

**AGENDA FOR MEETING OF
THE CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
Monday, May 16, 2011, 4:00 p.m.
Kerrville City Hall Council Chambers
800 Junction Highway, Kerrville, Texas**

1. CALL TO ORDER

2. INVOCATION

3. VISITORS FORUM

At this time, any person with business not scheduled on the agenda may speak to the corporation. No deliberation or action can be taken on these items because the Open Meetings Act requires an item be posted on an agenda 72 hours before the meeting. Visitors are asked to limit presentations to three minutes.

4. APPROVE MINUTES:

4A. Approve minutes from April 18, 2011.

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5. MONTHLY REPORTS:

5A. EIC construction project status.

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5B. Monthly financials for April 2011.

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5C. Discussion regarding auditor's recommendation for recording EIC expenditures in a capital projects fund. (Erwin)

6. CONSIDERATION AND ACTION:

6A. Consideration of funding agreement amendment request from Hill Country Home Opportunity Council. (Harrison)

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7. INFORMATION AND DISCUSSION:

7A. Update from Ray Watson, Director of the Kerrville Economic Development Corporation. (Crumrine)

7B. Discussion regarding the City Council's action taken on the EIC Investment Policy. (Erwin)

7C. Discussion regarding joint meeting with City Council and the EIC Board. (Crumrine)

7D. Consider proposal from Kerr Economic Development Foundation ("KEDF") for the Economic Improvement Corporation to enter into a Purchase and Sale Agreement with KEDF for the purchase of approximately 86.71 acres located at 300 Peterson Farm Road, which is intended to become the new site of the United State Department of Agriculture ("USDA") Knipling-Bushland Laboratory. (Hayes)

7E. Comments for outgoing EIC President. (Crumrine)

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

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: May 12, 2011 at 3:00 p.m. and remained posted continuously for at least 72 hours proceeding the scheduled time of the meeting.

Teri Kinsey
Deputy City Secretary, City of Kerrville, Texas

8. EXECUTIVE SESSION:

The EIC Board reserves the right to discuss any of the above items in executive closed session if they meet the qualifications in Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.075, 551.076 (deliberation regarding security devices) or 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.

9. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

10. ADJOURNMENT

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

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Teri Kinsey
Deputy City Secretary, City of Kerrville, Texas

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

**REGULAR MEETING
APRIL 18, 2011**

On Monday, April 18, 2011, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:01 p.m. by Bill Crumrine, President, in the City Hall Council Chambers, 800 Junction Highway, Kerrville, Texas.

Members Present:

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

Members Absent:

None

Staff Present:

Todd Parton, City Manager
Mike Hayes, City Attorney
Mike Erwin, Director of Finance
Sai Vongchampa, Purchasing Manager
Teri Kinsey, Assistant to the City Secretary

2. **INVOCATION:** Given by President Bill Crumrine.

3. **VISITORS FORUM:** No one spoke

4. **APPROVE MINUTES:**

4A. Approve minutes from joint meeting with Kerrville City Council on February 2, 2011.

Mr. Boyland moved to approve the February 2, 2011 minutes after staff amended them to reflect EIC members left the meeting at 11:29 am and items approved by City Council after that were separate; Mr. Pratt seconded; motion passed 7-0.

4B. Approve minutes from regular EIC meeting held on February 21, 2011.

Mr. Pratt moved to approve the February 21, 2011 minutes; Mr. Appel seconded; motion passed 7-0.

4C. Approve minutes from regular EIC meeting held on March 21, 2011.

Mr. Pratt moved to approve the March 21, 2011 minutes; Mr. Ferguson seconded; motion passed 7-0.

5. **MONTHLY REPORTS:**

5A. Monthly financials for March 2011.

Mr. Pratt moved to approve the March 2011 financials as presented; Mr. Ferguson seconded; motion passed 7-0.

5B. EIC construction project status.

Mr. Erwin presented the March 2011 construction project status report. The construction report was accepted by consensus.

6. **INFORMATION AND DISCUSSION:**

6A. Update from the Hill Country Shooting Sports Center.

Jack Burch presented to the EIC Board the status of the Olympic Air Hall Project. Mr. Burch stated that the partition walls have been completed; the HVAC was 85% complete; targeting units would arrive on May 15, 2011 and could be installed within a couple of days. Paving will begin next month and fire protection will be installed after the HVAC is completed.

6B. Discussion regarding Economic Development Strategic Plan following the April 12, 2011 City Council briefing.

