

**AGENDA FOR MEETING OF
THE CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
Monday, November 15, 2010, 4:00 p.m.
Kerrville City Hall Council Chambers
800 Junction Highway, Kerrville, Texas**

1. CALL TO ORDER

2. INVOCATION

3. VISITORS FORUM

At this time, any person with business not scheduled on the agenda may speak to the 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 presentations to three minutes.

4. PRESENTATION AND ACTION:

4A. Commercial Improvement Program - A & D Properties No. 2.

4B. Presentation by Kerrville Economic Development Corporation concerning a funding request.

5. PUBLIC HEARING AND ACTION:

5A. Funding agreement with the Hill Country Sports Shooting Center.

6. CONSIDERATION AND ACTION:

6A. Authorize the execution of the EIC investment policy from Patterson and Associates. (Erwin)

6B. Discussion of EIC Board policies, procedures, applications and funding

6C. Waive attendance requirements for EIC representative (Jack Pratt) on Kerrville Economic Development Corporation. (Crumrine)

6D. Discussion concerning December 20th EIC meeting. (Crumrine)

7. APPROVE MINUTES:

7A. October 18, 2010.

8. MONTHLY REPORTS:

8A. Monthly financials for October 2010.

8B. EIC construction project status.

9. INFORMATION AND DISCUSSION:

9A. Update on Convention Center Review Panel. (Ferguson)

9B. Update on Kerrville Economic Development Corporation. (Pratt)

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

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: November 11, 2010 at 3:00 p.m. and remained posted continuously for at least 72 hours proceeding the scheduled time of the meeting.

Teri Kinsey
Deputy City Secretary, City of Kerrville, Texas

9. **EXECUTIVE SESSION:**

The EIC Board reserves the right to discuss any of the above items in executive closed session 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), 551.075, 551.076 (deliberation regarding security devices) or 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.

Sections 551.071, 551.072 and 551.087:

- Economic development grant/loan agreement between Kerr Economic Development Foundation, Inc. and the City of Kerrville, Texas Economic Improvement Corporation (USDA Facility).

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

10. **ADJOURNMENT**

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

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: November 11, 2010 at 3:00 p.m. and remained posted continuously for at least 72 hours proceeding the scheduled time of the meeting.

Teri Kinsey

Deputy City Secretary, City of Kerrville, Texas

November 10, 2010

City of Kerrville
Economic Improvement Corporation
800 Junction Hwy
Kerrville TX 78028

Subject: Application for Commercial Improvement Program

Dear EIC board and Staff:

This letter is to follow-up our September application submittal. The demolition and removal of the Parkway Apartments is the first phase of a marketing strategy to bring primary jobs to Kerrville. We are well into that process.

The consideration of this project is directly tied to the future plans of the east side of Kerrville. The demolition and removal of an unsightly area will have a positive impact to the planned expansion of the Kerr County Ag complex, the new Our Lady of the Hills High School, and the proposed development and improvements of U. S. Agriculture Research Service for Livestock and Insects, along with the VA Hospital. The finished project will not only add primary jobs that supplement these varied government agencies but it will increase sales tax revenue for the city and county. The type of primary jobs that will support the activities for agriculture, financial and related activities will follow with this development.

Respectfully submitted,



Carl Harvey Brinkman

Partner and Managing Partner,
A & D Properties #2



APPLICATION FOR 4B SALES TAX FUNDS
CITY OF KERRVILLE
ECONOMIC IMPROVEMENT CORPORATION

Commercial Improvement Program
Application

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

City of Kerrville Economic Improvement Corporation
800 Junction Hwy.
Kerrville, Texas 78028
830.257.8000

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

APPLICATION

SECTION I - APPLICANT INFORMATION

Submittal Date: ___ September 10, 2010

Company Information

Company Name/Organization: A&D Properties #2

Address (City/State): P.O. Box 290743

Kerrville, Tx 78029-0743

Telephone: 830/896-8888

E-mail: hbrink@ktc.com

SECTION IV - PROJECT DESCRIPTION

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

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

Estimated cost of the project: \$40,000 to \$70,000

Amount of 'sweat equity' hours at \$15.00 per hour \$3300

State date September 20, 2010

Grant requires completion in 90 days from the approval date. Project can be started as soon as application is made but there is no guarantee it will be approved.

Current use of the property and/or proposed use Current use is apartments, proposed use bank, convenience store with gas sales, retail
Property zoned for PD attached

Plan to purchase materials locally and use local labor. Yes No

I understand the grant will be funded as a reimbursement after the project is completed and will be based on a percentage of the actual cost, which is 40% of demolition projects or 20% of renovation projects.

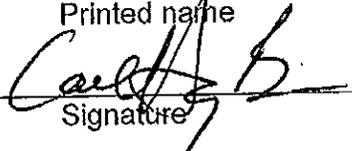
The above information is true and correct to the best of my knowledge.

CAR HARVEY BRIMMAN

Printed name

Sept 2, 2010

Date


Signature

For additional information visit the City's website at www.kerrvilletx.gov or call 830.792.8343.

5.13.10

September 2, 2010

City of Kerrville
Economic Improvement Corporation
800 Junction Hwy
Kerrville TX 78028

Subject: Application for Commercial Improvement Program

Dear EIC board and Staff:

We respectfully submit this request for CIP funding to assist in the demolition of the Parkway Apartments located at the corner of Loop 534 and Hwy 27 (Memorial Blvd). A & D Properties #2 has owned these apartments since 1999. However, the continuing deterioration, despite all efforts, makes demolition of these apartments the only viable option. It has become clear that this is a "quality of life" issue for the tenants, and we believe the community at large will benefit from the clean up of this property.

Included with this proposal are a site plan of the existing apartments and an aerial view of the area. The demolition will proceed in five phases:

1) relocating the tenants, 2) addressing any environmental issues, 3) removing any salvageable and recyclable items from the interiors, 4) recycling the exterior brick of the buildings and other salvageable materials, and 5) bringing in heavy equipment for the final demolition and removal to the landfill.

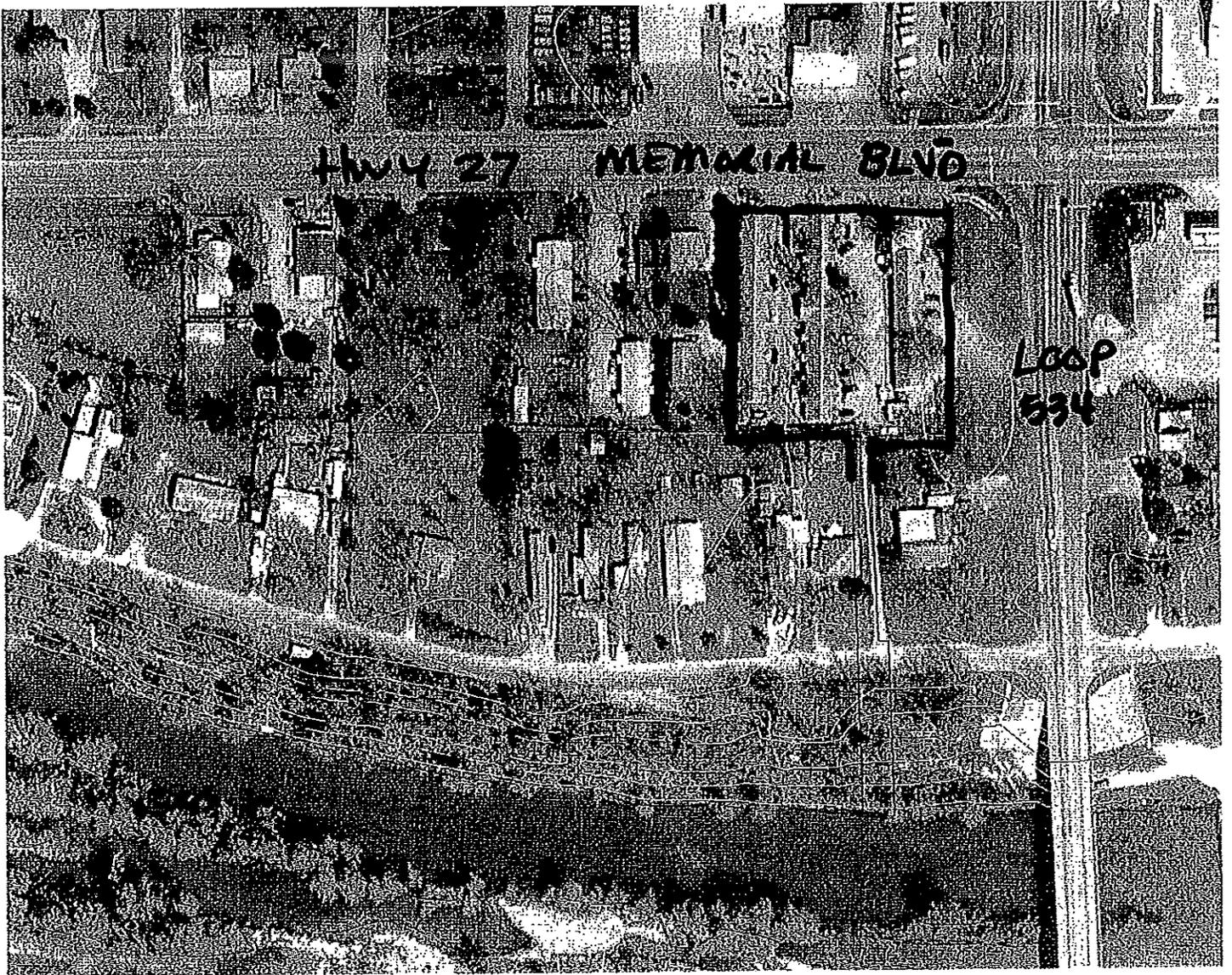
A & D Properties #2 trusts that you will consider this request. We are available to answer any questions and conduct a tour if desired.

Respectfully submitted,



Carl Harvey Brinkman

Partner and Managing Partner,
A & D Properties #2



PARKWAY APARTMENTS



**EDMUND
JENSCHKE
INCORPORATED**

CONSERVATION CONTRACTOR
225 Loop 534 • Kerrville, Texas 78028 • 830-896-6706 fax 830-896-2135

Date: 07/20/2010

Brinkman Commercial Properties
821 A Earl Garret Street
Kerrville, Texas 78028

We hereby submit specifications and estimates for:
Proposed demolition and clean up of Parkway Apartments.

Contractor to supply equipment, skilled operators, and insurance for the demolition, removal, and clean up of approximately 7,000 square feet of existing buildings.
Contractor to leave site in neat clean appearance upon completion.

Proposed demolition and haul off, no hazardous waste, <i>NO ASBESTOS</i> .	\$	44,600.00
Contractor to provide a hazardous material survey.	\$	2,800.00

Exclusions: Utilities disconnections (electrical, sewer, water, and gas) *HAZARDOUS MATERIALS*.

Estimated Job Total: \$ 47,400.00

Please Note: Before construction can begin, underground utilities must be located by owners' authorized agent. Edmund Jenschke Inc. will not be held responsible for damage to underground utilities unless such are clearly marked. Owner will be backed charged for any time loss due to delays because of damage to underground utilities.

ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do work as specified.

Date: _____

Signature: _____

Signature: 

NOTE: THIS PROPOSAL MAY BE WITHDRAWN BY US IF NOT ACCEPTED WITHIN 30 DAYS.

JRamon & Sons, Inc.

Demolition & Site Preparation

"A Family Business Since 1945"

1325 Frio City Road
San Antonio, Texas 78226
(210) 225-1583 Fax: 225-7955

Brinkman Commercial Properties
821-A Earl Garrett.
Kerrville, Texas 78028

27 July 2010

Attn: Mr. Harvey Brinkman
hbrink@kfc.com
(830) 896-8888

Demolition of the Parkway Apartment Buildings
Located: 3135 Memorial Blvd. (Hwy 27) @ Loop 534, Kerrville, TX.

The contractor purposes to furnish all supervision, technical personnel, labor, materials, machinery, tools, equipment and services, including utility and transportation services, to perform and complete all work required for the scope of work listed below in an efficient and workman like manner.

SCOPE OF WORK

The scope of work to be completed under this contract includes the demolition and removal of three one story commercial structures, totaling approximately 15,000 square feet, located at the above referenced address. This proposal includes removal of concrete foundations, miscellaneous slabs up to 2 feet below existing grade and seven trees. All debris generated from demolition operations will be properly disposed of in a certified legal landfill or recycled in a certified and legal manner.

All work under this contract is to be complete within 20 days of issuance of work order and city permits. Prior to demolition, the owner is to notify Ramon at least ten days in advance for scheduling purposes.

The Owner is responsible for supplying Ramon with an Environmental survey, concerning Asbestos containing materials, of the structures to be demolished.

The Owner is to have all utilities disconnected to all structures being demolished prior to the commencement of demolition operations. The contractor is to verify that all utilities have been properly disconnected to allow for safe demolition. In the event a utility is still in operation, the Contractor shall notify the Owner or Owner's representative for prompt removal. Contractor will have sewer line(s) capped/ plugged in accordance with City of Kerrville Demolition Permit requirements.

The term "salvage" means all building materials, equipment, fixtures, and appliances incorporated in the building and structure to be demolished, and located upon the real property within the demolition area, which the contractor deems as having sufficient value to justify the reclaiming. All salvage becomes the property of the contractor.

SAFETY AND INSURANCES

The contractor shall exercise proper precautions at all times for the protection of persons and property and shall be responsible for all damages to persons or property, either off or on the site, which occur as a direct result of his negligence in connection with the prosecution of the work.

The safety provisions of applicable laws and building construction codes shall be observed and the contractor shall take or cause to be taken such additional safety and health measures as the contractor may determine to be reasonable necessary. Machinery, equipment and all hazards shall be regarded in accordance with the safety provisions of the Demolition Safety Manual published by the *National Association of Demolition Contractors*, to the extent that such provisions are not in conflict with applicable laws.

The contractor shall defend and indemnify and save harmless the owner from any claims for damages resulting from property damage, bodily injury and/or death suffered or alleged to have been suffered by any person as a result of any work conducted under this contract.

The contractor shall carry Workmen's compensation Insurance for all employees in accordance with Texas Worker's Compensation Laws.

The Contractor shall carry General Liability Insurance with the limits of \$1,000,000 per person and \$2,000,000 per accident to protect the contractor against claims from the injury to or death of one or more than one person because of accidents which may occur or result from the operations under this contract. Such insurance shall cover the use of all equipment, including but not limited to excavating machinery, loading machinery, cranes, hoist, and motor vehicles, used in the performance of the specifically stated demolition and site clearance operations.

The contractor shall carry during the life of the contract; Property Damage Insurance in an amount of not less than \$ 1,000,000 and \$ 1,000,000 in aggregate, to protect him from claims for property damage which might arise from the operations under this contract.

