

**AGENDA FOR MEETING OF
THE CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
Monday, October 17, 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 the new member orientation on June 3, 2011, the regular meeting on September 19, 2011 and the Chamber of Commerce Luncheon on September 20, 2011.....

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5. MONTHLY REPORTS:

5A. Monthly financials for September 2011.....

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6. PUBLIC HEARING AND POSSIBLE ACTION:

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

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7. CONSIDERATION AND ACTION:

7A. Approval of Certificate of Corporate Resolution and the granting of authority to the City Manager or designee to execute documents and take all necessary actions for the Economic Improvement Corporation (EIC) to close on the purchase of approximately 86.71 acres located at 300 Peterson Farm Road from the Kerrville Economic Development Foundation and to accept the conveyance of said property for the EIC by deed.....

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8. PRESENTATION AND POSSIBLE ACTION:

8A. Presentation by City of Kerrville concerning a funding request for River Trail Project, Phases I, II, III. (Matthews).....

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8B. Presentation by City of Kerrville concerning a funding request for Louise Hays Park improvements. (Matthews).....

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9. INFORMATION AND DISCUSSION:

9A. Discussion concerning the joint EIC Board and Kerr County Commissioner's Court meeting held on October 14, 2011. (Appel)

9B. Update regarding the Kerrville Economic Development Corporation. (Appel)

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: October 14, 2011 at 3:15 p.m. and remained posted continuously for at least 72 hours proceeding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

10. 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.

Section 551.087:

- 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.

11. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

12. ADJOURNMENT

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

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: October 14, 2011 at 3:15 p.m. and remained posted continuously for at least 72 hours proceeding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

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

**ORIENTATION MEETING
JUNE 3, 2011**

On Friday, June 3, 2011, the orientation meeting for the newly appointed Board Members to the City of Kerrville, Texas Economic Improvement Corporation, began at 9:00 am in the City Hall Council Chambers, 800 Junction Highway, Kerrville, Texas.

BOARD MEMBERS PRESENT:

Kenneth Early	Board Member
Tony Roberts	Board Member
Larry Howard	Board Member
Stacie Keeble	Board Member

STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Mike Erwin	Director of Finance
Mindy Wendele	Director of Business Programs

ORIENTATION:

1A. Orientation of newly appointed Economic Improvement Corporation Board members.

Newly appointed board members Kenneth Early, Tony Roberts, Larry Howard, and Stacie Keeble attended orientation and reviews the following:

- Sales tax for economic development
- Previous minutes
- Articles of Incorporation
- Funding request guidelines and procedures
- Commercial Improvements guidelines and procedures

ATTEST:

Gregg Appel, President

Teri Kinsey
Deputy City Secretary

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

**REGULAR MEETING
SEPTEMBER 19, 2011**

On Monday, September 19, 2011, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:04 p.m. by Gregg Appel, President, in the City Hall Council Chambers, 800 Junction Highway, Kerrville, Texas.

Members Present:

Gregg Appel, President
Rex Boyland
Larry Howard
Stacie Keeble
Robert Miller

Members Absent:

Kenneth Early, Vice President
Tony Roberts, Secretary

Staff Present:

Todd Parton, City Manager
Mike Hayes, City Attorney
Kristine Ondrias, Assistant City Manager
Mike Erwin, Director of Finance
Mike Wellborn, Director of Engineering
Kevin Coleman, Director of Developmental Services
Teri Kinsey, Deputy City Secretary

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

3. **VISITORS FORUM:**

Barbara Burton had the following suggestions concerning the construction of the River Trail Project:

- Allows property owners to opt-out
- Provides protection from trespassing
- Considers the impact of building a 12 ft. wide concrete roadway

4. **APPROVE MINUTES:**

4A. Approve minutes from joint City Council meeting on August 10, 2011 and regular meeting on August 15, 2011.

Mr. Howard moved to approve the August 10, 2011 minutes; Ms. Keeble seconded; motion passed 5-0.

Mr. Boyland moved to approve the August 15, 2011 minutes; Mr. Miller seconded; motion passed 5-0.

5. **MONTHLY REPORTS:**

5A. Monthly financials for August 2011.

