

AGENDA FOR REGULAR MEETING

CITY OF KERRVILLE, TEXAS

ECONOMIC IMPROVEMENT CORPORATION

MONDAY, MARCH 28, 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 28, 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)

4B. Freese and Nichols, Inc. Water and Wastewater Analysis presentation. (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 March 24, 2016, at 4:00 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. **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**

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 24, 2015, at 4:00 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. 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. Cochran 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**

SUBJECT: EIC Financials

FOR AGENDA OF: March 28, 2016 **DATE SUBMITTED:** March 14, 2016

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

EXHIBITS: Monthly Financials
AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *py*

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 February 29, 2016

Beginning Cash Balance		\$ 3,991,362
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		\$ (358,528)
Ending Cash Balance		\$ 3,632,834

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
BEGINNING CASH BALANCE	\$ 3,657,920		\$ 3,657,920		
REVENUE:					
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
TOTAL REVENUE	\$ 3,211,316	\$ 348,782	\$ 1,367,968	42.60%	\$ 1,843,348
	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
EXPENDITURES:					
Administrative					
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
Total Administrative	\$ 1,363,786	\$ 97,311	\$ 674,554	49.46%	\$ 689,229
Category I - Business Development					
James Avery	\$ 610,000	\$ 610,000	\$ 610,000	100.00%	\$ -
Total Category I	\$ 610,000	\$ 610,000	\$ 610,000	100.00%	\$ -
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
Cailloux Theater Upgrades	\$ 108,500		\$ 108,500	100.00%	\$ -
Total Category II	\$ 738,500	\$ -	\$ 108,500	14.69%	\$ 630,000
Category III - Public Infrastructure					
Housing	\$ 100,000	\$ -	\$ -	0.00%	\$ 100,000
IH10 @ FM 783	\$ 500,000	\$ -	\$ -	0.00%	\$ 500,000
Total Category III	\$ 600,000	\$ -	\$ -	0.00%	\$ 600,000
Contingency	\$ -	\$ -	\$ -	0.00%	\$ -
	\$ -	\$ -	\$ -		\$ -
TOTAL EXPENDITURES	\$ 3,312,286	\$ 707,311	\$ 1,393,054	42.06%	\$ 1,919,229
NET REVENUES TO EXPENDITURES	\$ (100,969)	\$ (358,528)	\$ (25,086)		
ENDING CASH BALANCE	Budget \$ 3,556,950		Actual \$ 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%
YTD Total	\$ 2,739,321	\$ 2,906,194	\$ 3,099,458	\$ 1,366,092	\$ 1,363,257	\$ (2,835)	-0.21%

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

Beginning Cash Balance		\$ 893,726
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
Ending Cash Balance		\$ 1,393,066

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				
2015-16	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
TOTALS		\$ 3,718,600	\$ 2,980,100	\$ 3,243,574	\$ 1,895,133	\$ 1,393,066

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)
Funding Agreement - C2011-76Totals		\$ 8,000,000	\$ 8,594,010	\$ 7,084,147	\$ 1,509,863

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

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)	\$ 3,632,834	2/29/2016
75	EIC Projects Fund (capital projects fund)	\$ 1,393,066	2/29/2016
Total Cash and Investments		\$ 5,025,899	2/29/2016

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	\$ 1,273,008	\$ -	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
Total Cash and Investments		\$ 5,025,899	\$ 1,004.12	0.24%	2/29/2016