The Contractor shall also carry an Excess Liability Insurance Policy with limits of \$2,000,000 or higher. Upon request, a certificate of insurance will be supplied. The Owner and his agents will be listed as additionally insured and be provided a Waiver of Subrogation for an additional clerical fee.

EXCLUDED ITEMS

The providing, placing or handling of backfilled material is not included in this contract. The removal of asphalt parking and concrete paving are not included in this contract. The providing of a landscape plan, requirements of a tree preservation plan, or the removal, handling or disposal of trees, unless otherwise specifically addressed in the above scope of work, is not included in this contract. The disconnecting, rerouting, capping or plugging of utilities are not included in this proposal.

This proposal does not include the removal, and handling and/or disposal cost of environmental concerning materials, such as Freon gases, asbestos, lead, PCB's, UST's, contaminated soils or any other regulated substances.

PAYMENT

Payments of said invoices are to be received within fifteen (15) calendar days of the date of invoice. No retainage is to be held. Owner acknowledges the scope of work performed under this contract is considered property improvement and is subject to all applicable laws governing the Mechanic's and Materialmen's Liens

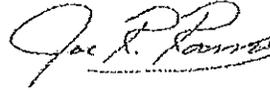
BASE BID

We will furnish all equipment and labor, in accordance with the above specifications to complete the scope of work for the Lump Sum of:

Base Bid:
Fifty Five Thousand Seven Hundred and Sixty Dollars \$ 55,760.00

This contract has been prepared for the protection of both parties. If you have any questions concerning addressed or unaddressed items or issues, it is highly recommended that negotiations be made to resolve them prior to finalizing this document. This proposal is valid through September 30, 2010.

Respectfully Submitted,



Joe R. Ramon III
Project Manager / Estimator

ACCEPTANCE

As an authorized agent of the above referenced property, I hereby accept and agree with all of the above provisions, specifications, and conditions.

Name Title Date

WITNESSED

Notary Public (Sealed) My Commission expires on _____

Visit us at www.ramondemolition.com

MIKE LOWREY CONSTRUCTION
530 WESTWAY DRIVE
KERRVILLE, TEXAS 78028
830-257-4746
CELL: 830-739-3621

Brinkman Commercial Properties
821-A Earl Garrett
Kerrville, Texas 78028

Re: Demolition of Parkway Apartments; Corner of Loop 534 and Highway
27

Demo brick siding from apartment and all concrete hauled off to private dump site @ \$35.00 per load (dump fee). All other building materials (lumber, roofing, etc.) to city landfill @ \$49.14 per ton (as of 8-27-10). Dump fee tickets presented to owners weekly for payment or account set up by owners at landfill. Salvage of brick, steel pipe or any other materials to remain on site at owner's discretion.

All machine labor provided by Mike Lowrey as needed for demo (dozer, loader, backhoe and dump truck). Loader and truck combo at \$125.00 per hour. All other single machines such as dozer or backhoe at \$85.00 per hour. Machines and truck labor not to exceed \$15,000.00, plus dump fee costs. Site to be cleaned and hauled off of all building debris.

All utilities will be located and disconnected prior to start of demo. Call to dig test required. (800-344-8377)

Permits, if required, provided by Owners.

Dump fee to be paid weekly to Mike Lowrey or account set up by Owners
Machine labor to be paid in full at completion of job

Dated: August 27, 2010

**ECONOMIC DEVELOPMENT GRANT AGREEMENT BETWEEN A&D PROPERTIES
#2 AND THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT
CORPORATION**

This Agreement entered into by and between A&D PROPERTIES #2 (“A&D”), acting herein by and through its duly authorized Representative, Harvey Brinkman (“Officer”); and the CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION (“EIC”), a Texas nonprofit corporation, established pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 and now codified in Chapters 501, 502, and 505 of the Texas Local Government Code (otherwise known as the Development Corporation Act of 1979 hereafter referred to as “the Act”), acting by and through its duly authorized President, Bill Crumrine, as authorized by the Board of Directors of the EIC (“Board”).

WITNESSETH:

WHEREAS, EIC was formed to administer the sales and use tax approved by the citizens of Kerrville, Texas, in May 1995, and collected for the funding of various projects including:

land, buildings, equipment, facilities, and improvements found by the Board to promote or develop new or expanded business enterprises that create or retain primary jobs, including, (1) a project to provide public safety facilities, streets and roads, drainage and related improvements, demolition of existing structures, general municipally owned improvements, and any improvements or facilities related to a project described by this subdivision; and (2) any other project that the Board in its discretion determines promotes or develops new or expanded business enterprises that create or retain primary jobs; and

WHEREAS, pursuant to Chapter 505 of the Act, the EIC is authorized to provide funding to construct projects which the EIC finds to be encompassed within the definition of “projects” as that word is defined by Chapters 501 and 505 of the Act; and

WHEREAS, the EIC adopted a Commercial Project Program (“Program”) for the purpose of encouraging existing businesses to make improvements to their buildings; and

WHEREAS, for eligible projects, the Program will reimburse funding up to 20% of the cost of the improvement project, with any such reimbursement not to exceed \$10,000; and

WHEREAS, the Program also provides funding up to 40% of the cost to tear down a building; and

WHEREAS, A&D has applied for a grant from the EIC under the Program to demolish and remove several buildings in an effort to attract development to the property (the “Project”); and

WHEREAS, based upon A&D’s application for Grant funding under the Program, the EIC finds that the Project promotes or develops new or expanded business enterprises that create or retain primary jobs, as that term is defined by the Act; and

WHEREAS, EIC has also determined that such a grant complies with the Act, is in keeping with the mission of EIC and the *City of Kerrville Economic Improvement Corporation 4B Sales Tax Funding Request Guidelines and Procedures*, and is eligible for grant funding pursuant to the Program; and

WHEREAS, EIC finds that it will be in the public interest to enter into this Agreement with A&D to provide sales tax revenues collected pursuant to the Act (“4B Revenues”) to A&D for costs related to the demolition and removal of buildings; and

WHEREAS, on October 18, 2010, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, EIC held a public hearing pursuant to Section 501.072 of the Act related to the proposed expenditure of 4B revenues for the purposes provided above;

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

**ARTICLE I.
EIC’S OBLIGATIONS**

- A. EIC hereby grants to A&D Ten Thousand and No/100 Dollars (\$10,000.00) (“Grant”) from 4B Revenues for costs related to the demolition and removal of the Parkway Apartments located at Loop 534 and SH 27, Kerrville, Texas, 78028 (the “Property”). A&D agrees that should the costs be reduced for any reason, EIC may reduce the Grant in accordance with the Program’s funding limitations.
- B. Subject to the terms and conditions set forth in Article II, the Grant shall be provided to A&D by EIC and EIC shall administer the Grant on a reimbursable basis. Prior to any payment from EIC, A&D must first submit written evidence of costs, such as invoices, receipts, and bills of sale for review and approval. Following each submission and verification thereof, which may include on-site inspections to confirm the construction and development of the Project, EIC shall then reimburse A&D for the cost.
- C. Payments made by EIC to A&D from 4B Revenues shall be limited to the payments of “costs” as defined by the Act.
- D. In no event shall the total amount of the Grant exceed Ten Thousand and No/100 Dollars (\$10,000.00).
- E. A&D specifically agrees that EIC shall only be liable to A&D for the actual amount of the Grant to be conveyed to A&D and shall not be liable to A&D for any other actual or consequential damages, direct or indirect, interest, attorney fees, or costs of court for any act of default by EIC under the terms of this Agreement.

ARTICLE II.

A&D'S OBLIGATIONS

- A. A&D agrees to complete the Project on or before June 30, 2011. Failure to complete the Project by this date shall terminate the obligation of EIC to make any additional payments of the Grant.
- B. A&D shall keep and maintain complete and accurate records relating to the costs of the Project, separate and identifiable from its other records, for three (3) years following the termination of this Agreement. EIC and its representatives shall be entitled to inspect the records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice.
- C. Following the initial payment from EIC to A&D, A&D shall make written monthly reports to EIC on or before the last day of the month. Said reports, at a minimum, shall include information on the status of the Project and its estimated completion date.
- D. A&D shall only be liable to EIC for the actual amount of the Grant to be conveyed to A&D and shall not be liable to EIC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by A&D under the terms of this Agreement.

ARTICLE III. REIMBURSEMENT

- A. If, on June 30, 2011, A&D has failed to complete the Project, then A&D shall repay EIC the total amount of funding that the EIC has paid to A&D under this Agreement. The repayment shall be made as soon as commercially practicable after the receipt of a written demand by EIC, but in no event later than thirty (30) days from the receipt of such written demand. Upon repayment thereof, A&D shall have no further obligation under this Agreement. EIC shall have the discretion to consider relevant circumstances before demanding repayment and may require partial repayment in appropriate circumstances. Failure to reimburse EIC within thirty (30) days of A&D's receipt of such demand shall constitute a breach of this Agreement.
- B. Notwithstanding any other provision in this Agreement, A&D shall in no event be required to repay any amount in excess of the Grant monies actually received under this Agreement.

ARTICLE IV. MERGER, CONSOLIDATION OR CHANGE IN MANAGEMENT OF A&D OR CONVEYANCE OF PROPERTY

- A. A sale of all or substantially all of the assets of A&D, including the Property, shall not release A&D from its duties and responsibilities to EIC under the terms of this Agreement and shall not result in the assignment of this Agreement by such acquiring entity without prior written consent from EIC, which will not be unreasonably withheld.

- B. In the event of any proposed merger, consolidation, or change in the management of A&D with any third party not affiliated with A&D, A&D shall at least thirty (30) days prior to any such merger or consolidation provide EIC with information and assurance reasonably acceptable to EIC regarding: (1) the surviving entity's assumption and satisfaction of A&D's duties and responsibilities hereunder; and (2) the financial condition of the surviving entity upon such merger or other consolidation to demonstrate that the surviving entity shall have the financial condition to fully satisfy A&D's duties and responsibilities hereunder. Failure to provide such information shall be considered a breach of this Agreement.
- C. Notwithstanding anything in this Agreement to the contrary, it is expressly understood and agreed that EIC shall have no rights to approve or disapprove any sale or merger transaction of any kind involving A&D. In the event of any sale or merger involving A&D, the surviving entity shall assume A&D's obligations and rights hereunder and be entitled to any and all benefits to be received pursuant to this Agreement.

**ARTICLE V.
A&D'S REPRESENTATIONS AND WARRANTIES**

- A. A&D represents and warrants as of the date hereof:
 - (1) A&D is a Texas corporation existing in good standing and authorized to do business in the State of Texas;
 - (2) Execution of this Agreement has been duly authorized by A&D and this Agreement is not in contravention of A&D's articles of incorporation or bylaws, or any agreement or instrument to which A&D is a party or by which it may be bound as of the date hereof;
 - (3) No litigation or governmental proceeding is pending, or, to the knowledge of the Officer, threatened against or affecting A&D, which may result in a material adverse change in A&D's business, properties, or operations sufficient to jeopardize A&D's legal existence; and
 - (4) No written application; written statement; oral statement to either the EIC, an EIC Boardmember, or staff for the City of Kerrville; correspondence delivered by A&D to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of the Officer, contains any untrue statement of a material fact or fails to state any material fact necessary to keep the statements contained therein from being misleading.
- B. Except as expressly set forth in this Article V, A&D makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

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

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

- (1) EIC, to the best of the knowledge of its Board, is legally authorized to enter into this Agreement by virtue of the Act and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;
 - (2) Execution of this Agreement has been duly authorized by EIC;
 - (3) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and
 - (4) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.
- B. Except as expressly set forth in this Article VI, the EIC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE VII.
MAJOR FORCES PREVENTING A&D FROM CARRYING
OUT ITS OBLIGATIONS UNDER THIS AGREEMENT**

If, by reason of force majeure, such as fire, flood, windstorm, drought, or other act of God, act of war, act of terrorism, labor strike, or economic downturn affecting A&D, A&D is reasonably unable to fulfill its obligations under this Agreement, A&D shall use reasonable and diligent efforts to rectify the situation to allow it to perform its obligations specified herein with all due haste. In the event that the situation cannot be rectified within six (6) months after the occurrence of the force majeure, either party may terminate this Agreement by providing thirty (30) days advance written notice to the other without further liability hereunder except that termination under this provision shall not excuse A&D from any applicable reimbursement obligations under Article III of this Agreement.

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

- A. Under any of the following conditions EIC may, at its option, after fifteen (15) days written notice to A&D, suspend its further performance under this Agreement until such time as A&D shall have cured the condition(s) and so notified EIC, in writing, that the condition(s) have been cured:
- (1) A&D becomes insolvent. "Insolvent" is defined to mean one either has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, or is insolvent within the meaning of the federal bankruptcy law.

- (2) The appointment of a receiver of A&D, or of all or any substantial part of its Property, and the failure of such receiver to be discharged within sixty (30) days thereafter.
 - (3) The adjudication of A&D as bankrupt.
 - (4) The filing by A&D of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.
- (B) Should any of these conditions not be cured by A&D within a period of one (1) month, EIC may, at its option, with written notice to A&D, terminate this Agreement and A&D shall have no further obligations hereunder.