Mr. Howard moved to approve the August 2011 financials as presented; Mr. Boyland seconded; motion passed 5-0.

6. **PUBLIC HEARING AND ACTION:**

6A. Overview of utility projects related to economic development and presentation of Harper Road Utility Improvements, Phase II.

Mr. Parton reported to the Board that staff had been analyzing the entire scope of the proposed projects discussed at the joint City Council/EIC meeting. The two basic components for making these projects work were creating framework for

business growth and enhancements in the tourism budget. Mr. Parton handed out two articles, one from The New York Times, which focused on the city of Kerrville and its many attributes. The other was from The San Antonio Express News featuring how the city of Boerne is addressing their downtown issues, which compared to the City of Kerrville's intentions and could act as competition to Kerrville. Ms. Ondrias gave an overview of the current utility projects to date and how they relate to the economic development of the community. She reviewed, for the Board, the existing water/wastewater service areas, all of which were either at or over capacity, and the potential new service areas at the cost of \$18M. The city is currently in the preliminary engineering stage of this project, determining a route and easement acquisitions.

The City of Kerrville requested \$1M in funding for the Harper Road Utility Project, Phase II, which would service a primary area 50 acres and a secondary area of 175 acres. The city had already taken money out of the utility fund to complete the stub out across Harper Road. The project would require approximately 4,600 linear feet of waterline and 3,000 linear feet for wastewater which would open up the entire corridor into Kerrville. The Harper Road project was initially brought before EIC due in part, to property owner's willingness to donate easements to the city and low construction costs at that time. Upon providing water/wastewater service to these areas, the property could potentially be annexed into the City of Kerrville. Also, regarding The Heights Subdivision, an agreement was made with the city, when the first building permit is pulled for construction there would be a voluntary petition for annexation for the entire subdivision. The order of annexation would be decided by who wants to tie on when and how they would become contiguous to each other.

Mike Erwin conservatively estimated the return on investment could be around 20 years. Mr. Parton also added that by having these utilities it would allow for development in the next 5-6 years without threatening businesses along the Sidney Baker corridor.

The Board also voiced their concern about possible lack of development after lines were put in, afraid to fund the project and not have any businesses construct along that route. It was suggested that Pete Moore, along with any other developer sign a letter of intent to tie into the city's water/wastewater lines and if the developer failed to follow through with development he would have to reimburse EIC their percentage of the funding.

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

Mr. Howard moved to table the funding agreement for one month and directed staff to gather additional information on development and show proof of commitment from developers and property owners; Mr. Miller seconded, motion passed 3-2, with Messrs Howard, Appel, and Miller voting for and Ms. Keeble and Mr. Boyland voting against.

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, and Downtown Streetscape Improvements.

Mr. Howard moved to authorize the city to issue Certificates of Obligation with EIC backing the debt for the River Trail Program, with a clause of EIC's involvement concerning the overall process and in the interlocal agreement, the interest on the \$7M for the first year would go to EIC; Ms. Keeble seconded, motion passed 5-0.

8. INFORMATION AND DISCUSSION:

8A. Update from the Hill Country Shooting Sports Center.

Mr. Burch did not attend the meeting.

8B. Update from the Hill Country Home Opportunity Council.

Parker Harrison advised the Board that all utilities would be completed by September 23, 2011 and sidewalks completed by September 30, 2011. The complete Pinto Trail project would be finished by mid-November.

8C. Update regarding the Kerrville Economic Development Corporation.

Mr. Appel reported that the KEDC had a meeting with the Kerr County Commissioners on Friday, September 16, 2011. The County Commissioners asked that they keep better informed for projects in the works by the KEDC and questioned the amount to be funded by the county.

8D. Discussion of letter concerning possible joint meeting with Kerr County Commissioners' Court.

It was the consensus of the Board to schedule a meeting with the Kerr County Commissioners' Court at a later date to be scheduled by staff.

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

Mr. Howard moved to adjourn the meeting; Mr. Boyland seconded; motion passed 5-0. The meeting adjourned at 6:30 PM.

