

**AGENDA FOR MEETING OF  
THE CITY OF KERRVILLE, TEXAS  
ECONOMIC IMPROVEMENT CORPORATION  
Monday, July 18, 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 June 20, 2011.

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**5. MONTHLY REPORTS:**

5A. Monthly financials for June 2011.

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5B. EIC construction project status.

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**6. CONSIDERATION AND ACTION:**

6A. Consideration of funding agreement request from Kerr County Commissions' Court for \$4.6M, for the Ag Complex improvement and expansion. (Overby)

6B. Consider and approve the FY12 budget. (Erwin)

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**7. INFORMATION AND DISCUSSION:**

7A. Update from the Hill Country Shooting Sports Center. (Burch)

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

7C. Presentation of the Investment Policy and Economic Development Strategic Plan. (Erwin/Parton)

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**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**

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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: July 14, 2011 at 10:00 a.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

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On Monday, June 20, 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:**

Gregg Appel, President  
Kenneth Early, Vice President  
Tony Roberts, Secretary  
Rex Boyland  
Larry Howard  
Stacie Keeble  
Robert Miller

**Members Absent:**

None

**Staff Present:**

Todd Parton, City Manager  
Mike Hayes, City Attorney  
Mindy Wendele, Director of Business Programs  
Mike Erwin, Director of Finance  
Mike Wellborn, Director of Engineering  
Teri Kinsey, Deputy City Secretary

2. **INVOCATION:** Given by President Gregg Appel.

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

4. **PRESENTATION:**

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

Mindy Wendele introduced and welcomed the new EIC Board members.

5. **ANNUAL CORPORATION MEETING AND ELECTION OF OFFICERS:**

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

Mindy Wendele opened the floor up for nominations for president; Mr. Boyland moved to nominate Gregg Appel, Mr. Miller seconded, motion passed 7-0.

Mr. Appel asked for nominations for vice president; Mr. Roberts moved to nominate Kenneth Early, Mr. Howard seconded, motion passed 7-0.

Mr. Appel asked for nominations for secretary; Mr. Howard moved to nominate Tony Roberts, Mr. Early seconded; motion passed 7-0.

6. **ELECTION OF OFFICER TO THE KEDC:**

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

Ms. Keeble moved to nominate Gregg Appel as the representative to the Kerrville Economic Development Corporation, Mr. Howard seconded, motion passed 7-0.

7. **APPROVE MINUTES:**

7A. Approve minutes from May 16, 2011.

Mr. Boyland moved to approve the May 16, 2011 minutes; Mr. Miller seconded; motion passed 7-0.

8. **MONTHLY REPORTS:**

8A. Monthly financials for May 2011.

Mr. Early moved to approve the May 2011 financials as presented; Mr. Howard seconded; motion passed 7-0.

8B. EIC construction project status.

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

9. **CONSIDERATION AND ACTION:**

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

Ms. Keeble moved to approve the funding agreement amendment for the Hill Country Home Opportunity Council; Mr. Howard seconded, motion passed 7-0.

10. **PRESENTATION AND POSSIBLE ACTION:**

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

Commissioner Guy Overby presented a multi-phase plan for improvements and expansion for the Hill Country Exhibit Center. Construction would consist of 6 phases:

- Phase 1 – Remove existing outdoor arena & construct new arena
- Phase 2 – Remove existing exhibit hall & construct a new show barn
- Phase 3 – Upgrade existing indoor arena
- Phase 4 – Construct new exhibit & event center with upgrades
- Phase 5 – Construct amphitheater
- Phase 6 – Construct bridge to east park

The construction budget estimate of the total project will be approximately \$12.3M with an additional \$1.5M for engineering costs. Mr. Overby explained that very few jobs would be created by this project but the indirect benefit would be seen in hotel revenue, restaurant business, and bringing in ag related events. Mr. Overby wanted it clearly stated that this would not be a convention center, but an exhibit center for ag related venues. Various representatives for local organizations spoke on behalf of the Hill Country Exhibit Center:

- Bob Reed, Livestock Association
- Leah Bauer, 4-H participant & scholarship recipient
- Steve Bauer, Business Owner/Member of the Kerr County Farm Bureau
- Dennie Foster, Chamber of Commerce Board/Rodeo Committee
- Sudie Burditt, President of the Conventions & Visitor's Bureau

The Board asked about funding and fund raising from other organizations; Commissioner Overby advised the board that Kerr County has already invested \$213,000 and emphasized how important it was to get community wide involvement in this project, funding from EIC could spur numerous grants, donations and other assistance. The Board needed the following information from Commissioner Overby:

- Capitol campaign plan for total project funding detailing the amount Kerr County is contributing and amount the private sector is contributing
- Private sector commitments and/or pledges
- List of the competitive markets
- Actual proforma with statement of income and list of assumptions based on market potential
- Marketing plan to book events including how marketing for events in low season is handled

- List of new business commitments
- List of agricultural industry representatives who have reviewed the concept plans for functionality

Mr. Miller moved to table this item until July 18, 2011, after the additional information had been received by the Initial Response Team and had an opportunity to review it; Mr. Roberts seconded, motion passed 7-0.

**11. INFORMATION AND DISCUSSION:**

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

It was the consensus of the Board to schedule a joint meeting in late July with City Council regarding issues such as; but not limited to, the ED strategy and the EIC investment policy.

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

It was discussed that various local entities schedule a joint meeting, but it was the consensus of the board to have a smaller group meeting between EIC Board members and just the Kerrville Economic Development Corporation during the month of August.

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.

Mike Hayes gave an overview of past action taken on this item and informed the Board of its current status with the USDA. During a phone conference between Mike Hayes, Todd Parton and USDA, it was conveyed to city staff that government funding for this project would not be available for at least another 5 years and completion would take longer than 10 years. The Board discussed possibly purchasing the property, how much to purchase and if EIC had the funds available to purchase the property. Mike Erwin advised the Board that \$210,627.18 has been spent to date, and the remaining balance to purchase the property would be \$1,115,559.01 plus any interest accrued; money has been allocated for this purchase. This item was not slated for action, but it was the consensus of the Board to have city staff draft an agreement to purchase the 86.71 acres from KEDF and present it at the meeting in July.

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

**10. ADJOURNMENT:**

Mr. Howard moved to adjourn the meeting; Mr. Roberts seconded; motion passed 7-0. The meeting adjourned at 6:18 PM.

**APPROVED:** July 18, 2011

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Gregg Appel, President

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Teri Kinsey, Deputy City Secretary

CITY OF KERRVILLE  
Economic Improvement Corporation  
Sales Tax Improvement Fund

<b>Cash Balance as of June 1, 2011</b>		<b>\$ 2,539,426</b>
Deposits:		
Sales Tax	\$ 186,441	
Interest Revenue	\$ 532	
Transfer In		
	<hr/>	
	\$ 186,973	
Expenses:		
Office Supplies	\$ 32	
Disclosure Notice	\$ 3,500	
Administrative Service Fee	\$ 6,250	
Special Services - Category 1		
Special Services - Category 2	\$ -	
Transfer for Debt Service	\$ 42,083	
Total Expenses	<hr/>	
	\$ 51,865	
Revenues Over (Under) Expenditures		<hr/>
		\$ 135,108
<b>Ending Cash Balance as of June 30, 2011</b>		<b><u><u>\$ 2,674,534</u></u></b>

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

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>BEGINNING CASH BALANCE</b>	\$ 2,228,924		\$ 2,228,924		
<b>REVENUE:</b>					
Sales and Use Tax	\$ 2,250,000	\$ 186,441	\$ 1,746,845	77.64%	\$ 503,155
Interest	\$ -	\$ 532	\$ 8,831	#DIV/0!	\$ (8,831)
Transfer In			\$ 9,188		
<b>TOTAL REVENUE</b>	<b>\$ 2,250,000</b>	<b>\$ 186,973</b>	<b>\$ 1,764,863</b>	<b>78.44%</b>	<b>\$ 494,325</b>