ARTICLE IX. REMEDIES

- A. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement, by any party hereto, or any successor to such party, such defaulting or breaching party (or successor) shall upon written notice from the other, proceed immediately to cure or remedy such default or breach, and, in any event, within sixty (30) days after receipt of such notice. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time (but in no event later than ninety (30) days from the date of notification of such breach), the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including but not limited to, seeking specific performance and/or injunctive relief, enforcement by mandamus or by the appointment of a receiver in equity with power to charge and collect rents, purchase price payments, and loan payments and to apply the revenues from the project in accordance with this Agreement, as required by the Act.
- B. Upon breach of this Agreement by either party and the failure to cure as permitted by this Article IX, the non-breaching party shall have the sole right and discretion to either terminate this Agreement or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that no party hereunder shall be entitled to recover any amounts in excess of the Grant contracted for under this Agreement and that no party hereunder shall be liable to the other party for any other actual or consequential damages for any act of default by such party under the terms of this Agreement.
- C. Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not, so long as the breach or default by another party shall be continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor shall any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

**ARTICLE X.
GENERAL PROVISIONS**

- A. Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court having competent jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.
- B. Amendment. This Agreement may be amended only by written amendment signed by both parties.
- C. Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement shall be made or performed in Kerrville, Kerr County, Texas. Venue shall lie in Kerr County, Texas; and this Agreement shall be governed by and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof.
- D. Notices. All notices given with respect to this Agreement shall be in writing and shall be deemed to have been properly given for all purposes (i) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

1. For EIC

President – Bill Crumrine
City of Kerrville, Texas, Economic Improvement Corporation
800 Junction Highway
Kerrville, Texas 78028
Facsimile: (830) 792-3850

With a copy to:

Mindy Wendele
Director of Business Programs
City of Kerrville
800 Junction Highways
Kerrville, Texas 78028
Facsimile: (830) 792-3850
Email: mindy.wendele@kerrvilletx.gov

2. For A&D

Harvey Brinkman
A&D Properties #2
PO BOX 290743
Kerrville, Texas 78029
Email: hbrink@ktc.com

- E. Assignment. This Agreement shall be binding upon the parties hereto and their successors and assigns. Except as set forth in Article IV, this Agreement may not be assigned by either party without the specific prior written consent of the other, which consent will not be unreasonably withheld. In the event that a party consents to any valid assignment of this Agreement by the other party hereto, the assigning party shall be relieved of any and all obligations and liabilities on the part of such assigning party under this Agreement. A&D may, without written consent of EIC, assign this Agreement to any entity controlled and owned 100% by A&D or by the parent, subsidiary, or affiliate of A&D provided the entity assumes all of A&D's obligations and liabilities under this Agreement; agrees to comply with all provisions of this Agreement; has the legal, managerial, technical and financial ability to properly perform and discharge such obligations and liabilities; and such abilities are each at least as great as those of A&D and A&D provides a written guarantee of such assignee's performance in a form reasonably acceptable to EIC. EIC shall be advised in writing of such assignment and of the entity's qualifications at least thirty (30) days before such assignment occurs.
- F. Parties In Interest. Nothing in this Agreement shall entitle any party other than A&D or EIC to any claim, cause of action, remedy or right of any kind except as expressly provided in Article IV.
- G. Term. Subject to the required approvals, the term of this Agreement (the "Term") shall commence on November 23, 2010 (the "Effective Date"), and shall terminate on the earlier of: (i) June 30, 2011, or when the requirements set forth in this Agreement are completed; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Article IX, Paragraph B; (iv) when terminated pursuant to Article VIII; (v) at A&D's absolute discretion, upon A&D's return of all Grant funding to EIC that it has received under this Agreement; (vi) upon A&D's repayment of all monies that are demanded by EIC and are in fact required to be repaid by A&D under Article III; or, (vii) upon a termination of this Agreement by EIC pursuant to Article VIII. Upon termination of this Agreement as specified herein, all rights, duties and obligations of any kind under this Agreement shall automatically expire and terminate and be of no other force and effect.
- H. Interpretation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arms length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.
- I. Indemnity. **IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES THAT A&D, IN PERFORMING ITS OBLIGATIONS HEREUNDER, IS ACTING**

INDEPENDENTLY AND EIC, ITS OFFICERS, AND AGENTS ASSUME NO RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH. A&D AGREES TO INDEMNIFY AND HOLD HARMLESS EIC, ITS OFFICERS AND AGENTS, AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS, AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS THAT MAY ARISE OUT OF OR BE OCCASIONED BY A&D'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR BY ANY NEGLIGENT ACT OR OMISSION OF A&D, ITS OFFICER, AGENTS, ASSOCIATES OR EMPLOYEES, IN THE PERFORMANCE OF THIS AGREEMENT; AND NOTHING HEREIN SHALL BE CONSTRUED AS A WAIVER OF ANY GOVERNMENTAL IMMUNITY AVAILABLE TO EIC UNDER TEXAS LAW.

- J. No Joint Venture. Nothing contained in this Agreement is intended by the parties nor do the parties intend to create a partnership or joint venture between the parties.
- K. Survival of Terms. All rights, duties, liabilities and obligations accrued prior to termination shall survive termination.
- L. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof.

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

CITY OF KERRVILLE, TEXAS ECONOMIC
IMPROVEMENT CORPORATION

A&D PROPERTIES #2.

Bill Crumrine, President

By: _____
Harvey Brinkman, President

ATTEST:

Secretary to Corporation

APPROVED AS TO FORM:

DRAFT

Michael C. Hayes, City Attorney



**City of Kerrville Economic Improvement Corporation
4B Sales Tax Funding Request
Guidelines and Procedures**

Economic Improvement Corporation

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

**City of Kerrville Economic Improvement Corporation
800 Junction Hwy.
Kerrville, Texas 78028
830.257.8000**

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

Types of Projects

The Economic Improvement Corporation will consider applications for:

1. **Direct contributions to business development;** projects should include support of retention, expansion, or recruitment, resulting in public economic benefit, and economic and demographic analyses used for policy development.
2. **Quality of Life** projects; projects which are owned by the City of Kerrville upon completion; or, where funding is requested for the construction of private (which includes non-profit) development projects, but only if the resulting facility is accessible or open to the public; both such Quality of Life projects indirectly result in economic benefits.
3. **Participation in Public Infrastructure;** necessary to facilitate private development, resulting in public economic benefit.

Guidelines and Procedures

Business Development and Participation in Public Infrastructure Projects

Application

The City of Kerrville will accept applications for projects at any time. Applications will not be considered until complete. Applicants must be available to present projects at an Economic Improvement Corporation board meeting. City owned improvements will be included in the Capital Improvement Plan. Eligible projects can be projects within the city limits of Kerrville and within Kerr County. All projects outside the Kerrville city limits must have approval of the governing body in which the project is to be located. Applicants may be businesses, individuals, the City of Kerrville, Kerr County, or Kerr Economic Development Foundation.

Initial Response Team

An initial response team (IRT) will evaluate and recommend applications based on:

1. Compliance with legal requirements (with necessary assistance from the City Attorney)
2. Funding Availability
3. Consistency with the Comprehensive Plan, Capital Improvement Plan, Airport Master Plan and Parks Master Plan
4. Economic impact analysis results*, including a return on investment and the break even point (as affected by the extent of developer participation), job creation impact, and impact on the tax base
5. Project status; for example, projects already under construction

The initial response team will consist of the City Manager, Director of Business Programs, and the President of the Kerr Economic Development Foundation. Additional members of staff may be added to the initial response team where appropriate depending on the nature and location of the project.

Upon review of the application and support documents, the initial response team will make a recommendation to the Economic Improvement Corporation. The initial response team will then notify the applicant of the next available Economic Improvement Corporation board meeting for a project presentation.

The Economic Improvement Corporation may direct a public hearing to be scheduled and a funding agreement to be drafted. The EIC and the Kerrville City Council must both approve the funding agreement. Public infrastructure improvement projects will be placed in the Capital Improvements Plan, and when complete, the project is owned by the City of Kerrville.

Quality of Life Improvement Projects

Interested businesses, individuals, or non-profit groups are required to complete an application and provide appropriate documentation of the project. The initial response team will evaluate and recommend projects based on the following criteria:

1. Compliance with legal requirements (with necessary assistance from the City Attorney)
2. Funding Availability
3. Consistency with the Comprehensive Plan, Capital Improvement Plan, Airport Master Plan and Parks Master Plan
4. Direct or indirect economic benefit*
5. Project status; for example, projects already under construction

The Economic Improvement Corporation may direct a public hearing to be scheduled and a funding agreement to be drafted. The EIC and the Kerrville City Council must both approve the funding agreement. Public infrastructure improvement projects will be placed in the Capital Improvements Plan, and when complete, the project is owned by the City of Kerrville unless such Quality of Life project is a publicly available private project which provides access or services on a non-discriminatory basis.

The Economic Improvement Corporation's annual budget is presented to the EIC members during July each year. Upon review and approval, the EIC recommends the budget to city council for approval in September.

The City of Kerrville Economic Improvement Corporation meets monthly at the Kerrville City Hall, Council Chambers, 800 Junction Hwy., Kerrville, Texas. For additional information visit the City's website at www.kerrville.org or call 830.792.8343.

*Specific criteria for the economic impact analysis may be described in a separate economic development incentive policy.



**APPLICATION FOR 4B SALES TAX FUNDS
CITY OF KERRVILLE
ECONOMIC IMPROVEMENT CORPORATION**

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

**City of Kerrville Economic Improvement Corporation
800 Junction Hwy.
Kerrville, Texas 78028
830.257.8000**

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

APPLICATION

SECTION 1 - DEFINITIONS

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

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

Employee Benefit- Incentives offered to employees and paid for by the employer such as health care coverage, vacation, etc. If an employee pays 30% of the cost, or more, it should not be considered a "benefit" for purposes of this application.

Full Time Job- The employment of a person for a minimum of 35 hours per week and offering that person all those benefits adopted by company policy for Full Time Employees. Major stockholders or immediate family members should not be included in this number when considering "New Full-Time Jobs Created."

Hourly Wage- The gross amount paid to the employee for each hour worked not including the Employer's portion of FICA or FWH. Benefits should not be included in this figure, but should be listed separately under the compensation per employee section of the application.

Part-Time Job- A person working less than 35 hours per week. Major stockholders or immediate family members should not be included in this category when completing the application under New Part-Time Jobs Created.

Funding Agreement- a written document designed to protect the interest of local taxpayers by putting a businesses' job creation or capital investment commitments in writing and by linking the payment of any financial incentive to the business fulfilling its written commitments (i.e. clawbacks).

Public Capital Project- Improvements owned and maintained by the City of Kerrville included in the Capital Improvement Plan and funded by the capital budget.

SECTION II - APPLICANT INFORMATION

Submittal Date: 11 / 9 / 2010

Company Name:

Kerrville Economic Improvement Corporation

Address (City/State): 800 Sydney Baker Phone 830 370 2995

Suite 100 Fax _____

Kerrville, Tx 78028
City State Zip Code

Name of Company Contact on this project:

Todd Parton

Contact Address (if different from above):

Same Address Phone _____

_____ Fax _____

_____ City State Zip Code

Type of Business Structure: ^{Non-Profit} Corporation Partnership ___ Sole Proprietorship ___

Year Business Started: Year 2010 Location _____

Current Employment: Permanent Full-Time Permanent Part-Time

Average Production Wage 0

Full-Time Employees receive the following benefits:

Funding request provides bonding for a full time ED director and a full time administrative assistant

Financial Information: Five Years Annual Financials Attached Start Up ED Corporation
Include: Statement of profit and loss; Balance sheet; Cash Flow Statement; IRS reporting forms, Proforma

Annual Sales for Corporation / Company \$ NA

This Facility \$ NA

Local Sales Tax paid Annually \$ NA

Current Payroll \$ NA

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

SECTION III- PROJECT INFORMATION

This application is for a:

Business Development

See attached memorandum.

- Expansion of Existing Facility () or
- New Construction ()
- Other

Quality of Life Improvement ()

- Parks, Open Space ()
- Other ()

Capital Improvements for Public Infrastructure

- Utilities ()

- Roadways ()
- Other ()

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

SECTION IV - PROJECT DESCRIPTION

Please attach a statement on company letterhead and signed by an officer of the company (1) fully explaining the nature and scope of the project; (2) describing the proposed site and existing improvements, if any; (3) describing all proposed improvements; and (4) providing a list of eligible improvements; (5) provide a list of major, fixed equipment along with manufacturer specifications and cost quote from the manufacturer.

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

SECTION V – ECONOMIC IMPACT INFORMATION

Part A- Project Investment in Improvements

Total \$ 0
 Sq. Footage of New Building (s) _____
 Size of Parking _____
 Other _____

Part B- Project Investment in Fixed Equipment

(New)\$ 0
 Manufacturer of Equipment 0
 Anticipated Useful Life of Equipment 0
 Purchase Price \$ 0 Installation Cost \$ 0
 Anticipated Delivery time from Date of Order 0

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

Anticipated Number of New Full-Time Employees as a result of this project 2

Anticipated Number within 12 months of Completion of this project 2

Anticipated Number within 24 months of Completion of this project 2

Typical Job Descriptions or Job Titles

Executive Director of the Kerrville Economic Development Corporation
Administrative Assistant to the Executive Director

Anticipated starting salaries of these employees: (avg.) \$ 35 /hour

Part D- Permanent Part-Time Employment Estimates-

(do not include owners, stockholders or their dependants)

Anticipated Number of New Part-Time Employees as a result of this project 0

Anticipated Number within 12 months of Completion of this project 0

Anticipated Number within 24 months of Completion of this project 0

Typical Job Descriptions or Job Titles of these employees: 0/NA

Anticipated starting salaries of these employees: (avg.) \$ 0 /hour

Part E- Payroll Impact

Within 12 months of Project Completion X Within 24 months of Project Completion _____

\$ 145,600
FTE X Avg. Wage X 40 hrs X 52 wks

\$ 0
PTE X Avg. Wage X 20 hrs X 52 wks

SECTION VI- OTHER ASSISTANCE

Has the Company applied for any State or Federal assistance on this project? No (X) Yes ()

Describe:

Does not qualify for state or federal assistance.

This is the funding request for the newly created
KEDC (see attached letter).

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

Todd Parson
Printed name

11/9/10
Date

City Manager
Title


Signature

For additional information visit the City's website at www.kerrville.org or call 830.792.8343.

KERRVILLE ECONOMIC DEVELOPMENT CORPORATION (KEDC)

1700 Sydney Baker South
Kerrville, Texas 78028

August 13, 2010

Mr. Bill Crumrine
Chairman
Kerrville Economic Improvement Corporation
800 Junction Highway
Kerrville, Texas 78028

Re: KEDC Funding Request

Dear Mr. Crumrine:

The KEDC greatly appreciates the support and participation provided by the Kerrville Economic Improvement Corporation (EIC) that has enabled it to achieve its current level of success. This is a major next step in the continued growth and expansion of economic development efforts for our area.

Now that the KEDC has been created, including the adoption of by-laws and a programming overview that consists of clearly defined goals, objectives, and performance measures, it is time to move toward full implementation. Implementation will require funding for start up and operational expenses. KEDC has created a budget for its next fiscal year, which runs from January 1 through December 31. The budget is based on anticipated revenues of \$354,900 for next year from multiple sources. It specifically anticipates a funding allocation of \$225,000 from the EIC. KEDC is respectfully submitting this funding request to the EIC for a portion of the operational revenues for FY2011.

Several attachments have been provided with this request. They are the KEDC budget for FY2011, by-laws, performance measures, economic development program overview, and position profile for the corporation's executive director.

Primary objectives for the KEDC for FY2011 will be creative branding to prepare a logo and tag line, creation of a web site, development of marketing materials for a pro-active economic development program, initiation of business recruitment missions, and advertisement to targeted markets. The single most important project will be to continue the efforts to retain the USDA facility in Kerrville.

KEDC is founded on the principles of transparency and accountability to each funding partner. KEDC will provide monthly financial reports, quarterly activity reports, and an annual meeting. Each partner will be able to evaluate the degree to which KEDC has been successful and how effective KEDC has utilized its resources.

This funding request would be for FY2011 only and the KEDC Board of Directors will submit funding requests for future fiscal years. KEDC anticipates that the routine reporting information discussed in the paragraph above will be used in future years as a basis to evaluate KEDC efforts and whether future funding requests will be granted.

The EIC's support for the creation of the KEDC is greatly appreciated and the KEDC Board of Directors looks forward to a bright future and a sustained partnership that will prove fruitful for all.

