

**AGENDA FOR MEETING OF  
THE CITY OF KERRVILLE, TEXAS  
ECONOMIC IMPROVEMENT CORPORATION  
Monday, September 19, 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 joint City Council meeting on August 10, 2011 and regular meeting on August 15, 2011. Pg. 1

**5. MONTHLY REPORTS:**

5A. Monthly financials for August 2011. Pg. 7

**6. PUBLIC HEARING AND ACTION:**

6A. Overview of utility projects related to economic development and presentation of Harper Road Utility Improvements, Phase II. (Parton/Ondrias/Erwin) Pg. 14

6B. Funding agreement with the City of Kerrville for the Harper Road Utility Improvements, Phase II, in the amount of \$1,000,000.00. (Parton)

**7. CONSIDERATION AND ACTION:**

7A. Provide direction to staff regarding the presented costs, financial options and timelines for the following projects:

- River Trail, Phases I, II, III
- Louise Hays Park Improvements
- Downtown Streetscape Improvements

**8. INFORMATION AND DISCUSSION:**

8A. Update from the Hill Country Shooting Sports Center. (Burch)

8B. Update from the Hill Country Home Opportunity Council. (Harrison)

8C. Update regarding the Kerrville Economic Development Corporation. (Appel)

8D. Discussion of letter concerning possible joint meeting with Kerr County Commissioners' Court. (Appel) Pg. 27

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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: September 15, 2011 at 4:15 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

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**9. EXECUTIVE SESSION:**

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

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

**11. ADJOURNMENT**

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Teri Kinsey  
Deputy City Secretary, City of Kerrville, Texas

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MINUTES OF THE KERRVILLE CITY COUNCIL AND  
CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION  
JOINT MEETING  
AUGUST 10, 2011

On August 10, 2011, the joint meeting of the Kerrville City Council and the Economic Improvement Corporation was called to order by Mayor Wampler at 8:36 a.m. in the city hall council chambers, 800 Junction Highway.

COUNCIL MEMBERS PRESENT:

David Wampler	Mayor
Gene Allen	Mayor Pro Tem
T. Scott Gross	Councilmember
Stacie Keeble	Councilmember
Carson Conklin	Councilmember

EIC MEMBERS PRESENT:

Gregg Appel	President
Kenneth Early	Vice-President
Tony Roberts	Secretary
Larry Howard	Board Member
Rex Boyland	Board Member

EIC MEMBER ABSENT:

Bob Miller	Board Member
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STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Teri Kinsey	Deputy City Secretary
Mike Wellborn	Director of Engineering
Mindy Wendele	Director of Business Programs
Mike Erwin	Director of Finance
Stuart Barron	Water/Wastewater Division Manager

**1. CALL TO ORDER**

**2. DISCUSSION AND POSSIBLE ACTION:**

**2A. Discussion of Economic Development Strategic Plan.**

Mr. Parton reviewed the proposed Economic Development Strategic Plan and presented the 5 year Capital Improvement Plan, FY2012 – FY2016. The following are needed infrastructure projects:

- G Street 24" / 27" interceptor
- Jefferson lift station & new force main
- Riverhill/Ridgewood storage tank transmission water line
- WTP Clearwater improvements
- Knapp Lift Station
- 12" water line crossing Guadalupe River
- 12" water line from Meadowview well
- Harper Road Utility Extension Phase 2

The total cost for these projects would be approximately \$18,034,500, of that; \$10,419,255 could be attributed to expand capacity to serve new development. Proposed rate increases of \$.50 on every 1,000 gallons of water and \$1.00 on every 1,000 gallons of wastewater could fund the additional \$8,000,000 needed for completion of these proposed projects. Mr. Parton stated that all the projects were needed in order to expand capacity for development. Kristine Ondrias stated that the wastewater treatment facilities are either at or over capacity and expansion of these systems should to be a high priority in order to allow people and businesses to tie on and allow more commercial development in Kerrville. The EIC Board members agreed that 4B money could be used to fund infrastructure projects to expand growth and an increase in water and wastewater rates could be implemented as well, but still want to have money available to fund private development projects. It was decided to fund projects using a balance of bond funds and cash. Bond funds could be issued with a debt service load not to exceed \$750,000 per year. Utility expense projects would be funded through utility rates for the following priority projects:

- Harper Highway Utility Extension, Phase 2
- River Trail, Phases I, II, and III
- Louise Hays Park Improvements

One issue that needed to be understood, according to Mayor Wampler, was that the city and EIC needed to work together, whether using 4B dollars or not, to expand growth and infrastructure and the process needed to get started. City Council and EIC committed to a joint meeting at least twice a year.