APPROVED: October 17, 2011

Gregg Appel, President

Teri Kinsey, Deputy City Secretary

CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
MINUTES SEPTEMBER 20, 2011

On September 20, 2011, members of the Kerrville City Council and the Economic Improvement Corporation were invited to attend a meeting of the Kerrville Area Chamber of Commerce at 11:30 a.m. at the Inn of the Hills, 1001 Junction Highway.

EIC MEMBERS PRESENT:

Gregg Appel	President
Kenneth Early	Vice-President
Larry Howard	Board Member
Rex Boyland	Board Member
Stacie Keeble	Board Member

EIC MEMBERS ABSENT:

Bob Miller	Board Member
Tony Roberts	Secretary

COUNCIL MEMBERS PRESENT:

Stacie Keeble	Councilmember
Carson Conklin	Councilmember

OTHERS IN ATTENDANCE:

Harvey Hilderbran, State Representative
Traci Carlson, Kerrville Area Chamber of Commerce
Ray Watson, Kerr Economic Development Corporation
Pat Tinley, Kerr County Judge

CITY STAFF PRESENT:

Brenda Craig	City Secretary
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PRESENTATION BY RUSSELL GALLAHAN OF THE STATE COMPTROLLER OFFICE, ON THE 4B SALES TAX AND OTHER FUNDING SOURCES:

Mr. Gallahan discussed several economic development incentives available to cities and counties: Type A and B sales tax, tax abatement, tax increment financing (TIF), enterprise fund, and the emerging technology fund. He noted that the City of Kerrville had 4B sales tax administered through the economic improvement corporation, and he reviewed the type of projects that were eligible for EIC funding and the EIC process. He noted two recent legislative changes: 1) Would allow EICs to hold their meetings outside of their city; and 2) Would allow smaller cities with both 4A and 4B tax to combine their funds for a project.

ADJOURNMENT: The meeting adjourned at 1:00 p.m.

APPROVED: _____
October 17, 2011

Gregg Appel, President

ATTEST:

Brenda Craig, City Secretary

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Improvement Fund

Cash Balance as of September 1, 2011

\$ 3,016,959

Deposits:

Sales Tax	\$ 179,133
Interest Revenue	\$ 627
	<u>\$ 179,760</u>

Expenses:

Office Supplies	
Disclosure Notice	
Administrative Service Fee	\$ 6,250
Special Services - Category 1	
Special Services - Category 2	\$ -
Land Capital (KEDF-Loan #501734)	\$ 1,300,000
Transfer for Debt Service	\$ 42,083
Total Expenses	<u>\$ 1,348,333</u>

Revenues Over (Under) Expenditures

\$ (1,168,572)

Ending Cash Balance as of September 30, 2011

\$ 1,848,386

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

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
BEGINNING CASH BALANCE	\$ 2,228,924		\$ 2,228,924		
REVENUE:					
Sales and Use Tax	\$ 2,250,000	\$ 179,133	\$ 2,355,165	104.67%	\$ (105,165)
Interest	\$ -	\$ 627	\$ 10,625	#DIV/0!	\$ (10,625)
Transfer In	\$ -	\$ -	\$ 17,926		
TOTAL REVENUE	\$ 2,250,000	\$ 179,760	\$ 2,383,715	105.94%	\$ (115,789)

