forum

with the businesses in Kerrville to get their opinions and feedback. He stated his hand-out included the report from Fox Tank, Inc.

**EXECUTIVE SESSION:**

Mr. Cochrane moved for the city council to go into executive closed session under Sections 551.071, 551.072 and of the Texas Government Code; motion was seconded by Mr. Stork and passed 6-0 to discuss the following:

Sections 551.071 (consultation with attorney), and 551.072 (deliberation regarding real property):

- River Trail.

At 4:21 p.m. the open session recessed and the EIC went into executive closed session at 4:21 p.m. At 4:44 p.m. the executive closed session recessed and the EIC returned to open session at 4:44 p.m. Mr. Wampler announced that no action was taken in executive session.

**6. ITEMS FOR FUTURE AGENDAS:**

Mr. Stork requested that, on a future agenda, the EIC consider developing a policy regarding preservation of the historic buildings in the area.

**7. ANNOUNCEMENTS:**

**8. ADJOURNMENT**

The meeting was adjourned by Mr. Wampler at 4:45 p.m.

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

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

ATTEST:

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

## **Agenda Item:**

3A. Monthly financials for February 2016. (staff)

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

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**SUBJECT:** EIC Financials

**FOR AGENDA OF:** March 21, 2016    **DATE SUBMITTED:** March 14, 2016

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

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

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

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OR FINANCE:**

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**SUMMARY STATEMENT**

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

**RECOMMENDED ACTION**

Recommend acceptance of the financials.

**CITY OF KERRVILLE**  
**Economic Improvement Corporation**  
**Sales Tax Improvement Fund - Summary**  
For the month ending February 29, 2016

<b>Beginning Cash Balance</b>		<b>\$ 3,991,362</b>
Income:		
Sales Tax	\$ 347,778	
Interest Revenue	\$ 1,004	
Total Income	\$ 348,782	
Expenses:		
Administrative Service Fee	\$ 8,333	
Transfer for Debt Service	\$ 88,978	
James Avery Craftsman	\$ 610,000	
Total Expenses	\$ 707,311	
Revenues Over (Under) Expenditures		<u>\$ (358,528)</u>
<b>Ending Cash Balance</b>		<b><u>\$ 3,632,834</u></b>

**CITY OF KERRVILLE**  
**Economic Improvement Corporation**  
**Sales Tax Improvement Fund - Revenue and Expense Statement**  
**For the month ending February 29, 2016**

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>BEGINNING CASH BALANCE</b>	\$ 3,657,920		\$ 3,657,920		
<b>REVENUE:</b>					
Sales and Use Tax	\$ 3,206,316	\$ 347,778	\$ 1,363,820	42.54%	\$ 1,842,496
Interest	\$ 5,000	\$ 1,004	\$ 4,148	82.96%	\$ 852
<b>TOTAL REVENUE</b>	<b>\$ 3,211,316</b>	<b>\$ 348,782</b>	<b>\$ 1,367,968</b>	<b>42.60%</b>	<b>\$ 1,843,348</b>