EIC - Adopted FY16 Budget

	FY16 Adopted	FY17 Projected	FY18 Projected	FY19 Projected	FY20 Projected	FY21 Projected
BEGINNING CASH BALANCE	\$3,657,920	\$3,665,450	\$3,577,719	\$3,432,122	\$3,073,068	\$1,852,178
REVENUE:						
Sales and Use Tax	\$3,206,316	\$3,302,505	\$3,368,555	\$3,536,983	\$3,678,463	\$3,788,816
Interest	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Transfers In						
TOTAL REVENUE	\$3,211,316	\$3,307,505	\$3,373,555	\$3,541,983	\$3,683,463	\$3,793,816
EXPENDITURES:						
Administrative						
Local Meeting - Workshops	\$500	\$500	\$500	\$500	\$500	\$500
Advertising						
Transfer Debt Service - Series2011A	\$256,923	\$258,456	\$259,890	\$261,223	\$262,456	\$260,256
Transfer Debt Service - Series2012	\$255,630	\$252,863	\$253,413	\$250,547	\$250,997	\$248,863
Transfer Debt Service - Series 2015	\$596,329	\$603,417	\$605,350	\$603,767	\$605,400	\$603,517
Economic Development Governing Body	\$154,404	\$180,000	\$180,000	\$185,000	\$185,000	\$185,000
Administrative Services Fee	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Total Administrative	\$1,363,786	\$1,395,236	\$1,399,153	\$1,401,036	\$1,404,353	\$1,398,136
Category I - Business Development						
ED Set Aside	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
James Avery Craftsman	\$610,000					
Unspecified	\$0	\$0	\$0	\$0	\$0	\$0
Total Category I	\$610,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Category II - Quality of Life						
Schreiner University Project						
Special Events						
Streetscape						
Baseball Complex						
Cailloux Theater Expansion						
Broadwalk						
Tennis Center		\$750,000	\$750,000			
LHP Lighting	\$250,000					
Olympic Pool	\$100,000					
Downtown Streetscape Enhancements						
Parking Garage	\$160,000					
Planter Boxes	\$20,000					
Street Furniture	\$100,000					
Water Feature		\$250,000				
Gateway Features			\$120,000			
Singing Wind Ball Fields			\$750,000			
Guadalupe Park Enhancements				\$1,500,000		
Unspecified	\$0	\$0	\$0	\$0	\$0	\$0
Total Category II	\$630,000	\$1,000,000	\$1,620,000	\$1,500,000	\$0	\$0
Category III - Public Infrastructure						
Housing	\$100,000	\$500,000		\$500,000		\$500,000
Village West Utilities						
Water 1/2 cost						
Wastewater (line extension)					\$3,000,000	
IH10 @ FM 783	\$500,000					
Unspecified	\$0	\$0	\$0	\$0	\$0	\$0
Total Category III	\$600,000	\$500,000	\$0	\$500,000	\$3,000,000	\$500,000
Contingency						
TOTAL EXPENDITURES	\$3,203,786	\$3,395,236	\$3,519,153	\$3,901,036	\$4,904,353	\$2,398,136
NET REVENUES TO EXPENDITURES	\$7,530	-\$87,731	-\$145,597	-\$359,053	-\$1,220,890	\$1,395,680
FUND BALANCE	\$3,665,450	\$3,577,719	\$3,432,122	\$3,073,068	\$1,852,178	\$3,247,858
Accumulated ED Set Aside	\$ 500,000	\$ 1,000,000	\$ 1,500,000	\$ 2,000,000	\$ 2,500,000	\$ 3,000,000

EIC - Proposed FY17 Budget

	FY16 Adopted	FY17 Proposed	FY18 Projected	FY19 Projected	FY20 Projected	FY21 Projected	FY22 Projected
BEGINNING CASH BALANCE	\$3,657,920	\$3,665,450	\$3,577,719	\$3,432,122	\$3,073,068	\$1,852,178	\$3,247,858
REVENUE:							
Sales and Use Tax	\$3,206,316	\$3,302,505	\$3,368,555	\$3,536,983	\$3,678,463	\$3,788,816	\$3,864,593
Interest	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Transfers In							
TOTAL REVENUE	\$3,211,316	\$3,307,505	\$3,373,555	\$3,541,983	\$3,683,463	\$3,793,816	\$3,869,593
EXPENDITURES:							
Administrative							
Local Meeting - Workshops	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Advertising							
Debt Service - Series 2011A (River Trail)	\$256,923	\$258,456	\$259,890	\$261,223	\$262,456	\$260,256	\$260,390
Debt Service - Series 2012 (River Trail)	\$255,630	\$252,863	\$253,413	\$250,547	\$250,997	\$248,863	\$253,197
Debt Service - Series 2015 (Athletic Complex)	\$596,329	\$603,417	\$605,350	\$603,767	\$605,400	\$603,517	\$604,850
Economic Development Governing Body	\$154,404	\$180,000	\$180,000	\$185,000	\$185,000	\$185,000	\$185,000
Administrative Services Fee	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Total Administrative	\$1,363,786	\$1,395,236	\$1,399,153	\$1,401,036	\$1,404,353	\$1,398,136	\$1,403,936
Category I - Business Development							
ED Set Aside	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
James Avery Craftsman	\$610,000						
Unspecified	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Category I	\$610,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Category II - Quality of Life							
Schreiner University Project							
Tennis Center		\$750,000	\$750,000				
LHP Lighting	\$250,000						
Olympic Pool	\$100,000						
Downtown Streetscape Enhancements							
Parking Garage	\$160,000						
Planter Boxes	\$20,000						
Street Furniture	\$100,000						
Water Feature		\$250,000					
Gateway Features			\$120,000				
Singing Wind Ball Fields			\$750,000				
Guadalupe Park Enhancements				\$1,500,000			
Unspecified	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Category II	\$630,000	\$1,000,000	\$1,620,000	\$1,500,000	\$0	\$0	\$0
Category III - Public Infrastructure							
Housing	\$100,000	\$500,000		\$500,000		\$500,000	
Village West Utilities							
Water 1/2 cost							
Wastewater (line extension)					\$3,000,000		
IH10 @ FM 783	\$500,000						
Unspecified	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Category III	\$600,000	\$500,000	\$0	\$500,000	\$3,000,000	\$500,000	\$0
Contingency							
TOTAL EXPENDITURES	\$3,203,786	\$3,395,236	\$3,519,153	\$3,901,036	\$4,904,353	\$2,398,136	\$1,903,936
NET REVENUES TO EXPENDITURES	\$7,530	-\$87,731	-\$145,597	-\$359,053	-\$1,220,890	\$1,395,680	\$1,965,656
FUND BALANCE	\$3,665,450	\$3,577,719	\$3,432,122	\$3,073,068	\$1,852,178	\$3,247,858	\$5,213,515
Accumulated ED Set Aside	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000	\$3,000,000	\$3,500,000