	Annual Budget	Current Period	Y-T-D Actual & Encumbrance	% of Budget	Budget Balance
<b>EXPENDITURES:</b>					
<b>Administrative</b>					
Advertising	\$ -	\$ 32	\$ 257	-	\$ (257)
Transfer to Debt Service Fund	\$ 505,000	\$ 42,083	\$ 378,750	75.00%	\$ 126,250
Economic Development Governing Body	\$ 225,000		\$ 225,000	100.00%	\$ -
Annual Disclosure Fee		\$ 3,500	\$ 3,500		\$ (3,500)
Administrative Services Fee	\$ 75,000	\$ 6,250	\$ 56,250	75.00%	\$ 18,750
<b>Total Administrative</b>	<b>\$ 805,000</b>	<b>\$ 51,865</b>	<b>\$ 663,757</b>	<b>82.45%</b>	<b>\$ 141,243</b>
<b>Category I - Business Development</b>					
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
<b>Total Category I</b>	<b>\$ 781,000</b>	<b>\$ -</b>	<b>\$ 655,497</b>	<b>100.00%</b>	<b>\$ 236,162</b>
<b>Category II - Quality of Life</b>					
Schreiner University Project	\$ -	\$ -		#DIV/0!	\$ -
Hill Country Home Opportunity Program	\$ -			100.00%	\$ -
Category II Unspecified	\$ 82,000			0.00%	\$ 82,000
<b>Total Category II</b>	<b>\$ 82,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 82,000</b>
<b>Category III - Public Infrastructure</b>					
Unspecified Projects	\$ 82,000			0.00%	\$ 82,000
<b>Total Category III</b>	<b>\$ 82,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 82,000</b>
<b>Contingency</b>	\$ 500,000			0.00%	\$ 500,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,250,000</b>	<b>\$ 51,865</b>	<b>\$ 1,319,254</b>	<b>58.63%</b>	<b>\$ 1,041,405</b>
<b>NET REVENUES TO EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 135,108</b>	<b>\$ 445,609</b>		

**ENDING CASH BALANCE: June 30, 2011**

Budget	Actual
\$ 2,228,924	\$ 2,674,534

	Pro Forma				
	2011	2012	2013	2014	2015
<b>Beginning Cash Balance</b>	\$ 2,228,924	\$ 2,252,924	\$ 3,612,374	\$ 4,993,537	\$ 6,822,180
<b>Revenue</b>					
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
<b>Total Revenue</b>	<b>\$ 2,274,000</b>	<b>\$ 2,297,700</b>	<b>\$ 2,321,685</b>	<b>\$ 2,345,960</b>	<b>\$ 2,370,531</b>
<b>Expense</b>					
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	
<b>Total Expenditure</b>	<b>\$ 2,250,000</b>	<b>\$ 938,250</b>	<b>\$ 940,523</b>	<b>\$ 517,318</b>	<b>\$ 309,136</b>
<b>Revenue over Expense</b>	<b>\$ 24,000</b>	<b>\$ 1,359,450</b>	<b>\$ 1,381,163</b>	<b>\$ 1,828,643</b>	<b>\$ 2,061,395</b>
<b>Ending Cash Balance</b>	<b>\$ 2,252,924</b>	<b>\$ 3,612,374</b>	<b>\$ 4,993,537</b>	<b>\$ 6,822,180</b>	<b>\$ 8,883,575</b>

CITY OF KERRVILLE  
Economic Improvement Corporation  
Sales Tax Debt Service Fund

<b>Cash Balance as of June 1, 2011</b>		<b>\$ 280,499</b>
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>
<b>Ending Cash Balance as of June 30, 2011</b>		<b><u><u>\$ 322,583</u></u></b>

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

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>BEGINNING CASH BALANCE</b>	\$ 411,596		\$ 411,596		
<b>REVENUE:</b>					
Transfer from Sales Tax Improvement Fund	\$ 505,000	\$ 42,083	\$ 378,750	75.00%	\$ 126,250
Return of Equity - Park Lane Extension	\$ -			100.00%	\$ -
<b>TOTAL REVENUE</b>	\$ 505,000	\$ 42,083	\$ 378,750	75.00%	\$ 126,250
	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>EXPENDITURES:</b>					
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	\$ -	\$ -	\$ -	-	\$ -
<b>TOTAL EXPENDITURES</b>	\$ 499,859	\$ -	\$ 467,764	93.58%	\$ 32,095
<b>ENDING CASH BALANCE: June 30, 2011</b>	<b>Budget</b> \$ 416,737		<b>Actual</b> \$ 322,583		

<b>Pro Forma</b>					
	2011	2012	2013	2014	2015
<b>Beginning Cash Balance</b>	\$ 411,596	\$ 413,237	\$ 414,671	\$ 416,671	\$ 95
<b>Revenue</b>					
Transfer from Sales Tax Improvement Fund	\$ 505,000	\$ 505,000	\$ 505,000	\$ 84,200	\$ -
<b>Total Revenue</b>	\$ 505,000	\$ 505,000	\$ 505,000	\$ 84,200	\$ -
<b>Expenditures:</b>					
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	\$ -
<b>Total Expenditure</b>	\$ 503,359	\$ 503,566	\$ 502,748	\$ 500,776	\$ -
Revenue over expenditures	\$ 1,641	\$ 1,434	\$ 2,252	\$ (416,576)	\$ -
<b>Ending Cash Balance</b>	\$ 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	\$ 186,441	\$ 17,818	10.57%
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			
<b>Total</b>	<b>\$ 2,483,129</b>	<b>\$ 2,508,562</b>	<b>\$ 2,243,991</b>	<b>\$ 2,250,324</b>	<b>\$ 1,746,846</b>	<b>\$ 75,597</b>	<b>4.52%</b>

CITY OF KERRVILLE  
 Economic Improvement Corporation  
 EIC Capital Projects Fund

<b>Cash Balance as of June 1, 2011</b>		<b>\$ 1,322,206</b>
Revenues:		
Transfer In	\$ -	
Total Revenues/Transfer In	<u>\$ -</u>	
Expenses:		
Services		
Special Services		
Hill Country Shooting Sports Center	6,060	
Harper Road Utility Extension	\$ 240,912	
Salvation Army Center	\$ 37	
Commercial Improvement	<u>\$ 2,000</u>	
	\$ 249,010	
Capital Outlay		
Capital Outlay Total		-
Transfer Out		
Total Expenses	\$ 249,010	
Revenue Over (Under) Expenditures		<u>\$ (249,010)</u>
<b>Ending Cash Balance as of June 30, 2011</b>		<b><u><u>\$ 1,073,197</u></u></b>

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

Project Status Summary  
For the month ending June 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	\$ 2,613,138	\$ 539,258	-
2007/08	Salvation Army Kroc Center	FA 2008-011	\$ 500,000	\$ 500,000		\$ 500,000	\$ 438,648	\$ 61,352	-
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	\$ 20,000	\$ 80,000	-
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		\$ 494,838	\$ 298,262	\$ 196,571	-
<b>TOTALS</b>			<b>\$ 4,779,725</b>	<b>\$ 4,465,352</b>	<b>\$ 302,396</b>	<b>\$ 4,767,743</b>	<b>\$ 3,703,285</b>	<b>\$ 1,064,458</b>	<b>314,373</b>

\* Funding moved as payment becomes due

Cash Balance on 6/30/2011:

\$ 1,073,197

Unallocated cash available:

\$ 8,738

**CITY OF KERRVILLE  
ECONOMIC IMPROVEMENT CORPORATION  
COMPLETED PROJECTS SUMMARY**

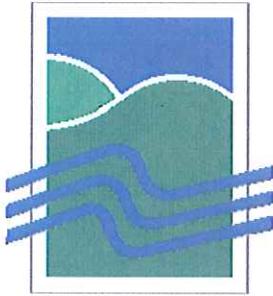
	BUDGET YEAR	ALLOCATION	ACTUAL EXPENSES	BALANCE OF ALLOCATION
<b>Pay As You Go Projects:</b>				
Methodist Encampment Area Sewer		293,000.00	294,657.72	(1,657.72)
Jefferson Street Sewer Lift Station		94,339.00	87,008.93	7,330.07
Low Water Crossing Study		60,000.00	26,589.10	33,410.90
Fire Truck Purchase		260,000.00	269,481.00	(9,481.00)
Legion Lift Station Improvements	2005-2006	118,300.00	112,385.00	5,915.00
Thompson Drive Sidewalks		5,940.00	6,738.75	(798.75)
Memorial Drive Lift Station		160,000.00	154,276.26	5,723.74
Park Lane Extension Engineering Services	2000-2001	31,000.00	31,000.00	0.00
Library Architectural Services	2000-2001	14,000.00	14,194.98	(194.98)
<b>North Street Improvements:</b>				
Preliminary Engineering Report		64,750.00	105,429.34	(40,679.34)
North Street Project (+ C.O. #1 & #2)		2,306,123.70	2,230,175.95	75,947.75
Land Purchase - Fire Station #4	2001-2002	215,000.00	211,949.98	3,050.02
ASR Well #2 and Transmission Infrastructure	2000-2001	329,685.81	333,226.84	(3,541.03)
Fire Station #2 (50% in Bond Projects)	2005-2006	400,000.00	400,000.00	0.00
Ambulance and Equipment Purchase	2003-2004	143,150.12	143,150.12	0.00
Library Improvements	2005-2006	228,650.00	228,650.00	0.00
Loop 534 Water and Sewer	2002-2003	188,837.61	188,837.61	0.00
G Street Bridge Match and ROW	2000-2001	300,000.00	300,000.00	0.00
Pumper Apparatus	2003-2004	350,000.00	350,000.00	0.00
Expansion of Airport Lease Space (BA Products)		24,600.00	24,600.00	0.00
Broadway Utility Relocation (TxDOT)	2005-2006	130,000.00	130,000.00	0.00
Geographic Information System	2002-2003	153,812.00	153,812.00	0.00
Airport Commerce Park Infrastructure	2005-2006	630,000.00	596,182.19	33,817.81
Quinlan/Town Creek Drainage Easements Acquisition	2004-2005	40,000.00	20,418.74	19,581.26
2004 Golf Course Irrigation Expansion Project	2004-2005	40,000.00	37,559.00	2,441.00
FY04 Kerr Economic Development Foundation	2003-2004	10,800.00	10,800.00	0.00
Emergency Services Communication	2002-2003	109,000.00	109,000.00	0.00
Legion Hills Infrastructure	2003-2004	352,000.00	352,000.00	0.00
Hill Country Shooting Sports Center	2004-2005	200,000.00	200,000.00	0.00
Airport Water Tower Demolition	2004-2005	95,000.00	19,796.90	75,203.10
Riverstar Park Pavillion	2004-2005	127,000.00	127,000.00	0.00
Dietert Senior Center	2004-2005	500,000.00	500,000.00	0.00
FY06 Kerr Economic Development Foundation	2005-2006	8,000.00	8,000.00	0.00
Sid Peterson Hospital	2005-2006	500,000.00	500,000.00	0.00
Hill Country Shooting Sports Center	2004-2005	500,000.00	500,000.00	0.00
General Aviation Terminal	2006-2007	300,000.00	300,000.00	0.00
Kerrville Skate Park	2006-2007	137,038.00	137,038.00	0.00
ASR Well #3	2007-2008	75,000.00	44,908.00	30,092.00 *
Relocate 12/30 Parallel Taxiway	2007-2008	542,540.00	542,540.00	0.00
S. H. 16 Utilities and Drainage Project	2007-2008	981,206.00	981,206.00	0.00
Holdsworth Drive	2007-2008	1,000,000.00	1,000,000.00	0.00
Airport Install 3 Phase Electric	2006-2007	25,000.00	14,770.25	10,229.75 *
Strengthen Runway 12/30	2006-2007	17,000.00	0.00	17,000.00
Airport Low Profile Hydrants	2007-2008	39,000.00	32,625.53	6,374.47 *
KEDEF Economic Development Strat. Plan	2006-2007	84,750.00	84,750.00	0.00
Salvation Army Detention Center	2007-2008	70,000.00	70,000.00	0.00
KEDEF/USDA	2008-2009	65,000.00	66,706.00	(1,706.00)
Towncreek Sewer Project	2004-2005	492,657.00	492,657.00	0.00
Tivy Education Center	2008-2009	300,000.00	300,000.00	0.00
Park Lane Extension	2000-2001	343,246.34	257,495.34	91,015.55 **
Schreiner University	FA 2007-02	750,000.00	750,000.00	0.00
<b>Total Completed Pay As You Go Projects</b>		<b>9,495,026.24</b>	<b>9,076,920.41</b>	<b>206,067.83</b>
<b>Bond Projects:</b>				
Golf Course Improvements		1,850,000.00	1,850,000.00	0.00
G Street Bridge ROW (TxDOT FA)	2000-2001	102,098.93	102,098.93	0.00
Airport Water/Sewer Mains		732,386.07	731,899.55	486.52
Affordable Housing Infrastructure		175,000.00	174,323.75	676.25
Fire Station #2 (50% in Pay-As-You-Go Projects)	2005-2006	400,000.00	400,000.00	0.00
Loop 534 Water and Sewer	2002-2003	1,649,584.13	1,649,584.13	0.00
Broadway Utility Relocation (TxDOT)		200,000.00	200,000.00	0.00
<b>Total Completed Bond Projects</b>		<b>5,109,069.13</b>	<b>5,107,906.36</b>	<b>1,162.77</b>
<b>TOTAL ALL COMPLETED PROJECTS</b>		<b>14,604,095.37</b>	<b>14,184,826.77</b>	<b>207,230.60</b>

\*Balance Returned to EIC

\*\*Balance Returned to EIC Debt Service

**BOND MATURITY SCHEDULE**  
**EIC - SALES TAX REVENUE BONDS**  
**SERIES 1999**  
**\$5,350,000**

Year Ending Sep 30	Principal	Interest	Total	Balance of Principal
2000	\$ 160,000	\$ 336,050	\$ 496,050	\$ 5,190,000
2001	\$ 275,000	\$ 220,566	\$ 495,566	\$ 4,915,000
2002	\$ 290,000	\$ 208,560	\$ 498,560	\$ 4,625,000
2003	\$ 300,000	\$ 196,023	\$ 496,023	\$ 4,325,000
2004	\$ 315,000	\$ 182,954	\$ 497,954	\$ 4,010,000
2005	\$ 330,000	\$ 169,578	\$ 499,578	\$ 3,680,000
2006	\$ 340,000	\$ 155,925	\$ 495,925	\$ 3,340,000
2007	\$ 355,000	\$ 141,500	\$ 496,500	\$ 2,985,000
2008	\$ 370,000	\$ 126,183	\$ 496,183	\$ 2,615,000
2009	\$ 390,000	\$ 109,935	\$ 499,935	\$ 2,225,000
2010	\$ 405,000	\$ 92,539	\$ 497,539	\$ 1,820,000
2011	\$ 425,000	\$ 73,859	\$ 498,859	\$ 1,395,000
2012	\$ 445,000	\$ 54,066	\$ 499,066	\$ 950,000
2013	\$ 465,000	\$ 33,248	\$ 498,248	\$ 485,000
2014	\$ 485,000	\$ 11,276	\$ 496,276	\$ -
<b>Total</b>	<b>\$ 5,350,000</b>	<b>\$ 2,112,262</b>	<b>\$ 7,462,262</b>	



**City of Kerrville**  
Engineering Division  
800 Junction Highway  
Kerrville, Texas 78028-5069  
830.258.1415 (O)  
830.896.8793 (F)  
dieter.werner@kerrvilletx.gov

## MEMORANDUM

TO: EIC Board

FROM: Dieter Werner, P.E., Project Engineer

DATE: July 11, 2011

SUBJECT: July, 2011 CIP Update for EIC Funded Projects

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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 94% of their construction contract. Raba Kistner has invoiced & been paid 24% of their material testing contract.

On July 8, 2011 the City conducted a final walk through on the project with the contractor and a punch list was developed for deficiencies needing to be corrected prior to final acceptance. The contractor is currently working on these issues. Additionally, the City is waiting for final acceptance/release from all affected property owners.

Salvation Army Kroc Center Site Work & Drainage Improvements (\$570,000.00) – This project consists of constructing retaining walls, sidewalks, 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 under a separate contract by Brydson Welding and has been completed and accepted by the City.

