

AGENDA FOR REGULAR MEETING

KERRVILLE CITY COUNCIL

TUESDAY, JANUARY 11, 2011, 6:00 P.M.

CITY HALL COUNCIL CHAMBERS

800 JUNCTION HIGHWAY, KERRVILLE, TEXAS

Agenda Item:
(Staff)

- 2A. Approval of the minutes of the special city council meeting held December 14, 5:00 p.m., and the regular meeting held December 14, 2010, 6:00 p.m.

CITY COUNCIL MINUTES
SPECIAL MEETING

KERRVILLE, TEXAS
DECEMBER 14, 2010

On December 14, 2010, the Kerrville City Council meeting was called to order by Mayor Wampler at 5:00 p.m. in the city hall meeting room, 800 Junction Highway.

MEMBERS PRESENT:

David Wampler	Mayor
R. Bruce Motheral	Mayor Pro Tem
Gene Allen	Councilmember
Stacie Keeble	Councilmember

MEMBER ABSENT:

T. Scott Gross	Councilmember
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STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Brenda G. Craig	City Secretary
Mike Wellborn	Director of Engineering

VISITOR PRESENT:

David Harkins, Ph.D., P.E. Espey Consultants, Inc. Environmental & Engineering Services

CONSIDERATION AND POSSIBLE ACTION:

Claim against C&C Groundwater Services regarding aquifer storage recovery well 3 (ASR 3).

The matter was deferred to executive session.

EXECUTIVE SESSION:

Mr. Allen moved for the city council to go into executive closed session under Sections 551.072 (deliberation regarding real property), and 551.073 (deliberation regarding gifts), of the Texas Government Code; the motion was seconded by Mr. Motheral and passed 4-0 to discuss the following matter:

Section 551.071:

- o Contemplated litigation involving a claim against C&C Groundwater Services regarding aquifer storage recovery well 3 (ASR 3).

At 5:01 p.m. the regular meeting recessed and council went into executive closed session at 5:01 p.m. At 5:43 p.m. the executive closed session recessed and council returned to open session at 5:44 p.m. The mayor announced that no action had been taken in executive session.

ADJOURNMENT. The meeting adjourned at 5:44 p.m.

APPROVED: _____

David Wampler, Mayor

ATTEST:

Brenda G. Craig, City Secretary

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
DECEMBER 14, 2010

On December 14, 2010, the Kerrville City Council meeting was called to order by Mayor Wampler at 6:00 p.m. in the city hall council chambers, 800 Junction Highway. The invocation was offered by Charlie Hastings, Director of Public Works, followed by the Pledge of Allegiance led by Mayor David Wampler.

MEMBERS PRESENT:

David Wampler	Mayor
R. Bruce Motheral	Mayor Pro Tem
Gene Allen	Councilmember
Stacie Keeble	Councilmember

MEMBER ABSENT:

T. Scott Gross	Councilmember
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STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Brenda G. Craig	City Secretary
Travis Cochrane	Director of Information Technology
Mindy Wendele	Director of Business Programs
Mike Erwin	Director of Finance
Robert Ojeda	Fire Chief
Kevin Coleman	Director of Development Services
Kim Meisner	Director of General Operations
Charlie Hastings	Director of Public Works

VISITORS PRESENT: List on file in city secretary's office.

1. VISITORS/CITIZENS FORUM: The following persons spoke:

1A. Robert Naman agreed with council's action on November 23 voting against the use of EIC funds to raze dilapidated buildings; he felt such use did not meet the requirements of the 4B Act.

1B. Dick Eilerman expressed concern of what he described as a training event for young Muslims at MO Ranch next week; the event would be closed to the public and no one would be allowed to enter MO Ranch during that week. He was told by a police officer that the FBI had been advised of the event, and he would notify the county of the event in an effort to prevent the event from happening.

2. PRESENTATIONS:

2A. Resolution of commendation to David Lipscomb for serving on the Library Advisory Board was presented by Mayor Wampler.

3. CONSENT AGENDA:

Mr. Allen moved for approval of items 3A through 3E; Ms. Keeble seconded the motion and it passed 4-0:

3A. Approval of the minutes of the special city council meeting held November 15, the regular meeting held November 23, and the special meeting held December 9, 2010.

3B. Authorize execution of a contract with Kerr County for conducting the City of Kerrville General Election to be held on May 14, 2011, in the estimated amount of \$5,975.76.

3C. Authorize contract extension with Unifirst Corporation for uniform service from December 18, 2010, through December 19, 2011.

3D. Approval of a funding agreement between the City of Kerrville, Texas Economic Improvement Corporation and the Hill Country Sports Shooting Center in the amount of \$494,838.00.

3E. Authorize the purchase of an ambulance from Frazer Ambulance Company through Dallas Dodge Chrysler Jeep, in the amount of \$150,500.

END OF CONSENT AGENDA

4. PUBLIC HEARING AND RESOLUTION:

4A. Resolution No. 040-2010 granting a conditional use permit for an approximate 4.67 acre tract of land situated in the Samuel Wallace Survey No. 113, Abstract No. 347, within the City of Kerrville, Kerr County, Texas, generally located northwest of the Main Street and Clearwater Paseo intersection, and located within the 32-E (eastside) district; by permitting said property to be used for manufacturing and industry, limited (contractor yard); and making said permit subject to certain conditions and restrictions granting a conditional use permit for manufacturing and industrial on 4.67 acre tract northwest of the Main Street and Clearwater Paseo intersection.

Mr. Coleman reviewed uses in the area and noted property owners within 200 ft. had been notified. P&Z voted to recommend approval of the resolution.

Mayor Wampler declared the public hearing open at 6:10 p.m.; no one spoke, and Mayor Wampler closed the public hearing at 6:10 p.m.

Mr. Motheral moved for approval of Resolution No. 040-2010; Mr. Allen seconded the motion and it passed 4-0.

5. PUBLIC HEARING AND ORDINANCE, FIRST READING:

5A. An ordinance repealing Ordinance No. 2002-04 which created a "Planned Development District" on an approximately 2.99 acre tract of land generally located at the southeast corner of the intersection of Yorktown Boulevard and Stadium Drive, for indoor sports, recreation, and physical fitness activities and other uses generally associated with a community center; changing the zoning classification for said tract from the Planned Development District (PDD) to the Gateway District (GTW); containing a cumulative clause; containing a savings

and severability clause; and ordering publication. Mayor Wampler read the ordinance by title only.

Mr. Coleman noted the property was previously zoned PDD to accommodate a community center for the YMCA; however, that project did not happen, and the property had been sold. The applicant proposed to establish a vehicle maintenance and repair facility, which required both a zoning change to GTW and a conditional use permit (CUP) in the GTW district. The recommendation was to change the zoning for the entire lot to GTW and then proceed to a CUP and development site plan for the portion to be used for vehicle maintenance. The land use plan proposed commercial zoning for the two block area inside of the Sidney Baker corridor. He noted that all property owners within 200 ft. had been notified.

Mayor Wampler declared the public hearing open at 6:12 p.m. and the following persons spoke:

1. David Jackson noted he had previously submitted a letter on behalf of his client objecting to the zone change; however, he stated that his client would not object to the proposed use as long as adequate protection and buffers were provided under the conditions listed in the proposed CUP. He noted that part of the land was currently vacant and the owner may sell all or part and it could become commercial in the future.

2. David and Denise LeMeilleur, applicants, noted that part of the property in the area was already zoned GTW and this ordinance would result in consistent zoning for the entire tract. They discussed the proposed state of the art repair facility and landscaping and buffering adjacent to residential areas. They also noted the school district had a vehicle maintenance facility across the street.

3. Bruce Stracke stated his opinion that the proposed use did not belong in a residential area, and he was concerned about the zoning process from residential cluster, to PDD, to CUP, and then commercial.

No one else spoke, and Mayor Wampler closed the public hearing at 6:25 p.m.

Mr. Allen moved for approval of the ordinance as presented on first reading; Ms. Keeble seconded the motion and it passed 4-0.

6. CONSIDERATION AND POSSIBLE ACTION:

6A. Authorize staff to reject all proposals received in April 2010 for carbon credit brokerage services, and authorize staff to re-advertise a revised request for proposal (RFP) to seek a qualified company to broker carbon credits generated at the landfill.

Mr. Hastings noted the city received two proposals in April 2010: Element Markets, and Terra Pass. Council authorized the city manager to negotiate a contract with Element Markets; however, they withdrew their bid. Staff contacted

Terra Pass, and they also withdrew their bid due to a decline in the carbon credit market. Staff was recently contacted by Blue Source, another carbon credit brokerage company, and staff recommended council reject all proposals received in April 2010 and authorize staff to re-advertise a new RFP. Mr. Hastings estimated the city would receive \$10,000-15,000 annually from the sale of carbon credits generated at the landfill.

Mr. Motheral moved to accept staff's recommendation; Mr. Allen seconded the motion and it passed 4-0.

7. INFORMATION AND DISCUSSION:

7A. Presentation regarding the possible construction of a multi-purpose meeting facility (MMF).

Mr. Parton reviewed the two year history of the project which began in March 2009 with a report from the convention and visitors bureau that documented substantial lost market from conventions and conferences that wanted to come to Kerrville. The TXP report further reaffirmed the findings of the blue ribbon committee appointed by council that a MMF would assist in the growth and sustainability of local businesses. An RFP was issued, and Hunter Equity was determined to be the most qualified proposal received and a memo of understanding (MOU) was authorized by city council for Hunter Equity to study whether the city should move forward with the construction of a MMF with a four-star hotel, determine the estimated cost to the city, and to evaluate several sites.

Pete Moore and Scott Rohrman with Hunter Equity provided an analysis of the three selected sites: 1) Hastings site (3 acres downtown across from the library); 2) Whiskey Springs site (116 acres on Hwy. 16 on the north side of IH-10); and 3) Gulf Coast site (69.5 acres on Hwy. 16 on the south side of IH-10). Mr. Rohrman estimated the cost at \$21 million for the MMF; \$14-17 million for a four-star hotel; for a total project cost of \$35-49 million.

The following persons were allowed to speak:

1. Sharon Walling requested more meetings for the public to receive information on funding sources for the project, the backup plan if the facility did not bring in revenue, the cost of maintenance, and the expense of providing transportation. She requested that council receive more public input and allow a vote before passing another bond issue; otherwise, wait and let somebody else pay for it.

2. Robert Naman questioned public funding for a \$35-49 million project and felt such a project should be undertaken by the private sector. He stated opposition to the process and felt that other bidders had been denied due process, and the bid specifications had been changed after the bids were received. One goal of the project was to bring in new business, but he was concerned that bringing in new business would harm existing businesses. He questioned that the facility could generate the business and dollars being proposed.

3. David Tritenbach noted that all studies in the past ten years proposed a MMF in the central city to attract more business to the downtown area. He encouraged council to reconsider the downtown area and not place the facility in such remote locations where infrastructure was inadequate and would pull more business away from downtown. The city's greatest asset was the river, and if a facility is built, it should be within walking distance of the river. Other alternatives were more practical and cost effective.

Mayor Wampler noted that council was performing due diligence based on a study by the CVB that documented potential lost revenue. Council desired to maintain the same level of services to the citizens without increasing the ad valorem tax. Despite public opinion, no deal was on the table, and council never contemplated that the city would finance the entire project; rather, the commitment of the city would be limited to a percentage of the hotel occupancy tax and sales tax. The city was not getting into the hotel business.

7B. Library renovation update.

Jeana Krause, executive director of the Mary Elizabeth Holdsworth Library Foundation, noted that goals had been set for the endowment that would cover future maintenance and programming. The goal was to raise \$7.75 million; to date \$2,065,695 had been committed to the project and several grants were pending. The foundation would begin identifying naming opportunities.

7C. Update regarding Lower Colorado River Authority Transmission Services Corporation's (LCRA-TSC) application for the proposed McCamey D to Kendall to Gillespie CREZ project (PUC Docket No. 38354).

Mr. Hayes noted the administrative law judges were expected to issue their opinion by the end of the year; PUC had two meetings scheduled January 13 and 20, 2011, to issue a final ruling. Property owners along the I-10 route were submitting letters, and he encouraged continued public support.

7D. Kerrville budget/economic update.

Mr. Erwin reported local unemployment remained unchanged at 5.9; median listing price was down and sales tax dropped 1% from October 2009 to October 2010.

8. **BOARD APPOINTMENT:**

8A. Appointments to the Food Service Advisory Board.

No appointments were made; council requested the appointments be rescheduled for the January 11, 2011 agenda.

8B. Appointments to the Planning and Zoning Commission. Matter was deferred to executive session.

9. **ITEMS FOR FUTURE AGENDAS:** No items were proposed.

10. **ANNOUNCEMENTS OF COMMUNITY INTEREST:** None discussed.

11. EXECUTIVE SESSION:

Ms. Keeble moved for the city council to go into executive closed session under Section 551.071 (consultation with attorney), and Section 551.072 (deliberation regarding real property) of the Texas Government Code; the motion was seconded by Mr. Allen and passed 4-0 to discuss the following matters:

Section 551.071:

- Consult with attorney about pending litigation or settlement regarding the application from the City of Kerrville before the Texas Commission on Environmental Quality to amend its Certificate of Convenience and Necessity (CCN) for its water utility, No. 12928 in Kerr County, Texas.
- Consult with attorney about Interlocal Agreements between the City of Kerrville and Kerr County.
- Consult with attorney regarding building permit for the property located at 407 Spring Mill Dr.

Sections 551.071 and 551.072:

- Consult with attorney regarding request for Reversion Deed for property generally located at 819 Water St. and intended for use as Kerrville River Walk Trail.

At 7:09 p.m. the regular meeting recessed and council went into executive closed session at 7:16 p.m. At 8:52 p.m. the executive closed session recessed and council returned to open session at 8:58 p.m. The mayor announced that no action had been taken in executive session.

12. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

Consult with attorney about pending litigation or settlement regarding the application from the City of Kerrville before the Texas Commission on Environmental Quality to amend its Certificate of Convenience and Necessity (CCN) for its water utility, No. 12928 in Kerr County, Texas

Mr. Motheral moved to authorize staff to go through documentation necessary with Wiedenfeld Water Works with regard to Areas 2, 7A, and 14, and to formally request a 30 day extension to January 19 from TCEQ in order to continue negotiations with Aqua Texas. Further, to advise Aqua Texas that their proposal was not acceptable, but the city was open to continued discussions but not with those conditions specified by Aqua Texas. Mr. Allen seconded the motion and it passed 4-0.

Consult with attorney about Interlocal Agreements between the City of Kerrville and Kerr County. Ms. Keeble moved to appoint Mayor Wampler and Mr. Parton to talk with County Judge Tinley about the interlocal agreements. Mr. Allen seconded the motion and it passed 4-0.

Consult with attorney regarding building permit for the property located at 407 Spring Mill Drive.

Ms. Keeble moved to take no action and let the building permit stand. Mr. Motheral seconded the motion and it passed 4-0.

The following persons spoke:

1. Alan Cone questioned the next course of action available to citizens before the permit would be allowed to continue, noting violation of several ordinances; i.e. setbacks and drainage. He stated that allowing the neighbor's structure to remain had a potentially damaging effect on his property. If the city allowed construction to continue, it would be more expensive to remove the structure later than to have it removed now. He disagreed with the legality of allowing the structure to remain and requested council table the motion for 60 days and allow the stop work order to remain in effect and put a hold on construction before more money was spent on construction; this could possibly avoid a lawsuit that may result in the tearing down of the structure, but at least would avoid additional expenditure by the neighbor. When questioned by Mayor Wampler if there was any alternative to the situation that would be acceptable to him, Mr. Cone noted the following options: 1) construct a 20 foot high concrete brick fence along the entire length of the neighbor's property line as shared with him and at least one other neighbor; 2) tear down the building; or 3) reimburse him for the amount of money he had spent on his property. He was disappointed in council's lack of action.

Mayor Wampler noted that after lengthy discussion of the issue, the city council had decided not to take any action on the permit that would stop construction or revoke the permit and cause the neighbor to tear down a structure that he had received a permit to construct and for which he had a considerable investment. He acknowledged that staff may have issued the permit in error; however, there was confusion in that two standards existed, the platted line that required a six foot setback, and the zoning line that required a 25 foot setback. City staff had issued the permit based on the plat line, and he noted previous permits had been granted using plat lines. He noted that other cases existed in Riverhill where the plat line prevailed; in the past, the Riverhill Homeowners Association had visited the issue of plat line versus city setback and had not expressed opposition to the plat line. He also noted that staff did not deem drainage to be an issue, and a stop work order was not in effect at this time and construction could continue.

2. Peggy McKay questioned how structures could be built without standards in place and felt that city staff did not follow the guidelines in effect. She lived in the same section of Riverhill as the property in question and her deed required a 25 foot setback. She also noted that staff would not return phone calls or provide information, and construction was allowed to continue. Now, because it was not addressed at the beginning, council's ruling was based on the fact that one neighbor had made a large investment. This was favoritism and allowed the neighbor to continue to illegally construct on his property.

Mayor Wampler noted there were two standards in place, there was confusion about how to apply two different standards. There was a six foot setback on the platted line in Riverhill subdivision filed in 1967 and the city zoning setback of 25

foot. Council had not been informed by staff that the construction was illegal; rather, the two standards were in conflict and the permit was issued in good faith based on the Riverhill platted line of six foot, and the neighbor built the structure under that permit. Council had not been told it was illegal to observe the six foot or 25 foot setback, in fact, the city had observed the platting setback lines for construction of ancillary buildings in Riverhill in the past.

Consult with attorney regarding request for Reversion Deed for property generally located at 819 Water Street and intended for use as Kerrville River Walk Trail.

Ms. Keeble moved to grant the request for the reversion deed at 819 Water Street; Mr. Allen seconded the motion and it passed 4-0.

11. EXECUTIVE SESSION:

Ms. Keeble moved for the city council to go into executive closed session under Section 551.074 (personnel matters); the motion was seconded by Mr. Motheral and passed 4-0 to discuss the following matters:

Section 551.074:

- Appointment to the Planning and Zoning Commission.
- Evaluation of City Manager.
- Evaluation of City Attorney.

At 9:19 p.m. the regular meeting recessed and council went into executive closed session at 9:19 p.m. At 10:34 the executive closed session recessed and council returned to open session at 10:35 p.m. The mayor announced that no action had been taken in executive session.

8B. Appointments to the Planning and Zoning Commission.

Mr. Motheral moved to reappoint James Kessler to the regular board member position with term to expire January 1, 2013, and to postpone the appointment of other members to the January 11, 2011 meeting; Mr. Allen seconded the motion and it passed 4-0.

Evaluation of City Manager and City Attorney. The consensus of the council was that Mayor Wampler would convey the evaluations to Mr. Parton and Mr. Hayes.

ADJOURNMENT. The meeting adjourned at 10:36 p.m.

APPROVED: _____

David Wampler, Mayor

ATTEST:

Brenda G. Craig, City Secretary

Agenda Item:
(Staff)

- 2B. A resolution changing the regular meeting time of the City Council scheduled for March 8, 2011.

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

SUBJECT: A RESOLUTION CHANGING THE START TIME OF THE MARCH 8, 2011 CITY COUNCIL MEETING FROM 6:00 PM TO 4:00 PM, DUE TO MARDI GRAS ON MAIN TAKING PLACE THAT NIGHT.

FOR AGENDA OF: January 11, 2011 **DATE SUBMITTED:** January 3, 2011

SUBMITTED BY: Johnna Wade  **CLEARANCES:** Todd Parton
Main Street Manager City Manager

EXHIBITS: Resolution

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

The Business Programs Department is hosting the 7th Annual Kerrville Main Street Mardi Gras on Main on Fat Tuesday, March 8, 2011. This event will be held at the Inn of the Hills and will be raising money for the downtown public art project.

Each year city staff, councilmembers, and the general public attend this event. Mardi Gras on Main begins at 5:00 PM and ends at approximately 9:00 PM. In order to maximize attendance we are proposing that the March 8, 2011, City Council Meeting start at 4:00 PM rather than 6:00 PM, thus allowing the city officials the chance to attend and enjoy the event.

This action, moving the March 8th City Council meeting up to 4:00 PM, requires a resolution approved by the City Council.

RECOMMENDED ACTION

Approve resolution.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. ____-2011**

**A RESOLUTION CHANGING THE REGULAR MEETING
TIME OF THE CITY COUNCIL SCHEDULED FOR MARCH
8, 2011**

WHEREAS, Section 2-31 of the Code of Ordinances for the City of Kerrville provides that City Council meetings are to be held the second and fourth Tuesdays of each month at 6:00 p.m.; and

WHEREAS, Section 2-31 also provides the City Council may, by majority vote at a regular meeting, change the days or times of meetings as circumstances may necessitate;

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

The regular meeting of the City Council scheduled for March 8, 2011, shall commence at 4:00 p.m.

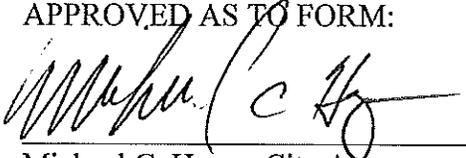
PASSED AND APPROVED ON this the ____ day of _____ A.D., 2011.

David Wampler, Mayor

ATTEST:

Brenda G. Craig, City Clerk

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

Agenda Item:
(Staff)

- 3A. An ordinance repealing Ordinance No. 2002-04 which created a "Planned Development District" on an approximately 2.99 acre tract of land generally located at the southeast corner of the intersection of Yorktown Boulevard and Stadium Drive, for indoor sports, recreation, and physical fitness activities and other uses generally associated with a community center; changing the zoning classification for said tract from the Planned Development District to the Gateway District; containing a cumulative clause; containing a savings and severability clause; and ordering publication.

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

SUBJECT: Ordinance, Second Reading– An ordinance changing the zoning from PDD (Planned Development District, No. 2002-04) to GTW (Gateway) District on an approximately 3.02 acre tract located at 512 Yorktown Blvd.

FOR AGENDA OF: January 11, 2011 **DATE SUBMITTED:** December 30, 2010

SUBMITTED BY: Gordon Browning *GB* **CLEARANCES:** Kevin Coleman *KME*

EXHIBITS: Location map, Ordinance

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *JR*

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

PAYMENT TO BE MADE TO:

APPROVED FOR SUBMITTAL BY DIRECTOR OF ADMINISTRATIVE SERVICES:

SUMMARY STATEMENT

Project Timeline:

- March 26, 2002 – Subject tract is zoned PDD, No. 2002-04, for a community center.
- October 18, 2010 – Application for a zoning change and CUP is accepted for review by the City.
- November 3, 2010 – Development Review Committee (DRC) review process completed.
- November 4, 2010 – Notice of required public hearings published in The Kerrville Daily Times and mailed to property owners within 200-feet of the subject tract.
- November 12, 2010 – Staff comments with draft ordinance and resolution to applicant.
- November 18, 2010 – Public hearing before the Planning and Zoning Commission (P&Z) and consideration of a recommendation to the City Council.

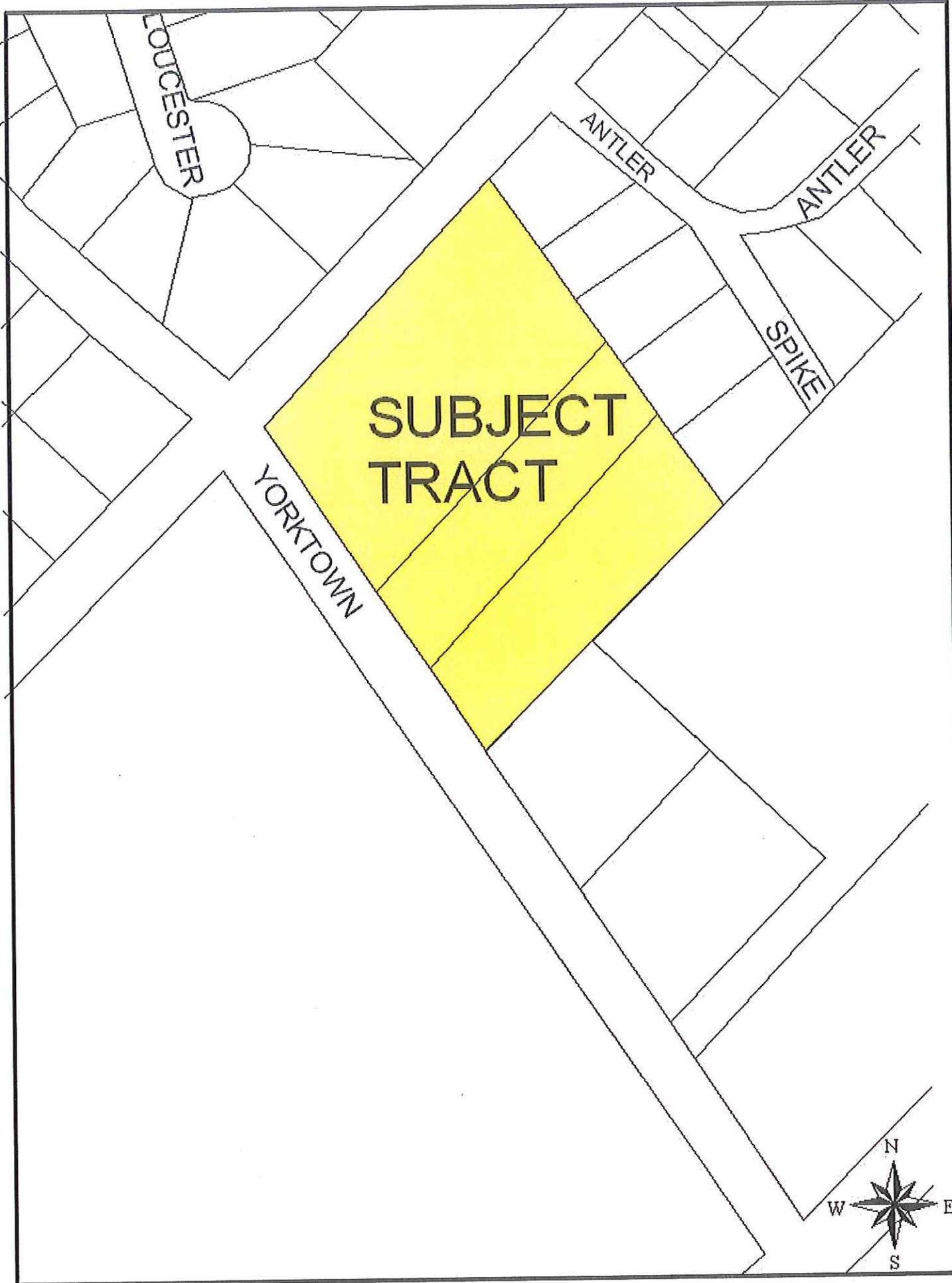
- December 14, 2010 – Public hearing before the City Council and consideration of an ordinance for a zoning change on first reading.
- January 11, 2011 – Second an final reading of an ordinance for a zoning change from PDD to GTW.

The attached ordinance completes the zoning change for the property described above.

Council held the required public hearing on the request at their December 14, 2010 meeting and approved the ordinance on first reading.

RECOMMENDED ACTION

Approve ordinance on second reading.



CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2011-__

AN ORDINANCE REPEALING ORDINANCE NO. 2002-04 WHICH CREATED A "PLANNED DEVELOPMENT DISTRICT" ON AN APPROXIMATELY 2.99 ACRE TRACT OF LAND GENERALLY LOCATED AT THE SOUTHEAST CORNER OF THE INTERSECTION OF YORKTOWN BOULEVARD AND STADIUM DRIVE, FOR INDOOR SPORTS, RECREATION, AND PHYSICAL FITNESS ACTIVITIES AND OTHER USES GENERALLY ASSOCIATED WITH A COMMUNITY CENTER; CHANGING THE ZONING CLASSIFICATION FOR SAID TRACT FROM THE PLANNED DEVELOPMENT DISTRICT TO THE GATEWAY DISTRICT; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; AND ORDERING PUBLICATION

WHEREAS, City Council on March 26, 2002, adopted Ordinance No. 2002-04, which created a Planned Development District for a tract of land generally located at the southeast corner of the intersection of Yorktown Boulevard and Stadium Driver, within the City of Kerrville; and

WHEREAS, Ordinance No. 2002-04 authorized said property to be developed and used for indoor sports, recreation, and physical fitness and other uses generally associated with a community center; and

WHEREAS, the property was never developed for any of the above-referenced uses; and

WHEREAS, the owner of the property now seeks to develop and use the property for uses that are allowed within the Gateway District; and

WHEREAS, pursuant to an application from the owner of the property for the proposed change in use, City staff recommends repealing Ordinance No. 2002-04, which will terminate the previously created Planned Development District for the property, and which will change the zoning classification for the property to the Gateway District; and

WHEREAS, the City Council of the City of Kerrville, Texas, has determined it is in the public interest to repeal Ordinance No. 2002-04, which created a Planned Development District for the property described above, and to change the zoning classification for the property to the Gateway District;

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

SECTION ONE. Based upon the recitals set forth above, Ordinance No. 2002-04 is repealed.

SECTION TWO. The zoning classification of the below described property is changed from a Planned Development District to the Gateway District:

A 2.997 acre or 130,535 square feet more or less, tract of land being Lot 23, of the G.N. Free Subdivision recorded in Volume 1, Page 90 of the Plat

Records of Kerr County, Texas, and described in a Warranty Deed recorded in Volume 90, Page 544 of the Deed Records of Kerr County, Texas, and in Cause No. 6639 recorded in Volume 1067, Pages 0002-0009, of the Official Public Records of Real Property of Kerr County, Texas, and that 0.75 acre tract described in a Warranty Deed recorded in Volume 767, Pages 658-660 of the Official Public Records of Real Property of Kerr County, Texas, and that 0.75 acre tract recorded in a Warranty Deed with Vendor's Lien recorded in Volume 947, Pages 258-288 of the Official Public Records of Real Property of Kerr County, Texas, out of the John C. Hays Survey No. 117, Abstract 182, and the B.F. Cage Survey No. 116, Abstract 106, in the City of Kerrville, Kerr County, Texas. Said 2.997 acre tract being more fully described in **Exhibit A**.

SECTION THREE. The provisions of this Ordinance are to be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent with or in conflict with any of the provisions of this Ordinance are hereby expressly repealed to the extent of any such inconsistency or conflict.

SECTION FOUR. If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this ordinance. The Council of the City of Kerrville hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION FIVE. The penalty for violation of this Ordinance shall be in accordance with the general penalty provisions contained in Article 1-I-9 of the Code of Ordinances of the City of Kerrville, Texas, which provides for a fine not exceeding TWO THOUSAND DOLLARS (\$2,000.00).

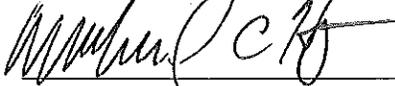
SECTION SIX. In accordance with Section 3.07 of the City Charter and Texas Local Government Code §52.013(a), the City Secretary is authorized and directed to publish the descriptive caption of this Ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

PASSED AND APPROVED ON FIRST READING, this the 14th day of December, 2010.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the ___ day of _____, 2011.

David Wampler, Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Brenda G. Craig, City Secretary

EXHIBIT A

BEGINNING at a set ½" iron rod with a yellow cap marked "Pape-Dawson" in the intersection of the northeast right-of-way line of Yorktown Boulevard, a 50-foot right-of-way and the southeast right-of-way line of Stadium Drive a 70-foot right-of-way at the west corner of this tract;

THENCE: N 45°09'18"E, bearings based on true north from GPS observations, along with the southwest right-of-way line of Stadium Drive, a distance of 340.74 feet, N 45°00'00"E, 340.8 feet by plat, to a found ½" iron rod with cap marked Voelkel, at the north corner of this tract and the west corner of Lot 5 of the Antler Heights Subdivision recorded in Volume 2, Page 81 of the Plat Records of Kerr County, Texas;

THENCE: S 33°54'39"E, departing the southeast right-of-way line of Stadium Drive, along and with the southwest line of Antler Heights Subdivision, a distance of 193.53 feet, S 33°49'00"E, 194.8 feet by plat, to a found ½" iron rod at the east corner of said Lot 23 and the north corner of the aforementioned 0.75 acre tract recorded in Volume 947, Pages 285-288 of the Official Public Records of Real Property of Kerr County, Texas;

THENCE: S 33°43'38"E, continuing along and with the southwest line of the Antler Heights Subdivision, passing at 98.00 feet the common corner of the aforementioned 0.75 acre tracts, and continuing for a total distance of 196.17 feet, S 33°30'00"E, 196.0 feet by deeds, to a found ½" iron rod at the east corner of this tract and the south corner of Lot 1 of the Antler Heights Subdivision, said iron rod also lying on the northwest line of Lot 4 of Langtry Addition recorded in Volume 6, Page 159 of the Plat Records of Kerr County, Texas;

THENCE: S 44°55'46"W, departing the southwest line Antler Heights Subdivision, along and with the northwest line of Langtry Addition, a distance of 341.00 feet, S 45°00'00"W, 340.8 feet by deed, to a found ½" iron rod in the northeast right-of-way line of Yorktown Boulevard at the south corner of this tract;

THENCE: N 33°41'06"W, along and with the northeast right-of-way line of Yorktown Boulevard, passing at 98.00 feet the common corner of the aforementioned 0.75 acre tracts, and continuing for a total distance of 195.11 feet, N 33°30'00"W, 196.0 feet by deeds, to a found ½" iron rod at the south corner of said Lot 23;

THENCE: N 33°57'05"W, along and with the northeast right-of-way line

of Yorktown Boulevard, a distance of 195.96 feet, N 33°51'00"W, 196.0 feet by plat to the POINT OF BEGINNING and containing 2.997 acres of land in the City of Kerrville, Kerr County, Texas.

Agenda Item:
(Staff)

- 4A. A resolution granting a Conditional Use Permit for an approximate 1.50 acre tract of land, being Lot 23 of the G.N. Free Addition, a subdivision within the City of Kerrville, Kerr County, Texas, generally located at the southeast corner of the intersection of Yorktown Boulevard and Stadium Drive, and located within the gateway district; by permitting said property to be used for a vehicle maintenance and repair facility; and making said permit subject to certain conditions and restrictions.

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

SUBJECT: Resolution, Conditional Use Permit (CUP) Request – Consider a resolution for a CUP for vehicle maintenance and repair on an approximately 1.5 acre tract located at the northeast corner of the Yorktown Blvd and Stadium Drive intersection.

FOR AGENDA OF: January 11, 2011 **DATE SUBMITTED:** December 30, 2010

SUBMITTED BY: Gordon Browning *GB* **CLEARANCES:** Kevin Coleman *KMC*

EXHIBITS: Location map, Resolution *KD*

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *[Signature]*

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

PAYMENT TO BE MADE TO:

APPROVED FOR SUBMITTAL BY DIRECTOR OF ADMINISTRATIVE SERVICES:

SUMMARY STATEMENT

Project Timeline:

- March 26, 2002 – Subject tract is zoned PDD, No. 2002-04, for a community center.
- October 18, 2010 – Application for a zoning change and CUP is accepted for review by the City.
- November 3, 2010 – Development Review Committee (DRC) review process completed.
- November 4, 2010 – Notice of the required public hearings published in The Kerrville Daily Times and mailed to property owners within 200-feet of the subject tract.
- November 12, 2010 – Staff comments with draft ordinance and resolution to applicant.
- November 18, 2010 – Public hearing before the Planning and Zoning Commission (P&Z) and consideration of a recommendation to the City Council.

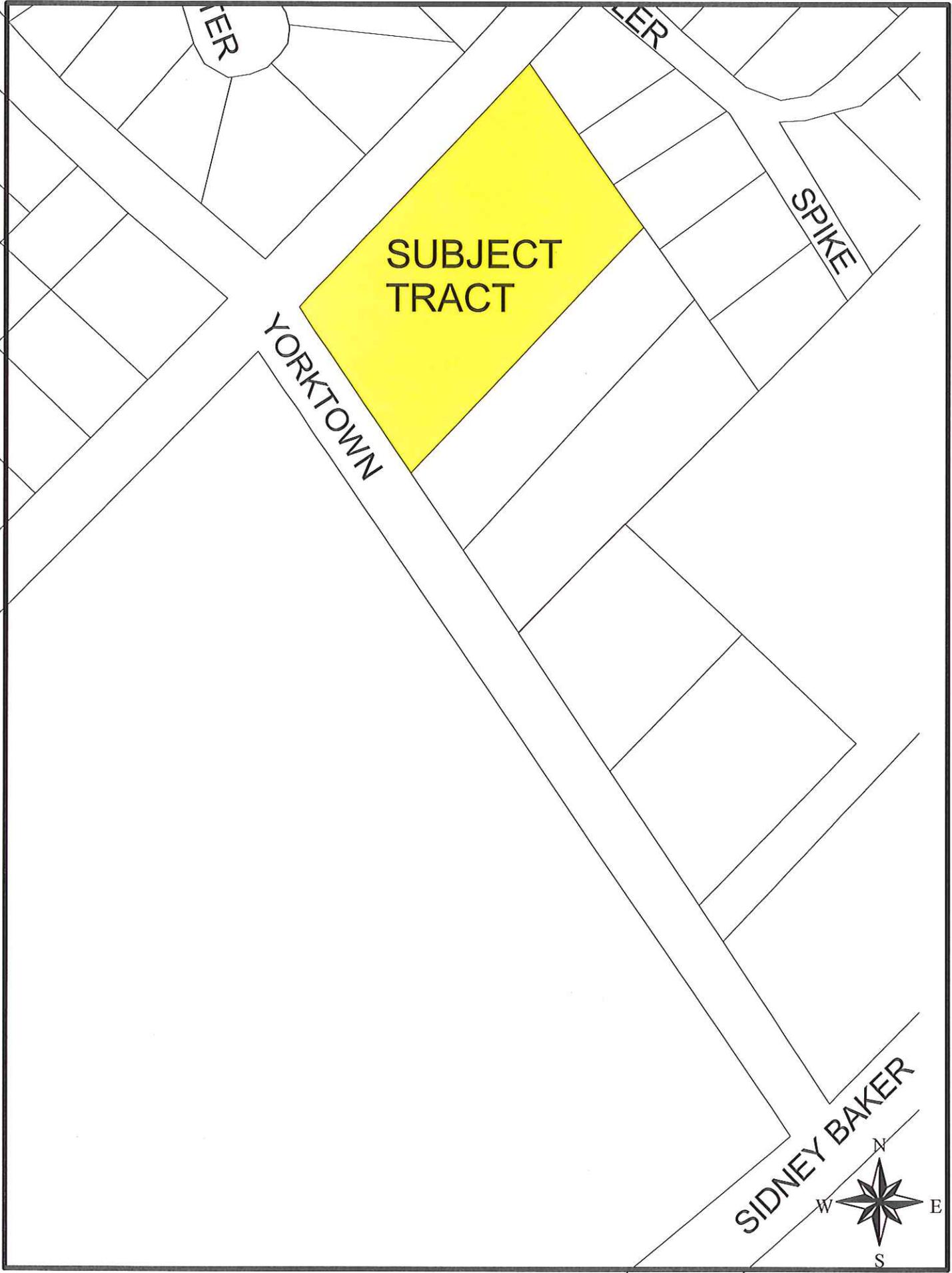
- December 14, 2010 – Public hearing before the City Council and consideration of an ordinance for a zoning change on first reading.
- January 11, 2011 – Consideration of a resolution regarding the requested CUP.

The attached resolution completes the CUP process for the property described above.

All required public hearings have been held per state and local codes.

RECOMMENDED ACTION

Approve the resolution as submitted.



LER

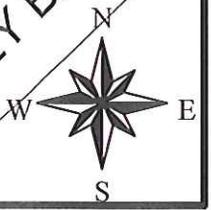
LER

SPIKE

SUBJECT TRACT

YORKTOWN

SIDNEY BAKER



**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. ___-2010**

A RESOLUTION GRANTING A CONDITIONAL USE PERMIT FOR AN APPROXIMATE 1.50 ACRE TRACT OF LAND, BEING LOT 23 OF THE G.N. FREE ADDITION, A SUBDIVISION WITHIN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS, GENERALLY LOCATED AT THE SOUTHEAST CORNER OF THE INTERSECTION OF YORKTOWN BOULEVARD AND STADIUM DRIVE, AND LOCATED WITHIN THE GATEWAY DISTRICT; BY PERMITTING SAID PROPERTY TO BE USED FOR A VEHICLE MAINTENANCE AND REPAIR FACILITY; AND MAKING SAID PERMIT SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS

WHEREAS, the City Planning and Zoning Commission and the City Council of the City of Kerrville, Texas, in compliance with the City Charter and state law with reference to the granting of conditional use permits under Title 11, Chapter I of the Code of Ordinances of the City of Kerrville, Texas, and the official zoning map adopted thereby, having given the requisite notices by United States mail, publication and otherwise; and after holding due hearings and affording a full and fair hearing to all of the property owners generally, and particularly to those interested persons situated in the affected area and in the vicinity thereof, the City Council of the City of Kerrville, Texas, finds that the health, safety and general welfare will be best served by the granting of a Conditional Use Permit, set out hereinafter, subject to the special conditions and restrictions set out hereinafter on the property described in Section One hereof;

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

SECTION ONE. A Conditional Use Permit is granted to permit the property described below to be used for a Vehicle Maintenance and Repair Facility, as currently defined in Article 11-I-3 of the Code of Ordinances of the City of Kerrville, Texas, subject to the provisions of this Resolution and other applicable City ordinances and regulations:

An approximate 1.50 acre tract of land comprising, approximately, 0.06 acres out of the B. F. Cage Survey No. 116, Abstract No. 106 and 1.44 acres out of the John C. Hays Survey No. 117, Abstract No. 182, in the City of Kerrville, Kerr County, Texas; all of Lot 23 of the G. N. Free Addition, in the City of Kerrville, the plat of which is recorded in Volume 1, Page 90 of the plat records of Kerr County, Texas and being more particularly described in Exhibit A, referred to herein as the "Property".

SECTION TWO. In addition to the use and development regulations currently applicable to the Property, the Property may be used and developed for a Vehicle Maintenance and Repair Facility and shall be subject to the following additional regulations:

- A. **Concept Plan and Elevation:** The development of the Property shall conform substantially with the site plan and elevations, which may be found in **Exhibit B**, as attached.
- B. **Development Site Plan:** Prior to the City's acceptance or permitting of any civil construction or building plans, a Development Site Plan shall be submitted to the City pursuant to City regulations.
- C. **Platting:** The development of the Property shall be subject to the City's subdivision regulations, which includes submittal and approval of a plat of the Property.
- D. **Vehicle Maintenance and Repair:** All vehicle maintenance and repair shall be performed entirely within the interior of a building. No vehicle parts or supplies, including tires, body parts, or petroleum products shall be kept or stored on the exterior of any building. Vehicles waiting for repair shall be located in a secure area on-site. No off-site or on street parking or storage is permitted.
- E. **Signs:** The design, installation, location, operation and maintenance of signs shall comply with the City's ordinances regulating signs existing at the time of installation. Signs shall be limited to wall signage and one (1) free-standing monument sign adjacent to Yorktown Boulevard, which shall not exceed eight feet (8.0') in height above the adjacent street grade and thirty-six (36) square feet of sign face per side.
- F. **Exterior Lighting:** Any exterior lighting shall be located, shielded, and aimed in such a manner so as not to allow light to directly fall onto adjacent properties or streets.
- G. **Parking:** The design and number of parking spaces shall be in accordance with the City's regulations in effect at the time building permits are submitted to the City. All required parking spaces shall be constructed of asphalt or concrete and shall be marked and kept available for customers and employees.
- H. **Screening:** Screening shall be required in accordance with City regulations in effect at the time individual building permits are submitted to the City.
- I. **Visibility Triangles:** Visibility triangles shall be established and maintained pursuant to existing City regulations for the entrance to the Property from any street.
- J. **Outdoor Storage:** The outdoor storage of vehicles and materials shall be within a fenced area and at no time be located closer to the street than the face of any building.
- K. **Trash and Other Solid Waste:** Solid waste collection bins and dumpsters shall be equipped with lids and screened with a gate with an opaque screen on one side and finished to look substantially like the adjacent building(s) on the remaining three sides. No solid waste collection bin and/or dumpster shall be located closer to the street than the face of the main building.