Respectfully,

s/Trevor Hyde

Trevor Hyde
President

Attachments:

1. FY2011 Budget
2. KEDC By-Laws
3. KEDC Performance Measures
4. KEDC Economic Development Program Overview
5. KEDC Executive Director Position Profile

**Attachment 1
FY2011 Budget**

(See Next Two Pages)

FY2011 Budget

REVENUE	FY2011	FY2012	FY2013
EIC	\$ 225,000	\$ 235,000	\$ 245,000
City of Kerrville	\$ 25,000	\$ 30,000	\$ 30,000
Kerr County	\$ 25,000	\$ 30,000	\$ 30,000
KPUB	\$ 25,000	\$ 30,000	\$ 30,000
Private Investments	\$ 30,000	\$ 40,000	\$ 50,000
Kerrville Area Chamber of Commerce (Net Value)	\$ 24,900	\$ 26,145	\$ 27,452
GRAND TOTAL REVENUE	\$ 354,900	\$ 391,145	\$ 412,452

OPERATING EXPENSES	FY2011	FY2012	FY2013
Office Lease	\$ 7,200	\$ 7,200	\$ 7,200
Telephone	\$ 3,500	\$ 3,605	\$ 3,713
Lobbying/DC/Austin	\$ 50,000	\$ 50,000	\$ 50,000
Insurance O&D/Liability	\$ 3,300	\$ 3,399	\$ 3,501
Postage	\$ 1,500	\$ 1,545	\$ 1,591
Printing	\$ 500	\$ 515	\$ 530
Supplies	\$ 1,000	\$ 1,030	\$ 1,061
Meeting Expense (Eliminated by KEDC Board)	\$ -	\$ -	\$ -
Legal	\$ 2,000	\$ 2,060	\$ 2,122
Accounting and Audit	\$ 3,000	\$ 3,090	\$ 3,183
Dues/Subscriptions	\$ 2,500	\$ 2,575	\$ 2,652
Internet/Website	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -
Miscellaneous/Contingency	\$ 10,000	\$ 10,300	\$ 10,609
Travel Training/Professional Development	\$ 6,000	\$ 6,180	\$ 6,365
IT Support Services	\$ 1,500	\$ 1,545	\$ 1,591
Software Purchase	\$ 3,000	\$ 3,090	\$ 3,183
SUB-TOTAL OPERATING EXPENSES	\$ 95,000	\$ 96,134	\$ 97,302

RECRUITMENT, MARKETING & BRANDING	FY2011	FY2012	FY2013
Design & Printing of Presentation Folder, Basic Brochure & Information Sheets	\$ 15,000		
Creative for Branding (Logo, Tag Line)	\$ 5,000		
Website/Internet Access, Domain Names, Search Engine Maintenance & Design	\$ 12,000		
Business Recruitment Missions & Shows	\$ 24,000		
Advertising to Targeted Market	\$ 50,500		
SUB-TOTAL RECRUITMENT, MARKETING & BRANDING	\$ 106,500	\$ 83,000	\$ 90,000

Personnel	FY2011	FY2012	FY2013
<u>Salary</u>			
Director	\$ 105,000	\$ 107,100	\$ 109,242
Administrative Assistant	\$ 30,000	\$ 30,600	\$ 31,212
<u>Bonus</u>			
Director	\$ -	\$ 10,710	\$ 10,924
<u>Certification Pay</u>			
Director	\$ -	\$ -	\$ -
<u>FICA</u>			
Director	\$ 6,510	\$ 6,640	\$ 6,773
Administrative Assistant	\$ 1,860	\$ 1,897	\$ 1,935
<u>MediCare</u>			

Director	\$ 1,523	\$ 1,553	\$ 1,585
Administrative Assistant	\$ 435	\$ 444	\$ 453
<u>Health Insurance</u>			
Director	\$ 6,000	\$ 6,300	\$ 6,615
Administrative Assistant	\$ 6,000	\$ 6,300	\$ 6,615
<u>Benefits</u>			
Director	\$ 3,150	\$ 3,213	\$ 3,277
Administrative Assistant	\$ 900	\$ 918	\$ 936
<u>Vehicle Allowance</u>			
Director	\$ 6,000	\$ 6,000	\$ 6,000
SUB-TOTAL PERSONNEL	\$ 167,378	\$ 181,676	\$ 185,567

CAPITAL	FY2011	FY2012	FY2013
<u>Data</u>			
Computers	\$ 4,000	\$ -	\$ -
Server Licensing	\$ 1,000	\$ 1,000	\$ 1,000
SUB-TOTAL DATA	\$ 5,000		
SUB-TOTAL CAPITAL	\$ 5,000	\$ 1,000	\$ 1,000

GRAND TOTAL EXPENSES	\$ 373,878	\$ 361,810	\$ 373,869
EXPENSES OVER/(UNDER) REVENUES	\$ (18,978)	\$ 29,335	\$ 38,583

Attachment 2 KEDC By-Laws

By-laws of Kerrville Economic Development Corporation

Article I. Name and Location

The Kerrville Economic Development Corporation is incorporated under the laws of the State of Texas as a not-for-profit corporation. Its principal office shall be located within Kerrville, Texas as designated by the Board of Directors, hereinafter referred to as "KEDC".

Article II. Statement of Purpose

The purpose of the corporation is *to be a leader in economic development for the City of Kerrville and Kerr County, Texas by facilitating meaningful activities that promote growth, retention and prosperity.* Particular attention and emphasis shall be given to support the economic, commercial, tourism, agriculture, recreational, quality of life, health care, cultural, industrial, research and educational interests of the city and county that directly broadens the tax base.

More specifically, the purpose of the KEDC is as follows:

- A. Promote assets and other resources which will enhance economic growth;
- B. To render assistance and encouragement to existing businesses and promote on-going economic activities to ensure their continued operation and growth;
- C. To identify, meet and negotiate with potential new industries and other potential new business enterprises best suited to the resources of Kerrville and Kerr County, Texas;
- D. To actively promote specific industrial, commercial and retail sites and buildings as locations suitable for new business and industry;
- E. To encourage the development and implementation of a county-wide economic development plan, working in close liaison with the local chamber of commerce, development corporations, community organizations, educational and academic institutions, and allied agencies to accomplish this objective;

- F. Upon request, to provide technical assistance to the City and County Government to assist them in becoming more successful in the recruitment of new industry and other businesses which meet the needs of their citizens.

The corporation shall observe all local, state, and federal laws, which apply to non-profit organizations as defined in Section 501(c)(6) of the Internal Revenue code.

Article III. Objective

The primary objective of the Kerrville Economic Development Corporation is to mobilize the intellectual capital, financial, and physical resources of the community so that a systematic and meaningful program for upgrading the economic status of the community is in place.

Article IV. Limitation of Methods

While being non-partisan, the KEDC will stress promotion and conduct of activities designed to improve the economy. Educational efforts involving national, state and local political issues relating to economic development will be a part of the KEDC's overall program. The KEDC, however, will not lend its influence to the election of any candidate for any political office.

Article V. Registered Office

The registered office of the corporation required by the Texas Business Corporation Law to be maintained in the State of Texas may be, but need not be; identical with the principal office in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

Article VI. Operational Limitations

Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law), or (2) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law).

- A. No substantial part of the activities of the corporation shall consist in carrying on propaganda or otherwise attempting to influence legislation, unless by appropriate election a greater part is permitted without jeopardizing the corporation's exemption under IRC Section 501(c)(6). The corporation shall neither participate in, nor intervene in, any political campaign on behalf of (or in opposition to) any candidate for public office, including the publishing or distribution of any statements.

- B. No part of the net earnings or net income of the corporation shall inure to the benefit of any private individual or officer or director of the corporation. Nothing herein, however, shall prohibit the corporation from paying to officers, directors, employees or others reasonable compensation for personal services rendered which are necessary to carrying out the exempt purposes of the corporation.

Article VII. Directors and Officers

- A. Except as otherwise required by law or provided by these bylaws, the entire control of the Kerrville Economic Development Corporation and its affairs and property shall be vested in its Board of Directors.
- B. Incorporators of the Corporation shall serve as Initial Directors of the Corporation for the first (60) sixty days. Directors, there after of the Corporation shall serve (1) one year, (2) two year and full three (3) year terms.
- C. The Board of Directors shall consist of elected and appointed directors. Definitions of these categories follow:
1. Two (2) elected directors shall be elected by majority vote of the board and serve a term of three (3) years.
 2. Appointed directors shall serve three (3) year terms. These directors will be appointed one each by the Kerr County Commissioners Court, Kerrville Public Utilities Board, Kerrville City Council, Kerrville Independent School Board, Kerrville Economic Improvement Corporation, Kerrville Area Chamber of Commerce, and Kerrville Convention and Visitors Bureau.
 3. Directors are eligible to serve two consecutive terms, however they shall not be eligible for election thereafter until at least one (1) year has lapsed.
 4. Upon adoption of the by-laws, the initial terms for the board of directors shall be as follows:
 - a. The directors representing the first business representative, the Kerrville Area Chamber of Commerce and the Kerr Economic Improvement Corporation shall serve a three (3) year term.
 - b. The directors representing the second business, the Kerrville Public Utilities Board and the Kerrville Independent School District shall serve a two (2) year term.
 - c. The directors representing the Convention and Visitors Bureau, the Kerr County Commissioners Court and the Kerrville City Council shall serve a one (1) year term.

- 1) Those directors serving an initial one (1) year term shall have their initial term excluded from the provisions of Article VII, paragraph C 3. above.
- D. The Board of Directors shall consist of nine (9) directors. All directors shall have voting privileges.
 - E. The Corporation will strive to have a diversification of industry Directors representing both the public and private sectors.
 - F. Any officer or director elected or appointed by the Board of Directors may be removed by a two-thirds (2/3) vote of the Board of Directors whenever in its judgment the best interest of the corporation shall be served thereby.
 - G. At the annual meeting, directors to succeed those whose terms expire, shall be chosen by the directors by written ballot unless there is only one (1) nominee for each open seat, in which event a voice vote may be taken. A majority of Directors shall constitute quorum. The majority elects.
 - H. The officers of the corporation shall be elected by the Board of Directors and shall consist of a President, Vice President, and Secretary/Treasurer.
 - I. The duties of the officers shall be as follows:
 1. The President is the principal officer of the organization and presides at meetings of the Board of Directors. The President shall establish meeting agendas, appoint committee members, appoint committee chairpersons, and upon recommendation, appoint committee's membership. The President can sign legal contracts for the corporation as authorized by the board. The President is authorized to sign checks on behalf of the corporation in the absence of the Secretary/Treasurer.
 2. The Vice President performs the duties of President in their absence.
 3. The Secretary/Treasurer:
 - a. shall serve as corporate secretary of KEDC and issue notices of meetings, keeps records and distributes minutes of meetings.
 - b. has care and custody of all funds and property of the corporation under direction of the Board of Directors. Funds shall be kept on deposit in financial institutions or invested in a manner approved by the Board of Directors.
- Checks over \$500 shall have two (2) signatures (President or Vice President and Director of Economic Development.)

The Secretary/Treasurer shall submit monthly reports and shall render other reports whenever requested to do so by the Board of Directors. The Treasurer shall cause to have deposited all funds in the name of the corporation in such bank(s) as designated by the Board.

4. If any vacancy shall occur in any officer's position the Board shall elect a member of the corporation to fill such a vacancy for the unexpired term of the person being replaced.
- J. The Board of Directors shall employ a professional Executive Director. The Executive Director shall be responsible for the general and active management of the business of the corporation, shall see that all orders and resolutions of the Board of Directors are carried into effect; shall perform such duties as the Board of Directors may prescribe; and shall be responsible for the hiring, supervising, evaluation, and dismissal of all employees of the corporation, after consulting with the Board of Directors. The Executive Director reports directly to the Board of Directors.
- K. **Kerr Economic Development Executive Director.** The KEDC Board may employ a full time Executive Director who will serve at the pleasure of the KEDC Board.
1. S/He will be supervised by and evaluated by the KEDC Board.
 2. Compensation for the Executive Director shall be determined by the KEDC Board.
 3. S/He shall be the chief administrative officer of the KEDC
 4. S/He shall see that the purpose of the KEDC and its strategic and business plans are carried into effect
 5. S/He shall attend KEDC meetings as may be determined by the board of directors
 6. S/H is a non-voting member of the board of directors.
 7. S/He shall have the authority to hire and remove all subordinate employees after consultation with the KEDC Board.

L. **OTHER PERSONNEL**

1. The KEDC Board may authorize the Executive Director to hire additional staff as the need dictates, subject to budget constraints.
2. S/He will be supervised by and evaluated by the EDC Executive Director. Compensation of subordinate employees shall be determined by the EDC Board, at the recommendation of the Executive Director.

M. Compensation

Members of the KEDC Board shall serve without compensation for their services but may be reimbursed for expenses actually incurred in the performance of their duties.

N. Vacancies

In the case of death, incapacity, resignation or disqualification of any director, the entity making the appointment shall appoint another director for the unexpired term of such deceased, incapacitated, resigned or disqualified director.

O. Attendance

The Secretary/Treasurer or President shall report attendance of directors for each regularly scheduled and special meeting. The appointing entity shall be notified by the Secretary/Treasurer or President in writing should their appointed director be absent from three (3) consecutive KEDC meetings. The appointing entity shall have sixty (60) days to either provide a replacement or provide a written statement to KEDC that they have excused the absences.

P. Public Liability and Errors & Omission Insurance

Members of the Economic Development Corporations Board and its executive director shall be insured against public liability and errors and omissions insurance by KEDC.

Article VIII. Meetings and Elections

- A. All directors shall have the right to take part in all discussions and to vote, except that any director who has a conflict of interest in regard to any proposal or matter under consideration by the KEDC shall disqualify themselves from voting. A director must be present to vote.
- B. An annual meeting of the Board of Directors shall be held during the month of January at which Directors and Officers shall be elected.
- C. Regular meetings of the Board of Directors shall be called by the President or by a majority of directors in office at the time.
- D. A majority of directors in office, at the time, shall constitute a quorum for any regular or special meeting of the board.
- E. Election of directors and officers shall be by written ballot unless there is but one nominee for each office or position, in which even a voice vote may be taken.
- F. A budget and work plan must be adopted no later than June 1st of each year.

Article IX. Committees

The President, by and with the approval of the Board, shall appoint such additional Committees as are needed to facilitate the work of the corporation. The Board shall authorize and define the powers and duties of such committees or task forces.

Article X. Finances and Records

- A. The fiscal year of the corporation shall be January 1 to December 31, inclusive.
- B. The financial and legal records for the corporation shall be kept at the principle office of the corporation. A Certified Public Accountant shall be engaged to perform an annual audit.
- C. The KEDC may accept gifts, donations and grants from any legal source to aid in carrying out its economic development programs.
- D. KEDC shall invest in securities and acquire property as may be determined by its investment policy that is approved by the Board of Directors.
- E. Upon approval of the budget, the Treasurer is authorized to prepare disbursements on accounts and expenses provided for in the budget without approval of the Board of Directors. Disbursements shall be by check.