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**

SUBJECT: Projects Update

AGENDA DATE: March 28, 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:

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

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 3rd 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. 28, 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: 

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

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 ~~[20th 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

T:\Legal\DEVELOPMENT SERVICES (Planning)\Dev Agmt\Airport Commerce Park\Agreement 2nd Amend_\ zoning\term.payment_031716 DRAFT.docx

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:

LAND USES	E-26
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

Agenda Item:

4B. Freese and Nichols, Inc. Water and Wastewater Analysis presentation.
(staff)

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

SUBJECT: Presentation of the water and wastewater analysis conducted by Freese and Nichols, Inc. to determine the impact of providing water and wastewater services to 300 Peterson Farm Road and direction to city staff

FOR AGENDA OF: Mar. 28, 2016

DATE SUBMITTED: Mar. 24, 2016

SUBMITTED BY: Todd Parton
City Manager

CLEARANCES:

EXHIBITS: Peterson Farm Road Development Water and Wastewater Analysis

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:



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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

City staff will review the final report on the water and wastewater analysis conducted by Freese and Nichols, Inc. on the approximately 88 acres purchased by the Kerrville Economic Improvement Corporation. This analysis studied the off-site and on-site infrastructure necessary for the full build-out of the property and includes the development of 240 multi-family units and 50 acres of commercial use.

RECOMMENDED ACTION

Receive the report and provide direction to the city staff to draft a Request for Qualifications (RFQ) for private sector partners to work with the City of Kerrville for the development of a workforce housing project. Said RFQ would be presented to both the EIC Board and City Council for consideration.

MEMORANDUM



Innovative approaches
Practical results
Outstanding service

4040 Broadway St, Suite 600 • San Antonio, Texas 78209 • 210-298-3800 • FAX 210-298-3801

www.freese.com

TO: Kristine Day, City of Kerrville

CC: Stuart Barron, City of Kerrville
John New, P.E., Freese and Nichols, Inc.

FROM: Richard Weatherly, P.E., Freese and Nichols, Inc.

SUBJECT: Peterson Farm Road Development Water and
Wastewater Analysis

DATE: February 16, 2016



Richard Weatherly
FREESE AND NICHOLS, INC.
TEXAS REGISTERED
ENGINEERING FIRM
F-2144

INTRODUCTION

The City of Kerrville tasked Freese and Nichols, Inc. (FNI) with conducting an evaluation to determine the impact of providing water and wastewater service to the Peterson Farm Road development. The development is located outside of Kerrville City Limits, north of Highway 27 and the Kerrville Municipal Airport, at the southeast edge of the City. Figure 1 shows the location of the Peterson Farm Road development. Currently, the property is undeveloped.

