

**AGENDA FOR MEETING OF
THE CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
Monday, June 20, 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. PRESENTATION:

4A. Welcome of new members; Kenneth Early, Larry Howard, Stacie Keeble, and Tony Roberts.

5. ANNUAL CORPORATION MEETING AND ELECTION OF OFFICERS:

5A. Election of President, Vice President and Secretary in accordance with EIC bylaws.

6. ELECTION OF OFFICER TO THE KEDC:

6A. Election of representative to the Kerrville Economic Development Corporation.

7. APPROVE MINUTES:

7A. Approve minutes from May 16, 2011.

Pg. 1

8. MONTHLY REPORTS:

8A. Monthly financials for May 2011.

Pg. 4

8B. EIC construction project status.

Pg. 11

9. CONSIDERATION AND ACTION:

9A. Consideration of funding agreement amendment for the Hill Country Home Opportunity Council. (Wendele)

Pg. 12

10. PRESENTATION AND POSSIBLE ACTION:

10A. Kerr County Commissions' Court for \$750,000, for the Ag Complex improvement and expansion. (Overby)

Pg. 14

11. INFORMATION AND DISCUSSION:

11A. Discussion regarding joint meeting between City Council and the EIC Board. (Parton)

11B. Discussion regarding joint meeting between EIC Board and KEDC. (Parton)

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: June 16, 2011 at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Teri Kinsey
Deputy City Secretary, City of Kerrville, Texas

11C. 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)

12. EXECUTIVE SESSION:

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

Sections 551.071, 551.072 and 551.087:

- 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 States Department of Agriculture ("USDA") Knipling-Bushland Laboratory. (Hayes)

13. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

14. 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 830-258-1118 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: June 16, 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

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

**REGULAR MEETING
MAY 16, 2011**

On Monday, May 16, 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 (*arrived at 4:05 pm*)
Gregg Appel
Rex Boyland
Warren Ferguson
Robert Miller

Members Absent:

None

Staff Present:

Mindy Wendele, Director of Business Programs
Mike Erwin, Director of Finance
Kevin Coleman, Director of Development Services
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 May 16, 2011.

Mr. Pratt moved to approve the May 16, 2011 minutes; Mr. Appel seconded; motion passed 6-0.

5. **MONTHLY REPORTS:**

5A. EIC construction project status.

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

5B. Monthly financials for April 2011.

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

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

Mr. Erwin informed the Board it was the auditor's recommendation not to use a capital projects fund any longer; when a capital project is funded it becomes the asset of the city. Instead, the funded amount would be shown as a liability in the EIC's operating fund and would be able to earn interest. As expenditures are needed, the money would be moved at that time. Monies used to fund projects outside the city limits stay in the EIC account until checks are ready to be issued. Mr. Erwin also stated that starting next budget year, the EIC capital project account will no longer exist, but the spreadsheet will still be provided to the Board as part of the financial report. It was the consensus of the board to implement the change effective immediately.

6. CONSIDERATION AND ACTION:

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

Parker Harrison requested from the board two items; for a one year extension to the current agreement due to the surveying and engineering work taking longer than expected and to request an additional \$100,000. Mr. Harrison stated that the bids being received from local contractors have been considerably higher than first expected.

Mr. Boyland moved to extend the funding agreement 12 months and to additionally fund \$100,000; Mr. Massey seconded, motion passed 5-2 with Messrs Crumrine, Boyland, Ferguson, Miller, and Massey voted for and Messrs Appel and Pratt voted against.

Note: Mr. Ferguson abstained from voting; however he did not file a conflict of interest form, therefore in accordance with Section 3.3 and 3.4 of the Procedural Rules for Kerrville Boards, his official vote was stated in the affirmative.

7. INFORMATION AND DISCUSSION:

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

Ray Watson gave an overview of what the KEDC has been doing since he last met with EIC. The KEDC has begun to set up timelines and objective for economic growth along with creating business contacts in Kerrville. Mr. Watson stated that the main objectives were; medical, affordable housing, and a facility at the airport. A list of contacts was given to Board members and a brief description was given of action that has been taken with each group. The Board asked Mr. Watson to share some of his observations about the community:

- High quality regional medical center
- Updates to retail site
- Golfing community is a great asset
- Lacking "upper scale" retail

Mr. Pratt advised current and future Board members that on occasion, Mr. Watson would not be able to disclose certain names and/or entities.

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

Mr. Erwin advised the Board that City Council tabled the investment policy at their last meeting. Mr. Crumrine wanted it stated for the record that the EIC Board did everything asked of them in regards to creating an investment policy for EIC.

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

Mr. Erwin informed the Board that no date has been set for another joint meeting between Kerrville City Council and the Economic Improvement Corporation.

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.

Ms. Wendele reported for Mr. Hayes, no new information has been received from USDA since being returned the drafted agreement.

7E. Comments for outgoing EIC President.

Both Mr. Crumrine and Mr. Ferguson wanted to extent their gratitude to their fellow board members, city council and the city staff.

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 5:25 PM.

APPROVED: June 20, 2011

President

Teri Kinsey, Deputy City Secretary

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Improvement Fund

| | | |
|---|------------|-----------------------------------|
| Cash Balance as of May 1, 2011 | | \$ 2,352,353 |
| Deposits: | | |
| Sales Tax | \$ 234,742 | |
| Interest Revenue | \$ 691 | |
| Transfer In | | |
| | <hr/> | |
| | \$ 235,434 | |
| 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/> |
| | | \$ 187,101 |
| Ending Cash Balance as of May 31, 2011 | | <u><u>\$ 2,539,453</u></u> |

City of Kerrville
Economic Improvement Corporation
Sales Tax Improvement Fund - Revenue and Expense Statement
For the month ending May 31, 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 | \$ 234,742 | \$ 1,560,403 | 69.35% | \$ 689,597 |
| Interest | \$ - | \$ 691 | \$ 8,325 | #DIV/o! | \$ (8,325) |
| Transfer In | | | \$ 9,188 | | |
| TOTAL REVENUE | \$ 2,250,000 | \$ 235,434 | \$ 1,577,916 | 70.13% | \$ 681,271 |

| | 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 | \$ 336,667 | 66.67% | \$ 168,333 |
| Economic Development Governing Body | \$ 225,000 | | \$ 225,000 | 100.00% | \$ - |
| Annual Disclosure Fee | | \$ - | | | \$ - |
| Administrative Services Fee | \$ 75,000 | \$ 6,250 | \$ 50,000 | 66.67% | \$ 25,000 |
| Total Administrative | \$ 805,000 | \$ 48,333 | \$ 611,891 | 76.01% | \$ 193,109 |
| 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/o! | \$ - |
| 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 | \$ 1,267,388 | 56.33% | \$ 1,093,271 |
| NET REVENUES TO EXPENDITURES | \$ - | \$ 187,101 | \$ 310,528 | | |

| | | |
|--|--------------|--------------|
| ENDING CASH BALANCE: May 31, 2011 | Budget | Actual |
| | \$ 2,228,924 | \$ 2,539,453 |

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

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Debt Service Fund

| | | |
|---|------------------|---------------------------------|
| Cash Balance as of May 1, 2011 | | \$ 238,415 |
| 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 May 31, 2011 | | <u><u>\$ 280,498</u></u> |

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Debt Service Fund
Revenue and Expense Statement
For the month ending May 31, 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 | \$ 336,667 | 66.67% | \$ 168,333 |
| Return of Equity - Park Lane Extension | \$ - | | | 100.00% | \$ - |
| TOTAL REVENUE | \$ 505,000 | \$ 42,083 | \$ 336,667 | 66.67% | \$ 168,333 |
| | | | | | |
| | Annual Budget | Current Period | Y-T-D Actual | % of Budget | Budget Balance |
| 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: May 31, 2011 | Budget | | Actual | | |
| | \$ 416,737 | | \$ 280,498 | | |

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

CITY OF KERRVILLE
 Economic Improvement Corporation
 SALES TAX REVENUE ANALYSIS

| | Actual FY 2008 | Actual FY 2009 | Actual FY 2010 | Approved FY 2011 | Actual FY 2011 | Difference Projected vs Actual | % of Projected Variance |
|--------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------------------|-------------------------|
| October | \$ 194,330 | \$ 195,050 | \$ 179,735 | \$ 173,552 | \$ 184,602 | \$ 11,050 | 6.37% |
| November | \$ 219,398 | \$ 218,565 | \$ 188,879 | \$ 216,981 | \$ 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 | \$ 234,742 | \$ 19,955 | 9.29% |
| 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 | \$ 1,560,405 | \$ 57,779 | 3.85% |