Items discussed pertaining to downtown was as followed:

- Proposed city hall
- Parking
- Quality vendors for the Schreiner Building
- Boardwalk

#### 2B. Prioritize proposed projects.

The top priorities established in rank order were:

- Harper Highway Utility Extension, Phase 2
- River Trail, Phases I, II, and III
- Louise Hays Park Improvements
- Guadalupe River
- UGRA Lake
- Downtown Street Level Enhancements/Boardwalk
- Ballparks
- Amphitheater
- New Reservoir
- Memorial Blvd and Meadow View Lane Street Improvements

#### 2C. Direction to staff to prepare applications for future consideration by EIC.

Direction to staff was to bring back to EIC and City Council a time line and cost estimate chart of what could be city and EIC funded. Engineering and construction had already been initiated for Phase 1A of the River Trail project. Staff would be instructed to go back out and start to contacting property owners

in regards to the Harper Highway Utility Extension Project about easements and to have another joint meeting in the future and possibly get Pete Moore attend, in order to see what he would plan on contributing.

**3. ADJOURNMENT:**

The meeting adjourned at 11:15 am.

APPROVED: \_\_\_\_\_

\_\_\_\_\_  
David Wampler, Mayor

\_\_\_\_\_  
Gregg Appel, President

ATTEST:

\_\_\_\_\_  
Teri Kinsey, Deputy City Secretary

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

**REGULAR MEETING  
AUGUST 15, 2011**

On Monday, August 15, 2011, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:03 p.m. by Gregg Appel, 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  
Kristine Ondrias, Assistant City Manager  
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. **APPROVE MINUTES:**

4A. Approve minutes from July 18, 2011.

Mr. Howard moved to approve the July 18, 2011 minutes; Mr. Early seconded; motion passed 7-0.

5. **MONTHLY REPORTS:**

5A. Monthly financials for July 2011.

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

5B. EIC construction project status.

Mr. Wellborn presented the July 2011 construction project status report. The construction report was accepted by consensus.

6. **CONSIDERATION AND ACTION:**

6A. Authorize the execution of the Fiscal Year 2012 Administrative Services Contract with the City of Kerrville.

Ms. Keeble moved to amend and approve the Fiscal Year 2012 Administrative Services Contract with the City of Kerrville, adding a more detailed description of

services provided by Mindy Wendele, Director of Business Programs; Mr. Boyland seconded, motion passed 7-0.

6B. Authorize the execution of the EIC investment policy from Patterson and Associates.

Mike Erwin advised the Board the changes they requested at the last meeting and the changes required by state legislation had been made to the investment policy. The Board questioned how the bank's FDIC status and credit rating would be verified and by who? Mr. Erwin stated that under the investment policy agreement, Patterson and Associates would monitor these on a weekly basis and if changes occur he will be notified and in turn, he would inform the City Manager.

Mr. Early moved to approve the EIC Investment Policy as presented; Mr. Roberts seconded; motion passed 7-0.

6C. Authorize 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.

Staff recommended this item be discussed in Executive Session.

6D. Provide direction to staff regarding joint City Council – EIC meeting held August 10, 2011.

Todd Parton reviewed comments and decisions made at the joint meeting between EIC and City Council; the four main issues were the following:

- Harper Highway Utility Improvements, Phase II
- River Trail, Phases I, II, III
- Louise Hays Park Improvements
- Downtown Streetscape Improvements

Mr. Parton advised that staff was in the process of determining additional funding options like the state leverage fund and creating a chart of funding needs. The board asked what direction staff needed in order to proceed with funding these projects; and to explore the possibility of refinancing the existing indebtedness and use that as part of the funding.