L. **Landscaping Regulations:** Landscaping shall be installed in accordance with the following:

1. Plant materials planted on the property shall be from the list of recommended plants set forth in the most recent edition of Recommended Plants for the Kerrville Area published by the City at the time of planting.
2. All landscaping shall be maintained in a healthy, growing condition.

M. **Sidewalks:** The construction of sidewalks shall be required and constructed in accordance with City regulations in effect at the time building permits are submitted.

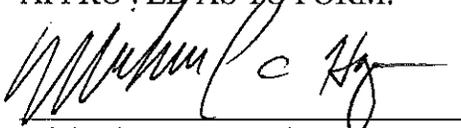
N. **Other Zoning Regulations:** The regulations set forth in this Resolution are in addition to those set forth in Title 11, Chapter I of the Code of Ordinances of the City of Kerrville, as amended or superseded. In the event of any irreconcilable conflict between this Resolution and the regulations set forth in Title 11, Chapter I of the Code of Ordinances of the City of Kerrville, as amended or superseded, the provisions of this Resolution shall prevail.

SECTION THREE. This Resolution and the Conditional Use Permit granted herein shall be subject to termination in accordance with Article 11-I-13 of the Code of Ordinances of the City of Kerrville, Texas.

PASSED AND APPROVED ON this the _____ day of _____ A.D., 2010.

David Wampler, Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Brenda G. Craig, City Secretary

FIELD NOTES DESCRIPTION FOR LOT NO. 23 OF THE
G. N. FREE ADDITION TO THE CITY OF KERRVILLE,
KERR COUNTY, TEXAS

Being all of a certain lot, tract or parcel of land comprising, approximately, 0.06 acre out of B. F. Cage Survey No. 116, Abstract No. 106, and 1.44 acres out of John C. Hays Survey No. 117, Abstract No. 182, in the City of Kerrville, Kerr County, Texas; all of Lot No. 23 of the G. N. Free Addition to the City of Kerrville, the plat of which is recorded in Volume 1 at Page 90 of the Plat Records of Kerr County, Texas; and being more particularly described by metes and bounds as follows (record calls shown in parentheses):

BEGINNING at a 1/2" iron stake found at a fence cornerpost in the northeast line of Yorktown Boulevard, a public street, for the south corner of the herein described tract and said Lot No. 23, the west corner of 0.75 acre conveyed to Mike Coffee, et ux, from Marcus W. Kunz, et ux, by a Warranty Deed with Vendor's Lien executed the 16th day of April, 1998 and recorded in Volume 947 at Page 285 of the Real Property Records of Kerr County, Texas;

THENCE, with the southwest line of said Lot No. 23, the northeast right-of-way line of said Yorktown Boulevard, N.33°57'05"W., along a fence, at 164.5 ft. passing an anglepost, then continuing not along a fence, crossing a drainage ditch, for a total distance of 195.96 ft. (N.33°51'W. 196 ft.) to a 1/2" iron stake set for the west corner of the herein described tract and said Lot No. 23 at the intersection with the southeast right-of-way line of Stadium Drive, a public street;

THENCE, with the northwest line of said Lot No. 23, the southeast right-of-way line of said Stadium Drive, N.45°09'18"E., crossing said drainage ditch, at 34.8 ft. passing a fence anglepost, then continuing along a fence for a total distance of 340.74 ft. (N.45°E. 340.8 ft.) to a 1/2" iron stake set at a three-way fence cornerpost for the north corner of the herein described tract and said Lot No. 23, the west corner of Lot No. 5 of Antler Heights, a subdivision of record in Volume 2 at Page 81 of the Plat Records of Kerr County, Texas;

THENCE, along a fence with the common line between said Lot No. 23 and said Antler Heights, S.33°54'39"E. 193.53 ft. (S.33°49'E. 194.8 ft.) to a 1/2" iron stake found at a three-way cornerpost for the east corner of the herein described tract and said Lot No. 23, the north corner of said 0.75 acre;

THENCE, along a fence with the common line between said Lot No. 23 and said 0.75 acre, S.44°44'58"W. 341.07 ft. (S.45°W. 340.8 ft.) to the PLACE OF BEGINNING containing 1.50 acres of land, more or less, within these metes and bounds.

I hereby certify that these field notes and accompanying plat are accurate descriptions of the property contained therein as determined by a survey made on the ground under my direction and supervision, and that all property corners are marked as stated. (Bearing basis = true north based on GPS observations)

Date Surveyed: May 18 & June 5, 2001

Dated this 6th day of June, 2001



Don W. Voelkel
Registered Professional Land Surveyor No. 3990

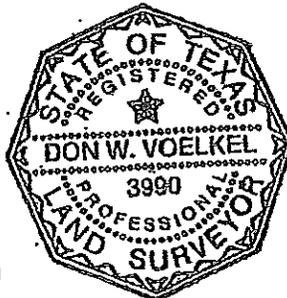


EXHIBIT A

Agenda Item:
(Staff)

- 4B. Plans and preparations for a 2011 Fourth of July celebration.

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

SUBJECT: 2011 4th of July Celebration Plan Presentation

FOR AGENDA OF: January 11, 2011 **DATE SUBMITTED:** December 23, 2010

SUBMITTED BY: Mindy N. Wendele ^{MW}
Director of Business Programs

CLEARANCES: Todd Parton
City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

The 4th of July committee has been meeting since September 2010 to discuss the 2011 4th of July event concerning partnerships, activities, scheduling and logistics. During the October 26, 2010 city council meeting, staff presented a plan for the annual event including an activity location map and a volunteer commitment list. The council also received an update on the entertainment cultivation efforts currently underway by the committee.

A January 1 deadline was set for the committee to have financial commitments for the event. Staff will present a budget to accompany the activities planned.

RECOMMENDED ACTION

Support recommended actions and approve plan.

Agenda Item:
(Crenwelge Motors)

- 4C. Abandonment of a portion of Rodriguez Street between SH27 and Water Street and a portion of the alley.

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

SUBJECT OF REQUEST: We request council to review and make motion on preliminary approval of the abandonment of a portion of Rodriguez Street between Highway 27 and Water Street, and a portion of alley, all adjacent to Crenwelge Motors.

AGENDA DATE: 01-11-2011

DATE SUBMITTED: 01-04-2011

REQUESTED/SUBMITTED BY: Crenwelge Motors
ORGANIZATION REPRESENTING: MatkinHoover Engr. PHONE: 830-249-0600
MAILING ADDRESS: 8 Spencer Road #100
Boerne TX 78006

EMAIL ADDRESS: jcarroll@matkinhoover.com

EXHIBITS/INFORMATION: Attached appraisal and traffic study

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

WILL THIS ITEM REQUIRE CITY COUNCIL TO AUTHORIZE THE EXPENDITURE OF CITY FUNDS? YES: _____ NO: _____

IF YES, STATE AMOUNT REQUESTED: \$ _____

DESCRIPTION OF REQUEST

Landowner adjacent to Rodriguez Street and alleys has previously requested abandonment of public right-of-way and alleys. Land owner has submitted conceptual plans, traffic study, survey and appraisal as requested by Council and would like to receive preliminary approval of the abandonment from Council.

RECOMMENDED COUNCIL ACTION

Recommend for preliminary approval of abandonment of Rodriguez Street and adjacent alleys based upon approval of the conceptual plans, survey and appraisal as submitted by adjacent land owner. Recommendation for City Staff to further coordinate with owner such that final approval can occur upon submission of subdivision plat and utility/drainage relocations plans.

A CONCEPT PLAN OF CRENWELGE MOTORS

NOTES:
 1. THE PROPERTY IS LOCATED WITHIN FEMA FLOOD ZONE X. AREAS DETERMINED TO BE OUTSIDE THE 500-YEAR FLOOD PLAN PER FEMA FORM NO. 482630010E, DATED JULY 19, 2000.
 2. THE PROPERTY IS BEING SUBMITTED FOR CONSIDERATION FOR ZONING REVISIONS OR STRUCTURES WITHIN TWO (2) FEET OF THE PROPERTY BOUNDARY.
 3. THE BEARINGS FOR THIS PLAN ARE BASED ON PUBLISHED CITY SURVEY DATA.
 4. A DRAINAGE STUDY CONFORMING TO THE APPLICABLE DRAINAGE ORDINANCES SHALL BE SUBMITTED TO, AND APPROVED BY, THE CITY ENGINEER AND THE COUNTY ENGINEER FOR ALL LOTS IN THIS SUBDIVISION DRAINAGE IMPROVEMENTS WHICH ACCURATELY ADDRESS THE FINDINGS OF THE STUDY, SHALL BE MADE PART OF THE BUILDING PERMIT APPLICATION. DEVELOPMENT SHALL BE CONDUCTED CONCURRENTLY WITH THE DEVELOPMENT SITE PLAN.

The fully developed, concentrated storm water runoff resulting from the one hundred (100) year frequency storm is contained within the drainage easements shown only for public rights-of-way delineated by this plat.



Dated this _____ day of _____, 2010
 TERRY L. COOPER, P.E.
 Professional Engineer, No. 92623

In accordance with Art. 10-1a-2 of the Code of Ordinances of the City of Kerrville, Texas, and in consideration of the approval of the Kerrville City Council, Block 1, Lot 1, the Salvation Army does hereby advise that this plat is being submitted to the City of Kerrville, Texas, for approval of the surface of any portion of existing streets and alleys to conform to the grades established in the above named subdivision.

The Salvation Army, Owner
 By: _____

I hereby certify that this plat conforms to the minimum subdivision regulations for the City of Kerrville, Texas, and according to the Surveying according to an actual survey made on the ground.



Dated this _____ day of _____, 2010
 WES REMROBE
 Registered Professional Land Surveyor No. 6001

I hereby certify that streets, utilities, and other improvements shown on this plat conform to the minimum standards and according to the City of Kerrville standard specifications.

City Engineer or Acting Agent
 By: _____

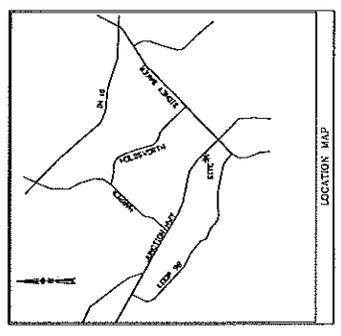
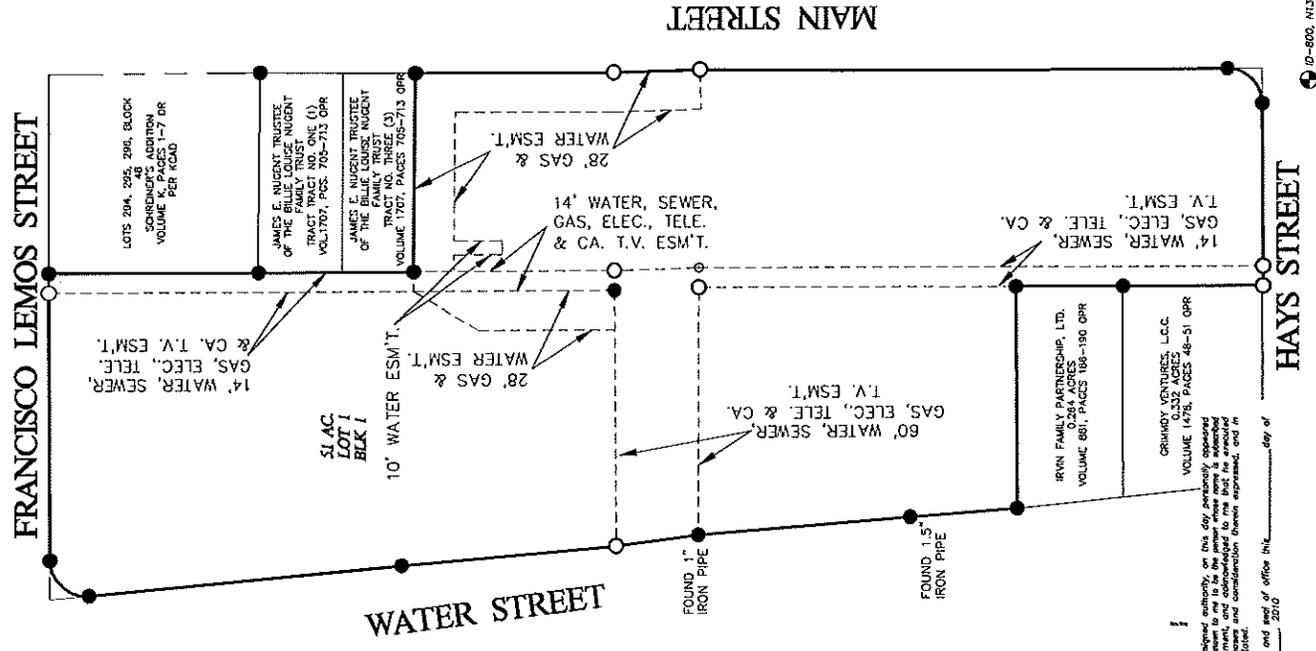
I hereby certify that this subdivision plat has been found to comply with the subdivision regulations for Kerrville, Texas, with the exception of such variances, if any, as are noted in the minutes of the City Planning Commission meeting held on _____, 2010, at the office of the City Clerk.

Dated this _____ day of _____, 2010
 Christopher
 City of Kerrville Planning & Zoning Commission

STATE OF TEXAS
 COUNTY OF KERR
 Know All Men By These Presents:
 Crenwelge Motors, Owner
 By: _____

Witness my hand this _____ day of _____, 2010

Crenwelge Motors, Owner
 By: _____



- LEGEND**
- FOUND 1/2" IRON ROD (UNLESS OTHERWISE SPECIFIED)
 - SET CONCRETE NAIL
 - ⊙ 1/2" IRON ROD WITH A RED MATKIN-HOOVER ENG. & SURVEY PLASTIC CAP
 - ⊙ CALCULATED POINT
 - DR DEED RECORDS
 - OPR OFFICIAL PUBLIC RECORDS
 - KCAD KERR COUNTY APPRAISAL DISTRICT RECORD PER VOLUME 1478, PAGES 48-51 OPR
 - RECORD PER VOLUME 1622, PAGES 515-527 OPR
 - []

I hereby certify that this plat meets with the approval of Kerrville Telephone Company regarding utilities.
 Dated this _____ day of _____, 2010
 Authorized Representative
 Windstream Communications

I hereby certify that this plat meets with the approval of Kerrville Public Utility Board regarding utilities.
 Dated this _____ day of _____, 2010
 Authorized Representative
 Kerrville Public Utility Board

I hereby certify that this plat meets with the approval of Time Warner Cable regarding utilities.
 Dated this _____ day of _____, 2010
 Authorized Representative
 Time Warner Cable

FILED for record on the _____ day of _____, 2010
 at _____, Texas.
 RECORDED on the _____ day of _____, 2010 at _____
 O'clock _____ M. in Volume _____ of
 the Past Records of Kerr County, Texas
 Jonathan Pappert, Kerr County Clerk

MATKIN-HOOVER
 ENGINEERING
 & SURVEYING
 1000 N. W. 10th Street
 P.O. Box 1000
 Kerrville, Texas 78001
 PHONE: 361-2222
 FAX: 361-2222
 WWW: www.mh-engineers.com

ID-600, N13043687/639 E1923966.631, ELEV-1796.79
 ID-900, N13900776.545 E1921695.371, ELEV-1627.53

2: \Projects\2717\2717 - Crenwelge Motors\2717-001-Conceptual Site Plan-1011.dwg
 Date: June 03, 2011 4:43 pm User: B. Hoover



JOB NO.	2411.00
DATE	5/25/10
DESIGNED	TJM
CHECKED	JDC
SHEET	01.0

**CONCEPTUAL SITE PLAN
 FOR
 CRENWELGE MOTORS
 KERRVILLE, TEXAS**

MATKINHOOVER
 ENGINEERING & SURVEYING

FOR EACH PROJECT AND YEAR WE ARE LICENSED TO PROVIDE PROFESSIONAL ENGINEERING AND SURVEYING SERVICES TO CLIENTS THROUGHOUT TEXAS. WE ARE LICENSED UNDER THE TEXAS PROFESSIONAL ENGINEERING AND SURVEYING ACT. LICENSE NO. 36828 FOR ENGINEERING AND 36829 FOR SURVEYING. REGISTERED PROFESSIONAL ENGINEER, LICENSE NO. 36828, REGISTERED PROFESSIONAL SURVEYOR, LICENSE NO. 36829. DATE: JAN. 03, 2011

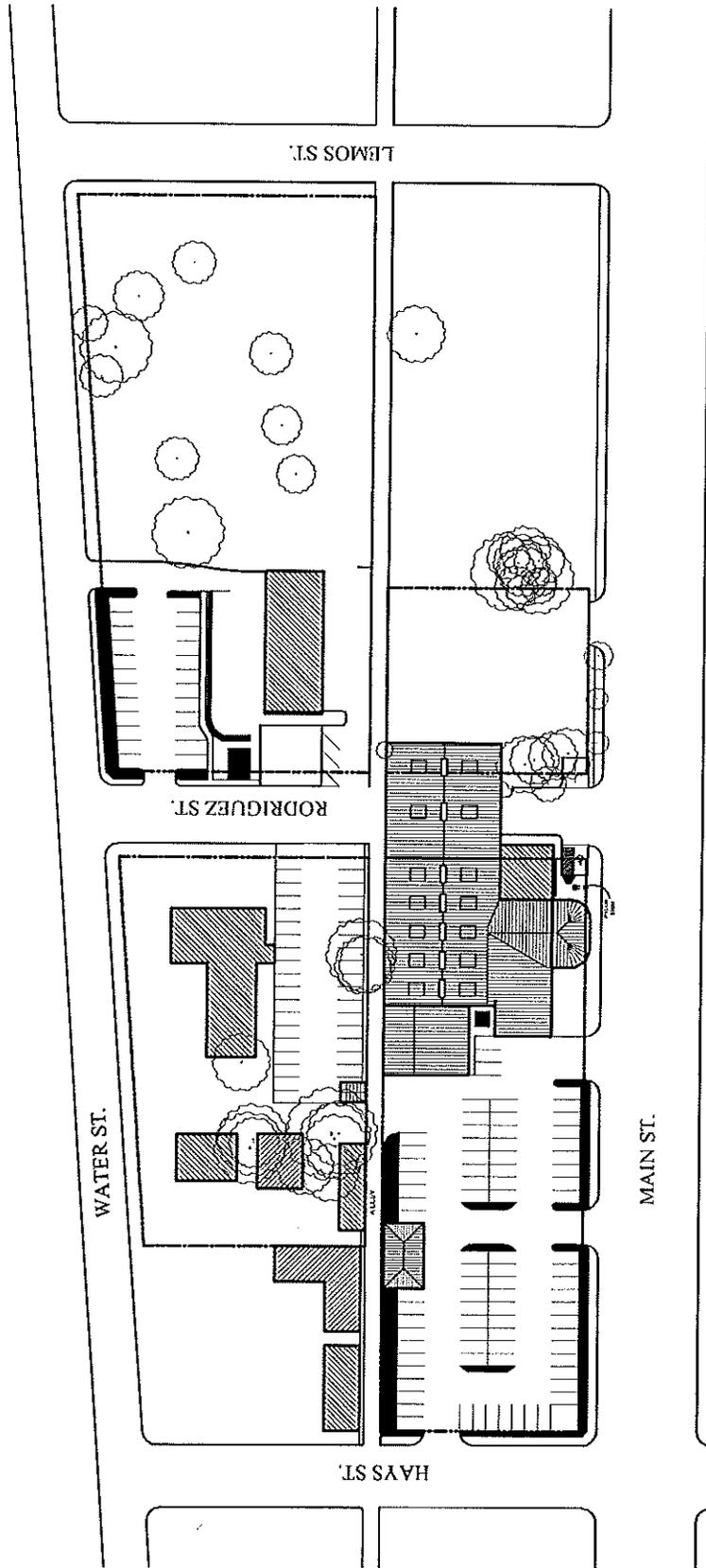
This document is prepared for the client and is not to be used for any other purpose without the written consent of Matkin Hoover Engineering & Surveying, Inc. Date: JAN. 03, 2011

project name:
CRENWELGE
 CHRYSLER/DODGE
 JEEP, RAM
 301. MAIN ST.
 KERRVILLE, TEXAS
 dealer code: 66480

sheet title:
 PROPOSED
 SITE PLAN
 date: 01-07-11


Douglas • Pye
 5125 WOODWAY DR.
 SUITE 4705D
 HOUSTON, TEXAS 77056
 TEL: (713) 763.5900
 FAX: (713) 763.5006
 www.cdi-douglas-pye.com

sheet number: A-1
 project number: 1020.20



SITE -- PROPOSED



0' 40' 80' 160'

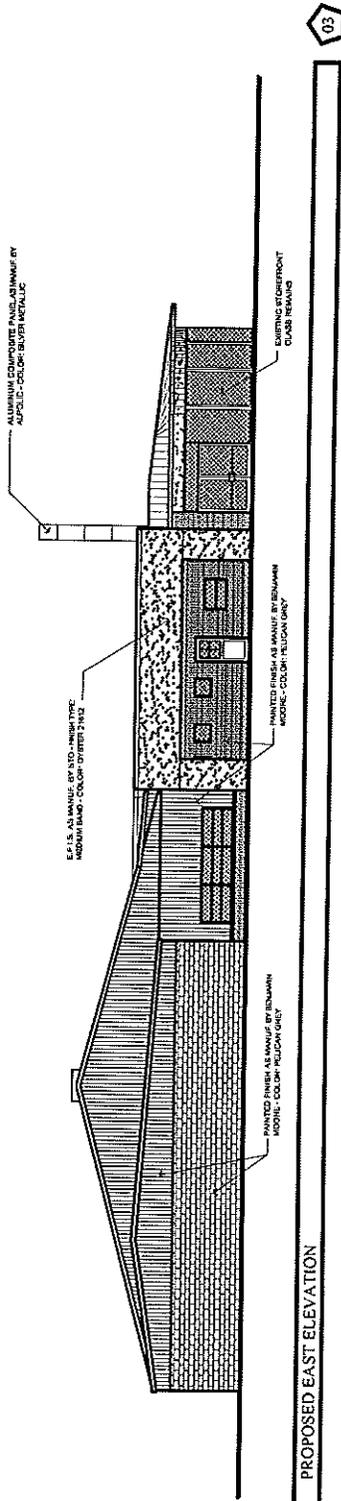


NORTH

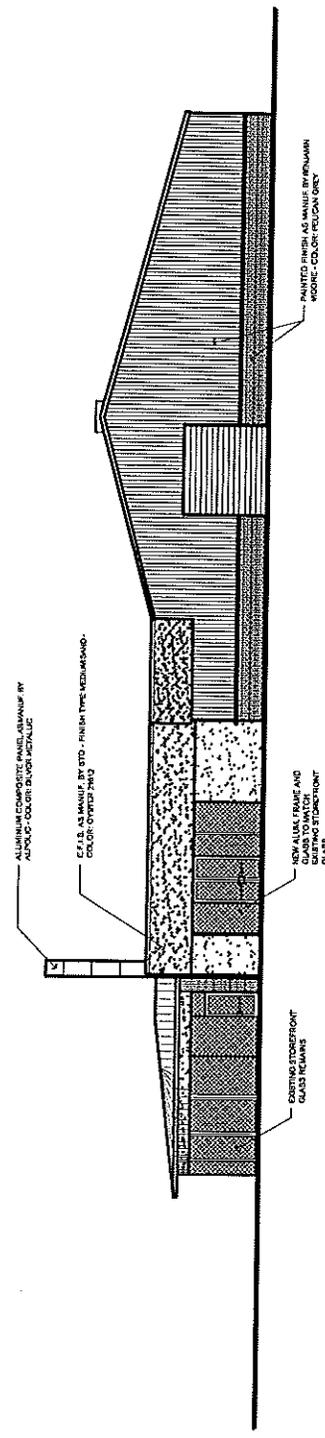
project name:
CRENWELGE
 CHRYSLER/DODGE
 JEEP - RAM
 301 MAIN ST.
 KERRVILLE, TEXAS
 dealer code :
 66490
 sheet size :
**PROPOSED
 ELEVATIONS**
 date :
 01 - 07 - 11


Douglas • Pye
 5100 W. LOOP W. OR
 SUITE 4000
 HOUSTON, TEXAS 77056
 TEL: (713) 783.5900
 FAX: (713) 783.8985
 www.cd Douglas-pye.com

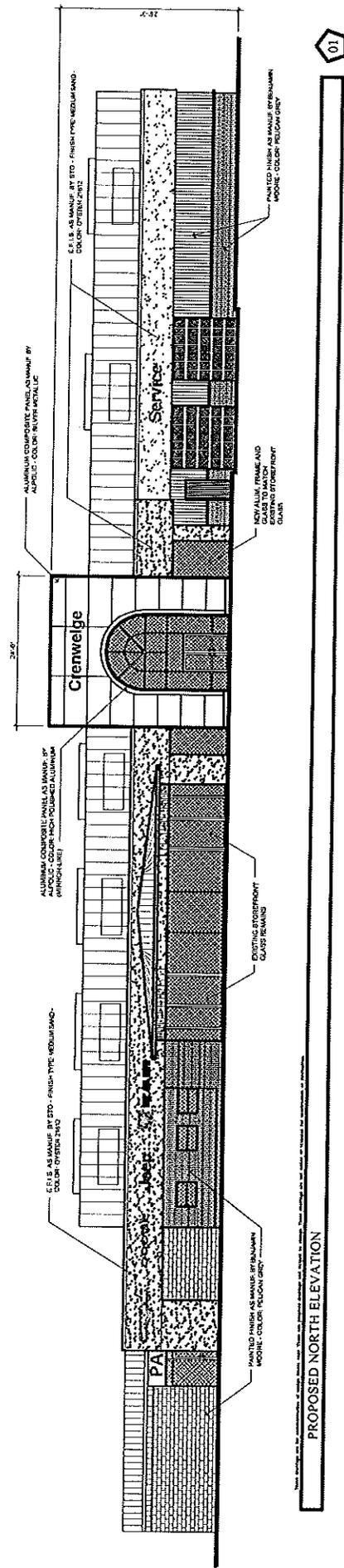
sheet number :
 A-3 project number :
 1020_20



PROPOSED EAST ELEVATION



PROPOSED WEST ELEVATION



PROPOSED NORTH WEST ELEVATION

THESE DRAWINGS ARE THE PROPERTY OF DOUGLAS-PYE ARCHITECTS, P.C. AND ARE TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREON. ANY REUSE OR MODIFICATION OF THESE DRAWINGS WITHOUT THE WRITTEN CONSENT OF DOUGLAS-PYE ARCHITECTS, P.C. IS STRICTLY PROHIBITED.

**SUMMARY REPORT
OF
CITY OF KERRVILLE PROPERTY
0.716 ACRES OF STREET AND ALLEYS
BLOCKS 46 & 47; SCHREINER'S ADDITION
KERRVILLE, KERR COUNTY, TEXAS**

**PREPARED FOR:
Mayor David Wampler and the Kerrville City Council
City of Kerrville
800 Junction Highway
Kerrville, Texas 78028**

AS OF:

12/08/2010

**PREPARED BY:
T. BECK GIPSON, SRA, SRPA
GIPSON REAL ESTATE SERVICES, LLC
P.O. BOX 291754
KERRVILLE, TEXAS 78029**

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ADDENDA:
CERTIFICATION
QUALIFICATIONS OF THE APPRAISER
PHOTOGRAPHS
EXHIBITS

GIPSON REAL ESTATE SERVICES, LLC

P.O. BOX 291754
KERRVILLE, TX 78029-1754
(830) 896-4106
FAX# (830) 257-4166

December 9, 2010

Mayor David Wampler; City Council
City of Kerrville
800 Junction Highway
Kerrville, Texas 78028

**RE: Summary Appraisal Report of City of Kerrville Property
0.716 Acres of Land, including Rodriguez Street, in Blocks 46 and 47; Schreiner's Addition to the
City of Kerrville.**

Attention: Mayor Wampler and Kerrville City Council

I have made a personal inspection of the referenced property for the purpose of estimating the Market Value of the unencumbered fee simple interest. The definition of Market Value is presented later in this report. The value stated in this letter transmittal is subject to certain Assumptions and Limited Conditions set forth in the report and attached in the Addenda. Furthermore, this letter does not in itself constitute an appraisal but merely serves to transmit the appraisal report that follows. The inspection and all portions of this report have been performed by your appraiser with no significant outside assistance.

At the client's request, a Complete Appraisal with A Summary Report is to be completed. A Summary Appraisal Report is a written report prepared under Standards Rule 2-2 (b) under Standards Rule 1 (USPAP), definition section, effective 2010-2011. This report contains summary discussions of the data, reasoning and analysis that were used to develop the opinion of value. It also includes summary descriptions of the subject property, the property's locale, the market for the property type, and the appraiser's opinion of the Highest and Best Use. Any data, reasoning, and analysis not discussed in the appraisal report are retained in the appraiser's work file.

Based on the marketing of the sales contained in this report, the stated Market Value of the referenced property is achievable within a one year period of time if properly priced and marketed. The real estate is appraised as fee simple but subject to the use limitations of the noted utility easements. No personal property is included in this value estimate.

As a result of my investigation and subject to the attached limiting conditions and assumptions, I have formed the opinion that, as of December 8, 2010, the Market Value of the subject property, as described was \$100,000.

Respectfully submitted,



T. BECK GIPSON, SRA, SRPA

E. PREFACE

An appraisal is a type of investigation into the law of probabilities with respect to real estate valuation. Through the appraiser's experience, training, and integrity, he is able to project the past activities of buyers and sellers in the market place into a forecast of real estate value. In reaching a conclusion, comparison of properties often involves adjustments due to the individuality and uniqueness of each property. Transactions including real estate are often influenced by sentiment, bias, specific needs, politics, familiarity, lack of understanding, and other conditions not considered by the impartial appraiser. The appraiser cannot lend credence to these possible factors lest he misrepresents the very reason for his profession.

An appraisal cannot be guaranteed, nor can it be proven. The opinion of value can, however, be substantiated. The final opinion is the result of a thorough professional analysis of a vast quantity of physical and economic data. An appraisal must not be considered absolute but should be used as a basis of negotiation between concerned parties, whatever their interests.

The reader of this report should understand the unique investment environment that typifies the Kerrville community. A majority of "commercial" properties are too small in scale to be true investment grade. The smaller size of the community dictates a minimum number of sales and a general lack of real estate investment sophistication; both in rentals and sales. The community also has a larger than average number of wealthy participants that frequently invest in commercial real estate with financial objectives differing from a more sophisticated metropolitan market such as San Antonio, Austin and others. The resulting information suitable for a real estate value analysis is frequently skewed, misleading and/or imprecise. Logic, reasoning, judgment and balance are frequently exercised by this appraiser (in this sub-market) as an overriding influence to pure data and classic analysis.

With the preceding in mind, the reader's attention is invited to the following report which points out the facts and reasoning leading to the estimate of value.

F. CONTINGENT AND LIMITING CONDITIONS

The legal description and size of the property is based on a survey plat performed by Matkin Hoover Engineering and Surveying. The acreage and dimensions stated in this report are assumed to be correct. No responsibility for matters legal in character is assumed.

The title is good and merchantable. The property is appraised as though free and clear of encumbrances with the exception of utility easements described herein.

The property is appraised on the basis of fee simple title conveyance to the purchaser and full cash payment being received by the seller. It is recognized, however, that the purchaser will likely take advantage of the maximum available financing, and the effects of such financing upon the probable selling price have been considered.

Use of this appraisal is reserved to the named recipient and use of portions excerpted from the complete report is prohibited.

The appraiser is not required to give testimony or attendance in any court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made.

The data contained in this report, and upon which this appraisal is based, was gathered from reliable sources and is believed to be authentic, but no responsibility is assumed for the results of actions by anyone based on such information. All information, comments and conclusions relative to the subject and other properties are the opinion of the appraiser after personal inspection of the properties concerned was made.

A valuation relating to an estate in land that is less than the whole fee simple estate related to a fractional interest plus value of all other fractional interests may or may not equal the value of the entire fee simple estate considered as a whole.

This appraisal was obtained from T. Beck Gipson and consists of trade secrets and commercial or financial information' which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). Please notify T. Beck Gipson of any request of reproduction of this appraisal.

The Appraisal Institute has a recertification program which requires continuing education for recertification; T. Beck Gipson is currently certified in good standing with The Appraisal Institute.

II. FACTUAL DATA

A. INTENDED CLIENT

The intended client is the City of Kerrville, Mayor David Wampler and the Kerrville City Council.

B. PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to develop an opinion of value, as defined in this report, of the fee simple interest in the referenced 0.716 acre tract of unimproved land in the City of Kerrville, Kerr County, Texas as of December 8, 2010.

C. ESTATE APPRAISED

The estate appraised is the undivided fee simple interest in the referenced 0.716 acre tract of unimproved land.

D. FUNCTION OF THE APPRAISAL

The function of the appraisal is to assist the client in value determination for asset management and/or potential contract conveyance.

E. DEFINITIONS

MARKET VALUE*

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

*Title XI of the Financial Institutions, Reform, Recovery Act (FIRREA) of 1989.

FEE SIMPLE

An absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, policy power, and taxation. An inheritable estate.

APPRAISAL

An unbiased estimate of the nature, quality, value, or utility of an interest in, or aspect of, identified real estate and related personality. A defensible estimate of value.

CREDIBLE

Worthy of belief. Credible assignment results require support, by relevant evidence and logic, to the degree necessary for the intended use.

HIGHEST AND BEST USE

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

CONTRIBUTORY VALUE

The concept that the value of a particular component is measured in terms of its contribution to the value of the whole property, or as the amount that its absence would detract from the value of the whole.

FEE SIMPLE ESTATE

The term "Fee Simple Estate" is understood to mean the absolute ownership unencumbered by any other interest or estate; subject to the existing short-term leases and to the limitation of eminent domain, escheat, police power and taxation.

EXPOSURE TIME

The estimate length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time differs from the marketing period in that exposure time is assumed to precede the effective date of the appraisal.

MARKETING TIME

The period of time it might take to sell a property interest in real estate at or near the concluded market value during the period immediately following the effective date of the appraisal. A marketing period is a function of price, time, use and anticipated market conditions.

F. COMPETENCY

Your appraiser has attended numerous professional schools and seminars concerning commercial land and improvements analysis. In addition, your appraiser has performed numerous appraisal of a similar character in the Hill Country region over the past thirty-five years. The awarding of the SRPA (Senior Real Property Appraiser) designation from The Appraisal Institute is in recognition of studies and performance in commercial properties. Your appraiser is considered competent for the assignment without significant outside assistance but he has conferred with professional peers.

G. SCOPE OF WORK

The Scope of Work for this assignment included development of an opinion of value of the subject. The subject property, as appraised, contained no significant improvements or income producing potential. Therefore the Cost and Income Approaches are not applicable and the entire value analysis is based on the Sales Comparison Approach.

The scope of the appraisal assignment included the physical inspection of the subject property (by T. Beck Gipson) and a collection and analysis of numerous competitive sales. Sources used in obtaining sale information included county deed recordings, tax assessment records, real estate sale data published by local Board of Realtor MLS systems, local real estate agents and appraisers. The comparable sales were physically inspected from public right-of-way. Those sales collected that were considered to be most similar to the subject are included in the body of this appraisal report. Those sales collected that were not considered to be directly comparable to the subject, which are not included in this report, were considered valuable as a tool to determine categories of variance and appropriate adjustments. Knowledgeable individuals in the area were interviewed in order to identify local and regional real estate trends and characteristics affecting the property appraised. In addition to the current sales, your appraiser has collected and maintains commercial land sales that have occurred in the "Hill Country" region, specifically Kerrville, since 1975. This database is considered to be part of the information analyzed for this assignment and is valuable in establishing adjustments for variance.

The foregoing information and analysis was organized in order to produce this appraisal report in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

H. EFFECTIVE DATE OF THE APPRAISAL

The effective date of the appraisal is December 8, 2010.

I. DATE OF PROPERTY INSPECTION

T. Beck Gipson last inspected the subject property on December 8, 2010.

J. MARKETING AND EXPOSURE TIME

In compliance with USPAP standards, your appraiser has addressed the estimated marketing time of the subject property at the value stated. Based on the marketing experience of the sales utilized, it is the opinion of the appraiser that if properly priced and professionally marketed, the subject property could achieve the Market Value stated within in a one year period. Exposure time is an estimate of the time a property would be exposed to the market for sale before a sale would occur at the estimate of market value. Based on the location of the property and current demand for competitive property, the subject would have been exposed to the market approximately six to twelve months prior to achieving a sale price at/or near the market value estimate.

K. EXTRAORDINARY ASSUMPTIONS

The subject property is encumbered with numerous utility easements that include underground water lines, sewer lines, gas lines and overhead electrical lines, telephone lines and television cable lines. The description of those facilities and the associated use limitations of those easements has been based on a combination of professional engineers, City of Kerrville staff, KPUB staff, interview with Tim Crenwelge and your appraiser's physical inspection. Neither a professional survey including those easements nor a legal opinion for a title policy has been provided the appraiser for this valuation assignment. In the likely event of subsequent contradictions to the assumptions of this value assignment, your appraiser reserves the right to amend the value estimate.

L. HYPOTHETICAL CONDITIONS

None.

M. AREA ANALYSIS

Kerrville, the county seat of Kerr County, is located on the Guadalupe River and Interstate 10 and is approximately sixty miles northwest of San Antonio and one hundred and ten miles west of Austin, Texas. This area is the center of a geographic region known as the "Hill Country of Texas," located in the south-central section of the State. The "Hill Country" is that central region between arid rangeland to the west, humid and moist climates to the east, barren farming plains to the north and coastal plains to the south. It contains, within a one hundred and fifty mile diameter, a welcome relief of broken topography, abundant surface water and green foliage that is uncommon anywhere else in the State. Kerrville is the economic/retail/professional center of this area. The area has been noted by various researchers (including the Rockefeller Foundation) as having one of the most ideal climates in the United States; the weather is rarely severe, but it does exhibit all four seasons. The climate is generally considered semi-arid. Normal average rainfall is 29.75 inches; the heaviest amounts usually occur in August. Normal temperatures range from a mean minimum of 34 degrees F. in January to a mean maximum of 94 degrees F. in July. Kerr County contains 1,101 square miles and has soils ranging from sandy loam to bottomland alluvial. The predominant soil type in Kerr County has a limestone base. Average county elevation is approximately 1,650'. The spring fed Guadalupe River, flowing eastward through the area, provides recreation and scenic attractions. The Kerrville community is located in the Guadalupe River valley at approximately 1,700' above sea level.

Population:

The City of Kerrville has a population (based on 2000 Census) of 23,000, but residential growth immediately outside the city limits suggests a total economic population of over 35,000. The total Kerr County population (based on 2000 Census) was approximately 43,000. A majority of the community's growth has occurred since the early 1960's when the area was promoted as ideal for retirement. Even though an abnormal percentage of the city population is of retirement age, an increasing number of households are younger professionals who support the needs of that population growth. The completion of IH-10 in the mid 1970's enhanced the area's exposure and growth.

The overall outlook for the area economic development, in terms of employment and industrial groupings, would indicate continued growth at a positive, stabilized rate in basically the same employment pattern that has occurred during the last thirty years. This would mean continued growth in contract construction, retail trade and professional service. Additionally, increases in medical and other health services' employment are being witnessed. The resulting income from these favorable employment trends should support the current demand for ownership and rentals.

Economy:

For many years the income of the Kerrville population was predominantly tied to agriculture and related industries. It was enhanced by employment at the State Hospital, the VA Hospital and the Sid Peterson Hospital. The past thirty years have seen a trend toward manufacturing, trades, major medical services, recreation and professional employment. There are over thirty summer camps for children located along the headwaters of the Guadalupe River. These camps presently accommodate over 24,000 children per season and provide another source of employment. Over the years, the exposure of all these children and their parents to Kerr County has enticed many to settle here for

retirement and/or to purchase secondary recreational housing. This long term exposure has resulted in accelerated housing demand as the "Baby Boom" generation approaches retirement.

The retirement population increased substantially from approximately 1960 to present and brought increased demands for real estate, banking and health care services. One of the results of a large retired population (generally very affluent) has been a large savings inflow. The community has abundant wealth and the overall employment pattern is designed to service it.

Overview and Direction:

As may be evident from this area analysis, it is difficult to accurately pinpoint Kerrville's population and growth potential. A majority of its growth and wealth has come from outside the area. The local economy has thrived on the fact that when discretionary wealth is accumulated anywhere in the state, individuals have a strong tendency to migrate toward the Hill Country Area because of its attractive climate, topography and social atmosphere. As the regional center of the Hill Country Area for retail and professional services, Kerrville has, and will continue to, prosper. Its growth continues to be individuals from outside its bounds. Therefore the precise analysis of its growth (and growth predictions) is less confident or reliable than more typical metropolitan areas. Typical newcomers tend to purchase high dollar housing and/or recreational ranches. The community has consequently provided more services, facilities, recreation and entertainment than is typically expected for such a small population.

NEIGHBORHOOD:

Within a community, there is a marked tendency toward the grouping of land uses. The areas devoted to these various uses are physical neighborhoods. A neighborhood is defined as "a portion of a larger community in which there is a homogeneous grouping of inhabitants, buildings, or business enterprises. Inhabitants of a neighborhood usually have a more than casual community interest. Neighborhood boundaries may consist of well defined natural or man-made barriers, or they may be more or less well defined by a distinct change in land use, or in the character of the inhabitants." (Byrl N. Boyce, Ph.D., SRPA, ed., Real Estate Appraisal Terminology, Revised Addition. Massachusetts: Ballinger Publishing Company, 1984, P. 172).

A neighborhood may be characterized by such uses as residential, commercial, industrial, recreational, agricultural, cultural, any civic activities or a mixture of these uses. Analysis of the neighborhood in which a particular property is located is important due to the fact that the various economic, social and physical forces which affect the neighborhood also directly influence the individual properties located within it.

The original nucleus of Kerrville lies on the northern side of the Guadalupe River but with significant new (since 1980) commercial development south of the river such as a shopping mall, a post office and new Peterson Regional Medical Center. The main business area lies along Water and Main Streets (running southeast to northwest) in the Downtown Area and continues along Junction Highway westward to the new intersection of Thompson Parkway (loop). The two other most important business thoroughfares are Harper Road and Sidney Baker. Both are access roads to IH-10 and lend considerable influence on traffic flow and key business locations. The majority of traffic flow throughout Kerrville is focused on Main Street (east-west) and Sidney Baker Street (north-

south). The traffic count at this intersection is the largest in town and tends to “bottleneck” over time. The 80’s brought some relief with construction of Loop 534 to the east ----- but it was short lived as the community continued to grow. The new construction of the Thompson Drive extension serves to accept some of the western county traffic bound for Kerrville South. The Holdsworth Boulevard (Harper Road to North Sidney Baker) is also designed to relieve some east-west traffic pressure. Although these remedies are of assistance, the community’s continued growth and its focus on the downtown area will continue to maintain the heavy traffic exposure to the major business thoroughfares of Main Street, Water Street, Thompson Drive, Junction Highway and Sidney Baker Street.

The subject is located west of the downtown area but east of the “five points” intersection, an active retail area. The property to be appraised lies within a two block area formed by Main Street and HEB to the northeast, Francisco Lemos Street and Town Creek to the northwest, Water Street and various small older retail establishments to the southwest and Hays Street to the southeast. This two block area is served by Rodriguez Street and all but three or four properties within the two blocks are owned by Crenwelge Motors.