CITY OF KERRVILLE
Economic Improvement Corporation
EIC Capital Projects Fund

| | | |
|---|-------------------|-----------------------------------|
| Cash Balance as of May 1, 2011 | | \$ 1,624,000 |
| Revenues: | | |
| Transfer In | \$ - | |
| Total Revenues/Transfer In | <u>\$ -</u> | |
| Expenses: | | |
| Services | | |
| Special Services | | |
| Hill Country Shooting Sports Center | 6,340 | |
| Harper Road Utility Extension | \$ 295,427 | |
| Salvation Army Center | <u>\$ 28</u> | |
| | <u>\$ 301,794</u> | |
| Capital Outlay | | |
| Capital Outlay Total | | - |
| Transfer Out | | |
| Total Expenses | \$ 301,794 | |
| Revenue Over (Under) Expenditures | | <u>\$ (301,794)</u> |
| Ending Cash Balance as of May 31, 2011 | | <u><u>\$ 1,322,206</u></u> |

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Improvement Capital Projects Fund

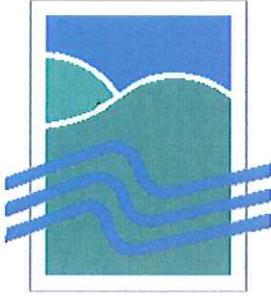
Project Status Summary
For the month ending May 31, 2011

| 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 | \$ 2,372,226 | \$ 780,170 | - |
| 2007/08 | Salvation Army Kroc Center | FA 2008-011 | \$ 500,000 | \$ 500,000 | | \$ 500,000 | \$ 438,610 | \$ 61,390 | - |
| 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 | \$ 292,202 | \$ 202,631 | - |
| TOTALS | | | \$ 4,779,725 | \$ 4,465,352 | \$ 302,396 | \$ 4,767,743 | \$ 3,454,275 | \$ 1,313,468 | \$ 314,373 |

Cash Balance on 5/31/2011: **\$ 1,322,206**

Unallocated cash available: **\$ 8,738**

* Funding moved as payment becomes due



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

MEMORANDUM

TO: EIC Board

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

DATE: June 15, 2011

SUBJECT: June, 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.

Nelson Lewis, Inc. has currently invoiced & been paid 90% of their construction contract. Raba Kistner has invoiced & been paid 24% 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. This portion of the project is substantially complete.

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

**FIRST AMENDMENT TO ECONOMIC DEVELOPMENT GRANT AGREEMENT
BETWEEN HILL COUNTRY HOME OPPORTUNITY COUNCIL AND THE CITY
OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION**

THIS FIRST AMENDMENT TO ECONOMIC DEVELOPMENT GRANT AGREEMENT is entered into this _____ day of _____, 2011, by and between Hill Country Home Opportunity Council, Kerr County, Texas, a Texas nonprofit corporation (“HCHOC”), acting herein by and through its duly authorized Representative, Parker Harrison (“Officer”), and the City of Kerrville, Texas Economic Improvement Corporation (“Corporation”), a Texas non-profit corporation established by the City of Kerrville, Texas, pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 (otherwise known as the Development Corporation Act of 1979 and hereafter called “the Act”).

WITNESSETH:

WHEREAS, on May 17, 2010, Hill Country Home Opportunity Council entered into that certain agreement titled *Economic Grant Agreement between Hill Country Home Opportunity Council and the City of Kerrville, Texas, Economic Improvement Corporation* (the “Grant Agreement”) in which Corporation agreed to provide to HCHOC an amount up to and not to exceed \$150,000.00 in Corporation’s sales tax revenues to be used for costs related to the design and construction of public improvements for the Pinto Trail Property, a residential subdivision made up of single family units (the “Project”); and

WHEREAS, the Grant Agreement provided that HCHOC would complete construction of the Project on or before January 31, 2011, which HCHOC accomplished; and

WHEREAS, due to circumstances which required a change of contractors and increased costs, which were beyond HCHOC’s control, HCHOC has requested that the EIC grant it an additional \$100,000.00; and

WHEREAS, Corporation finds that it is in the public interest to amend the Grant Agreement as requested by the HCHOC, to increase the amount of grant funding provided to HCHOC by \$100,000.00;

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

1. Paragraph A under Article I of the Grant Agreement is amended with deletions indicated by ~~strikeout~~ text and additions indicated by underlined text as follows:

**“ARTICLE I.
EIC’S OBLIGATIONS**

- A. EIC hereby grants to HCHOC Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) (“Grant”) from 4B Revenues for costs related to the design and construction of public improvements for the Pinto Trail Property, a residential subdivision made up of single family units (the “Property”). Such public

improvements consist of the following:

- (1) public streets;
- (2) water and wastewater mains; and
- (3) drainage facilities, including a retention pond.”

2. Except as amended herein, the provisions of the Grant Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment in the year and as of the date indicated.

CITY OF KERRVILLE, TEXAS ECONOMIC
IMPROVEMENT CORPORATION

HCHOC
KERR COUNTY, TEXAS

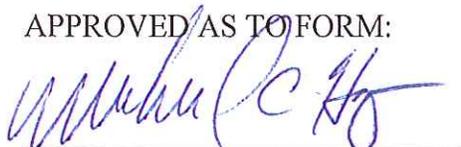
_____, President

By: _____
Parker Harrison, President of HCHOC

ATTEST:

_____, Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney



**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

GUY OVERBY, PCT. 2

JONATHAN LETZ, PCT. 3

BRUCE OEHLER, PCT. 4

COURT COORDINATOR

JODY GRINSTEAD

June 3, 2011

Economic Improvement Corporation Directors
800 Junction Highway
Kerrville, Texas 78028

RE: Kerr County request of Economic Improvement Corporation (EIC) public funding to assist with the renovation and expansion of the Hill Country Youth Exhibit Center facilities located at 3705 Highway 27, Kerrville, Texas.

Dear EIC Directors,

The Kerr County Commissioners' Court is pleased to submit an application to the Economic Improvement Corporation (EIC) on behalf of Kerr County, a political subdivision of the State of Texas, requesting 4b funding to assist in the Renovation & Expansion Project of the Hill Country Youth Exhibit Center located at 3705 Highway 27 in Kerrville, Texas. Kerr County acquired this property, which consists of 90+ acres that are used primarily for agricultural and educational activities benefiting all of the citizens of Kerr County, on July 2, 1954. A significant portion of the property includes 60 acres of river front property, also known as Flat Rock Lake Park, located directly behind the Hill Country Youth Exhibit Center. A portion of this property was purchased later and consists of approximately 26 acres which also fronts on the Guadalupe River and lies directly east of Flat Rock Park.

The Hill Country Youth Exhibit Center hosted its first event, the 13th Annual Kerr County Stock Show, in 1957. The Hill Country District Junior Livestock Show celebrated its 67th year in 2011 and is referred to as one of the premier agricultural events in the State of Texas. It is also recognized as the 5th largest animal stock show in the State. Funds received through the Hill Country District Junior Livestock Show have generated millions of dollars over the years for educational opportunities for the youth of Kerr County and the Hill Country.

The Kerr County 4-H program also hosts many Agricultural Education programs at the Hill Country Youth Exhibit Center. The Kerr County 4-H program originated in 1926 with just six students and is currently a part of the Texas Agri Life Extension Program with over four hundred students in their educational program.

The Hill Country Youth Exhibit Center hosts the Texas State Arts & Crafts Fair and Kerr County Fair as well as many other events throughout the year. One upcoming event that is creating some local community excitement is the Kerrville open Pro Rodeo, Chili Cook-off and Brew Festival; scheduled for August 5th and 6th and sponsored by the Kerrville Area Chamber of Commerce. Other organizations supporting this event include the Kerrville Convention & Visitor Bureau, City of Kerrville and Kerr County.

The renovation and expansion of the Hill Country Youth Exhibit Center has been discussed in the community for many years. With today's challenging local economic times the need to move forward with this project is greater than ever. This project would assist in increasing funds for economic development, enhancing the local business community and promoting Kerrville and Kerr County as the destination for almost any event.