Mr. Boyland moved to approve the funding agreement for Harper Highway Utility Improvements, Phase II and directed staff to return with a time line providing pro forma cost and funding for the completion of the River Trail Project, Louise Hays Park improvements, downtown streetscapes, and consideration of refunding EIC's existing debt; Mr. Early seconded, motion passed 7-0.

6E. Accept resignation from EIC Board Member, Bob Miller.

Mr. Appel thanked Mr. Miller, on behalf of the Board, for his service and wished him well.

**7. INFORMATION AND DISCUSSION:**

7A. Update from the Hill Country Shooting Sports Center.

Mr. Burch did not attend the meeting and was rescheduled to September 19, 2011.

7B. Update regarding the Kerrville Economic Development Corporation.

Mr. Appel stated that at the last meeting of the KEDC, the members reviewed proposed by-laws and revisions that centered on the composition of the Board to include additional representation from the business community.

**8. EXECUTIVE SESSION:**

Mr. Howard moved that the Economic Improvement Corporation go into executive closed session under sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas; Mr. Miller seconded; motion passed 7-0 to discuss the following matters:

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.
- Kerrville Economic Development Corporation's update on deliberations regarding commercial or financial information that the governmental body has received from a business prospect(s) that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations.

At 5:00 p.m. the regular meeting recessed and the Board went into executive closed session at 5:07 p.m. At 6:24 p.m. the executive closed session recessed and the Board returned to open session at 6:25 p.m. The president announced that no action had been taken in executive session.

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

Mr. Howard moved to enter into a Purchase and Sale Agreement with KEDF for the purchase of approximately 86.71 acres located at 300 Peterson Farm Road; Mr. Boyland seconded, motion passed 5-0-1 with Messrs Howard, Early, Miller, and Boyland, and Ms. Keeble, voted for; no one voted against; and Mr. Appel abstained.

**10. ADJOURNMENT:**

Mr. Howard moved to adjourn the meeting; Mr. Early seconded; motion passed 6-0. The meeting adjourned at 6:37 PM.

**APPROVED:** September 19, 2011

\_\_\_\_\_  
Gregg Appel, President

\_\_\_\_\_  
Teri Kinsey, Deputy City Secretary

CITY OF KERRVILLE  
Economic Improvement Corporation  
Sales Tax Improvement Fund

<b>Cash Balance as of August 1, 2011</b>		<b>\$ 2,817,442</b>
Deposits:		
Sales Tax	\$ 238,491	
Interest Revenue	\$ 621	
Transfer In	\$ 8,738	
	<u>\$ 247,851</u>	
Expenses:		
Office Supplies		
Disclosure Notice		
Administrative Service Fee	\$ 6,250	
Special Services - Category 1		
Special Services - Category 2	\$ -	
Transfer for Debt Service	\$ 42,083	
Total Expenses	<u>\$ 48,333</u>	
Revenues Over (Under) Expenditures		<u>\$ 199,518</u>
<b>Ending Cash Balance as of August 31, 2011</b>		<b><u>\$ 3,016,959</u></b>

City of Kerrville  
Economic Improvement Corporation  
Sales Tax Improvement Fund - Revenue and Expense Statement  
For the month ending August 31, 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	\$ 238,491	\$ 2,176,032	96.71%	\$ 73,968
Interest	\$ -	\$ 621	\$ 9,997	#DIV/o!	\$ (9,997)
Transfer In		\$ 8,738	\$ 17,926		
<b>TOTAL REVENUE</b>	<b>\$ 2,250,000</b>	<b>\$ 247,851</b>	<b>\$ 2,203,955</b>	<b>97.95%</b>	<b>\$ 63,971</b>