Article XI. Rules of Procedure

The rules of procedure at meetings of the directors shall be according to Robert's latest book on parliamentary procedure so far as applicable and when not inconsistent with these Bylaws.

Article XII. Amendments

These Bylaws may be amended or revised by a two-thirds (2/3) vote of the Board of Directors, providing that written notice of at least fourteen (14) days of the date of the meeting includes the proposed amendments or revisions.

Article XIII. Indemnification

Each Director, officer and employee of the corporation, past or present, and each person who serves or may have served at the request of the Corporation, past or present, and each person who serves or may have served at the request of the Corporation as Director, officer, employee, representative or agent, and the respective heirs, administrators and executors of such persons, shall be indemnified by the Corporation in accordance with, and to the fullest extent permitted by Texas Statutes. The Corporation shall not be obliged to indemnify any other person or entity, except to the extent such obligation shall be specifically approved by the Board of Directors. The Board of Directors shall have the power to advance to such persons expenses incurred in defending any such proceedings to the maximum extent

permitted by law. This section is and shall be for the sole and exclusive benefit of the individuals designated herein and no individual, firm or entity shall have any rights under this section by way of assignment, subrogation or otherwise, whether voluntary, involuntary, or by operation of law. The Board of Directors may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, against any liability asserted against and incurred by such person in his or her official capacity, or arising out of their status as such whether or not the Corporation would have the power to indemnify such person against liability under Texas Statutes, the Articles of Incorporation, or the Bylaws.

Article XIV. Miscellaneous

Corporate Seal. The corporation shall have no seal.

Article XV. Dissolution

Upon dissolution of this organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501 (c)(6) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to Kerrville Economic Improvement Corporation for a public purpose.

These by laws have been adopted this 1st day of July, 2010.

Attachment 3

KEDC Economic Development Program Overview

Kerrville Economic Development Corporation Economic Development Program Overview

The program overview includes the desired outcomes, performance metrics, priorities, and expectations for the new economic development program. It is vital that expectations be clearly identified and that they are also reasonable and obtainable. To that end, the desired outcomes and priorities have been stratified to address short term, intermediate term and long term needs/issues.

These timelines are defined as follows:

- Short Term = Within 6 Months
- Intermediate Term = 6 to 24 Months
- Long Term = More than 24 Months

Programming for the restructured economic development program has been based upon the Kerrville/Kerr County Economic Development Strategic Plan. This is an official document adopted by both the City and the County and is the “map” by which economic development efforts and resources will be allocated.

Desired Outcomes

Short Term (Within 6 Months)

1. Identify the top three (3) business markets for the Kerr County and the City of Kerrville.
2. Develop, plan and implement a marketing strategy for the Kerr County area.
3. Conduct a survey of 20 to 30 Kerr County area businesses within the top three (3) identified business markets to determine the challenges and opportunities faced by the business sector.
4. Identify the business clusters for Kerr County and City of Kerrville.

Intermediate Term (6 to 24 Months)

1. Increase wage growth in Kerr County and City of Kerrville that is faster than that for the State of Texas by at least 5%, excluding government employees.
2. Increase employment growth in Kerr County and the City of Kerrville at a rate faster than that for the State of Texas by at least 5%, excluding government employees.
3. Grow Kerr County and City of Kerrville sales tax at a rate that is equal to or greater than that for the State of Texas.
4. Expand local options, above baseline 2010 levels, in retail subsectors (other than building supply stores) including expanded hours of operation.
5. Expand local hotel inventory, above baseline 2010 levels, to include higher rated facilities. This may be achieved either through expansion or upgrade of existing facilities.

6. Experience a significant level of reinvestment in commercial properties along the City's primary corridors, river front properties, and Central Business District.

Long Term (Greater than 24 Months)

1. Increase the proportionate share of non-residential property value for the City of Kerrville from 30% to 50% over the next 10 years.

Performance Metrics

Indicators of performance are based upon the concepts of utility, validity, reliability, precision, feasibility, and cost in collecting and monitoring data. These indicators directly reflect the desired outcomes, priorities, and expectations outlined above. They are also readily obtainable and routine sources of information that may provide a solid historical perspective as well.

1. Indicator – Property Tax Revenues.
2. Indicator – HOT Revenues.
3. Indicator – Sales Tax Revenues.
4. Indicator – Utility Revenues.
5. Indicator – Growth/Reduction of Utility Accounts (Water and Electric).
6. Indicator – Change in Non-Residential Tax Base.
7. Indicator – Non-Residential Building Permit Activity.
8. Indicator – Value of New Non-Residential Construction.
9. Indicator – Value of Non-Residential Remodel and Expansion.
10. Indicator – Residential Building Activity.
11. Indicator – Value of New Residential Construction.
12. Indicator – Change in Employment.
13. Indicator – Economic Development Incentive Applications.
14. Indicator – Self-Initiated Business Contacts.
15. Indicator – Organization-Initiated Business Contacts.
16. Indicator – Tourist Visits.

Priorities

Short Term (Within 6 Months)

1. Establish performance-based economic development benchmarks.
2. Meet with all economic development partners and key stakeholders and keep them fully informed and engaged on an ongoing basis.
3. Develop a marketing strategy and marketing implementation plan.

Intermediate Term (6 to 24 Months)

1. Work with public sector entities to adopt/update appropriate economic development incentives that are competitive with other regions while protecting the tax base.
2. Establish development processes to make it faster and more affordable for small businesses to locate, to relocate, and to expand in Kerr County and the City of Kerrville.

3. Present Kerr County and the City of Kerrville economic development efforts to state and national elected officials as well as the media on an ongoing basis.
4. Create a unified development for Kerr County and the City of Kerrville by:
 - a. Developing and Kerr County/City of Kerrville web portal,
 - b. Developing an e-newsletter to send to prospects and constituents,
 - c. Targeting tourists by placing economic development material(s) in hotel rooms and other tourist destinations,
 - d. Developing products that are designed specifically for the top identified business markets and using them to maintain constant contact with those business markets, and
 - e. Targeting retail developers by:
 - i. Exhibiting at the annual ICSC conference in San Antonio, and
 - ii. Making marketing visits to nearby metropolitan areas, e.g. San Antonio, Austin, Dallas (high tech), and Houston.

Long Term (Longer than 24 Months)

1. Work with public sector entities to seek project-based developments.
2. Annually review the economic development incentives programs with Kerr County and the City of Kerrville to ensure they are tailored to the targeted business markets and business clusters and that they remain appropriate to existing market conditions while protecting the tax base.
3. Ensure that economic opportunity and advancement are available to all Kerr County and City of Kerrville residents by growing the middle class through:
 - a. Expanded workforce training and skills development,
 - b. Addressing attainable housing issues:
 - i. Host a Kerr County/City of Kerrville summit on attainable housing,
 - ii. Coordinate local housing initiatives with key public sector, quasi public sector, and local non-profit entities, and
 - iii. Facilitate local housing projects with appropriate private sector entities.
4. Launch a local marketing campaign to involve residents in economic development – e.g. organize volunteers into a “Prosperity Team” charged with promoting the area.
5. Market Kerr County and the City of Kerrville to alumni of local educational institutions:
 - a. Create a “Come Back to Kerrville” web page aimed at high school and college alumni, and
 - b. Promote Kerr County and the City of Kerrville at class reunions and other festivals.

Expectations

1. Create effective marketing tools to include web based products and collateral materials.
2. Devise a proactive retail recruitment strategy for regional and national retail prospects.
3. Create and maintain an inventory of available land and buildings suitable for targeted economic development prospects.

4. Coordinate economic development activities and programs with public sector entities.
5. Actively recruit targeted retail prospects.
6. Enhance opportunities for local entrepreneurship and growth of small, local business.
7. Market Kerr County and the City of Kerrville to specific economic development targets.
8. Serve as the primary point of contact for new business prospects and local businesses looking to expand.
9. Ensure that community economic development programs (to include predefined incentives) and initiatives are implemented.
10. Take the lead in coordinating efforts of economic development partners and allies of Kerr County and the City of Kerrville.
11. Provide a respected avenue for local business and industry to discuss their needs and issues.
12. Provide regular reporting to show monthly departmental activity, monthly financial statements, and an annual comprehensive reporting package to show the degree to which annual performance measures have been met.
13. Conduct quarterly community meetings for all economic development stakeholders.

Attachment 4

KEDC Executive Director Position Profile

Kerrville Economic Development Corporation **Executive Director Position Profile**

Training, Experience, Certificates and/or Licenses

1. Basic ED Certificate from the Economic Development Council
2. CCED Certification from the International Economic Development Council desirable but not required
3. Economic Development Financing Professional Certification desirable but not required
4. Minimum five (5) years employment experience in ED; three (3) years in senior management of a progressive, responsible ED program
5. Preferred lobbying experience

Education

1. Bachelor's degree in business or related field such as planning, public administration, marketing or related fields from an accredited college or university or equivalent

Traits – Skills Needed

1. Extensive knowledge of state economic development law including strong familiarity with 4a and 4b sections of sales tax law for economic development and allowable expenditures
2. Solid experience with financial incentive packaging using local, state and federal incentives
3. Impeccable communication skills including oral and written; comfortable with media relations (on and off camera)
4. Critical thinker for vision, problem solving and innovation
5. Proven track record of success in planning, coordinating, structuring and directing successful initiatives involving multiple stakeholders and partners
6. Strong marketing, branding and interpersonal skills
7. Prove ability to build strategic alliances/relationships and effectively perform in a matrix organization
8. Business minded, trustworthy, collaborative, good listener, patient, resilient and confidential
9. Proficient in Microsoft Office Systems or equivalent

Physical Requirements

1. Willingness and ability to work the hours necessary to accomplish the assigned duties; attend evening meetings/functions; travel out of town and attend workshops, conferences, seminars and meetings during work and non-work hours

2. Essential duties require the mental and/or physical ability to: work in a standard office environment or non-standard office environment, read fine print and computer monitors, dexterity to operate a computer keyboard, hear and speak well enough to converse by telephone and stamina to work additional hours to meet deadlines
3. Must be able to sit and stand for long periods of time
4. Must be able to lift waist high and carry up to 40 pounds
5. Must be able to keep a fast pace all day, which could include scooping, squatting, kneeling and bending

Special Requirements

1. Possession of appropriate driver's license valid in the State of Texas and an acceptable driving record is required

Duties of the Position

1. Administrative Function

- a. Prepare the annual budget for board approval and implement it within budget constraints
- b. Provide responsible administrative work in managing a comprehensive economic development program
- c. Create, actively implement and annually update an Economic Development Strategic Plan, including goals, strategies, tasks and performance benchmarks
- d. Manage maintenance of critical information desired by development prospects such as economic data, land structure availability, demographic and psychographic data, and general market information in a readily accessible manner, including availability on the community's website
- e. Identify and track critical performance metrics to evaluate the impact of local economic development efforts such as jobs-to-housing balance, local buying power or square footage of office space
- f. Supervision of support staff person(s)
- g. Preparation of monthly agendas and reports to the Board of Directors
- h. Preparation of annual report to the Board of Directors and Economic Development Partners
- i. Other duties as assigned

2. Marketing Function

- a. Develop and maintain marketing materials associated with various facets of economic development and implementation of the community's brand, including materials for presentation to targeted business prospects or as requested by prospect's companies
- b. Prepare specific economic incentive packages for business prospects or general packages/programs for targeted business clusters
- c. Other duties as assigned

3. Development Function

- a. Implement economic development-related policy as adopted by the Board of Directors

- b. Develop, anticipate, direct, implement and promote ongoing economic development promotion strategy to attract new commercial and industrial business
 - c. Maintain a positive local business climate by visiting local business and industry, and determine ways to aid local firms to expand
 - d. Coordinate the local economic development programs with applicable federal, state and regional governmental agencies to minimize duplication of effort and to maximize the effectiveness of available resources
 - e. Research prospective commercial and business prospects
 - f. Other duties as assigned
4. **Community Relations Function**
- a. Maintain a professional working relationship with local, state and federal governmental agencies
 - b. Attend committee, commission, council and other public meetings and participate as warranted
 - c. Work cooperatively with community groups
 - d. Maintain open communications with existing merchants and respond promptly and effectively to their suggestions and concerns regarding economic development
 - e. Other duties as assigned

Objective

The goal of the economic development program is the creation of new jobs, expansion and diversification of the local tax base, and stimulation of the local economy through increased disposable income.

**ECONOMIC DEVELOPMENT GRANT AGREEMENT BETWEEN HILL COUNTRY
SHOOTING SPORTS CENTER AND THE CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION**

This Agreement entered into by and between HILL COUNTRY SHOOTING SPORTS CENTER, INC. ("HCSSC"), a Texas nonprofit corporation, acting herein by and through its duly authorized Executive Director, Jack N. Burch, II ("HCSSC Officer"), and the CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION ("EIC"), a Texas nonprofit corporation established pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 (otherwise known as the Development Corporation Act of 1979, hereafter referred to as "the Act"), acting by and through its duly authorized President, Bill Crumrine.

WITNESSETH:

WHEREAS, the EIC was formed to administer the sales and use tax approved by the citizens of Kerrville, Texas, in May 1995 and collected for projects including but not limited to:

Buildings, equipment, facilities, expenditures and improvements which are required or suitable for use for professional and amateur (including children's) sports, athletic, entertainment and tourist purposes and events, including stadiums, auditoriums, exhibition facilities and other related improvements that enhance any of those items; and

WHEREAS, pursuant to Section 4B of the Act, the EIC is authorized to provide funding to construct projects which the EIC finds to be encompassed within the definition of "Projects" as that word is defined by Section 2 and Section 4B of the Act; and

WHEREAS, HCSSC operates a shooting facility and hosts various competitions and activities, some of which are part of U.S. Olympic training or competitions; and

WHEREAS, HCSSC seeks to construct an air hall which will be used in furtherance of its operations and as a means of staging additional events and competitions, which will help attract additional competitors and tourists; and

WHEREAS, HCSSC has applied for a grant from EIC for funds necessary to construct the air hall; and

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

WHEREAS, EIC finds that it will be in the public interest to enter into an agreement with HCSSC to provide sales tax revenues collected pursuant to the Act ("4B Revenues") to HCSSC for costs related to the construction of the air hall; and

WHEREAS, on November 15, 2010, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, EIC held a public hearing pursuant to Section 4B(n) of the Act related to the proposed expenditure of 4B revenues for the purposes provided above;

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

**ARTICLE I.
EIC'S OBLIGATIONS**

- A. The EIC hereby grants HCSSC Four Hundred Ninety Four Thousand Eight Hundred Thirty Eight and No/100 Dollars (\$494,838.00) ("Grant") for costs related to completing the construction of an Olympic 10-meter air rifle/air pistol "Olympic Air Hall," which will be an approximately 31,500 square foot building and will include competition areas, offices, storerooms, spectator areas, and a kitchen facility ("Project"). The Project shall be substantially as specified in the spreadsheet attached as **Exhibit A**.
- B. Subject to the terms and conditions set forth in Article II, the Grant shall be provided to HCSSC by EIC and EIC shall administer the Grant on a reimbursable basis. Prior to any payment from EIC, HCSSC must first submit written evidence of costs, such as invoices, receipts and bills of sale for review and approval. Following each submission and verification thereof, which may include on-site inspections to confirm construction, EIC shall then reimburse HCSSC for the cost.
- C. Payments made by EIC to HCSSC from 4B Revenues shall be limited to the payments of "costs" as defined by the Act.
- D. In no event shall the total amount of the Grant exceed Four Hundred Ninety Four Thousand Eight Hundred Thirty Eight and No/100 Dollars (\$494,838.00).
- E. HCSSC specifically agrees that EIC shall only be liable to HCSSC for the actual amount of the Grant to be conveyed to HCSSC and shall not be liable to HCSSC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or costs of court for any act of default by EIC under the terms of this Agreement.