FNI utilized the hydraulic models developed as part of the 2014 Water and 2012 Wastewater Master Plans to evaluate the improvements needed to serve the Peterson Farm Road development. The following sections document the analysis and recommended system improvements.

WATER SYSTEM ANALYSIS

The Peterson Farm Road development water demands were calculated using the following assumptions:

- 240 multi-family housing units and 2.2 people per unit
- 50 acres of commercial land use
- Water usage is 190 gallons per capita per day for residential land use and 1,100 gallons per acre per day for commercial land use
- Average day demand to maximum day demand peaking factor of 1.8



Based on the above criteria, the projected average day water demand for the Peterson Farm Road development is summarized in **Table 1**.

Table 1: Peterson Farm Road Development Water Demand

Land Use Type	Average Day Demand		Maximum Day Demand	
	gpm	MGD	gpm	MGD
Residential	70	0.10	125	0.18
Commercial	38	0.06	69	0.10
Total	108	0.16	194	0.28

The City could also potentially provide fire protection to the area. The City prefers to provide at least 1,500 gpm of fire flow at 20 psi to all hydrants within the water service area where possible.

The Peterson Farm Road development is located in the Stadium Pressure Plane, which is supplied by the water treatment plant (WTP), Aquifer Storage and Recovery Wells 1 and 2, Hays Park Well, H-Street Well, Travis Street Well, and Meadow View Lane Well. Water system pressure in the Stadium Pressure Plane is maintained by Stadium ground storage tanks (GSTs) 1 and 2, and the River Hills elevated storage tank (EST). The City’s existing elevated storage and pumping capacity are sufficient to meet the additional domestic demand of the Peterson Farm Road development while maintaining a minimum pressure of 35 psi. To supply the desired fire flow to this development, increased transmission capacity is needed. Looped 12-inch water lines (Project A) were added to the model to connect the development to the existing 12-inch water line along Highway 27, shown on **Figure 2**. The following four scenarios were evaluated for the hydraulic analysis under maximum day demand with the Peterson Farm Road development demand included:

- Existing system with no improvements,
- Existing system with 2014 Water Master Plan Update CIP Project 4,
- Existing system with new improvements to deliver 1,500 gpm of fire flow to the Peterson Farm Road development, and
- Existing system with Project 4 and new improvements.

Table 2 shows the modeling results of the hydraulic analysis under residential Peterson Farm Road development demand. **Table 3** shows the modeling results of the hydraulic analysis under both residential and commercial Peterson Farm Road development demand.



Table 2: Modeling Results with only Residential Demand

Scenario	Available Fire Flow for the Peterson Farm Road Development	Minimum Pressure at Peak Hour (psi)
Existing System with no improvements	1,172 gpm at 20 psi	51
Existing with Water CIP Project 4	1,352 gpm at 20 psi	50
Existing with new 12-inch line (Project B)	1,461 gpm at 20 psi	55
Existing with new 12-inch line (Project B) and Project 4	1,752 gpm at 20 psi	55

Table 3: Modeling Results with Residential and Commercial Demands

Scenario	Available Fire Flow for the Peterson Farm Road Development	Minimum Pressure at Peak Hour (psi)
Existing System with no improvements	1,103 gpm at 20 psi	46
Existing with Water CIP Project 4	1,284 gpm at 20 psi	47
Existing with new 12-inch line (Project B)	1,393 gpm at 20 psi	52
Existing with new 12-inch line (Project B) and Project 4	1,683 gpm at 20 psi	52

A new water line (Project B) and 2014 Water Master Plan Update CIP Project 4 are required to provide 1,500 gpm of fire flow to the majority of the residential and commercial customers in the Peterson Farm Road development:

- **Project A** consists of new 12-inch water lines looping around the Peterson Farm Road development and connecting to the existing 12-inch water line along Highway 27.
- **Project B** consists of a new 12-inch water line along North Burleson Boulevard, Nichols Street, Canyon Drive, Highway 27, Carmichael Street, and Riverside Drive to replace existing 8-inch and 6-inch water lines and connect existing 10-inch and 12-inch water lines.
- **Project 4** consists of a new 12-inch water line connecting to the existing 12-inch water line along Highway 27 and crossing the Guadalupe River to connect to the existing 12-inch water line along Bandera Highway. This project was included in the 2014 Water Master Plan update CIP.