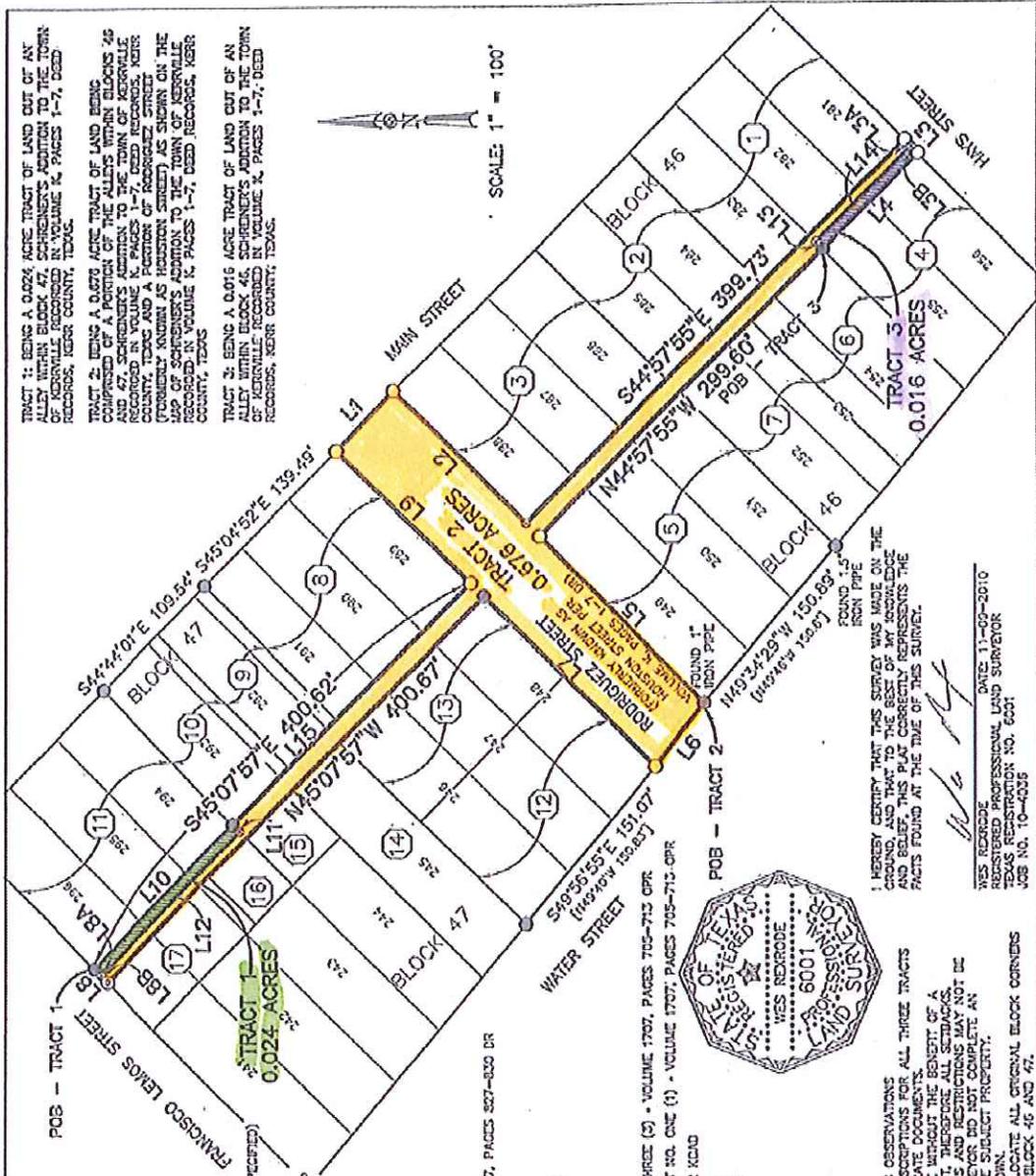
N. LEGAL DESCRIPTION

For technical reasons the subject 0.716 acres of land has three separate legal descriptions as depicted in a professional plat on the following page. A complete metes and bounds description of those three tracts is included in the addenda of this report.

TRACT 1: BEING A 0.024 ACRES TRACT OF LAND OUT OF AN ALLEY WITHIN BLOCK 47, SCHREINER'S ADDITION TO THE TOWN OF KERRVILLE RECORDED IN VOLUME K, PAGES 1-7, DEED RECORDS, KERR COUNTY, TEXAS.

TRACT 2: BEING A 0.676 ACRES TRACT OF LAND BEING COMPRISED OF A PORTION OF THE ALLEYS WITHIN BLOCKS 46 AND 47, SCHREINER'S ADDITION TO THE TOWN OF KERRVILLE RECORDED IN VOLUME K, PAGES 1-7, DEED RECORDS, KERR COUNTY, TEXAS AND A PORTION OF RODRIGUEZ STREET, (FORMERLY KNOWN AS HOUSTON STREET) AS SHOWN ON THE SURVEY. THIS TRACT IS BEING ADDED TO THE TOWN OF KERRVILLE RECORDED IN VOLUME K, PAGES 1-7, DEED RECORDS, KERR COUNTY, TEXAS.

TRACT 3: BEING A 0.016 ACRES TRACT OF LAND OUT OF AN ALLEY WITHIN BLOCK 46, SCHREINER'S ADDITION TO THE TOWN OF KERRVILLE RECORDED IN VOLUME K, PAGES 1-7, DEED RECORDS, KERR COUNTY, TEXAS.



LINE TABLE

LINE	LENGTH	BEARING
L1	61.27'	S44°47'01\"/>

ADJOINER KEY

① MUTU INVESTMENTS, L.P. • TRACT V • VOLUME 1022, PAGES 515-527 OPR

② DENNIS L. DAUGHER AND CHEMIL J. DAUGHER • TRACT ONE & TRACT TWO • VOLUME 527, PAGES 627-630 DR

③ MUTU INVESTMENTS, L.P. PER KCOA

④ CROWDY VENTURES, L.L.C. • 0.232 ACRES • VOLUME 1478, PAGES 48-51 OPR

⑤ MUTU INVESTMENTS, L.P. • TRACT IV (0.58 ACRES) • VOLUME 1022, PAGES 515-527 OPR

⑥ JUVEN FAMILY PARTNERSHIP, LTD. • 0.264 ACRES • VOLUME 801, PAGES 189-190 OPR

⑦ MUTU INVESTMENTS, L.P. • TRACT I • VOLUME 1644, PAGES 71-80 OPR

⑧ MUTU INVESTMENTS, L.P. • TRACT II • VOLUME 1644, PAGES 515-527 OPR

⑨ JAMES E. NUGENT TRUSTEE OF THE BILLIE LOUISE NUGENT FAMILY TRUST • TRACT NO. THREE (3) • VOLUME 1707, PAGES 705-713 OPR

⑩ JAMES E. NUGENT TRUSTEE OF THE BILLIE LOUISE NUGENT FAMILY TRUST • TRACT NO. ONE (1) • VOLUME 1707, PAGES 705-713 OPR

⑪ LOTS 294, 295, 296, BLOCK 48 SCHREINER'S ADDITION • VOLUME K, PAGES 1-7 DR PER KCOA

⑫ MUTU INVESTMENTS, L.P. • TRACT I (0.135 ACRES) • VOLUME 1622, PAGES 515-527 OPR

⑬ MUTU INVESTMENTS, L.P. • TRACT II (0.223 ACRES) • VOLUME 1622, PAGES 515-527 OPR

⑭ MUTU INVESTMENTS, L.P. • TRACT VI • VOLUME 1644, PAGES 71-80 OPR

⑮ MUTU INVESTMENTS • VOLUME 1785, PAGES 455-460 OPR

⑯ MUTU INVESTMENTS, L.P. • TRACT II • VOLUME 1644, PAGES 71-80 OPR

⑰ MUTU INVESTMENTS, L.P. • TRACT II (0.120 ACRES) • VOLUME 1644, PAGES 71-80 OPR

LEGEND

POB POINT OF BEGINNING

○ FOUND 1/2\"/>

NOTES

1) BASIS OF BEARING: GPS OBSERVATIONS

2) METES AND BOUNDS DESCRIPTIONS FOR ALL THREE TRACTS WERE PREPARED BY SEPARATE DOCUMENTS.

3) THIS SURVEY WAS DONE WITHOUT THE BENEFIT OF A CURRENT TITLE COMMITMENT, THEREFORE ALL SETBACKS, ENCUMBRANCES AND RESTRICTIONS MAY NOT BE SHOWN. THE SURVEYOR HAS MADE A REASONABLE ATTEMPT TO LOCATE ALL ORIGINAL BLOCK CORNERS AND LOT CORNERS WITHIN BLOCK 46 AND 47.

1) HEREBY CERTIFY THAT THIS SURVEY WAS MADE ON THE GROUND AND THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF, THIS PLAT CORRECTLY REPRESENTS THE FACTS FOUND AT THE TIME OF THIS SURVEY.

WES REYNOLDS
REGISTERED PROFESSIONAL LAND SURVEYOR
DATE: 11-09-2010
TEAS REGISTRATION NO. 6001
JOB NO. 10-4035

MATKINHOOPER
ENGINEERING & SURVEYING
P.O. BOX 54
S. SHERWOOD ROAD SUITE 100
KERRVILLE, TEXAS 78009
PHONE: 325.896.0000 FAX: 325.896.0029
CIVIL ENGINEERING LAND PLANNING
CONSTRUCTION/MANAGEMENT CONSULTANTS

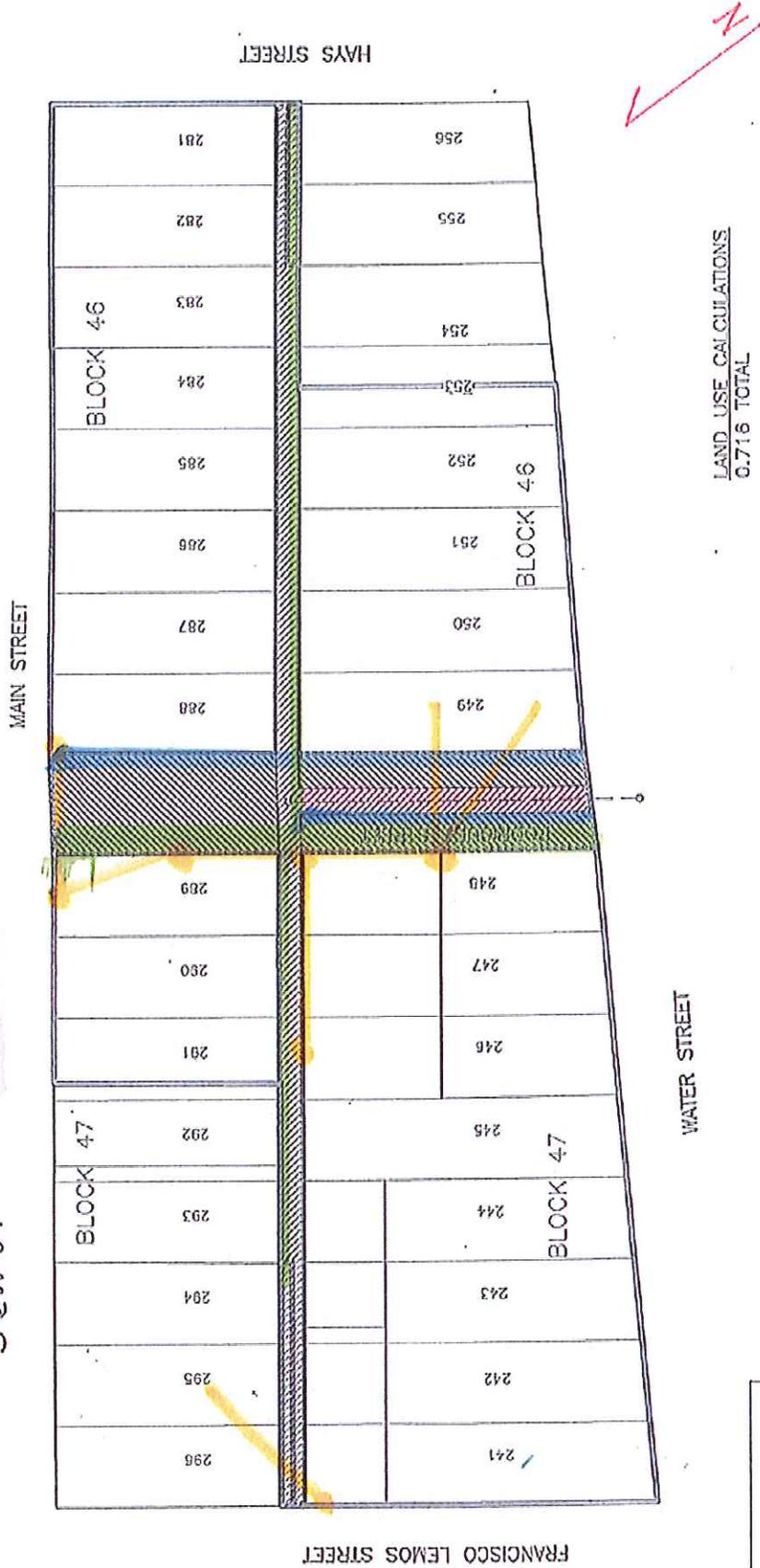
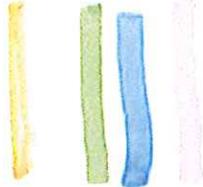
O. SITE DESCRIPTION

The subject property contains 0.716 acres (31,189 square feet) of land that essentially is all of Rodriguez Street between Main and Water Streets and all of the alleys for Blocks 46 and 47 of Schreiner's Addition; also between Main and Water Streets. With the exceptions of the extreme north and south corners of Blocks 46 and 47, the subject is surrounded by Crenwelge Motors ownership. The alleys are 14' in width and extend approximately 400' from Rodriguez Street through the mid-section of the blocks and end at the northeast line of Francisco Lemos Street and the northwest line of Hays Street. The street portion of the land (Rodriguez Street between Main and Water Streets) measures approximately 60' in width by 335' in length. No portion of the site falls within the 100 year flood plain (FEMA Flood Map #48265C260 E; dated July 19, 2000). The subject is zoned "11-C" which allows for a wide range of commercial uses; the detail of which is provided in the Addenda of this report.

As an independent site the property is well located but it has a highly irregular configuration; being a narrow 60' wide tract that extends to two street frontages but with approximately one third of its surface area comprised of 14' wide (alley) strips. More damaging (to value) than the configuration is the high percentage of area consumed or affected by utility easements. Based on the Matkin Hoover survey approximately 48% of the surface area is consumed by utility easement. Most of both 14' wide alleys are aligned with 2" gas line easements and the west side of the Rodriguez Street has a 6" gas line and easement. The Rodriguez Street section has a water line along its eastern side and the south half of its western side. The mid-section of the south half of the Rodriguez Street is traversed by a sewer line easement. KPUB electrical easements cross Rodriguez Street in three places and cross the northwest segment of the alley as well. Although the easements are necessary for the lands' attachment to utility services the easements themselves (not including KPUB electrical lines) consume half of the surface area and generally prevent practical use the remaining usable land (see utility sketch on next page).

No soil report was furnished but visual inspection of the subject and surrounding properties indicated no apparent soil conditions which would affect the value of the site. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the

Utility Easements
 Electrical
 Gas
 Water
 Sewer



LAND USE CALCULATIONS
 0.716 TOTAL
 0.342 PROP. UTILITY EASEMENT
 0.374 NET USABLE

TKINHOVER
 ENGINEERING
 & SURVEYING
 LAND PLANNERS
 SURVEYORS
 CONSTRUCTION MANAGERS
 CONSULTANTS

AD SUITE 100
 LS 78206
 50600 FARMERS RD. 0099

existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances or environmental conditions may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

P. HISTORY

The Appraisal Institute requires by USPAP (Uniform Standards of Professional Appraisal Practice) an ownership history of properties appraised relating to the past three years. The subject property has been maintained within the same ownership for more than three years and has no known marketing history other than current negotiations between Crenwelge Motors and the City of Kerrville ownership.

Q. PROPERTY TAXES

The subject is owned by the City of Kerrville and has a tax exempt status.

R. HAZARDOUS WASTE MATERIAL

Your appraiser observed nothing of a detrimental nature but is not considered an expert in this field of endeavor. Any variance from this assumption would negate the valuation analysis contained within this report and the report would become null and void if toxic substances of a detrimental nature were discovered.

S. HIGHEST AND BEST USE: HIGHEST AND BEST USE

The criteria or steps utilized in the Highest and Best Use Analysis include: (1) PHYSICALLY POSSIBLE, (2) LEGALLY PERMISSIBLE, (3) FINANCIALLY FEASIBLE, (4) MAXIMALLY PRODUCTIVE. The Highest and Best Use Analysis is initiated by assuming the site is vacant and available for development. This assumption allows the analyst to determine the use for which the site may be used to meet all of the criteria in one analysis. The purpose of the Highest and Best Use Analysis is to identify the use that creates the highest probable land value or net return to an owner/investor.

Therefore, it is considered to be that reasonable and probable use that will support the highest present value as of the effective date of the report. The Highest and Best Use conclusion provides the basis for an appraiser's Market Value Analysis. The remainder of the valuation process is conducted in relation to these conclusions. Therefore, it is essential that the Highest and Best Use conclusion relate to the motivations of the market for the subject property.

Physically Possible: The subject property has significant physical use restraints due to small size combined with the extremely narrow strips of land.

Legally Permissible: The property is not within the 100 year flood plain and has no known detrimental easement or deed restrictions. The referenced property is within the city limits of Kerrville and is zoned "C-11" (see zoning chart in the Addenda of this report). Permitted uses in this zone (without conditional use application) consist of bed and breakfast, business services, multi-family dwelling, professional offices, funeral services, custom manufacturing, personal services, professional offices, restaurants, retail trade, new vehicle sales, tourist/visitor and recreational services. All of the commercial uses that appear to be physically possible for the subject site are considered by your appraiser to be legally permissible.

Financially Feasible: The Kerrville community has shown evidence of a slow but steady growth of commercial potential in the central and Kerrville South region. Most recent trade activity of a competitive nature has been consumed and is currently under construction near the new Sid Peterson Hospital south of the Guadalupe River. The subject's location between the downtown intersection and "5 Points" is well exposed to commercial traffic and considered good but not the most premium of commercial sites; particularly for an inside tract. The permitted uses suggested in the zoning ordinance such as bed and breakfast are not considered to be financially feasible at this time. Options of more intensive use are more likely for the advantageous site such as professional offices or retail (both are currently overbuilt). However, due to the subject's small size, irregular shape and abnormally high percentage of land consumed by utility easements; the subject's highest and best use is generally limited to that of assemblage to a neighboring tract. Although much of the land is unusable for building it can be utilized for parking and/or for enhancing the use of the purchasing tract by expanding the usable land size within legal setbacks.

Maximally Productive: Maximum productivity of the subject site is achieved by utilization of the tract as an assemblage tract. The disadvantage of such a use is the limitation of potential buyer(s).

T. THE DIRECT SALES COMPARISON APPROACH

The subject's small size, irregular configuration and high percentage of unusable land is uncommon and no recent sales of a similar nature are known to exist in the area. Your appraiser's appraisal technique, then, is to appraise the subject as a typical 0.716 acre (31,189 square feet) commercial parcel and then attempt to estimate the deductions for its deficiencies. The following vacant, commercial land sales were chosen by your appraiser for their similarity in dates of sale, location, size and commercial utility. Some of the sales are not direct comparisons but are of assistance in bracketing or demonstrating variance.

COMMERCIAL SITE SALE #1

COUNTY: Kerr

MAP: Kerrville

VOLUME: 1803 PAGE: 104

DATE:8/25/2010

GRANTOR: Sharon E. Compton

GRANTEE: Deja Maison Management, LLC

ACRES: 0.40 acres or 17,500 square feet

LEGAL: Lot 3R, Block 29, J.A. Tivy's First Addition (Vol. 8, Pg. 166)

CONSIDERATION: \$119,000 or \$6.80 per square foot

CONFIRMATION: Confidential

LOCATION: 1312 Broadway

CITY UTILITIES: Yes

ZONING: 17-C

LAND DESCRIPTION: Rectangular, inside tract but with 20' wide alley access to the rear. Adjacent to an old, stone commercial building.....now vacated. 10' wide dedicated utility easement along 125' frontage of Broadway Street.

IMPROVEMENTS DESCRIPTION: None.

COMMENTS: Apparently purchased for use as a Bumdoodler's Sandwich Shop building site.

COMMERCIAL SITE SALE #2

COUNTY: Kerr

MAP: Kerrville

VOLUME: 1708 PAGE:

DATE: 232

GRANTOR: Fred Yaggi

GRANTEE: A+ Action Automotive LLC

ACRES: .44 or 19,000 square foot

LEGAL: All of Lots 1 and 2, Block 17, JA Tivy Addition

CONSIDERATION: \$148,000 or \$7.80 per square foot

CONFIRMATION: MLS

LOCATION: 1321 Broadway

CITY UTILITIES: Yes

ZONING: 17-C

LAND DESCRIPTION: Flat, level, cornering tract; 100 FF by 190' on D Street

IMPROVEMENTS DESCRIPTION: None.

COMMENTS: Speculative resale to end user. Previous sale: 5/08/2007

Carlos & Tereza Jaminez to Fred Yaggi; Vol. 1602, p. 463

Sp \$115,000 or \$6.05 per square foot.

COMMERCIAL SITE SALE #3

COUNTY: Kerr
VOLUME: 1694 PAGE: 307

MAP: Kerrville
DATE: 08/25/08

GRANTOR: Homero L. and Marilyn Calderon

GRANTEE: Charles Johnson

ACRES: 0.475 acres
LEGAL: Lots 574, 575 and 576, Block 37, Schreiner Addition

CONSIDERATION: \$186,000 or \$8.99/sq. ft.
CONFIRMATION: MLS

LOCATION: 324 Lemos Street

CITY UTILITIES: Yes

ZONING: 11-C

LAND DESCRIPTION: Frontage on Lemos and Jefferson.

IMPROVEMENTS DESCRIPTION: Old bar subsequently razed; no contributory value.

COMMENTS:

COMMERCIAL SITE SALE #4

COUNTY: Kerr
VOLUME: 1683 PAGE: 83

MAP: Kerrville
DATE:06/24/08

GRANTOR: Lydia Gonzales

GRANTEE: Harold E. and Brenda A. Hughes

ACRES: 0.13 acre or 5700 sq. ft.

LEGAL: Prt of Lot 406, all of Lot 357, Block 54; Prt of Lot 350, Block 48, Schreiner Addition

CONSIDERATION: \$50,000 or \$8.77 per sq. ft.

CONFIRMATION: Confidential

LOCATION: 417 Francisco Lemos

CITY UTILITIES: Yes

ZONING: 11-C

LAND DESCRIPTION: 38' frontage x 150' or 5700 sq. ft. Inside tract – level.

IMPROVEMENTS DESCRIPTION: Old house ---- no value.

COMMENTS: Assembled by adjacent owner.

COMMERCIAL SITE SALE #5

COUNTY: Kerr

MAP: Kerrville

VOLUME: 1643 PAGE: 762

DATE: 11/15/07

GRANTOR: Thelma Garza

GRANTEE: Harold E. and Brenda A. Hughes

ACRES: 0.13 acre or 5700 sq. ft.

LEGAL: Lot 406 1/2, Block 54, Schreiner Addition

CONSIDERATION: \$50,000 or \$8.77 per sq. ft.

CONFIRMATION: Confidential

LOCATION: 417 Francisco Lemos

CITY UTILITIES: Yes

ZONING: 11-C

LAND DESCRIPTION: 38' frontage x 150' or 5700 sq. ft. Inside tract – level.

IMPROVEMENTS DESCRIPTION: Old house ---- no value.

COMMENTS: Assembled by adjacent owner.

COMMERCIAL SITE SALE #6

COUNTY: Kerr

MAP: Kerrville

VOLUME: 1525 PAGE: 694

DATE: 05/25/06

GRANTOR: Dietert Claim Senior Citizens Center

GRANTEE: Fidelity Abstract and Title Co.

ACRES: 0.59 acres or 25,350 sq. ft.

LEGAL: All of Lot 12, Par of Lots 11 And 13, Block 3; JD Brown Addition.

CONSIDERATION: \$230,000 or \$9.08/sq. ft.

CONFIRMATION: Confidential

LOCATION: 612 Jefferson Street

CITY UTILITIES: Yes

ZONING: "11-C"

LAND DESCRIPTION: 123 FF on Jefferson Street; 208 feet in depth.

IMPROVEMENTS DESCRIPTION: Small wood frame office building.

COMMENTS: \$220,000 note to Richard/Betty Crick.

COMMERCIAL SITE SALE #7

COUNTY: Kerr
VOLUME: 1508 PAGE: 589

MAP: Kerrville
DATE: 03/09/06

GRANTOR: Snowden Partners, Ltd.

GRANTEE: Timothy M. Crenwelge; Johnathon D. Crenwelge

ACRES: 0.27 acres (75' x 154'); 11,547 sq. ft.

LEGAL: Lot 252 and west ½ of Lot 253; Block 4, Schreiner Addition

CONSIDERATION: \$98,146 or \$8.50/sq. ft.

CONFIRMATION: Confidential

LOCATION: 316 West Water

CITY UTILITIES: Yes

ZONING: "11-C"

LAND DESCRIPTION: Rectangular (75' x 154'); gently sloping northeast to southwest.

IMPROVEMENTS DESCRIPTION: Old house of nominal value.

COMMENTS: Purchased by adjacent owner for assemblage.

COMMERCIAL SITE SALE #8

COUNTY: Kerr
VOLUME: 1663

PAGE: 212

MAP: Kerrville
DATE: 03/12/08

GRANTOR: Rafter Land & Cattle Co., a New Mexico LP

GRANTEE: Doug Evans

ACRES: 1.33 acres or 57,935 sq. ft.

LEGAL: John C. Sheffield Survey 121, Abst. 291

CONSIDERATION: \$620,000 or \$10.71/sq. ft. or \$16.55/sq. ft. for 37,462 sq. ft. outside of the flood easement and flood plain.

CONFIRMATION: Confidential

LOCATION: 1201 Junction Highway

CITY UTILITIES: Yes

ZONING: GR

LAND DESCRIPTION: 526' north to south on west perimeter; 124' FF on Junction Hwy. (no curb cut; northeast corner is Junction Hwy. and Knapp Road; 393' FF Knapp Road prior to western offset adjacent to lift station and city lake park. Lake frontage of 72.46 FF. 21,700 sq. ft. outside the 100 year flood plain; 15,625 in 100 year flood plain but above UGRA flood easement line. 20,473 sq. ft. subject to UGRA flood easement.

IMPROVEMENTS DESCRIPTION: 3073 sq. ft. metal flower shop in poor repair, four small rent houses in poor repair.

COMMENTS: \$550,000 note to Grantor at above market rate (\$90,000 down payment). Purchased by adjacent property owner for land assemblage. Sale was direct with no commission or an effective sale price of \$675,000 (assuming 5% commission) or \$11.65 per sq. ft.

COMMERCIAL SITE SALE #9

COUNTY: Kerr
VOLUME: 1651

PAGE: 595

MAP: Kerrville
DATE: 11/06/2007

GRANTOR: Raymond Brothers Ltd. 1

GRANTEE: James/Jennifer Bone

ACRES: 1 acre
LEGAL: Lot 1, Block 1, R-B Addition

CONSIDERATION: \$12.00/sq. ft.
CONFIRMATION: Confidential

LOCATION: Hill Country Drive (between Borchers' and Kerrville South building).

CITY UTILITIES: Yes

ZONING: 16-C

LAND DESCRIPTION: Southwest one acre same deeded easement across driveway to rear.

IMPROVEMENTS DESCRIPTION: None.

COMMENTS:

COMMERCIAL SITE SALE #10

COUNTY: Kerr
VOLUME: 1500 PAGE: 459

MAP: Kerrville
DATE: 02/01/06

GRANTOR: Ray C. Starks

GRANTEE: Kirk/Barbara L. Bond

ACRES: 0.531 acres pr 23.118 sq. ft.
LEGAL: Lot 3. Roy Street Estates

CONSIDERATION: \$264,800 or \$11.45/sq. ft.
CONFIRMATION: Seller/Appraiser

LOCATION: 1802 Sidney Baker Street

CITY UTILITIES: Yes

ZONING: Gateway

LAND DESCRIPTION: 140' FF on Sidney Baker Street; 155' on Roy Street ---- the precise corner is consumed by a newly installed drainage.

IMPROVEMENTS DESCRIPTION: Twenty-five year old metal clad hair salon of 1000 sq. ft. Purchased by adjacent (Roy Street frontage) property owner for better exposure. The existing structure was of questionable contributory value and subsequently razed for the construction of a new building.

COMMENTS:

COMMERCIAL SITE SALE #11

COUNTY: Kerr

MAP: Kerrville

VOLUME: 1666 PAGE: 658

DATE: 3-28-2008

GRANTOR: Shirley Secor Rogers

GRANTEE: Makara Luy

ACRES: 0.360 or 15,682 square feet

LEGAL: Portions of Lots 118, 119 and 120; Block 1 of the JD Brown Addition

CONSIDERATION: \$310,000; less minor deduction for old building;
Equates to approximately \$20 per square foot for land only.

CONFIRMATION: Confidential (DR)

LOCATION: 603 Man Street

CITY UTILITIES: Yes

ZONING: 11-C

LAND DESCRIPTION: Flat, level, paved, rectangular inside tract adjacent to banking office.
130 FF by 115 average depth.

IMPROVEMENTS DESCRIPTION: None.

COMMENTS; Utilized as Cricket Mobile Phone Store

COMMERCIAL SITE SALE #12

COUNTY: Kerr
VOLUME: 1590

PAGE: 436

MAP: Kerrville
DATE: 03/15/07

GRANTOR: Phyllis Ann Burkett, Robert Kurt Keidel, Richard Rhea Keidel and Constance Louise Mayer

GRANTEE: John W. Miller, Jr.

ACRES: 0.19 acres

LEGAL: All of Lot 136, Prt of Lot 135, Block 2, JD Brown; B.F. Cage Survey 116, Abst. 106

CONSIDERATION: \$200,000 or \$23.97/sq. ft.

CONFIRMATION: Confidential

LOCATION: West corner of Jefferson and Sidney Baker Street.

CITY UTILITIES: Yes

ZONING: "11-C"

LAND DESCRIPTION: 52 FF on Sidney Baker, 160 FF on Jefferson Street.

IMPROVEMENTS DESCRIPTION: Small brick office building.

COMMENTS: \$174,250 note to Hill Country State Bank.

COMMERCIAL SITE SALE #13

COUNTY: Kerr
VOLUME: 1501 PAGE: 39

MAP: Kerrville
DATE: 02/03/06

GRANTOR: Bill C. Smith Inc.

GRANTEE: CDC – Kerr LP

ACRES: 0.28 acres or 12,100 sq. ft.

LEGAL: Part of Lot Nos. 121, 122, Block 1, J.D. Brown Addition

CONSIDERATION: \$250,000 or \$20.67/sq. ft.

CONFIRMATION: Confidential

LOCATION: 625 Main

CITY UTILITIES: Yes

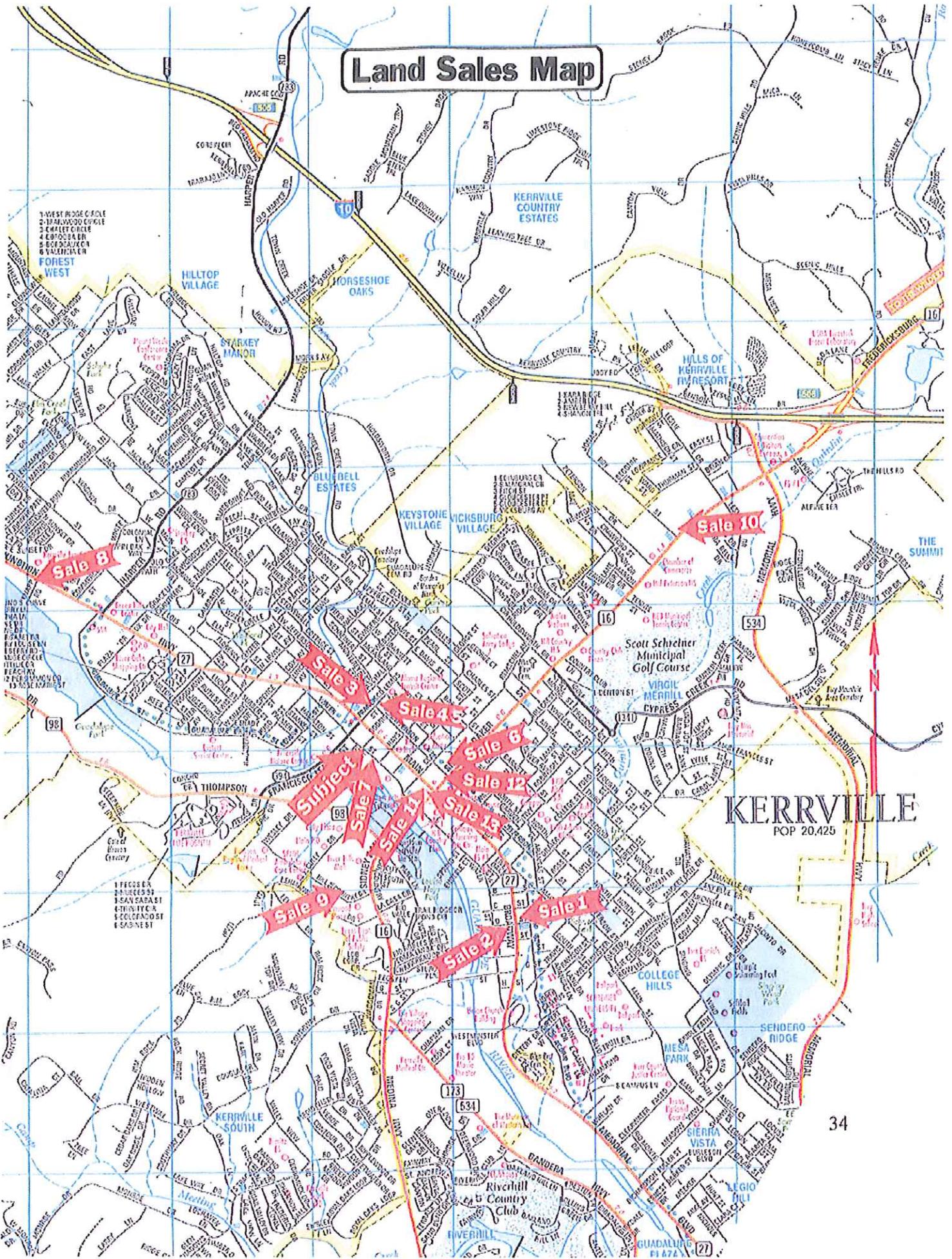
ZONING: "18-C"

LAND DESCRIPTION: 110' Main Street; 110' FF Sidney Baker Street.

IMPROVEMENTS DESCRIPTION: 1200 sq. ft. masonry structure ; originally a gasoline service station. Questionnable contributory value

COMMENTS: Sold well above appraisal value.

Land Sales Map



KERRVILLE
POP 20,425

U. LAND ANALYSIS

The thirteen vacant, commercial land sales were provided as supportive evidence for the subject's underlying land value. The sales are all within the City of Kerrville and range in size from 0.13 to 1.33 acres. Some of the sales are almost five years of age but were selected during a period of relative price stability for this particular sub market. The precise valuation of commercial tracts in such a small community is hindered by the lack of volume and frequently your appraiser avoids typical grid analysis in lieu of utilizing a bracketing or logic discussion methodology. This method is successful when a property's specific market strata has a reasonable amount of competitive sales data in competing highest and best uses or zoning and the adjustments are subjective and arbitrary. This circumstance exists in the analysis of the subject property with the existing sales data. The following text is for the purpose of assisting the reader in delineating a more precise value of the subject property (as unencumbered with excessive utility easements) within the observed price range.

Sale Nos. 1 and 2 are relatively recent transactions from the eastern segment of Kerrville. Their \$7 to \$8 per square foot sale price range is considered by your appraiser to be a confident lower parameter by comparison to the subject due to inferior location. Note the \$1 per square foot loss in value associated with the inside tract character of No. 1 versus the cornering tract character of Sale No. 2. An even more exaggerated example can be observed by comparing (subsequent) Sale No. 6 to Sale No. 12.

Sale Nos. 3 thru 7 represent numerous proximate, commercial land sales that yield a firm price pattern of \$8.50 to \$9.00 per square foot but some of the sales are slightly inferior to the subject in location.

Sale Nos. 8, 9 and 10 represent slightly superior retail pad sites, at \$10 to \$12 per square foot, that are superior to the subject because they are capable of physically supporting a franchise entity. The subject's inside tract and irregular shape cannot accommodate such a function.

Sale Nos. 11, 12 and 13 are included as high end examples (approximately \$20 per square foot) that yield the highest prices due to cornering locations and/or immediate proximity to the key intersections of Sidney Baker and Jefferson, Main and Water Streets. These three sales are not direct comparisons but are good examples of market reaction to location variance.

After due consideration of the sales provided and their relationship to the subject; it is the opinion of this appraiser that the current market value of the subject's land, **not encumbered with excessive utility easements**, approximates \$9.00 to \$10.00 per square foot; rounded to \$300,000.

The \$300,000 value estimate for the subject is based on sales of competitive commercial tracts of typical utility coverage. The subject's 50% utility easement coverage, combined with small size and an irregular configuration, places the land in an almost unusable category. The easements become the dominant estate and the surface is the subservient estate. The quantification of such value damage, without sales of similar character, is obviously a subjective estimate.

In a typical condemnation procedure (such as an overhead power transmission line) a 90% value damage is almost universally assumed. A 75% value damage would be a best case scenario and if applied to the subject would result in a value estimate of \$75,000 or \$2.40 per square foot.

The subject as platted, however, may not suffer a total loss due to utility easement coverage. The 60' by 140' (8400 square feet) Rodriguez Street portion facing Main Street has some potential as a small, narrow, inside tract with immediate potential for building construction. Its usability would be dependent upon the exact placement of the existing gas and water lines, the Kerrville City staff interpretation of building setback limitations and City or TexDot allowance for access.. Application of \$9.00 per square foot value for this sector plus a 90% damage assessment for the remainder of the 0.716 acre tract yields a current value estimate of approximately \$100,000 or \$3.21 per square foot.

A third method considered by your appraiser was to assume a \$300,000 unencumbered value and then deduct for the cost of re-aligning the utilities off of the site, removal of the utilities to permit building and the legal and permitting fees for such an exercise. The problem with this method is the multitude of options and cost estimates necessary in order to recover the ability to build on the site. My preliminary calculations indicated a total cost of \$200,000 to \$250,000 or a net value to the purchaser of \$50,000 to \$100,000 (\$1.61 to \$3.21 per square foot).

V. CORRELATION AND FINAL CONCLUSION OF VALUE

Although the comparables sales available for this analysis are far less than the volume and comparative parameters desired, the overall range and precise range discovered align themselves very closely with the value indications by the best comparative sales discovered. Based on this analysis the subject has a market value, **as unencumbered by excessive utility easements**, estimated at \$300,000. As stated, your appraiser was unable to discover any recent commercial site sales that were similarly affected. The only method(s) available for estimation of the subject, **as encumbered** by excessive utility easements, were a more subjective mixture of thumb rules, peer appraiser opinions, crude (and variable) estimates of cost of cure and one hypothetical scenario whereby a portion of the tract might be utilized in a limited fashion. At the extreme these methods indicated a holistic value of the subject 0.716 acre tract (as encumbered) ranging between \$50,000 and \$100,000 but the most confident or credible methods were at the highest end of the range. Based on this analysis it is the professional opinion of this appraiser that the market value of the subject property, as described herein, approximates \$100,000 (or \$3.21 per square foot). The effective date of this value estimate is as of December 8, 2010.

ONE HUNDRED THOUSAND DOLLARS
(\$100,000)

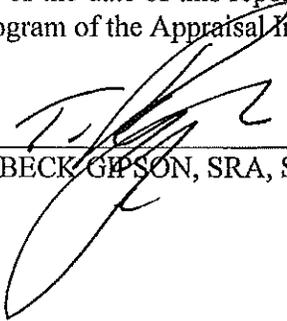
ADDENDA

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
The reported analyses, opinions, and conclusions are
- limited only by the reported Assumptions and Limiting Conditions, and are my personal, impartial and unbiased professional analyses, opinions, conclusions.
- **A real estate service has not been performed on the subject property by this appraiser within the past three years.**
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal consulting assignment.

- The reported analyses, opinions and conclusions were developed and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representative.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.
- As of the date of this report, I, T. Beck Gipson, have completed the continuing education program of the Appraisal Institute.



T. BECK GIPSON, SRA, SRPA

December 9, 2010
DATE

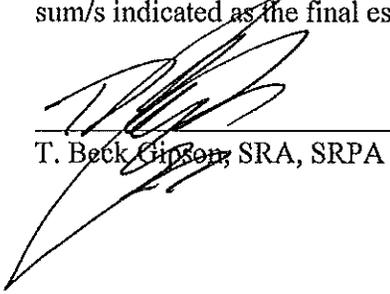
ASSUMPTIONS AND LIMITING CONDITIONS

(Unless specifically stated otherwise in this report)

The estimate of value for the property appraised in the attached report is subject to the following:

1. The legal description/s furnished is/are assumed to be correct. No responsibility is assumed for matters legal in character, nor is any opinion rendered with respect to title, which is assumed to be good and marketable. All existing liens and encumbrances, if any, have been disregarded, and the property has been considered as though free and clear and under responsible ownership and competent management. Typical financing as may be customarily available has been considered as well as a favorable mortgage position, if any.
2. Any sketches included herein have been prepared to assist the reader in visualizing various aspects of the subject property. No provision was made for obtaining a current and official survey; consequently, the boundaries of the land/s and size/s thereof as indicated are assumed to be correct. Basic measurements and calculations of the plot/s and improvements (if included) are based upon information and/or exhibits supplied by others and no responsibility for accuracy is assumed. Value estimation is reported without regard to encroachments.
3. Descriptions and conclusions regarding structural items (if any) have been based upon observed condition at time of inspection. No responsibility is assumed for any deficiencies not visible by external observation. Unless otherwise indicated, all plumbing, electrical and mechanical items are assumed to be operative, but no warranty is made as to their future life. The property is assumed to be free of insect infestation and dry rot. It is also assumed the property is free of materials considered to be health hazards, such as urea-formaldehyde foam insulation, unless otherwise stated.
4. The various data reported herein, as supplied by others, have been compiled from subcontractors and/or sources deemed reliable, but no responsibility is assumed for accuracy.
5. This report has been prepared for the addressee and disclosure of its contents is governed by the By-laws and Regulations of various professional organizations in which the undersigned hold/s membership.

6. Possession of this report or a copy thereof does not carry with it right of publication, nor may it be used for any other purpose by any but the applicant without the previous written consent of the appraisers.
7. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the professional designations therein) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the proper written consent and approval of the undersigned.
8. This appraisal was obtained from Gipson Appraisal Company and consists of "trade secrets and commercial or financial information," which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). The foregoing firm is to be notified of any request for reproduction of this appraisal.
9. The writer, by reason of this report, is not required to give testimony or attendance in court or at any other hearing with reference to the subject property unless separate and prior arrangements therefore have been made.
10. The description of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
11. The value conclusions expressed herein apply exclusively to the land and improvements described herein and make no provision for any special items of equipment or personal property such as may be related to the present occupant or tenant's normal business operation.
12. The appraiser makes no guarantee that the subject/s of this report will sell for the sum/s indicated as the final estimates/s of value.


T. Beck Gipson, SRA, SRPA

DATE: December 9, 2010

QUALIFICATIONS OF THE APPRAISER

T. Beck Gipson grew up in the Texas Hill Country, graduated from Mason High School in 1963 and attended college at Texas Tech University. He served in the U.S. Army, 1967-1970, as a Chief Warrant Officer helicopter pilot, including a one year tour in Viet Nam.

Education:

Graduate of Texas Tech University with a Bachelor of Science Degree in Agricultural Economics, 1972 (rural socio-economics emphasis). Regularly attends continuing education courses in the appraisal profession:

Experience:

1973-1979:	Engaged in mortgage loan underwriting, construction inspections and chief staff appraiser for over five years with Hill Country Savings & Loan of Kerrville.
1979-1983:	Independent appraisal practice.
1984-1988:	Partner, Gipson & Neal Real Estate Appraisers and Consultants.
1989-2006:	Owner/Appraiser, Gipson Appraisal Company.
2007-Current	President – Gipson Real Estate Services, LLC

In addition, Mr. Gipson's local activities include: Ranch operation in nearby area, trading of Kerr County real estate, past President of the San Antonio Appraisal Institute, previous Chairman of the Kerrville Planning and Zoning Commission, former President of the Board of Directors for the Upper Guadalupe River Authority, frequently acts as a professional counselor and buyer's agent.