**ARTICLE II.
HCSSC'S OBLIGATIONS**

- A. HCSSC agrees to complete its construction of the Project on or before June 30, 2011. Failure to complete construction of the Project by this date shall terminate the obligation of EIC to make any additional payments of the Grant.
- B. HCSSC shall keep and maintain complete and accurate records relating to the costs of constructing the Project, separate and identifiable from its other records, for three (3) years following the termination of this Agreement. EIC and its representatives shall be entitled to inspect the records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice.

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- C. Following the initial payment from EIC to HCSSC, HCSSC shall make written quarterly reports to EIC, or before the last day of each calendar quarter. Said reports, at a minimum, shall include information on the status of the Project and the estimated opening date of the Project.
- D. HCSSC shall only be liable to EIC for the actual amount of the Grant to be conveyed to HCSSC and shall not be liable to EIC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by HCSSC under the terms of this Agreement.

**ARTICLE III.
REIMBURSEMENT**

- A. If HCSSC fails to operate and open the entire Project to public use by June 30, 2011, the HCSSC shall repay EIC One Hundred Thousand and No/100 Dollars (\$100,000.00). The repayment shall be made as soon as commercially practicable after the receipt of a written demand by EIC, but in no event later than thirty (30) days from the receipt of such written demand. Upon repayment thereof, HCSSC shall have no further obligation under this Agreement. EIC shall have the discretion to consider relevant circumstances before demanding repayment and may require partial repayment in appropriate circumstances. Failure to reimburse EIC within thirty (30) days of HCSSC's receipt of such demand shall constitute a breach of this Agreement.
- B. Notwithstanding any other provision in this Agreement, HCSSC shall in no event be required to repay any amount in excess of the Grant monies actually received under this Agreement.

**ARTICLE IV.
SALE OF PROJECT, MERGER OR CONSOLIDATION OF HCSSC**

- A. A sale of all or substantially all of the assets of HCSSC shall not release HCSSC from its duties and responsibilities to EIC under the terms of this Agreement and shall not result in the assignment of this Agreement by such acquiring entity without prior written consent from EIC, which will not be unreasonably withheld; provided, that the HCSSC's proposed successor shall have the financial condition to fully satisfy HCSSC's duties and responsibilities hereunder and agrees to assume HCSSC's responsibilities under this Agreement. EIC may, in its sole discretion, reasonably determine whether such proposed successor's financial condition is satisfactory.
- B. In the event of any proposed merger or other consolidation of HCSSC with any third party not affiliated with HCSSC, HCSSC shall at least thirty (30) days prior to any such merger or consolidation provide EIC with information and assurance reasonably acceptable to EIC and HCSSC regarding: (1) the surviving entity's assumption and satisfaction of HCSSC's obligations hereunder and (2) the financial condition of the surviving entity upon such merger or other consolidation to demonstrate that the surviving entity shall have the financial condition to fully satisfy HCSSC's duties and responsibilities hereunder. Failure to provide such information shall be considered a breach of this Agreement.

- C. Notwithstanding anything in this Agreement to the contrary, it is expressly understood and agreed that EIC shall have no rights to approve or disapprove any sale or merger transaction of any kind involving HCSSC or its affiliates. In the event of any sale or merger involving HCSSC or its affiliates, the surviving entity shall assume HCSSC's obligations and rights hereunder and be entitled to any and all benefits to be received pursuant to this Agreement.

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

- A. HCSSC represents and warrants as of the date hereof:
- (1) HCSSC is a Texas nonprofit corporation existing in good standing and authorized to do business in the State of Texas;
 - (2) Execution of this Agreement has been duly authorized by HCSSC and this Agreement is not in contravention of HCSSC's corporate charter, or any agreement or instrument to which HCSSC is a party or by which it may be bound as of the date hereof;
 - (3) No litigation or governmental proceeding is pending, or, to the knowledge of HCSSC Officer, threatened against or affecting HCSSC, which may result in a material adverse change in HCSSC's business, properties or operations sufficient to jeopardize HCSSC's legal existence; and
 - (4) No written application, written statement or correspondence delivered by HCSSC to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of HCSSC Officer, contains any untrue statement of a material fact or fails to state any material fact necessary to keep the statements contained therein from being misleading.
- B. Except as expressly set forth in this Article V, HCSSC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

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

- A. EIC represents and warrants as of the date hereof:
- (1) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the statute under which it is governed and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;
 - (2) Execution of this Agreement has been duly authorized by EIC;

- (3) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and
 - (4) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.
- B. Except as expressly set forth in this Article VI, EIC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE VII.
MAJOR FORCES PREVENTING HCSSC FROM CARRYING
OUT ITS OBLIGATIONS UNDER THIS AGREEMENT**

If, by reason of force majeure, such as fire, flood, windstorm, drought, or other act of God, act of war, act of terrorism, labor strike, or economic downturn affecting HCSSC, HCSSC is reasonably unable to fulfill its obligations under this Agreement, HCSSC shall use reasonable and diligent efforts to rectify the situation to allow it to perform its obligations specified herein with all due haste. In the event that the situation cannot be rectified within six (6) months after the occurrence of the force majeure, either party may terminate this Agreement by providing thirty (30) days advance written notice to the other without further liability hereunder except that termination under this provision shall not excuse HCSSC from any applicable reimbursement obligations under Article III of this Agreement.

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

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

- A. The HCSSC becomes insolvent. "Insolvent" is defined to mean one either has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, or is insolvent within the meaning of the federal bankruptcy law.
- B. The appointment of a receiver of HCSSC, or of all or any substantial part of its property, and the failure of such receiver to be discharged within sixty (60) days thereafter.
- C. The adjudication of HCSSC as bankrupt.
- D. The filing by HCSSC of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

Should any of these conditions not be cured by HCSSC within a period of three (3) months EIC may, at its option, with written notice to HCSSC, terminate this Agreement and the HCSSC shall have no further obligations hereunder.

ARTICLE IX. REMEDIES

- A. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement, by any party hereto, or any successor to such party, such defaulting or breaching party (or successor) shall upon written notice from the other, proceed immediately to cure or remedy such default or breach, and, in any event, within sixty (60) days after receipt of such notice. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time (but in no event later than ninety (90) days from the date of notification of such breach), the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including but not limited to, seeking specific performance and/or injunctive relief, enforcement by mandamus or by the appointment of a receiver in equity with power to charge and collect rents, purchase price payments, and loan payments and to apply the revenues from the project in accordance with this Agreement, as required by the Act.

- B. Upon breach of this Agreement by either party and the failure to cure as permitted by this Article IX, the non-breaching party shall have the sole right and discretion to either terminate this Agreement or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that no party hereunder shall be entitled to recover any amounts in excess of the Grant contracted for under this Agreement and that no party hereunder shall be liable to the other party for any other actual or consequential damages for any act of default by such party under the terms of this Agreement.

- C. Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not, so long as the breach or default by another party shall be continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor shall any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

ARTICLE X. GENERAL PROVISIONS

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

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

1. For EIC

President – Bill Crumrine
City of Kerrville, Texas, Economic Improvement Corporation
800 Junction Highway
Kerrville, Texas 78028
Facsimile: (830) 792-3850

With a copy to:

Mindy Wendele
Director of Business Programs
City of Kerrville
800 Junction Highways
Kerrville, Texas 78028
Facsimile: (830) 792-3850

2. For HCSSC

Jack N. Burch, II
Executive Director
Hill Country Shooting Sports Center
1886 Cypress Creek Rd.
Kerrville, Texas 78028
Facsimile: (830) 995-2169

E. Assignment. This Agreement shall be binding upon the parties hereto and their successors and assigns. Except as set forth in Article IV, this Agreement may not be assigned by either party without the specific prior written consent of the other, which consent will not be unreasonably withheld. In the event that a party consents to any valid assignment of this Agreement by the other party hereto, the assigning party shall be relieved of any and all obligations and liabilities on the part of such assigning party under this Agreement.

HCSSC may, without written consent of EIC, assign this Agreement to any entity controlled and 100% owned by HCSSC or by the parent, subsidiary or affiliate of HCSSC provided the entity assumes all of HCSSC's obligations and liabilities under this Agreement; agrees to comply with all provisions of this Agreement; has the legal, managerial, technical and financial ability to properly perform and discharge such obligations and liabilities; and such abilities are each at least as great as those of HCSSC and HCSSC provides a written guarantee of such assignee's performance in a form reasonably acceptable to EIC. EIC shall be advised in writing of such assignment and of the entity's qualifications at least sixty (60) days before such assignment occurs.

F. Parties In Interest. Nothing in this Agreement shall entitle any party other than HCSSC or EIC to any claim, cause of action, remedy or right of any kind except as expressly provided in Article IV.

G. Term. The term of this Agreement (the "Term") shall commence on November 15, 2010 (the "Effective Date"), and shall terminate on the earlier of: (i) June 30, 2011, or when the requirements set forth in this Agreement are completed; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Article IX, Paragraph B; (iv) when terminated pursuant to Article VIII; (v) at HCSSC's sole and absolute discretion, upon HCSSC's return of all Grant funding to EIC that it has received under this Agreement; (vi) upon HCSSC's repayment of all monies that are demanded by EIC and are in fact required to be repaid by HCSSC under Article III; or, (vii) upon a termination of this Agreement by EIC pursuant to Article VIII. Upon termination of this Agreement as specified herein, all rights, duties and obligations of any kind under this Agreement shall automatically expire and terminate and be of no other force and effect.

H. Interpretation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arms length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.

I. Indemnity. **IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES THAT HCSSC, IN PERFORMING ITS OBLIGATIONS HEREUNDER, IS ACTING INDEPENDENTLY, AND EIC ASSUMES NO RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH TO THEIR PARTIES. HCSSC AGREES TO INDEMNIFY AND HOLD HARMLESS EIC, ITS OFFICERS AND AGENTS, AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS**

SOUGHT, SUFFERED BY ANY PERSON OR PERSONS THAT MAY ARISE OUT OF OR BE OCCASIONED BY HCSSC'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR BY ANY NEGLIGENT ACT OR OMISSION OF HCSSC, ITS OFFICER, AGENTS, ASSOCIATES OR EMPLOYEES, IN THE PERFORMANCE OF THIS AGREEMENT; AND NOTHING HEREIN SHALL BE CONSTRUED AS A WAIVER OF ANY GOVERNMENTAL IMMUNITY AVAILABLE TO EIC UNDER TEXAS LAW.

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

EXECUTED AND EFFECTIVE, as of the date indicated above, by the City of Kerrville, Texas, Economic Improvement Corporation, by and through its Board President, duly authorized to execute same by action of the Board, and by Hill Country Shooting Sports Center, acting through its duly authorized official.

CITY OF KERRVILLE, TEXAS ECONOMIC
IMPROVEMENT CORPORATION

HILL COUNTRY SHOOTING SPORTS
CENTER

Bill Crumrine, President

By: _____
Jack N. Burch, II
Executive Director

ATTEST:

Secretary to the Corporation

APPROVED AS TO FORM:

DRAFT

Michael C. Hayes, City Attorney

Economic Improvement Corporation

City of Kerrville, Texas Investment Policy

Adopted _____, 2010

1. General Policy

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

This Policy is designed to be in conformance with the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"), and any applicable state and federal regulations, and applicable bond resolution requirements.

2. Scope

This Policy will govern the investment of all the financial assets of the EIC with the exclusion of real-estate assets

3. Goals and Objectives

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

a. Safety

Safety of principal is the foremost objective of the investment program. Investment shall be undertaken in a manner that seeks to ensure the preservation of capital and avoids security defaults or erosion of market values. To attain this objective, diversification will be used to limit potential losses on individual securities.

b. Liquidity

The investment portfolio will remain sufficiently liquid to enable EIC to meet all operating requirements that might be reasonable anticipated. Ongoing cash flow analysis will be used to identify changing liquidity needs and anticipate cash needs. A liquidity buffer of cash equivalent investments should be maintained to meet unanticipated liabilities.

To the extent possible, EIC will attempt to match its investment maturities with anticipated liabilities and cash flow requirements. EIC will not directly invest in any securities maturing more than five (5) years from the date of purchase.

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

c. Diversification

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

d. Yield

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

4. Investment Strategy

All EIC funds are to be commingled in one portfolio for investment purposes and efficiency. The investment strategy of the portfolio has as its primary objective to assure that anticipated cash flows are matched and adequate liquidity maintained with minimal volatility. The portfolio will be structured with high credit quality, short and intermediate term securities to minimize market, liquidity, and credit risks. The maximum dollar weighted average maturity of the portfolio will be one year calculated on stated maturity dates.

5. Investment Officers

The Treasurer of EIC is authorized to administer the investment activities of the EIC and, is designated as Investment Officer for the purposes of this Policy and the Act. The Board may designate additional qualified employees or an SEC Registered Investment Advisor, as Investment Officer(s). The designation of all Investment Officers shall be by Board resolution. Authority and designation as Investment Officer is effective until rescinded by the EIC, expiration of the officer's term, or until termination of employment.

All Investment Officer(s) shall be familiar with this Policy and its underlying procedures. No Investment Officer may engage in an investment transaction except as provided under the terms of this Policy and its supporting procedures.

A trading resolution is established by adoption of this Investment Policy authorizing the Investment Officer(s) to engage in investment transaction on behalf of the EIC. The persons so authorized to transact business are also authorized to approve wire transfers used in the process of investing.

Training

All Investment Officer(s) shall attend ten (10) hours of training in accordance with the Act within twelve (12) months of assuming responsibilities and attend (10) hours of training in each successive two-year period. Training costs shall be provided by the EIC with Board approved training courses. Training should include topics such as investment controls, security risk, market risks, diversification of the investment portfolio and compliance with State laws.

6. Standard of Care

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

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

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

An investment officer who has any personal or business relationship with a business organization offering to engage in an investment transaction with the EIC shall file a statement disclosing that personal business interest to the Board.

7. Standard of Ethics

Investment Officer(s) shall act as custodians of the public trust and shall refrain from any transaction that might involve a conflict of interest or the appearance of a conflict of interest, or any activity that might otherwise discourage public confidence. Investment Office(s) shall refrain from personal business activity that could conflict with proper execution of the investment program or that could impair their ability to make impartial investment decisions.