Todd Parton advised the EIC Board that the Economic Development Strategic Plan was presented to City Council on April 12, 2011. At that time there was no discussion about a time and date for another joint meeting but it was suggested that the meeting be scheduled after the new EIC Board was appointed in May 2011.

7. CONSIDERATION AND ACTION:

7A. Consideration and approval of the funding agreement amendment for Hewitt Engineering.

Mr. Ferguson moved to approve the funding agreement amendment for Hewitt Engineering; Mr. Pratt seconded; motion passed 6-0-1 with Messrs Crumrine, Pratt, Miller, Massey, Boyland, and Ferguson voted for; no one voted against; and Mr. Appel abstained.

7B. Consider proposal from Kerr Economic Development Foundation ("KEDF") for the Economic Improvement Corporation to enter into a Purchase and Sale Agreement with KEDF for the purchase of approximately 86.71 acres located at 300 Peterson Farm Road, which is intended to become the new site of the United State Department of Agriculture ("USDA") Knipling-Bushland Laboratory.

Mike Hayes stated he took all comments made by EIC and emailed them to USDA and had not heard anything back. Mr. Hayes was also waiting for confirmation whether USDA wishes to lease the property or purchase the property.

8. EXECUTIVE SESSION:

The EIC Board reserves the right to discuss any of the above items in executive closed session if they meet the qualifications in Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.075, 551.076 (deliberation regarding security devices) or 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.

9. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

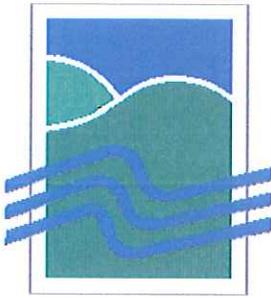
10. ADJOURNMENT:

Mr. Ferguson moved to adjourn the meeting; Mr. Appel seconded; motion passed 7-0. The meeting adjourned at 4:46 PM.

APPROVED: May 16, 2011

Bill Crumrine, President

Teri Kinsey, Deputy City Secretary



City of Kerrville
Director of Engineering
800 Junction Highway
Kerrville, Texas 78028-5069
830.792.8310 (O)
830.8968793 (F)
Mike.wellborn@kerrvilletx.gov

MEMORANDUM

TO: EIC Board
FROM: Michael Wellborn, P.E., Director of Engineering
DATE: May 12, 2011
SUBJECT: May, 2011 CIP Update for EIC Funded Projects

Harper Road Utility Extension (\$2,850,000.00) – The project construction contract was awarded to Nelson Lewis, Inc. in an amount not to exceed \$2,520,564.00 on June 22, 2010. Notice to Proceed letter issued on August 2, 2010. In addition to the construction contract, City Council awarded a separate contract to Raba Kistner Consultants, Inc to perform the required material testing for the project. The contract with the consultant is a not to exceed contract in an amount of \$67,840.00. The construction is broken up into sections as follows:

- o Section 1 (James Avery Campus to north side of I-10) = water & sewer complete.
- o Section 2 (South end of project to Horseshoe Oaks subdivision) = complete.
- o Section 3 (Horseshoe Oaks subdivision to south side of I-10) = under construction.

Nelson Lewis, Inc. has currently invoiced & been paid 80% of their construction contract. Raba Kistner has invoice & been paid 20% of their material testing contract.

On May 10, 2011 City Council approved a \$183,000.00 change order to extend water & sewer to the west side of Harper Road; however, this extension is being funded through water & sewer debt and not EIC funds.

Salvation Army Kroc Center Site Work & Drainage Improvements (\$570,000.00) – This project consists of constructing retaining walls, side walks, walking trails, fencing, replacement of sanitary sewer and other associated improvements related to the Salvation Army Kroc Center including site preparation, grading and drainage. The construction contract was awarded to Yantis Company (Contractor) during the May 12, 2009 City Council meeting in the amount of \$1,119,735.75. On June 8, 2010, Council authorized the increase of the Yantis Contract to the amount of \$1,173,959.55 and authorized the release of the remainder funds in the amount of \$44,317.46 to cover change orders. Final acceptance has been issued to the Contractor and the project will be closed this fiscal year (FY11). Additional railing has been added to the project and is currently under construction by Brydson Welding under a separate contract.