Figure 2 shows the recommended water system improvements to serve the Peterson Farm Road development. Capital costs were developed based on the infrastructure required to provide water service and fire flow to the Peterson Farm Road development. Table 4 provides a summary of project costs and detailed cost estimates are included at the end of this memorandum.



Table 4: Summary of Costs for Providing Water Service to the Peterson Farm Road Development

Project	Project Description	Project Cost
A	Peterson Farm Road Development Internal Distribution System	\$1,478,900
B	12-inch Highway 27 Water Line	\$1,029,600
4 (CIP)	12-inch River Crossing Water Line	\$1,223,800
Total		\$3,732,300

Other alternatives that were evaluated included:

- New EST near the Peterson Farm Road development,
- New groundwater well near the Peterson Farm Road development, and
- Dedicated transmission line from the WTP.

A new EST is not recommended due to the difficulties observed in the model in the fill/drain cycle of the tank and the likelihood of increasing water age in the area. If a tank was constructed at the end of the system near the Peterson Farm Road development, a transmission line would likely be needed to aid in filling the tank so that the new tank could function properly with the existing River Hills EST and Stadium GSTs.

A new groundwater well is also not recommended to meet the fire flow demand due to the unexpected and unpredictable nature of the fire flow demand. The well may not be running during an emergency condition when it is needed and would require coordination with water utility staff and the fire department. Additional water supply is not needed in the Stadium Pressure Plane so the well would only be a redundant supply.

A dedicated transmission line from the WTP on the south side of the river or the River Hills EST is not recommended due to high initial cost.

WASTEWATER SYSTEM ANALYSIS

The Peterson Farm Road development wastewater flows were developed using the following assumptions:

- 240 multi-family housing units and 2.2 people per unit
- 50 acres of commercial land use
- Wastewater flow is 110 gallons per capita per day for residential land use and 1,000 gallons per acre per day for commercial land use
- Wet Weather peaking factor of 4

Based on the above criteria, the projected dry weather flow for the Peterson Farm Road development is



summarized in Table 5.

Table 5: Peterson Farm Road Development Wastewater Flow

Land Use Type	Dry Weather Flow		Wet Weather Flow	
	gpm	MGD	gpm	MGD
Residential	40	0.06	161	0.23
Commercial	35	0.05	139	0.20
Total	75	0.11	300	0.43

The model was used to evaluate the system under wet weather flow conditions to identify capacity issues due to the increased flow from the Peterson Farm Road development. The Peterson Farm Road development is located in the Al Mooney Airport Basin where flow is conveyed through the Al Mooney Airport Lift Station to the Legion Lift Station before being diverted to the City’s Wastewater Treatment Plant.

Existing wastewater infrastructure is able to serve the residential wastewater flow for the Peterson Farm Road development. Project C is required to convey flow to the Al Mooney Airport Lift Station. New wastewater gravity lines (Projects C and E), Al Mooney Airport Lift Station rehabilitation (Project D), and Legion Lift Station expansion (Project 7) are required to serve the residential and commercial flow for the Peterson Farm Road development:

- **Project C** consists of a new 10-inch wastewater gravity line to convey wastewater flow from the Peterson Farm Road development along Al Mooney Road to the Al Mooney Airport Lift Station and new 6-inch wastewater gravity lines throughout the development.
- **Project D** consists of new pumps at the Al Mooney Airport Lift Station and recoating of the existing wet well. It is recommended that the City replace the existing pumps with new 600 gpm pumps to serve the existing flow and additional flow from the Peterson Farm Road development.
- **Project E** consists of a new 12-inch wastewater gravity line to replace existing 10-inch and 12-inch gravity lines from the Al Mooney Airport Lift Station force main along Highway 27 to the Legion Lift Station.
- **Project 7** consists of expanding the Legion Lift Station to 8.5 MGD. This project was included in the 2012 Wastewater Master Plan update CIP. The additional flow from the Peterson Farm Road development requires that the Legion Lift Station be expanded to 9 MGD and the timing of the project would be needed sooner.

Figure 3 shows the recommended wastewater system improvements to serve the Peterson Farm Road development residential and commercial flows. Capital costs were developed based on the infrastructure



required to provide wastewater service to the Peterson Farm Road development. Table 3 provides a summary of project costs and detailed cost estimates are included at the end of this memorandum.