An Investment Officer who has a personal or business relationship with an individual or organization seeking to sell an investment to the EIC shall file a disclosure statement with the Texas Ethics Commission and the Board.

8. Investment Advisors, Investment Pools, and Broker/Dealers

The EIC recognizes that all investment decisions regarding the portfolio are ultimately the responsibility of the Board. However, all investment advisors and broker/dealers conducting business with the EIC shall make every reasonable effort to adhere to the spirit, philosophy, and specific terms of this Investment Policy.

Broker/Dealers

A list of not less than five authorized broker/dealers (or banks) shall be maintained to assure a competitive process. Investment Officers will establish the criteria, monitor the service, and evaluate the broker/dealers based on their experience and responsiveness to the City's requests for service and information.

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

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

Broker/dealers shall provide timely trade documentation and confirmations.

Certification

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

1. the broker/dealer has received and reviewed the Investment Policy, and
2. the firm has implemented reasonable procedures and controls to preclude investments with the EIC not authorized by the Policy.

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

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

Investment Advisor (Investment Manager)

The EIC may contract with another investing entity registered under the 15 U.S.C. Section 80b-1 et seq. to invest its funds. The Adviser will be held to the same standards of this Policy as the Investment Officer.

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

The EIC shall present investment advisors with a current copy of the Investment Policy and an authorized representative of the firm shall, in writing, certify substantially to the effect that:

1. the applicable advisors have received and reviewed the EIC's Investment Policy, and
2. the firm has implemented reasonable procedures and controls to preclude investments with the EIC not authorized by the Policy.

The EIC shall not enter into any investment transaction with an investment advisor prior to receiving the certification.

9. Authorized Investments

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

- a. Obligations of the United States Government, its agencies and instrumentalities, excluding mortgage backed securities, with a stated final maturity not to exceed five (5) years.
- b. FDIC insured certificates of deposit from banks doing business in Texas with a final stated maturity not to exceed twelve (12) months. Certificates of deposit shall be guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, and governed by a written Depository Agreement.
- c. Share certificates of credit unions doing business in Texas and insured by the National Credit Union Share Insurance Fund or its successor and not to exceed twelve (12) months to maturity.
- d. Commercial paper rated A1/P1 or its equivalent by two (2) nationally recognized rating agencies and with a final stated maturity not to exceed ninety (90) days from the date of issuance.

- e. AAA-rated, SEC registered money market mutual funds, striving to maintain a \$1 net asset value.
- f. Constant-dollar, AAA-rated Texas Local Government Investment Pools, approved by resolution of the Board and conforming in every respect to the Act.

The EIC investment in any investment pool shall not exceed ten percent of the total assets of the pool.

- g. Fully collateralized repurchase agreements transacted with a primary securities dealer as defined by the Federal Reserve, under a written Master Repurchase Agreement, with a defined termination date, secured by obligations as defined by this Policy held by an independent third party custodian approved by the EIC, and with a stated final maturity not to exceed one hundred eighty (180) days.
- h. FDIC insured demand deposit accounts in banks doing business in Texas under a written depository agreement.

If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the EIC until this policy has been amended and the amended version adopted by the Board.

Delivery versus Payment

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

Competitive Bidding

All investment transactions, including certificates of deposit, will be made on a competitive basis to assure that the EIC is receiving fair market prices.

10. Collateralization

The EIC is not a “public unit” as defined by FDIC regulations and is therefore not eligible to have pledged collateral from a bank. Bank time and demand deposits must be maintained under the FDIC insured limit, currently \$250,000 per bank holding company.

Repurchase Agreement- Owned Collateral

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

11. Safekeeping and Custody of EIC Owned Securities

The laws of the State, this Policy, and prudent treasury management require that all securities be settled on a delivery versus payment basis and be held in safekeeping by an independent third party financial institution approved by the EIC. EIC shall contract with its banking services depository or another financial institution(s) as Custodian for the safekeeping of any securities owned. The designated Custodian will be responsible for the clearing and safekeeping of all security trades and will provide a monthly report of holdings. All securities held by the Custodian on behalf of the EIC shall be evidenced by a safekeeping receipt.

12. Internal Control

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

The quarterly investment reports shall be reviewed annually by the independent auditor as part of the annual audit process. Any irregularities shall be reported to the Board.

Cash Flow Forecasting

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

13. Reporting

Not less than quarterly, the Investment Officer(s) shall report to the Board regarding the EIC's investment activities for the quarter in compliance with the Act. The reports shall contain sufficient information to permit an informed outside reader to evaluate the performance of the investment program. At a minimum the report shall include:

- description of each investment and depository position,
- book and market values at the beginning and end of the reporting period
- the change in market value during the period
- book value and market value of each separately invested asset at the beginning and end of the reporting period market sector
- earnings for the period
- overall yield in comparison to its benchmark yield for the period

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

14. Depositories

The EIC will design one banking institution through a competitive process as its central banking services provider at least every five (5) years or utilize the banking services under the existing City contract. This institution will be used for normal banking services including disbursement, deposits, and safekeeping of securities.

Other banking institutions from which the EIC may purchase certificates of deposit will also be designated as depositories.

15. Policies and Strategy Review

The Board shall review and adopt the Investment Policy and incorporated Investment Strategy not less than annually. The Board shall adopt a written instrument by resolution stating that it has reviewed the Policy and Strategy and the adopting resolution shall record any changes made.

From: R B Miller [mailto:rbm@hcamp.org]
Sent: Wednesday, November 03, 2010 2:39 PM
To: Mindy Wendele
Cc: bandcrum@ktc.com
Subject: FW: EIC

Ms. Wendele, Enclosed please find a copy of an email I had sent to Mr. Crumrine after a discussion we had by phone on issues mostly brought up by the last EIC meeting. He and I discussed the email today and he asked me to send you a copy and let you know that he will be calling you by phone in a few days to discuss several items in the email with you. He wanted you to have a copy beforehand for your review and consideration.

R. B. Miller
Hill Country Acoustic Music Camp
Kerrville, Texas 78028
rbm@hcamp.org
Tel: 830-459-2120

From: R B Miller [mailto:rbm@hcamp.org]
Sent: Wednesday, October 27, 2010 10:53 AM
To: 'bandcrum@ktc.com'
Subject: EIC

To: Bill Crumrine
Subject: EIC
From Bob Miller

I wanted to try to summarize our conversation of yesterday and put the subjects I raised and my proposed suggestions in writing in case you want to deal with them on the full board level in a future meeting.

Grant Applications:

1. State and/or federal payroll reports for at least the past 4 quarters should be a required part of any grant application made to EIC to support employment claims.
2. The financial information provided with any application made to EIC in excess of a Board agreed upon amount be provided as a part of the Board package for review and consideration. I would suggest any application for funds in excess of \$50,000.
3. Any Application that comes before the EIC Board and is approved by the Board should be presented to City Council as approved by the EIC Board. If City staff decides to recommend to Council that the project does not qualify or that City staff disagrees with the EIC decision then let them make their argument to Council and let EIC support their decision before Council.

City staff should not have the ability to kill an application unilaterally after EIC approval.

4. EIC makes warranties and representations in its grants that need to be reviewed by our legal representative. The grants also indicate that EIC cannot recoup any costs it incurs in recouping substantiated grant funds or funds not used in or for the approved purpose. Wording should reflect our right to recoup any costs or attorney fees in recovering EIC funds.

Initial Response Team:

1. The initial response team (IRT) is comprised of City staff without any EIC Board representation. I would like the EIC Board, at a minimum, to be made aware of all applications received by the IRT on a monthly basis whether they are approved to go forward, declined, or sent back to the applicant for additional information. The Board could also consider appointing a Board member to the IRT.

Commercial Improvement Agreements:

1. It appears that the 40% for demolition was initially established to help eliminate dilapidated buildings that needed to be removed as a first step in redevelopment and improvement of the commercial neighborhood. If the legal requirement is that the demolition must be followed immediately by the development project then the incentive of 40% does not make much economic sense as demolition is not more costly than many other segments of development.
 - a. I suggest that we either define a time period for development to be initiated in order to qualify for a demolition incentive, or
 - b. Approve any demolition request that the Board believes will generate development in the immediate area and/or improve the quality of life in the immediate area.

Executive Board Sessions:

1. I propose that all Executive Board sessions be attended only by EIC Board members unless the Board invites specific staff members to attend for their input on specific subjects during the period that subject is being discussed.

R. B. Miller

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

October 18, 2010

On Monday, October 18, 2010, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by Bill Crumrine, President, in the City Hall Council Chambers, 800 Junction Highway, Kerrville, Texas.

Members Present:

Bill Crumrine, President
Jack Pratt, Vice President
Gregg Appel
Rex Boyland
Warren Ferguson
Robert Miller

Members Absent:

Alan Massey, Secretary

Staff Present

Mike Erwin, Director of Finance
Mindy Wendele, Director of Business Programs
Mike Wellborn, Director of Engineering
Teri Kinsey, Administrative Assistant to City Secretary

2. INVOCATION:

Given by President Bill Crumrine.

3. VISITORS FORUM:

Nobody spoke.

4. PRESENTATION AND POSSIBLE ACTION:

4A. Execute Commercial Improvement Agreement for Hewitt Engineering.

Mr. Gregg Appel filed a conflict of interest affidavit and abstained from voting.

Mr. Ferguson moved to execute the commercial improvement agreement for Hewitt Engineering, Mr. Pratt seconded; motion passed 5-0-1 with Messrs Crumrine, Pratt, Boyland, Ferguson and Miller voted for; no one voted against; and Mr. Appel abstained.

4B. Execute Commercial Improvement Agreement for San Saba Cap Company.

Mr. Gregg Appel filed a conflict of interest affidavit and abstained from voting.

Mr. Pratt moved to execute the commercial improvement agreement for San Saba Cap Company, Mr. Ferguson seconded; motion passed 5-0-1 with Messrs Crumrine, Pratt, Boyland, Ferguson and Miller voted for; no one voted against; and Mr. Appel abstained.

4C. Presentation by Hill Country Shooting Sports Center concerning a funding request for a business expansion.

Jack Burch, CEO, requested \$494,838.00 for an Olympic Air Hall at the HCSSC. Mr. Burch presented an Economic Impact Report outlining the revenue brought into Kerrville and Kerr County by the competitions held at the shooting center and how many jobs the addition would create. Mr. Burch will provide information regarding the number of hotel nights booked as a result of HCSSC events to Ms. Wendele as requested by the Board.

Mr. Pratt moved to approve the funding request and directed staff to draft a funding agreement for \$494,838.00 and hold a public hearing during the November 15, 2010 EIC Board meeting; Mr. Miller seconded, motion passed 6-0.

4D. Presentation by Christian Assistance Ministry concerning a funding request for a building expansion.

Jack Pratt stated for the record there was no relationship between himself and Neva Pratt, V.P. of Public Relations for CAM.

Dr. Dan Sebasta requested \$50,000.00 for the expansion of their Center on Clay Street and presented an outline of building needs, estimated schedule of values, and a brief history of CAM. Dr. Sebasta advised the Board that if this request was granted the Cailloux Foundation would match that amount, up to \$50,000.00.

Mr. Ferguson moved to approve "in principle" the funding of \$50,000.00 for the expansion of building and parking lot based on a revision of information and paperwork of current plan, to be presented no later than 60 days from the October 18, 2010 meeting; Mr. Pratt seconded, motion passed 6-0.

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Authorize the execution of the EIC investment policy from Patterson and Associates.

The consensus of the Board was to table this item until the November 15, 2010 meeting.

6. APPROVE MINUTES:

6A. September 20, 2010.

Mr. Ferguson moved to approve the minutes of the September 20, 2010 meeting; Mr. Appel seconded, motion passed 6-0.

7. MONTHLY REPORTS:

7A. Monthly financials for September 2010.

Mr. Erwin presented the September 2010 financials. The Board requested staff to review the February 2010 financial reports and check on a discrepancy in the amortization of the KEDF for USDA debt of the last 5 years.

Mr. Ferguson moved to approve the financials as presented; Mr. Boyland seconded; motion passed 6-0.

7B. EIC construction project status.

Mr. Erwin presented the September 2010 construction project status report. The construction report was accepted by consensus.

8. INFORMATION AND DISCUSSION:

8A. Update on Convention Center Review Panel.

Mr. Ferguson advised the Board that things were still moving forward and that there was no tentative deadline for Hunter Equity' submission.

8B. Update on Kerrville Economic Development Corporation.

Mr. Pratt advised the Board that KEDC was in the process of hiring a Director; approximately 16 applications had been received and 4 interviews had been scheduled.

9. EXECUTIVE SESSION:

The EIC Board reserves the right to discuss any of the above items in executive closed session 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), 551.075, 551.076 (deliberation regarding security devices) or 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.

9. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

None

10. ADJOURNMENT:

Mr. Boyland moved to adjourn the meeting; Mr. Ferguson seconded; motion passed 6-0. The meeting adjourned at 5:45 PM.