Project costs updated in February of 2011 estimate the construction cost to be \$12.3 million; with anticipated costs of facility equipment, design and engineering expenses of \$1.5 million. The total cost for the renovation and expansion of the Hill Country Youth Exhibit Center would be \$13.8 million. To date, Kerr County has spent approximately \$213,000 on the construction of a new outdoor arena with plans to enhance other amenities around that facility in the coming months.

Funding this project would require private and public support to achieve the goal of a new modernized Hill Country Youth Exhibit Center. Kerr County is making application to EIC to request \$750,000 each for Phase I and Phase II. Future funding to be announced upon project performance. The remainder of the cost would be underwritten by Kerr County and grants, foundations and other private contributors.

We thank you in advance for your consideration of our request for funds to assist with the renovation and expansion of the Hill Country Youth Exhibit Center.

Yours very truly,



Pat Tinley
Kerr County Judge



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

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

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

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

APPLICATION

SECTION 1 - DEFINITIONS

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

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

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

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

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

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

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

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

SECTION II - APPLICANT INFORMATION

Submittal Date: 6/03/2011

Company Information

Company Name/Organization:

Kerr County, Texas

Address (City/State): 700 Main Street Phone (830) 792-2211

Fax (830) 792-2218

Kerrville, TX 78028

City State Zip Code

Name of Company/Organization Contact on this project:

Guy Overby, Kerr County Commissioner, Precinct 2

Contact Address (if different from above):

Phone

Fax

City State Zip Code

Type of Business: Corporation Partnership Sole Proprietorship

Non Profit Organization Government Entity

Year Business Started: Year 1856 Location Kerr County, TX

Current Employment:

Permanent Full-Time 258 Permanent Part-Time 4

Average Production Wage \$ 32,251.28 (\$15.50/ hour)

Full-Time Employees receive the following benefits:

Health insurance paid employee benefit, retirement contribution,

Texas County and District Retirement System (TCDRS), vacation and

sick leave benefit

Financial Information Required:

- o List of all company owners
- o Current financial statements and tax returns for primary owners of shareholders
- o Three Years Annual Financials with Profit & Loss Statement Federal Tax Returns
- o Proforma – two years financial statements with balance sheet, statement of income and list of assumptions
- o Reference letters from current financial institutions to include contact person within the institutions
- o For Corporations, Entities Certificates of Incorporation and Articles of Incorporation, Comptrollers Certificate of Good Standing

Annual Sales for Corporation / Company \$ \$ 29.1 M

This Facility \$ \$ 46,000.00

Local Sales Tax paid Annually \$ 0.00

Current Payroll \$ 29.1 M

Has the Company or individual (s) owner of the company ever filed for bankruptcy protection under Chapter 7 or Chapter 11 of the Bankruptcy Statutes?

No (x) Yes () Details:

SECTION III- PROJECT INFORMATION

Requested amount 750,000 for phase 1 and 750,000 for phase 2; future funds TBA pending project performance

Total Project Amount 13.8 M

This application is for a:

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

Quality of Life Improvement ()

- Parks, Open Space ()
- Other ()

Capital Improvements for Public Infrastructure

- Utilities ()
- Roadways ()
- Other ()

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

SECTION IV - PROJECT DESCRIPTION

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

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

SECTION V – ECONOMIC IMPACT INFORMATION

Part A- Project Investment in Improvements

| | |
|---------------------------------|---|
| Total | * See Kerr County Exhibit Center |
| Sq. Footage of New Building (s) | \$ Renovations and Construction Budget |
| Size of Parking | Estimate Document |
| Other | _____ |
| | _____ |

Part B- Project Investment in Fixed Equipment

| | |
|--|--|
| (New)\$ _____ | * See Kerr County Exhibit Center |
| Manufacturer of Equipment _____ | Renovations and Construction Budget |
| Anticipated Useful Life of Equipment _____ | Estimate Document |
| Purchase Price \$ _____ | Installation Cost \$ _____ |
| Anticipated Delivery time from Date of Order _____ | |

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

* See EIA Data

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

project 2-4 Direct - Indirect 90 after completion

Anticipated Number within 12 months of Completion of this

project _____

Anticipated Number within 24 months of Completion of this

project _____

Typical Job Descriptions or Job Titles

Majority of jobs created will have indirect impact on local business economy: Hotel, Restaurant, and hospitality sectors.

Anticipate maximum number in year 4 of operations.

Anticipated starting salaries of these employees: (avg.) \$ 7.25-10.00 /hour

Part D- Permanent Part-Time Employment Estimates-

(do not include owners, stockholders or their dependants)

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

Anticipated Number within 12 months of Completion of this project _____

Anticipated Number within 24 months of Completion of this project _____

Typical Job Descriptions or Job Titles of these employees: _____

Maintenance jobs created or contracted for facility operations.

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

* See County Ave

Part E- Payroll Impact

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

Completion _____

* See EIA Data

\$ _____
FTE X Avg. Wage X 40 hrs X 52 wks

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

SECTION VI- OTHER ASSISTANCE

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

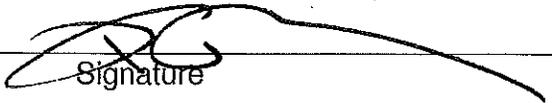
Describe:

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

PAT TINLEY
Printed name

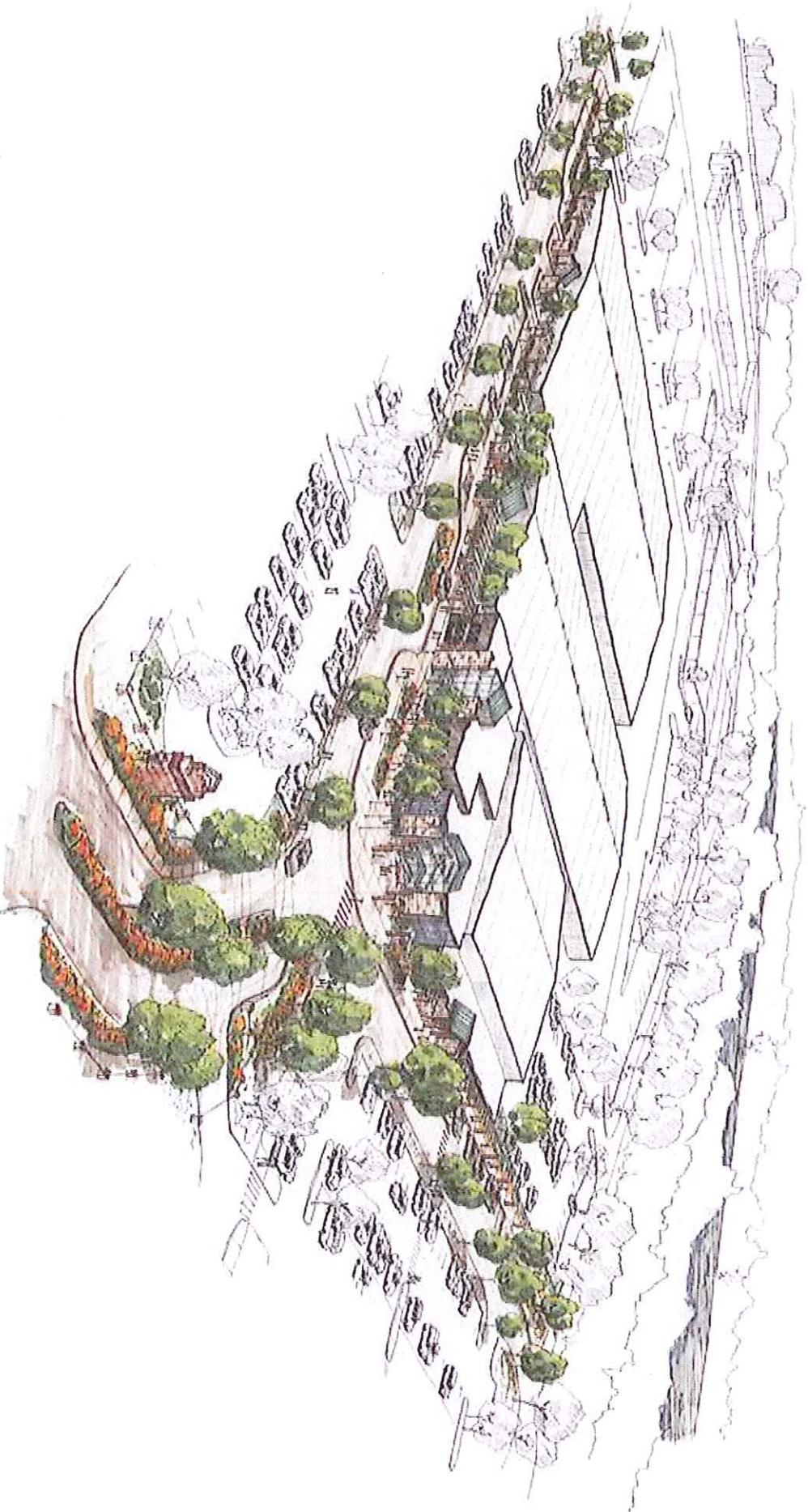
6/3/11
Date

County Judge
Title


Signature

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

Amended 01-18-10



The County Court
Of
Kerr County, Texas

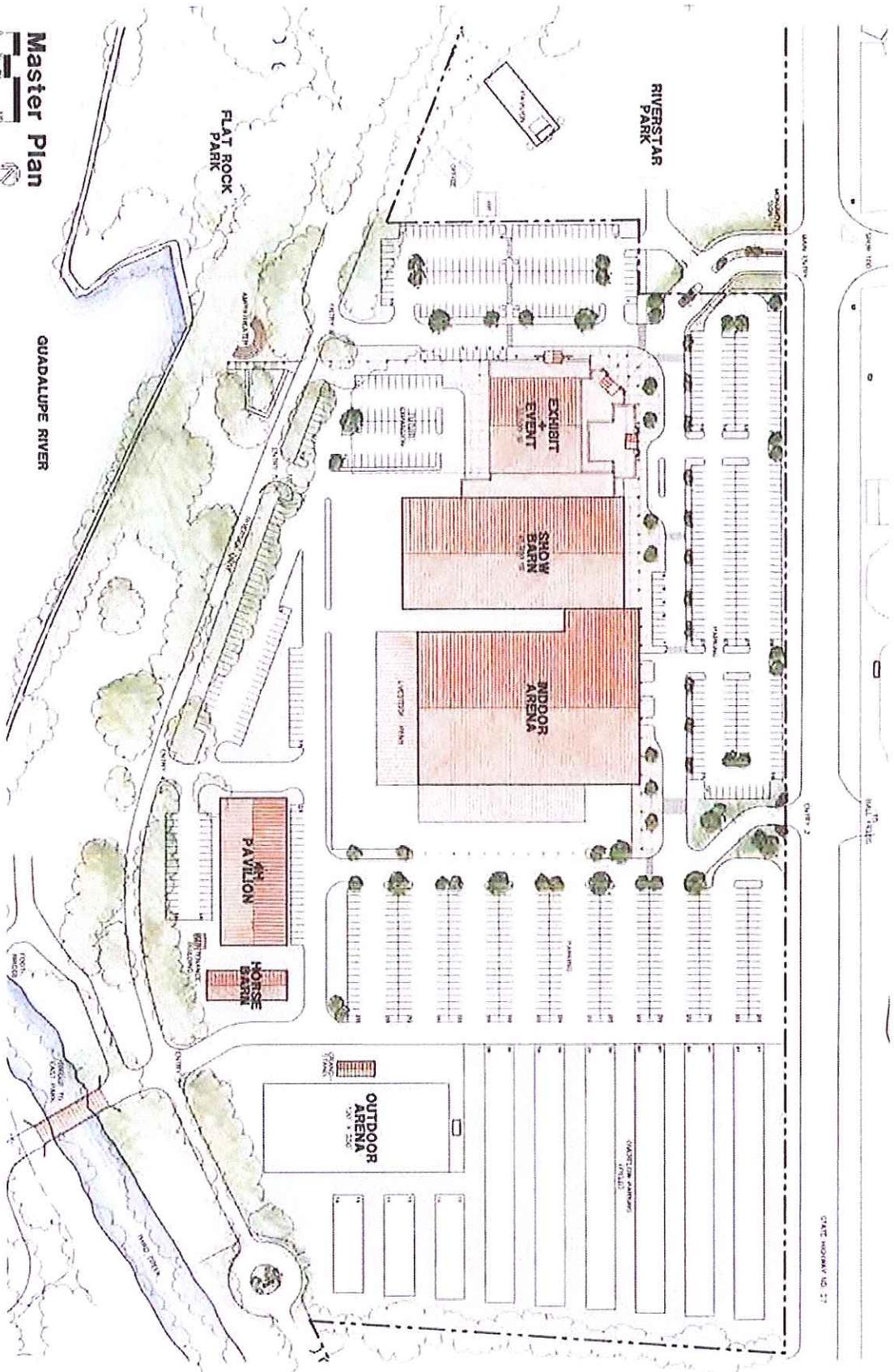


Hill Country Exhibit Center Master Plan

February 2011



PETER LEWIS
ARCHITECT + ASSOCIATES



The County Court
Of
Kerr County, Texas

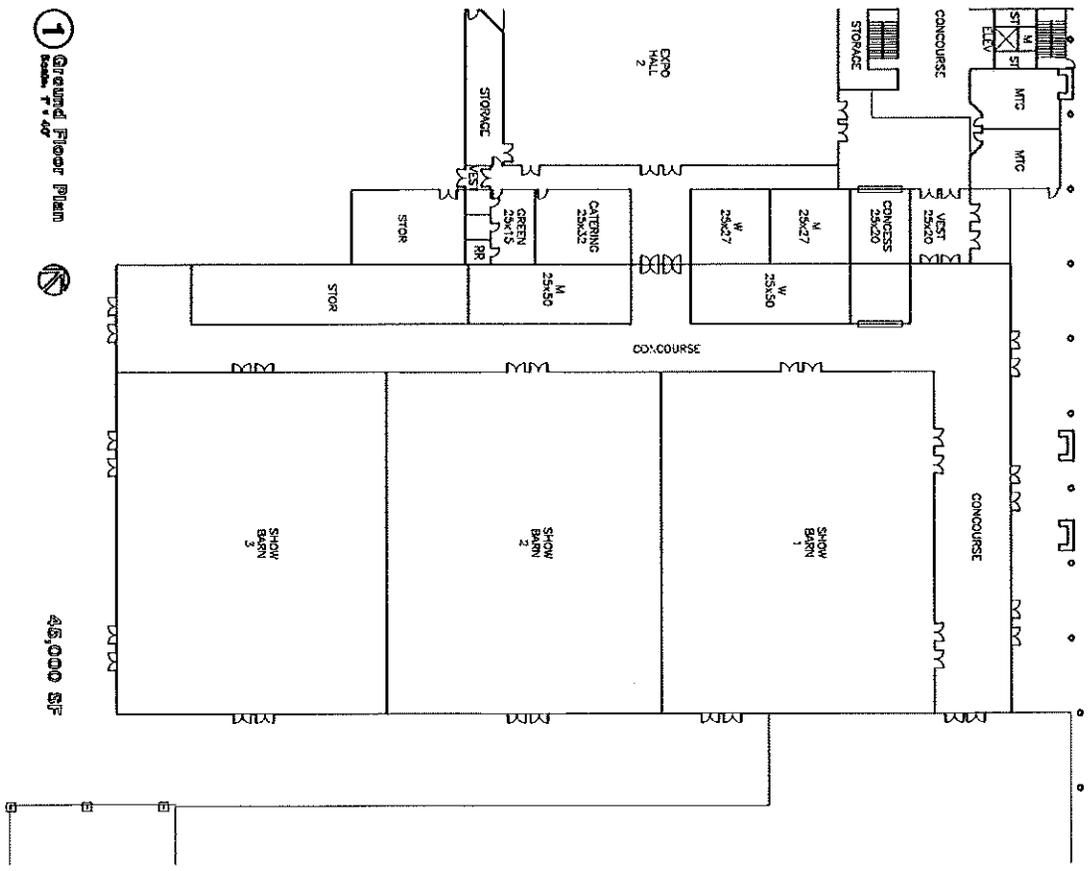


**Hill Country Exhibit Center
Master Plan**
February 2011



PETER LEWIS
ARCHITECT + ASSOCIATES

Show Barn



1 Ground Floor Plan
Scale: 1" = 40'



45,000 SF

The County Court
Of
Kerr County, Texas



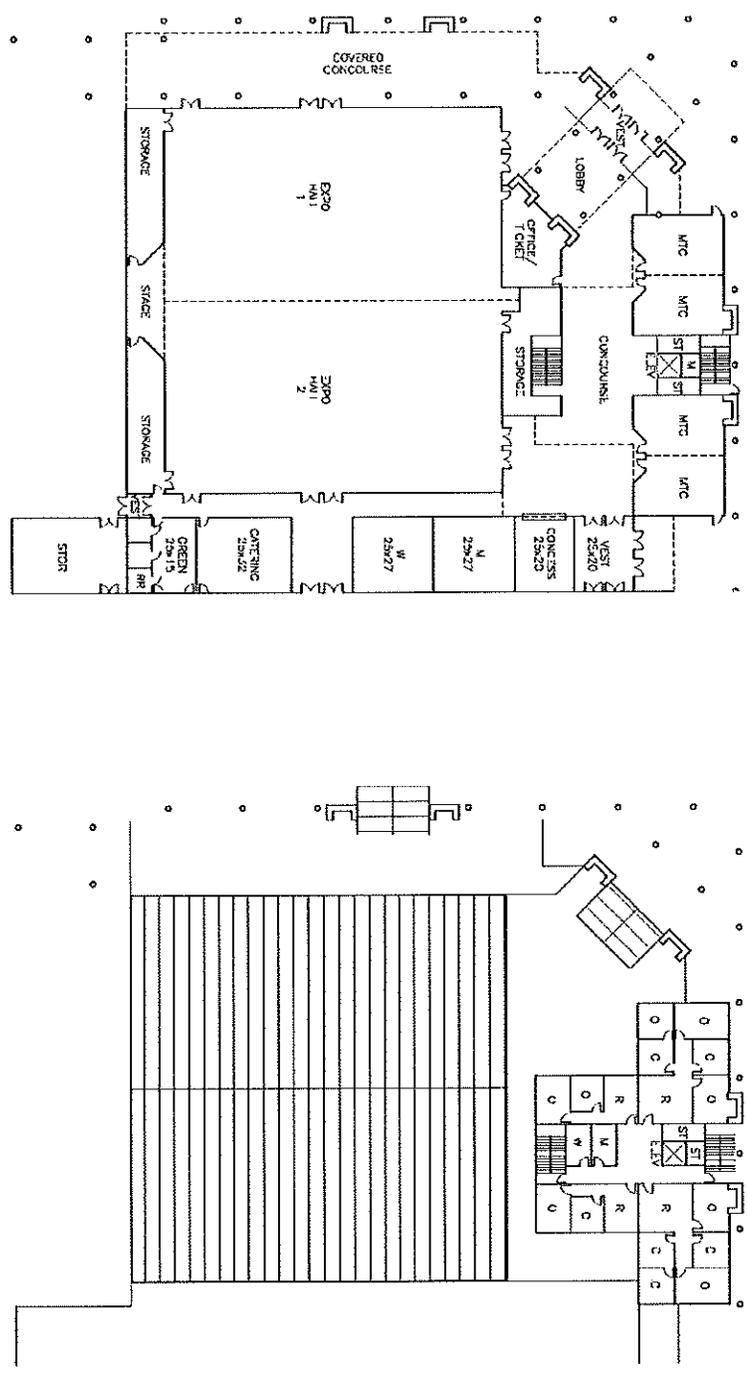
Hill Country Exhibit Center Master Plan

February 2011



PETER LEWIS
ARCHITECT + ASSOCIATES

Exhibit and Event Hall



1 Ground Floor Plan

39,300 SF

2 Second Floor Plan

4,200 SF

The County Court
Of
Kerr County, Texas



Hill Country Exhibit Center Master Plan

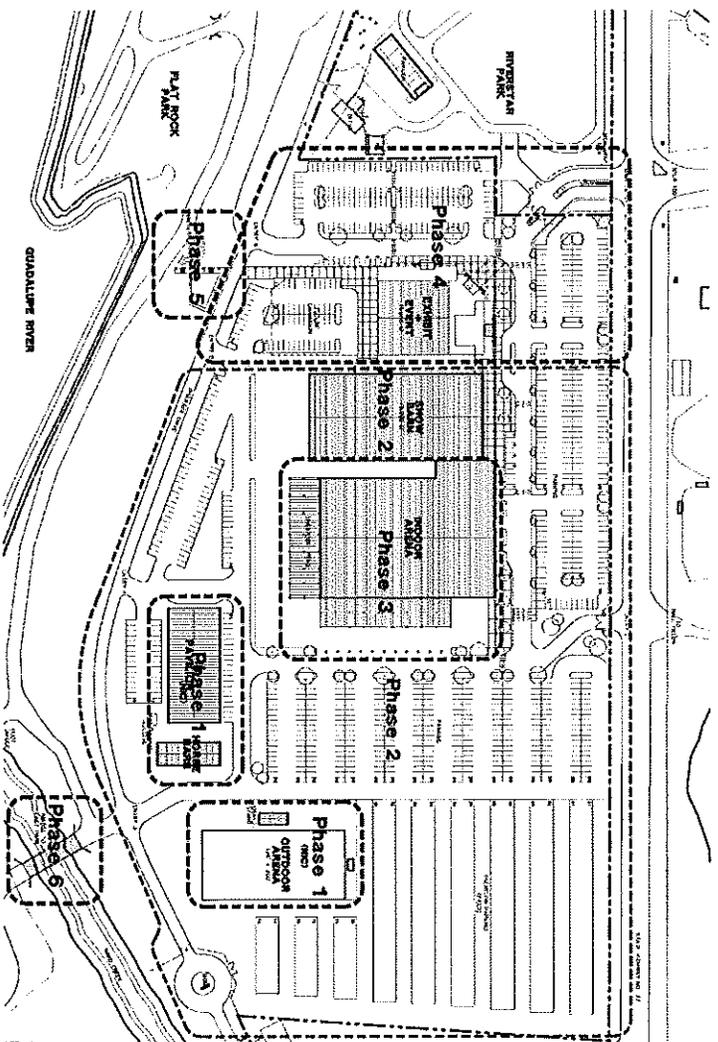
February 2011



PETER LEWIS
ARCHITECT + ASSOCIATES

Phasing

- ◆ Phase 1 - Remove existing outdoor Arena, Construct new outdoor Arena at east end of site
- ◆ Phase 2 - Remove existing Exhibit Hall/Hog barn and construct new 45,000 Show Barn
- ◆ Phase 3 - Upgrade existing Indoor Arena
- ◆ Phase 4 - Construct new Exhibit and Event Center with Site Upgrades
- ◆ Phase 5 - Construct Amphitheater
- ◆ Phase 6 - Construct Bridge to east Park



The County Court
of
Kerr County, Texas



Hill Country Exhibit Center Master Plan

February 2011



PETER LEWIS
ARCHITECT + ASSOCIATES