Table 6: Summary of Costs for Providing Wastewater Service to the Peterson Farm Road Development

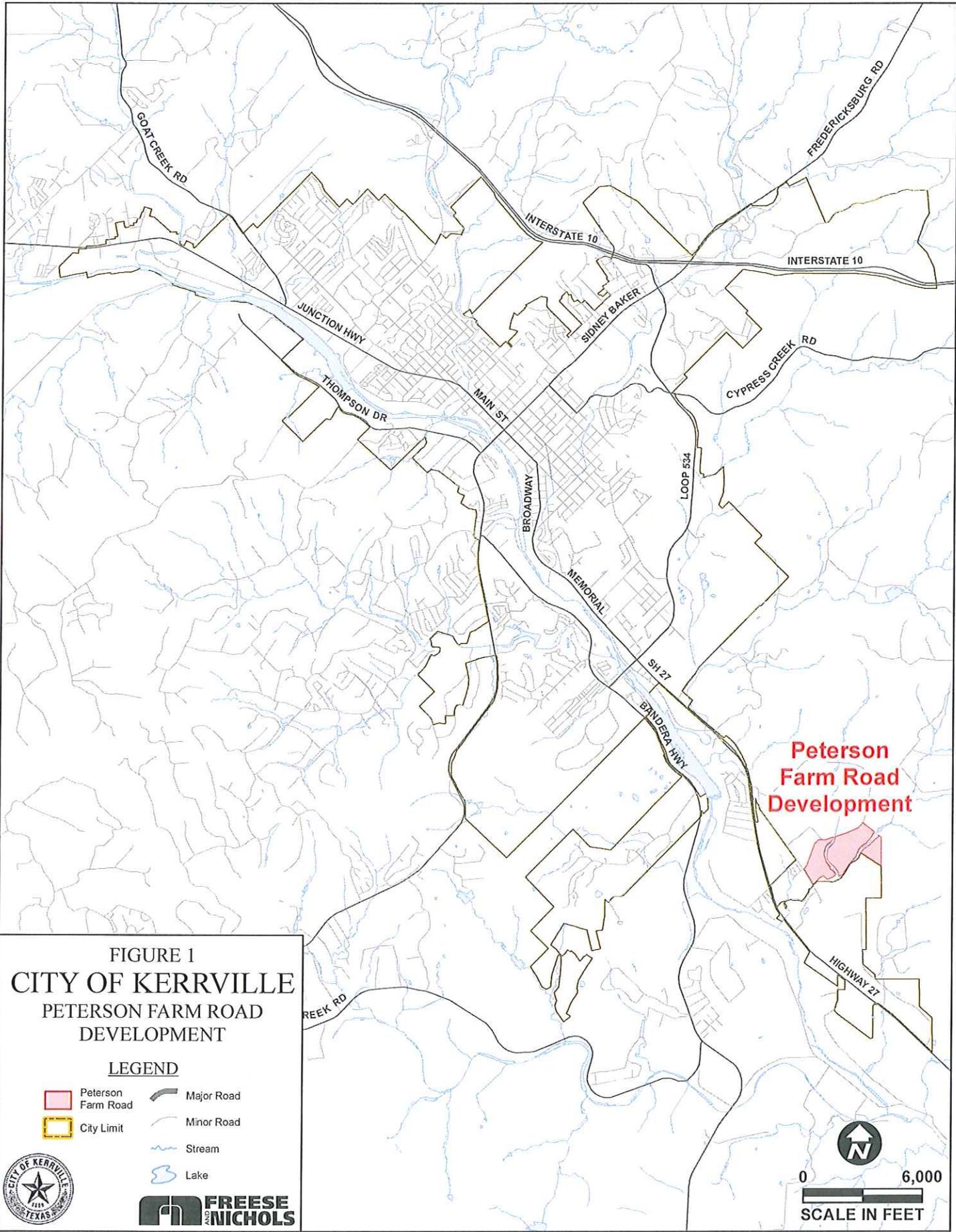
Project	Project Description	2012 WW Master Plan Project Cost	2016 Project Cost	2016 Project Cost w/ Peterson Farm Road	Additional Cost to Serve All Peterson Farm Road Customers
C	Peterson Farm Road Development Internal Collection System	None	None	\$1,259,100	\$1,259,100
D	Al Mooney Lift Station Rehabilitation	None	None	\$592,800	\$592,800
E	12-inch Highway 27 Wastewater Line	None	None	\$326,900	\$326,900
F	6,300 gpm Legion Lift Station	\$4,290,000	\$7,821,800	\$8,282,000	\$460,200
Total		\$4,290,000	\$7,821,800	\$10,460,800	\$2,639,000