Qualifications:

Texas Real Estate Brokers License #199499-18.

Designated SRA, Senior Residential Appraiser, International Society of Real Estate Appraisers, 1979.

Designated SRPA, Senior Real Property Appraiser, International Society of Real Estate Appraisers, 1990.

Designated State Certified General Real Estate Appraiser, 1991, Certificate #TX-1320674-G..

Expert witness in County, State and Federal Courts.

As of this date, I, T. BECK GIPSON, have completed the requirements under the continuing education program of the Appraisal Institute and the State of Texas Certification Board.



TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD

BE IT KNOWN THAT

THOMAS BECKTON GIPSON

HAVING PROVIDED SATISFACTORY EVIDENCE OF THE QUALIFICATIONS REQUIRED
BY THE TEXAS APPRAISER LICENSING AND CERTIFICATION ACT,
TEXAS OCCUPATIONS CODE, CHAPTER 1103,
IS AUTHORIZED TO USE THE TITLE

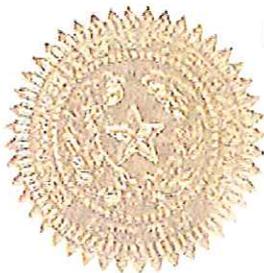
**STATE CERTIFIED
GENERAL REAL ESTATE APPRAISER**

Number: TX-1320674-G

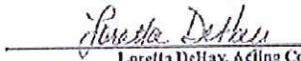
Date of Issue: May 8, 2009

Date of Expiration: May 31, 2011

In Witness Whereof




Clinton P. Sayers, Chair


Loretta Deltay, Acting Commissioner

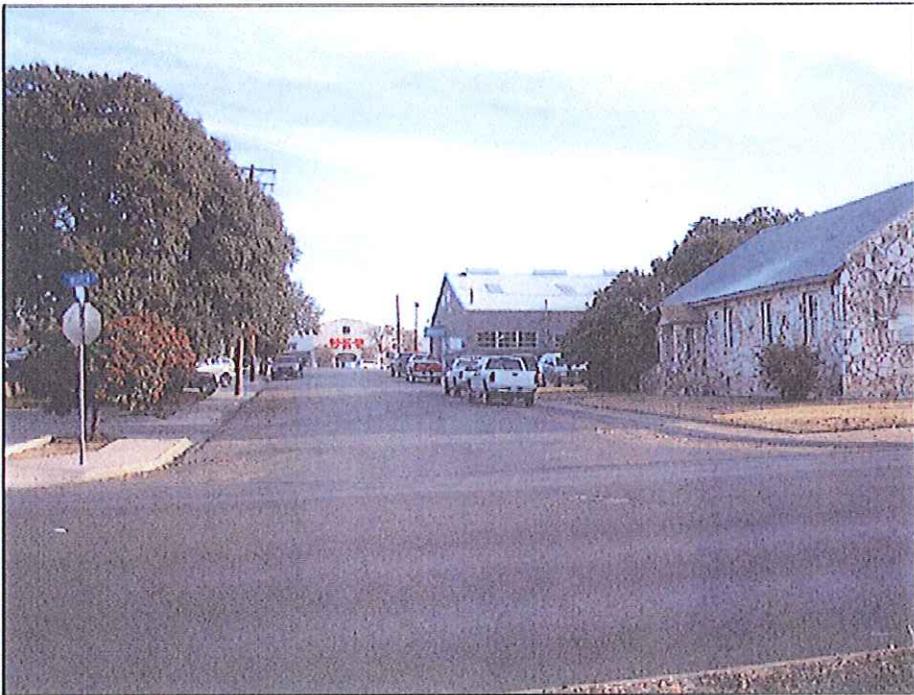
Clinton P. Sayers, Chair
Robert D. Davis, Jr.
Danny R. Perkins

James (Jamie) B. Ratliff, Vice Chair
Luis F. De La Garza, Jr.
Bill F. Schneider

Mark A. McAnally, Secretary
Walker R. Beard
Donna L. Walz



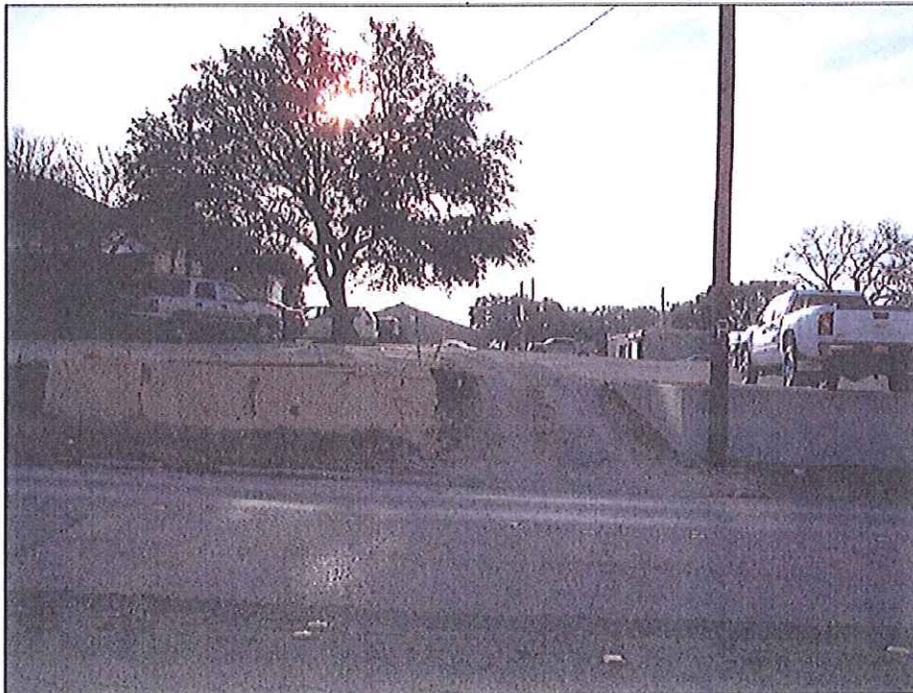
Subject Rodriguez Street; Viewed from HEB



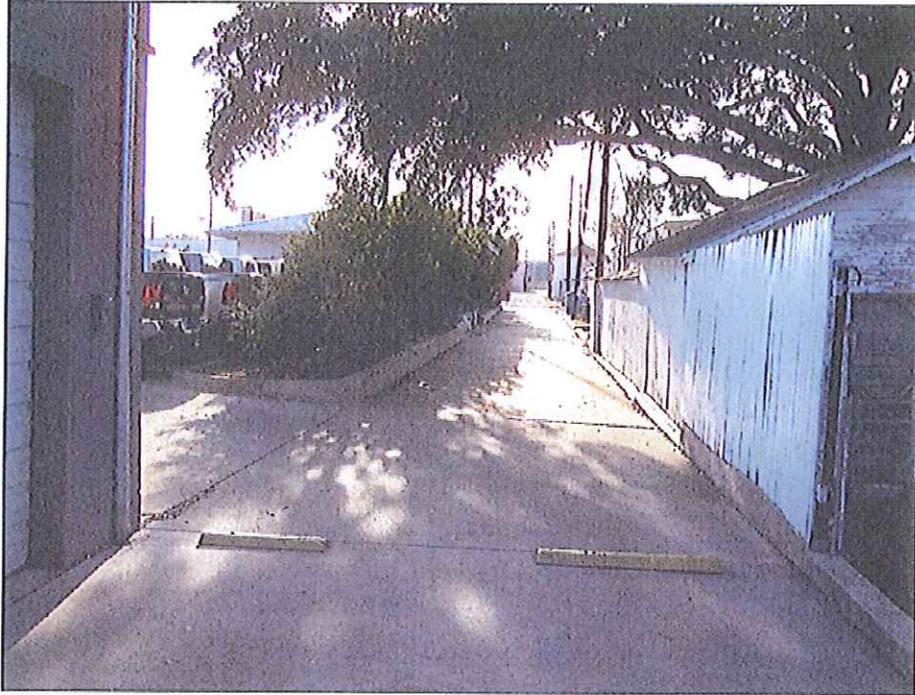
Reverse View from Water Street



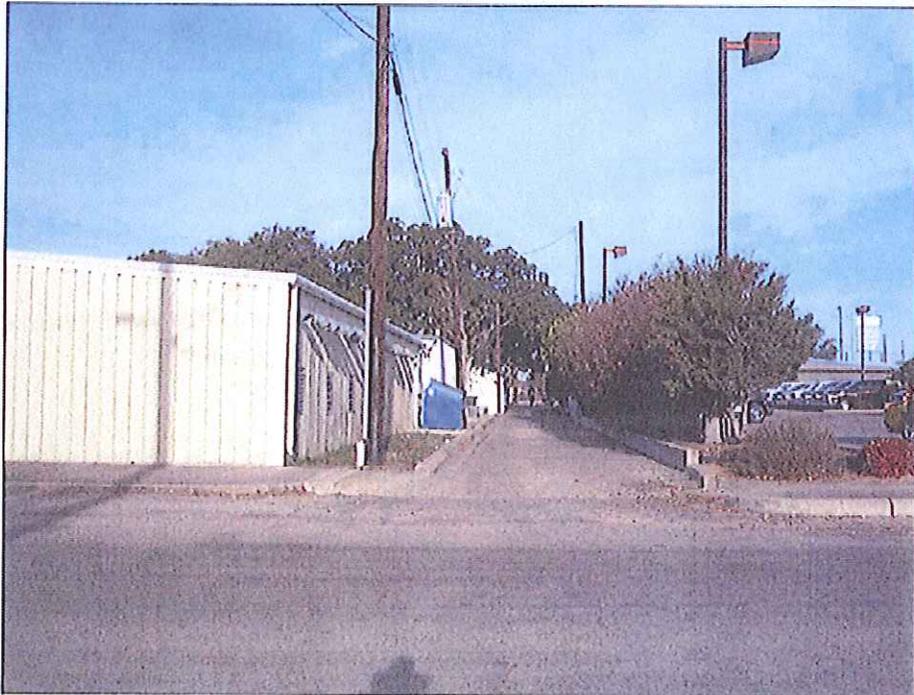
Block 47 Alley



Block 47 Alley at Francisco Lemos



Block 46 Alley



Block 46 Alley from Hugo Street

Art. 11-I-6. ZONING DISTRICTS - CENTRAL CITY

- (a.) Enumeration of Districts and Purpose: The following specifically enumerated districts are established in the area designated on the Official Zoning Map as "Central City" and are to be developed substantially consistent with the following described purposes:

- (1) District 11-C: The primary purposes of District 11-C are:
- (i) to promote nonindustrial commercial development that allows retail establishments up to 100,000 square feet of floor area, and yet protects and enhances the appearance of Town Creek and existing single family residential development in the area west of Hays Street;
 - (ii) to promote the redevelopment of Jefferson Street as a primary central business artery in the city;
 - (iii) to encourage development of Schreiner Street as a through traffic street rather than one with slower customer traffic, with a goal of avoiding driveway access to and from Schreiner Street wherever feasible;
 - (iv) to promote the development of small businesses, including offices and small restaurants, near downtown, on the eastern end of the district; and
 - (v) to enhance the appearance of the entrance ways into the downtown area along State Highways 16 and 27.

Any conditional uses granted in District 11-C should be consistent with the purposes set forth herein.

- (2) District 12-C: The primary purpose of District 12-C is to promote the development of small specialty shops, offices, apartments, and tourist/visitor/and public uses which enhance both the river front and the smaller businesses along Water Street.

LAND USES	11	12	13	14	15	16	17	18	19	20
Agricultural - General										
Agricultural Services										
Bed and Breakfast	P	P	P	P	P	P	P	P	P	P
Building Construction, General										
Building Construction, Specialist									P	P
Business Services I	P	P		P	C	P	P	P	P	P
Business Services II	P	C		P	C	P	C	C	P	P
Cocktail Lounge	C	P		C		P	C	P		
Detention Facilities	C							C	C	
Dwelling, Single Family, Detached	C	P	P		P		P		P	C
Dwelling, Manufactured (standards)					P					
Dwelling, Multi-Family	P	P		P	P	P	P	P	P	P
Dwelling, Single Family with apartment	C	P	P		P		P		C	
Dwelling, RC District Uses (with plat)					P		P			
Education, Secondary/College	C			C	C	P		C	C	C
Elementary Schools	C	C	C	P	P	C	C	P	C	C
Equipment Sales/Repair/Storage (Heavy)										
Fuel Sales	C	C		C		C	C			C
Funeral Services	P			P		C			P	P
Institution/Public Assembly				P		P	P	P		
Life Care Development	C	C		P	P	P	P	P		P
Manufacturing, Custom	P	P	P	P	P	P	P	P	P	P
Manufacturing and Industry, Heavy										
Manufacturing and Industry, Limited										C
Mobile Home Sales (standards)										
Personal Services - I	P	P		P	C	P	C	P	P	P
Personal Services - II	P	C		P	C	P	C	C	P	P
Personal Services-Limited	P	P	P	P	P	P	P	P	P	P
Professional Offices	P	P	C	P	C	P	P	P	P	P
Restaurant, General	P	P	P	P	C	P	P	P	P	
Restaurant, Limited	P	P	P	P	C	P	P	P	P	C
Retail Trade - I	P		C	P	C	P	C	P	P	C
Retail Trade - II	C			C	C	P				
Retail Trade - III						P				
Retail Trade-Limited	P	P	P	P	P	P	P	P	P	P
Tourist/Visitor & Recreation Services	P	P	P	P	P	P	P	P	P	
Transportation Terminals	C									
Vehicle Maintenance and Repair	C	C		C		C	C		C	
Vehicle Sales - Used	C			C		C				
Vehicle Sales/Services-New	P			C		P	C			
Warehouse & Distribution										

MATKIN-HOOVER

ENGINEERING & SURVEYING

8 Spencer Road, Suite 300, Boerne, Texas 78006
Phone: 830-249-0600 FAX: 830-249-0099

FIELD NOTES FOR A 0.024 ACRE TRACT OF LAND

BEING A 0.024 ACRE TRACT OF LAND OUT OF AN ALLEY WITHIN BLOCK 47, SCHREINER'S ADDITION TO THE TOWN OF KERRVILLE RECORDED IN VOLUME K, PAGES 1-7, DEED RECORDS, KERR COUNTY, TEXAS, SAID 0.024 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

Beginning at a ½" iron rod found in the southeast right-of-way line Francisco Lemos Street, for the north corner of the herein described tract, said point also being the west corner of Lot 296, Block 47 of the above referenced Schreiner's Addition;

Thence, with the southeast lines of Lots 296, 295 and 294, Block 47 and the northeast line of an alley, South 45 degrees 07 minutes 57 seconds East, a distance of 150.03 feet to a ½" iron rod found at the south corner of Lot 294 and the west corner of Lot 293, said point also being the east corner of the herein described tract;

Thence, severing an alley within Block 47, the following two (2) courses and distances:

South 44 degrees 52 minutes 03 seconds West, a distance of 7.01 feet to a calculated point for the south corner of the herein described tract;

and North 45 degrees 07 minutes 57 seconds West, a distance of 150.03 feet to a calculated point in the southeast right-of-way line of Francisco Lemos Street for the west corner of the herein described tract;

Thence, with the southeast right-of-way line of Francisco Lemos Street, North 44 degrees 52 minutes 03 seconds East, a distance of 7.01 feet to the Point of Beginning, containing 0.024 acres.

Note: This description is based on an on the ground survey performed in November of 2010. The bearings are based on GPS observations. A survey drawing of the above described tract was prepared.



A handwritten signature in black ink, appearing to read "Wes Rexrode".

Wes Rexrode Date: November 9, 2010
Registered Professional Land Surveyor No.6001
Job Number: 10-4036 Tract 1

MATKIN-HOOVER

ENGINEERING & SURVEYING

8 Spencer Road, Suite 300, Boerne, Texas 78006
Phone: 830-249-0600 FAX: 830-249-0099

FIELD NOTES FOR A 0.676 ACRE TRACT OF LAND

BEING BEING A 0.676 ACRE TRACT OF LAND BEING COMPRISED OF A PORTION OF THE ALLEYS WITHIN BLOCKS 46 AND 47, SCHREINER'S ADDITION TO THE TOWN OF KERRVILLE RECORDED IN VOLUME K, PAGES 1-7, DEED RECORDS, KERR COUNTY, TEXAS AND A PORTION OF RODRIGUEZ STREET (FORMERLY KNOWN AS HOUSTON STREET) AS SHOWN ON THE MAP OF SCHREINER'S ADDITION TO THE TOWN OF KERRVILLE RECORDED IN VOLUME K, PAGES 1-7, DEED RECORDS, KERR COUNTY, TEXAS, SAID 0.676 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

Beginning at a 1" iron pipe found in the northeast right-of-way line of Water Street, said point also being the west corner of Lot 249, Block 46 of the above referenced Schreiner's Addition, said point bears North 49 degrees 34 minutes 29 seconds West, a distance of 150.89 feet from a 1 1/2" iron pipe found at the south corner of Lot 251 and the west corner of 252, Block 46;

Thence, crossing Rodriguez Street (formerly known as Houston Street per Volume K, Pages 1-7, Deed Records, Kerr County, Texas) with the northeast right-of-way line of Water Street, North 52 degrees 21 minutes 49 seconds West, a distance of 59.15 feet to a concrete nail set at the south corner of Lot 248, Block 47, said point bears South 49 degrees 56 minutes 55 seconds East, a distance of 151.07 feet from a 1/2" iron rod found at the south corner of Lot 245 and the west corner of Lot 246, Block 47;

Thence, with the northwest right-of-way line of Rodriguez Street and the southeast line of Lot 248, Block 47, North 44 degrees 40 minutes 17 seconds East, a distance of 181.11 feet to a 1/2" iron rod found at the east corner of Lot 248, Block 47 for an interior corner of the herein described tract;

Thence, with the southwest line of an alley within Block 47 and the northeast lines of Lots 248, 247, 246, 245, 244, 243, 242 and 241, Block 47, North 45 degrees 07 minutes 57 seconds West, a distance of 400.67 feet to a 1/2" iron rod set with a red "Matkin-Hoover Eng. & Survey" plastic cap in the southwest right-of-way line of Francisco Lemos Street, said point also being the north corner of Lot 241, Block 47;

Thence, with the southeast right-of-way line of Francisco Lemos Street, North 44 degrees 52 minutes 03 seconds East, a distance of 7.01 feet to a calculated point for corner;

Thence, severing an alley within Block 47, the following two (2) courses and distances:

South 45 degrees 07 minutes 57 seconds West, a distance of 150.03 feet to a calculated point for an interior corner of the herein described tract;

and North 44 degrees 52 minutes 03 seconds East, a distance of 7.01 feet to a 1/2" iron rod found at the south corner of Lot 294 and the west corner of Lot 293, Block 47;

Thence, with the southwest lines of Lots 293, 292, 291, 290 and 289, Block 47 and the northeast line of an alley within Block 47, South 45 degrees 07 minutes 57 seconds East, a

distance of **250.59 feet** to a concrete nail set in the northwest right-of-way line of Rodriguez Street and being at the south corner of Lot 289, Block 47, said point also being an interior corner of the herein described tract;

Thence, with the northwest right-of-way line of Rodriguez Street and the southeast line of Lot 289, Block 47, **North 44 degrees 40 minutes 17 seconds East**, a distance of **140.00 feet** to a concrete nail set in the southwest right-of-way line of Main Street and being at the east corner of Lot 289, Block 47;

Thence, crossing Rodriguez Street, with the southwest right-of-way line of Main Street, **South 46 degrees 43 minutes 03 seconds East**, a distance of **61.72 feet** to a concrete nail set at the north corner of Lot 288, Block 46;

Thence, with the southeast right-of-way line of Rodriguez Street and the northwest line of Lot 288, Block 46, **South 45 degrees 11 minutes 31 seconds West**, a distance of **140.00 feet** to a calculated point at the west corner of Lot 288, Block 46 for an interior corner of the herein described tract;

Thence, with the southwest lines of Lots 288, 287, 286, 285, 284, 283, 282 and 281, Block 46 and the northeast line of an alley within Block 46, **South 44 degrees 57 minutes 55 seconds East**, a distance of **399.73 feet** to a concrete nail set in the northwest right-of-way line of Hays Street and being at the south corner of Lot 281, Block 46;

Thence, with northwest right-of-way line of Hays Street, **South 45 degrees 02 minutes 05 seconds West**, a distance of **7.00 feet** to a calculated point for corner;

Thence, severing an alley within Block 46, the following two (2) courses and distances:

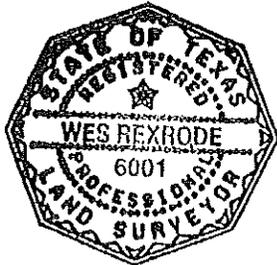
North 44 degrees 57 minutes 55 seconds West, a distance of **100.16 feet** to a calculated point for an interior corner of the herein described tract;

and **South 45 degrees 02 minutes 05 seconds West**, distance of **7.00 feet** to a ½" iron rod found at the north corner of Lot 255 and the east corner Lot 254, Block 47;

Thence, with the northeast lines of Lots 254, 253, 252, 251, 250 and 249, Block 46 and the southwest line of an alley within Block 46, **North 44 degrees 57 minutes 55 seconds West**, a distance of **299.60 feet** to a concrete nail set in the southeast right-of-way line of Rodriguez Street and being at the north corner of Lot 249, Block 46, said point also being an interior corner of the herein described tract;

Thence, with the southeast right-of-way line of Rodriguez Street and the northwest line of Lot 249, Block 46, **South 45 degrees 11 minutes 31 seconds West**, a distance of **175.40 feet** to the **Point of Beginning**, containing **0.676 acres**.

Note: This description is based on an on the ground survey performed in November of 2010. The bearings are based on GPS observations. A survey drawing of the above described tract was prepared.



A handwritten signature in black ink, appearing to read "Wes Rexrode".

Wes Rexrode Date: November 9, 2010
Registered Professional Land Surveyor No.6001
Job Number: 10-4036 Tract 2

MATKIN-HOOVER

ENGINEERING & SURVEYING

8 Spencer Road, Suite 300, Boerne, Texas 78006
Phone: 830-249-0600 FAX: 830-249-0099

FIELD NOTES FOR A 0.016 ACRE TRACT OF LAND,

BEING A 0.016 ACRE TRACT OF LAND OUT OF AN ALLEY WITHIN BLOCK 46, SCHREINER'S ADDITION TO THE TOWN OF KERRVILLE RECORDED IN VOLUME K, PAGES 1-7, DEED RECORDS, KERR COUNTY, TEXAS, SAID 0.016 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

Beginning at a ½" iron rod found at the north corner of Lot 255, Block 46 and the east corner of Lot 254, Block 46 of the above referenced Schreiner's Addition, said point also being the west corner of the herein described tract and is in the southwest line of an alley within Block 46;

Thence, severing an alley within Block 46, the following two (2) courses and distances:

North 45 degrees 02 minutes 05 seconds East, a distance of 7.00 feet to a calculated point for the north corner of the herein described tract;

and South 44 degrees 57 minutes 55 seconds East, a distance of 100.16 feet to a calculated point in the northwest right-of-way line of Hays Street for the east corner of the herein described tract;

Thence, with the northwest right-of-way line of Hays Street, South 45 degrees 02 minutes 05 seconds West, a distance of 7.00 feet to a ½" iron rod set with a red "Matkin-Hoover Eng. & Survey" plastic cap at the east corner of Lot 256, for the south corner of the herein described tract;

Thence, with the northeast lines of Lots 256 and 255 and the southwest line of an alley within Block 46, North 44 degrees 57 minutes 55 seconds West, a distance of 100.16 feet to the Point of Beginning, containing 0.016 acres.

Note: This description is based on an on the ground survey performed in November of 2010. The bearings are based on GPS observations. A survey drawing of the above described tract was prepared.



Wes Rexrode Date: November 9, 2010
Registered Professional Land Surveyor No.6001
Job Number: 10-4036 Tract 3

December 9, 2010

City of Kerrville
Attn: Michael Wellborn P.E.
800 Junction Hwy.
Kerrville, TX 78028

Re: Crenwelge Motors - Traffic Study
Kerrville Texas

Mr. Wellborn,

On Tuesday November 2, 2010 during the hours of 7:30-9:30 a.m. and 4:00-6:15 p.m., Matkin Hoover Engineering firm completed a traffic study for Crenwelge Motors on Rodriguez Street. Rodriguez Street is a cross street connecting Main Street and Water Street across from the entrance of the HEB Grocery Store. The study was performed to measure the amount Crenwelge Traffic vs. the amount of exclusively through traffic on Rodriguez Street. Vehicles were counted as through traffic, Crenwelge traffic in and Crenwelge traffic out for 15 minute intervals during the two hour time periods. Through traffic consisted of vehicles that did not attempt to stop at Crenwelge Motors after turning onto Rodriguez Street from Water Street or Main Street. The data was recorded and graphed to determine the total number of vehicles a.m/p.m, peak hour a.m./p.m., total through traffic, Crenwelge traffic in and Crenwelge traffic out. The graphs were based on the number of vehicles vs. time of day. See the attached Peak Hour Traffic Study and Table 1 below for more detailed information.

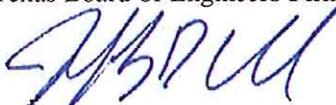
Time of Day	Crenwelge Traffic	Through Traffic
A.M.	63	30
P.M.	113	47

Table 1: Crenwelge Traffic vs. Through Traffic

From visual observation it appeared that the majority of non-Crenwelge traffic was using Rodriguez Street as a shortcut to avoid the traffic signal at Lemos Street. During the PM portion of the study a majority of the non-Crenwelge traffic was using Rodriguez Street as a direct access to and from the HEB parking lot. This traffic pattern is less than ideal as it creates a dangerous intersection for traffic to travel across all lanes of Main Street at an intersection without a traffic signal.

Based upon the data acquired during our study and from visual observant of traffic patterns it is our opinion that by closing Rodriguez Street would not any significant impact on traffic patters to the general public.

Sincerely,
Matkin Hoover Engineering & Surveying
Texas Board of Engineers Firm #4512



Jeffrey Carroll, P.E.
Vice President

MATKINHOOVER

ENGINEERING & SURVEYING

Peak Hour Traffic Study

Project No. : 2411.00
 Date : November 2, 2010
 Day of the Week: Tuesday

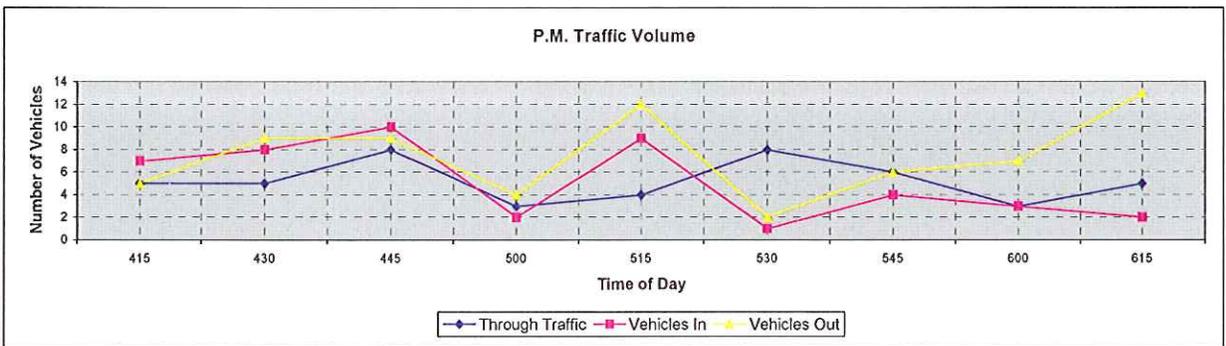
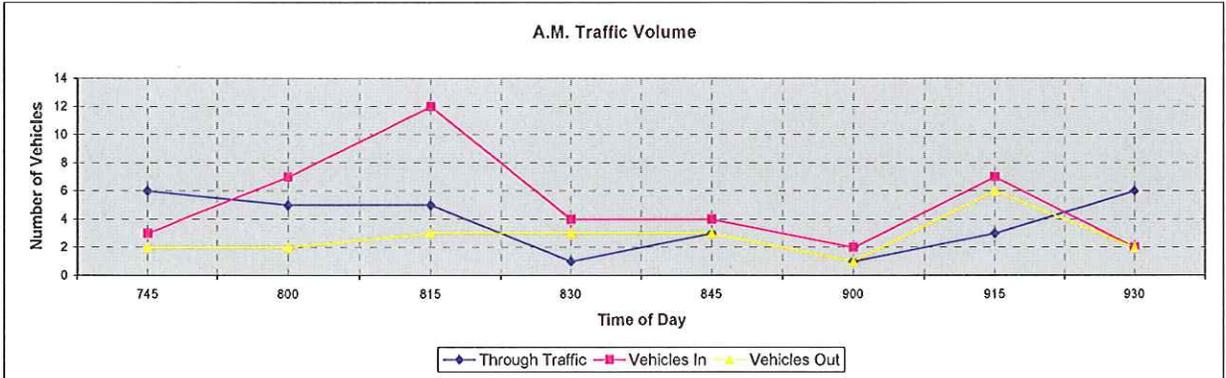
Site: Crenwelge Motors
 Location: Rodriguez St. is the cross street between Main St. & Water St.
 City/State: Kerville, Texas

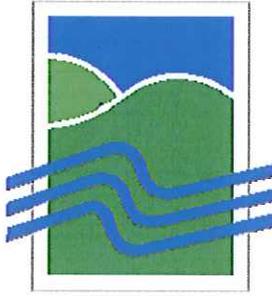
PEAK HOUR A.M. 7:30-8:30
 53 VEHICLES

PEAK HOUR A.M. 4:15-5:15
 83 VEHICLES

END TIME	THROUGH TRAFFIC	CRENWELGE IN	CRENWELGE OUT
745	6	3	2
800	5	7	2
815	5	12	3
830	1	4	3
845	3	4	3
900	1	2	1
915	3	7	6
930	6	2	2
Total Vehicles A.M.			93

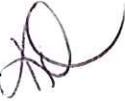
END TIME	THROUGH TRAFFIC	CRENWELGE IN	CRENWELGE OUT
415	5	7	5
430	5	8	9
445	8	10	9
500	3	2	4
515	4	9	12
530	8	1	2
545	6	4	6
600	3	3	7
615	5	2	13
Total Vehicles P.M.			160





City of Kerrville
Development Services
800 Junction Highway
Kerrville, Texas 78028-5069
830.792-8351 (O)
830.896-0517 (F)
Kevin.coleman@kerrvilletx.gov

MEMORANDUM

TO: Kristine Ondrias, Assistant City Manager, 

FROM: Kevin Coleman, Director of Development Services, 

DATE: January 4, 2011

SUBJECT: Rodriguez Street ROW Abandonment Request

Crenwelge Motors has requested City Council to and preliminary approval to the abandonment of rights of way of Rodriguez Street, between Main Street (SH27) and Water Street and the alley extending from Rodriguez Street west to Lemos and east to Hays.

The request is triggered by the owner's plan to renovate and expand his existing facilities and his need to expand across Rodriguez Street.

At its September 28th meeting, City Council reviewed this same request and asked the applicant to provide additional information to support his request.

The owner has submitted a set of conceptual drawings showing his planned improvements and the utility relocations needed to accommodate those improvements as well as a general traffic study for the area, and an appraised valuation of the property.

Under this item, the owner is asking the Council to reconsider his request for preliminary approval of the abandonment prior to investing additional dollars and time in the development of his plan.

The Development Review Committee has given the applicant a general review of the information provided. Though no plans have been approved, staff has no issue with Council's preliminary approval of the request, subject to the following:

- Letters from all property owners whose property abuts the proposed abandonment voicing their support for the request.

- Approval of any variance needed to accommodate the proposed addition.
- Review and preliminary approval from TXDOT of the proposed access to the site from SH27.
- Further review of the appraised value of the property submitted with the request to determine a final value of the property.
- Approval of a preliminary plat, utility/drainage relocation plans, and development site plan for the property.

With this preliminary approval, the owner will have some assurance, though not a guarantee, that City Council will give final approval of the abandonment request.

Agenda Item:
(Staff)

- 4D. Existing interlocal agreements and proposals for negotiations with Kerr County representatives on new or revised interlocal agreements for joint City and County operations and functions.

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

SUBJECT: Discussion and consideration of existing interlocal agreements and proposals for negotiations with Kerr County representatives on new or revised interlocal agreements for joint city and county operations and functions.

FOR AGENDA OF: January 11, 2011 **DATE SUBMITTED:** December 29, 2010

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

EXHIBITS: 1. Synopsis of City/County Contracts/Agreements
2. City/County 3-Year Funding Agreement

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$0	\$0	\$0	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Attached is a synopsis of the existing agreements in effect between the City of Kerrville and Kerr County. There are a total of nine agreements that cover airport operations, animal control, emergency medical services, fire services, library services, inmate boarding, tax collection and recycling center services.

City/County funding for airport, animal control, emergency medical services, fire services and library services is subject to a 3-year funding agreement that terminates at the end of FY2011.

With the conclusion of the 3-year funding agreement, funding terms for fire, emergency medical services, animal control, and airport operations must be negotiated with the county for funding in FY2012 and beyond.

Unless either party terminates the 3-year funding agreement the county's commitment to funding for the library continues on an annual basis subject to a 3% escalation. There is no other current written agreement between the city and county for library operations or library funding.

In contemplating future funding agreements the city and county should discuss desired levels of service, direct and indirect costs, and timeliness of budgetary decisions. Guarantees of service delivery and guarantees of funding allocations are two important issues that should be included in any future commitments between the city and the county.

For example, in providing fire and emergency medical services the City of Kerrville must assume full responsibility to purchase and maintain property and equipment and to hire personnel to serve a population that extends well beyond the city's boundaries. The continuation of services outside of the City of Kerrville should be based on an agreement that provides for a firm commitment to funding with appropriate budgetary timelines that confirm the city's and county's commitments to continuing these services in future years.

RECOMMENDED ACTION

City staff recommends that the City Council direct the Mayor to provide written notice by January 14, 2011, to the Commissioners' Court of its intent to terminate operational agreements for fire, emergency medical services, airport, and animal control operations in addition to the outstanding provisions of the 3-year funding agreement and that appropriate notice be provided to Kerr County. Said notice should state that the city would cease to provide services by October 1, 2011.

City staff further recommends that the City Council offer to negotiate new or revised agreements for fire, emergency medical services, animal control, library, and airport operations and related funding commitments for those agreements. These agreements and funding commitments should be concluded by March 31, 2011, in order to allow each entity to incorporate these financial implications into their FY2012 budgets.

Exhibit 1
Synopsis of City/County Contracts/Agreements

CITY/COUNTY CONTRACTS/AGREEMENTS: COUNTY PAYS CITY

<u>CONTRACT</u>	<u>AMOUNT</u>	<u>TERM</u>	<u>RENEWAL/TERMINATION</u>	<u>ADDITIONAL INFORMATION</u>
AIRPORT	\$25,000 FY11	Aug. 10, 2004 to Sept. 30, 2044	<ul style="list-style-type: none"> • Auto renew for additional 40 year term. • Termination by either party upon 90 days written notice. 	<ul style="list-style-type: none"> • Ownership: city and county own equal, undivided interest in the real property and assets within the bounds of the airport in accordance with contract map. • Prior to FY11, city paid 60% of county's net operating budget for animal control. • City transferred to county the tract of land for the facility and extended water and sewer to the facility (unclear as to who paid the cost for this extension); county pays for monthly utility service. • City transferred assets and personal property to county (list attached to contract). • City manages county-wide first responder program. • County pays share of deficit based on projected base budget.
ANIMAL CONTROL	County pays 100% for FY11	Oct. 1, 2010 to Sept. 30, 2011	<ul style="list-style-type: none"> • Auto renew for one year period up to five successive years (9-30-2013). • Termination by either party upon 90 days written notice prior to commencement of next renewal term. 	
EMS	\$242,335 FY11	Oct. 1, 2010 to Sept. 30, 2011	<ul style="list-style-type: none"> • Auto renewal in one-year periods. • Termination by either party upon 90 days written notice. 	
FIRE	\$190,550 FY11	Oct. 1, 2010 to Sept. 30, 2011	<ul style="list-style-type: none"> • Auto renewal annually. • Termination: Either party upon 60 days written notice. 	<ul style="list-style-type: none"> • City responds to rescue situations (wrecks, drowning, searches, etc.) • City first responder in Kerrville South area.
LIBRARY	\$200,000 FY11	Oct. 1, 2010 to Sept. 30, 2011	<ul style="list-style-type: none"> • Renewal: No provision in current agreement. • Termination by default by either party upon 30 days written notice. 	

CITY/COUNTY CONTRACTS/AGREEMENTS: CITY PAYS COUNTY

CONTRACT	AMOUNT	TERM	RENEWAL/TERMINATION	ADDITIONAL INFORMATION
ELECTION SERVICES	\$5,975 FY11 (Estimate)	Oct. 1, 2010 to Sept. 30, 2011	<ul style="list-style-type: none"> Annual contract. 	<ul style="list-style-type: none"> City to reimburse county for actual expenses, plus 10% contract fee and \$50 administrative fee.
INMATE BOARDING	\$22,650 FY11 (Estimate)	Oct. 1, 1989	<ul style="list-style-type: none"> Termination by either party upon 90 days written notice. 	<ul style="list-style-type: none"> City pays county \$37 per person per day for inmates charges with Class C misdemeanors only.
TAX COLLECTION	\$100,000 FY11 (Estimate)	Oct. 1, 2010 to Sept. 30, 2011	<ul style="list-style-type: none"> Auto renew annually unless terminated. Termination by either party upon written notice prior to September 1 each year. 	<ul style="list-style-type: none"> City pays county 1% of ad valorem taxes, penalties and interest collected on behalf of the city.

CITY/COUNTY CONTRACTS/AGREEMENTS: NEITHER ENTITY PAYS THE OTHER

RECYCLING CENTER		Jan. 1, 2015	<ul style="list-style-type: none"> Auto renew for 5 year period. Termination by either party upon 120 days notice prior to commencement date of renewal term. 	<ul style="list-style-type: none"> County maintains ownership of real property. Upon termination, county keeps ownership of all improvements/expansions; equipment may be removed by the city.
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Exhibit 2
City/County 3-Year Funding Agreement

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 070 -2008**

**A RESOLUTION ADOPTING A THREE-YEAR FUNDING PLAN AS
PREVIOUSLY AGREED TO BETWEEN THE CITY OF KERRVILLE AND
KERR COUNTY REGARDING THE CITY AND COUNTY'S JOINT
OPERATIONS**

WHEREAS, the City of Kerrville and Kerr County participate in joint agreements for the provision and operation of public services and facilities; and

WHEREAS, on August 6, 2008, in a joint meeting between the Kerrville City Council and the Kerr County Commissioners Court, the Council and Commissioners Court agreed to a three-year Funding Plan for these joint agreements; and

WHEREAS, the City Council of the City of Kerrville, Texas, finds it to be in the public interest to adopt a three-year Funding Plan with the County;

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

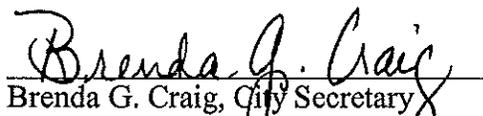
The Mayor and City Secretary are authorized to execute and attest, respectively, on behalf of the City of Kerrville, a three-year Funding Plan with Kerr County regarding the City and County's joint operations, as set forth in **Exhibit A**.

PASSED AND APPROVED ON this the 12th day of August, A.D., 2008.



Todd A. Bock, Mayor

ATTEST:



Brenda G. Craig, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

Approved by City Council
Date: August 18, 2008
Volume _____ Page _____

CITY/COUNTY THREE YEAR FUNDING PLAN

	FY 09		FY 10		FY 11	
	County	City	County	City	County	City
Fire*	180,000	N/A	180,000	N/A	180,000	N/A
EMS	Current Formula					
Library**	400,000	419,299	300,000	N/A	200,000	N/A
Airport***	50%	50%	75%	25%	100%	0%
Animal Control	67%	33%	83%	17%	100%	0%

* The amount is shown in constant dollars from FY10 onward and is subject to a 3% per year escalation

**The amount is fixed as shown and FY12 and on is subject to 3% escalation

***Applicable to maintenance and operations funding only. All capital expenditure funding shall be paid equally by city and county

Executed on this 15th day of September, 2008

CITY OF KERRVILLE

By: 
Todd A. Bock, Mayor

KERR COUNTY

By: 
Pat Finney, Judge

ATTEST:


Brenda G. Craig, City Secretary

ATTEST:


Jannett Pieper, County Clerk



**THE COUNTY COURT
OF**

KERR COUNTY, TEXAS

700 Main, Kerrville, Texas 78028

Tel: (830) 792-2211

Fax: (830) 792-2218

E-mail: commissioners@co.kerr.tx.us

COUNTY JUDGE
PAT TINLEY

CLERK
JANNETT PIEPER

COMMISSIONERS COURT
H.A. "BUSTER" BALDWIN, PCT. 1
WILLIAM H. WILLIAMS, PCT. 2
JONATHAN LETZ, PCT. 3
BRUCE OEHLER, PCT. 4

COURT COORDINATOR
JODY GRINSTEAD

September 8, 2008

Mr. Paul Hofmann
City Manager
City of Kerrville
800 Junction Hwy
Kerrville, TX 78028

RE: Resolution Adopting a Three Year Funding Plan Regarding City and County Joint Operations.

Dear Mr. Hofmann:

Attached hereto is a Resolution adopted by the Kerr County Commissioners' Court with regard to the proposed three year funding plan regarding City and County joint operations.

Please note that the Resolution as passed by Commissioners' Court contains two additional matters which I believe conform to the substance of the agreements of both Kerrville City Council and Kerr County Commissioners' Court at the joint meeting on August 6, 2008. Those additions are as follows:

1. A provision that funding is subject to budgetary appropriations as provided by law.
2. An asterisk with regard to airport funding that the percentage formulas as shown apply to maintenance and operation funding only with any capital expenditures to be funded equally by city and county.

I trust the redrafted Exhibit "A" to the Resolution falls within the parameters as approved by City Council and can be executed by the appropriate city officials without further action of the City Council.

Thank you for your attention to this matter.

Yours very truly,


Pat Tinley
Kerr County Judge

Enclosures

RESOLUTION

A Resolution of Kerr County Commissioners' Court adopting a three-year funding plan, subject to annual appropriations, as previously agreed to between the City of Kerrville and Kerr County regarding the City and County's joint operations.

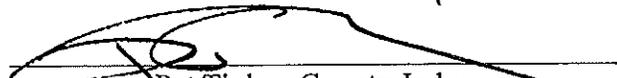
WHEREAS Kerr County and the City of Kerrville participate in joint agreements for the provision and operation of public services and facilities; and

WHEREAS on August 6, 2008, in a joint meeting between the Kerr County Commissioners' Court and the Kerrville City Council, the Council and Commissioners' Court agreed to a three-year Funding Plan, subject to annual appropriations, for these joint agreements; and

WHEREAS the Kerr County Commissioners' Court, Texas, finds it to be in the public interest to adopt such a Funding Plan with the City of Kerrville;

NOW THEREFORE BE RESOLVED that the Kerr County Commissioners Court adopts a three-year Funding Plan, subject to annual appropriations, with the City of Kerrville regarding the City and County joint operations, as set forth in Exhibit "A".