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>EXPENDITURES:</b>					
<b>Administrative</b>					
Local Meetings	\$ 500			0.00%	\$ 500
Administrative Services Fee	\$ 100,000	\$ 8,333	\$ 41,667	41.67%	\$ 58,333
Economic Development Governing Body	\$ 154,404		\$ 154,404	100.00%	\$ 0
Debt Service - River Trail - Series 2011A	\$ 256,923	\$ 21,455	\$ 106,740	41.55%	\$ 150,182
Debt Service - River Trail - Series 2012	\$ 255,630	\$ 21,353	\$ 106,763	41.76%	\$ 148,867
Debt Service - Athlex Complex - Series 2015	\$ 596,329	\$ 46,171	\$ 264,983	44.44%	\$ 331,346
<b>Total Administrative</b>	<b>\$ 1,363,786</b>	<b>\$ 97,311</b>	<b>\$ 674,554</b>	<b>49.46%</b>	<b>\$ 689,229</b>
<b>Category I - Business Development</b>					
James Avery	\$ 610,000	\$ 610,000	\$ 610,000	100.00%	\$ -
<b>Total Category I</b>	<b>\$ 610,000</b>	<b>\$ 610,000</b>	<b>\$ 610,000</b>	<b>100.00%</b>	<b>\$ -</b>
<b>Category II - Quality of Life</b>					
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
Cailloux Theater Upgrades	\$ 108,500		\$ 108,500	100.00%	\$ -
<b>Total Category II</b>	<b>\$ 738,500</b>	<b>\$ -</b>	<b>\$ 108,500</b>	<b>14.69%</b>	<b>\$ 630,000</b>
<b>Category III - Public Infrastructure</b>					
Housing	\$ 100,000	\$ -	\$ -	0.00%	\$ 100,000
IH10 @ FM 783	\$ 500,000	\$ -	\$ -	0.00%	\$ 500,000
<b>Total Category III</b>	<b>\$ 600,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 600,000</b>
<b>Contingency</b>	\$ -	\$ -	\$ -	0.00%	\$ -
	\$ -	\$ -	\$ -		\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,312,286</b>	<b>\$ 707,311</b>	<b>\$ 1,393,054</b>	<b>42.06%</b>	<b>\$ 1,919,229</b>
<b>NET REVENUES TO EXPENDITURES</b>	<b>\$ (100,969)</b>	<b>\$ (358,528)</b>	<b>\$ (25,086)</b>		

<b>ENDING CASH BALANCE</b>	Budget	Actual
	\$ 3,556,950	\$ 3,632,834

**CITY OF KERRVILLE**  
**Economic Improvement Corporation**  
**Sales Tax Revenue Analysis - FY15**  
**For the month ending February 29, 2016**

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	\$ 264,775	\$ 277,646	\$ 12,872	4.86%
December	\$ 204,782	\$ 214,424	\$ 251,851	\$ 258,811	\$ 254,834	\$ (3,977)	-1.54%
January	\$ 217,647	\$ 229,761	\$ 245,845	\$ 252,639	\$ 255,292	\$ 2,652	3.84%
February	\$ 284,177	\$ 296,036	\$ 335,071	\$ 344,331	\$ 347,778	\$ 3,447	3.79%
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%
<b>YTD Total</b>	<b>\$ 2,739,321</b>	<b>\$ 2,906,194</b>	<b>\$ 3,099,458</b>	<b>\$ 1,366,092</b>	<b>\$ 1,363,257</b>	<b>\$ (2,835)</b>	<b>-0.21%</b>

**CITY OF KERRVILLE**  
**Economic Improvement Corporation**  
**Capital Projects Fund - Summary**  
For the month ending February 29, 2016

<b>Beginning Cash Balance</b>		<b>\$ 893,726</b>
Income:		
James Avery Craftsman	\$ 610,000	
Total Income:	\$ 610,000	
Expenses:		
Playhouse 2000	\$ 16,640	
Cailloux Theater Expansion	\$ 94,020	
Total Expenses:	\$ 110,660	
Revenues Over (Under) Expenditures		\$ 499,340
<b>Ending Cash Balance</b>		<b>\$ 1,393,066</b>

**CITY OF KERRVILLE**  
**Economic Improvement Corporation**  
**Project Status Summary**  
For the month ending February 29, 2016