**KERR COUNTY EXHIBIT CENTER
RENOVATIONS AND ADDITIONS CONSTRUCTION BUDGET ESTIMATE**

FEBRUARY 24, 2011

REVISED PHASE I

| | | |
|---|---------|---------------------|
| PRO-RATED SITE WORK | 485,668 | |
| RENOVATE EXISTING ARENA | 711,000 | |
| COVER EXISTING OUTDOOR ARENA/CONCESSION/BLEACHERS | 450,000 | |
| SUB TOTAL | | \$ 1,646,668 |

PHASE II

| | | |
|------------------------|-----------|---------------------|
| PRO-RATED SITE WORK | 485,668 | |
| NEW 45,000SF SHOW BARN | 3,415,000 | |
| SUB TOTAL | | \$ 3,900,668 |

PHASE III

| | | |
|----------------------------|-----------|---------------------|
| PRO-RATED SITE WORK | 559,254 | |
| NEW 35,000 SF EXHIBIT HALL | 6,140,000 | |
| SUB TOTAL | | \$ 6,699,254 |

TOTAL PROJECT \$ 12,246,591

Walk Across Texas

Walk Across Texas is a program designed to get people motivated to exercise through competition with each other. There are several ways this program can be attempted. The most popular way is to create teams of up to 8 people and compete for 8 weeks against each other to see who can “Walk Across Texas”. Then there is an individual route that people can also take, where they challenge themselves to walk more than other individuals in the county. At schools, this program is implemented on a class by class basis. Each class competes against other classes to walk the most miles. Overall this program has been a huge success in our county and this year it was implemented in several places. B.T. Wilson Schools, Center for Fitness and City of Kerrville participated with 38 members with average age of 61 years of age. Eight participants said this could help them avoid or delay diabetes personally.