	Annual Budget	Current Period	Y-T-D Actual & Encumbrance	% of Budget	Budget Balance
<b>EXPENDITURES:</b>					
<b>Administrative</b>					
Advertising	\$ -		\$ 257	-	\$ (257)
Transfer to Debt Service Fund	\$ 505,000	\$ 42,083	\$ 462,917	91.67%	\$ 42,083
Economic Development Governing Body	\$ 225,000		\$ 225,000	100.00%	\$ -
Annual Disclosure Fee			\$ 3,500		\$ (3,500)
Administrative Services Fee	\$ 75,000	\$ 6,250	\$ 68,750	91.67%	\$ 6,250
<b>Total Administrative</b>	<b>\$ 805,000</b>	<b>\$ 48,333</b>	<b>\$ 760,423</b>	<b>94.46%</b>	<b>\$ 44,577</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/o!	\$ -
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>\$ 48,333</b>	<b>\$ 1,415,920</b>	<b>62.93%</b>	<b>\$ 944,739</b>
<b>NET REVENUES TO EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 199,518</b>	<b>\$ 788,035</b>		

**ENDING CASH BALANCE: August 31, 2011**

Budget	Actual
\$ 2,228,924	\$ 3,016,959

	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 August 1, 2011</b>		<b>\$ 364,666</b>
Revenues:		
Transfer from Sales Tax Improvements Fund	\$ 42,083	
Total Deposits	<u>\$ 42,083</u>	
Expenses:		
Paying Agent Fee	\$ -	
Bond Principal	\$ -	
Bond Interest	\$ 32,095	
Total Expenses	<u>\$ 32,095</u>	
Revenues Over (Under) Expenditures:		<u>\$ 9,988</u>
<b>Ending Cash Balance as of August 31, 2011</b>		<b><u><u>\$ 374,654</u></u></b>

CITY OF KERRVILLE  
Economic Improvement Corporation  
Sales Tax Debt Service Fund  
Revenue and Expense Statement  
For the month ending August 31, 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	\$ 462,917	91.67%	\$ 42,083
Return of Equity - Park Lane Extension	\$ -			100.00%	\$ -
<b>TOTAL REVENUE</b>	\$ 505,000	\$ 42,083	\$ 462,917	91.67%	\$ 42,083
	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	\$ 32,095	\$ 73,859	100%	\$ 0
Paying Agent Fees	\$ 1,000	\$ -	\$ 1,000	100%	\$ -
First Southwest Continuing Disclosure Fee	\$ -	\$ -	\$ -	-	\$ -
<b>TOTAL EXPENDITURES</b>	\$ 499,859	\$ 32,095	\$ 499,859	100.00%	\$ 0
<b>ENDING CASH BALANCE: August 31, 2011</b>	Budget \$ 416,737		Actual \$ 374,654		

<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  
EIC Capital Projects Fund

<b>Cash Balance as of August 31, 2011</b>		<b>\$</b>	<b>931,546</b>
Revenues:			
Transfer In	\$	-	
Total Revenues/Transfer In	\$	-	
Expenses:			
Services			
Special Services			
Hill Country Shooting Sports Center		6,195	
Salvation Army		43	
Hill Country Home Opportunity	\$	42,911	
	\$	49,149	
Capital Outlay			
Capital Outlay Total		-	
Transfer Out	CIP excess cash to operating fund		8,738
Total Expenses	\$	57,887	
Revenue Over (Under) Expenditures		\$	<u>(57,887)</u>
<b>Ending Cash Balance as of August 31, 2011</b>		<b>\$</b>	<b><u>873,659</u></b>

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

Project Status Summary  
For the month ending August 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	\$ 2,726,384	\$ 426,012	-
2007/08	Salvation Army Kroc Center	FA 2008-011	\$ 500,000	\$ 500,000		\$ 500,000	\$ 448,022	\$ 51,978	-
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	\$ 58,392	\$ 91,608	-
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	\$ 322,265	\$ 172,568	-
<b>TOTALS</b>			<b>\$ 4,779,725</b>	<b>\$ 4,465,352</b>	<b>\$ 302,396</b>	<b>\$ 4,767,743</b>	<b>\$ 3,894,084</b>	<b>\$ 873,659</b>	<b>\$ 314,373</b>

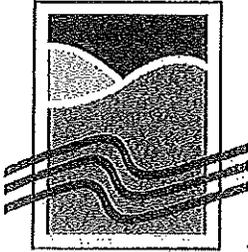
Cash Balance on 8/31/2011:

\$ 873,659

\* Funding moved as payment becomes due

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	\$ 190,696	\$ 19,975	11.70%
August	\$ 230,443	\$ 219,318	\$ 221,711	\$ 228,210	\$ 238,491	\$ 10,281	4.51%
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>\$ 2,176,033</b>	<b>\$ 105,853</b>	<b>5.11%</b>



**CITY OF KERRVILLE**  
**OFFICE OF THE CITY MANAGER**  
800 Junction Highway  
Kerrville, Texas 78028  
830-257-8000 / [www.kerrvilletx.gov](http://www.kerrvilletx.gov)

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February 14, 2011

Economic Improvement Corporation  
800 Junction Highway  
Kerrville, Texas 78028

Dear EIC Board Members,

The City of Kerrville is proposing Phase 2 of the Harper Road Utility Extension Project to the Economic Improvement Corporation with a projected cost of \$1.2 million to fund the extension of water and waste water lines. This project will provide for the following:

- Installation of approximately 4,600 linear feet of 12" water main & appurtenances from the North end of Old Harper Road; thence west along the south line of Interstate I-10 R.O.W. to Harper Road (RM 783); thence south along both the east & west side of RM 783 to its intersection with Old Harper Road; thence, east along Old Harper Road to its intersection with Town Creek Road.
- Installation of 12" wastewater main from the North end of Old Harper Road; thence west along the south line of Interstate I-10 R.O.W. to the West side of Harper Road (RM 783); thence south along the west line of RM 783 to a property owned by the Kerrville Bible Church.
- Installation of 12" wastewater main from the intersection of Old Harper Road and Town Creek Road; thence Southwest along Old Harper Road to the west side of Harper Road (RM 783); thence North along the west line of RM 783 to the property North of the Northpoint Investors, LTD. property. In all, the sanitary sewer for this Phase 2 project includes approximately 3,000 linear feet of wastewater main & appurtenances.

The above project is depicted on the attached map as well as a unit breakdown of construction items. Additionally, a primary and secondary service area map for these utility lines is attached. For purposes of this application, the primary service area is the only area staff considered in analyzing the business development and retention.

Annexation for the purposes of this project will be determined by the development and redevelopment of the primary acres served. Timing and the manner of annexation would occur subject to negotiations between the City of Kerrville and the property owners.

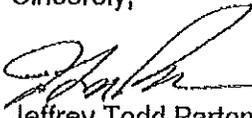
More specifically related to the properties served by phase two of the Harper Utility Extension project, and the economic (return on investment) analysis supporting EIC investment in the project, the following assumptions were made:

- The availability of utilities will trigger commercial development/redevelopment of property in the primary service area;
- Developed/redeveloped property served by utilities will be annexed at the time of hook up and added to the tax base of the City; and
- Timing of annexation of developed/redeveloped property will be defined by annexation agreements, and in some cases dependent upon the annexation of adjacent properties.

Though some currently developed properties will request utility service from the lines in order to upgrade their properties from well and septic tank services, no assumptions were made on the timing of annexation of these properties. Therefore, no assumptions were made on the timing of the addition of these properties to the tax base of the City within the economic analysis of the project. Attached is the return on investment analysis based on a 20 year payback scenario.

Thank you for your time and consideration of this project request. Should you need any additional information, please feel free to contact me at 830-792-8305.