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	\$ 34,413	\$ 687
2013-14	Cailloux Theater Expansion	\$ 850,000	\$ 850,000	\$ 1,113,474	\$ 876,220	\$ 237,254
2013-14	Habitat for Humanity	\$ 375,000	\$ 375,000	\$ 375,000	\$ 375,000.00	\$ -
2014-15	James Avery	\$ 1,220,000	\$ 1,220,000	\$ 1,220,000	\$ 609,500	\$ 610,500
2014-15	ED Set Aside	\$ 500,000	\$ 500,000	\$ 500,000		\$ 500,000
2015-16	LHP Lighting	\$ 250,000				
20-15-16	Olympic Pool	\$ 100,000				
2015-16	Parking Garage	\$ 160,000				
2015-16	Planter Boxes	\$ 20,000				
2015-16	Street Furniture	\$ 100,000				
2015-16	Cailloux Theater upgrades	\$ 108,500	\$ 108,500	\$ 108,500	\$ 63,875	\$ 44,625
<b>TOTALS</b>		<b>\$ 3,718,600</b>	<b>\$ 2,980,100</b>	<b>\$ 3,243,574</b>	<b>\$ 1,895,133</b>	<b>\$ 1,393,066</b>

Cash Balance on 2/29/2016    \$    1,393,066

**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	\$ 5,994,010	\$ 4,484,147	\$ 1,509,863
2011-12	Louise Hays/Lehmann Monroe parks	\$ 2,000,000	\$ 2,600,000	\$ 2,600,000	\$ (0)
<b>Funding Agreement - C2011-76Totals</b>		<b>\$ 8,000,000</b>	<b>\$ 8,594,010</b>	<b>\$ 7,084,147</b>	<b>\$ 1,509,863</b>

**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 February 29, 2016

<b>Cash and Investment Balances by Fund</b>			
<u>City G/L Fund</u>	<u>Fund Name</u>	<u>Balance</u>	<u>Period</u>
40	Sales Tax Improvement Fund (operating fund)	\$ 3,632,834	2/29/2016
75	EIC Projects Fund (capital projects fund)	\$ 1,393,066	2/29/2016
<b>Total Cash and Investments</b>		<b>\$ 5,025,899</b>	<b>2/29/2016</b>

<b>Cash and Investments by Type - Placement - Amount</b>					
<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	\$ 1,273,008	\$ -	0.00%	2/29/2016
ST Investment	EIC TexPool	\$ 1,625,919	\$ 388.84	0.29%	2/29/2016
ST Investment	EIC TexStar	\$ 1,627,285	\$ 406.75	0.30%	2/29/2016
HILCO FCU	CD - (MATURED 2/8/16)	\$ 249,683	\$ 7.50	0.04%	2/29/2016
Kerr County FCU	CD - (MATURED 2/10/16)	\$ 250,005	\$ 201.03	0.96%	2/29/2016
<b>Total Cash and Investments</b>		<b>\$ 5,025,899</b>	<b>\$ 1,004.12</b>	<b>0.24%</b>	<b>2/29/2016</b>

## Agenda Item:

3B. Projects update. (staff)

River Trail Project

Cailloux Theater Support Facility

Kerrville Sports Complex

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

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**SUBJECT:** Projects Update

**AGENDA DATE:** March 21, 2016

**DATE SUBMITTED:** March 14, 2016

**SUBMITTED BY:** Todd Parton  
City Manager

**CLEARANCES:** Todd Parton  
City Manager

**EXHIBITS:** Project Status Reports

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE FINANCE DIRECTOR:**

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**SUMMARY STATEMENT**

Staff will provide reports on the following projects:

- River Trail Project – Lowry Park
- Cailloux Theater Support Facility
- Kerrville Sports Complex

**RECOMMENDED ACTION**

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

## EIC Projects Update March 12, 2016

### **Cailloux Campus Support Facility:**

The project has been completed and the ribbon cutting and dedication is scheduled for Sunday April 3<sup>rd</sup> at 2:00 o'clock.

### **Lowry Park Trail:**

The concrete trail is completed from the River Side Nature Center to 160 feet west of the bridge.

The upper plaza concrete is completed and flag stone is being placed.

Construction should be completed by April 2016.