		City of Kerrville		Economic Improvement Corporation		Sales Tax Improvement			
		FY 10	FY10 Amended	FY10 Actual	FY11 Approved	FY11 Actual	FY12		
		Approved	Budget	Budget	Budget	06/30/11	Proposed		
		Budget	Budget	Budget	Budget	Budget	Budget		
<b>EXPENDITURES:</b>									
Administrative									
Supplies		\$0		\$32					
Special Services			\$100,000			\$225			
Special Services - 1st Southwest				\$3,500		\$3,500			\$3,500
				\$0					
Advertising				\$20					
Transfer to Debt Service Fund		\$505,000	\$505,000	\$505,000	\$505,000	\$378,750	\$505,000		\$505,000
Kerrville Economic Development Foundation		\$25,000	\$25,000	\$25,000					
Administrative Services Fee		\$75,000	\$75,000	\$75,000	\$75,000	\$56,250	\$100,000		\$225,000
Kerr Economic Development Corporation					\$225,000	\$225,000			\$225,000
Transfer Out									
<b>Total Administrative</b>		\$605,000	\$705,000	\$608,552	\$805,000	\$663,725	\$833,500		\$833,500
<b>Category I - Business Development</b>									
KEDF/USDA Project		\$33,262	\$33,262	\$33,262	\$131,000	\$110,659	\$0		\$0
Commercial Improvement Program		\$0	\$100,000	\$100,000	\$50,000	\$50,000	\$50,000		\$50,000
Hill Country Shooting Sports Center						\$494,838			
Unspecified		\$1,033,738	\$1,033,738		\$600,000		\$800,000		\$800,000
<b>Total Category I</b>		\$1,067,000	\$1,167,000	\$133,262	\$781,000	\$655,497	\$850,000		\$850,000
<b>Category II - Quality of Life</b>									
Schreiner University Project		\$250,000	\$250,000	\$250,000					
Hill Country Home Opportunity Council		\$0	\$150,000	\$150,000					
Category II Unspecified		\$50,000	\$50,000		\$82,000		\$45,750		\$45,750
<b>Total Category II</b>		\$300,000	\$450,000	\$400,000	\$82,000	\$0	\$45,750		\$45,750
<b>Category III - Public Infrastructure</b>									
Unspecified Projects		\$1,471,038	\$1,321,038		\$82,000		\$45,750		\$45,750
<b>Total Category III</b>		\$1,471,038	\$1,321,038	\$0	\$82,000	\$0	\$45,750		\$45,750
Contingency		\$500,000	\$400,000		\$500,000				\$500,000
<b>TOTAL EXPENDITURES</b>		\$3,943,038	\$4,043,038	\$1,141,814	\$2,250,000	\$1,319,222	\$2,275,000		\$2,275,000

**Economic Improvement Corporation**

**City of Kerrville, Texas  
Investment Policy**

**Adopted -----, 2011**

**1. General Policy**

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

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

**2. Scope**

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

**3. Goals and Objectives**

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

**a. Safety**

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

**b. Liquidity**

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

To the extent possible, EIC will attempt to match its investment maturities with anticipated liabilities and cash flow requirements. EIC will not directly invest in any securities maturing more than two (2) years from the date of purchase.

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

**c. Diversification**

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

**d. Yield**

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

**4. Investment Strategy**

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

**5. Investment Officers**

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

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

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

### **Training**

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

## **6. Standard of Care**

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

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

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

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

## **7. Standard of Ethics**

Investment Officer(s) shall act as custodians of the public trust and shall refrain from any transaction that might involve a conflict of interest or the appearance of a conflict of interest, or any activity that might otherwise discourage public confidence. Investment Office(s) shall refrain from personal business activity that could conflict with proper

execution of the investment program or that could impair their ability to make impartial investment decisions.

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

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

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

##### **Broker/Dealers**

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

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

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

Broker/dealers shall provide timely trade documentation and confirmations.

##### **Certification**

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

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

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

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

### **Investment Advisor (Investment Manager)**

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

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

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

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

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

### **9. Authorized Investments**

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

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

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

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

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

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

#### **Delivery versus Payment**

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

#### **Competitive Bidding**

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

#### **10. Collateralization**

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

## **Repurchase Agreement- Owned Collateral**

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

### **11. Safekeeping and Custody of EIC Owned Securities**

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

### **12. Internal Control**

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

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

#### **Cash Flow Forecasting**

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

### **13. Reporting**

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

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

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

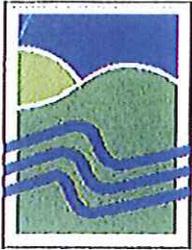
#### **14. Depositories**

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

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

#### **15. Policies and Strategy Review**

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



**CITY OF KERRVILLE**  
800 Junction Highway  
Kerrville, Texas 78028  
830-257-8000 / www.kerrvilletx.gov

**Economic Development Strategy  
DRAFT -- 3/18/2011**

This document outlines a comprehensive vision to provide guidance for the near-term utilization of 4B Economic Development Sales Tax resources using existing planning documents. 4B funds provide a stable source of economic development capital that may be employed for both short-term and long-term programming and initiatives. In order that these funds are used to the maximum benefit and desire of the community it is important to understand both the comprehensive vision established by the citizens and the markets/industries that are appropriate for Kerrville and Kerr County.

The use of 4B funds for near-term projects is proposed within the context of a long-term strategy that employs the use of multiple funding resources and the coordinated efforts of the community's economic development partners. Allocating resources, especially to fund capital improvements, must be made in a manner that invests Kerrville's limited resources in a way that ensures the community achieves its vision.

Kerrville has engaged in significant efforts to refine its vision and prepare an implementation plan over the past several years. The tangible results of these efforts are the Kerrville Comprehensive Plan, Kerrville Water and Wastewater Master Plan, and the Kerrville/Kerr County Economic Development Strategic Plan. These three documents provide the foundation by which the City Council contemplates the allocation and utilization of the community's financial resources including the use of 4B funds. In fact, the City Council has created a set of goals that are evaluated annually as they initiate the budget process in an effort to ensure that incremental annual decisions remain consistent with the long-term view of the community.

This document contains several exhibits. These exhibits include excerpts from portions of the Kerrville Comprehensive Plan (2002 updated 2008) and the Kerrville/Kerr County Economic Development Strategic Plan 2008 that pertain to community development in addition to the Kerrville City Council Goals and the Kerrville 5-Year Capital Improvements Program.

**FOUNDATION FOR THE ECONOMIC DEVELOPMENT STRATEGY**

The ultimate objective is to achieve Kerrville's official vision pursuant to official planning documents adopted by the Kerrville City Council. Contained in the Kerrville Comprehensive Plan is the following vision statement:

*Kerrville, the Heart of the Texas Hill Country, preserves its unique environment and natural resources while promoting economic growth, quality of life and opportunities for all residents.*

By recognizing this vision statement and reviewing the common themes within the planning documents several strategic components have been established -- Scope of Place, Quality of Place, and

Core Infrastructure. These three components combine to define the community in a very real way and to establish a functional means by which to realize the community vision.

#### SCOPE OF PLACE

The scope of place is a functional vision of the community that contemplates a practical application of the community's stated goals and objectives. It contemplates how the community would actually function and the types and intensities of uses and activities that would be appropriate to Kerrville. The official goal and policy statements of the City provide the basis for discerning Kerrville's "scope of place."

Three primary themes emerge that establish the "scope of place." These common themes are the Guadalupe River, the natural environment, and the quaintness/small town atmosphere of the community. When considered in tandem, these three factors clearly delineate the type of city that Kerrville's citizens expect. A review of the targeted sectors outlined in the EDSP is consistent with this "scope of place."

Implementation strategies of the three elements of "scope of place" are:

1. Guadalupe River
  - a. Investment in additional recreational amenities
  - b. Development as a commercial and retail corridor
  - c. Further enhance the river as a destination place for tourism
2. Natural Environment
  - a. Preserve those elements of the natural environment that make the community special
  - b. Maintain Kerrville as a physically attractive place by ensuring that development is compatible with the natural environment
  - c. Maintain Kerrville's brand as a desirable place to visit
3. Quaintness/Small Town Atmosphere
  - a. Increase commercial activity in the central business district
    - i. Attract additional appropriate retail and commercial prospects
    - ii. Construct additional streetscape enhancements
    - iii. Provide way finding and signage to direct visitors to points of interest
  - b. Protect historically significant and unique structures
  - c. Facilitate reuse of existing historically significant and unique structures
  - d. Enhance Kerrville's reputation as a place to be for local residents and for tourists
    - i. Create additional local shopping and retail opportunities unique to the community
    - ii. Hold additional local special events that help to increase tourism during non-peak tourism periods
      1. 4<sup>th</sup> of July
      2. Local music concerts/events – i.e. spring concert series
      3. Competitive events
        - a. Triathlons
        - b. Road races
        - c. Bicycle races
        - d. Rowing events
        - e. Fishing tournaments

- iii. Improve public amenities and gathering places
      - 1. Butt-Holdsworth Memorial Library Renovations
      - 2. Louise Hays Park Improvements
      - 3. River trail development
- 4. Business
  - a. Retention and Growth of the local business sectors
    - i. Identify strongest sectors of the existing business community
    - ii. Develop incentive programs to help targeted local businesses grow and expand markets beyond the city limits
    - iii. Improve programming to assist small, local entrepreneurs to flourish and grow
  - b. Expansion into new markets or underserved markets
    - i. Identify ideal opportunities for growth of local business
    - ii. Actively develop and implement a strategy to recruit the target markets specified in the EDSP
  - c. Downtown
    - i. Invigorate activity within the central business district through actively pursuing appropriate types of businesses
    - ii. Increase commercial opportunities for established businesses within the downtown area through appropriate events, business assistance programs and marketing
    - iii. Enhance the sustainability for emerging businesses within the downtown area through appropriate events, business assistance programs and marketing
  - d. Develop Kerrville as regional commercial hub
    - i. IH-10 corridor
    - ii. Junction Highway corridor
    - iii. SH-27 corridor
    - iv. SH-16 corridor
    - v. Harper Highway corridor

#### QUALITY OF PLACE

Quality of place may be defined as the degree to which a community is attractive to a wide range of residents. It is based on the concept that change and diversity bring significant benefits to the community. Communities striving to improve their quality of place are working to provide options for current residents and well as for prospective residents.