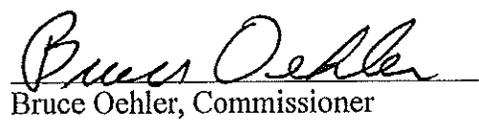
ADOPTED THIS 25th day of August, 2008

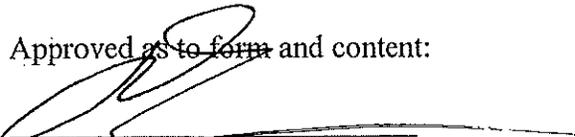

Pat Tinley, County Judge

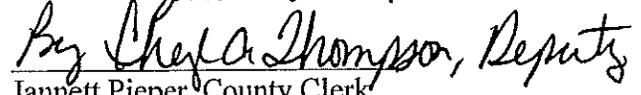

H. A. "Buster" Baldwin, Commissioner
Precinct 1


William H. Williams, Commissioner
Precinct 2


Jonathan Letz, Commissioner
Precinct 3


Bruce Oehler, Commissioner
Precinct 4

Approved as to form and content:

Rex Emerson, County Attorney

ATTEST: 

Jannett Pieper, County Clerk

CITY/COUNTY THREE YEAR FUNDING PLAN

	FY 09		FY 10		FY 11	
	County	City	County	City	County	City
Fire*	180,000	N/A	180,000	N/A	180,000	N/A
	Current Formula					
EMS	400,000	419,299	300,000	N/A	200,000	N/A
Library**	50%	50%	75%	25%	100%	0%
Airport***			83%	17%	100%	
Animal Control	67%	33%				0%

* The amount is shown in constant dollars from FY10 onward and is subject to a 3% per year escalation

**The amount is fixed as shown and FY12 and on is subject to 3% escalation

***Applicable to maintenance and operations funding only. All capital expenditure funding shall be paid equally by city and county

Executed on this 15th day of September, 2008

CITY OF KERRVILLE

By: 
Todd A. Bock, Mayor

KERR COUNTY

By: 
Pat Finney, Judge

ATTEST:


Brenda G. Craig, City Secretary

ATTEST:


Jannett Pieper, County Clerk

Agenda Item:
(Staff)

- 4E. Proposal to construct a multi-purpose meeting facility for the City of Kerrville.

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

SUBJECT: Consideration of the proposal to construct a multi-purpose meeting facility for the City of Kerrville as presented to the City Council by Hunter Equities, LLC.

FOR AGENDA OF: January 11, 2011 **DATE SUBMITTED:** December 29, 2010

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

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$0	\$0	\$0	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

On December 14, 2010, Hunter Equities, LLC (Hunter), presented its findings regarding the construction of a multi-purpose meeting facility (MMF) to the City Council. At that meeting, Hunter showed the type and scale of the facility and related 4-star hotel. Hunter also stated that the anticipated construction cost for the project would range from \$35 to \$49 million. The variation on cost is directly attributable to the selected site and the unique construction factors of that site.

Discussion of a convention center for the City of Kerrville started approximately 2 years ago. It was centered on the planned demolition of the old Peterson Hospital.

The discussion of a convention center compelled a request of the Kerrville Convention and Visitors Bureau by the Kerrville EIC to analyze the business potential of a convention center. In March 2009 the Kerrville Convention and Visitors Bureau presented a report titled the "Kerrville Convention Center Hypothesis." That report showed that there was enough unrealized and lost business to equal the city's existing convention center business. The report also indicated a significant positive economic impact to the local economy.

After receiving the business analysis, the City Council created the City of Kerrville Convention Center Blue Ribbon Committee. This 10-member citizens committee

started meeting in June 2009 with a charge to determine whether a convention center was desired, the type of facility needed, and the preferred location of the facility. The committee recommended a convention center of up to 65,000 square feet that could handle from 500 to 2,000 delegates that supported downtown. The committee also recommended an independent market analysis be conducted to determine the business potential, economic impact and size of facility that the Kerrville market could support.

City Council initiated an RFP for a convention center market analysis in August 2009. TXP was selected and delivered their report in December 2009. That report showed that Kerrville had a strong market for small conferences ranging in size from 500 to 2,000 delegates and that there would be a significant increase in 4B sales tax, HOT tax, and local spending. The report also recommended that the facility should really be a multi-purpose meeting facility of 47,000 square feet with 27,000 in open meeting space.

After accepting the TXP market analysis the City Council initiated an RFP soliciting public/private partnership proposals for the construction of a facility as recommended by the TXP market analysis. Proposals were due in March 2010 and Hunter was selected as the preferred proposer in June 2010.

Hunter and the City Council entered into a memorandum of understanding (MOU) for the initial due diligence phase of the construction of a multi-use meeting facility and associated 4-star hotel. The purpose of the MOU was to provide for the evaluation of 3 specific sites and to estimate the construction costs associated with the project. The objective was to determine whether to move forward to actual construction. Hunter presented their findings in public session on December 14, 2010.

It has been anticipated that this project would be a public/private effort. One of the major points established by the City Council in the MOU was that the financial exposure of the city would be limited to that amount that could be leveraged with no more than \$500,000 of annual 4B funds and no more than \$150,000 of annual HOT funds for debt service not to exceed 30 years.

Staff estimates that the city's participation in the cost of construction would likely range from \$18 to \$30 million dollars. This would require a debt service obligation that significantly exceeds the limit established by the City Council. Debt service required to fund \$20 million would utilize nearly all of the existing 4B and HOT revenues.

The City Council must now decide whether to move forward with one of the analyzed sites, ask Hunter to evaluate one or more additional sites, or terminate this current process.

RECOMMENDED ACTION

The process has provided invaluable information to community. Kerrville knows what its convention center market is and that the market is a strong one. Kerrville has also established the type/size of facility that is appropriate to the community and reasonable costs associated with its construction. The number and class of additional hotel amenities that a convention center would likely generate have also been quantified.

However, the city has also discovered that current market conditions are such that the bulk of construction costs must be borne by the city and that in funding those costs the available resources of 4B and HOT revenues will be used for this single project.

Based upon these findings, staff recommends that the City Council terminate the MMF process. Staff also recommends that the City Council remain open to other proposals for a combination MMF and 4-star hotel facility, particularly when market conditions improve to a point where there is more private sector interest. The findings and data gathered through this process will provide an excellent yard stick to evaluate any future proposals.

Agenda Item:
(Staff)

- 4F. Strategic plan to address economic development needs for the City of Kerrville.

Over the past 10 years, annual 4B revenues have averaged approximately \$2.2 million. Revenues have peaked at approximately \$2.5 million in 2008 and dropped to approximately \$2.4 million on 2010 with the dip in the economy. The FY2011 budget anticipates 4B revenues of \$2.25 million. **Exhibit 1** shows sales tax revenue history.

4B revenues have been used for a wide variety of projects including improvements to the municipal golf course, airport taxiway construction, construction of a skate park, major water and wastewater infrastructure, major roadway improvements, library improvements, affordable housing, and the Hill Country Shooting Sports Center. **Exhibit 2** contains a list of the projects that received 4B funding.

Planned use of existing funds includes the purchase of property from KEDF that will serve as the targeted site to relocate an expanded USDA research facility.

Staff has calculated that between \$10 million to \$12 million of working capital could be leveraged by the 4B sales tax revenues over the next 5 years. Additional bond funds could be sold in two sales, one as early as 2011 and the other in the 2013 to 2014 time frame. Based on the average 4B sales tax revenue over the past 10-years this debt could be issued and still leave the EIC from \$500,000 to \$900,000 in working capital each year to provide local grants or to build an economic development reserve fund. **Exhibit 3** provides a pro-forma EIC budget projection over the next 5 years. This budget projection assumes that the EIC purchases the USDA tract from KEDF.

Strategically, the EIC and the City of Kerrville could contemplate a debt issuance program with additional debt service obligations being limited to \$500,000 per year for each issue. Furthermore the debt issuances could be laddered to ensure that no more than 50% of the EIC's base revenue stream is required for debt service obligations that exceed 10 years. EIC will pay off its existing annual debt obligation payments in 2014 which creates room to contemplate the second issue proposed in the 2014 window.

An option for issuing these bond funds is an arrangement between the city and the EIC. The city could issue COs and the EIC pledge revenues to cover the debt service payments. This would allow for more of the principal to be used toward projects since the costs for the city-issued bonds would be lower. However, costs and fees associated with the issuance by either the city or the EIC would need to be fully evaluated to determine the most cost effective means.

Since 2000, the City of Kerrville has been substantially increasing the amount of resources allocated toward infrastructure needs (streets, drainage, water and wastewater). During the decade of the 1990s, the city spent significantly less than

\$200,000 per year on average for all of these expenditures combined. From 2000 to 2004, the city increased its average annual expenditures on these items to \$1,044,484. Since 2005, this average annual expenditure has increased to \$3,940,611. **Exhibit 4** shows the annual average expenditures and total expenditures for these time periods.

Much of the recent expenditures have been used to address deferred maintenance and deferred system expansion requirements. Even though these costs have been significantly increased the city has been able to maintain a very constant property tax rate to address the tax supported projects. The city's water and wastewater rates have also been increased to raise the revenues needed to cover operations expenses in addition to raising the necessary capital for the projects. These rate increases have been managed in a manner that ensures that the city's water and wastewater rates have been competitive within the region and with communities of like size throughout the state. **Exhibit 5** contains historical property tax data.

A substantial portion of the city's income stream to support government operations is sales tax. Since 2009 the city has experienced a decline in sales tax collections of approximately 10%. In addition, the city has instituted more conservative financial planning and cash management policies and decreased spending by 15% from FY2010 to FY2011. The decrease in spending includes the deferment of planned bond sales whose debt service payments would be paid by property taxes. Providing a means to stabilize the city's economic base and accomplishing that with minimum impact to the taxpayer have remained one of the community's primary objectives. The use of 4B resources could be used as a major tool for that objective.

The city's 5-Year Capital Improvements Plan contains a schedule for additional capital expenditures. These projects have been identified to address a variety of growth, infrastructure repair, economic development, and quality of life issues. The majority of these planned projects are not achievable on a pay as you go basis within the 5-year schedule. Consequently, alternative funding options need to be contemplated for those projects in order to increase the ability to complete priority projects while minimizing the impact to Kerrville's tax and utility rate payers. **Exhibit 6** contains a copy of the 5-Year CIP adopted with the FY2011 Budget.

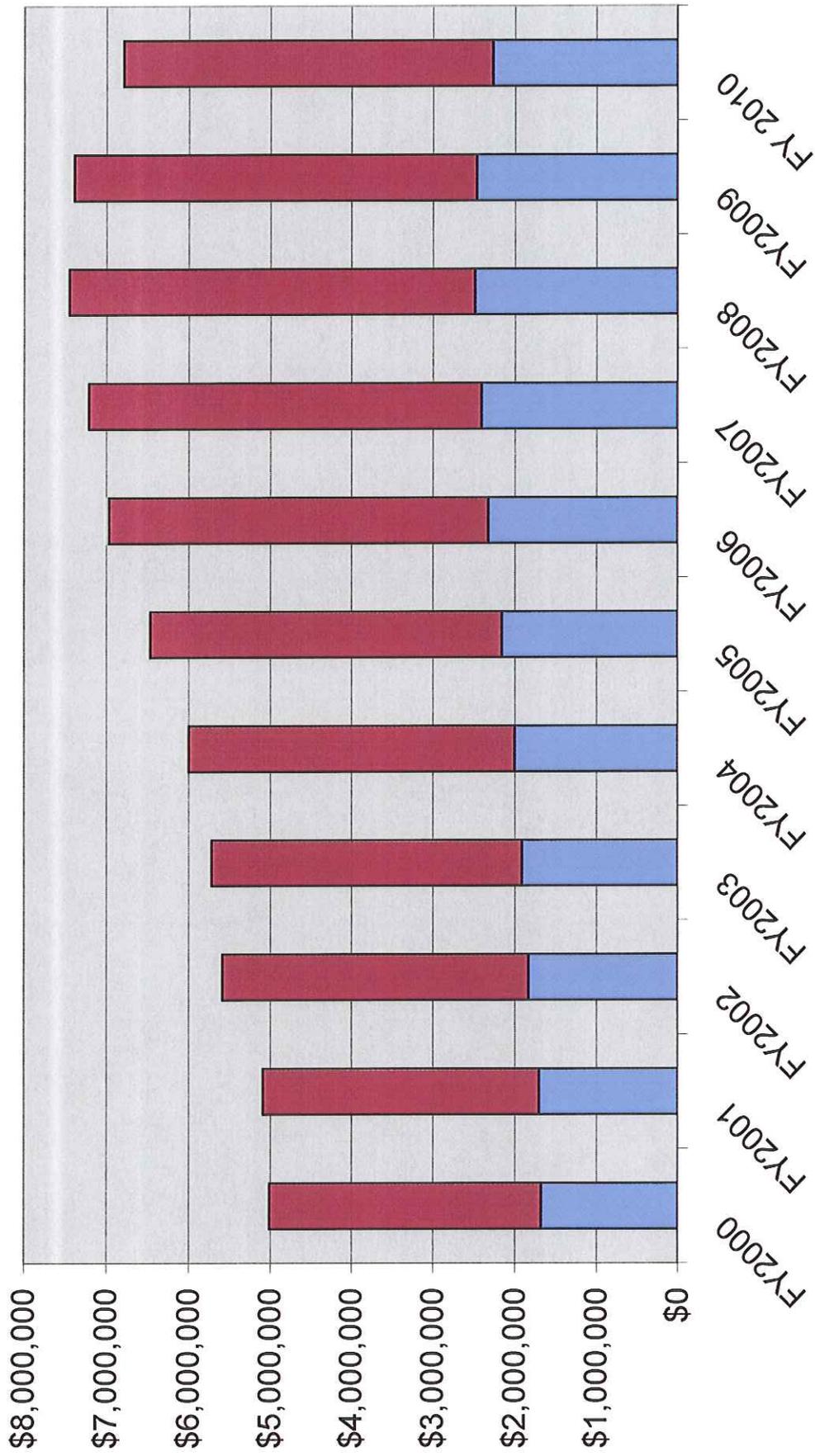
RECOMMENDED ACTION

Staff recommends that the City Council and the EIC hold a joint meeting to discuss the overall needs of the community and to determine how EIC funds may be best used to achieve the community's economic development objectives. Furthermore, staff recommends that an EIC backed debt issue be contemplated for 2011 and that the issue be limited to the amount of funds that could be leveraged with a \$500,000 debt service obligation for an issue whose maturity does not exceed 20 years.

Exhibit 1
Historical Sales Tax Collections

Sales Tax Data

Total Sales Tax Collected



4B General Fund

Exhibit 2
Index of EIC Funding Agreements

ECONOMIC IMPROVEMENT CORPORATION

INDEX OF FUNDING AGREEMENTS (FA)

- 98-1 Kerrville/Kerr County Municipal Airport water distribution and wastewater collection mains, \$838,000
- 99-1 Scott Schreiner Municipal Golf Course remodeling, reconstruction, and related purchases, including: remodeling golf course, construction of new maintenance and storage building, and purchase of golf course maintenance equipment, \$1,850,000
- 99-2 Holdsworth preliminary design including design, bidding, construction, and right of way acquisition, \$60,000
- 99-3 Holdsworth Drive-TxDOT agreement for construction of Holdsworth drive from Hwy. 16 to Harper Road, including design, bidding, construction, and right of way acquisition, \$30,000 (amended 3-6-00 to \$62,000, FA 00-3)
- 99-4 Memorial lift station rehabilitation, \$160,000
- 99-5 Park Lane preliminary design, including design, bidding, construction and right of way acquisition, \$31,000
- 99-6 Butt-Holdsworth Memorial Library renovation preliminary study, including design, bidding, and construction, \$14,000
- 00-1 "G" Street (Bridge) reconstruction, acquiring right of way, relocating utilities, and participating in construction costs
- 00-2 "G" Street and Park Lane right of way acquisition, \$313,000
- 00-3 Amends Holdsworth Drive-TxDOT agreement, FA 99-3 increased to \$62,000
- 00-4 Holdsworth Drive project, \$938,000
- 00-5 Butt-Holdsworth Memorial Library renovation project, \$228,650
- 00-6 Water and Sewer on Loop 534 to KISD property
- 00-7 Blackwell Fire Station replacement project, \$800,000
- 01-01 Broadway utility relocation, \$330,000

- 01-02 Loop 534 water and sewer, 1st amendment, \$1,500,000
- 01-03 Legion Hills-Phase II infrastructure, \$175,000
- 01-04 Aquifer Storage Recovery well project, \$300,000
- 01-05 Loop 534 water and sewer, 2nd amendment, \$1,710,000
- 01-06 Loop 534 water and sewer, 3rd amendment, \$2,027,259.35
- 01-07 Airport Commerce Park, \$500,000 (Amended June 11,2002 to \$630,000)
- 01-08 Airport Interior wastewater infrastructure improvements, \$500,000
- 02-01 Aquifer Storage Recovery Well #3, Phase I, \$75,000
- 02-02 Ambulance, \$143,665
- 02-03 GIS (Geographic Information System), \$153,812.00
- 02-04 Acquisition of Drainage Easements along Quinlan and Town Creeks
- 03-01 Extension of Main Street between Meadowview Drive and Travis Street
- 03-02 Purchase of FY2003-04 Fire Pumper Apparatus and Thermal Imaging Camera
- 03-03 Purchase of Communications Equipment for the Kerrville Police, Fire & EMS Dispatch for the Emergency Service Enhancement Program
- 03-04 Renovate Airport Facility (1700 Airport Loop Road)
- 03-05 Matching funds with TxDot for the construction of an Airport Terminal
- 03-01-C Contract between KEDF and EIC
- 04-01-A First Amendment to Funding Agreement for Thermal Imaging Cameras
- 04-02 Construction of Final Phase of Legion Hills Infrastructure Improvements
- 04-03 Golf Course Improvements
- 04-04 FY04-05 Administrative Services Contract
- 04-05 1st Amendment to the Funding Agreement of the Airport Sewer Project

- 04-06 Town Creek Companies, LLC, City of Kerrville and EIC – participation in sewer infrastructure construction.
- 04-07 1st Amendment to the Project Funding Agreement – Holdsworth Drive
- 05-01 Central Kerrville Development Corporation
- 05-02 Second Amendment to Project Funding Agreement – Holdsworth Drive
- 05-03 State Highway 16 Reconstruction Project – Utilities
- 05-04 1st Amendment to Project Funding Agreement 04-06, Town Creek Sewer infrastructure, release of lien.
- 05-05 Hill Country Shooting Sports Center.
- 05-06 Texas Arts and Crafts Foundation, Inc.
- 05-07 Kerrville Playscape, Inc.
- 05-08 Airport Water Tower Demolition
- 06-01 Central Kerrville Development Corporation Boardwalk Project
- 06-02 Dietert Senior Center Project, \$500,000
- 06-03 Sid Peterson Memorial Hospital, \$500,000
- 06-04 Kerrville Economic Development Foundation \$8,000
- 06-05 FY06-07 Administrative Services Contract
- 06-06 Hill Country Shooting Sports Center \$500,000
- 06-07 James Avery Craftsman, Inc., \$350,000
- 06-08 Kerrville Playscape, Inc., \$12,038 (\$125,000 changed to \$137,038)
- 07-01 Kerrville Economic Development Foundation, not to exceed \$100,000
- 07-02 Schreiner University, Mountaineer Center, \$750,000 over the next three years (apply annually)

- 07-03 First Amendment to Legion Hills Funding Agreement 04-02
- 07-04 Capital Improvements at Kerrville/Kerr County Municipal Airport, (not to exceed \$378,000)
- 07-05 FY 08 Administrative Services Contract
- 08-01 Salvation Army Regional Detention Facility/Athletic Fields, not to exceed \$70,000
- 08-02 Kerrville Main Street Program, not to exceed \$20,000
- 08-03 Capital Improvements at Kerrville/Kerr County Municipal Airport, not to exceed \$245,540
- 08-04 Economic Development Grant-James Avery Craftman, Inc. \$2,500,000
- 08-05 Project Funding Agreement-Kerr Economic Development Foundation-\$71,500
- 08-06 Economic Development Grant/Loan Agreement-Kerr Economic Development Foundation (USDA Laboratory)-not to exceed \$525,000
- 08-07 Economic Development Grant Agreement-Community Foundation of the Texas Hill Country (Tivy Education Center Capital Campaign)-not to exceed \$300,000 and First Amendment dated February 3, 2009
- 08-08 FY 09 Administrative Services Contract - \$75,000 – 09-23-08
- 2009-01 Economic Development Grant – Habitat for Humanity (Maude Jennings Subdivision) – \$418,000 – commence 03-10-09
- 2009-02 Economic Development Grant – Hill Country Shooting Sports Center – air hall - \$300,000 – commence 03-10-09
- 2009-03 Economic Development Grant – Workforce Solutions-Alamo – career center - \$109,887.24 – commence 03-10-09
- 2009-04 Project Funding Agreement – City of Kerrville – Kroc Center site developments - \$500,000 – 03-24-09
- 2009-05 Project Funding Agreement – City of Kerrville – Town Creek Sewer Project - \$513,456.13 – 04-28-09
- 2009-06 Project Funding Agreement – KEDF – marketing/business development – \$62,500 – 06-23-09
- 2009-07 Termination of Project Funding Agreement (Town Creek Sewer Project) – 04-14-09

2010 EIC Funding Agreements

- 2010-01 Project Funding Agreement – Kerr Economic Development Foundation for \$25,000 – 05-17-2010
- 2010-02 Economic Development Grant – Hill Country Home Opportunity Council for \$150,000.00 – 05-17-2010
- 2010-03 Economic Development Grant – Hill Country Shooting Sports Center for \$494,838.00 – 11-15-2010
- 2010-04 Economic Development Grant – Hewitt Engineering, Inc. for \$8,000.00 – 10-18-2010
- 2010-05 Economic Development Grant – San Saba Cap, Inc. for \$10,000.00 – 10-18-2010

Exhibit 3
5-Year EIC Pro Forma Budget Projections

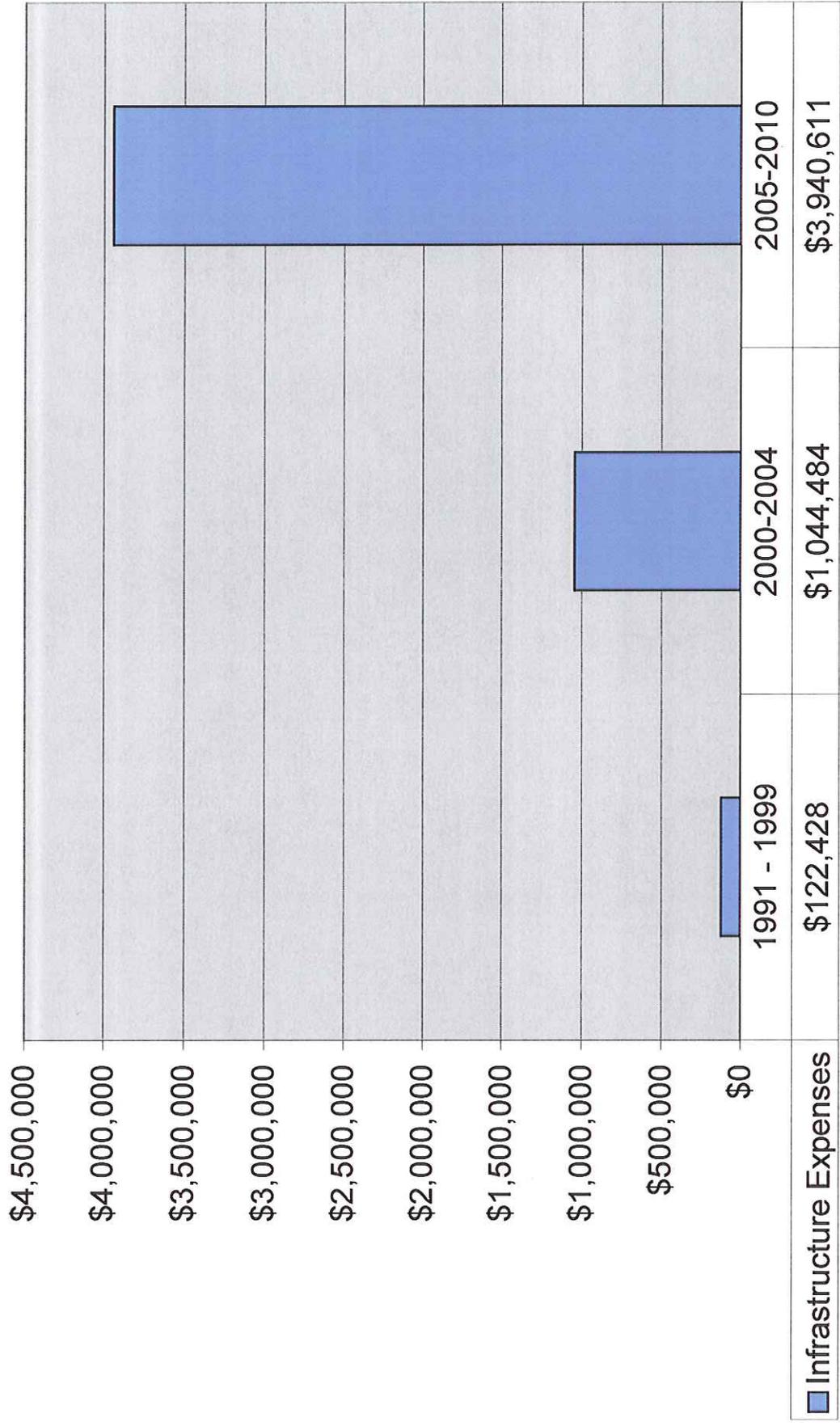
**City of Kerrville
Economic Improvement Corporation
Pro Forma Budget - FY2011 through FY2016**

	2011	2011 Revised	2012	2013	2014	2015	2016
Beginning Cash Balance	\$ 2,228,924	\$ 2,228,924	\$ 1,756,924	\$ 2,665,924	\$ 3,574,924	\$ 4,483,924	\$ 5,397,924
Revenue							
Sales Tax	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000
Interest	\$ 24,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000
Total Revenue	\$ 2,274,000	\$ 2,264,000	\$ 2,264,000	\$ 2,264,000	\$ 2,264,000	\$ 2,264,000	\$ 2,264,000
Expense							
KEDF-USDA	\$ 131,000	\$ 131,000	\$ -				
Promo (ED Gov)	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000
Administrative Services-City	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Commercial Improvement Program	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Other/Unspecified	\$ 1,264,000						
Hill Country Shooting Center		\$ 500,000					
USDA KEDF Loan		\$ 1,250,000					
Debt Service Transfer	\$ 505,000	\$ 505,000	\$ 505,000	\$ 505,000	\$ 505,000	\$ 500,000	\$ 500,000
New Debt Service Transfer		\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Additional New Debt Service							
Total Expenditure	\$ 2,250,000	\$ 2,736,000	\$ 1,355,000	\$ 1,355,000	\$ 1,355,000	\$ 1,350,000	\$ 1,350,000
Revenue over Expense	\$ 24,000	\$ (472,000)	\$ 909,000	\$ 909,000	\$ 909,000	\$ 914,000	\$ 914,000
Ending Cash Balance	\$ 2,252,924	\$ 1,756,924	\$ 2,665,924	\$ 3,574,924	\$ 4,483,924	\$ 5,397,924	\$ 6,311,924

Note: Assumes EIC purchase of property targeted for the new USDA facility.

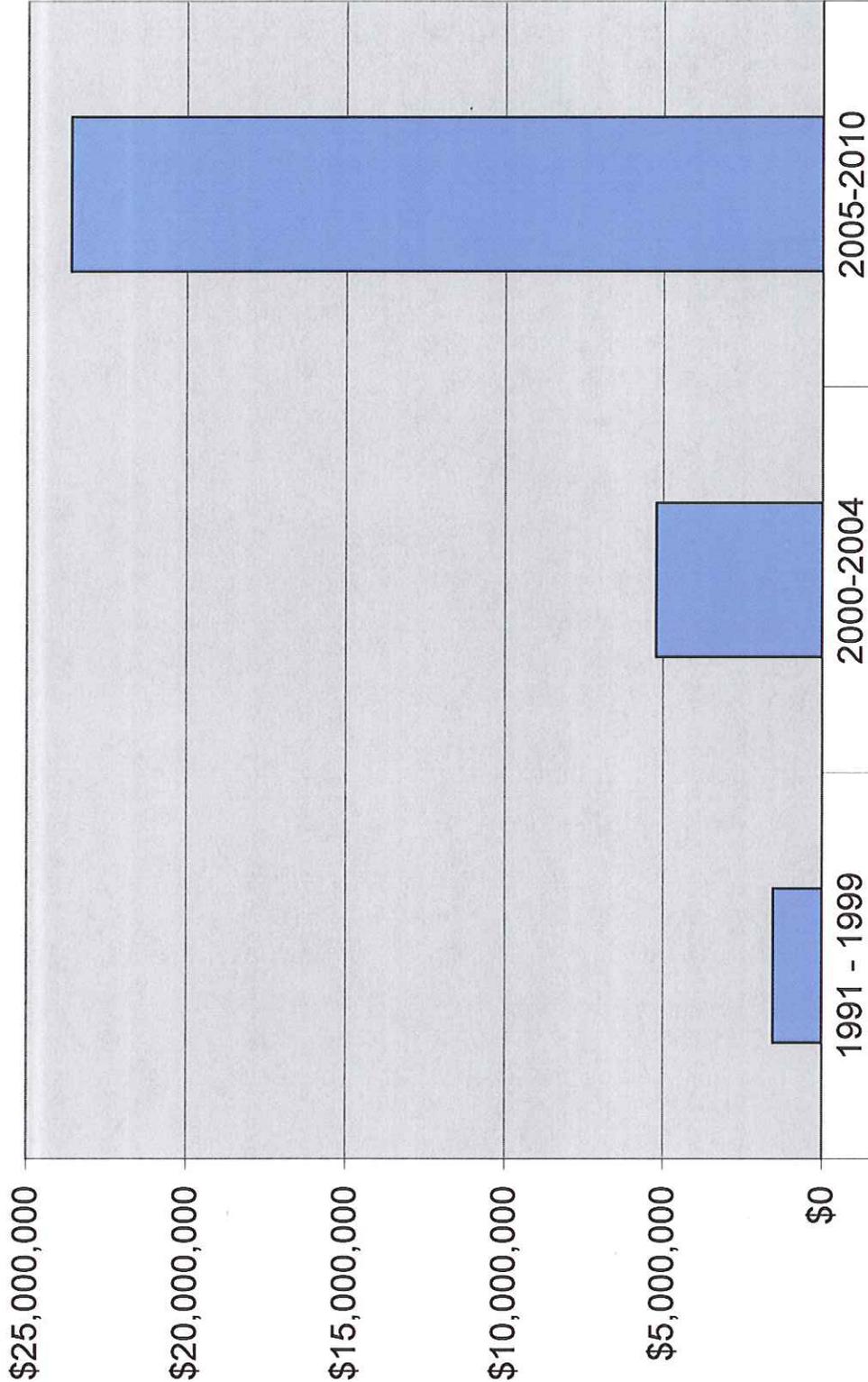
Exhibit 4
Historical Infrastructure Expenditures

Annual Average Infrastructure Expenses



■ Infrastructure Expenses

Total Infrastructure Expenses



Infrastructure Expenses	1991 - 1999	2000-2004	2005-2010
	\$1,531,732	\$5,222,421	\$23,643,666

Exhibit 5
Historical Property Tax Rate and Collections

Property Tax Data

Total Property Tax Collected

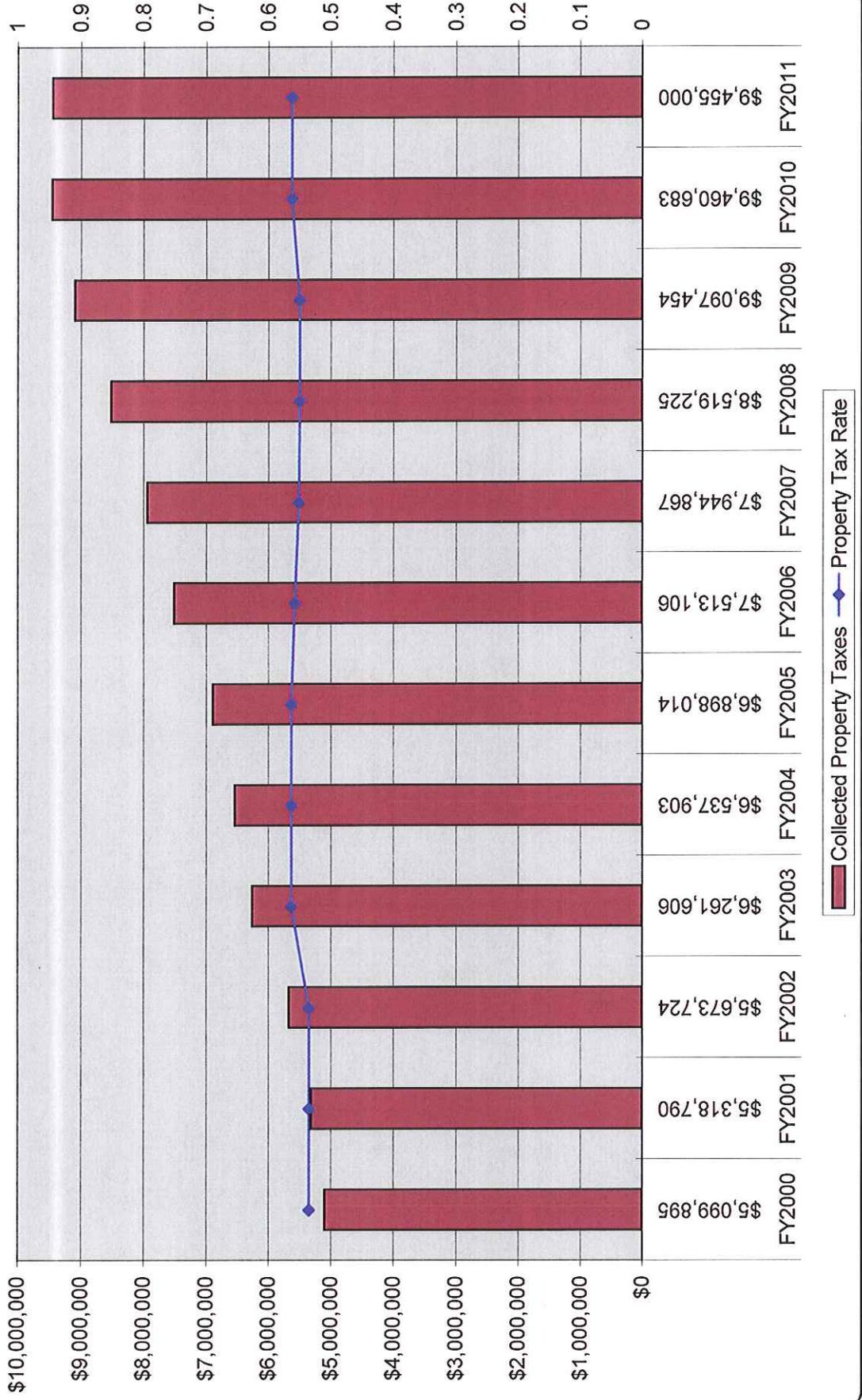


Exhibit 6
5-Year Capital Improvements Plan – FY2011 to FY2015

**Five Year Capital Improvement Plan FY 2011-2015
Projects By Funding Source**

Funding Source: General Fund

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Funding	TOTAL
Safe Routes to School Program	\$60,000	\$0	\$0	\$0	\$0	\$0	\$60,000
Callioux Center ADA Compliance Repairs	\$50,000	\$200,000	\$0	\$0	\$0	\$0	\$250,000
Airport RAMP Grants	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$0	\$125,000
Olympic Pool Repair and Renovation Phase I	\$0	\$40,000	\$0	\$0	\$0	\$0	\$40,000
Station 4 - 911 Ambulance	\$0	\$236,500	\$0	\$0	\$0	\$0	\$236,500
Thoroughfare Plan Update	\$0	\$30,000	\$70,000	\$50,000	\$0	\$0	\$150,000
Louise Hays Park Renovations	\$0	\$0	\$25,000	\$0	\$0	\$0	\$25,000
Scott Schreiner Golf Course Parking Lot Improvements	\$0	\$0	\$0	\$120,000	\$0	\$0	\$120,000
TOTAL	\$135,000	\$531,500	\$120,000	\$195,000	\$25,000	\$0	\$1,006,500

Impact on General Fund Operation

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Funding	TOTAL
Safe Routes to School Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Callioux Center ADA Compliance Repairs	\$20,000	\$20,000	\$0	\$0	\$0	\$0	\$40,000
Airport RAMP Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Olympic Pool Repair and Renovation Phase I	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Station 4 - 911 Ambulance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Thoroughfare Plan Update	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Louise Hays Park Renovations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Scott Schreiner Golf Course Parking Lot Improvements	\$0	\$0	\$0	\$10,000	\$0	\$0	\$10,000
TOTAL	\$20,000	\$20,000	\$0	\$10,000	\$0	\$0	\$50,000

Funding Source: Water/Sewer

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Funding	TOTAL
WWTP Paving for Building	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Water Supply Acquisition	\$50,000	\$50,000	\$50,000	\$50,000	\$0	\$0	\$200,000
Water System Leak Detection Program	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$0	\$200,000
G Street Lift Station Decommission	\$0	\$0	\$70,000	\$0	\$0	\$0	\$70,000
Remote Well Field Analysis	\$0	\$0	\$0	\$0	\$0	\$200,000	\$200,000
Water Production Maintenance Building	\$0	\$0	\$0	\$0	\$0	\$700,000	\$700,000
TOTAL	\$100,000	\$100,000	\$170,000	\$100,000	\$50,000	\$900,000	\$1,420,000

Impact on Water/Sewer Operations

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Funding	TOTAL
WWTP Paving for Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Supply Acquisition	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water System Leak Detection Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0
G Street Lift Station Decommission	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remote Well Field Analysis	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Production Maintenance Building	\$0	\$0	\$0	\$0	\$0	\$10,000	\$10,000
TOTAL	\$0	\$0	\$0	\$0	\$0	\$10,000	\$10,000

Funding Source: General Fund Debt

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Funding	TOTAL
Aerial Platform Ladder Truck Replacement	\$0	\$1,300,000	\$0	\$0	\$0	\$0	\$1,300,000
Arcadia Loop Cut-Off	\$0	\$327,000	\$0	\$0	\$0	\$0	\$327,000
Remedial Drainage Program	\$0	\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000
Sample Park	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Schultz Park Renovation	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Singing Winds Park	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000
Westland Park	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Street Reconstruction	\$0	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$0	\$6,000,000
Relocate Central Fire Station/Admin Offices	\$0	\$0	\$4,205,000	\$0	\$0	\$0	\$4,205,000
Fire Station #5	\$0	\$0	\$0	\$0	\$0	\$1,871,000	\$1,871,000
G-Street Bridge over Quinlan Creek	\$0	\$0	\$0	\$0	\$0	\$2,245,000	\$2,245,000
Olympic Pool Complex Renovation Phase II	\$0	\$0	\$0	\$0	\$0	\$500,000	\$500,000
Spur 100 Extension Phase I	\$0	\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000
TOTAL	\$0	\$4,627,000	\$5,705,000	\$1,500,000	\$1,500,000	\$9,616,000	\$22,948,000

Impact on General Fund Operation

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Funding	TOTAL
Aerial Platform Ladder Truck Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Arcadia Loop Cut-Off	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remedial Drainage Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sample Park	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Schultz Park Renovation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Singing Winds Park	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Westland Park	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Street Reconstruction	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Relocate Central Fire Station/Admin Offices	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fire Station #5	\$0	\$0	\$0	\$0	\$0	\$10,000	\$10,000
G-Street Bridge over Quinlan Creek	\$0	\$0	\$0	\$0	\$0	\$20,000	\$20,000
Olympic Pool Complex Renovation Phase II	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Spur 100 Extension Phase I	\$0	\$0	\$0	\$0	\$0	\$20,000	\$20,000
TOTAL	\$0	\$0	\$0	\$0	\$0	\$50,000	\$50,000

Funding Source: Water/Sewer Debt

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Funding	TOTAL
Birkdale Lift Station & New Force Main	\$4,866,000	\$0	\$0	\$0	\$0	\$0	\$4,866,000
Force Main Co-mingle Box at WWTP	\$305,000	\$0	\$0	\$0	\$0	\$0	\$305,000
G Street 24"/27" Interceptor	\$308,000	\$2,052,900	\$0	\$0	\$0	\$0	\$2,360,900
I/I Evaluation, Rehabilitation and Replacement - Engineering	\$100,000	\$100,000	\$0	\$0	\$0	\$0	\$200,000
I/I Evaluation, Rehabilitation and Replacement Construction	\$600,000	\$600,000	\$600,000	\$0	\$0	\$0	\$1,800,000
WTP Clearwell Improvements	\$0	\$2,760,000	\$0	\$0	\$0	\$0	\$2,760,000
New Jefferson Lift Station & New Force Main to G Street Interceptors	\$0	\$644,500	\$4,290,000	\$0	\$0	\$0	\$4,934,500
Knapp Lift Station Expansion	\$0	\$0	\$349,000	\$2,324,000	\$0	\$0	\$2,673,000
12" Water Line from Meadowview Well	\$0	\$0	\$0	\$828,000	\$0	\$0	\$828,000
Leslie Drive Water Main Loop around Benson	\$0	\$0	\$0	\$542,000	\$0	\$0	\$542,000
New Legion Basin 24" Interceptor	\$0	\$0	\$0	\$899,500	\$0	\$0	\$899,500
Quinlan Basin 15" Interceptor	\$0	\$0	\$0	\$1,163,000	\$0	\$0	\$1,163,000
Reconstruction of Road Surface at Wastewater Treatment Plant	\$0	\$0	\$0	\$450,000	\$0	\$0	\$450,000
12 Inch Line Crossing Guadalupe River	\$0	\$0	\$0	\$110,000	\$731,000	\$0	\$841,000
Lois Pump Station Expansion	\$0	\$0	\$0	\$45,000	\$300,000	\$0	\$345,000
Redirect Broadway Force Main	\$0	\$0	\$0	\$48,000	\$317,000	\$0	\$365,000
River Hill Pressure Plane Improvements	\$0	\$0	\$0	\$188,503	\$1,256,688	\$0	\$1,445,191
SH 173 Force Main Extension	\$0	\$0	\$0	\$46,000	\$306,000	\$0	\$352,000
Stadium Pump Station Expansion	\$0	\$0	\$0	\$75,000	\$480,000	\$0	\$555,000
Spur 98 Water Line (WTP to Spur 98 Bridge)	\$0	\$0	\$0	\$0	\$88,000	\$700,000	\$788,000
Guadalupe Plaza Lift Station Elimination	\$0	\$0	\$0	\$0	\$0	\$145,000	\$145,000
Jefferson Basin 12" and 15" Interceptor	\$0	\$0	\$0	\$0	\$0	\$979,000	\$979,000
UTC Building	\$0	\$0	\$0	\$0	\$0	\$750,000	\$750,000
Wastewater Treatment Aquifer Replenishment	\$0	\$0	\$0	\$0	\$0	\$6,825,000	\$6,825,000
Water Plant Addition Phase II (IMGD)	\$0	\$0	\$0	\$0	\$0	\$239,000	\$239,000
TOTAL	\$6,179,000	\$6,167,400	\$5,239,000	\$6,719,003	\$3,478,688	\$9,638,000	\$37,411,091

Impact on Water/Sewer Operation

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Funding	TOTAL
Birkdale Lift Station & New Force Main	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$120,000
Force Main Co-mingle Box at WWTP	\$0	\$0	\$0	\$0	\$0	\$0	\$0
G Street 24"/27" Interceptor	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
I/I Evaluation, Rehabilitation and Replacement - Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0
I/I Evaluation, Rehabilitation and Replacement Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WTP Clearwell Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Jefferson Lift Station & New Force Main to G Street Interceptors	\$0	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$40,000
Knapp Lift Station Expansion	\$0	\$0	\$0	\$10,000	\$10,000	\$10,000	\$30,000
12" Water Line from Meadowview Well	\$0	\$0	\$0	\$5,000	\$5,000	\$5,000	\$15,000
Leslie Drive Water Main Loop around Benson	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Legion Basin 24" Interceptor	\$0	\$0	\$0	\$5,000	\$5,000	\$5,000	\$15,000
Quinlan Basin 15" Interceptor	\$0	\$0	\$0	\$5,000	\$5,000	\$5,000	\$15,000
Reconstruction of Road Surface at Wastewater Treatment Plant	\$0	\$0	\$0	\$20,000	\$0	\$0	\$20,000
12 Inch Line Crossing Guadalupe River	\$0	\$0	\$0	\$0	\$5,000	\$5,000	\$10,000
Lois Pump Station Expansion	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redirect Broadway Force Main	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Hill Pressure Plane Improvements	\$0	\$0	\$0	\$0	\$10,000	\$10,000	\$20,000
SH 173 Force Main Extension	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Stadium Pump Station Expansion	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Spur 98 Water Line (WTP to Spur 98 Bridge)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Guadalupe Plaza Lift Station Elimination	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Jefferson Basin 12" and 15" Interceptor	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UTC Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wastewater Treatment Aquifer Replenishment	\$0	\$0	\$0	\$0	\$0	\$10,000	\$10,000
Water Plant Addition Phase II (IMGD)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$20,000	\$25,000	\$35,000	\$80,000	\$75,000	\$85,000	\$320,000

Funding Source: Other

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Funding	TOTAL
Butt-Holdsworth Memorial Library Renovation / Expansion	\$0	\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000
River Trail II & III	\$0	\$0	\$0	\$0	\$0	\$4,200,000	\$4,200,000
Spur 100 Extension Phase I	\$0	\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000
TOTAL	\$0	\$1,000,000	\$0	\$0	\$0	\$9,200,000	\$10,200,000

Impact on General Fund and/or WIS Operations

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Funding	TOTAL
Butt-Holdsworth Memorial Library Renovation / Expansion	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Trail II & III	\$0	\$0	\$0	\$0	\$0	\$10,000	\$10,000
Spur 100 Extension Phase I	\$0	\$0	\$0	\$0	\$0	\$20,000	\$20,000
TOTAL	\$0	\$0	\$0	\$0	\$0	\$30,000	\$30,000

Agenda Item:
(Chuck Coleman)

- 4G. Proposal for public roadway improvements on IH-10 to provide access to the Town Creek Development and adjacent property.