# **Agenda Item:**

4A. Airport Commerce Park. (staff)

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

**SUBJECT:** Amendments to the development agreement for the Airport Commerce Park

**FOR AGENDA OF:** Mar. 21, 2016      **DATE SUBMITTED:** Mar. 16, 2016

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

**EXHIBITS:** Draft of Amended Development Agreement  
Draft of Amended Ordinance No. 2001-23

**AGENDA MAILED TO:**

**APPROVED FOR SUBMITTAL BY CITY MANAGER:**

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

**PAYMENT TO BE MADE TO:**

**REVIEWED BY THE DIRECTOR OF FINANCE:**

**SUMMARY STATEMENT**

Attached is a draft of the amended development agreement and of the amended Ordinance No. 2001-23 for the Airport Commerce Park. The amendments to these documents are consistent with previous discussions. The highlights of the amendments are as follows:

1. Collecting the developer participation fees in conjunction with building permit issuance instead of in conjunction with the sale or lease of property,
2. Removing the triggers for the development of subsequent phases,
3. Extending the term of the agreement an additional fifteen (15) years to September 26, 2036, and
4. Amending the zoning provisions which are part of the development agreement.

Amendments to Ordinance No. 2001-13 will be considered by Planning and Zoning on March 17 with a public hearing.

Amendments to the development agreement and Ordinance No. 2001-13 are scheduled to be considered by the City Council on April 12, 2016, and April 26, 2016. One public hearing and two readings will be required to amend Ordinance No. 2001-13

**RECOMMENDED ACTION**

Staff recommends approving the amendments to the development as presented as presented.

# DRAFT

## SECOND AMENDMENT TO AIRPORT COMMERCE PARK DEVELOPMENT AGREEMENT

**THIS SECOND AMENDMENT TO DEVELOPMENT AGREEMENT** (“Second Amendment”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2016, by and among Kerrville Airport Commerce Park, Ltd., a Texas Limited Partnership, (“Developer”) by and through its \_\_\_\_\_; the City of Kerrville, (“City”), a Texas home rule municipal corporation whose offices are located at 701 Main Street, Kerrville, Texas 78028; 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”), whose offices are located at 701 Main Street, Kerrville, Texas 78028.

### I. RECITALS

**WHEREAS**, on or about September 25, 2001, City, EIC, Developer, and the \_\_\_\_\_, entered into that certain *Airport Commerce Park Development Agreement* (the “Agreement”); and

**WHEREAS**, the Agreement was amended on or about June 11, 2012, to account for and provide additional funding due to increased costs for the construction of the City’s water distribution system and wastewater collection system; and

**WHEREAS**, Developer is currently going through the legally defined process of seeking changes to the applicable zoning for the property to which the Agreement applies, changes which will in essence change the types of uses as authorized by the Planned Development Agreement (“PDD”);

**NOW, THEREFORE**, in consideration of the recitals stated above, and the covenants, conditions, and promises contained herein, the properties and rights hereby vested and created as herein provided and other good and valuable consideration from the Agreement, the receipt and sufficiency of which is acknowledged, City, EIC, Developer, and the Colvins amend the Agreement in accordance with Section VII.A. of the Agreement as follows:

**1. Exhibit C**, referred to in Sections II.F, II.G., and IV.B. of the Agreement, is amended by including and attaching Ordinance No. 2016-05 to the Agreement. Ordinance No. 2016-05 amends Ordinance 2001-23 which was presented as **Exhibit C** and caused the annexation and applied zoning to the property in the form of a Planned Development District. Ordinance No. 2016-05 amends the PDD by changing various uses authorized for the property.