For rural communities like Kerrville who are struggling to retain people and businesses, adopting a philosophy of quality of place will be critical to long-term economic competitiveness. Kerrville must be poised to attract a talented and qualified work force. To do so, Kerrville must invest in amenities that will make it more attractive to new residents than its other competitors. Items that are typically considered important quality of place factors are a diversity of choices in employment housing, entertainment, culture, recreation, and retail.

Implementation strategies for “quality of place” are:

- 1. Conserve natural resources and open spaces
  - a. Preserve more substantial portions of the Guadalupe River corridor

- i. Acquire property along the north and south sides of the Guadalupe River for open spaces, greenbelts and trail development
    - ii. Develop standards for riverfront development
  - b. Use natural waterways to provide water-oriented recreation opportunities
    - i. Increase public access to the Guadalupe River through recreation easements and boat ramps
    - ii. Develop a coordinated system of access points along the Guadalupe River
    - iii. Develop trails along the main stem of the Guadalupe River and its major tributaries
  - c. Preserve environmentally sensitive areas
    - i. Identify and preserve environmentally sensitive areas along the Guadalupe River as public open space and recreation areas
    - ii. Protect identified areas through conservation easements, density bonuses or fee simple purchase
    - iii. Use development incentives to preserve areas as either open spaces or as park dedications
  - d. Increase opportunities for tourism related activities and opportunities oriented around the Guadalupe River
    - i. Acquire additional land along the Guadalupe River that will serve local residents as well as tourists
    - ii. Develop additional recreational amenities along UGRA Lake
    - iii. Link the Kerrville River Trail with the central business district
    - iv. Provide nature trails and birding along the Guadalupe River
    - v. Provide opportunities for fishing and boating along the Guadalupe River
- 2. Develop a pedestrian and bicycle network
  - a. Utilize the Guadalupe River corridor for parks and recreation amenities and as a link between major attractions
    - i. Develop trail segments and related improvements along the river
    - ii. Create incentives for developments adjacent to the river to dedicate easements for public recreational use
    - iii. Develop access sites and improve existing amenities to meet ADA requirements
    - iv. Amend the existing easement along UGRA Lake to facilitate recreational uses and river corridor development
- 3. Culture
  - a. Butt-Holdsworth Memorial Library renovation and expansion
  - b. Public art program in downtown.
  - c. Maximize use of the Cailloux Theatre for high-profile regional events

## CORE INFRASTRUCTURE

The ability to accommodate or sustain development is entirely contingent upon Kerrville's ability to provide a dependable supply of water and treat wastewater. Planned water and wastewater projects comprise more than \$37 million of Kerrville's 5-Year Capital Improvements Program. Major enhancements to Kerrville's water supply and water distribution systems are nearing completion. The city has now initiated major enhancements to the core wastewater system.

- 1. Water Supply
  - a. Increase capacity to serve a population of 35,000

- b. Develop multiple supplies to ensure dependability through all drought conditions
    - i. Acquire run-of-river rights as they are identified and become available
    - ii. Increase ASR capabilities
    - iii. Drill additional ground water wells
  - c. Use effluent and re-use water to enhance raw water supplies
    - i. Divert effluent prior to discharge in the Guadalupe River to supplement ground water and surface water supplies
    - ii. Encourage residential and commercial development to utilize rain water catchment and other similar measures for non-potable water usage in order to preserve existing raw water supplies
2. Water System
- a. Increase capacity to serve a population of 35,000
  - b. Increase total water supply to ensure fire protection is met
    - i. 1,500 GPM along commercial corridors
    - ii. 1,000 GPM in residential areas
  - c. Expand the system in targeted areas where development is to be encouraged
    - i. Harper Highway
    - ii. Junction Highway
    - iii. IH-10
    - iv. SH-27
3. Wastewater System
- a. Increase capacity to serve a population of 35,000
  - b. Expand the system in targeted areas where development is to be encouraged
    - i. Harper Highway
    - ii. Junction Highway
    - iii. IH-10
    - iv. SH-27

## FINDINGS

Reviews of these founding documents create a clear picture of what the community aspires to be. All the resources of the community must be fully maximized and the efforts of all of the economic development partners must be effectively coordinated in order to achieve the stated goals and objectives. In order to achieve the items listed here it will take the combined efforts and resources of all Kerrville's economic development partners.

Kerrville's economic development strategy should be scheduled to accommodate short-term, medium-term, and long-term objectives. Short-term objectives should be within the next 3 to 5 years, medium-term objectives should be within the next 5 to 10 years, and long-term objectives should be beyond 10 years.

Short-term projects are:

- 1. Business Growth
  - a. Water and wastewater utilities
    - i. Expand water supply
      - 1. Construct new ground water wells
      - 2. Construct 2 new ASR wells

3. Acquire run-of-river rights
4. Expand the wastewater treatment plant
- ii. Upgrade wastewater utility system
  1. Increase core wastewater system capacity to meet ultimate demand
- b. Water and wastewater utility extensions to Harper Highway and IH-10
- c. Small business assistance
  - i. Façade upgrade program
  - ii. Advertising for downtown businesses
  - iii. Expansion assistance
- d. Engage in recruitment of target markets as specified by the EDSP
  - i. High-end lodging
  - ii. Destination retail
  - iii. Entertainment
  - iv. Recreational facilities
2. River Trail Development
  - a. Kerrville River Trail Phase 1 – River Nature Center to Louise Hays Park
  - b. Louise Hays Park Improvements
3. Downtown Streetscape Enhancements
  - a. Water Street Enhancements
    - i. Sidewalk reconstruction
    - ii. Landscaping enhancements
    - iii. Street furniture
  - b. Wayfinding signage
  - c. Downtown gateway monumentation

#### 4B SALES TAX REVENUES USED TO ACHIEVE SHORT-TERM OBJECTIVES

4B sales tax revenues provide initial capital to achieve some core components of the community's community development effort. However, these revenues comprise only a small portion of the funding needed to achieve the community's ultimate vision. It is imperative that these funds be utilized to their maximum and that they are used to achieve an appropriate mixture of immediate and long-term needs.

It is recommended that no more than 50% of 4B revenues to debt service that exceeds 10 years. The 50% benchmark is to be calculated by averaging the gross 4B sales tax revenues over the previous 10-year period. This policy will provide a means to accommodate larger-scale projects while preserving a substantial amount of operating capital each year.

With these financial limitations and the existing debt service obligations of the EIC, no more than \$500,000 of existing 4B sales tax revenues should be used to leverage debt that exceeds 10 years. EIC's existing debt matures in 2014 and this will free up approximately \$500,000 of the existing 4B revenues. This will allow the EIC Board to consider additional economic development programs and strategies beyond 2014 and provide additional capacity for long-term debt.

4B funds may be used to issue debt or provide direct cash allocations for the following program which would be consistent with the ultimate vision and the community's near term strategies:

**Proposed EIC Funding for Near-Term Projects**

<b>Project</b>	<b>Amount</b>	<b>Funding Source</b>
<b>Downtown</b>		
Streetscape Enhancements	\$1,000,000	2011 CO
River Trail Phase 1	\$2,000,000	2011 CO
Louise Hays Park Improvements	\$1,000,000	2011 CO
<b>2011 CO Sub-Total</b>	<b>\$4,000,000</b>	<b>2011 CO</b>
<b>Utility Improvements</b>		
Harper Highway	\$1,200,000	Cash
<b>GRAND TOTAL</b>	<b>\$5,200,000</b>	<b>All Sources</b>

To secure \$4 million in working capital it is estimated that debt service would be approximately \$300,000 for a 20-year term. The additional debt service of \$300,000 would leave an estimated \$1 million in unallocated sales tax revenues each year based upon current annual operating expenses, including the debt service obligation that fully matures in 2014. This assumes annual sales tax revenues of \$2.2 million which is the average income level for the past 10 fiscal years.

**Exhibit A**  
**Kerrville Comprehensive Plan 2002 (Updated 2008) (Excerpt)**

KERRVILLE COMPREHENSIVE PLAN – Those goals and objectives contained within the Plan that provide direct guidance on the allocation of resources related to community development are listed here. These goals were the foundation by which Kerrville’s 5-Year Capital Improvements Plan was created.