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Improvement Fund

| | | |
|---|------------|-----------------------------------|
| Cash Balance as of April 1, 2011 | | \$ 2,242,328 |
| Deposits: | | |
| Sales Tax | \$ 157,729 | |
| Interest Revenue | \$ 629 | |
| Transfer In | | |
| | <hr/> | |
| | \$ 158,358 | |
| Expenses: | | |
| Office Supplies | \$ - | |
| Legal Services | | |
| Administrative Service Fee | \$ 6,250 | |
| Special Services - Category 1 | | |
| Special Services - Category 2 | \$ - | |
| | | |
| Transfer for Debt Service | \$ 42,083 | |
| Total Expenses | <hr/> | |
| | \$ 48,333 | |
| Revenues Over (Under) Expenditures | | <hr/> |
| | | \$ 110,026 |
| Ending Cash Balance as of April 30, 2011 | | <u><u>\$ 2,352,353</u></u> |

City of Kerrville
Economic Improvement Corporation
Sales Tax Improvement Fund - Revenue and Expense Statement
For the month ending April 30, 2011

| | Annual Budget | Current Period | Y-T-D Actual | % of Budget | Budget Balance |
|-------------------------------|---------------------|-------------------|---------------------|---------------|-------------------|
| BEGINNING CASH BALANCE | \$ 2,228,924 | | \$ 2,228,924 | | |
| REVENUE: | | | | | |
| Sales and Use Tax | \$ 2,250,000 | \$ 157,729 | \$ 1,324,962 | 58.89% | \$ 925,038 |
| Interest | \$ - | \$ 629 | \$ 7,634 | #DIV/0! | \$ (7,634) |
| Transfer In | | | \$ 9,188 | | |
| TOTAL REVENUE | \$ 2,250,000 | \$ 158,358 | \$ 1,341,784 | 59.63% | \$ 917,404 |

| | Annual Budget | Current Period | Y-T-D Actual & Encumbrance | % of Budget | Budget Balance |
|---|-------------------------------|-------------------|-------------------------------|----------------|---------------------|
| EXPENDITURES: | | | | | |
| Administrative | | | | | |
| Advertising | \$ - | | \$ 225 | - | \$ (225) |
| Transfer to Debt Service Fund | \$ 505,000 | \$ 42,083 | \$ 294,583 | 58.33% | \$ 210,417 |
| Economic Development Governing Body | \$ 225,000 | | \$ 225,000 | 100.00% | \$ - |
| Annual Disclosure Fee | | \$ - | | | \$ - |
| Administrative Services Fee | \$ 75,000 | \$ 6,250 | \$ 43,750 | 58.33% | \$ 31,250 |
| Total Administrative | \$ 805,000 | \$ 48,333 | \$ 563,558 | 70.01% | \$ 241,442 |
| Category I - Business Development | | | | | |
| Hill Country Shooting Center | | | \$ 494,838 | 100.00% | \$ (494,838) |
| Commercial Improve Pilot Program | | | \$ 50,000 | 100.00% | \$ (50,000) |
| USDA | | | \$ 110,659 | | |
| Unspecified | \$ 781,000 | \$ - | | 0.00% | \$ 781,000 |
| Total Category I | \$ 781,000 | \$ - | \$ 655,497 | 100.00% | \$ 236,162 |
| Category II - Quality of Life | | | | | |
| Schreiner University Project | \$ - | \$ - | | #DIV/0! | \$ - |
| Hill Country Home Opportunity Program | \$ - | | | 100.00% | \$ - |
| Category II Unspecified | \$ 82,000 | | | 0.00% | \$ 82,000 |
| Total Category II | \$ 82,000 | \$ - | \$ - | 0.00% | \$ 82,000 |
| Category III - Public Infrastructure | | | | | |
| Unspecified Projects | \$ 82,000 | | | 0.00% | \$ 82,000 |
| Total Category III | \$ 82,000 | \$ - | \$ - | 0.00% | \$ 82,000 |
| Contingency | \$ 500,000 | | | 0.00% | \$ 500,000 |
| TOTAL EXPENDITURES | \$ 2,250,000 | \$ 48,333 | \$ 1,219,055 | 54.18% | \$ 1,141,604 |
| NET REVENUES TO EXPENDITURES | \$ - | \$ 110,026 | \$ 122,729 | | |
| ENDING CASH BALANCE: April 30, 2011 | Budget \$ 2,228,924 | | Actual \$ 2,351,653 | | |