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

SUBJECT: Consideration of a proposal for public roadway improvements on IH-10 to provide access to the Town Creek Development and other adjacent property.

FOR AGENDA OF: January 11, 2011 **DATE SUBMITTED:** December 29, 2010

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

EXHIBITS: Town Creek Development – Proposal for I-10 Access

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$0	\$0	\$0	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Attached is a proposal from Mr. Chuck Coleman, representing the proposed Town Creek Development, for public roadway improvements along the IH-10 corridor to provide direct access to IH-10 at a point that is located midway between the intersections of SH-16/IH-10 and Harper Highway/IH-10.

Mr. Coleman will make a formal presentation of this proposal to the City Council.

The proposal indicates that the proposed improvements would open up access to approximately 470 acres of land south of IH-10 in addition to some acreage north of IH-10. Much of this land is currently planned for single-family residential and the proposal illustrates the plan to substantially increase the zoning and development potential for retail and commercial use.

Also included in the proposal is a financial impact model that shows the financial impact to all governmental entities. The financial impact assumes absorption of the project over a 7 to 10-year window.

Proposed improvements are an overpass and related travel lanes for east-bound and west-bound IH-10 traffic, an extension of a 4-lane collector from Holdsworth Drive to IH-10, and utility system extensions along the proposed 4-lane collector.

City Council is being asked to consider the various elements of the proposal to determine its level of interest. Specific points for the City Council to discuss include:

1. Whether there is a public benefit to the project or portions of the project;
2. Whether there is a significant return to the public investment for this project or portions of this project; and
3. What portions, if any, of this project the City Council feels it would participate in?

The proposed improvements to IH-10 will require permits from TxDOT. Based on some preliminary conversations with TxDOT, there are not likely to be any allocations of direct state funding for construction within the next 10 to 15 years. In order to complete this project within the next 7 to 10 years would most likely have to be funded through other means like the private sector, City, and County sector funding. Another option may be TxDOT's pass through financing program where the state provides reimbursement for a portion of the project once it is completed.

Financial impact data in the report indicates that at build out the project would generate approximately \$4.8 million in additional sales taxes to the City of Kerrville, approximately \$2.4 million in 4B, and \$2.4 million to Kerr County. The project would also add approximately \$305 million in improvements to the tax roll. The additional property value would add approximately \$1.5 million each year in property tax levy to the city's general fund at current tax rates, excluding the I&S portion of the tax rate. Again, these ad valorem impacts are based on full build-out which is projected to take 7 to 10 years.

Staff estimates that there is at least a two to three year planning and permitting window for this project. Should the city decide to provide direct financial participation for all or a portion of this proposal it is expected that initial funds would be required somewhere in the FY2013 to FY2015 time frame.

RECOMMENDED ACTION

Based on the initial report, it appears that this proposal could have a significant economic impact for the city and county. The City Council should first determine its level of interest in the project and whether the public's interest would be served through the city's participation. Any agreements to participate should include performance benchmarks and guarantees of performance by the developers.

Should the City Council tentatively deem there to be adequate public interest in this proposal, staff recommends that it be included as a potential project in the city's capital planning program and the city's economic development strategic plans.

Town Creek Development

Proposal for I-10 Access

November 15, 2010

Town Creek Development
Proposal for I-10 Access
November 15, 2010

I. Objective:

To gain community support for:

- a. A joint application to TxDot to create access ramps along both the eastbound and westbound lanes of I-10 along Town Creek Development frontage of I-10.
- b. A request to Congressman Lamar Smith for Federal monetary support.
- c. A request of other appropriate agencies.

II. Methodology:

1. We had a land plan architect develop a detailed site plan that provides an accurate size and mix of site pads for a representative mix of commercial users. Grubb & Ellis and Mdn Architects prepared this portion of the report.
 - a. All projections were based on the project being fully absorbed.
2. That base was then used to project building sizes. NIA REOC, Development Planners, projected building cost and added it to land cost. We then applied ad valorem tax rates to project an annual benefit. Projections were based on client comparables and San Antonio tax records.
3. For retail users NIA REOC projected standard sales by square foot among clients in their Austin market. Those were discounted by 25% for the Kerrville market and extended by the sales tax rates to estimate an annual benefit.
4. Matkin Hoover Engineering prepared an "Opinion of Probable Cost" for the access construction cost.

III. Benefits:

1. Access ramps would provide an inventory of commercially developable land for the entire Community:
 - a. Town Creek of approximately 375 gross acres.
 - b. Keystone Development of approximately 46 commercial acres.
 - c. Higgins acreage of approximately 49 commercial acres.
 - d. Land north of I-10.
 - d. All the remaining land along Holdsworth Drive.
 - l. Holdsworth would become an "I-10 frontage road" from Harper Road to Veterans Loop.
2. Land would be absorbed over an estimated 7 to 10 year period and give the taxing entities a constant stream of increased tax base for ad valorem tax and sales tax.
 - a. Analysis of maps indicate developable land for the City is limited.
 - b. Planning should carefully maximize developable land for the future benefit of the community.
 - c. The development would help shift the tax burden from residential base to commercial.

Town Creek Development
 Proposal for I-10 Access
 November 15, 2010

3. Upon full absorption, the estimated benefit (based on current rates) for the community on an annual basis would be:

	Total
City of Kerrville	\$ 7,478,251
EIC	2,421,788
Kerr County	4,260,657
Kerrville Independent School District	4,883,785
All Other	<u>134,097</u>
Total	<u>\$ 19,178,578</u>

4. Access Ramps would significantly improve the transportation system for Kerrville:
- a. Town Creek Parkway would provide a third north / south transportation corridor. It can be extended along Town Creek to Highway 27.
 - b. Traffic along Harper Road (which is primarily residential) would experience needed relief.
 - c. Additional traffic relief on Sidney Baker and Junction Highway.
5. Economic development would be significantly enhanced.
- a. Job creation would result from:
 - 1. Building and construction of the development over the 10 year period.
 - 2. Staffing of the newly created businesses within the development.
 - b. The community would have an inventory of land available for business growth or relocation of business from other areas.
 - 1. Community could more readily attract technology, health care, and educational applications.
 - c. Multi family and retirement land would help absorb the coming demand of "baby boomers" who deferred retirement due to the economic downturn.
 - 1. Also satisfies need for the older demographic as they transition from single family homes to easier maintenance multi family homes.
 - d. A convention center located at Town Creek would have a better location, better timing, and much lower cost.

IV. Cost of I-10 Access

1. The estimated cost of I-10 access is:

Eastbound I-10 Improvements	\$ 4,600,000
Westbound I-10 Improvements	2,900,000
Town Creek Parkway (Four lanes, I-10 to Holdsworth)	1,850,000
Design, Engineering, and Surveying 12%	1,122,000
Contingency 10%	<u>1,047,200</u>
Total I-10 Access	<u>\$ 11,519,200</u>

Town Creek Development
Proposal for I-10 Access
November 15, 2010

V. Payback Period:

1. Estimated to be 7.2 months of annual benefit when development is fully absorbed.

VI. Contributors To This Report:

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Town Creek Development
 Annual Benefit Summary
 November 15, 2010

	Annual Benefit		
	Ad Valorem	Sales Tax	Hotel/Motel 6%
I. Quantified Annual Benefit:			
City of Kerrville	\$ 2,328,075	\$ 4,843,576	\$ 306,600
EIC	-	2,421,788	-
Kerr County	1,838,869	2,421,788	-
Kerrville Independent School District	4,883,785	-	-
All Other	134,097	-	-
Total	\$ 9,184,826	\$ 9,687,152	\$ 306,600

II. Non-Quantified Annual Benefit:

Economic Benefit from the Convention Center / Hotel	?
Construction Labor Over the 10 Year Build-out	?
Construction Material - Sales Tax	?
Jobs Created by New Businesses	?
Total	?

Town Creek Development
Annual Benefit Summary
November 15, 2010

III. Cost of I-10 Access:	
Eastbound I-10 Improvements	\$ 4,600,000
Westbound I-10 Improvements	2,900,000
Town Creek Parkway (I-10 to Holdsworth)	1,850,000
Design, Engineering, and Surveying (12%)	1,122,000
Contingency 10%	<u>1,047,200</u>
Total I-10 Access	<u>\$ 11,519,200</u>

IV Payback Period:

Total Annual Benefit of \$19,178,578 / 12 months is \$1,598,215 per month,

Cost of I-10 access of \$11,519,200 / by \$1,598.215 per month is 7.2 months for payback.

Town Creek Development
Annual Ad Valorem Benefit - Summary
 November 15, 2010

	Estimated Value	Current Tax Rate				Annual Total
		City	County	KISD	All Other	
Tax Rate Per \$100 value		0.5625	0.4443 (A)	1.1800	0.0324 (B)	2.2192
Town Creek Development:						
I-10 Pad Sites	\$ 33,958,069	\$ 191,014	\$ 150,876	\$ 400,705	\$ 11,002	\$ 753,597
Multi Family	106,018,706	596,355	471,041	1,251,021	34,350	2,352,767
Convention	2,039,495 (D)	11,472	9,061	24,066	661	45,260
Office Tract	8,632,991	48,561	38,356	101,869	2,797	191,583
Retail	26,564,328	149,424	118,025	313,459	8,607	589,516
Commercial	99,723,068	560,942	443,070	1,176,732	32,310	2,213,054
Retirement	12,792,724	71,959	56,838	150,954	4,145	283,896
Health Care / Office	15,240,220	85,726	67,712	179,835	4,938	338,211
	<u>304,969,601</u>	<u>1,715,454</u>	<u>1,354,980</u>	<u>3,598,641</u>	<u>98,810</u>	<u>6,767,885</u>
Keystone Development:						
I-10 Frontage, 16.58 Acres	20,359,517 (E)	114,522	90,457	240,242	6,596	451,818
Holdsworth, 29.37 Acres	36,065,079 (E)	202,866	160,237	425,568	11,685	800,356
	<u>56,424,596</u>	<u>317,388</u>	<u>250,694</u>	<u>665,810</u>	<u>18,282</u>	<u>1,252,175</u>
Edwin Higgins Development:						
49 Acres	52,485,880 (F)	295,233	233,195	619,333	17,005	1,164,767
	<u>\$ 413,880,077</u>	<u>\$ 2,328,075</u>	<u>\$ 1,838,869</u>	<u>\$ 4,883,785</u>	<u>\$ 134,097</u>	<u>\$ 9,184,827</u>

Annual Ad Valorem Benefit - Summary
November 15, 2010

Tax Rate Per \$100 value	Estimated Value	Current Tax Rate			Annual Total
		City	County	KISD	
		0.5625	0.4443 (A)	1.1800	2.2192
				0.0324 (B)	

Assumptions:

- (A) Includes County rate of .4121 and Lateral Roads rate of .0322 for combined total of 0.4443.
- (B) Includes UGRA of .0250 and WHU of .0074 for combined total of .0324.
- (D) Convention center only reflects land value as a tracking method. Assumes the building may be given an economic incentive variance for ad valorem and sales taxes.
- (E) Based on the ad valorem tax value of Town Creek Development for retail application extended by Keystone's available square footage.
- (F) Based on the overall developed ad valorem tax value per square foot for Town Creek extended by total square footage for the Higgins Development.

Town Creek Development
Estimated Annual Ad Valorem Value - Detail
 November 15, 2010

	Land			Building			Total Ad Valorem Value
	Acres (A)	Square Feet (A)	Cost Per Foot (B)	Square Feet (D)	Cost Per Square Foot (E)	Building Cost	
I. I-10 Retail Pad Sites:							
1 Hotel	3.00	130,682	\$ 12.00	87,557	\$ 64.30	\$ 5,629,915	\$ 7,198,099
2 Bank	1.88	81,791	12.00	6,134	135.00	828,090	1,809,582
3 Food, Retail	1.27	55,276	12.00	4,146	135.00	559,710	1,223,022
4 Food, Retail	1.24	53,867	10.00	4,040	135.00	545,400	1,084,070
5 Fast Food	1.16	50,562	8.00	3,792	135.00	511,920	916,416
6 Fast Food	1.15	49,998	8.00	3,750	135.00	506,250	906,234
7 Fast Food	1.15	50,076	8.00	3,756	135.00	507,060	907,668
8 Bank	2.07	90,288	12.00	6,772	135.00	914,220	1,997,676
9 Fast Food	1.44	62,535	12.00	4,690	135.00	633,150	1,383,570
10 Food, Retail	1.44	62,576	12.00	4,693	135.00	633,555	1,384,467
11 Food, Retail	1.44	62,576	12.00	4,693	135.00	633,555	1,384,467
12 Fast Food	1.04	45,092	8.00	3,382	135.00	456,570	817,306
13 Food, Retail	1.44	62,533	8.00	4,690	135.00	633,150	1,133,414
14 Food, Retail	1.44	62,576	8.00	4,693	135.00	633,555	1,134,163
15 Food, Retail	1.44	62,576	12.00	4,693	135.00	633,555	1,384,467
16 Food, Retail	1.28	55,767	12.00	4,183	135.00	564,705	1,233,909
17 Fast Food	0.92	40,265	12.00	3,020	135.00	407,700	890,880
18 Fast Food	1.15	50,000	12.00	3,750	135.00	506,250	1,106,250
19 Fast Food	1.15	50,062	12.00	3,755	135.00	506,925	1,107,669
20 Bank	1.54	67,331	12.00	5,050	135.00	681,750	1,489,722
21 Food, Retail	1.51	65,960	12.00	4,947	135.00	667,845	1,459,365
22 Fast Food	1.15	50,283	8.00	3,771	135.00	509,085	911,349
23 Food, Retail	1.38	60,378	8.00	4,528	135.00	611,280	1,094,304
	32.68	1,423,050	10.71	3,106,292	6.02	18,715,195	33,958,069

Town Creek Development
Estimated Annual Ad Valorem Value - Detail
November 15, 2010

	Land			Building			Total Ad Valorem Value
	Acres (A)	Square Feet (A)	Cost Per Foot (B)	Building Square Feet (D)	Cost Per Square Foot (E)	Building Cost	
II. Multi-Family:							
6a Apartment	24.45	1,108,508	3.50	434,757	66.00	28,693,962	32,573,740
6g Apartment	45.11	1,964,913	3.00	770,639	66.00	50,862,174	56,756,913
7a Apartment	13.04	567,907	3.50	222,733	66.00	14,700,378	16,688,053
	82.60	3,641,328	3.23	1,428,129	66.00	94,256,514	106,018,706
III. Convention Center:							
6c	9.36	407,899	5.00	-	-	-	2,039,495
IV. Office Tract:							
6b Multi-story	5.03	219,138	4.50	68,459	111.70	7,646,870	8,632,991
V. Retail:							
6d (i) Retail Strip	8.51	370,819	6.00	92,705	120.00	11,124,600	13,349,514
6d (ii) Retail Strip	2.40	104,681	6.00	26,170	120.00	3,140,400	3,768,486
4 Retail Strip	5.71	248,586	8.00	62,147	120.00	7,457,640	9,446,328
	16.62	724,086	6.69	181,022	120.00	21,722,640	26,564,328
VI. Commercial:							
6e Anchor Power Center	32.86	1,431,575	6.00	329,262	62.60	20,611,801	29,201,251
6i Anchor Power Center	7.50	326,692	10.00	75,139	62.60	4,703,701	7,970,621
1a Anchor Power Center	22.40	975,722	8.00	224,416	62.60	14,048,442	21,854,218
1b Anchor Power Center	10.64	463,620	8.00	106,633	62.60	6,675,226	10,384,186
1c Anchor Power Center	10.20	444,434	6.00	102,220	62.60	6,398,972	9,065,576
2 Anchor Power Center	7.97	347,029	8.00	79,817	62.60	4,996,544	7,772,776
3 Anchor Power Center	13.81	601,591	8.00	138,366	62.60	8,661,712	13,474,440
	105.38	4,590,663	7.33	1,055,853	62.60	66,096,398	99,723,068

Town Creek Development
Estimated Annual Ad Valorem Value - Detail
 November 15, 2010

	Land		Building		Total Ad Valorem Value
	Acres (A)	Square Feet (A)	Building Square Feet (D)	Building Cost Per Square Foot (E)	
VII. Retirement:					
6h Nursing Home	16.95	738,141	250,968	42.15	12,792,724
VIII. Health Care / Office:					
6f Medical Park	15.12	658,706	121,861	92.63	15,240,220
	<u>283.74</u>	<u>12,403,011</u>	<u>\$ 6,212,584</u>	<u>\$ 37.07</u>	<u>\$ 304,969,601</u>

Assumptions:

- (A) A site plan was prepared by Mdn Architects to provide accurate, specific usage for each site. Plan was developed using slope analysis and current flood plain boundaries to yield accurate square footages.
- (B) The land cost per square footage was determined by Grubb & Ellis Commercial Real Estate and was based on standards for each specific application and modified for the Kerrville market.
- (D) Building square footages were determined by NIA REOC based on comparable projects they have developed as well as San Antonio ad valorem tax records for comparable applications.
- (E) Building cost determined from San Antonio ad valorem tax records for similar applications. It should be noted the tax role values used reflect a degree of conservatism in that they are below actual cost or fair market value.

in San

Town Creek Development
 Annual Sales Tax Benefit - Summary
 November 15, 2010

	State	City	EIC	County	Total
	6.25%	1.00%	0.50%	0.50%	8.25%
Town Creek Development:					
(A) I-10 Retail Pad Sites	\$ 3,028,138	\$ 484,502	\$ 242,251	\$ 242,251	\$ 3,997,142
Retail Strip - 6d, 4	3,193,097	510,896	255,448	255,448	4,214,888
Commercial - Power Center	<u>15,009,578</u>	<u>2,401,533</u>	<u>1,200,766</u>	<u>1,200,766</u>	<u>19,812,643</u>
	21,230,813	3,396,930	1,698,465	1,698,465	28,024,673
Keystone Development:					
(B)	6,299,599	1,007,936	503,968	503,968	8,315,470
Higgins Development:					
(D)	<u>2,741,936</u>	<u>438,710</u>	<u>219,355</u>	<u>219,355</u>	<u>3,619,356</u>
	<u>\$ 30,272,348</u>	<u>\$ 4,843,576</u>	<u>\$ 2,421,788</u>	<u>\$ 2,421,788</u>	<u>\$ 39,959,499</u>

(A) Estimated based on a site specific site plan. Building square footage for retail sites were used to establish sales per square foot per Austin comparables. Those estimates were then discounted by 25% for the Kerrville market.

(B) Estimated on the basis of total Town Creek retail sales of \$339,693,006 from 154.86 retail acres, or \$2,193,549 per acre extended by Keystone retail acreage of 45.95 for total estimated sales of \$100,793,577.

(D) Estimated on the basis of Town Creek sales per acre of \$2,193,549 extended by estimated Higgins retail acreage of 20 acres or retail sales of \$43,870,980.

Town Creek Development
Estimated Annual Sales Tax Value - Detail
 November 15, 2010

	Estimated Building Sq. Ft.	Expected Sales Per Sq. Ft. (B)	Retail Sales	Sales Tax					Total	
				State 6.25%	City 1.00%	EIC 0.50%	County 0.50%	Total 8.25%		
I. I-10 Retail Pad Sites:										
1 Hotel	87,557	58	\$ 5,078,306	\$ 317,394	\$ 50,783	\$ 25,392	\$ 25,392	\$ 418,960		
2 Bank	6,134	-	-	-	-	-	-	-		
3 Food, Retail	4,146	400	1,658,400	103,650	16,584	8,292	8,292	136,818		
4 Food, Retail	4,040	400	1,616,000	101,000	16,160	8,080	8,080	133,320		
5 Fast Food	3,792	750	2,844,000	177,750	28,440	14,220	14,220	234,630		
6 Fast Food	3,750	750	2,812,500	175,781	28,125	14,063	14,063	232,031		
7 Fast Food	3,756	750	2,817,000	176,063	28,170	14,085	14,085	232,403		
8 Bank	6,772	-	-	-	-	-	-	-		
9 Fast Food	4,690	750	3,517,500	219,844	35,175	17,588	17,588	290,194		
10 Food, Retail	4,693	400	1,877,200	117,325	18,772	9,386	9,386	154,869		
11 Food, Retail	4,693	400	1,877,200	117,325	18,772	9,386	9,386	154,869		
12 Fast Food	3,382	750	2,536,500	158,531	25,365	12,683	12,683	209,261		
13 Food, Retail	4,690	400	1,876,000	117,250	18,760	9,380	9,380	154,770		
14 Food, Retail	4,693	400	1,877,200	117,325	18,772	9,386	9,386	154,869		
15 Food, Retail	4,693	400	1,877,200	117,325	18,772	9,386	9,386	154,869		
16 Food, Retail	4,183	400	1,673,200	104,575	16,732	8,366	8,366	138,039		
17 Fast Food	3,020	750	2,265,000	141,563	22,650	11,325	11,325	186,863		
18 Fast Food	3,750	750	2,812,500	175,781	28,125	14,063	14,063	232,031		
19 Fast Food	3,755	750	2,816,250	176,016	28,163	14,081	14,081	232,341		
20 Bank	5,050	-	-	-	-	-	-	-		
21 Food, Retail	4,947	400	1,978,800	123,675	19,788	9,894	9,894	163,251		
22 Fast Food	3,771	750	2,828,250	176,766	28,283	14,141	14,141	233,331		
23 Food, Retail	4,528	400	1,811,200	113,200	18,112	9,056	9,056	149,424		
	184,485		48,450,206	3,028,138	484,502	242,251	242,251	3,997,142		

Town Creek Development
Estimated Annual Sales Tax Value - Detail
November 15, 2010

	Estimated Building Sq. Ft.	Expected Sales Per Sq. Ft. (B)	Retail Sales	Sales Tax					Total
				State 6.25%	City 1.00%	EIC 0.50%	County 0.50%	8.25%	
V. Retail:									
6d (i) Retail Strip	92,705	275	25,493,875	1,593,367	254,939	127,469	127,469	2,103,245	
6d (ii) Retail Strip	26,170	325	8,505,250	531,578	85,053	42,526	42,526	701,683	
4 Retail Strip	62,147	275	17,090,425	1,068,152	170,904	85,452	85,452	1,409,960	
	181,022		51,089,550	3,193,097	510,896	255,448	255,448	4,214,888	
VI. Commercial:									
6e Anchor Power Center	329,262	200	65,852,400	4,115,775	658,524	329,262	329,262	5,432,823	
6i Anchor Power Center	75,139	275	20,663,225	1,291,452	206,632	103,316	103,316	1,704,716	
1a Anchor Power Center	224,416	200	44,883,200	2,805,200	448,832	224,416	224,416	3,702,864	
1b Anchor Power Center	106,633	250	26,658,250	1,666,141	266,583	133,291	133,291	2,199,306	
1c Anchor Power Center	102,220	250	25,555,000	1,597,188	255,550	127,775	127,775	2,108,288	
2 Anchor Power Center	79,817	275	21,949,675	1,371,855	219,497	109,748	109,748	1,810,848	
3 Anchor Power Center	138,366	250	34,591,500	2,161,969	345,915	172,958	172,958	2,853,799	
	1,055,853		240,153,250	15,009,578	2,401,533	1,200,766	1,200,766	19,812,643	
Total Town Creek Development	1,421,360		\$ 339,693,006	\$ 21,230,813	\$ 3,396,930	\$ 1,698,465	\$ 1,698,465	\$ 28,024,673	

Assumptions:

- (A) Building square footages were determined by NIA REOC based on comparable projects they have developed as well as San Antonio ad valorem tax records for comparable applications.
- (B) Sales per retail square foot was taken from comparable projects by NIA REOC in Austin, then discounted by 25% for the Kerrville market.

TOWN CREEK

Order of Magnitude Opinion of Probable Cost

11/15/2010

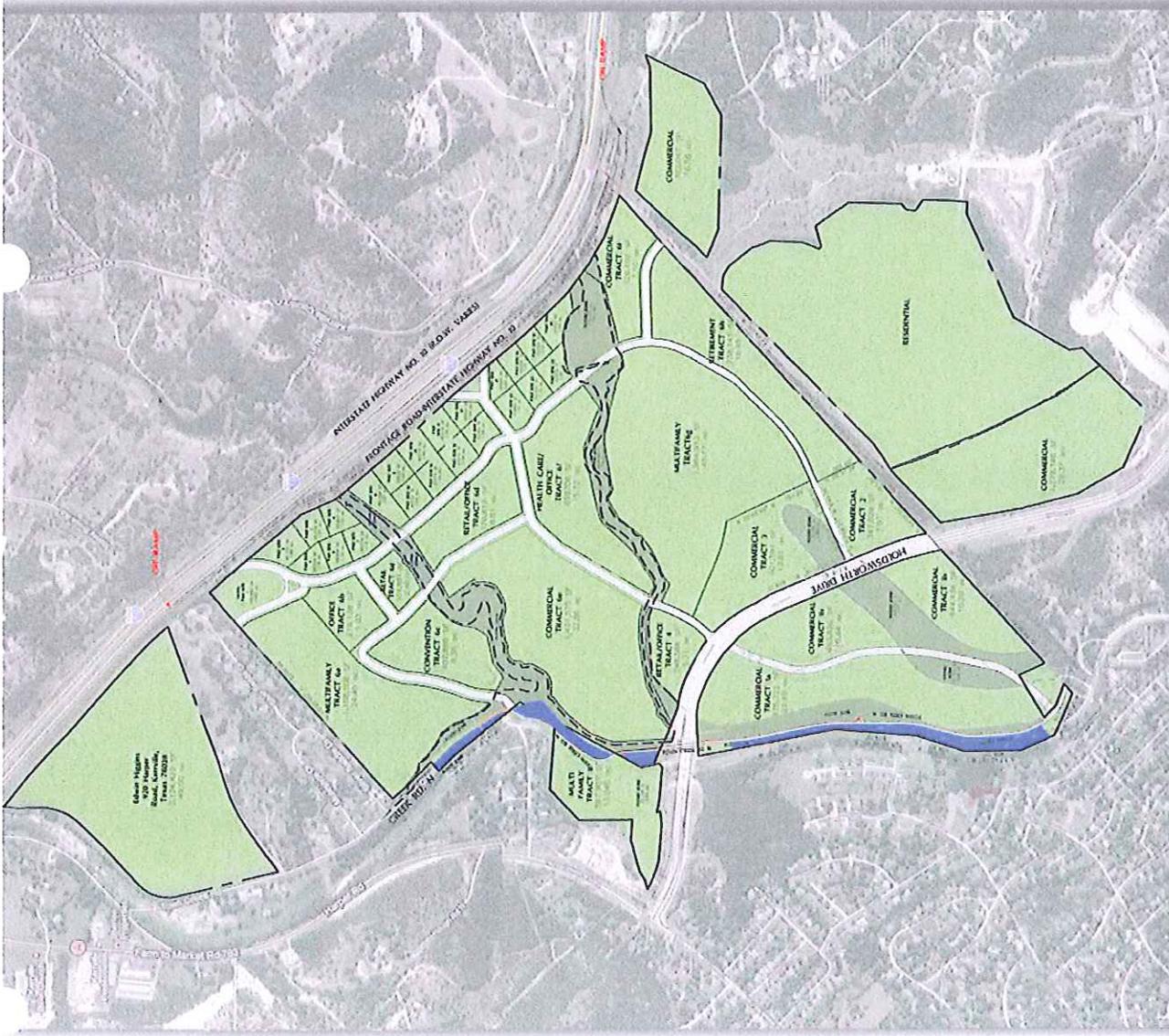
<i>Item</i>	<i>Description</i>	<i>Unit</i>	<i>Qty.</i>	<i>Price</i>	<i>Total Cost</i>
I.	Eastbound Interstate 10 Improvements				
	Exit Ramp	LS	1	\$750,000	\$750,000
	Frontage Road	LF	5,000	\$250	\$1,250,000
	Utilities (water, sewer & electric)	LF	5,000	\$250	\$1,250,000
	Culvert "A"	LS	1	\$200,000	\$200,000
	Culvert "B"	LS	1	\$400,000	\$400,000
	Entrance Ramp	LF	1	\$750,000	<u>\$750,000</u>
					\$4,600,000
II.	Westbound Interstate 10 Improvements				
	Exit Ramp	LS	1	\$750,000	\$750,000
	40'x175' Overpass Bridge	SF	7,000	\$150	\$1,050,000
	Overpass Abutments	LS	2	\$175,000	\$350,000
	Entrance Ramp	LF	1	\$750,000	<u>\$750,000</u>
					\$2,900,000
III.	Towncreek Parkway (IH10 to Holdsworth)				
	Collector Road (4 lane)	LF	3,000	\$300	\$900,000
	Utilities (water, sewer & electric)	LF	3,000	\$250	\$750,000
	Culvert "C"	LS	1	\$200,000	<u>\$200,000</u>
					\$1,850,000
				Sub-Total=	\$9,350,000
IV.	Design Engineering & Surveying (12%)				\$1,122,000
				Sub-Total=	\$10,472,000
V.	Contingency (10%)				\$1,047,200
Project Total:					\$11,519,200

Notes:

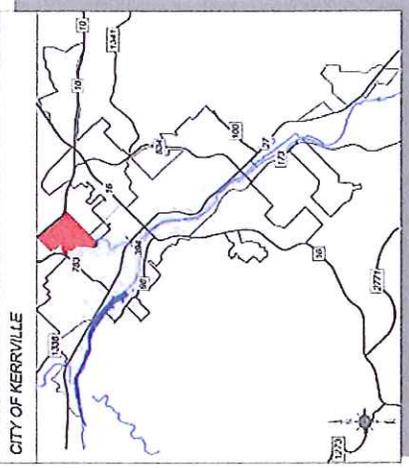
1. Above OPC includes construction, engineering and surveying costs for street, drainage and utility improvements only. This estimate does not include other development costs such as, but not limited to property acquisition, community center features, landscaping, fencing, marketing, etc...
2. Quantities used in this OPC are preliminary and are NOT based on engineering design or construction plans. Final quantities may vary.
3. Unit prices used in this OPC were taken from recent contractor bids on similar projects; however, actual bid unit prices may vary significantly.

Page 1

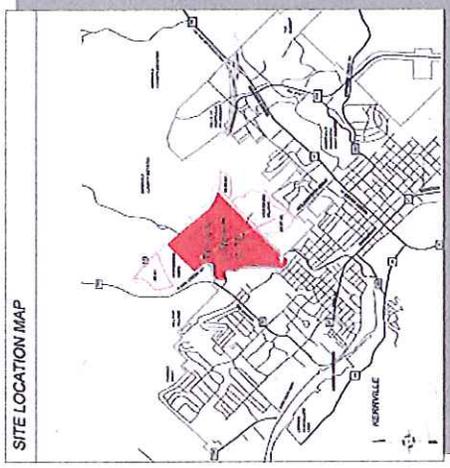
14 of 28



TOWN CREEK DEVELOPMENT
KERRVILLE, TEXAS
 11/19/2010



CITY OF KERRVILLE



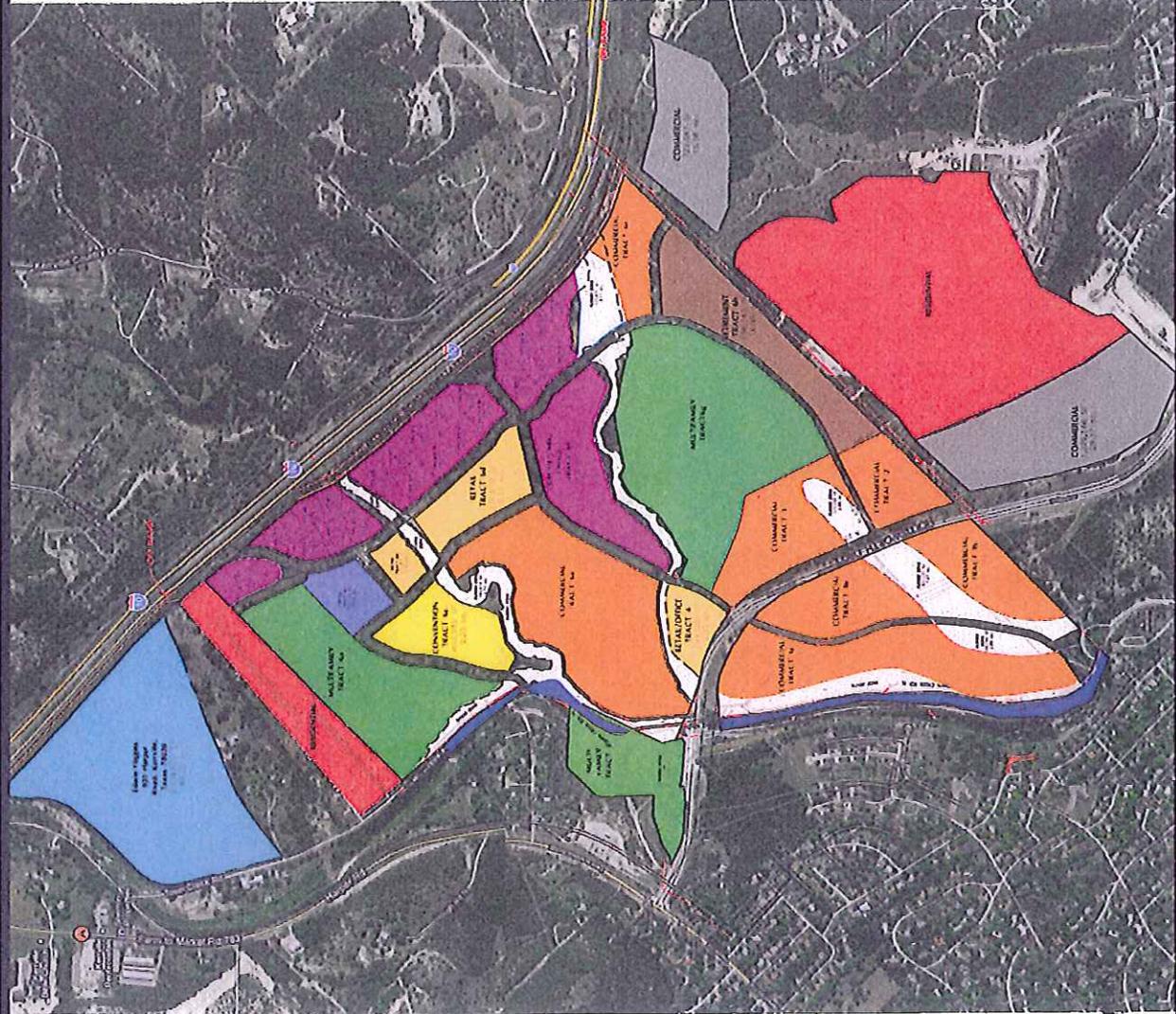
SITE LOCATION MAP

LAND USE

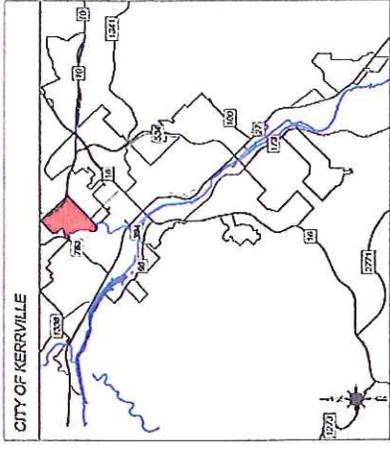
- 49.00 ac. ADJACENT 49 AC. PROPERTY
- 82.60 ac. MULTIFAMILY
- 21.65 ac. OFFICE
- 15.12 ac. HEALTH CARE/RETAIL/OFFICE
- 32.60 ac. PADS SITES/HOTEL
- 9.36 ac. CONVENTION CENTER
- 105.38 ac. COMMERCIAL
- 16.95 ac. RETIREMENT OF SPECIAL USE LAND
- 81.11 ac. ADJACENT RESIDENTIAL
- 45.95 ac. ADJACENT COMMERCIAL PROPERTY

PREPARED BY: [Redacted]
 DATE: 11/19/2010

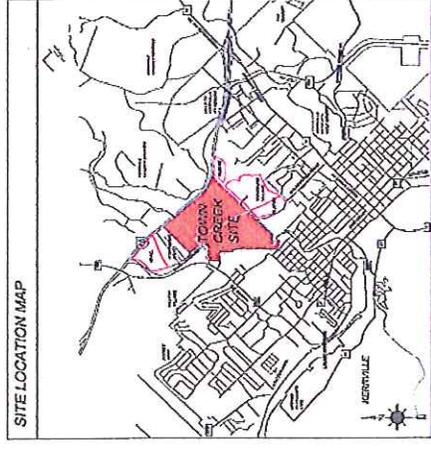




CITY OF KERRVILLE



SITE LOCATION MAP



LAND USE

- ADJACENT 49 AC. PROPERTY
- MULTIFAMILY
- OFFICE
- HEALTH CARE/RETAIL/OFFICE
- PADS SITES/HOTEL
- CONVENTION CENTER
- COMMERCIAL
- RETIREMENT OF SPECIAL USE LAND
- ADJACENT RESIDENTIAL
- ADJACENT COMMERCIAL PROPERTY

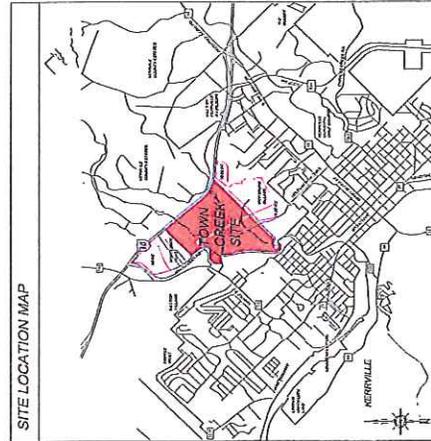
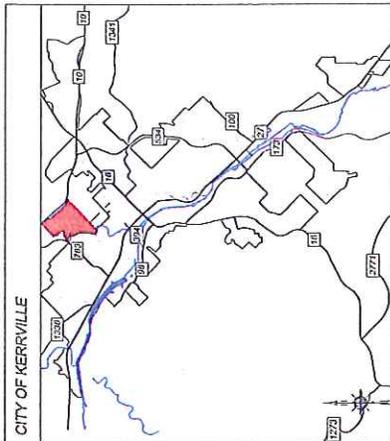
TOWN CREEK DEVELOPMENT
KERRVILLE, TEXAS



SITE
SCALE:
 1" = 300'



11/10/10

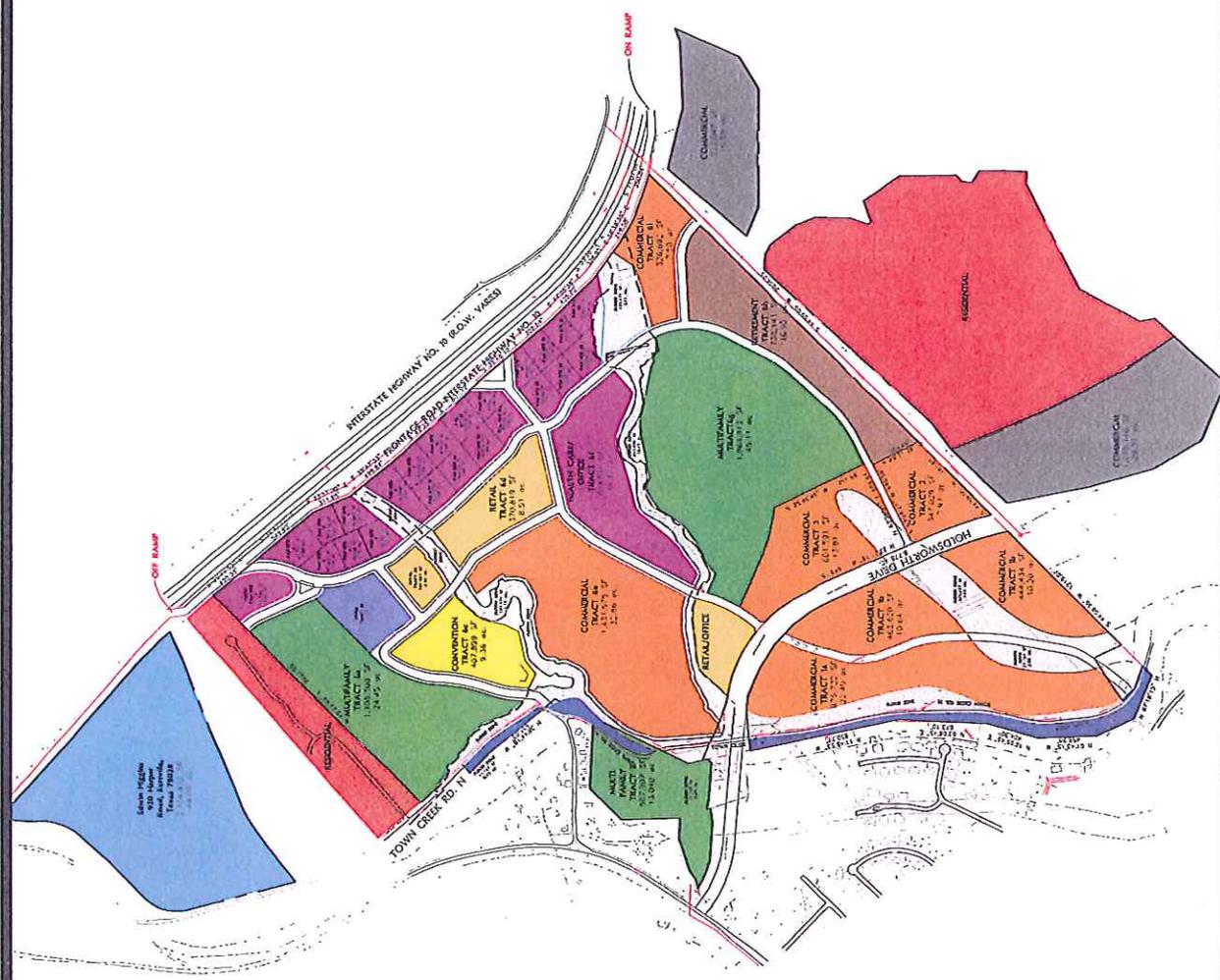


LAND USE

Blue	ADJACENT 49 AC. PROPERTY
Green	MULTIFAMILY
Yellow	OFFICE
Orange	HEALTH CARE/RETAIL/OFFICE
Purple	PADS SITES/HOTEL
Light Blue	CONVENTION CENTER
Dark Blue	COMMERCIAL
Light Green	RETIREMENT OF SPECIAL USE LAND
Light Purple	ADJACENT RESIDENTIAL
Light Orange	ADJACENT COMMERCIAL PROPERTY