Link 3 – Land Use

- Goal 3.1 Promote growth in appropriate areas so as to guide future development in a well-managed and fiscally responsible manner.
- Goal 3.3 Maintain and improve parks and recreational areas.
- Goal 3.4 Make the Guadalupe River a focus of Kerrville.

Link 4 – Transportation

- Goal 4.1 Improve citywide transportation mobility through key thoroughfare system improvements.
- Goal 4.2 Identify long-term transportation improvements.
- Goal 4.4 Promote and enhance pedestrian and bicycle routes.
- Goal 4.5 Provide for and enhance the long-term development of the Louis Schreiner Municipal Airport as a viable transportation and economic resource.

Link 5 – Utilities

- Goal 5.1 Expand the water system capacity to meet projected 2020 demands.
- Goal 5.2 Improve water distribution, wastewater collection and storm drainage systems to eliminate problem areas and improve system efficiencies.
- Goal 5.5 Expand the use of recycled water and develop systems for its maximum benefit.

Link 6 – Communications Technology

- Goal 6.5 Promote use of communications technology to enhance the economic vitality of Kerrville.
- Goal 6.6 Facilitate the creation of an advanced communications network infrastructure for Kerrville citizens, businesses and industries.

Link 7 – Central City

- Goal 7.1 Preserve, protect and enhance the natural amenities, visual identity and relationship of the Guadalupe River with Central City.
- Goal 7.2 Develop Central City with a cohesive identity that is built upon maintaining and appreciating the strengths of its various areas.
- Goal 7.3 Preserve and enhance the historical and cultural resources of the Central City area.
- Goal 7.4 Enhance physical, economic and social characteristics the Central City to attract more residents and visitors of Kerrville, making Central City the activity center and focal point of the community.
- Goal 7.6 Establish mechanisms for moving goals and objectives for Central City from vision to reality.

Link 8 – Parks and Recreation

- Goal 8.1 Conserve natural resources and open spaces through park and recreation land acquisition, open space preservation and environmentally sensitive planning.

- Goal 8.3 Develop a pedestrian and bicycle network of sidewalks, trails and bikeways which connect neighborhoods to parks, schools, shopping centers, public buildings, open spaces and other destinations.
- Goal 8.4 Provide and fund a diverse blend of parks and recreation opportunities to adequately accommodate the current and future needs of Kerrville's residents.

Link 9 – Corridor Design

- Goal 9.1 Preserve and protect the Guadalupe River Corridor in a manner that maintains the environmental and aesthetic integrity of the corridor while enhancing its value as a pathway and recreational resource.
- Goal 9.3 Ensure that Kerrville's major corridors and gateways provide an impression of attractiveness, cohesion and pride in the community that is distinctive to Kerrville.
- Goal 9.4 Create corridors that are inviting to pedestrians and other modes of transportation beyond the automobile.

Link 10 – Economic Development

- Goal 10.1 Recruit, expand and retain businesses and industries that are environmentally friendly and pay an above average wage.
- Goal 10.2 Improve the quality of the present and future labor supply in Kerrville.
- Goal 10.3 Ensure that a variety of housing opportunities is available to existing and future residents of Kerrville.
- Goal 10.4 Enhance tourism opportunities by building upon natural amenities and recreation opportunities, expanding cultural and historical tourism, and increasing the community's ability to host conferences and conventions.
- Goal 10.5 Encourage development of a diverse economy in the Central City area that is driven by market demand and provided by economic incentives.
- Goal 10.6 Develop the tools, projects and programs necessary to position Kerrville as a hub for business and industry that utilizes its resources and quality of life to be competitive in the global marketplace.

Link 11 – Public Facilities

- Goal 11.3 Support growth and expansion of the Butt-Holdsworth Memorial Library and its efforts in providing educational and information services to residents.

**Exhibit B**  
**Kerrville/Kerr County Economic Development Strategic Plan 2008 (Excerpt)**

KERRVILLE/KERR COUNTY ECONOMIC DEVELOPMENT STRATEGIC PLAN 2008 (EDSP) – Kerrville and Kerr County collaborated to create the EDSP in 2008. The EDSP has established priorities for local economic development efforts; analyzed the community’s strengths, opportunities, weaknesses and threats; and outlined the near-term and long-term targeted sectors appropriate to the community.

EDSP Priorities

- Priority 1 Focus on a select group of target industries that offer the best prospects for recruitment.
- Priority 2 Adopt incentive policy guidelines that are competitive with other regions while protecting the tax base.
- Priority 3 Ensure that economic opportunity and advancement are available to all Kerrville/Kerr County residents by growing the middle class.
- Priority 4 Enact a coordinated economic development marketing campaign that increases awareness and perception of the community to the outside world.
- Priority 5 Implement the strategies in such a way that maximum flexibility and accountability are maintained.

SWOT

**Strengths**

- |                            |                                 |
|----------------------------|---------------------------------|
| Scenic Natural Environment | Local Healthcare                |
| Retiree Community          | Arts/Culture                    |
| Tourism Industry           | Proximity to San Antonio/Austin |
| Positive Brand Awareness   | Airport and University          |

**Weaknesses**

- |                                   |                             |
|-----------------------------------|-----------------------------|
| Availability of Qualified Workers | Lack of Affordable Housing  |
| Cost of Living                    | Shortage of Skilled Workers |
| Few Major Employers               | Retail Leakage              |

**Opportunities**

- |                                    |                                      |
|------------------------------------|--------------------------------------|
| Expand Retail/Recreational Options | Downtown Development District        |
| Target ‘Legacy’ Businesses         | Market to Tourists, Texas Developers |
| Entrepreneurship                   | Workforce Training                   |

**Threats**

- |                                    |   |
|------------------------------------|---|
| Downtown Vacancies, Inactivity     | Workforce Limits Industry Recruitment   |
| Growing Gap in Housing Costs/Wages | Better Jobs/Wages in Neighboring Metros |

**Targeted Sectors**

<u>Sector</u>	<u>Short Term</u>	<u>Long Term</u>	<u>Niches</u>	<u>Local Assets</u>
Professional Training	X	X	X	X
<i>Corporate/Management</i>				
<i>Aircraft</i>				
Legacy Production			X	X
<i>Aircraft Related</i>				
<i>Jewelry Related</i>				
<i>Plastics</i>				
<i>Specialty Food Processing</i>				
Tourism Related	X	X	X	X
<i>High-end Lodging</i>				
<i>Destination Retail</i>				
<i>Entertainment</i>				
<i>Recreational Sports Facilities</i>				
Advanced Building Practices	X	X	X	X
<i>Water/Wastewater</i>				
<i>Materials/Energy Systems</i>				
Life Science		X	X	X
<i>Physicians/Nursing</i>				
<i>Laboratory-Based Testing</i>				
<i>Local Population Based</i>				

**Exhibit C**  
**City Council Goals**

**CITY COUNCIL GOALS** – City Council evaluates and reaffirms the following goals each year as it initiates the annual budget process. These goals link directly back to the City's major planning documents and help to ensure that incremental budgetary decisions remain consistent with the overall vision for the City.

- Understand the citizens' needs and wants.
- Deliver quality municipal and public safety services in a cost effective manner.
- Be good stewards of public resources through strategic planning.
- Plan, maintain, and upgrade Infrastructure.
- Promote desirable growth of business, recreational, and cultural assets.
- Encourage intelligent development through reasonable, responsible, and forward thinking ordinances and streamlined procedures.
- Engage in beneficial relations with other governmental agencies.