2. Section III.C. of the of the Agreement is amended add the language that is underlined (added) and deleting the language that is bracketed and stricken (~~(deleted)~~) as follows:

**“C. Developer Participation:** Developer and the Colvins agree to reimburse EIC, as Developer’s and the Colvins’ agreed share of the cost for the City Improvements, the sum of ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00) (the “Developer Participation”). The Developer Participation will be a non-interest bearing obligation and will be payable as follows:

1. Upon the application for any type of building permit from the City for ~~[close of the sale or lease of all or]~~ any portion of the Property, Developer will pay EIC an amount equal to the number of acres and portions of acres in the tract sold or leased multiplied by \$2,000.00.
2. Upon the application for any type of building permit from the City for ~~[close of the sale or lease of all or]~~ any portion of the Colvin Property, the Colvins will pay EIC an amount equal to the number of acres and portions of acres in the tract sold or leased multiplied by \$1,000.00.
3. For purpose of Section III.C.2., the phrase “lease” does not include any lease for Agricultural Purposes.
4. Payment to EIC shall be made at the time of an application for any type of building permit from the City for any ~~[closing of the sale or lease of the]~~ portion of the Property or Colvin Property in question. Developer shall pay the unpaid balance of the Developer Participation upon the termination ~~[20<sup>th</sup> anniversary date of the execution]~~ of this Agreement. ~~[For purpose of this paragraph, the “closing” on a lease shall be deemed to have occurred upon execution of the lease agreement and delivery of possession of the leased premises to the lessee.]”~~

The remaining part of Section III.C. remains unchanged and in effect.

3. Section IV of the of the Agreement is amended add the language that is underlined (added) and deleting the language that is bracketed and stricken (~~(deleted)~~) as follows:

**“IV. ADDITIONAL CONSIDERATION FROM DEVELOPER AND COLVINS**

- A. Development to Occur in Phases:** The parties hereto acknowledge, understand, and agree that the Property may be developed in different phases with differing areas. ~~[Each phase to be developed must contain an area equal to or greater than fifteen (15) acres, excluding any area dedicated for public or private streets or alleys, utility easements, or drainage easements or basins; provided, however, if after all previous phases have been developed there remains an undeveloped~~

~~parcel of less than 15 acres in area, said parcel may be developed as a single phase without Developer being in default of this Agreement.]~~

**B. Development Schedule for Phase I:** Subject to delays due to Force Majeure as provided in Section VII.P. of this Agreement, not later than the latter of twelve (12) months after the date of the completion of the City Improvements or eighteen (18) months after the execution of this Agreement, Developer agrees to complete development of Phase I to the extent necessary to provide fully developed lots for sale, which development shall include, but not be limited to:

1. seeking and obtaining approval of final plats comprising the area of Phase I;
2. completing construction of, and obtaining City final acceptance of, all public improvements required by the Subdivision Regulations or this Agreement to be constructed by Developer with respect to the development of Phase I, including, but not limited to, all internal water mains and related appurtenances, sanitary sewer mains and any required lift stations and related appurtenances, storm sewers or other drainage facilities, streets, and alleys;
3. completing construction and/or installation of all other utilities with respect to Phase I including, but not limited to, natural gas (if any), electricity, and telephone;
4. installing all necessary street lighting;
5. completing construction of the entrance sign to the Property that is described in the land use and development regulations set forth in Exhibit "C", hereto.

**C. Failure to Meet Phase I Deadline; Liquidated Damages:** Developer understands and acknowledges that EIC's finding that the construction of the City Improvements constitutes a "Project" as defined by the Act is based on Developer's agreement to complete Phase I within the time required by Section IV.B., above. Developer and EIC agree that just compensation for the harm that would be caused to EIC by Developer's failure to complete Phase I within the time required by Section IV.B., above, cannot be accurately estimated or would be very difficult to accurately estimate and that the amount of the letter of credit described in Section III.D. is a reasonable forecast of just compensation to EIC for the harm that would be caused by Developer's failure to comply with Section IV.B., above, and not a penalty. Consequently, Developer agrees that if Developer fails to comply with the deadline set forth in this Section IV.B., EIC shall have the right at its sole option and without recourse from Developer to

present for payment the letter of credit described in Section III.D., above, as EIC's sole and exclusive remedy for default of this section.