APPROVED: November 15, 2010

Bill Crumrine
President

Teri Kinsey
Admin. Assist. to the City Secretary

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Improvement Fund

Cash Balance as of October 1, 2010		\$ 2,228,924
Deposits:		
Sales Tax	\$ 184,602	
Interest Revenue	\$ 1,700	
	<u>\$ 186,302</u>	
Expenses:		
Office Supplies	\$ -	
Administrative Service Fee	\$ 6,250	
Special Services - Category 1	\$ -	
Special Services - Category 2	\$ -	
Transfer for Debt Service	\$ 42,083	
Total Expenses	<u>\$ 48,333</u>	
Revenues Over (Under) Expenditures		<u>\$ 137,969</u>
Ending Cash Balance as of October 31, 2010		<u>\$ 2,366,893</u>

City of Kerrville
Economic Improvement Corporation
Sales Tax Improvement Fund - Revenue and Expense Statement
For the month ending October 31, 2010

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
BEGINNING CASH BALANCE	\$ 2,228,924		\$ 2,228,924		
REVENUE:					
Sales and Use Tax	\$ 2,250,000	\$ 184,602	\$ 184,602	8.20%	\$ 2,065,398
Interest	\$ -	\$ 1,700	\$ 1,700	#DIV/0!	\$ (1,700)
TOTAL REVENUE	\$ 2,250,000	\$ 186,302	\$ 186,302	8.28%	\$ 2,063,698

	Annual Budget	Current Period	Y-T-D Actual & Encumbrance	% of Budget	Budget Balance
EXPENDITURES:					
Administrative					
Supplies	\$ -	\$ -	\$ -	-	\$ -
Transfer to Debt Service Fund	\$ 505,000	\$ 42,083	\$ 42,083	8.33%	\$ 462,917
Economic Development Governing Body	\$ 225,000	\$ -	\$ -	100.00%	\$ 225,000
Annual Disclosure Fee	\$ -	\$ -	\$ -	-	\$ -
Administrative Services Fee	\$ 75,000	\$ 6,250	\$ 6,250	8.33%	\$ 68,750
Total Administrative	\$ 805,000	\$ 48,333	\$ 48,333	6.00%	\$ 756,667
Category I - Business Development					
KEDF/USDA Project				100.00%	\$ -
Commercial Improve Pilot Program				100.00%	\$ -
Unspecified	\$ 781,000	\$ -	\$ -	0.00%	\$ 781,000
Total Category I	\$ 781,000	\$ -	\$ -	100.00%	\$ 781,000
Category II - Quality of Life					
Schreiner University Project	\$ -	\$ -	\$ -	#DIV/0!	\$ -
Hill Country Home Opportunity Program	\$ -	\$ -	\$ -	100.00%	\$ -
Category II Unspecified	\$ 82,000	\$ -	\$ -	0.00%	\$ 82,000
Total Category II	\$ 82,000	\$ -	\$ -	0.00%	\$ 82,000
Category III - Public Infrastructure					
Unspecified Projects	\$ 82,000	\$ -	\$ -	0.00%	\$ 82,000
Total Category III	\$ 82,000	\$ -	\$ -	0.00%	\$ 82,000
Contingency	\$ 500,000	\$ -	\$ -	0.00%	\$ 500,000
TOTAL EXPENDITURES	\$ 2,250,000	\$ 48,333	\$ 48,333	2.15%	\$ 2,201,667
NET REVENUES TO EXPENDITURES	\$ -	\$ 137,969	\$ 137,969		

	Budget	Actual
ENDING CASH BALANCE: October 31, 2010	\$ 2,228,924	\$ 2,366,893

	Pro Forma				
	2011	2012	2013	2014	2015
Beginning Cash Balance	\$ 2,228,924	\$ 2,252,924	\$ 3,612,374	\$ 4,993,537	\$ 6,822,180
Revenue					
Sales Tax	\$ 2,250,000	\$ 2,272,500	\$ 2,295,225	\$ 2,318,177	\$ 2,341,359
Interest	\$ 24,000	\$ 25,200	\$ 26,460	\$ 27,783	\$ 29,172
Total Revenue	\$ 2,274,000	\$ 2,297,700	\$ 2,321,685	\$ 2,345,960	\$ 2,370,531
Expense					
KEDF-USDA	\$ 131,000	\$ 131,000	\$ 131,000	\$ 32,000	
Promo (ED Gov)	\$ 225,000	\$ 227,250	\$ 229,523	\$ 231,818	\$ 234,136
Administrative Services-City	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Commercial Improvement Program	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Other/Unspecified	\$ 1,264,000	\$ -	\$ -	\$ -	\$ -
Debt Service Transfer	\$ 505,000	\$ 505,000	\$ 505,000	\$ 178,500	
Total Expenditure	\$ 2,250,000	\$ 938,250	\$ 940,523	\$ 517,318	\$ 309,136
Revenue over Expense	\$ 24,000	\$ 1,359,450	\$ 1,381,163	\$ 1,828,643	\$ 2,061,395
Ending Cash Balance	\$ 2,252,924	\$ 3,612,374	\$ 4,993,537	\$ 6,822,180	\$ 8,883,575

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Debt Service Fund

Cash Balance as of October 1, 2010		\$ 411,596
Revenues:		
Transfer from Sales Tax Improvements Fund	<u>\$ 42,083</u>	
Total Deposits	<u>\$ 42,083</u>	
Expenses:		
Bond Interest	<u>\$ -</u>	
Total Expenses	<u>\$ -</u>	
Revenues Over (Under) Expenditures:		<u>\$ 42,083</u>
Ending Cash Balance as of October 31, 2010		<u><u>\$ 453,679</u></u>

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Debt Service Fund
Revenue and Expense Statement
For the month ending October 31, 2010

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
BEGINNING CASH BALANCE	\$ 411,596		\$ 411,596		
REVENUE:					
Transfer from Sales Tax Improvement Fund	\$ 505,000	\$ 42,083	\$ 42,083	8.33%	\$ 462,917
Return of Equity - Park Lane Extension	\$ -			100.00%	\$ -
TOTAL REVENUE	\$ 505,000	\$ 42,083	\$ 42,083	8.33%	\$ 462,917
	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
EXPENDITURES:					
Series 1999 Sales Tax Bond Debt Service	\$ 425,000	\$ -		0%	\$ 425,000
Series 1999 Sales Tax Bond Interest Expense	\$ 73,859			0%	\$ 73,859
Paying Agent Fees	\$ 1,000	\$ -		0%	\$ 1,000
First Southwest Continuing Disclosure Fee	\$ -	\$ -		-	\$ -
TOTAL EXPENDITURES	\$ 499,859	\$ -	\$ -	0.00%	\$ 499,859
ENDING CASH BALANCE: October 31, 2010	Budget \$ 416,737		Actual \$ 453,679		

Pro Forma					
	2011	2012	2013	2014	2015
Beginning Cash Balance	\$ 411,596	\$ 413,237	\$ 414,671	\$ 416,671	\$ 95
Revenue					
Transfer from Sales Tax Improvement Fund	\$ 505,000	\$ 505,000	\$ 505,000	\$ 84,200	\$ -
Total Revenue	\$ 505,000	\$ 505,000	\$ 505,000	\$ 84,200	\$ -
Expenditures:					
Series 1999 Sales Tax Bond Debt Principal	\$ 425,000	\$ 445,000	\$ 465,000	\$ 485,000	\$ -
Series 1999 Sales Tax Bond Debt Interest	\$ 73,859	\$ 54,066	\$ 33,248	\$ 11,276	\$ -
Paging Agent Fees	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Continuing Disclosure Fee	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ -
Total Expenditure	\$ 503,359	\$ 503,566	\$ 502,748	\$ 500,776	\$ -
Revenue over expenditures	\$ 1,641	\$ 1,434	\$ 2,252	\$ (416,576)	\$ -
Ending Cash Balance	\$ 413,237	\$ 414,671	\$ 416,923	\$ 95	\$ 95

CITY OF KERRVILLE
 Economic Improvement Corporation
 SALES TAX REVENUE ANALYSIS

	Actual FY 2008	Actual FY 2009	Actual FY 2010	Approved FY 2011	Actual FY 2011	Difference Projected vs Actual	% of Projected Variance
October	\$ 194,330	\$ 195,050	\$ 179,735	\$ 173,552	\$ 184,602	\$ 11,050	6.37%
November	\$ 219,398	\$ 218,565	\$ 188,879	\$ 216,981			
December	\$ 195,398	\$ 202,043	\$ 170,981	\$ 173,554			
January	\$ 187,236	\$ 190,881	\$ 170,645	\$ 158,281			
February	\$ 251,426	\$ 239,208	\$ 236,837	\$ 261,777			
March	\$ 194,946	\$ 200,569	\$ 163,136	\$ 150,622			
April	\$ 168,423	\$ 259,861	\$ 160,461	\$ 153,072			
May	\$ 234,014	\$ 228,262	\$ 203,235	\$ 214,787			
June	\$ 193,637	\$ 181,835	\$ 182,429	\$ 168,623			
July	\$ 200,625	\$ 183,253	\$ 179,622	\$ 170,721			
August	\$ 230,443	\$ 219,318	\$ 221,711	\$ 228,210			
September	\$ 213,253	\$ 189,718	\$ 186,321	\$ 180,144			
Total	\$ 2,483,129	\$ 2,508,562	\$ 2,243,991	\$ 2,250,324	\$ 184,602	\$ 11,050	6.37%

CITY OF KERRVILLE
Economic Improvement Corporation
EIC Capital Projects Fund

Cash Balance as of October 1, 2010		\$ 2,575,938
Revenues:		
Transfer In	\$ -	
Total Revenues/Transfer In	<u>\$ -</u>	
Expenses:		
Services		
Special Services		
Harper Road Utility Extension	\$ 345,466	
Salvation Army	<u>\$ 20,500</u>	
	<u>\$ 365,966</u>	
Capital Outlay		
Capital Outlay Total		-
Transfer Out		
Total Expenses	\$ 365,966	
Revenue Over (Under) Expenditures		<u>\$ (365,966)</u>
Ending Cash Balance as of October 31, 2010		<u><u>\$ 2,209,972</u></u>

CITY OF KERRVILLE
 Economic Improvement Corporation
 Sales Tax Improvement Capital Projects Fund
 Project Status Summary
 For the month ending October 31, 2010

YEAR(S) FUNDED	PROJECTS	Funding Agreement	EIC Funding Agreement Commitment	EIC Funded To Date	Non-EIC Funding	Total Funded	Project Expenses to Date	Project Balance	EIC Future Allocation Balance	% Complete
2004/05	Holdsworth Drive	FA 2004-07	\$ 1,000,000	\$ 1,000,000	\$ 3,500,396	\$ 4,500,396	\$ 4,491,208	\$ 9,188	-	
2006/07	Harper Highway Utility Extension	FA 2008-013	\$ 2,850,000	\$ 2,850,000	\$ 302,396	\$ 3,152,396	\$ 1,261,669	\$ 1,890,727	-	Bidding
2007/08	Salvation Army Kroc Center	FA 2008-011	\$ 500,000	\$ 500,000		\$ 500,000	\$ 438,453	\$ 61,547	-	Final Checklist
2008/09	Hill Country Shooting Sports Center		\$ 300,000	\$ 300,000		\$ 300,000	\$ 300,005	\$ (5)	-	N/A
2008/09	Alamo Workforce		\$ 109,887	\$ 109,887		\$ 109,887	\$ 108,394	\$ 1,493	0	N/A
2008/09	KEDF USDA Payment*	FA 2008-08	\$ 525,000	\$ 99,968		\$ 99,968	\$ 99,968	\$ (0)	425,032	N/A
2009/10	Hill Country Home Opportunity		\$ 150,000	\$ 150,000		\$ 150,000	\$ 11,716	\$ 138,284	-	
2009/10	Commercial Improvement Program		\$ 100,000	\$ 100,000		\$ 100,000	\$ -	\$ 100,000	-	
TOTALS			\$ 5,534,887	\$ 5,109,855	\$ 3,802,792	\$ 8,912,647	\$ 6,711,413	\$ 2,201,234	425,032	

Cash Balance on 10/31/2010: \$ 2,209,972

* Funding moved as payment becomes due

Unallocated cash available: \$ 8,737

Rule 15c2-12 Filing Cover Sheet

This cover sheet is sent with all submissions to the Municipal Securities Rulemaking Board (the Nationally Recognized Municipal Securities Information Repository) and any applicable State Information Depository pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

Issuer Name: Kerrville Economic Development Corporation

Issue(s): \$5,350,000 Sales Tax Revenue Bonds, Series 1999

Filing Format electronic paper; If available on the Internet, give URL: _____

CUSIP Numbers to which the information filed relates (optional):

Nine-digit number(s) (attach additional sheet if necessary)

Six-digit number if information filed relates to all securities of the Issuer:

492427

* * *

Description of Material Event Notice/Other Material Information

- 1. Principal and interest payment delinquencies
- 2. Non-payment related defaults
- 3. Unscheduled draws on debt service reserves reflecting financial difficulties
- 4. Unscheduled draws on credit enhancements reflecting financial difficulties
- 5. Substitution of credit or liquidity providers, or their failure to perform
- 6. Adverse tax opinions or events affecting the tax-exempt status of the security
- 7. Modifications to rights of security holders
- 8. Bond calls
- 9. Defeasances
- 10. Release, substitution, or sale of property securing repayment of the securities
- 11. Rating changes
- 12. Notice of non-compliance: failure to provide annual financial information
- 13. Other material event or information (specify) _____

Financial & Operating Data Disclosure Information

- Annual Financial Report or CAFR
- Financial Information & Operating Data
- Other (describe): _____

Fiscal Period Covered: _____
 Monthly Quarterly Annual Other: _____

* * *

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Name: Tanya Calvit
 Title: Continuing Disclosure Services
 Employer: First Southwest Company
 Voice Telephone Number: (214) 953-4037
 Email Address: tanya.calvit@firstsw.com

**NOTICE OF MATERIAL EVENT
FOR CONTINUING DISCLOSURE REQUIREMENTS
OF SEC RULE 15c2-12**

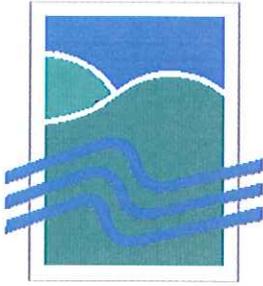
November 04, 2010

This Notice is being provided by the Kerrville Economic Development Corporation (the "Issuer"), pursuant to the requirement of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission, as notification of occurrence of the following material event as defined in paragraph (b)(5)(i)(C) of the Rule.

On 11/9/2009, Assured Guaranty Ltd., the holding company for Assured Guaranty Corporation and Financial Security Assurance Inc. ("FSA") changed the name FSA to Assured Guaranty Municipal Corporation ("AGM").

On 10/25/2010, Standard and Poor's Ratings Services downgraded the Insurer Financial Strength rating of AGM from AAA to AA+.

For further information, please contact S&P.



City of Kerrville
Director of Engineering
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Kerrville, Texas 78028-5069
830.792.8310 (O)
830.896.8793 (F)
mike.wellborn@kerrvilletx.gov

MEMORANDUM

TO: EIC Board

FROM: Michael Wellborn, P.E., Director of Engineering

DATE: November 11, 2010

SUBJECT: End of October CIP Update for EIC Funded Projects

Harper Road Utility Extension (\$2,850,000.00) – The project construction contract was awarded to Nelson Lewis, Inc. in an amount not to exceed \$2,520,564.00 on June 22, 2010. Notice to precede letter issued on August 2, 2010. In addition to the construction contract, City Council awarded a separate contract to Raba Kistner Consultants, Inc to perform the required material testing for the project. The contract with the consultant is a not to exceed contract in an amount of \$67,840.00. The water & sewer has been installed from I-10 to the James Avery Campus. Construction along Town Creek Road between Morris Road & Horseshoe Oaks subdivision is nearing completion. The Contractor is planning to start on the next phase of construction along Town Creek between Horseshoe Oaks & Old Harper Road during the week of November 17, 2010. The project is approximately 50% complete.

Salvation Army Kroc Center Site Work & Drainage Improvements (\$570,000.00) – This project consists of constructing retaining walls, side walks, walking trails, fencing, replacement of sanitary sewer and other associated improvements related to the Salvation Army Kroc Center including site preparation, grading and drainage. The construction contract was awarded to Yantis Company (Contractor) during the May 12, 2009 City Council meeting in the amount of \$1,119,735.75. On June 8, 2010, Council authorized the increase of the Yantis Contract to the amount of \$1,173,959.55 and authorized the release of the remainder funds in the amount of \$44,317.46 to cover change orders. Final acceptance has been issued to the Contractor and the project should be ready to close before the end of the year.