	Annual Budget	Current Period	Y-T-D Actual & Encumbrance	% of Budget	Budget Balance
EXPENDITURES:					
Administrative					
Advertising	\$ -		\$ 257	-	\$ (257)
Transfer to Debt Service Fund	\$ 505,000	\$ 42,083	\$ 505,000	100.00%	\$ 0
Economic Development Governing Body	\$ 225,000		\$ 225,000	100.00%	\$ -
Annual Disclosure Fee			\$ 3,500		\$ (3,500)
Administrative Services Fee	\$ 75,000	\$ 6,250	\$ 75,000	100.00%	\$ -
Total Administrative	\$ 805,000	\$ 48,333	\$ 808,757	100.47%	\$ (3,757)
Category I - Business Development					
Hill Country Shooting Center			\$ 494,838	100.00%	\$ (494,838)
Commercial Improve Pilot Program			\$ 50,000	100.00%	\$ (50,000)
USDA Unspecified	\$ 1,300,000	\$ 1,300,000	\$ 1,410,659		\$ 781,000
Unspecified	\$ 781,000	\$ -		0.00%	\$ 781,000
Total Category I	\$ 2,081,000	\$ 1,300,000	\$ 1,955,497	100.00%	\$ 236,162
Category II - Quality of Life					
Schreiner University Project	\$ -	\$ -		#DIV/0!	\$ -
Hill Country Home Opportunity Program	\$ -			100.00%	\$ -
Category II Unspecified	\$ 82,000			0.00%	\$ 82,000
Total Category II	\$ 82,000	\$ -	\$ -	0.00%	\$ 82,000
Category III - Public Infrastructure					
Unspecified Projects	\$ 82,000			0.00%	\$ 82,000
Total Category III	\$ 82,000	\$ -	\$ -	0.00%	\$ 82,000
Contingency	\$ 500,000			0.00%	\$ 500,000
TOTAL EXPENDITURES	\$ 3,550,000	\$ 1,348,333	\$ 2,764,254	77.87%	\$ 896,405
NET REVENUES TO EXPENDITURES	\$ (1,300,000)	\$ (1,168,572)	\$ (380,538)		
ENDING CASH BALANCE: September 30, 2011	Budget \$ 928,924		Actual \$ 1,848,386		

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

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Debt Service Fund

Cash Balance as of September 1, 2011		\$ 374,654
Revenues:		
Transfer from Sales Tax Improvements Fund	\$ 42,083	
Total Deposits	<u>\$ 42,083</u>	
Expenses:		
Paying Agent Fee	\$ -	
Bond Principal	\$ -	
Bond Interest	-	
Total Expenses	<u>\$ -</u>	
Revenues Over (Under) Expenditures:		<u>\$ 42,083</u>
Ending Cash Balance as of September 30, 2011		<u><u>\$ 416,737</u></u>

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

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
BEGINNING CASH BALANCE	\$ 411,596		\$ 411,596		
REVENUE:					
Transfer from Sales Tax Improvement Fund	\$ 505,000	\$ 42,083	\$ 505,000	100.00%	\$ 0
Return of Equity - Park Lane Extension	\$ -			100.00%	\$ -
TOTAL REVENUE	\$ 505,000	\$ 42,083	\$ 505,000	100.00%	\$ 0
	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
EXPENDITURES:					
Series 1999 Sales Tax Bond Debt Service	\$ 425,000	\$ -	\$ 425,000	100%	\$ -
Series 1999 Sales Tax Bond Interest Expense	\$ 73,859		\$ 73,859	100%	\$ 0
Paying Agent Fees	\$ 1,000	\$ -	\$ 1,000	100%	\$ -
First Southwest Continuing Disclosure Fee	\$ -	\$ -		-	\$ -
TOTAL EXPENDITURES	\$ 499,859	\$ -	\$ 499,859	100.00%	\$ 0
ENDING CASH BALANCE: September 30, 2011	Budget \$ 416,737		Actual \$ 416,737		

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

CITY OF KERRVILLE
 Economic Improvement Corporation
 SALES TAX REVENUE ANALYSIS

	Actual FY 2008	Actual FY 2009	Actual FY 2010	Approved FY 2011	Actual FY 2011	Difference Projected vs Actual	% of Projected Variance
October	\$ 194,330	\$ 195,050	\$ 179,735	\$ 173,552	\$ 184,602	\$ 11,050	6.37%
November	\$ 219,398	\$ 218,565	\$ 188,879	\$ 216,981	\$ 207,677	\$ (9,304)	-4.29%
December	\$ 195,398	\$ 202,043	\$ 170,981	\$ 173,554	\$ 169,550	\$ (4,004)	-2.31%
January	\$ 187,236	\$ 190,881	\$ 170,645	\$ 158,281	\$ 195,030	\$ 36,749	23.22%
February	\$ 251,426	\$ 239,208	\$ 236,837	\$ 261,777	\$ 241,320	\$ (20,457)	-7.81%
March	\$ 194,946	\$ 200,569	\$ 163,136	\$ 150,622	\$ 169,754	\$ 19,132	12.70%
April	\$ 168,423	\$ 259,861	\$ 160,461	\$ 153,072	\$ 157,729	\$ 4,657	3.04%
May	\$ 234,014	\$ 228,262	\$ 203,235	\$ 214,787	\$ 234,742	\$ 19,955	9.29%
June	\$ 193,637	\$ 181,835	\$ 182,429	\$ 168,623	\$ 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	\$ 179,133	\$ (1,011)	-0.56%
Total	\$ 2,483,129	\$ 2,508,562	\$ 2,243,991	\$ 2,250,324	\$ 2,355,166	\$ 104,842	4.66%