Economic Impact for Kerr County: \$1,194,997

When asked “What did you like the most about Walk Across Texas”, participants responded with:

- Working as a team, because we all hold each other accountable. Forces you to workout
- It motivated me to get up and go do something
- Made the daily exercise routine fun
- It helped my mom get back into eating healthy and working out.
- Inspiration to commitment - lost 3 lbs! Respect from grandchildren.

Do Well Be Well

Do Well Be Well with Diabetes is an educational program for those with Type 2 Diabetes. It consists of nine different classes that teach diabetics how to control their blood glucose more efficiently. Some of the classes included are nutrition classes, an exercise class, a medication class and a complications class. This class has shown to not only help those with Type 2 Diabetes how to control their blood glucose, but it also shows them how to help lower their healthcare bills, and in doing so lower healthcare cost for the county as well.

- 5 out of the 5 participants have had diabetes for at least 4 years (100%)
- 4 of the 5 participants take diabetes, cholesterol and blood pressure medication on a daily basis (80%)
- 2 of the 5 participants have had diabetes classes before (40%)
- After the class, 5 of the 5 participants starting exercising for 30 minutes a day, 5 days a week (100%)
- After the class, 5 of the 5 participants were more active with checking their blood glucose (100%)

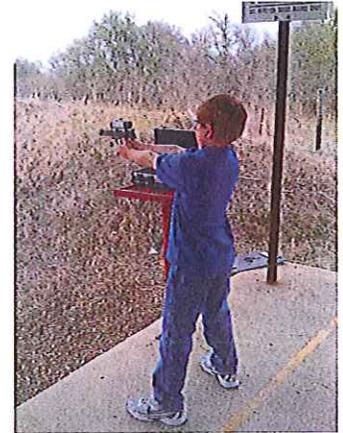
When asked “What was the most important thing you learned in these classes”, participants responded with:

- How to manage diabetes better through other ways than medication.
- How to control eating habits.
- How to check your blood two hours after you eat.
- Do more exercise, proper eating...

Kerr County

Kerr County 4-H & Youth Development

Kerr County 4-H roots date back to 1926 with Cypress Creek 4-H being the first 4-H Club with 6 members. Since 1974 Kerr County 4-H has involved 13,828 youth in 9 organized 4-H clubs and 53,355 total youth through curriculum enrichment and special interest programs. 4-H is a community of young people across America who are learning leadership, citizenship and life skills. Through club work, project activities and community service, young people make new friends, develop new skills, become leaders and help shape their communities. Kerr County has 7 community clubs and 2 project clubs that meet monthly. 26 projects and activities are offered for youth to grow and learn. These projects are: Livestock projects, leadership, food & nutrition, clothing & textiles, veterinary science, photography, educational presentation / illustrated talks, horse, shooting sports: air pistol/rifle, 22 rifle, trap & skeet and archery, Judging teams: range evaluation, plant ID, wool, mohair, livestock & horse.



Wool and Mohair Judging

Decision making skills and the ability to clearly express one's self are great attributes in many careers today. The 4-H wool and mohair judging program can help members develop these skills. Wool and mohair judging teaches youth the skills in making a decision followed by answering questions relative to their evaluation of the class. Through this experience youth will learn to appreciate standards, to observe closely and build self confidence in their decision making ability. 4-H members also learn to build team spirit, meet new friends that build lasting friendships and the value of friendly competition with fellow 4-H members from around the state of Texas.



The Kerr county 4-H Wool and Mohair Judging program has been a force to reckon with for over 20+ years across Texas, winning 7 National 4-H Wool Judging Championships since 1989. The program has involved some 200 4-H youth over the past 20+ years ages 9-18. This project runs from February through June with members judging in the San Antonio Livestock Show and Rodeo, followed by the San Angelo Livestock Show and Rodeo and Houston Livestock Show and Rodeo. Judges participated in weekly practices and competed in 5 Open contests as well as the District 4-H contest and Texas 4-H Roundup in June and complete the project with the National 4-H Wool Contest and the Sonora Open contest. This is a total of 10 competitions and 15 practice sessions during the year. Each 4-H member spent over 70 hours of judging during the entirety of this project.

4-H Leadership Development

We have 60 youth on our council leadership team. They focus on the Leaders 4 Life Curriculum each month at their council meetings. The youth use their leadership skills to present curriculum enrichment (Health Rocks & Take A Stand) at the elementary schools. Along with Farm Bureau, they host 500 youth for Ag Awareness Day. Community service is a big part of leadership development. The Junior & Senior High Council's have 4 projects each year, Fishing Derby, One Day 4-H and Any Baby Can. For the Any Baby Can Christmas Party, the leadership team decorates the exhibit hall in a big Christmas theme. The Council provides the food, dress as elves and hand out toys and anything else needed to make the night special for the 100 families whose children have special needs

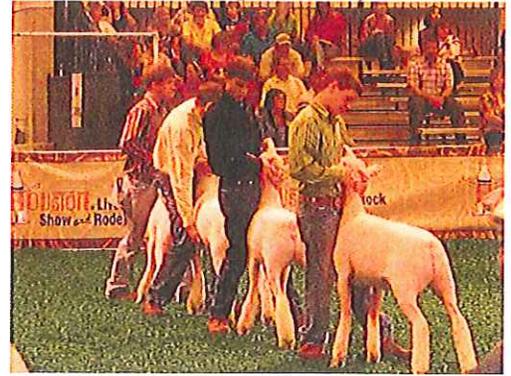


Kerr 4-H Livestock Project Center

Many youth living in Kerr County are unable to participate in traditional 4-H livestock projects due to a lack of space or various restrictions at their residences. These youth who are unable to participate in these traditional livestock projects are missing an opportunity to learn valuable life skills of responsibility, decision making, time management, improved self-esteem, and goal setting.

The goal of the Kerr County 4-H program is to provide feeding facilities for 35 families to house 70 livestock projects in an effort to teach youth valuable life skills in responsibility, commitment, time management, decision making, improved self esteem, and goal setting. This project has been in the process of planning, site location, design, and building since June of 2005. Completion of the facility was completed on October 1, 2010.

In 2010 13 4-H members housed projects in the facility attending workshops and clinics from September through January. During these workshops 4-H members and their families learn proper feeding, showmanship, and animal health care. Currently for 2011 33 4-H members are housing 55 projects (7 lambs, 20 goats and 28 barrows) in the facility.



4-H Scholarships



Kerr County 4-H members have benefitted from numerous scholarships due to their involvement in the 4-H program. 4-H members excel in the areas of leadership development, community service, involvement in extracurricular activities while maintaining excellence in academics. 4-H members apply for scholarships through the Texas 4-H Foundation, San Antonio Livestock Show, Houston Livestock Show, State Fair of Texas, Hill Country District Jr. Livestock Show, university foundations, civic groups, and numerous others. Since 2004 Kerr County 4-H members have received \$148,000 in scholarships based on scholastics, leadership, and community service.