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

CITY OF KERRVILLE
 Economic Improvement Corporation
 SALES TAX REVENUE ANALYSIS

| | Actual FY 2008 | Actual FY 2009 | Actual FY 2010 | Approved FY 2011 | Actual FY 2011 | Difference Projected vs Actual | % of Projected Variance |
|--------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------------------|-------------------------|
| October | \$ 194,330 | \$ 195,050 | \$ 179,735 | \$ 173,552 | \$ 184,602 | \$ 11,050 | 6.37% |
| November | \$ 219,398 | \$ 218,565 | \$ 188,879 | \$ 216,981 | \$ 207,677 | \$ (9,304) | -4.29% |
| December | \$ 195,398 | \$ 202,043 | \$ 170,981 | \$ 173,554 | \$ 169,550 | \$ (4,004) | -2.31% |
| January | \$ 187,236 | \$ 190,881 | \$ 170,645 | \$ 158,281 | \$ 195,030 | \$ 36,749 | 23.22% |
| February | \$ 251,426 | \$ 239,208 | \$ 236,837 | \$ 261,777 | \$ 241,320 | \$ (20,457) | -7.81% |
| March | \$ 194,946 | \$ 200,569 | \$ 163,136 | \$ 150,622 | \$ 169,754 | \$ 19,132 | 12.70% |
| April | \$ 168,423 | \$ 259,861 | \$ 160,461 | \$ 153,072 | \$ 157,729 | \$ 4,657 | 3.04% |
| May | \$ 234,014 | \$ 228,262 | \$ 203,235 | \$ 214,787 | | | |
| June | \$ 193,637 | \$ 181,835 | \$ 182,429 | \$ 168,623 | | | |
| July | \$ 200,625 | \$ 183,253 | \$ 179,622 | \$ 170,721 | | | |
| August | \$ 230,443 | \$ 219,318 | \$ 221,711 | \$ 228,210 | | | |
| September | \$ 213,253 | \$ 189,718 | \$ 186,321 | \$ 180,144 | | | |
| Total | \$ 2,483,129 | \$ 2,508,562 | \$ 2,243,991 | \$ 2,250,324 | \$ 1,325,663 | \$ 37,824 | 2.94% |

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Debt Service Fund

| | | |
|---|------------------|---------------------------------|
| Cash Balance as of April 1, 2011 | | \$ 196,332 |
| Revenues: | | |
| Transfer from Sales Tax Improvements Fund | <u>\$ 42,083</u> | |
| Total Deposits | <u>\$ 42,083</u> | |
| Expenses: | | |
| Paying Agent Fee | \$ - | |
| Bond Principal | \$ - | |
| Bond Interest | <u>\$ -</u> | |
| Total Expenses | <u>\$ -</u> | |
| Revenues Over (Under) Expenditures: | | <u>\$ 42,083</u> |
| Ending Cash Balance as of April 30, 2011 | | <u><u>\$ 238,415</u></u> |

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Debt Service Fund
Revenue and Expense Statement
For the month ending April 30, 2011

| | Annual Budget | Current Period | Y-T-D Actual | % of Budget | Budget Balance |
|---|-----------------------------|-------------------|-----------------------------|-------------|-------------------|
| BEGINNING CASH BALANCE | \$ 411,596 | | \$ 411,596 | | |
| REVENUE: | | | | | |
| Transfer from Sales Tax Improvement Fund | \$ 505,000 | \$ 42,083 | \$ 294,583 | 58.33% | \$ 210,417 |
| Return of Equity - Park Lane Extension | \$ - | | | 100.00% | \$ - |
| TOTAL REVENUE | \$ 505,000 | \$ 42,083 | \$ 294,583 | 58.33% | \$ 210,417 |
| EXPENDITURES: | | | | | |
| Series 1999 Sales Tax Bond Debt Service | \$ 425,000 | \$ - | \$ 425,000 | 100% | \$ - |
| Series 1999 Sales Tax Bond Interest Expense | \$ 73,859 | \$ - | \$ 41,764 | 57% | \$ 32,095 |
| Paying Agent Fees | \$ 1,000 | \$ - | \$ 1,000 | 100% | \$ - |
| First Southwest Continuing Disclosure Fee | \$ - | \$ - | | - | \$ - |
| TOTAL EXPENDITURES | \$ 499,859 | \$ - | \$ 467,764 | 93.58% | \$ 32,095 |
| ENDING CASH BALANCE: April 30, 2011 | Budget \$ 416,737 | | Actual \$ 238,415 | | |