CONCLUSION

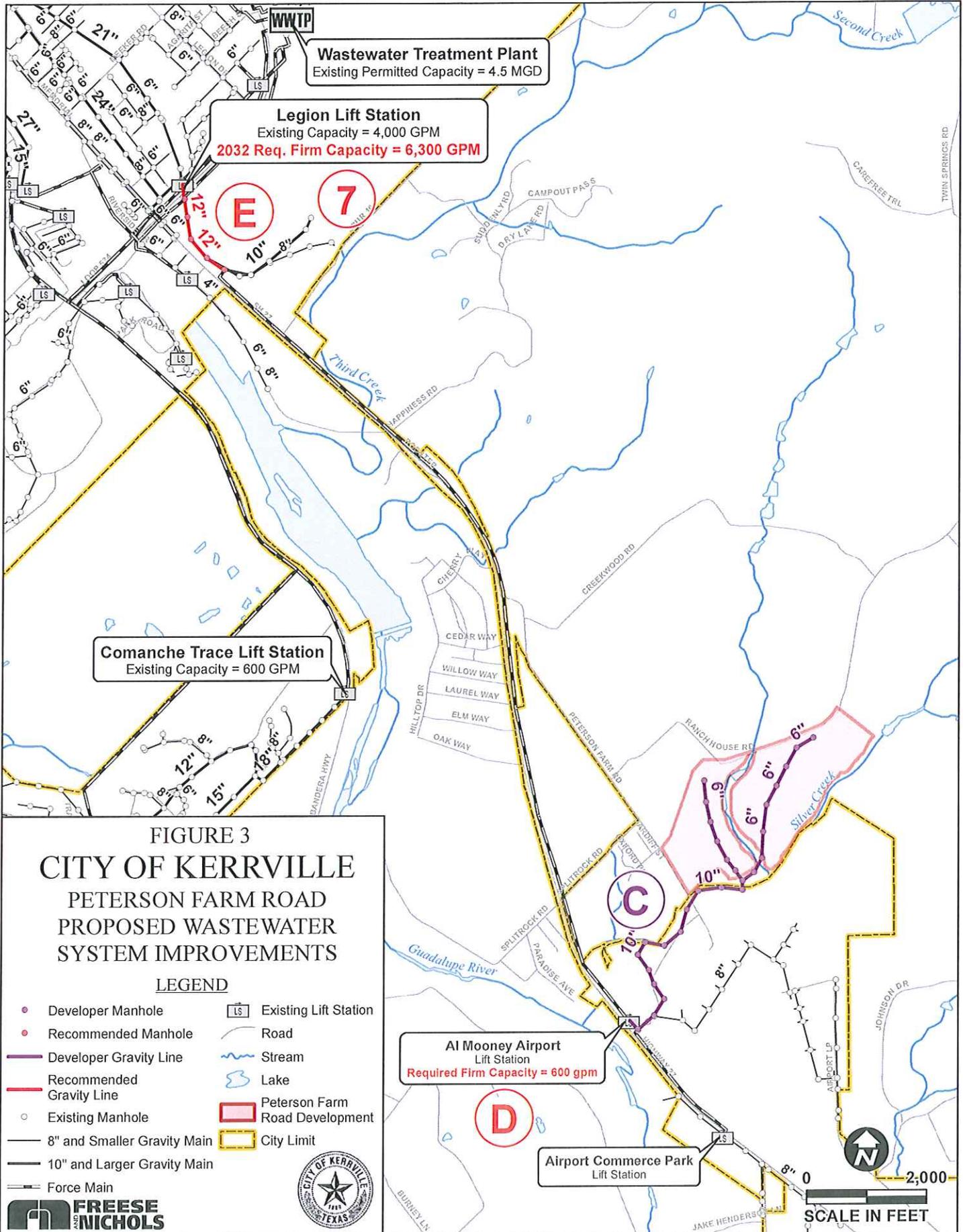
Table 7 summarizes the cost in 2016 dollars of serving the Peterson Farm Road development residential demand and flow only, and residential and commercial demand and flow.