Texas AgriLife Extension Service

Kerr County

Staff

Roy Walston
County Extension Agent – Ag & Nr
Kerr County
RWalston@ag.tamu.edu

Laurinda Boyd
4-H Program Assistant
Kerr County
LBoyd@ag.tamu.edu

Lindsey Forster
Secretary
LJForster@ag.tamu.edu

Patti Schlessiger
Secretary
kerr@ag.tamu.edu

Contact Us

Kerr County Extension office
3655 Hwy. 27
Kerrville, TX. 78028
830.257.6568
kerr-tx.tamu.edu/

Hill Country Youth Exhibit Center Expansion

Prepared by the Kerrville Convention & Visitors Bureau

June 2011

Facts and Factors:

52 Weekends of the Year

-03 Weekends are used by the local and District Livestock Show for Events, Clean-up and Set-up

-01 Weekend is used by the Texas Arts and Crafts Fair

-01 Weekend is used by the Kerr County Fair

-05 Conventions do not book on Christmas, New Years, Easter, Mothers Day or Labor Day

42 weekends remain for booking

New Exhibit & Event Center

Ag related convention bookings for 3 days each X 42 times =126 days of use with delegates

Delegates will average 300 people per convention X 126 days =37,800 people days

Delegates will spend on average \$105 per day X 37,800 weekend people days = **\$3,969,000**

Weekday convention bookings for 2 days each X 24 times = 48 days of use with delegates

Delegates will average 225 people per convention X 48 days = 10,800 people days

Weekday Delegates will spend on average \$95 per day X 10,800 weekday people days = **\$1,026,000**

| People Use | Exhibit & Event | Break Out Rooms | Show Barn |
|------------|-----------------|-----------------|-----------|
| Banquet | 1,000 | 45 | |
| Classroom | 652 | 30 | |
| Theater | 1,153 | 50 | |
| Reception | 1,500 | N/A | |
| Booths | 75 | N/A | 225 |
| | | | |

New Show Barn

This 45,000 concrete floor facility will hold 225, 10 X 10 booths with aisles. This facility will work for all livestock events but will also work for antique shows, gun and knife shows, hunting & fishing, home & garden show and expos for convention groups. Most of these events will be attended by the local citizen or the convention delegate counted in the Event Center above. However, this facility will have rental revenue above and beyond the 3.9 million direct impact of the Event Center.

Since the rate schedule is not set at this time let's use \$1,500 per day for the show barn with rental of at least 84 times per year this equals **\$126,000**.

Grand Total \$5,121,100.

June 3, 2011

Project Description

This is an economic impact analysis for the proposed expansion of the Hill Country Youth Exhibit Center. The proposal includes 1) renovating the existing site, including covering the existing outdoor arena, concessions, and bleachers, 2) building a new 45,000 sf show barn, and 3) adding a new 35,000 sf exhibit hall. Renovation and expansion costs are approximately \$12,247,000. Based on historical and regional data, the CVB estimates that the expansion will:

1. Attract \$3,969,000 in annual Agriculture-related convention bookings
2. Draw \$1,026,000 in Weekday convention bookings annually
3. Bring in \$126,000 in rental fees associated with the new Show Barn yearly

Starting in year four, roughly \$5,121,000 in annual revenue will come from these expansion plans.

Analysis

This analysis examines the total impact the proposed renovation and expansion project would have on Kerr County. It measures not only the *direct* spending for construction and convention stays/show barn rentals, but also the *indirect and induced* activity. Indirect and induced spending includes the recirculation of dollars initially spent in Kerr County for construction and operations of the Exhibit Center. This re-spending of dollars by employees and suppliers within the county is called the *multiplier effect*.

Overall Impact

Over the first five years of the Exhibit Center's operations, it would have an economic impact of nearly \$44,253,172 on Kerr County. Initial construction would inject nearly \$16,409,000 into local spending. Annual operations would have an average impact of \$5,568,901.

| Total Activity | 2012-2013 | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|---------------------|---------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Total Impact | | | | | | | \$ - |
| Operations | | | | | | | \$ - |
| Ag Bookings | | \$ 1,764,234 | \$ 2,996,454 | \$ 4,275,288 | \$ 6,224,789 | \$ 6,344,646 | \$ 21,605,411 |
| Weekday Bookings | | \$ 456,061 | \$ 774,593 | \$ 1,105,176 | \$ 1,609,129 | \$ 1,640,113 | \$ 5,585,072 |
| Show Barn | | \$ 57,389 | \$ 94,713 | \$ 131,371 | \$ 186,037 | \$ 184,516 | \$ 654,026 |
| Operation Total | | \$ 2,277,684 | \$ 3,865,760 | \$ 5,511,835 | \$ 8,019,955 | \$ 8,169,275 | \$ 27,844,509 |
| Construction | | | | | | | \$ - |
| Phase 1 | \$ 2,206,297 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,206,297 |
| Phase 2 | \$ 5,226,332 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,226,332 |
| Phase 3 | \$ 8,976,034 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,976,034 |
| Construction Total | \$ 16,408,663 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 16,408,663 |
| Total | \$ 16,408,663 | \$ 2,277,684 | \$ 3,865,760 | \$ 5,511,835 | \$ 8,019,955 | \$ 8,169,275 | \$ 44,253,172 |

Hill Country Youth Exhibit Center Expansion Economic Impact Analysis

June 3, 2011

Job Impact

Construction activity for the Exhibit Center will create or retain 117 full time equivalent jobs. Additionally, upon reaching full operations in year four, expansion will support approximately 90 jobs for Kerr County residents. Job creation will primarily be through indirect jobs. Since operations are expected to remain stable, the level of employment generated is also expected to be constant.

| Total Activity | | | | | | |
|---------------------|------------|-----------|-----------|-----------|-----------|-----------|
| Total Jobs | 2012-2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Operations | | | | | | |
| Ag Bookings | | 21 | 35 | 49 | 71 | 71 |
| Weekday Bookings | | 5 | 9 | 13 | 18 | 18 |
| Show Barn | | 0 | 1 | 1 | 2 | 2 |
| Operation Total | | 27 | 45 | 63 | 91 | 91 |
| Construction | | | | | | |
| Phase 1 | 16 | N/A | N/A | N/A | N/A | N/A |
| Phase 2 | 37 | N/A | N/A | N/A | N/A | N/A |
| Phase 3 | 64 | N/A | N/A | N/A | N/A | N/A |
| Construction Total | 117 | 0 | 0 | 0 | 0 | 0 |
| Total | 117 | 27 | 45 | 63 | 91 | 91 |

Labor Wages and Sales Tax Impact

Overall, this project will inject \$2.7 million in annual wages into the economy upon completion four years from now. Including construction, this equates to nearly than \$14 million in wages within the first five years of operations. Upon completion, annual operations will be responsible for an additional \$81,120 and \$27,040 in state and local sale tax revenues, respectively. Including construction sales, this is likely to add approximately \$420,000 to state tax revenues over the first five years and an additional \$140,000 locally.

| Total Activity | | | | | | | |
|------------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Total Labor Wages | 2012-2013 | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
| Operations | | | | | | | \$ - |
| Ag Bookings | | \$ 578,848 | \$ 986,189 | \$ 1,410,686 | \$ 2,058,149 | \$ 2,101,036 | \$ 7,134,908 |
| Weekday Bookings | | \$ 149,634 | \$ 254,934 | \$ 371,667 | \$ 532,039 | \$ 543,125 | \$ 1,851,399 |
| Show Barn | | \$ 16,486 | \$ 28,088 | \$ 40,178 | \$ 58,618 | \$ 59,840 | \$ 203,210 |
| Operation Total | | \$ 744,969 | \$ 1,269,211 | \$ 1,822,531 | \$ 2,648,806 | \$ 2,704,001 | \$ 9,189,517 |
| Construction | | | | | | | \$ - |
| Phase 1 | \$ 643,547 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 643,547 |
| Phase 2 | \$ 1,524,450 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,524,450 |
| Phase 3 | \$ 2,618,188 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,618,188 |
| Construction Total | \$ 4,786,185 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,786,185 |
| Total | \$ 4,786,185 | \$ 744,969 | \$ 1,269,211 | \$ 1,822,531 | \$ 2,648,806 | \$ 2,704,001 | \$ 13,975,702 |
| Local Sales Tax Impact | \$ 47,862 | \$ 7,450 | \$ 12,692 | \$ 18,225 | \$ 26,488 | \$ 27,040 | \$ 139,757 |
| Texas Sales Tax Impact | \$ 143,586 | \$ 22,349 | \$ 38,076 | \$ 54,676 | \$ 79,464 | \$ 81,120 | \$ 419,271 |

Developed by Community and Economic Development Department, LCRA

June 3, 2011

Assumptions

Construction: Exhibit Center renovations and additions costs: \$12,246,591

Ag Bookings: Ag related convention bookings for 3 days each X 42 times =126 days of use with delegates

Delegates will average 300 people per convention X 126 days =37,800 people days

Delegates will spend on average \$105 per day X 37,800 weekend people days = **\$3,969,000**

Weekend Bookings: Weekday convention bookings for 2 days each X 24 times = 48 days of use with delegates. Delegates will average 225 people per convention X 48 days = 10,800 people days

Weekday Delegates will spend on average \$95 per day X 10,800 weekday people days = **\$1,026,000**

New Show Barn: 45,000 concrete floor facility will hold 225, 10 X 10 booths with aisles. Since the rate schedule is not set at this time, we used \$1,500 per day for the show barn with rental of at least 84 times per year, which equals **\$126,000**.