CITY OF KERRVILLE
 Economic Improvement Corporation
 EIC Capital Projects Fund

Cash Balance as of September 1, 2011		\$	873,659
Revenues:			
Transfer In	\$		-
Total Revenues/Transfer In	\$		-
Expenses:			
Services			
Special Services			
Hill Country Shooting Sports Center			-
Harper Road Utility Extension			28
Salvation Army			-
Hill Country Home Opportunity	\$		<u>73,241</u>
	\$		73,269
Capital Outlay			
Capital Outlay Total			-
Total Expenses	\$		73,269
Revenue Over (Under) Expenditures		\$	<u>(73,269)</u>
Ending Cash Balance as of September 30, 2011		\$	<u><u>800,390</u></u>

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

Project Status Summary
For the month ending September 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	\$ 2,726,412	\$ 425,984	-
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	\$ 131,633	\$ 18,367	-
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		\$ 494,833	\$ 322,265	\$ 172,568	-
TOTALS			\$ 4,779,725	\$ 4,465,352	\$ 302,396	\$ 4,767,743	\$ 3,967,353	\$ 800,390	314,373

Cash Balance on 9/30/2011:

\$ 800,390

* Funding moved as payment becomes due

PROJECT FUNDING AGREEMENT BETWEEN THE CITY OF KERRVILLE, TEXAS AND THE CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION (HARPER HIGHWAY UTILITY IMPROVEMENT, PHASE II PROJECT)

THIS PROJECT FUNDING AGREEMENT is entered into this _____ day of _____, 2011, by and between the City of Kerrville, Texas (“City”), a Texas home rule municipality, and the City of Kerrville, Texas Economic Improvement Corporation (“Corporation”), a Texas non-profit corporation established by City pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 and now codified in Chapters 501, 502, and 505 of the Texas Local Government Code (otherwise known as the Development Corporation Act of 1979 and hereafter called “the Act”).

WITNESSETH:

WHEREAS, pursuant to Section 4B of Chapter 505 of the Act, Corporation is authorized to undertake, or to provide funding to City to undertake, projects which the Corporation finds to be encompassed by the definition of “projects”, as that word is defined in Section 2 and Section 4B Chapters 501 and 505 of the Act; and

WHEREAS, EIC was formed to administer the sales and use tax approved by the citizens of Kerrville, Texas, in May 1995 and collected for projects, as defined, including but not limited to:

Expenditures required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises; and

WHEREAS, City proposes to construct approximately 4,000 linear feet of a twelve inch (12”) water main and more than 3,000 linear feet of a wastewater (sanitary sewer) main (the “Project”); and

WHEREAS, the Project, which is more specifically referred to as “Phase 2 of the Harper Road Utility Extension Project”, will expand the service area for both water and wastewater service from the City for properties within this commercial gateway; and

WHEREAS, the Project will not only allow for the development of new and expanded businesses for properties along and adjacent to Harper Road (FM 783) but will also open additional service areas for future business development; and

WHEREAS, Corporation finds that the construction of the City Project as described generally above constitutes a “project” as defined by the Act; and

WHEREAS, Corporation finds that it will be in the public interest to enter into this Agreement with City to provide sales tax revenues collected pursuant to the Act (“4B Revenues”) to City for costs related to the City Project; and

WHEREAS, on September 19, 2011, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, Corporation held a public hearing pursuant to Section 501.072 4B(n) of the Act related to the proposed expenditure of 4B Revenues for the City Project;