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

CITY OF KERRVILLE
Economic Improvement Corporation
EIC Capital Projects Fund

| | | |
|---|-------------------|-----------------------------------|
| Cash Balance as of April 1, 2011 | | \$ 1,869,264 |
| Revenues: | | |
| Transfer In | \$ - | |
| Total Revenues/Transfer In | <u>\$ -</u> | |
| Expenses: | | |
| Services | | |
| Special Services | | |
| Hill Country Shooting Sports Center | 74,634 | |
| Harper Road Utility Extension | \$ 170,629 | |
| Salvation Army Center | <u>\$ -</u> | |
| | <u>\$ 245,264</u> | |
| Capital Outlay | | |
| Capital Outlay Total | | - |
| Transfer Out | | |
| Total Expenses | \$ 245,264 | |
| Revenue Over (Under) Expenditures | | <u>\$ (245,264)</u> |
| Ending Cash Balance as of April 30, 2011 | | <u><u>\$ 1,624,001</u></u> |

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Improvement Capital Projects Fund
Project Status Summary
For the month ending April 30, 2011

| YEAR(S) FUNDED | PROJECTS | Funding Agreement | EIC Funding Agreement Commitment | EIC Funded To Date | Non-EIC Funding | Total Funded | Project Expenses to Date | Project Balance | EIC Future Allocation Balance |
|-------------------|----------------------------------|----------------------|--|-----------------------|--------------------|---------------------|--------------------------------|---------------------|-------------------------------------|
| 2006/07 | Harper Highway Utility Extension | FA 2008-013 | \$ 2,850,000 | \$ 2,850,000 | \$ 302,396 | \$ 3,152,396 | \$ 2,076,799 | \$ 1,075,597 | - |
| 2007/08 | Salvation Army Kroc Center | FA 2008-011 | \$ 500,000 | \$ 500,000 | | \$ 500,000 | \$ 438,582 | \$ 61,418 | - |
| 2008/09 | Alamo Workforce | FA 2009-03 | \$ 109,887 | \$ 109,887 | | \$ 109,887 | \$ 108,394 | \$ 1,493 | 0 |
| 2008/09 | KEDF USDA Payment* | FA 2008-08 | \$ 525,000 | \$ 210,627 | | \$ 210,627 | \$ 210,627 | \$ (0) | 314,373 |
| 2009/10 | Hill Country Home Opportunity | FA 2010-02 | \$ 150,000 | \$ 150,000 | | \$ 150,000 | \$ 14,216 | \$ 135,784 | - |
| 2009/10 | Commercial Improvement Program | | \$ 100,000 | \$ 100,000 | | \$ 100,000 | \$ 18,000 | \$ 82,000 | - |
| 2010/11 | Commercial Improvement Program | | \$ 50,000 | \$ 50,000 | | \$ 50,000 | \$ - | \$ 50,000 | - |
| 2010/11 | Hill Country Shooting Center | FA 2010-03 | \$ 494,838 | \$ 494,838 | | \$ 494,833 | \$ 285,863 | \$ 208,970 | - |
| TOTALS | | | \$ 4,779,725 | \$ 4,465,352 | \$ 302,396 | \$ 4,767,743 | \$ 3,152,481 | \$ 1,615,262 | \$ 314,373 |

Cash Balance on 4/30/2011: \$ 1,624,001

Unallocated cash available: \$ 8,738

* Funding moved as payment becomes due



Dear Kerrville Economic Improvement Corporation Members:

We the Hill Country Home Opportunity Council (HCHOC), would like to thank you for your generosity and support of our mission to provide decent home ownership that is affordable to low- to moderate- income people of Kerr County, and in doing so helping us meet the need for affordable housing in this community. These households and subsequent home owners and taxpayers are vital to our community. These are the people that live and work in our community and want to own a home of their own, but without the HCHOC, they would not have the option of owning a new house due to a lack of available funding.

The HCHOC respectfully comes to you for two reasons. Under the contract we currently have with the EIC we must have the project completed on or before May 31, 2011. Because of unforeseen questions and limitations of the property we are developing, the engineering and survey work have taken much longer than expected. This has delayed our opportunity to move forward with the infrastructure work and having these lots available to the readied applicants.

We say readied applicants because that is what we have and it is important to us that you know this. We currently have one applicant that is approved for a loan and has tentatively reserved a lot to begin the process of purchasing said lot and building a house when the time comes. She is a single mother of one, working in Kerrville as a waitress and has been approved by USDA Rural Development. The amount she has been approved for is not enough to find a suitable living condition anywhere else in Kerrville, but is enough to build a new house through the HCHOC. The HCHOC was developed ideally for this scenario. We also have three other families very interested in building in this subdivision. Two of these are families of four and five with both parents working in the Kerrville area with elementary school-aged children. The other is a single professional who would like to have the opportunity to purchase her own house in Kerrville. These applicants are in various stages of applying for a home loan or working to clear credit issues to meet the qualifications for the home loan. These applicants have come to us by word of mouth. Once the infrastructure is started we plan on marketing these lots more to the public and we have high expectations for subdivision and the future of the Hill Country Home Opportunity Council.