**Exhibit D  
5-Year CIP**

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

Funding Source: General Fund							
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Funding	TOTAL
Safe Routes to School Program	\$80,000	\$0	\$0	\$0	\$0	\$0	\$80,000
Calloux Center ADA Compliance Repairs	\$50,000	\$200,000	\$0	\$0	\$0	\$0	\$250,000
Airport RAMP Grants	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$0	\$125,000
Olympic Pool Repair and Renovation Phase I	\$0	\$40,000	\$0	\$0	\$0	\$0	\$40,000
Station 4 - 911 Ambulance	\$0	\$238,600	\$0	\$0	\$0	\$0	\$238,600
Thoroughfare Plan Update	\$0	\$30,000	\$70,000	\$50,000	\$0	\$0	\$150,000
Louise Hays Park Renovations	\$0	\$0	\$25,000	\$0	\$0	\$0	\$25,000
Scott Schreiner Golf Course Parking Lot Improvements	\$0	\$0	\$0	\$120,000	\$0	\$0	\$120,000
<b>TOTAL</b>	<b>\$135,000</b>	<b>\$531,600</b>	<b>\$120,000</b>	<b>\$195,000</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$1,008,600</b>

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

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

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

Funding Source: General Fund Debt							
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Funding	TOTAL
Aerial Platform Ladder Truck Replacement	\$0	\$1,300,000	\$0	\$0	\$0	\$0	\$1,300,000
Arcadia Loop Cut-Off	\$0	\$327,000	\$0	\$0	\$0	\$0	\$327,000
Remedial Drainage Program	\$0	\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000
Sample Park	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Schultz Park Renovation	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Singing Winds Park	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000
Westland Park	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Street Reconstruction	\$0	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$0	\$6,000,000
Relocate Central Fire Station/Admin Offices	\$0	\$0	\$4,205,000	\$0	\$0	\$0	\$4,205,000
Fire Station #5	\$0	\$0	\$0	\$0	\$0	\$1,871,000	\$1,871,000
G-Street Bridge over Quinlan Creek	\$0	\$0	\$0	\$0	\$0	\$2,245,000	\$2,245,000
Olympic Pool Complex Renovation Phase II	\$0	\$0	\$0	\$0	\$0	\$500,000	\$500,000
Spur 100 Extension Phase I	\$0	\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000
<b>TOTAL</b>	<b>\$0</b>	<b>\$4,627,000</b>	<b>\$5,705,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$9,816,000</b>	<b>\$22,948,000</b>

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

Funding Source: Water/Sewer Debt

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Funding	TOTAL
Birkdale Lift Station & New Force Main	\$4,868,000	\$0	\$0	\$0	\$0	\$0	\$4,868,000
Force Main Co-mingle Box at WWTP	\$305,000	\$0	\$0	\$0	\$0	\$0	\$305,000
G Street 24"/27" Interceptor	\$308,000	\$2,052,000	\$0	\$0	\$0	\$0	\$2,360,000
III Evaluation, Rehabilitation and Replacement - Engineering	\$100,000	\$100,000	\$0	\$0	\$0	\$0	\$200,000
III Evaluation, Rehabilitation and Replacement Construction	\$800,000	\$600,000	\$800,000	\$0	\$0	\$0	\$1,800,000
WTP Clearwell Improvements	\$0	\$2,760,000	\$0	\$0	\$0	\$0	\$2,760,000
New Jefferson LIR Station & New Force Main to G Street Interceptors	\$0	\$644,500	\$4,290,000	\$0	\$0	\$0	\$4,934,500
Knapp Lift Station Expansion	\$0	\$0	\$349,000	\$2,324,000	\$0	\$0	\$2,673,000
12" Water Line from Meadowview Well	\$0	\$0	\$0	\$828,000	\$0	\$0	\$828,000
Leslie Drive Water Main Loop around Benson	\$0	\$0	\$0	\$542,000	\$0	\$0	\$542,000
New Legion Basin 24" Interceptor	\$0	\$0	\$0	\$899,500	\$0	\$0	\$899,500
Quinlan Basin 15" Interceptor	\$0	\$0	\$0	\$1,163,000	\$0	\$0	\$1,163,000
Reconstruction of Road Surface at Wastewater Treatment Plant	\$0	\$0	\$0	\$450,000	\$0	\$0	\$450,000
12 Inch Line Crossing Guadalupe River	\$0	\$0	\$0	\$110,000	\$731,000	\$0	\$841,000
Lois Pump Station Expansion	\$0	\$0	\$0	\$45,000	\$300,000	\$0	\$345,000
Redirect Broadway Force Main	\$0	\$0	\$0	\$48,000	\$317,000	\$0	\$365,000
River Hill Pressure Plane Improvements	\$0	\$0	\$0	\$188,503	\$1,258,686	\$0	\$1,447,191
SH 173 Force Main Extension	\$0	\$0	\$0	\$48,000	\$306,000	\$0	\$354,000
Stadium Pump Station Expansion	\$0	\$0	\$0	\$75,000	\$480,000	\$0	\$555,000
Spur 98 Water Line (WTP to Spur 98 Bridge)	\$0	\$0	\$0	\$0	\$88,000	\$700,000	\$788,000
Guadalupe Plaza Lift Station Elimination	\$0	\$0	\$0	\$0	\$0	\$145,000	\$145,000
Jefferson Basin 12" and 15" Interceptor	\$0	\$0	\$0	\$0	\$0	\$979,000	\$979,000
UTC Building	\$0	\$0	\$0	\$0	\$0	\$760,000	\$760,000
Wastewater Treatment Aquifer Replenishment	\$0	\$0	\$0	\$0	\$0	\$6,825,000	\$6,825,000
Water Plant Addition Phase II (IMGD)	\$0	\$0	\$0	\$0	\$0	\$239,000	\$239,000
<b>TOTAL</b>	<b>\$6,179,000</b>	<b>\$6,167,400</b>	<b>\$5,239,000</b>	<b>\$0,719,003</b>	<b>\$3,478,688</b>	<b>\$9,638,000</b>	<b>\$37,411,091</b>

Impact on Water/Sewer Operation

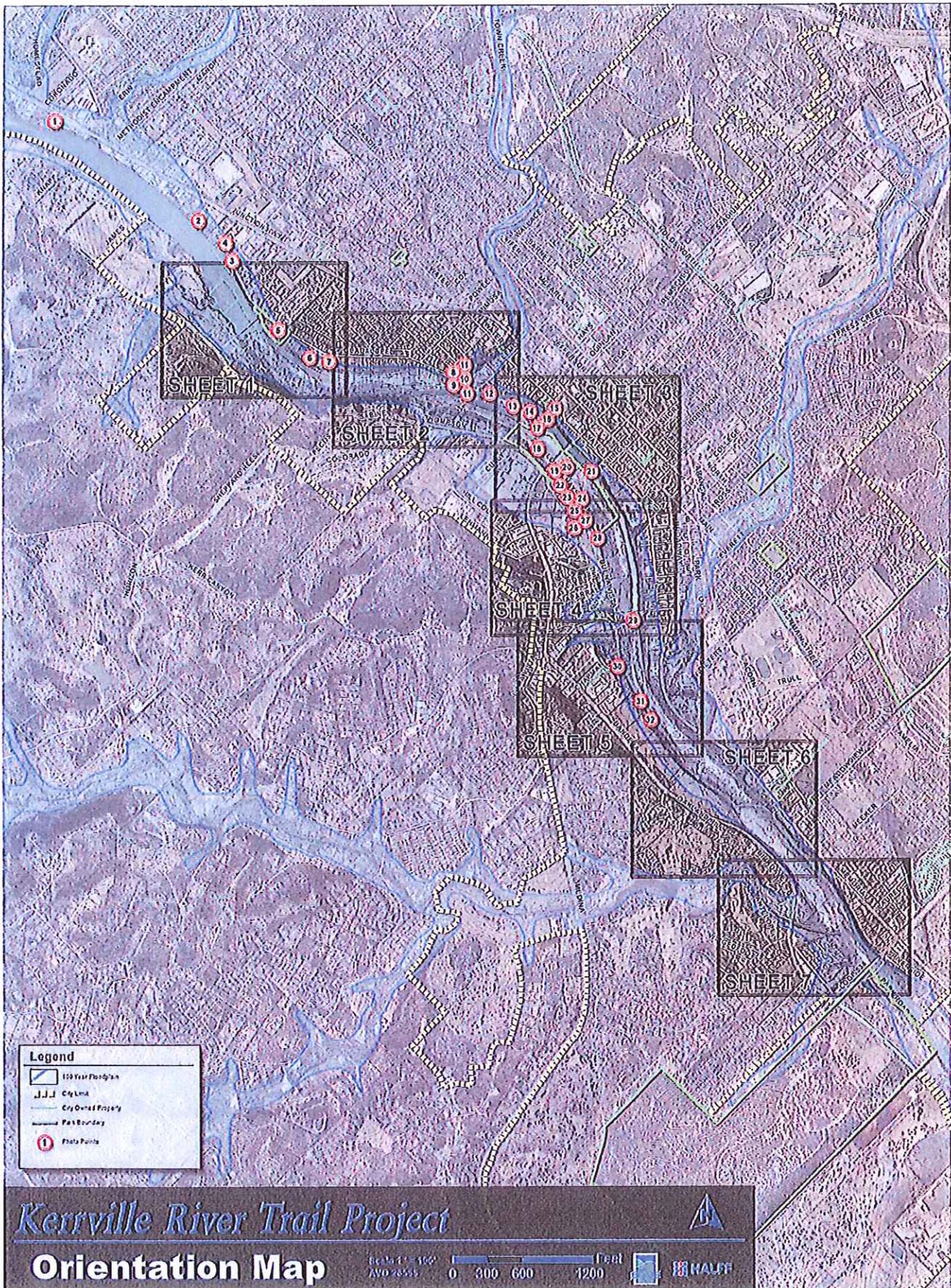
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Funding	TOTAL
Birkdale Lift Station & New Force Main	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$120,000
Force Main Co-mingle Box at WWTP	\$0	\$0	\$0	\$0	\$0	\$0	\$0
G Street 24"/27" Interceptor	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
III Evaluation, Rehabilitation and Replacement - Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0
III Evaluation, Rehabilitation and Replacement Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WTP Clearwell Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Jefferson Lift Station & New Force Main to G Street Interceptors	\$0	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$40,000
Knapp Lift Station Expansion	\$0	\$0	\$0	\$10,000	\$10,000	\$10,000	\$30,000
12" Water Line from Meadowview Well	\$0	\$0	\$0	\$5,000	\$5,000	\$5,000	\$15,000
Leslie Drive Water Main Loop around Benson	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Legion Basin 24" Interceptor	\$0	\$0	\$0	\$5,000	\$5,000	\$5,000	\$15,000
Quinlan Basin 15" Interceptor	\$0	\$0	\$0	\$5,000	\$5,000	\$5,000	\$15,000
Reconstruction of Road Surface at Wastewater Treatment Plant	\$0	\$0	\$0	\$20,000	\$0	\$0	\$20,000
12 Inch Line Crossing Guadalupe River	\$0	\$0	\$0	\$0	\$5,000	\$5,000	\$10,000
Lois Pump Station Expansion	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redirect Broadway Force Main	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Hill Pressure Plane Improvements	\$0	\$0	\$0	\$0	\$10,000	\$10,000	\$20,000
SH 173 Force Main Extension	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Stadium Pump Station Expansion	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Spur 98 Water Line (WTP to Spur 98 Bridge)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Guadalupe Plaza Lift Station Elimination	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Jefferson Basin 12" and 15" Interceptor	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UTC Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wastewater Treatment Aquifer Replenishment	\$0	\$0	\$0	\$0	\$0	\$10,000	\$10,000
Water Plant Addition Phase II (IMGD)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$20,000</b>	<b>\$25,000</b>	<b>\$35,000</b>	<b>\$80,000</b>	<b>\$76,000</b>	<b>\$85,000</b>	<b>\$320,000</b>