~~[D. — Development of Subsequent Phases; Schedule: Subject to delays due to Force Majeure as provided in Section VII.P. of this Agreement, Developer agrees to develop all subsequent phases of the Property in accordance with the following schedule:~~

- ~~1. — If the area of the Property to be developed in the next subsequent phase is included within the boundaries of a previously approved preliminary plat, then:
  - ~~a. — not later than ninety (90) days after the date Developer closes on the sale and/or lease of the area of any phase of the Property (including Phase I and any subsequent phase) that brings the total area sold or leased in that phase equal to seventy five percent (75%) of the area of said phase, Developer shall submit an application for final plat of the next phase of the Property to be developed; and~~
  - ~~b. — not later than twelve (12) months after obtaining approval of the final plat for such subsequent phase, Developer agrees to complete development of said phase to the extent necessary to provide fully developed lots for sale or lease to the same extent required for Phase I as set forth in Section IV.B., above.~~~~
- ~~2. — If the area of the Property to be developed in the next subsequent phase is not included within the boundaries of a previously approved preliminary plat, then:
  - ~~a. — not later than forty five (45) days after the date Developer closes on the sale and/or lease of the area of any phase of the Property (including Phase I and any subsequent phase) that brings the total area sold or leased in that phase equal to seventy five percent (75%) of the area of said phase, Developer shall submit and diligently prosecute an application for a preliminary plat of the Property to be included in the next phase to be developed; and~~
  - ~~b. — not later than thirty (30) days after obtaining approval of the preliminary plat for the portion of the Property included within the next phase to be developed, submit and diligently prosecute an application for a final plat for said Property; and~~~~

~~e. not later than twelve (12) months after obtaining approval of the final plat for such subsequent phase, Developer agrees to complete development of said phase to the extent necessary to provide fully developed lots for sale or lease to the same extent required for Phase I as set forth in Section IV.B., above.]~~

~~[E. Failure to Meet Subsequent Phase Deadlines; Acceleration of Reimbursement: If Developer fails to comply with the deadlines for the development of any subsequent phase of the Property, EIC shall have the right to accelerate the payment of the remaining balance to be paid by Developer to EIC pursuant to Section III.C.]~~

F. **Drilling of Wells on Property to be Prohibited:** Developer and the Colvins agree to place a restrictive covenant on the Property and the Colvin Property, respectively, prohibiting the drilling of water wells on the Property and the Colvin Property and provide the City the right as a third party beneficiary to enforce said covenant, the text of which restrictive covenant shall be substantially as set forth in Exhibit "F", attached hereto and incorporated herein by reference."

4. In accordance with Section VI.A.2. of the Agreement, the term of the Agreement is extended for fifteen (15) years beyond the original twenty (20) year term. Pursuant to this extension, the Agreement, subject to this same section, terminates on September 26, 2036.

5. Except as amended here, City, EIC, Developer, and the Colvins agree that the provisions of the Agreement are not otherwise amended and are hereby agreed to be in full force and effect.

EXECUTED in duplicate the day and year first above written.

CITY OF KERRVILLE, TEXAS      KERRVILLE AIRPORT COMMERCE PARK, LTD.

BY: \_\_\_\_\_ By: \_\_\_\_\_  
Jack Pratt, Jr., Mayor

ATTEST:

\_\_\_\_\_  
Brenda Craig, City Secretary

CITY OF KERRVILLE, TEXAS ECONOMIC  
IMPROVEMENT CORPORATION

By: \_\_\_\_\_  
David Wampler, President \_\_\_\_\_

ATTEST:

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

APPROVED AS TO FORM:

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

**D R A F T 03/14/16**

**CITY OF KERRVILLE, TEXAS  
ORDINANCE NO. 2016-\_\_\_\_\_**

**AN ORDINANCE AMENDING ORDINANCE 2001-23 WHICH ANNEXED PROPERTY INTO THE CITY AND ADOPTED ZONING FOR THE SAME PROPERTY PURSUANT TO A “PLANNED DEVELOPMENT DISTRICT”, SAID PROPERTY CONSISTING OF AN APPROXIMATELY 75.73 ACRE TRACT OF LAND, LOCATED ADJACENT TO STATE HIGHWAY 27 AND BETWEEN COLVIN RANCH ROAD EAST AND SUTHERLAND LANE EAST WITH AN ADDRESS OF 155 COLVIN RANCH ROAD EAST; SAID AMENDMENTS CONSISTING OF VARIOUS CHANGES TO THE AUTHORIZED USES FOR THE PROPERTY**