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

1. **“City Project” Defined:** When used in this Agreement, the phrase “City Project” shall mean the project summary as described in **Exhibit A** attached hereto and included herein for all purposes. Said description shall not be substantively altered in any respect without the prior approval of the Corporation.
2. **Agreement to Fund Portion of City Project:** Corporation agrees to provide to City an amount up to and not to exceed \$1,000,000.00 in 4B Revenues to be used for the design, bidding, construction, and installation of the City Project. The City is hereby authorized to make payments for the herein described purposes directly from the Sales Tax Improvement Fund (Fund 40) or by making a transfer of 4B Revenues from the Sales Tax Improvement Fund (Fund 40) to one or more funds described in the City’s approved budget. Transfers shall be limited to the actual amount of the payment draws submitted by the selected contractor(s) and/or the actual costs to City related to the City Project.
3. **Eligible Costs:** Payments made by City from 4B Revenues as authorized by Section 2, above, shall be limited to the payment of “costs” as defined in the Act.
4. **Applicable Law:** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. The Agreement is entered into and fully performable within Kerr County, Texas. Accordingly, venue for any cause of action arising pursuant to this Agreement shall be proper only in Kerr County, Texas.

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

CITY OF KERRVILLE, TEXAS

CITY OF KERRVILLE, TEXAS ECONOMIC
IMPROVEMENT CORPORATION

By: _____
David Wampler, Mayor

By: _____
Gregg Appel, President

ATTEST:

ATTEST:

Brenda G. Craig, City Secretary

Tony Roberts, Secretary for the Corporation

APPROVED AS TO FORM:

Michael C. Hayes, City Attorney

T:\Legal\EIC\CONTRACT\Draft EIC Project Funding (Harper Hwy Phase 2) 091511.doc

**PROJECT FUNDING AGREEMENT BETWEEN THE CITY OF KERRVILLE AND
THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION - PAGE 2**

*Janet Meek
1218 Bandera Hwy.
Kerrville, Texas 78028
(830) 370-3384*

March 5, 2011

Mayor David Wampler
City Hall
Kerrville, Texas 78028

Subject: Possible EIC Funds for Harper Road Sewer and Water Extension to Gateway Commercial Area

Dear Mayor Wampler:

As a landowner at IH 10 and Harper Road, I am enthused to hear that there may be a possibility of EIC funds being made available to re-instate the proposed "loop" of City sewer and water utilities to service the commercial area just south of IH 10 on Harper Road. I would like to inform you of my enthusiastic support for this use of economic development funds to spur development in this Gateway Commercial Area.

I am calling this a "Gateway Commercial Area" because it has long been the vision of my mother, Rosa Lea Meek, and our family to see the second interstate highway intersection that services Kerrville reach its development potential. It is our opinion that the right kind of development at this intersection can become a welcoming entry point to Kerrville and the Texas Hill Country and provide additional services and jobs on the northwest side of Kerrville.

Extending city services northward to the Avery complex was, in our opinion, a positive and far-sighted decision by the City of Kerrville. Completing the rest of the proposed service to bring in the existing businesses and potential future businesses just south of the interstate would definitely move us further toward the vision of an attractive and convenient Gateway Commercial Area on north Harper Road.

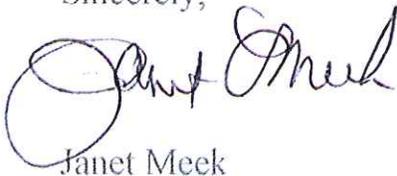
I have spoken to the City Planning Division about possible businesses that we would like to attract to this intersection and I believe that we have had a meeting of minds. We brain-stormed about service businesses such as dry cleaning, restaurants, and maybe a small market with a bakery. We also discussed the possibility of a motel or even a small business park. We agreed that interstate services for trucks is probably not the ideal future for the south side of the interstate, but I proposed that there might be a need for a petroleum/convenience store with more ample pumping space than the Exxon station that is currently the sole petroleum retailer at this intersection.

Our family has over 40 years of experience with the interstate highway service industry in Junction, Texas. We know from our experience that significant new jobs and tax revenues are generated from this type of development – development that will provide much-needed services to the northwest side of Kerrville while it also invites interstate highway travelers to investigate the area further.

We also know that it was when the City of Junction decided to extend sewer and water to the intersection of IH 10 and Hwy. 83 that development took off there. We therefore can confidently predict that Kerrville will receive a great return on economic development revenues invested to extend water and sewer service to our second interstate highway access point.