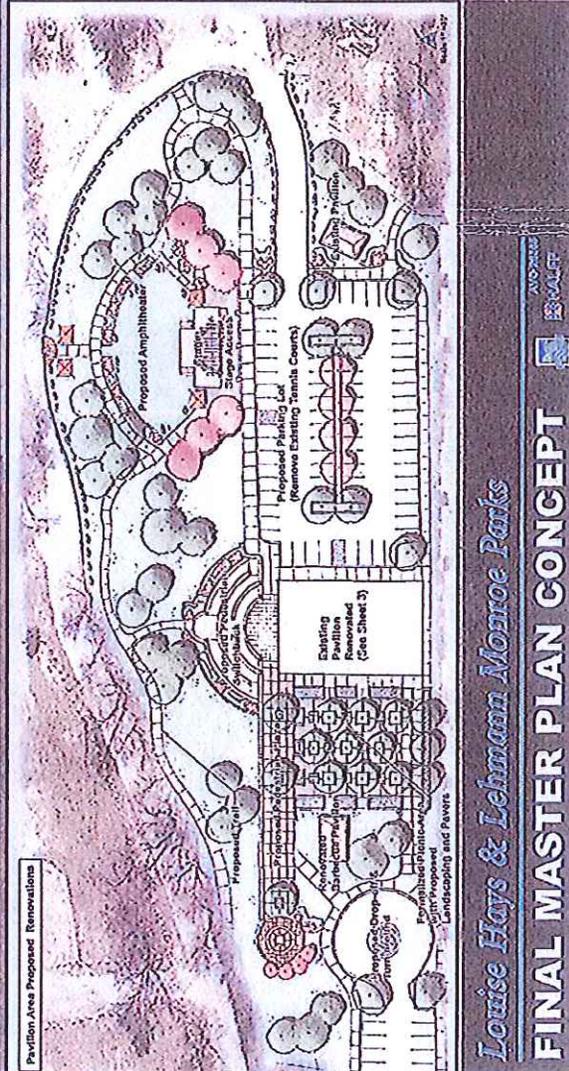
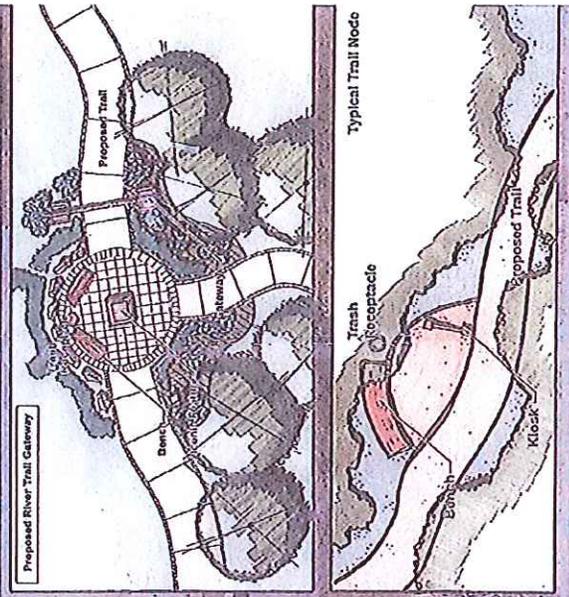
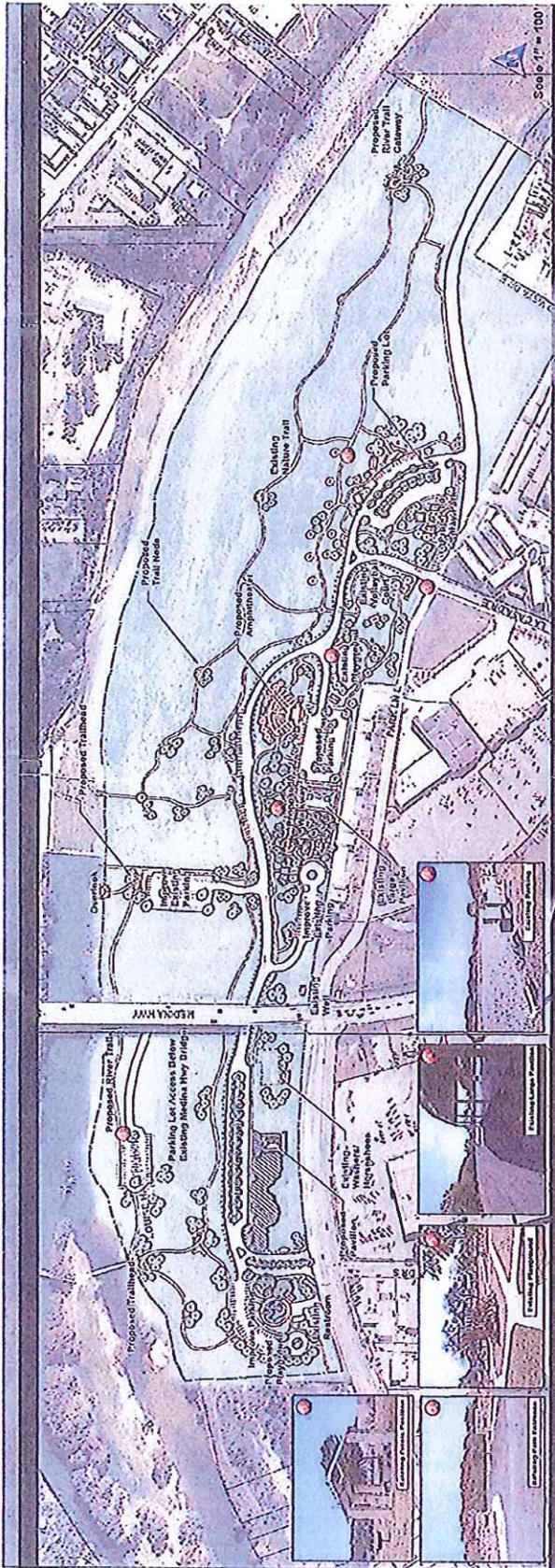
Funding Source: Other

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

Impact on General Fund and/or WS Operations

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





**Louise Hays & Lehmann Monroe Parks**  
**FINAL MASTER PLAN CONCEPT**

# Proposed Harper Road (Utilities Extension Project) City of Kerrville, TX

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