**WHEREAS**, on September 25, 2001, the City Council of the City of Kerrville, Texas (“City Council”), adopted Ordinance No. 2001-23, which annexed property into the territory of City of Kerrville, Texas (“City”), and adopted zoning pursuant to the creation of a “Planned Development District” (“PDD”) on an approximate 75.73 acre tract of land; and

**WHEREAS**, pursuant to Texas Local Government Code Sections 211.006 and 211.007, notice has been given to all parties in interest and citizens by publication in the official newspaper for the City, and otherwise, of a hearing which was held before the City Council on March 22, 2016, which considered a report of the City’s Planning and Zoning Commission regarding its recommendations on an ordinance, the adoption of which will result in the amendments to the PDD; and

**WHEREAS**, such public hearing was held in the Council Chambers beginning at approximately 6:00 p.m. on March 22, 2016, as advertised; and

**WHEREAS**, after a full hearing, at which all parties in interest and citizens were given an opportunity to be heard; and after receiving and considering the recommendations of the Planning and Zoning Commission and City staff; and after considering among other things, the character of the various areas of the City and the suitability of particular uses in each area; and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout the City, the City Council finds it to be in the best interest of the health, safety, morals, and general welfare of the City, to amend Ordinance 2001-23 and to amend the PDD as created therein;

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

**SECTION ONE.** Ordinance 2001-23 is amended by revising Section Three of said ordinance in its entirety and replacing it with the following:

**“SECTION THREE.** That upon the adoption of this Ordinance, the Property shall be and constitutes a Planned Development District in accordance with Article 11-I-15 of the Code of Ordinances of the City of Kerrville, Texas, which, in addition to the regulations set forth in the Title 11, Chapter I of the Code of Ordinance, shall be subject to the following use and development regulations:

**A. Site Plan:** The development of the Property shall conform in all respects to the site plan(s) attached hereto as **Exhibit “B”** and incorporated herein by reference, which said site plan may be amended in accordance with City Code.

**B. Uses Permitted by Right:** The Property may be developed with uses permitted by right in the “E-26” zoning district, as amended by the following land use table:

<b>LAND USES</b>	<b>E-26</b>
Agricultural - General	P
Agricultural Service	P
Bed and Breakfast	
Building Construction, General	P
Building Construction, Specialist	P
Business Services I	P
Business Services II	P
Cocktail Lounge	P
Detention Facilities	
Dwelling , Single Family, Detached	
Manufactured Home or Manufactured Housing	
Dwelling, Multiple Family	
Dwelling, Single Family with apartment	
Dwelling, RC District Uses (with plat)	
Education, Secondary and College	P
Education, Primary	
Equipment Sales/Repair/Storage (Heavy)	P
Fuel Sales	P
Funeral Services	
Institutional and Public Use Facilities	

Life Care Development	
Manufacturing, Custom	P
Manufacturing and Industrial, Heavy	P
Manufacturing and Industrial, Limited	P
Manufactured Housing Sales	
Personal Services I	P
Personal Services II	P
Personal Services-Limited	P
Professional Offices	P
Restaurant, General	P
Restaurant, Limited	P
Retail Trade – I	P
Retail Trade – II	
Retail Trade – III	
Retail Trade – Limited	
Tourist/Visitor & Recreation Service	P
Transportation Terminal (Bus/Aviation)	P
Vehicle Maintenance and Repair	P
Vehicle Sales/Service-Used	P
Vehicle Sales/Services – New	P
Warehousing & Distribution	P