We hope that you and the EIC will accept this as a letter of support for economic development funds to be spent to extend sewer and water service northward along Harper Road to the interstate.

Sincerely,



Janet Meek

CERTIFICATE OF CORPORATE RESOLUTION

We, the Board of Directors of the City of Kerrville, Texas, Economic Improvement Corporation ("Corporation"), a Texas non-profit corporation established by the City of Kerrville, Texas, pursuant to Section 4B of the Texas Revised Civil Statutes Article 5190.6 and now codified in Chapters 501, 502, and 505 of the Texas Local Government Code (otherwise known as the Development Corporation Act of 1979 and hereafter called "the Act"), do hereby certify that said Corporation is duly organized and existing under the laws of the State of Texas; that all franchise and other taxes, if any, required to maintain its corporate existence have been paid when due and that no such taxes are delinquent; that no proceedings are pending for the forfeiture of its Certificate of Incorporation or for its dissolution, voluntarily or involuntarily; that it is duly qualified to do business in the State of Texas under the Act and is in good standing in such State; that there is no provision of the Articles of Incorporation or by-laws of said Corporation limiting the power of the Board of Directors to pass this Resolution and that the same is in conformity with the provisions of said Articles of Incorporation and by-laws; that the Secretary is the keeper of the records and minutes of the proceedings of the Board of Directors of said Corporation and that on the 17th day of October 2011, there was held a meeting of the Board of Directors of said Corporation, which was duly called and held in accordance with the law and the by-laws of the Corporation, at which meeting a quorum of the Directors were present; and that at said meeting this Resolution was duly and legally passed and adopted and that the same has not been altered, amended, rescinded or repealed and is now in full force and effect.

BE IT RESOLVED, by the Board of Directors of the Corporation, that the following person is the President of the Corporation and is the person authorized by the Corporation to act and sign this Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand as President of said Corporation and have attached hereto the official seal of said Corporation, this _____ day of _____, 2011.

CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION

By: _____
Gregg Appel, President

THE STATE OF TEXAS §
COUNTY OF /KERR §

This instrument was acknowledged before me on the _____ day of _____, 2011, by Gregg Appel, President of the City of Kerrville, Texas Economic Improvement Corporation, a Texas corporation, on behalf of said corporation.

Notary Public, State of Texas



**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: Sept. 30, 2011

Company Information

Company Name/Organization: City of Kerrville

Address (City/State): 800 Junction Hwy. Phone: 257-8000

Fax

Kerrville Texas 78028
City State Zip Code

Name of Company/Organization Contact on this project:

City of Kerrville / Todd Parton, City Manager

Contact Address (if different from above):

Phone

Fax

City State Zip Code

Type of Business: Corporation Partnership Sole Proprietorship
 Non Profit Organization

Year Business Started: Year Location

Current Employment:

Permanent Full-Time Permanent Part-Time

Average Production Wage

Full-Time Employees receive the following benefits:

Financial Information Required:

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

SECTION III- PROJECT INFORMATION

Requested amount: _____ \$6,000,000.00 _____

Total Project Amount: _____ \$6,500,000.00 _____

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 ()
- Roadways ()
- Other ()

The proposed improvements are to be located within the following taxing district (s): City of Kerrville () Kerr County () Kerrville ISD () 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	\$ _____
Sq. Footage of New Building (s)	_____
Size of Parking	_____
Other	_____

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 _____

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 () Yes ()

Describe: TPWD Outdoor Recreation Grant (not funded); also, receiving funding from 2002 Park Bond and Park Dedication funds .

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

Todd Parton
Printed name

September 30, 2011
Date

City Manager
Title

Signature

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

Amended 01-18-10



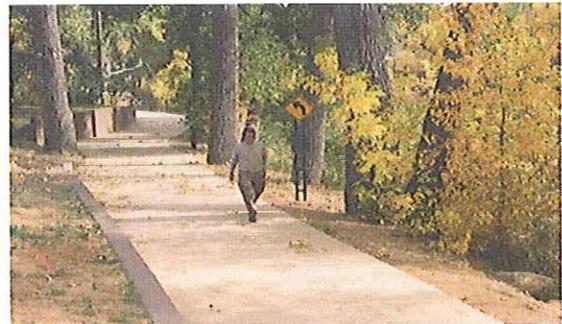
PROJECT DESCRIPTION ***KERRVILLE RIVER TRAIL***

The development of a multi-use trail along the Guadalupe River in Kerrville has been formally discussed since the early 1970's and has been included in each city comprehensive plan since that time. This project has continually been identified as a major planning goal of the city because the Guadalupe River corridor is recognized as Kerrville's most important, yet underutilized, asset.