The second reason we come to you tonight is to respectfully ask for additional funds. After the engineering work was completed, we quickly got started on the bid process for the infrastructure. This has also taken some time. Because the EIC funded this portion of the Pinto Trail Project we thought it was very important to seek bids from local contractors to keep those dollars within the community. With the engineering work completed but not completely approved by the city, our local contractors have had to wait for answers and speculate on some of the numbers to get us the bids by the date we have requested. Currently we have receiving bids for this project, and unfortunately they have been much higher than originally thought when we approached the EIC Board a year ago with only conceptual drawings. We have developed a very interesting and imaginative subdivision that, when completed, everyone will be proud to live in, drive by and say, "I had a part in this."

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Some reasons for the budget shortfall are the relative small scope of the project, which does not lend itself to any economies of scale. The engineer's design calls for a large amount of site excavation work, in part to establish the building pads for the houses, and calls for the extension of the water and sewer taps to serve the homes to be built. The site excavation in turn increases the drainage concerns of the site, adding some degree to the cost. The Board has met and we have discussed our options if we are unable to gain the additional funding:

- We believe some of the site work could be deferred by the developer and placed on the builder of the home. In this case, since the HCHOC is the developer and the builder, deferring the work would both:
 - Increase the unit cost of building the homes and therefore lessen the number of families that could qualify within HCHOC's target market,
 - Further decrease the economy of scale and increase the per lot marginal cost.
- HCHOC can defer the project until other funds are raised. However, those potential funding sources are earmarked to other projects, which in turn would have to be deferred.
- HCHOC could phase in the project, i.e., develop one street at a time until current funding is depleted and complete subsequent phases as additional funding is procured. Again, because of marginal costs, and given projected future cost increases, doing the whole project at one time is the cheapest and best option.

From the bids we have received we find that we will need \$100,000.00 to complete the work already started on the Pinto Trail Project. We have attached all the bids we have received thus far and continue talking to contractors on this matter. Please find it in your hearts to grants us this extension and increase to our contracted figure so that we can better fulfill our mission and obligation to our community.

Sincerely,



Parker Harrison
Executive Director
Hill Country Home Opportunity Council, Inc.

2011 Board Members

Scott Peschel- Chair
Justin MacDonald- Vice Chair
Clay Lehman- Treasurer
Brett McDowell- Secretary

Laurie Lowe
Rose Bradshaw
Florence L. Murray
Kevin Coleman



May 2, 2011

Hill Country Home Opportunity Council, Inc.
Parker Harrison
PO Box 293071
Kerrville, TX 78028

RE: Proposal – Pinto Trail Subdivision

Parker,

Zuber Construction, Inc. hereby proposes to construct the Pinto Trail Subdivision for the lump sum of:

Two Hundred Five Thousand and no/100 Dollars (\$205,000.00)

This proposal is good for 30 days and is based on Jim Maxwell's plans dated 11/10 and the following attachments:

1. Inclusion List dated May 2, 2011
2. Exclusion List dated May 2, 2011

Thank you for the opportunity to submit this bid and I look forward to speaking with you soon.

Sincerely,

Rustin Zuber, President
Zuber Construction, Inc.

Enclosure

616 CLAY STREET
KERRVILLE, TX 78028

830-895-2829 PHONE
830-895-1673 FAX

**PINTO TRAIL SUBDIVISION
INCLUSIONS**

General Liability Insurance
Workman's Comp Insurance
Water tap fees
Sanitary sewer tap fees
One (1) fire hydrant
Ten (10) 1" water services
Ten (10) 4" sanitary sewer services
Secondary electric service to each lot (underground from KPUB poles
Materials testing (base compaction and concrete compression)
Erosion control
Excavation and grading
Concrete sidewalks (Pinto Trail only), ramps, aprons and curbs
Base and asphalt at three streets
Fire lane striping

**PINTO TRAIL SUBDIVISION
EXCLUSIONS**

Building permits
KPUB fees
Concrete sidewalks along Whichita, Caddo and Bow lane
Bond (can be supplied at extra cost if required)
Street cutting or patching (by City of Kerrville)
Any work outside of property lines
Temporary fencing
Gas service
Fence demo or removal
Electric service feeders



**EDMUND
JENSCHKE
INCORPORATED**

CONSERVATION CONTRACTOR

225 Loop 534 ♦ Kerrville, Texas 78028 ♦ 830-896-6706 fax 830-896-2135

May 2, 2011

REV 01

HILL COUNTRY HOME OPPORTUNITY COUNCIL, INC.