**C. Ancillary Sales and Services:** A portion of the Property that is used and developed for a purpose permitted under Subsection B, above, that by definition does not otherwise allow the use of said tract for the on-premises sale of goods and/or services can be used for the on-premises sale of goods and/or services subject to the following restrictions:

1. Such sales must be conducted in association with and ancillary to the primary use of the tract otherwise permitted by this Ordinance:
2. The goods sold must be goods that are:
  - a. manufactured or produced by the associated business on the Property; or
  - b. in the case of a warehouse and distribution center, kept on the property of the associated business for purpose of distribution to other locations; or

c. directly related to the use, maintenance, or repair of the goods manufactured or produced by the associated business on the Property;

3. If services are provided, such services must be:

a. directly related to the operation, repair, or maintenance of goods manufactured, produced, or repaired by the associated business on the Property; or

b. be the same type of services generally provided to customers who can obtain the services without being personally on the premises (e.g. a business that conducts bulk photographic film processing for other businesses who ship such film from off-premises sites can also provide similar film processing services for walk-in customers).

4. Such sales must be conducted within the Main Building located on the property of the associated business; provided, however, this subparagraph shall not be construed as prohibiting customers from being allowed into the areas of the business, including accessory buildings, where the production, manufacturing, or repair of goods is occurring or where the finished or repaired goods that are produced, manufactured, or repaired on the Property by the associated business are being stored;

5. The area of the Main Building where such sales occur shall not exceed the lesser of:

a. ten percent (10%) of the floor area of the Main Building; or

b. 2000 square feet;

provided, however, such sales area may at all times be equal to at least 500 square feet. For purposes of this Paragraph 5, office areas located in the Main Building where customers generally are not invited for the purpose of conducting sales shall not be included in the area calculations.

**D. Obstructions to Air Traffic:** Notwithstanding any provision of this Ordinance to the contrary, at no time shall the highest point of any building, tower, antennae, sign, light stanchion, or other structure constructed or installed on the Property exceed the maximum height allowed by Federal, State, or local law, regulation, or ordinance, including, but not limited to, regulations promulgated pursuant to Title 49, United States Code §44718, as amended, such that such building or structure would constitute an obstruction to air traffic at the Kerrville/Kerr County Municipal Airport. Prior to issuance of a building permit for any building or structure to be constructed on the Property, the City Building Official, in consultation with the Director of Public Works or his designee, may withhold issuance of a building permit until approval is obtained from the Federal Aviation Administration or its successor agency that the proposed building or structure will not constitute an obstruction to air traffic.

**E. Parking Requirements:** Except to the extent this ordinance expressly states to the contrary, Development of the Property shall at all times comply with the then current parking regulations of the City.

**F. Driveways:** All driveway entrances on Highway 27 (Junction Highway) shall be prohibited.

**G. Screening Regulations:** All storage, supplies and equipment shall be screened from view along Highway 27 (Junction Highway) in accordance with city screening regulations. Additionally, except to the extent this ordinance expressly states to the contrary, Development of the remainder of the Property shall at all times comply with the then current screening regulations of the City.

**H. Lot Regulations and Development:** Except to the extent this ordinance expressly states to the contrary, Development of the Property shall at all times comply with the then current zoning code and subdivision ordinance of the City.

**I. Rooftop Mechanical Equipment:** Rooftop mechanical equipment must be screened from view such that it cannot be seen from ground level when standing on the immediately adjacent properties. Roof top equipment should be placed in a linear grid configuration except for building code required vents or flues.”

**SECTION TWO.** Except as amended by this Ordinance, the provisions of Ordinance No. 2001-23 shall remain in full force and effect.

**PASSED AND APPROVED ON FIRST READING, this the \_\_\_\_ day of \_\_\_\_\_, A.D., 2016.**

**PASSED AND APPROVED ON SECOND AND FINAL READING, this the \_\_\_\_ day of \_\_\_\_\_, A.D., 2016.**

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

APPROVED AS TO FORM:

ATTEST:

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

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