Service Type	Cost to Serve Residential Customers Only	Cost to Serve Residential and Commercial Customers ⁽¹⁾
Water	\$3,732,300	\$3,732,300
Wastewater	\$1,259,100	\$2,639,000
Total	\$4,991,400	\$6,371,300

1) Wastewater based on Additional Cost to Serve in Table 6.



Created by Freese and Nichols, Inc.
 Job No.: KER15626
 Location: H:\V_WW_PLANNING\Deliverables\09-Peterson_Farm_Road_Memo\Figure-1-Overview.mxd
 Updated: Tuesday, February 16, 2016





LEGION LIFT STATION
CITY OF KERRVILLE
WASTEWATER MASTER PLAN - PRELIMINARY DESIGN

OPINION OF PROBABLE CONSTRUCTION COST

February 16, 2016

ESTIMATOR	CHECKED BY	ACCOUNT NO
BTB	JMN	

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
GENERAL ITEMS					
1	MOBILIZATION	1	LS	\$262,000	\$262,000
2	SWPPP	1	LS	\$15,000	\$15,000
3	TRAFFIC CONTROL	1	LS	\$10,000	\$10,000
4	TRENCH SAFETY	1	LS	\$10,000	\$10,000
5	TREE PROTECTION AND TEMPORARY FENCING	1	LS	\$10,000	\$10,000
6	SECURITY FENCING	1	LS	\$50,000	\$50,000
LIFT STATION IMPROVEMENTS					
7	DEMO EXISTING WETWELL, VALVE VAULT AND MANHOLE	1	LS	\$150,000	\$150,000
8	EXISTING SEWER TIE-INS AND CONNECTIONS	1	LS	\$100,000	\$100,000
WET WELL					
9	STRUCTURAL EXCAVATION	4,000	CY	\$50	\$200,000
10	DEWATERING	1	LS	\$29,000	\$29,000
11	FLOWABLE FILL	1,000	CY	\$250	\$250,000
12	IN-SITU BACKFILL	5,000	CY	\$25	\$125,000
13	FOUNDATION	50	CY	\$700	\$35,000
14	WALLS	150	CY	\$1,000	\$150,000
15	TOP SLAB	20	CY	\$2,000	\$40,000
16	WATERPROOF JUNCTION BOX	1	LS	\$5,000	\$5,000
17	CONCRETE COATINGS	3,000	SF	\$75	\$225,000
18	WATERTIGHT HATCHES	3	EA	\$7,500	\$22,500
19	ELEVATED VENTING WITH CHECK VALVE	1	EA	\$10,000	\$10,000
20	SUBMERSIBLE PUMPS AND RAILING	4	EA	\$325,000	\$1,300,000
20	DISCHARGE PIPING	1	LS	\$150,000	\$150,000
20	HEADER PIPING	1	LS	\$175,000	\$175,000
21	MISC. MECHANICAL EQUIPMENT/SUPPORTS/ETC.	1	LS	\$400,000	\$400,000
VALVE VAULT					
22	PRECAST VAULT	1	LS	\$50,000	\$50,000
23	WATERTIGHT HATCHES	2	EA	\$7,500	\$15,000
24	6" CHECK VALVES	3	EA	\$5,000	\$15,000
25	AIR RELEASE VALVES	4	EA	\$3,500	\$14,000
26	6" GATE VALVES	5	EA	\$3,500	\$17,500
ELECTRICAL					
27	ELECTRICAL PLATFORM	1	LS	\$150,000	\$150,000
28	STARTERS, PANELS, TRANSFORMER, RACK, CONDUIT, WIRE, ETC.	1	LS	\$800,000	\$800,000
29	SITE LIGHTING	1	LS	\$50,000	\$50,000
30	BACKUP GENERATOR OR SECONDARY SERVICE	1	LS	\$400,000	\$400,000
31	INSTRUMENTATION AND SCADA	1	LS	\$150,000	\$150,000
RESTORATION					
32	HYDROMULCH AND SEED	1	LS	\$25,000	\$25,000
33	ASPHALT REPAIR	1,000	SY	\$100	\$100,000
CONSTRUCTION SUBTOTAL					\$5,510,000
CONTRACTOR O&P				15%	\$826,500
CONTINGENCY				30%	\$1,653,000
CONSTRUCTION TOTAL					\$7,989,500
ENGINEERING				20%	\$1,597,900
PROJECT TOTAL					\$9,587,400

Notes:

1. There is no site piping in this estimate.
2. Prices based on recent projects.