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 10/15/2010



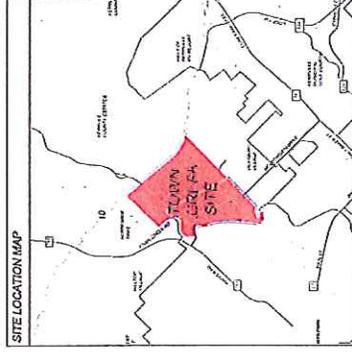
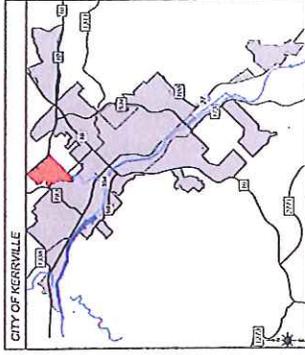
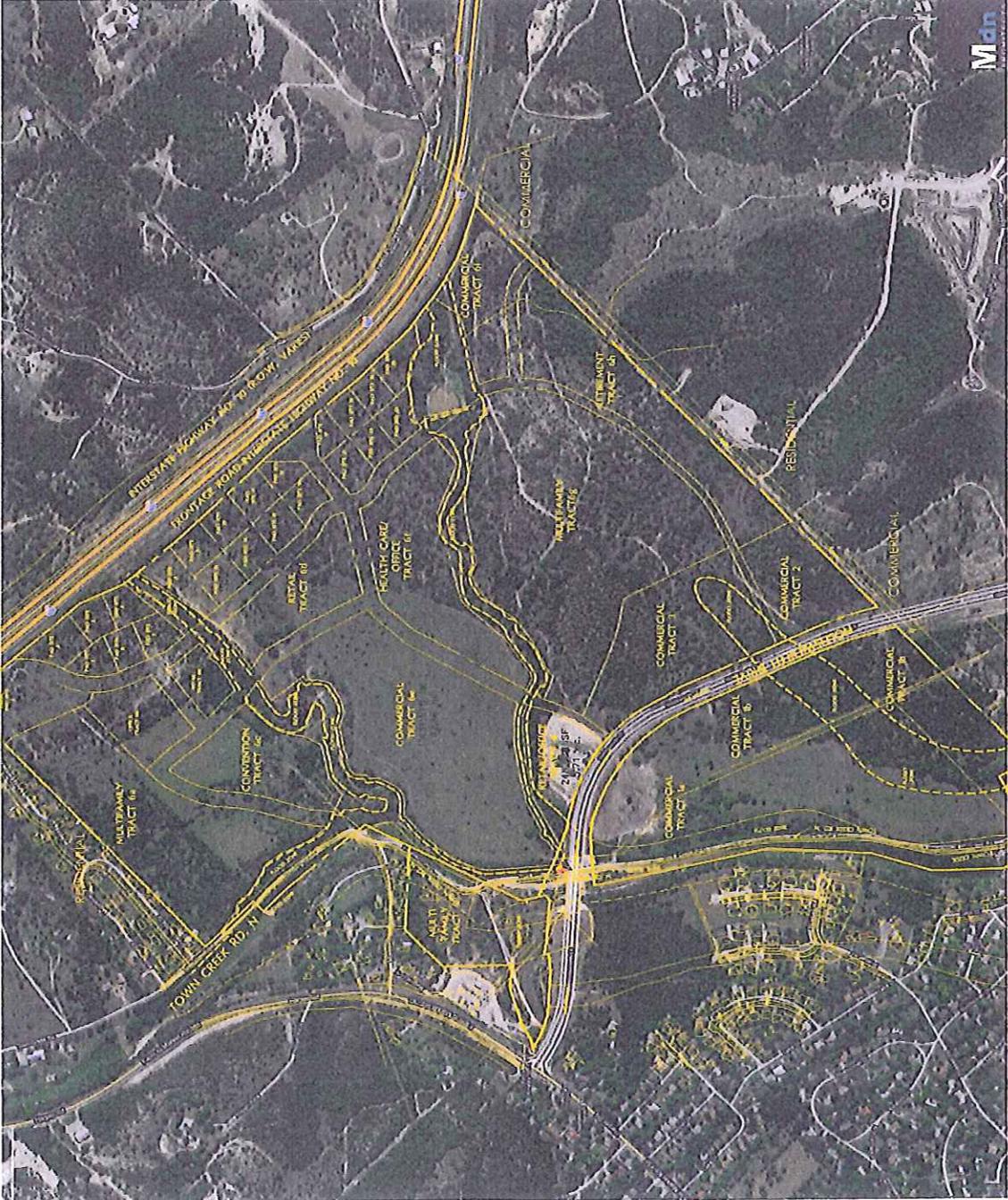
SITE PLAN
 SCALE: 1" = 350'
 APPROVED FOR THE CITY OF KERRVILLE
 Nov. 10, 2010

TOWN CREEK DEVELOPMENT

KERRVILLE, TEXAS

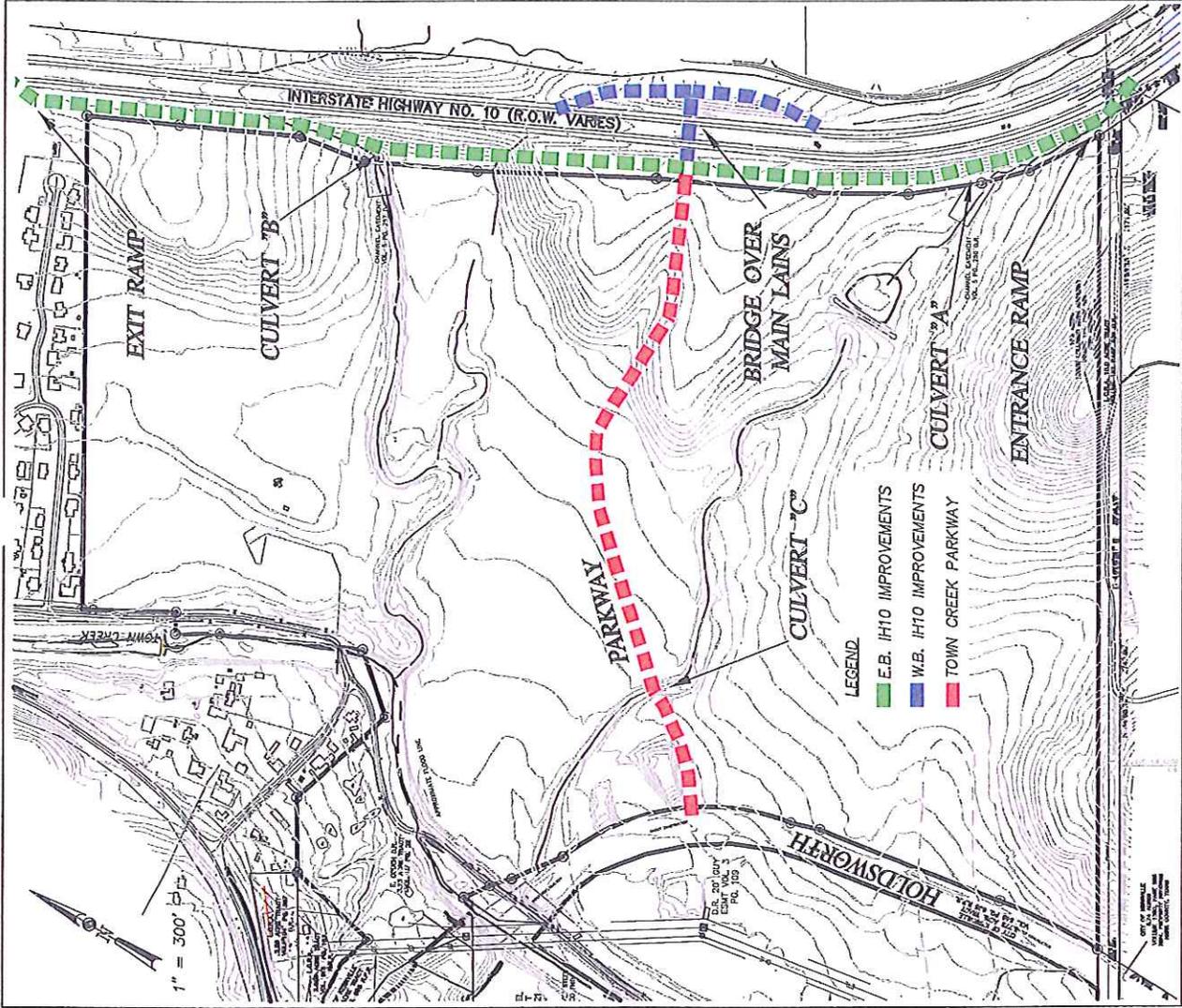
11/10/10

TOWN CREEK DEVELOPMENT
 KERRVILLE, TEXAS



SITE PLAN
 SCALE: 1" = 200'
 DATE: 08/11/2010

LAND USE	
[Green Line]	MULTIFAMILY
[Blue Line]	OFFICE
[Yellow Line]	HEALTH
[Orange Line]	CARE/RETAIL/OFFICE
[Purple Line]	PADS/SITES/HOTEL
[Red Line]	CONVENTION CENTER
[Brown Line]	COMMERCIAL
[Light Blue Line]	RETIREMENT OF SPECIAL USE LAND



MATKINHOOPER
 ENGINEERING
 & SURVEYING

PO. BOX 54
 KERRVILLE, TEXAS 78601
 OFFICE: (817) 895-1111
 TEXAS LICENSE NO. 1000000000
 CIVIL ENGINEERS SURVAYORS LAND PLANNERS
 CONSTRUCTION MANAGER CONSULTANTS

CONNECTIVITY PLAN
TOWN CREEK DEVELOPMENT
KERRVILLE, TEXAS

TOWN CREEK

Order of Magnitude
Opinion of Probable Cost

11/15/2010

Item	Description	Unit	Qty.	Price	Total Cost
I.	Eastbound Interstate 10 Improvements				
	Exit Ramp	LS	1	\$750,000	\$750,000
	Frontage Road	LF	5,000	\$250	\$1,250,000
	Utilities (water, sewer & electric)	LF	5,000	\$250	\$1,250,000
	Culvert "A"	LS	1	\$200,000	\$200,000
	Culvert "B"	LS	1	\$400,000	\$400,000
	Entrance Ramp	LF	1	\$750,000	\$750,000
					\$4,600,000
II.	Westbound Interstate 10 Improvements				
	Exit Ramp	LS	1	\$750,000	\$750,000
	40'x175' Overpass Bridge	SF	7,000	\$150	\$1,050,000
	Overpass Abutments	LS	2	\$175,000	\$350,000
	Entrance Ramp	LF	1	\$750,000	\$750,000
					\$2,900,000
III.	Towncreek Parkway (IH10 to Holdsworth)				
	Collector Road (4 lane)	LF	3,000	\$300	\$900,000
	Utilities (water, sewer & electric)	LF	3,000	\$250	\$750,000
	Culvert "C"	LS	1	\$200,000	\$200,000
					\$1,850,000
			Sub-Total=		\$9,350,000
IV.	Design Engineering & Surveying (12%)				\$1,122,000
			Sub-Total=		\$10,472,000
V.	Contingency (10%)				\$1,047,200
	Project Total:				\$11,519,200

Notes:

- Above OPC includes construction, engineering and surveying costs for street, drainage and utility improvements only. This estimate does not include other development costs such as, but not limited to property acquisition, community center features, landscaping, fencing, marketing, etc...
- Quantities used in this OPC are preliminary and are NOT based on engineering design or construction plans. Final quantities may vary.
- Unit prices used in this OPC were taken from recent contractor bids on similar projects; however, actual bid unit prices may vary significantly.

Agenda Item:
(Staff)

- 4H. Revisions to the Alamo Regional Rural Planning Organization (ARRPO) transportation list and map as it pertains to the Kerrville area.

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

SUBJECT: Proposed revisions to Kerrville's Alamo Regional Rural Planning Organization (ARRPO) transportation list and map

FOR AGENDA OF: 1/11/11

DATE SUBMITTED: 1/4/11

SUBMITTED BY: Charlie Hastings *CH*
Director of Public Works

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Kerrville ARRPO Thoroughfare Needs list dated 3/3/2010, Kerrville Thoroughfare Plan dated 5/29/2008, Town Creek Development Connectivity Plan dated 11/12/2010

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *[Signature]*

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Last year council authorized staff to submit a list and map of thoroughfare needs to the Alamo Regional Rural Planning Organization (ARRPO) to be considered for coordinated and proactive transportation planning per the attached list titled City of Kerrville Alamo Regional Rural Planning Organization Thoroughfare Needs. The ARRPO is a voluntary membership organization serving the 11-county (Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, and Wilson) rural area of the Alamo Area Council of Governments. Its purpose is to foster a coordinated, continuing, cooperative, comprehensive, and proactive transportation planning, decision-making, and prioritization process for improvement of rural transportation within the 11-county area.

A workshop was held in December 2010 between TxDOT, City, and County officials where Mr. Chuck Coleman, representing Town Creek Development, presented a proposed public roadway improvement plan that provides direct access to I-10 at a point that is located midway between the intersections of SH16/I-10 and Harper Highway/I-10 per the attached drawing prepared by Matkin Hoover Engineering. The proposed improvements consist of east and west I-10 frontage roads, an I-10 overpass, and a parkway through Town Creek Development connecting I-10 to Holdsworth Drive. Although the proposed improvements would enhance the mobility in that area, they are contemplated in neither Kerrville's Thoroughfare Plan nor the Town Creek Planned Development District (PDD) adopted by council (Ordinance 2004-15). Logically, it would be practical to amend both the Town

Creek PDD and Kerrville Thoroughfare Plan before submitting a revised thoroughfare needs list to ARRPO. However, the revised thoroughfare needs list must be received by ARRPO in advance of their next meeting that is scheduled for January 26, 2011.

RECOMMENDED ACTION

The Director of Public Works recommends that council authorize staff to revise the list and map submitted to ARRPO to include a public roadway improvement plan that provides east and west I-10 frontage roads, an I-10 overpass, and a parkway through Town Creek Development connecting I-10 to Holdsworth Drive.

City of Kerrville
Alamo Regional Rural Planning Organization Thoroughfare Needs
3/3/2010

Wren Road extension to I-10 – 0.93 mile extension of Wren Road northeast to I-10, minimum 86-foot right of way width, four lanes, 48 feet of pavement (back of curb), 5-foot wide sidewalks both sides.

Wren Road to Spur 98 – 0.89 mile extension of Wren Road southwest connecting RM 1388 (Goat Creek Road) to SH 27 and continuing southwest across the Guadalupe River to the future extension of Spur 98, minimum 86-foot right of way width, four lanes, 48 feet of pavement (back of curb), 5-foot wide sidewalks both sides.

Spur 98 extension West – 0.80 mile extension of Spur 98 west to the future extension of Wren Road, minimum 60-foot right of way width, three lanes, 36-42 feet of pavement (back of curb), 5-foot wide sidewalks both sides.

Spur 100, SH 16 to SH 173 – 2.12 mile construction of Spur 100 from SH 16 northeast to SH 173, minimum 100-foot right of way width, four lanes divided, 48 feet of pavement (back of curb), 5-foot wide sidewalks both sides.

Spur 100 to I-10 – 3.93 mile extension of Spur 100 north to I-10, minimum 100-foot right of way width, four lanes divided, 48 feet of pavement (back of curb), 5-foot wide sidewalks both sides.

Bridge, SH 173 to SH 27 – 0.72 mile construction of a road including a bridge over the Guadalupe River from SH 173 east to SH 27, minimum 100-foot right of way width, four lanes divided, 48 feet of pavement (back of curb), 5-foot wide sidewalks both sides.

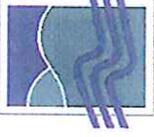
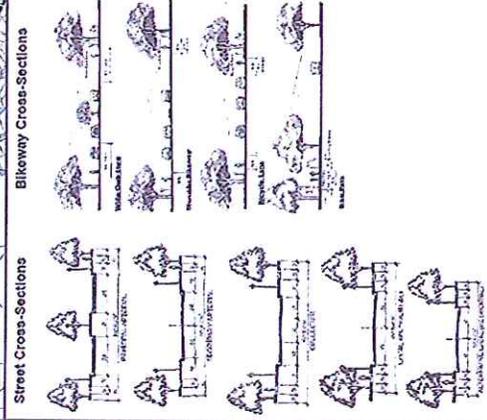
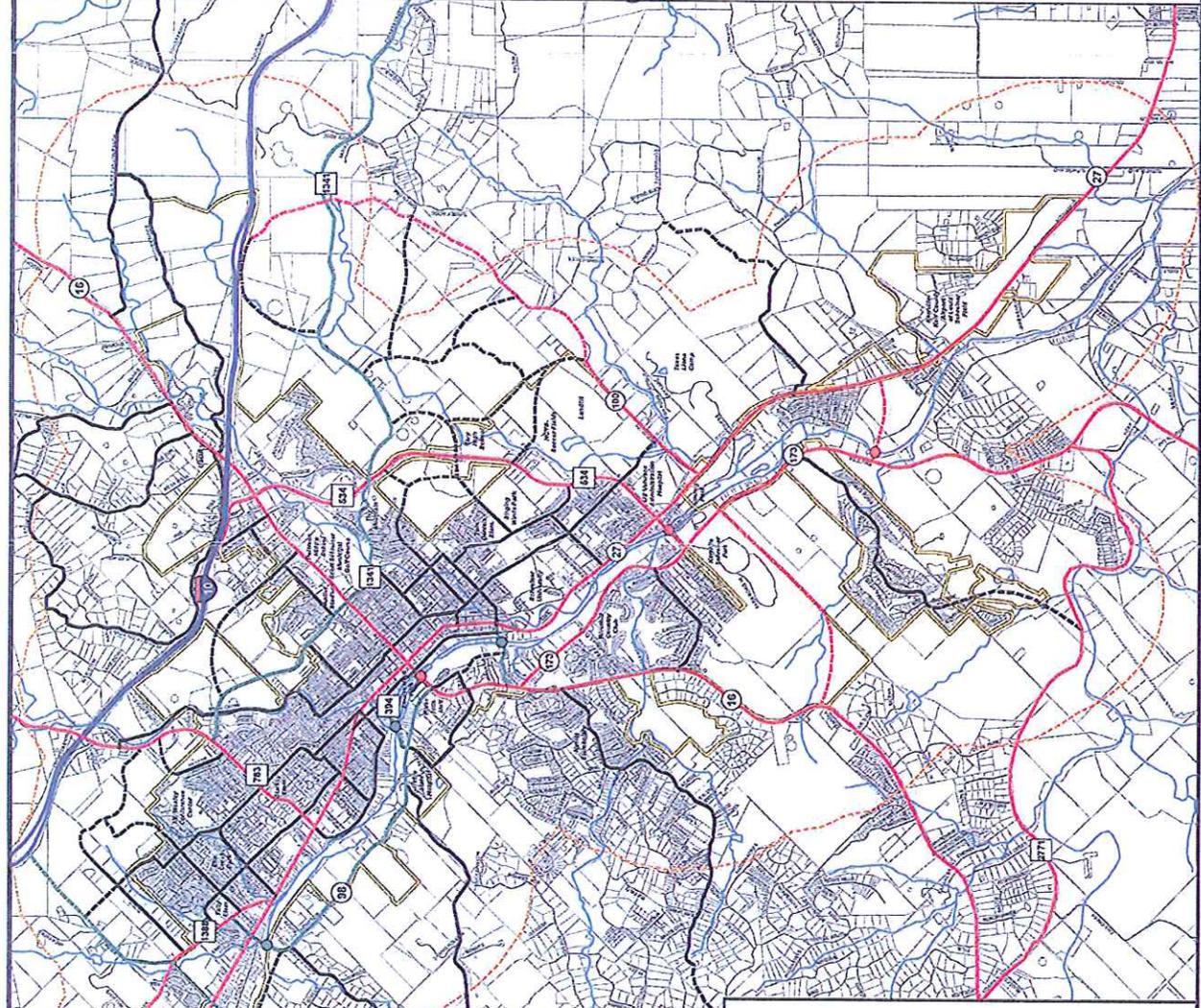
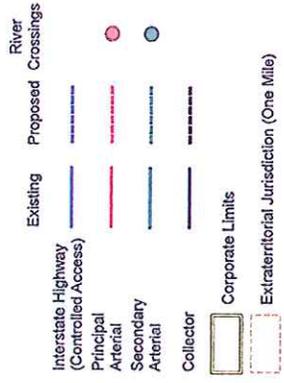
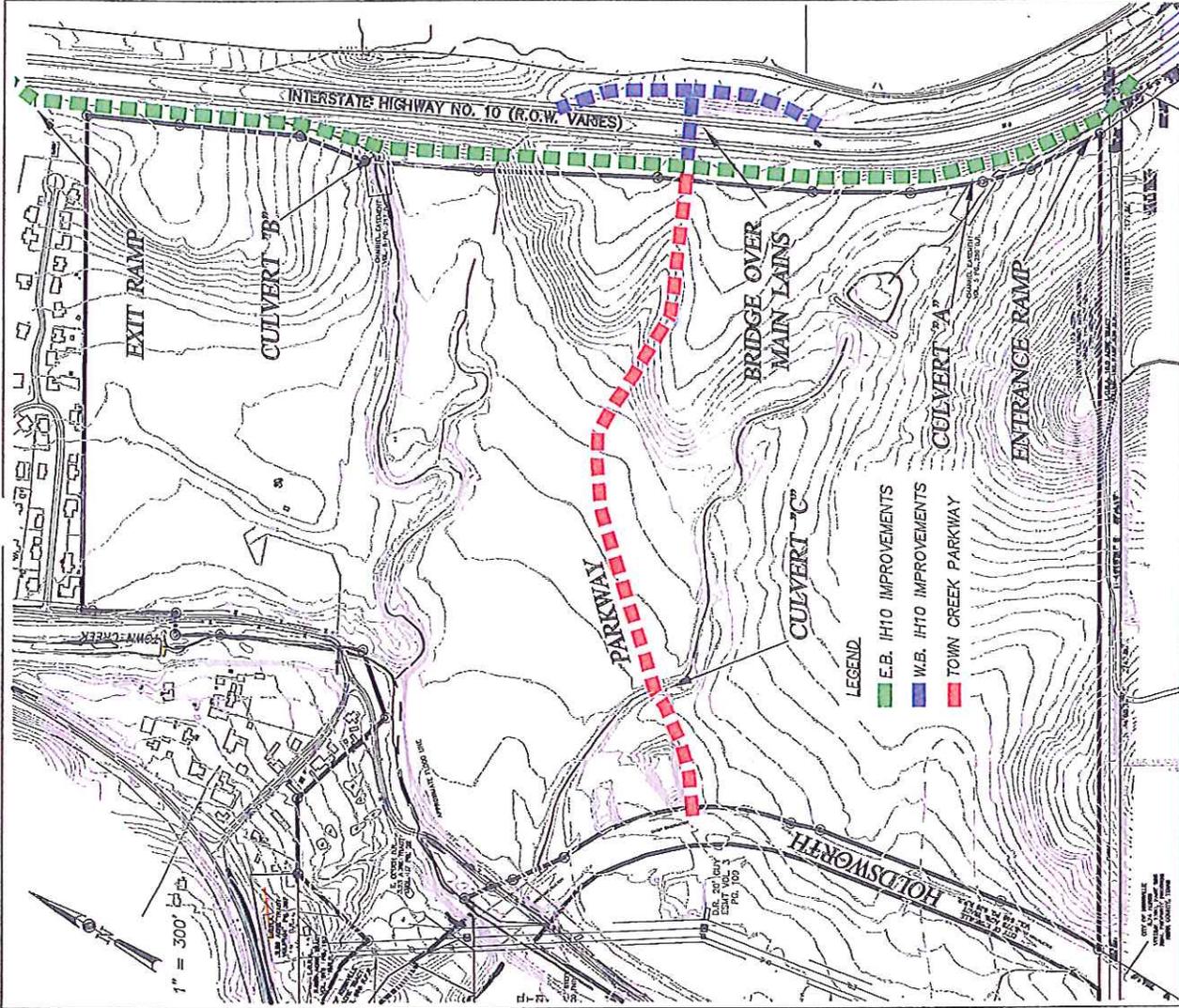


Figure 4.1
Thoroughfare Plan
 As Amended





MATKINHOOPER
 ENGINEERING
 & SURVEYING

PO. BOX 44
 1000 W. STATE ST.
 HOUSTON, TEXAS 77001
 TEL: 281.281.1111
 FAX: 281.281.1112
 WWW.MATKINHOOPER.COM

LAND PLANNERS
 CIVIL ENGINEERS SURVEYORS
 CONSTRUCTION MANAGERS CONSULTANTS

CONNECTIVITY PLAN
 TOWN CREEK DEVELOPMENT
 KERRVILLE, TEXAS

Agenda Item:
(Staff)

- 4l. Proposed annexation path from City limits north to the James Avery Craftsman campus.

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

SUBJECT: Review of Proposed Annexation Path from Current City Limits north to the James Avery Craftsman Campus

FOR AGENDA OF: January 11, 2011 **DATE SUBMITTED:** December 28, 2010

SUBMITTED BY: Kevin Coleman *KC* **CLEARANCES:** Kristine Ondrias *KO*

EXHIBITS: Map showing proposed annexation path

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *[Signature]*

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

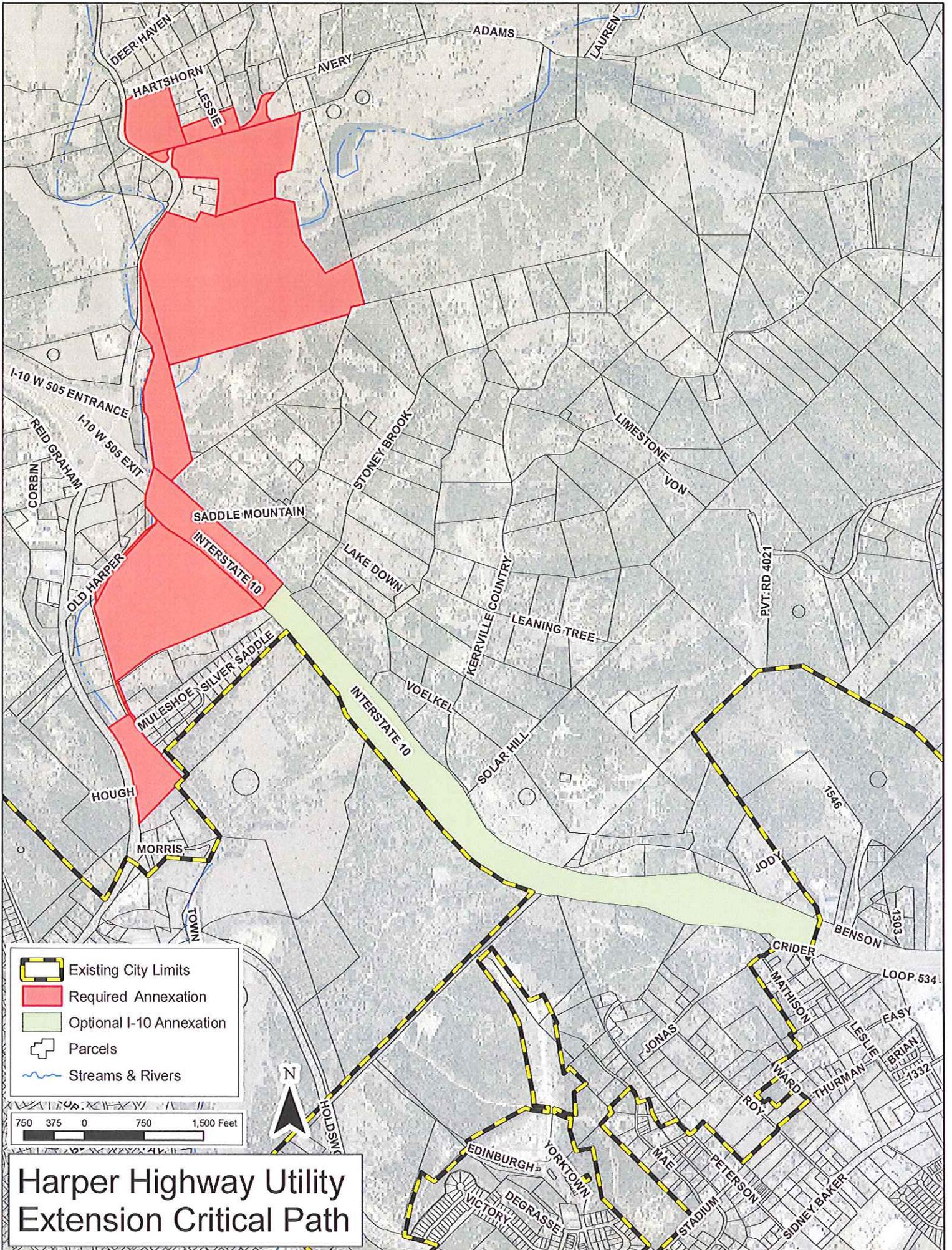
Under this agenda item, the City Council will discuss a variety of issues connected with a proposed annexation of property beginning roughly at the intersection of Morris Road and Town Creek Road and extending roughly north along Town Creek, including properties or portions of properties along Town Creek Road, Old Harper Road, a portion of the IH10 corridor, ranch land north of IH10 and the James Avery Craftsman Campus.

Specifically the Council will:

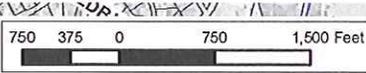
- Review the proposed annexation route;
- Review the proposed calendar for annexation;
- Discuss the City's options concerning annexation of portions of IH10-TXDoT right of way contiguous to the proposed annexation; and
- Discuss the City's responsibility for maintenance of roads within the proposed annexation.

RECOMMENDED ACTION

Council should discuss the issues associated with the proposed annexation and provide staff direction on how to proceed.



-  Existing City Limits
-  Required Annexation
-  Optional I-10 Annexation
-  Parcels
-  Streams & Rivers



Harper Highway Utility Extension Critical Path

Agenda Item:
(Staff)

- 4J. Authorization to submit an application to the City of Kerrville, Texas Economic Improvement Corporation for funding of the Harper Road utility extension project – Phase 2.

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

SUBJECT: Consideration of an application to the EIC for funding of the Harper Road Utility Extension Project – Phase 2

FOR AGENDA OF: January 5, 2011 **DATE SUBMITTED:** January 11, 2011

SUBMITTED BY: Kristine Ondrias *KO* **CLEARANCES:** Todd Parton, City Manager
Assistant City Manager

EXHIBITS: Aerial Maps

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *[Signature]*

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

The Harper Road Utility Extension Project was initiated in November of 2006 when the City of Kerrville entered into an agreement with James Avery Craftsman (JAC) and the Economic Improvement Corporation (EIC) to fund the preliminary engineering design for public water and wastewater infrastructure to serve the JAC campus. Following the preliminary engineering design, the City, JAC and EIC entered into an agreement in 2008 for the construction of the water and wastewater lines.

In June 2010, after several alignment studies, stakeholder meetings and needed property acquisitions, the City Council awarded the construction contract for the water and wastewater lines to Nelson Lewis, Inc.

Currently, the contractor has completed Phases A and B of the project and expects to complete the remaining Phase C in February 2011. Additionally, the annexation process for this project will begin on January 25, 2011 with an anticipated property annexation date of April 2011.

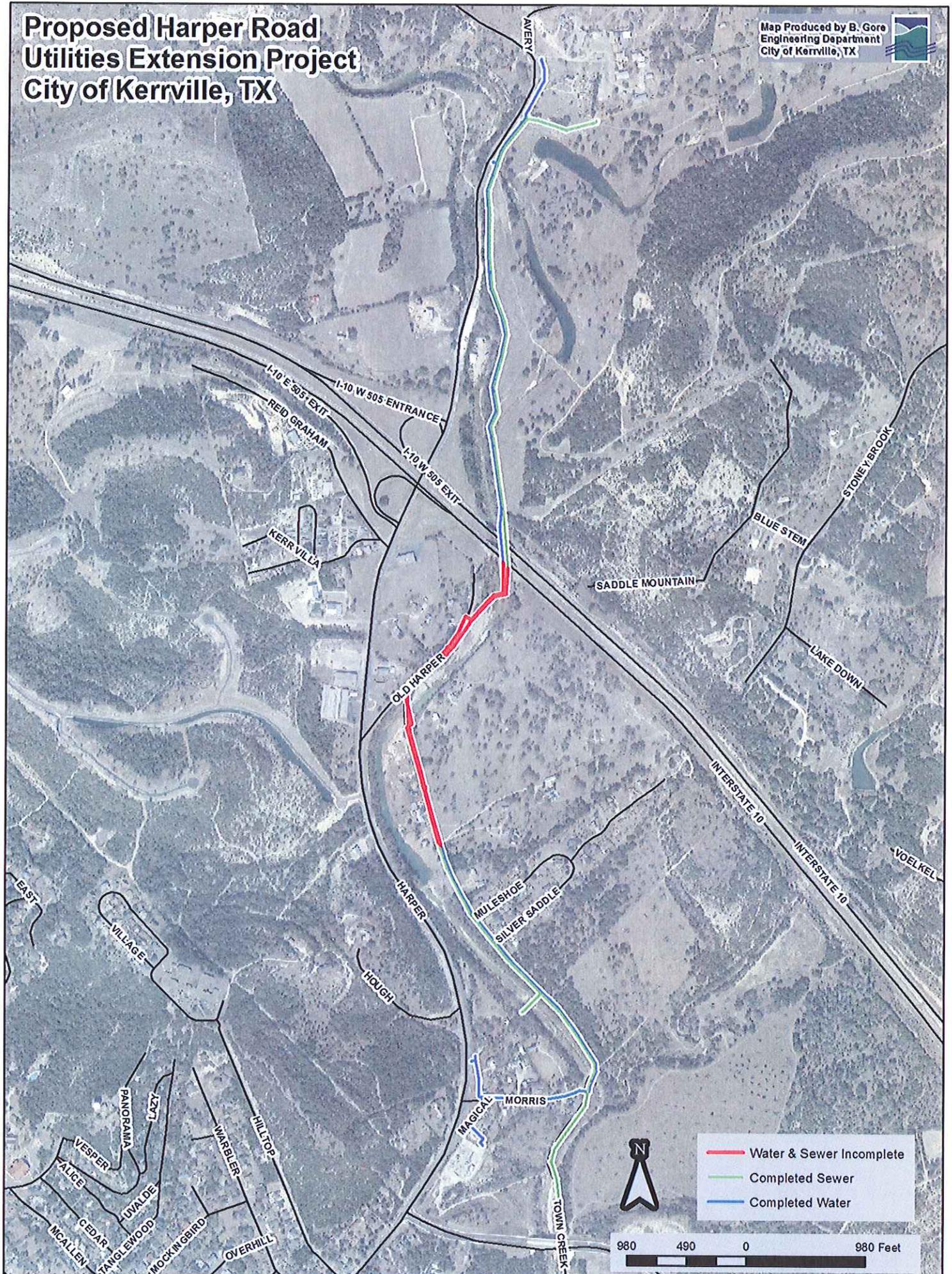
During the construction process, several property owners have approached staff regarding extending utilities up to Harper Road and I10. This extension could constitute Phase 2 of the project with an estimated cost of \$1.2 million and a service area of 50 acres directly / 170 acres indirectly. This phase of the project qualifies for EIC funding and would facilitate the economic development of the Harper Road corridor. Staff is requesting direction and authorization to make a grant application to the EIC for the funding of this phase.

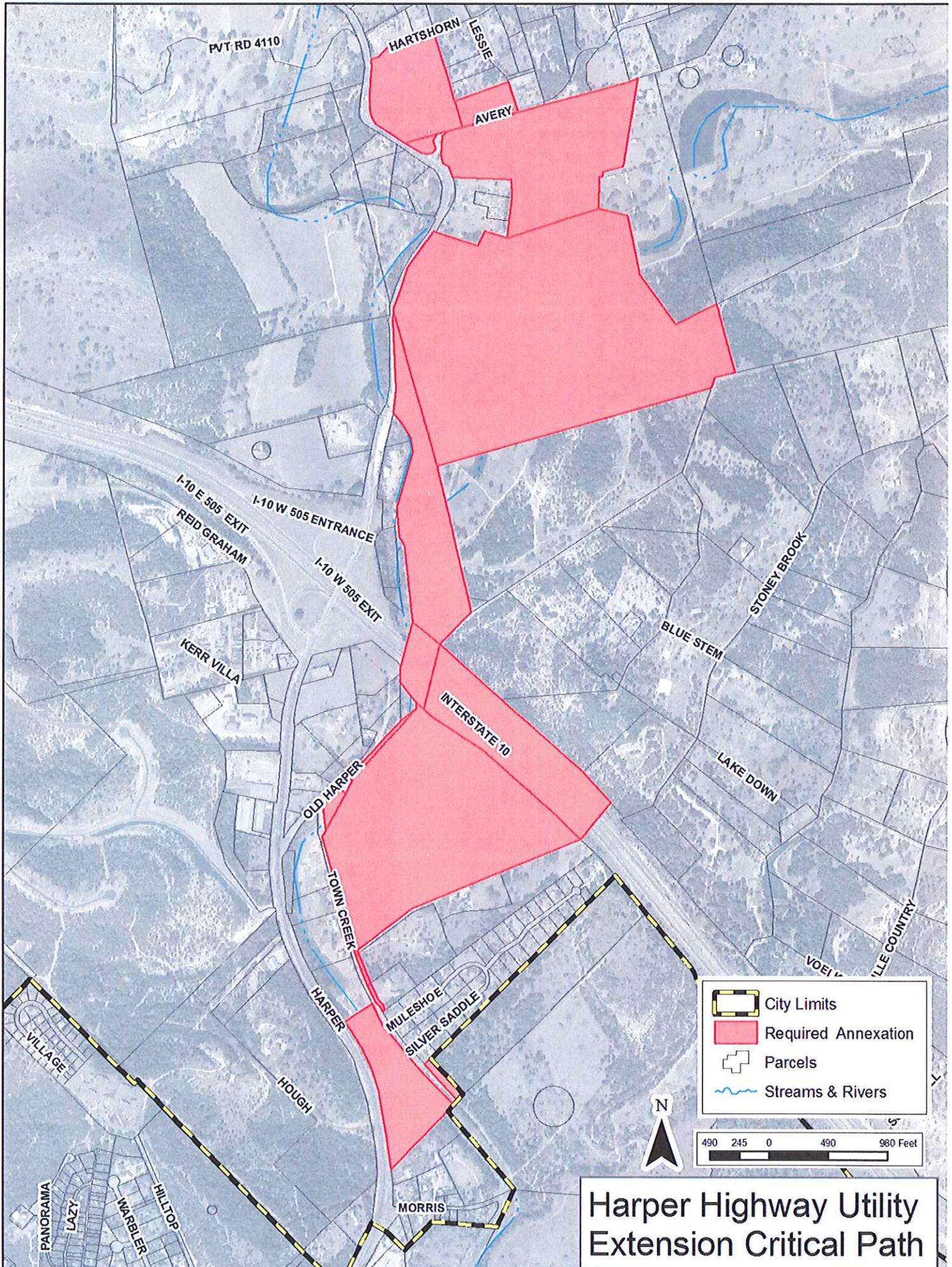
RECOMMENDED ACTION

Authorize the staff to submit a grant application to the EIC for the construction of Harper Road Utility Project Phase 2.

Proposed Harper Road Utilities Extension Project City of Kerrville, TX

Map Produced by B. Gore
Engineering Department
City of Kerrville, TX





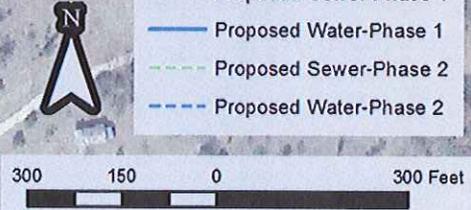
Harper Highway Utility Extension Critical Path

Proposed Harper Road Utilities Extension Project City of Kerrville, TX

Map Produced by B. Gore
Engineering Department
City of Kerrville, TX



- Proposed Sewer-Phase 1
- Proposed Water-Phase 1
- Proposed Sewer-Phase 2
- Proposed Water-Phase 2





Legend

-  Secondary Service Area (175-acres)
-  Primary Service Area (50-acres)

Agenda Item:
(Staff)

- 4K. Renovation of the Butt-Holdsworth Memorial Library building.

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

SUBJECT: Council authorization to begin the Butt-Holdsworth Memorial Library Design and Construction Project

FOR AGENDA OF: January 11, 2011 **DATE SUBMITTED:** January 6, 2011

SUBMITTED BY: Kristine Ondrias **CLEARANCES:** Todd Parton, City Manager
Assistant City Manager

EXHIBITS: Letter from the Mary Elizabeth Holdsworth Library Foundation, Conceptual Site Plan

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

At the July 28, 2009 meeting, the City Council approved the conceptual site plan and interior plan for the renovation and expansion project at the Butt-Holdsworth Memorial Library. This plan was commissioned by Charles Butt and reviewed by the lead architect at HEB, Bill Reynolds, Mr. Butt, the architectural team and city staff.

Once this plan was approved, the Mary Elizabeth Holdsworth Library Foundation was formed to raise the capital funds necessary for the renovation and provide the necessary infrastructure to handle the private donations. Since formation, the foundation has hired an Executive Director and a fund raising firm as well as developed print materials necessary for the campaign. Additionally, the Foundation has secured a pledge from the Hill Country Charity Ball for proceeds from the 2011 Ball to purchase the playground equipment for the site. The fund raising campaign will take approximately 4 years to raise the \$6,000,000 to cover all phases of the project.

Originally the project was scheduled to be completed in two phases. Phase 1 would include the site work, removing the building at 433 Water Street and construction of a new building for the Friends of the Library. Phase 2 would focus efforts on the interior of the facility to include closing in the 2nd floor and a complete rework of the basement area. In 2010, the City of Kerrville was awarded an energy grant from EECBG in the amount of \$86,000 to replace the roof. This project has a completion requirement of early 2012. After assessing the roof project, staff began to look at the available funds and contemplate re-phasing of the project. Staff met with the HEB staff, the Foundation staff and the architect for the

conceptual design to discuss the feasibility of re-phasing and using available funds on the building renovation to include floors 1 and 2, and a scaled back site work plan.

The following funds are available for the building renovation and site work improvements.

\$950,000.00	HEB donation
\$500,000.00	Donated funds to the City of Kerrville specific for Library use
\$ 86,000.00	EECBG grant for roof
\$ 56,000.00	433 Water Street fund
<u>\$ 55,000.00</u>	Donation from Charity Ball for 2011
\$1,647,000.00	Total

Staff is proposing the following timeline for the project.

December 2010	Commitment from HEB for advance funding of remaining donation
January 2011	Approval of design contract
April 2011	Bid Project
May 2011	Award Construction
June 2011	Begin Construction - Building
November 2011	Close Library and complete site work
January 2012	Grand Reopening

The Foundation will continue to raise funds for the remaining items to be completed on the project.

RECOMMENDED ACTION

Authorize staff to begin the design and renovation of the Library with available funds.

MARY ELIZABETH HOLDSWORTH
Library Foundation

433 Water Street Unit D
P.O. Box 293523
Kerrville, TX 78029-3523

830-928-5377
admin@mehlf.org
mehlf.org

BOARD OF TRUSTEES

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STAFF

Jeana Lehmann Krause
Executive Director

May 10, 2010

Mr. Charles Butt
PO Box 839999
San Antonio, TX 78283-3999

Dear Mr. Butt,

On behalf of the Kerrville City Council, Mary Elizabeth Holdsworth Library Foundation, and the entire Kerrville community, I would like to once again thank you for your personal involvement and generous gifts in maintaining the past forty-two year relationship between your family and the Butt-Holdsworth Memorial Library.