Sincerely,

  
Jeffrey Todd Parton  
City Manager



Year	Expenditures	Property Tax	Sales Tax	Total	Action
2011	-\$1,200,000	\$0	\$0	-\$1,200,000	Installation of water and sewer lines
2012	\$0	\$16,378	\$0	\$16,378	Opening of Entertainment Center, \$2m sales, \$3m property value
2013	\$0	\$16,378	\$29,680	\$46,058	
2014	\$0	\$16,378	\$29,680	\$46,058	
2015	\$0	\$19,746	\$29,680	\$49,426	Opening Commercial/Industrial Property, \$0 sales, \$600,000 property value
2016	\$0	\$20,339	\$29,680	\$50,019	
2017	\$0	\$20,339	\$29,680	\$50,019	
2018	\$0	\$40,945	\$29,680	\$70,625	Opening Gas/Retail, \$3m sales, \$3.5m property value
2019	\$0	\$40,945	\$74,940	\$115,885	
2020	\$0	\$40,945	\$74,940	\$115,885	
2021	\$0	\$42,173	\$74,940	\$117,113	
2022	\$0	\$42,173	\$74,940	\$117,113	
2023	\$0	\$42,173	\$74,940	\$117,113	
2024	\$0	\$42,173	\$74,940	\$117,113	
2025	\$0	\$42,173	\$74,940	\$117,113	Comments: Action in 2012 based upon developer input. Actions in 2015 and 2018 are staff projections, although the 2015 property is currently listed for sale. Property valuations projected to increase 3% in 2015, 2020, and 2025.
2026	\$0	\$43,438	\$74,940	\$118,378	
2027	\$0	\$43,438	\$74,940	\$118,378	
2028	\$0	\$43,438	\$74,940	\$118,378	
2029	\$0	\$43,438	\$74,940	\$118,378	
2030	\$0	\$43,438	\$74,940	\$118,378	
NPV	\$4,578	Total		\$537,807	
Prime Rate	3.25%				
IRR	3.29%				



**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: February 14, 2011

Company Information

Company Name/Organization: City of Kerrville

Address (City/State): 800 Junction Highway Phone 830-257-8000

Kerrville, Texas 78028

\_\_\_\_\_  
City State Zip Code

Name of Company/Organization Contact on this project:

Todd Parton, City Manager

Contact Address (if different from above):

\_\_\_\_\_  
Phone 830-792-8305

\_\_\_\_\_  
Fax

\_\_\_\_\_  
City State Zip Code

Type of Business: Corporation \_\_\_ Partnership \_\_\_ Sole Proprietorship \_\_\_  
\_\_\_ Non Profit Organization X Municipality/ Local Government

Year Business Started: Year \_\_\_\_\_ Location \_\_\_\_\_

Current Employment:

Permanent Full-Time 311 Permanent Part-Time 8

Average Production Wage \$38,896 annually

Full-Time Employees receive the following benefits: Health, Dental, Vision, Life, Long Term Disability and Retirement.

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, Entitles Certificates of Incorporation and Articles of Incorporation, Comptrollers Certificate of Good Standing

Annual Sales for Corporation / Company \$ \_\_\_\_\_

This Facility \$ \_\_\_\_\_

Local Sales Tax paid Annually \$ \_\_\_\_\_

Current Payroll \$ \_\_\_\_\_

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:

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**SECTION III- PROJECT INFORMATION**

Requested amount \_\_\_\$1,200,000.00\_\_\_\_\_

Total Project Amount \_\_\_\$1,200,000.00\_\_\_\_\_

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 ( X )
- 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	\$__1,200,000.00__
Sq. Footage of New Building (s)	_____
Size of Parking	_____
Other	Water/Wastewater Utility lines

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**Part B- Project Investment In Fixed Equipment**

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

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

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

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 \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

**Part D- Permanent Part-Time Employment Estimates-**  
(do not include owners, stockholders or their dependents)

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

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: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

**Part E- Payroll Impact**

Within 12 months of Project Completion \_\_\_\_\_ Within 24 months of Project Completion \_\_\_\_\_

\$ \_\_\_\_\_  
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 ( X ) Yes ( )  
Describe:  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_ Jeffrey Todd Parton  
Printed name

\_\_\_\_ 2-14-2011 \_\_\_\_  
Date

\_\_\_\_ City Manager \_\_\_\_  
Title

  
Signature

For additional information visit the City's website at [www.kerrvilletx.gov](http://www.kerrvilletx.gov) or call 830.792.8343.