Parker Harrison

PO Box 293071

Kerrville, Texas 78028

We hereby submit specifications and estimates for: The site construction for the "Pinto Trail Subdivision, Kerrville, Texas.

Item No. 01 – Mobilization; Estimated Cost \$ 748.00

Item No. 02 – Excavation/ Embankment/ Select Fill (Building Pads/ Streets); Contractor shall scarified subgrade existing subgrade to a minimum depth of 6 inches, moisture condition and compact to minimum 95 % standard proctor. Install imported select material across entire site in 8" maximum loose lifts, moisture conditioned and compacted to 95% modified proctor. Select fill materials shall be installed to finished sub-grade ready for the installation of base materials, fill material shall have a PI between 7 and 20, including on site cut materials.

→ Bulk Site - Lots Estimated Cost \$ 42,670.00
 . Streets Estimated Cost \$ 13,260.80

Item No. 03 – Base Course at Pavements; Install a minimum of 8 inches of Type A, Grade 2 crushed limestone base material in a single compacted lift. Compaction shall be to minimum density of 95% modified proctor.

Estimated Cost: \$ 14,181.00

Item No. 04 – Concrete Curb and Gutter;

Estimated Cost: \$ 12,936.00

Item No 05 – "Type 'D' HMAC Pavement"; Install a minimum of 2 inches of "Type"D" Hot mixed Asphaltic Concrete.

Estimated Cost: \$ 10,032.00

Item No 06 – Concrete Aprons; Install 6 inch thick concrete pavements reinforced with #4 at 16 inches on center each-way. Concrete shall be minimum 3,000 psi mix.

Estimated Cost \$ 11,992.00

Item No 07 – Concrete Sidewalks "Pinto Trail"; Install 4 inch thick concrete walks reinforced with #4 at 16 inches on center each-way. Concrete shall be minimum 3,000 psi mix.

Estimated Cost \$ 13,579.50

→ Item No 08 – Concrete Sidewalks "Wichita, Caddo and Bow Lane"; Install 4 inch thick concrete walks reinforced with #4 at 16 inches on center each-way. Concrete shall be minimum 3,000 psi mix.

Estimated Cost \$ 13,887.50

Item No 09 – Backfill Curbs/ Finish Grading;

Estimated Cost \$ 4,884.00

Item No. 10 – Erosion Control; Includes the installation and removal of silt fencing (per plan), construction entrances and concrete washout pit. This work does not include permitting, SWPPP, NOI.

NOTE: THIS IS PER PLAN, CAN BE SUBSTANTIALLY REDUCED BY OMITTING SILT FENCING AT UPPER END OF PROJECT.

Estimated Cost \$ 12,720.00

Note: 1 MATERIALS TESTING COST SHALL BE BY OWNER IF REQUIRED, COST FOR THIS TESTING IS NOT INCLUDED IN THIS BID.

- 2 Cost includes all materials, labor, equipment, insurance necessary for completion of said work.
- 3 Construction *Layout* is not included in this estimate.

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

We hereby propose to furnish labor and materials - complete in accordance with the above specifications, for the sum of: _____ Dollars (\$ _____)
 With payment to be made as follows: _____ *Progress Payments* _____

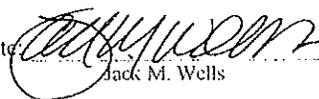
Acceptance of Proposal

The above prices and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Accepted:

Signature/ Date: _____

Signature/ Date: _____



Jack M. Wells

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

JM LOWE & COMPANY

GENERAL CONTRACTORS

720 EARL GARRETT

KERRVILLE, TEXAS 78028

830-895-5202

May 10, 2011

Hill Country Home Opportunity Council, Inc.
Mr. Parker Harrison
PO Box 293071
Kerrville, TX 78028

RE: Pinto Trail Subdivision - Proposal for Site Development

Dear Mr. Harrison,

Thank you for the opportunity to submit our proposal for site development of the Pinto Trail Subdivision project for the Hill Country Home Opportunity Council. We will complete the work described in the civil drawings from Maxwell Engineering dated November 2010 for the amount of **Two Hundred Forty Eight Thousand Nine Hundred Dollars (\$248,900.00)**.

Please note we have included all supervision, insurance, City of Kerrville tap fees, materials testing, all utilities as shown on the drawings, and erosion control including hydromulch seeding of the finished site per the specifications included in the drawings. Our proposal excludes the site concrete sidewalks along Bow, Caddo, and Wichita, any payment or performance bonds, and we have reduced the building pad elevations by one foot per your instructions.