Sales Taxes: The State of Texas estimates expected sales taxes by multiplying the total value of labor income by three percent. Since local taxes can be roughly one third the state rate (6.25% for state, up to 2% for local), local taxes are calculated at one percent of total labor income, or one third the state rate.

Additional EIA Data

New taxes collected potentially currently sales tax collected is following

6.75 sales tax at Hill Country Ag facility

Texas State Arts & Crafts Fair:

Low year generates \$ 300,000 for the event

6.75 = 20,250 Total tax dollars collected

.050 Kerr County Tax collected = \$ 1,500

1,500 & 42 = \$ 63,000 tax dollars for county

Possible Discussion Item only depending on level of participation:

Property is currently not annexed and owned by Kerr County. After construction the facility could be discussed for annexation to generate new tax revenue for City of Kerrville (1 ct) and Economic Improvement Corporation (1/2 of 1 ct)

So if Economic partners participated City of Kerrville would generate \$ 3,000 and EIC \$ 1,500

Additional revenue collected with the development of the project would include:

Purchase of fuel for participates in Ag related Conferences such as trucks and equipment
Ag related

Local restaurant and attraction use by visitors coming to the community for events.

33 Counties

Association comprised of 89 directors – of which 16 serve on the executive board which governs the business decisions. This does not include over 50 additional volunteers who donate time during the annual show. I estimate that for the show on average each director provides approximately 50 hours of time during the year. This includes time spent during the actual five day show, which will grow to six days this year. The executive board on average will give another eight hours a month per person. The scholarship recipients are required to work approximately 12 hours a year at the various events. Right now we have several third generation directors and fourth generation exhibitors.

There is no paid staff. The show does pay for judges, technical support, security, parking staff, as well as, overtime for county employees.

At the 2011 show there were 1283 exhibitors of which approximately 300 were from Kerr County. If you count parents, grand parents, officials, teachers, county agents, etc., we estimate that at least 3,200 people attend the show. Approximately 2,500 of those will be from out of county. I know from experience, that if you count rooms, meals, gas, etc., it is easy to spend \$100 per person when in town for a stockshow. That is \$250,000 which is left in Kerrville. You can choose the multiplier for how many times that money will turn over before it leaves Kerrville.

The 2011 auction brought in \$935,424 of which 95% of that is returned to the exhibitors. Approximately 75% of the exhibitors which are eligible to sell at the auction are from Kerr County. In the past five years in excess of \$4,000,000 has been awarded in auction money, prizes and scholarships.

Judges for the various shows come from all over the United States.

This year we awarded over \$37,500 in academic scholarships to 31 high school seniors and current college students, 13 are from Kerr County. In addition, \$15,000 in scholarships were awarded to winners of various events at the show. The scholarships are funded through our annual fundraiser dinner, bequests, as well as, corporate and individual sponsors. This is the 18th year to award academic scholarships and I believe tenth year for scholarships for winning the various events.

AgriLIFE EXTENSION

Texas A&M System



Extension Education in Kerr County

Making a Difference 2010

040

Improving Lives.
Improving Texas.

The Texas AgriLife Extension Service has been dedicated to serving Texans

nutrition and health, and community economic development. Among those we have served are the 53,355 young people who have benefitted from Extension's 4-H and youth development programs since 1974 in Kerr County.

for nearly a century. The agency was established in 1915 under the Smith-Lever Act to deliver university knowledge and agricultural research findings directly to the people. Kerr County Extension programs have continued ever since to address the emerging issues of the day, serving the diverse population of Kerr County.

Texans turn to Extension for solutions. Its agents and specialists respond not only with answers, but also with resources and services that result in a significant return on investment to boost the Texas economy. The agency custom-designs its programs to each region of the state, relying on residents for input and for help with program delivery. Here are just a few highlights of Extension's impacts on this county and its people:

Our expertise and educational outreach pertain to the food and fiber industry, natural resources, family and consumer sciences,

Kerr County – Summary of Educational Contact

2009 - 2010

| | |
|--|--------|
| Number of Educational Presentations | 220 |
| Total Contacts through Educational Presentations | 51,094 |
| Total Contact Hours through Educational Presentations | 70,440 |
| Kerr County 4-H Clubs | 9 |
| 4-H Members in Organized Clubs | 460 |
| Youth in Curriculum Enrichment and Special Interest Programs | 1,716 |
| Extension Volunteers | 356 |

1974-2010

| | |
|-------------------------------------|--------|
| Kerr 4-H Members in Organized Clubs | 13,828 |
| Total Youth Involvement | 53,355 |

Kerr County

White-tail Deer Management Seminar Scheduled – October 19

The Texas AgriLife Extension Service in cooperation with Texas Farm Bureau and Kerr County Soil and Water Conservation District will be sponsoring a Range and Wildlife Seminar at the Lee and Ramona Bass Conference Center at the Kerr Wildlife Management Area. The program included **3 hours of CEU's** for private, commercial and non-commercial applicators. Topics included Intensive White-tail deer Management Strategies, Establishing & Management of Food Plots for White-tail Deer, Brush Management, Big Bucks and Bluebirds: The Role of Deer Hunters in Ecosystem Management.

Hill Country Living 101 Educational Series

Texas AgriLife Extension offered a five part series November 1, 8, 15, 22, 29 that benefited new landowners as well as long time landowners in the Texas Hill Country. This curriculum was an evening program beginning with registration at 5:00 p.m. and concluding by 8:00 p.m. The program included detailed instruction by industry experts and Extension professionals. Participants literally worked from the ground up to learn the what, why, when, where and how of managing the magnificent natural resources found in the Hill Country.

15 local area small acreage landowners participated in the 5 part series learning how to identify what resources are available and how to use these resources in their operation. Landowners learned about soils and soil types, range sites and their roles in plant diversity. Other topics included 1-d-1 property tax valuation, livestock and wildlife utilization of the hill country and water related issues including rainwater capture and solar and wind energy. Participants also learned information on landscape horticulture as well as what will and will not work in the Hill Country.



Rio Grande Wild Turkey Symposium

March 25-26, 2010 a Rio Grande Wild Turkey Symposium was hosted in Kerr County at the Kerr Wildlife Management Area sponsored by Texas AgriLife Extension and the Houston Livestock Show and Rodeo. 65 area landowners participated in the two day long program.



- biology and population status,
- habitat needs for nesting, brood rearing and roosting,
- techniques for brush management to benefit turkeys,
- mixing livestock and turkey management.
- Other topics include riparian management for Rio Grande Wild Turkeys,
- habitat selection, knowing turkeys inside and out, population monitoring and movement as well as marketing turkey hunts and setting proper harvest rates.

Hill Country Master Gardeners

The Hill Country Master Gardeners is a service organization that involves some 100 active trained volunteers in the field of horticulture serving Kerr, Gillespie, Bandera, and Kendall counties. These volunteers serve in helping the AgriLife Extension Service meet the horticultural needs of their community. In return for this service, Master Gardeners gain extensive knowledge and share the camaraderie of other gardeners. The type of service provided by the Hill Country Master Gardeners varies according to community needs and seasons of the year. The Hill Country Master Gardeners were organized in 2002 with the help of Mr. John Coleman, local nurseryman and Mrs. Tommie Airhart.



To become a Texas Master Gardener, a participant attends 50 hours of instruction, conducted by the local County Extension Agent and specialists, Master Gardeners then share this knowledge by donating 50 hours of volunteer service back to the community.

The touch of Texas Master Gardeners' green thumbs can be found across the state — in school garden projects, horticultural therapy projects, community gardens and demonstration gardens; by volunteers who also conduct gardening programs and answer gardening questions. Anything anyone wants to know about gardening, a Master Gardener can help. That includes young wannabe gardeners too – Master Gardeners help set up 4-H gardening clubs and Junior Master Gardener groups.

In fact, when it comes to green and growing things, Master Gardeners dig into their service in all kinds of ways: teaching, giving presentations, writing newsletters and articles, providing clerical help, and designing and maintaining Web pages. Since 2002 225 individuals have been trained as Master Gardeners in Kerr County and have served some 36,000 hours of volunteer service at a value of \$750,600.00 to the community.