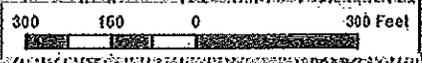
Amended 01-18-10

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

Map Produced by D. Ogden  
Engineering Department  
City of Kerrville, TX



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



City of Kerrville  
Phase 2 of Harper Highway Water and Wastewater Extension  
Old Harper Road/RM 763 Loop  
Unit Breakdown of Construction Items

Part 1 - Water System

Item No.	Description	Quantity	Unit
1	Mobilization	1	ls
2	8-inch Diameter PVC C-90 Class 200 SDR-14 Water Line, Open Cut	4,163	lf
3	8-inch Diameter PVC C-90 Class 200 SDR-14 Water Line in 24" dia Steel Casing Bore and Jack Construction, INCLUDES CASING	135	lf
4	8-inch Diameter PVC C-90 Class 200 SDR-14 Water Line, by Bore & Jack Construction	333	lf
5	8-inch Diameter DIP Fire Hydrant Lead, Open Cut	216	lf
6	8-inch Gate Valve & Box, complete in place, the sum of	23	ea
7	8-inch Gate Valve & Box, complete in place, the sum of	9	ea
8	8-inch Hydrant Assembly, complete in place, the sum of	9	ea
9	8-inch WFL Connections to Existing Main, complete in place, the sum of	2	ea
10	1/2-inch WFL Service Connections, short and long side, complete in place, the sum of	3	ea
11	2-inch WFL Service Connections, short and long side, complete in place, the sum of	12	ea
12	Miscellaneous Filings, complete in place, the sum of	1.6	tons
13	Trench Safety System	4,600	lf

Part 2 - Wastewater System

Item No.	Description	Quantity	Unit
14	Mobilization	1	ls
15	8-inch Diameter PVC ASTM D-3034 DR-26 Wastewater Line, Open Cut	2578	lf
16	8-inch Diameter PVC ASTM D-3034 DR-26 Wastewater Line in 24" dia Steel Casing, Bore and Jack, INCLUDES CASING	242	lf
17	4-inch Diameter Wastewater Services, complete in place, the sum of	40	lf
18	6-inch Diameter Wastewater Services, complete in place, the sum of	241	lf
19	Two way cleanouts, complete in place, the sum of	13	ea
20	48-inch Diameter Wastewater Manholes, 3' depth, complete in place, the sum of	16	ea
21	48-inch Diameter Wastewater Drop Manholes, 3' depth, complete in place, the sum of	1	ea
22	50-inch Diameter Wastewater Drop Manholes, 3' depth, complete in place, the sum of	0	ea
23	Trench Safety System	3000	lf

Part 3 - Miscellaneous Items

Item No.	Description	Quantity	Unit
24	Trench Repair, including base and surface course, excav, complete in place, the sum of	500	lf
25	SN Fence, complete in place, the sum of	7600	lf
26	Rock Berm, complete in place, the sum of	0	lf
27	Stabilized Construction ERI, complete in place, the sum of	2	ea
28	Inlet Protection Barrier, complete in place, the sum of	0	ea
29	Traffic Control and Handing, complete in place, the sum of	1	ls
30	Hydrant/wh Seeding, complete in place, the sum of	250	sf
31	MS & Overlay of Parking Lot	160	sf
32	Materials Testing - Budget Allowed	1	ts
33	Contingency - Budget Allowed - To be used only when directed in writing by City Engineer, as approved	1	ea

RECEIVED AUG 01 2011



**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

July 27, 2011

Economic Improvement Corporation  
Attn: Mr. Gregg Appel, Chairman  
800 Junction Highway  
Kerrville, TX 78028

Dear Mr. Appel:

It is my understanding that the Kerrville City Council or representatives of the City and/or Council have scheduled or have requested a meeting with the Economic Improvement Corporation generally for the purpose of discussing the priority of City projects which might be eligible for EIC funding.

Inasmuch as the Economic Improvement Corporation is charged with responsibility of overseeing the approval of projects and distribution of funding of projects for the entirety of Kerr County, Kerr County Commissioners' Court, or representatives of Kerr County, would like to participate in any such meeting in order that the Economic Improvement Corporation will also be aware of the possible projects, and the suggested priority of such projects, which are outside the corporate limits of the City of Kerrville and for which EIC funding may be requested.

If the members of the Board of EIC feel that it would be more appropriate for the Board to meet separately with Kerr County Commissioners' Court or county representatives, please advise so that we might determine a date for such a meeting.

As always, we appreciate your consideration and courtesy.

Yours very truly,



Pat Tinley  
Kerr County Judge