Should you have any questions regarding our proposal, please do not hesitate to contact me.

Best Regards,



Carson Conklin



ALLEN KELLER COMPANY
 P.O. Box 393
 Fredericksburg, TX 78624
 830-997-2118 Fax 830-997-8428
<http://www.allenkellerco.com>



PROPOSAL

DATE: May 10, 2011
 TO: Hill Country Home Opportunity Council
 Parker Harrison 830-895-0735; hchoc@windstream.net
 REFERENCE: Pinto Trail Subdivision

The Allen Keller Company is pleased to offer the following proposal:

As per the attached scope of work and bid items, we propose to construct the subdivision as per the plans by Maxwell Engineering. Total cost including the water and sewer utilities is \$228,890.

- If you wish for Allen Keller Company to execute these work items, please sign and date the proposal below and return a signed copy.
- Payment is due the 10th of the month following the month of billing.
- Upon completion, the job site will be left in a clean and orderly condition, consistent with good construction practice on items of work within our scope.
- This quote is valid for 30 days.

Please feel free to call with any questions.

By: Mark Cornett
 Allen Keller Company

Accept _____ Date _____



Allen Keller Company
 PO Box 393
 Fredericksburg, Texas 76624
 830-997-2118, 830-997-8428 fax



PROJECT: Pinto Trail Subdivision
 BY: Cornett
 DATE: May 10, 2011
 Bid proposal (based upon unapproved plans)

| ITEM | DESCRIPTION | UNIT | ESTIMATED | | Total |
|--------------|-------------------------------------|------|-----------|-----|----------------|
| | | | QTY | | |
| 1 | SWP3 Implementation | ls | 1 | \$ | 10,000 |
| 2 | Mobilization, clearing and grubbing | AC | 2.0 | \$ | 9,020 |
| 3 | Embankment | CY | 1,400 | \$ | 31,920 |
| 4 | Excavation | CY | 300 | \$ | 4,830 |
| 5 | 8" Limestone Base | sy | 900 | \$ | 14,180 |
| 6 | 2" Type D Hot Mix | sy | 875 | \$ | 19,250 |
| 7 | Concrete Pavement | sf | 850 | \$ | 10,300 |
| 8 | Concrete Curb and Gutter | lf | 825 | \$ | 15,790 |
| 9 | Sidewalk (not required) | | | n/a | |
| 10 | Testing (by allowance) | ls | 1 | \$ | 5,000 |
| 11 | Seeding and final stabilization | AC | 1.75 | \$ | 2,000 |
| 20 | Water | | | | |
| 20a | Pavement repair for water line cuts | sy | 50 | \$ | 1,500 |
| 20b | Fire Hydrant and gate valve | ea | 1 | \$ | 9,500 |
| 20c | Short services | ea | 2 | \$ | 2,300 |
| 20d | Long services | ea | 8 | \$ | 14,500 |
| 20e | Tie in for 6" main | ea | 2 | \$ | 15,500 |
| 20f | 6" water line | lf | 300 | \$ | 24,700 |
| 20g | Testing and connection to City Main | ea | 1 | \$ | 6,800 |
| 30 | Sanitary Sewer | | | | |
| 30a | Short services | ea | 5 | \$ | 13,500 |
| 30b | Long services | ea | 5 | \$ | 19,300 |
| Total | | | | \$ | 228,880 |

Item Notes

- 1 Includes reimbursement for SWP3 Plan, inspections, silt fence installation, construction entrance and rock filler dam in channel.
- 2 Includes removal and haul off of existing curbs, brush, and fencing
- 3 Use of on-site materials or imported 3/4" base for subgrade and pads. Note responsible for unsuitable existing materials. Includes import of 2,200 tons of limestone base for building pads
- 4 Excludes rock excavation
- 5
- 6
- 7 For 3 driveways
- 8
- 9 Sidewalk and ADA ramps excluded by owner
- 10 Testing to be reimbursed at cost of laboratory. Allowance based upon our experiences in Kerrville.
- 11 Includes drill seeding site. Excludes vegetative watering.
- 20 Excludes City connection fees
- 30 Excludes City connection fees

Exclusions

- a Relocate utility pole and fence by other
- b Not responsible for damage to existing street. We will take care to minimize equipment on street, but cannot accept responsibility for damages due to truck traffic. Existing street is in poor condition.
- c signage
- d Owner to provide initial set of lot corners for control and be responsible for final plat property corners.