As the Executive Director of the Library Foundation, I would like to also thank you for agreeing to make the third and fourth installments in June 2011 to help make the renovation of the Library move forward. I would also like to request a formal change of payment schedule for our records. Below is a preliminary timeline for the renovation:

December 2010:	Commit Funds
January 2011:	Award Design Contract
April 2011:	Bid the Project
Late May 2011:	Construction Begins
Nov-Dec 2011:	Close Library; complete construction site work
January 2012:	Grand Reopening

Perhaps no place in any community is so totally democratic as the town library. The only entrance requirement is interest.

- Lady Bird Johnson

We are a 501(c)(3) non-profit organization. Your contributions are tax deductible.

MARY ELIZABETH HOLDSWORTH
Library Foundation

As you know, the Butt-Holdsworth Memorial Library serves not only the City of Kerrville and Kerr County, but surrounding cities and counties as well. Without your help, we would not be able to complete the much needed expansion and remodeling of the Library and continue to be able to serve the vast number of patrons that is seen each and every day and continues to grow.

We all look forward with excited anticipation to watching the transformation of our beloved library.

Very truly yours,

Jeana Krause
Executive Director

cc: Victoria Wilson, President Board of Trustees, MEHLF
David Wampler, Mayor, City of Kerrville
✓ Kristine Ondrias, Assistant City Manager, City of Kerrville
Kim Meismer, Director of General Operations, City of Kerrville
Kaye Lenox, CEO, SAPLF

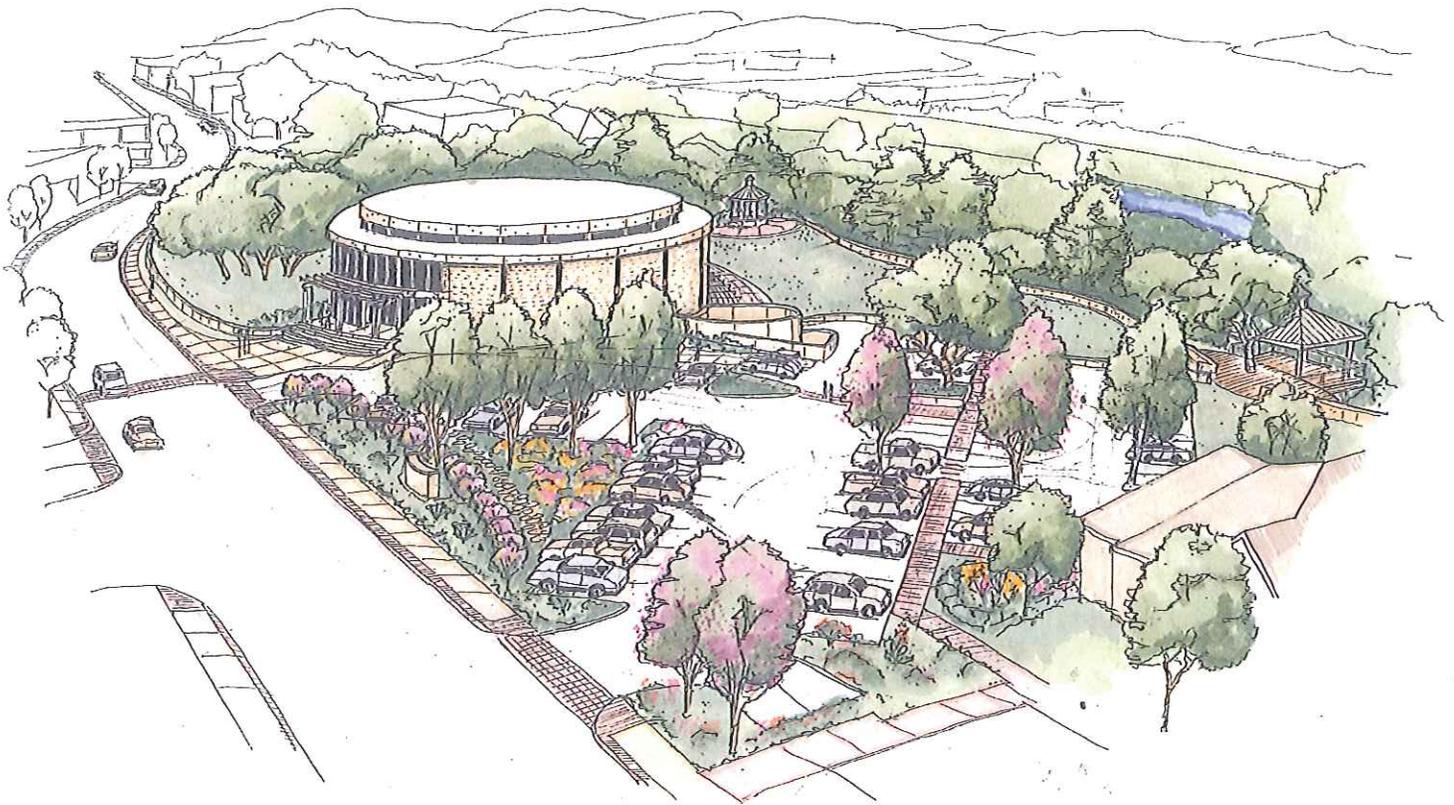
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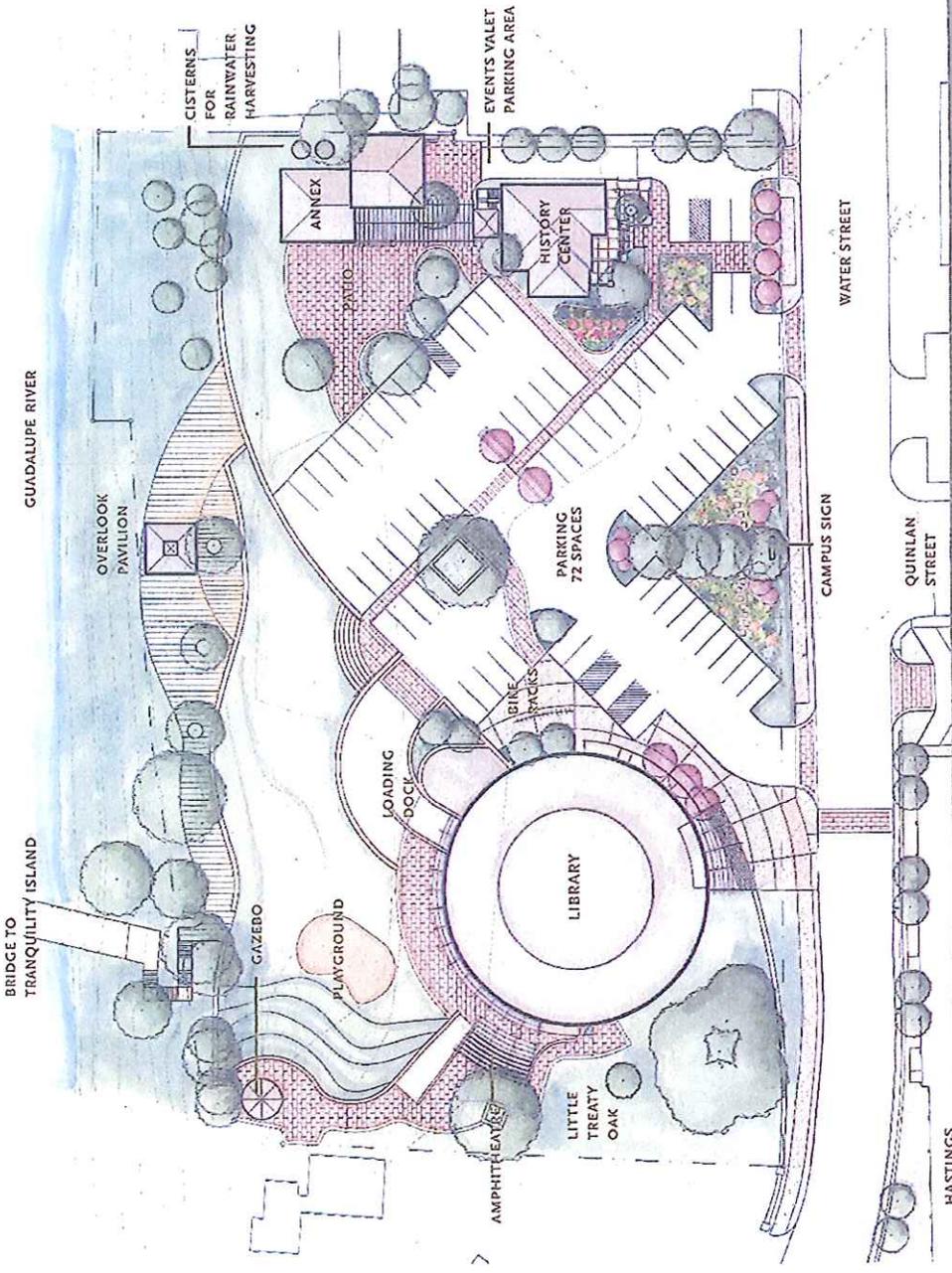
We are a 501(c)(3) non-profit organization. Your contributions are tax deductible.

THE CAMPUS

OPTION 1: 72 PARKING SPACES



*Renovation is a green act. It revitalizes and repurposes,
instead of rebuilding. That's good for the environment,
the community, and the historical continuity of the cityscape.*



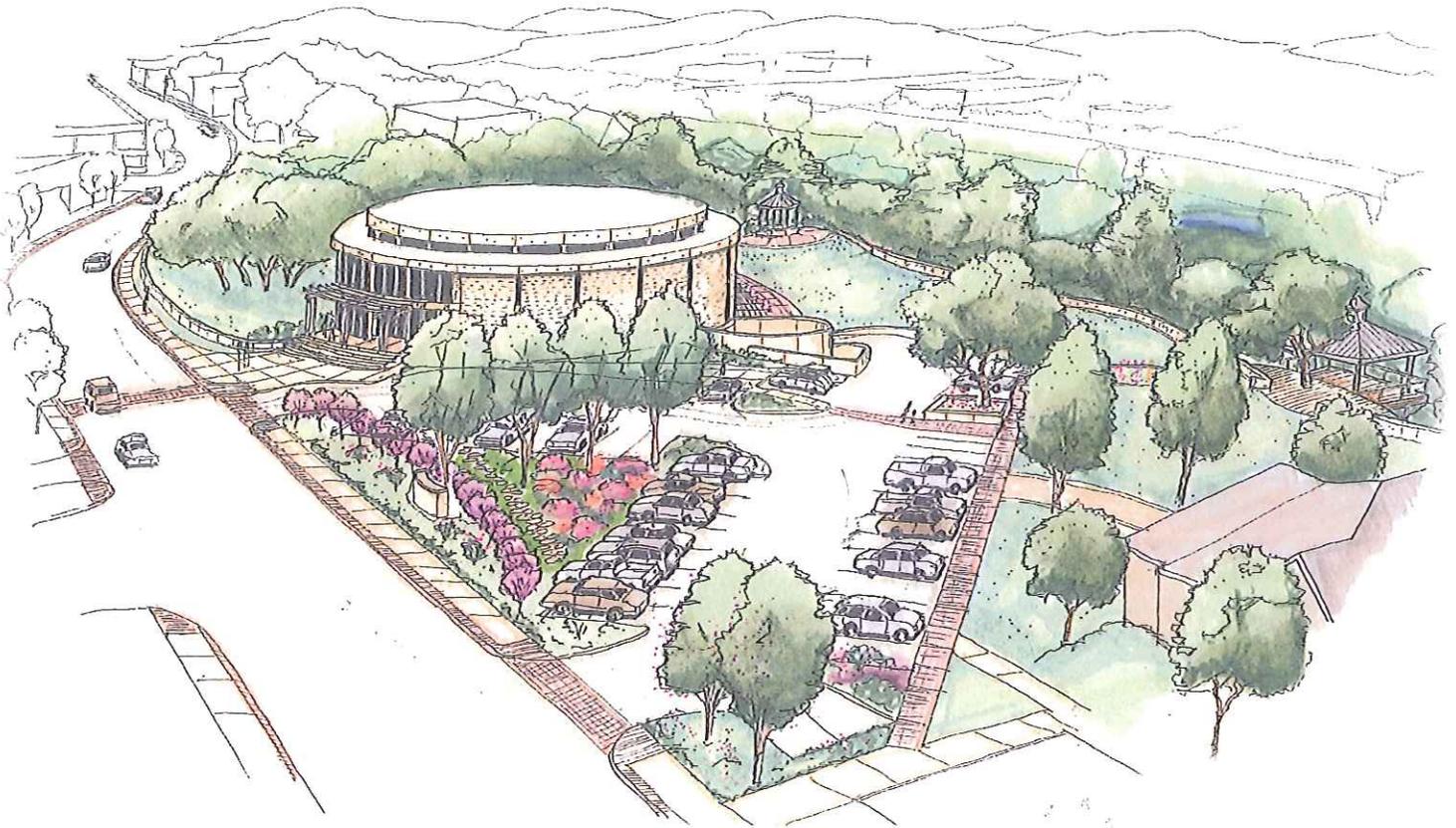
**PROPOSED
SITE PLAN
OPTION 1**

THE POTENTIAL FOR THIS CAMPUS APPROACH IS IMMENSE. THE BUILDINGS CAN BE IMPROVED, PRESERVED, AND PUT TO USE. THE SPACES AROUND THE BUILDINGS WILL OFFER PARK-LIKE AREAS FOR EDUCATIONAL, SOCIAL, AND COMMUNITY EVENTS.

The Campus will be child-friendly, with an outdoor children's play space located near a walkway, giving parents/guardians a comfortable, convenient place to supervise their children. The play area is in a scenic spot, away from vehicular traffic and not easily accessible to passers-by. There is space for a children's garden.

THE CAMPUS

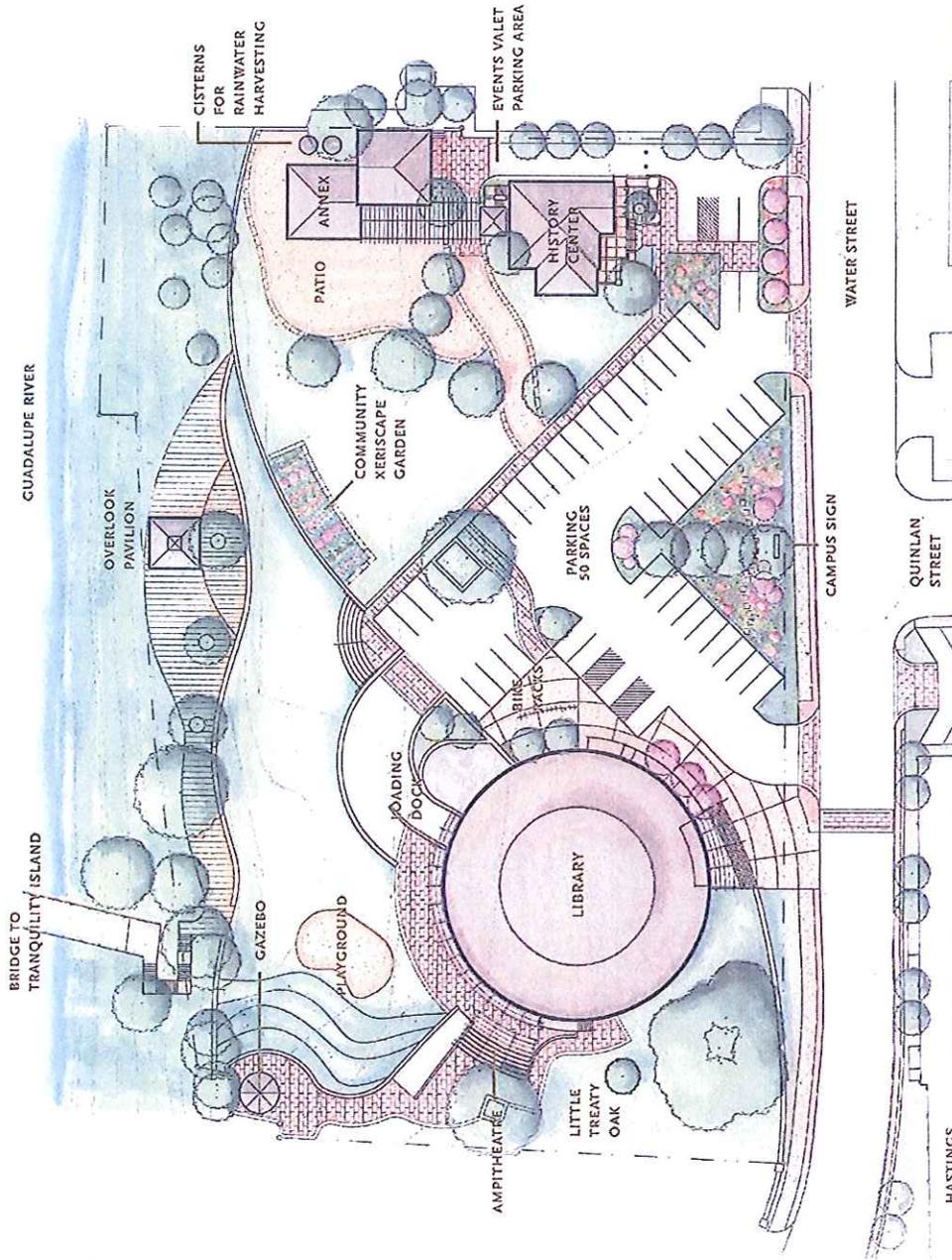
OPTION 2: 50 PARKING SPACES



*That land is a community is the basic concept of ecology,
but that land is to be loved and respected is an extension of ethics.*

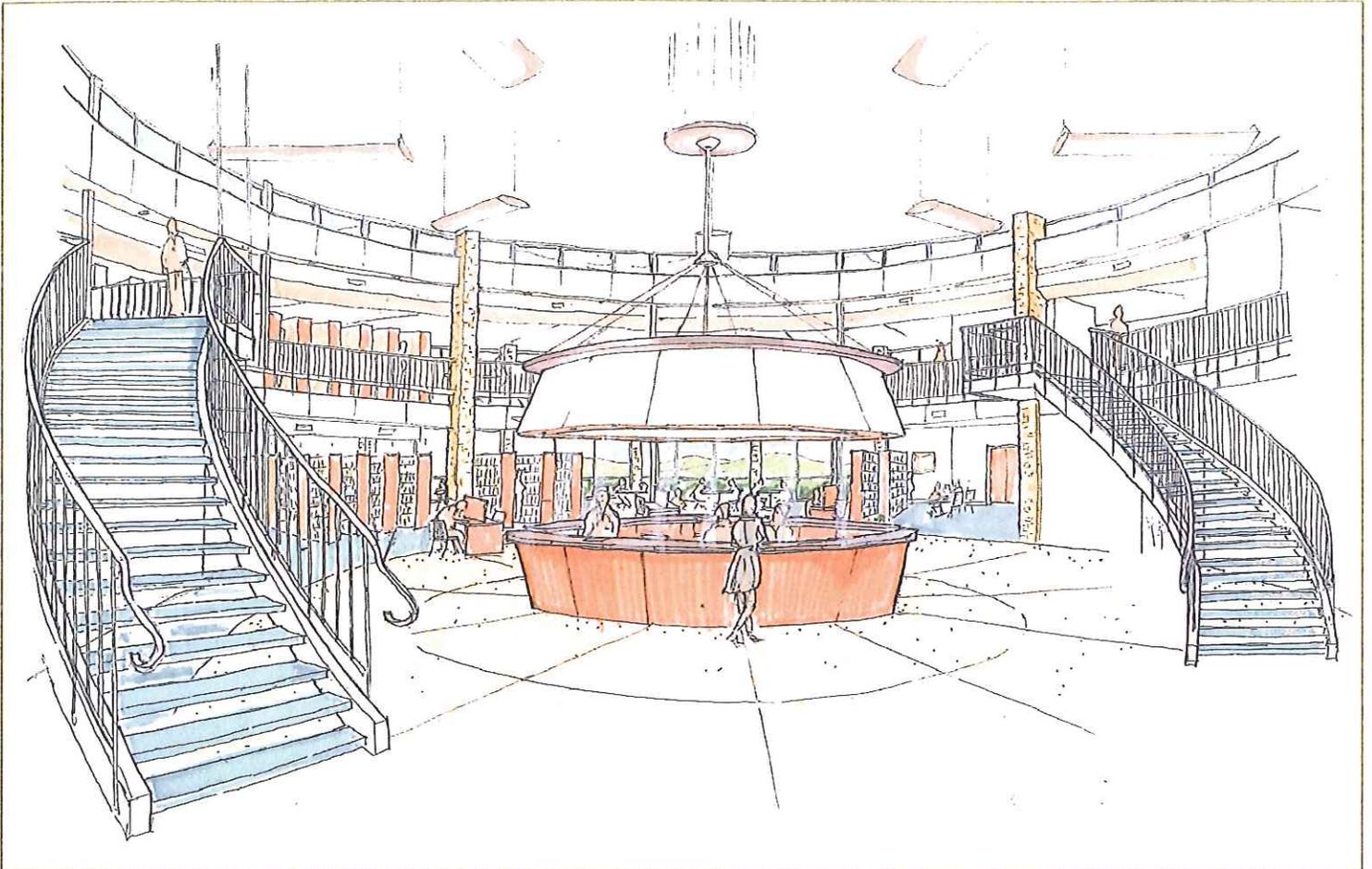
**PROPOSED
SITE PLAN
OPTION 2**

WE BELIEVE THAT A
CREATIVELY DESIGNED
LIBRARY CAMPUS WILL
BECOME AN EXCITING
EDUCATIONAL FOCUS
FOR KERRVILLE.



Pathways, paving, and curbs will follow specifications established by Kerrville's well-regarded Main Street program, while landscaping with low-maintenance native and other drought-resistant plantings will offer year-round color on the Campus.

THE LIBRARY INTERIOR CON'T



MAIN FLOOR

THE NEW SPACE PLAN CALLS FOR:

A spacious, built-in circular reference desk in the center of the main floor gives staff a 360° view. It is capped by a suspended structure that emphasizes the desk location, serves as a “ceiling” to create a more intimate space and reduce noise, and houses downlights to illuminate the desk.

A designated area for a unified grouping of computer stations.

High-quality, energy-efficient suspended lights are in the two-story open space.

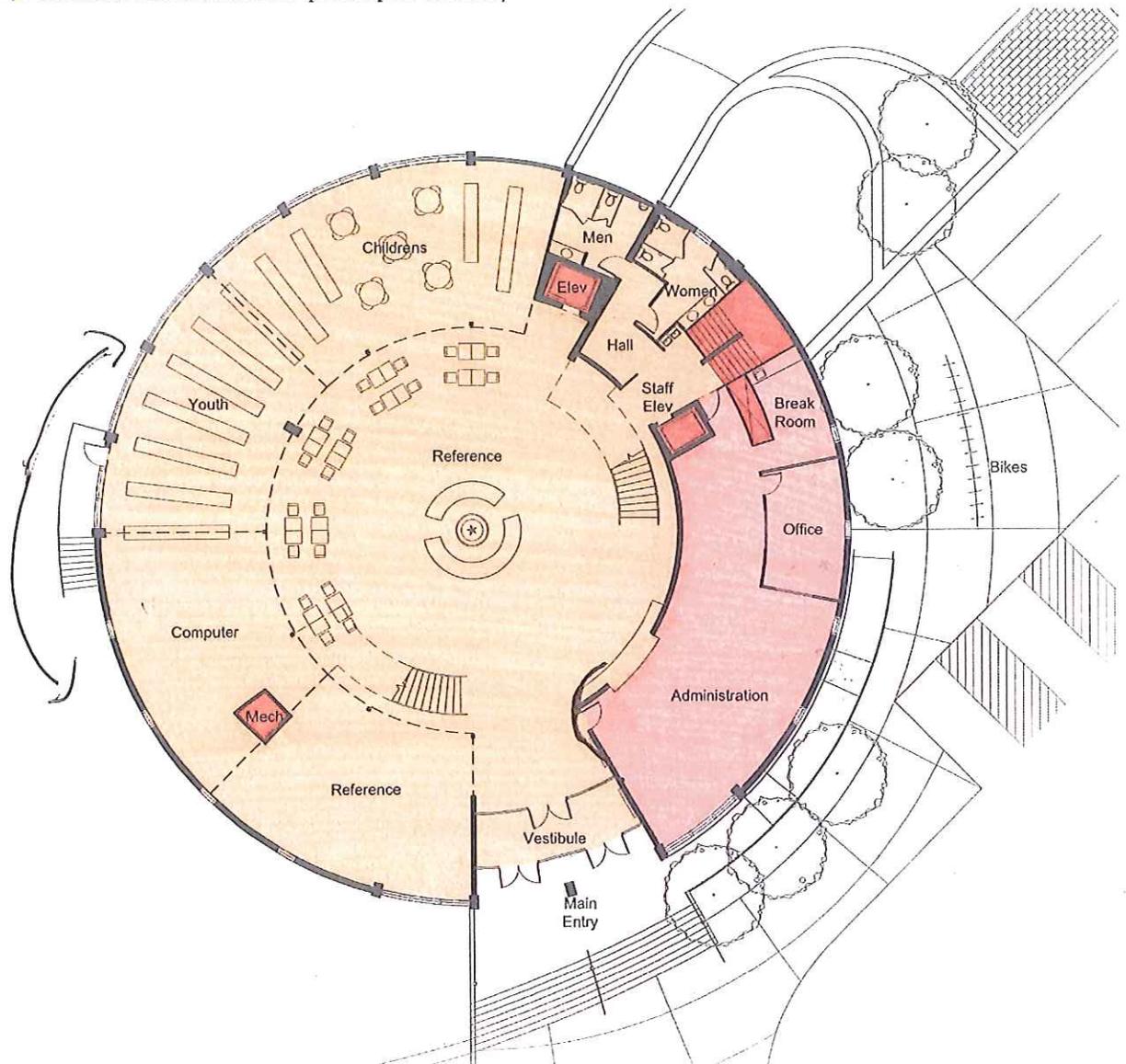
Relocating restrooms so they are no longer in the children’s area, which has been a safety issue.

An appropriate area for posting bulletins to cut down on clutter. Also, develop signage standards that create a unified program of identification.

THE LIBRARY INTERIOR CON'T

MAIN FLOOR

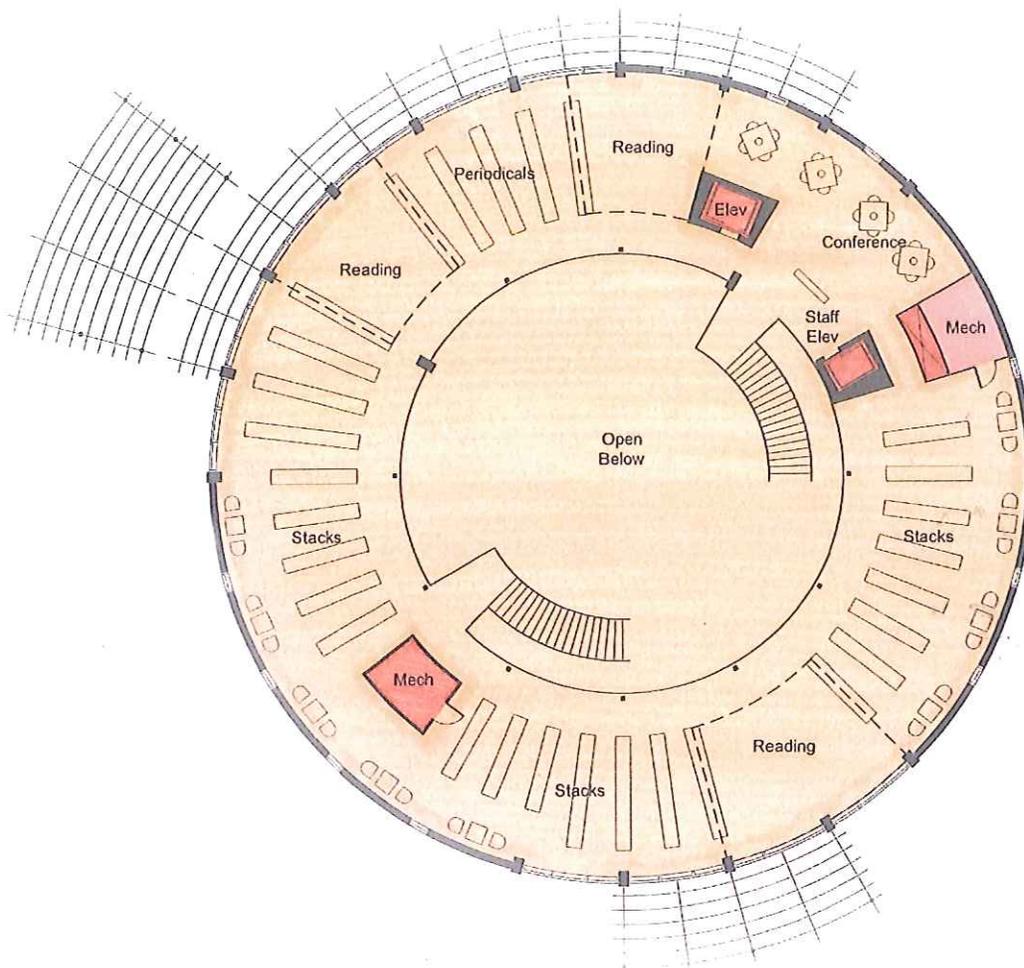
- enclosed balcony patio
- bank of carrels
- consolidated administration space
- children's area in brighter, more open space
- double doors at main entry
- designated computer area
- reference area located in a quieter part of library



THE LIBRARY INTERIOR CON'T

MEZZANINE

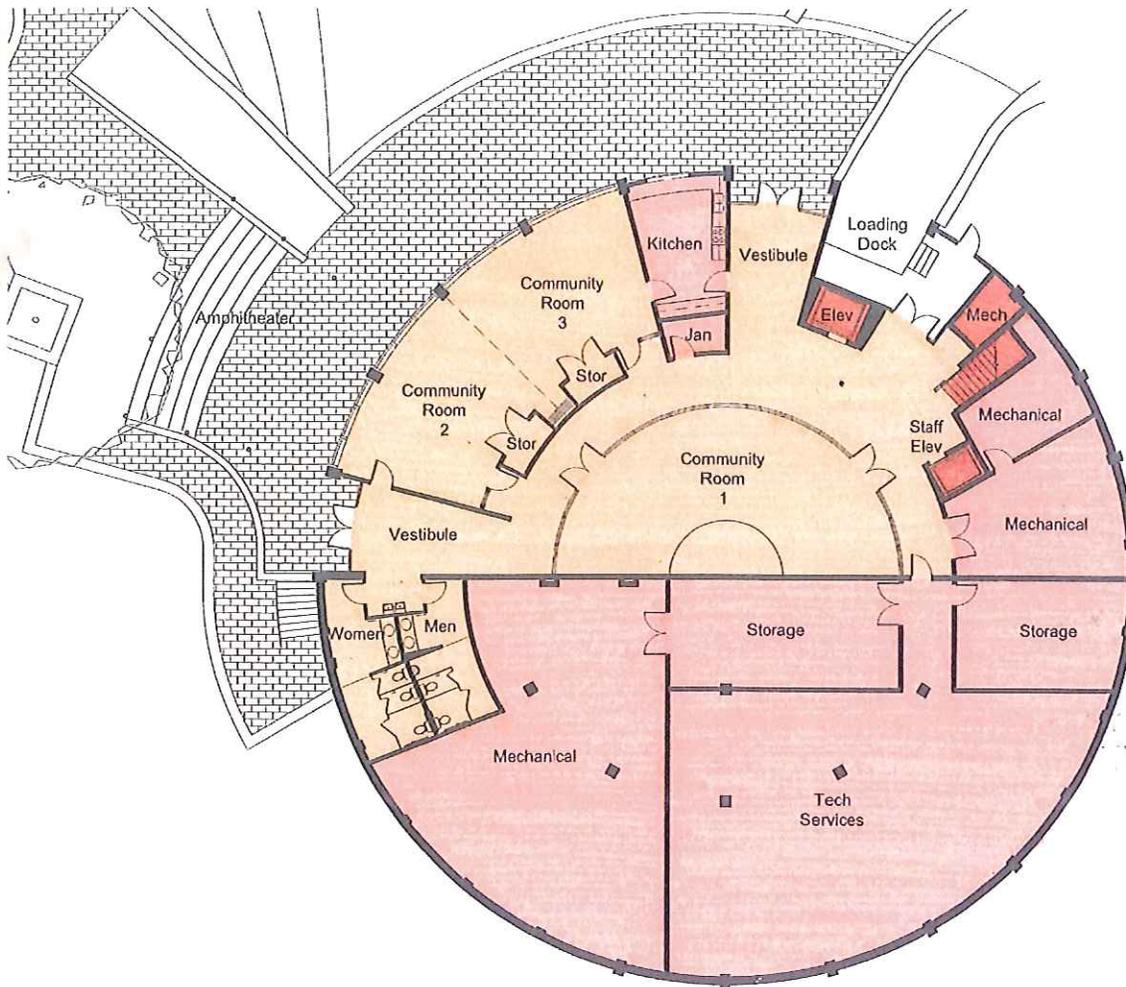
- enclosed balcony patio with same footprint as main floor
- periodicals and reading area with outstanding river views
- staff elevator for easy book transport
- quiet conference/work area
- additional carrels with natural light



THE LIBRARY INTERIOR CON'T

GROUND FLOOR

- enclosed conditioned space
- three community rooms: CR1 with a small stage, CR2 and CR3 can be opened up to create one large room
- kitchen location is convenient to all community rooms and has pass-through to patio area
- community rooms are clustered at patio side of ground floor
- maintain existing mechanical area



Agenda Item:
(Staff)

- 5A. Update regarding Lower Colorado River Authority Transmission Services Corporation's (LCRA-TSC) application for the proposed McCamey D to Kendall to Gillespie CREZ project (PUC Docket No. 38354).

Agenda Item:
(Staff)

5B. Economic update.

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

SUBJECT: Kerrville Budget/Economic Update

FOR AGENDA OF: January 11, 2011 **DATE SUBMITTED:** December 28, 2010

SUBMITTED BY: Mike Erwin
Director of Finance

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Economic Update
AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OR FINANCE:

SUMMARY STATEMENT

The City of Kerrville staff will present and update Council on a biweekly basis as to the status of the City's budget and current economic trends affecting the City.

RECOMMENDED ACTION

No action required information purposes only.

**CITY OF KERRVILLE
ECONOMIC UPDATE AS OF JANUARY 5, 2011**

	Current Month	Previous Month	1 Year Ago	Trend	Current Month
National					
Unemployment	9.80%	9.60%	10.00%	↑	November
Consumer Confidence	54.1	49.9	50.6	↑	November
1 year T-Bills	0.26%	0.25%	0.41%	↔	1/5/10

State					
Monthly Unemployment	8.30%	7.90%	7.90%	↑	November
Monthly Sales Tax	\$1,844.6m	\$1,617.7m	\$1,696.9m	↑	November

Local					
Monthly Unemployment (Kerr Co.)	6.10%	5.90%	5.90%	↑	November
Median Listing Price	\$218,400	\$219,000	\$225,000	↓	12/6/10
Monthly Sales Tax	\$339,147	\$415,401	\$341,962	↓	December
Monthly EIC Tax	\$169,550	\$207,677	\$170,981	↓	December
Monthly HOT	\$57,006	\$75,212	\$60,269	↓	December

	FY11 Budget	FY11 as of 12/31/2010	FY11 % Received	FY10 as of 12/31/2009	FY10 % Received
General Fund					
Tax Revenue	\$14,647,100	\$4,064,430	27.75%	\$5,556,633	36.91%
Property Tax	\$8,240,000	\$2,591,061	31.44%	\$4,265,227	50.37%
Sales Tax	\$4,500,000	\$1,122,351	24.94%	\$1,079,190	23.34%
Permits & Fees	\$402,450	\$85,958	21.36%	\$69,263	18.68%
Intergovernmental	\$707,013	\$255,448	36.13%	\$158,450	22.79%
Service Revenues	\$2,578,260	\$315,639	12.24%	\$668,179	20.18%
Grant Revenue	\$10,000	\$0	0.00%	\$10,525	105.25%
Fines & Forfeitures	\$477,710	\$131,484	27.52%	\$113,519	22.50%
Interest & Misc.	\$170,317	\$81,395	47.79%	\$107,332	23.32%
Transfers In	\$1,000,000	\$166,667	16.67%	\$185,975	14.75%
Total General Fund	\$19,992,850	\$5,101,020	25.51%	\$6,869,877	31.71%

Water/Sewer Fund					
Water Sales	\$4,400,000	\$1,245,065	28.30%	\$973,782	6.29%
Sewer Sales	\$3,760,000	\$883,726	23.50%	\$917,210	7.17%
Other Revenue	\$714,500	\$157,564	22.05%	\$173,955	25.98%
Total Water & Sewer Fund	\$8,874,500	\$2,286,355	25.76%	\$2,064,947	21.44%

Agenda Item:
(Staff)

6A. Appointments to the Food Service Advisory Board.

**BUSINESS OF THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Appointments to the Food Service Advisory Board

FOR AGENDA OF: January 11, 2011 *BL* **DATE SUBMITTED:** December 21, 2010

SUBMITTED BY: Brenda Craig
City Secretary

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Board List

APPROVED FOR SUBMITTAL BY CITY MANAGER: *[Signature]*

SUMMARY STATEMENT

Consider appointments to the following board:

Food Service Advisory Board: Four terms expired December 1, 2010: Brenda Hughes, Robbie Crocker, Jacques Duhr, and Melissa Southern.

RECOMMENDED ACTION

Consider appointments.

FOOD SERVICE ADVISORY BOARD

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
HUGHES, BRENDA Chair 709 Galbraith Street	257-4540 (O) 896-5447 (H)	11-22-05	12-09-08	12-01-10
BAERWALD, DEBBIE LYNN Vice-Chair 115 Plaza Dr., #705	257-2515 (O) 257-9266 (F)	12-11-07	12-08-09	12-01-11
CROCKER, ROBBIE 1029 Bluebonnet Dr.	257-2433 (O) 257-5514 (H)	09-09-08	12-09-08	12-01-10
DUHR, JACQUES 129 Catalina Court	896-1294 (H)	12-09-08		12-01-10
McCRACKEN, SUSAN 406 Ave. B	895-4655 (O) 377-9847 (H)	12-08-09		12-01-11
SOUTHERN, MELISSA 615 Schreiner	257-3877 (O) 257-1923 (H)	12-09-08		12-01-10
VARWIG, KELLY 1315 Jackson Rd.	817-797-8148 (O)	12-08-09		12-01-11

COUNCIL LIAISON:

Scott Gross 792-5555 (O)
2908 Dry Hollow 210-363-1144 (C)
PO Box 291277

CITY STAFF:

Amy Ives 792-8352 (O)
Compliance Center Manager 896-0517 (F)

Qualifications: Shall be composed of local certified food managers from the food service or food processing industry, any member of the local restaurant association who owns or conducts business in the city of Kerrville or any citizen of Kerr County qualified by training and/or experience to advise on the application of the food code.

Powers and Duties: To hear appeals and make recommendations to the health official for variances from provisions of the code; to provide assistance to the health official concerning interpretations of the code; to advise the city manager, at his request, regarding the suspension or revocation of food permits; and to consider and make recommendations to city council regarding any matters relating to the food service program.

Term of Office: Two Years; no member shall serve more than two consecutive terms.

Quorum: Four

Number of Members: Seven

Meeting Time & Place: Quarterly (Mar, Jun, Sep & Dec), Third Tuesday, 3:00 p.m., Meeting Room #1

Absences: Any member who misses three consecutive regular meetings shall thus cause

his/her seat on the board to become vacant. The council shall then appoint a new member to fill the vacancy.

Established by:

Ordinance 1989-30; amended by Ordinance 1994-11
Code of Ordinances: Chapter 58 - Article II - Section 58-34

Revised:

May 28, 2010

Agenda Item:
(Staff)

6B. Appointments to the Planning and Zoning Commission.

**BUSINESS OF THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Appointments to the Planning and Zoning Commission

FOR AGENDA OF: January 11, 2011 **DATE SUBMITTED:** December 21, 2010

SUBMITTED BY: Brenda G. Craig *Be* **CLEARANCES:**
City Secretary

EXHIBITS: P&Z Board List

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

SUMMARY STATEMENT

Consider appointments to the following board:

Planning and Zoning Commission: Two regular terms to expire on January 1, 2011:
T. Justin MacDonald and Tony Roberts and one alternate term to expire on January 1,
2011: Michael Sigerman.

RECOMMENDED ACTION

Consider appointments.

PLANNING AND ZONING COMMISSION

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
KESSLER, JAMES Vice-Chairperson 131 Homestead	895-7831 (H)	04-12-05	12-14-10	01-01-13
BUELL, HAROLD 1214 Jack Dr.	896-0114 (O) 895-2444 (H)	01-09-07	01-12-10	01-01-12
MACDONALD, JUSTIN 2951 Fall Creek Road	257-5323 (O) 896-4821 (H)	06-24-08	12-09-08	01-01-11
ROBERTS, TONY 2390 Memorial Blvd.	895-1676 (O) 896-5374 (H)	08-24-10		01-01-11
WATTERSON, DAVID 177 Phoenix Dr.	895-4048 (O) 377-6400 (H)	01-12-10		01-01-12

ALTERNATES:

SIGERMAN, MICHAEL 154 Wharton Rd.	305-634-3469(O) 895-7765 (H)	01-12-10		01-01-11
McRAE, CHASTAN 705 Leland St.	377-3710 (O)	09-28-10		01-01-12

COUNCIL LIAISON:

Bruce Motheral
812A Sidney Baker
257-6360 (O)

CITY STAFF:

Gordon Browning
Senior Planner
792-8350 (O)

Qualifications: At least four of the regular members shall be residents and eligible voters of the city; one regular member may reside in the city's extraterritorial jurisdiction (ETJ) and must be an eligible voter of Kerr County. At least one alternate member shall be a resident and eligible voter of the city; one alternate member may reside in the city's extraterritorial jurisdiction (ETJ) and must be an eligible voter of Kerr County.

- Powers and Duties:**
1. Shall formulate and recommend to the city council for adoption a Comprehensive Plan for the orderly growth and development of the city and its environs. On a yearly basis the commission shall review and if necessary recommend such changes in the plan as it finds will facilitate the movement of people and goods, and the health, recreation, safety and general welfare of the citizens of the city.
 2. Shall formulate a zoning plan (ordinance) as may be deemed best to carry out the goals of the Comprehensive Plan; hold public hearings and make recommendations to the city council relating to the creation, amendment, and implementation of zoning regulations and districts as provided in state law.
 3. Shall exercise all powers of a commission as to approval or disapproval of plans, plats, or replats as set out by state law and the city's subdivision regulations.

4. Shall initiate for consideration at public hearings, proposals for the original zoning of annexed areas or for the change of zoning district boundaries on an area wide basis.
5. Shall consider and take appropriate action, upon written request, variances as prescribed to the city's subdivision and sign regulations.
6. Shall from time to time recommend such changes to the subdivision regulations, sign regulations, and any other ordinance the city council assigns to their review that will facilitate the general health, safety and welfare of the citizens of the city.

Term of Office: Two years. No regular member shall serve more than three consecutive full terms on the Commission without having at least one full year off the Commission between terms.

Quorum: Three (may include an alternate member but only where substitution for and acting as a regular member)

Number of Members: Five regular members and two alternates.

Meeting Time & Place: First and third Thursdays, 4:30 p.m., City Hall

Absences: Any member who is absent from twenty-five percent (25%) of the board's regular meetings during any twelve (12) month period, or who is absent from any three (3) consecutive regular meetings, shall be considered for removal by the city council. The staff member has the responsibility of reporting a member's non-attendance to the city council in writing, and the city secretary shall notify the board member in writing that their non-attendance has been reported to the city council. However, a member whose absences are directly related to a medical or family emergency may seek consideration from the board upon which they serve to qualify such absences as excused.

Established by: Minutes of 12-18-44 Council meeting; amended by Ordinance Nos. 1979-37, 1987-24, and 2008-24 (which deleted from Code of Ordinances book Chapter 82 – Article II – Sections 82-31 through 82-36 and rolled into Zoning Code which is not codified)

Revised: October 4, 2010