Nature and Scope

With "quality of life" now Kerrville's defined economic target, public sector investment in the ***Kerrville River Trail*** can greatly enhance both our community's health and economic base. Waterfront trails offer economic development opportunities to a community that are only available to locales fortunate enough to have manageable rivers/bodies of water in or near population centers, downtowns, or places of interest. Kerrville meets that criteria and has significant undeveloped property along the trail to allow for planned real estate enhancements, both short and long term.

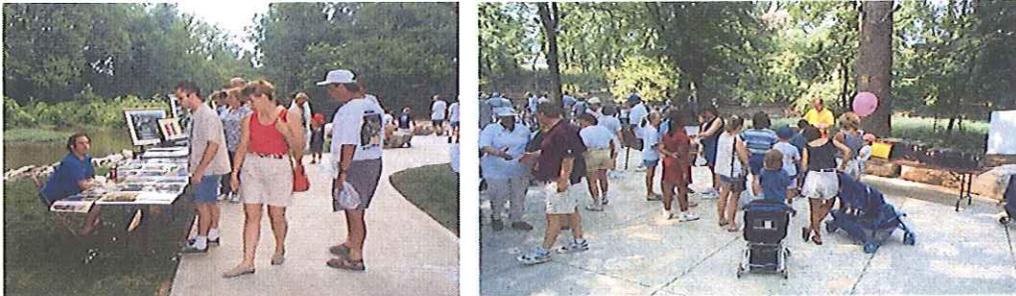
Developing public river access, infrastructure, and amenities promotes community activity and will serve as a catalyst for private development along the Kerrville riverfront for years to come.



All cities with central waterfronts continually review ways to make improvements to those areas for the betterment of their community. Improvements are generally geared toward recreation activities, water access, private property interaction, public/private partnerships, and water/flood management. But unlike most cities that have developed their waterfront as local economic engines, Kerrville has the opportunity to implement the *River Trail* project without having to install new, costly waterside infrastructure (dams, impoundments, continuous flow systems), which is a huge benefit.

The same is true for the well-positioned park and open space areas that exist along the trail. In our case, Louise Hays, Lehmann Monroe, Guadalupe, and Kerrville-Schreiner Parks are well situated to support the trail. These facilities will serve as trailhead locations with parking and as venues for trail oriented

special events and runs. (The separate application to the EIC for funding for the redevelopment of Louise Hays and Lehmann & Monroe Parks is directly tied to the *River Trail* project and will perform in conjunction with the trail in hosting events and daily recreational activity near the central business district.)



Regularly scheduled special events will target both local and visitor activity

Additionally, since a large portion of the real estate along the river is unimproved or underdeveloped, private development along the riverfront can be oriented toward, and take advantage of, the river. The timing of this project in advance of several real estate development opportunities will help define property usage and design.



Business interface with the River Trail

Private real estate development not only benefits properties directly on the trail, but also local businesses that sell products and services related to recreational activity, concessions, special events, and construction.

Site and Existing Improvements

The adjacent properties to the Guadalupe River where the *River Trail* will be located are owned privately or by other governmental entities. The current land use along the trail route consists of approximately 45% Commercial, 35% Institutional/Government, and 20% Residential (Single and Multi-family). The private property fronting the Guadalupe River along the route is approximately 30% undeveloped.

Existing private property improvements and future development potential will influence routing and design details on any trails project. The floodplain and floodway do limit both the public and private improvements that can be made in those areas. The riverbank and floodplain edge gradients vary significantly, which will also impact trail routing, improvement options, project cost, and maintenance

demands. The positions of property owners along the trail will be evaluated and taken into account on final design.



Riverfront property along Hwy 173

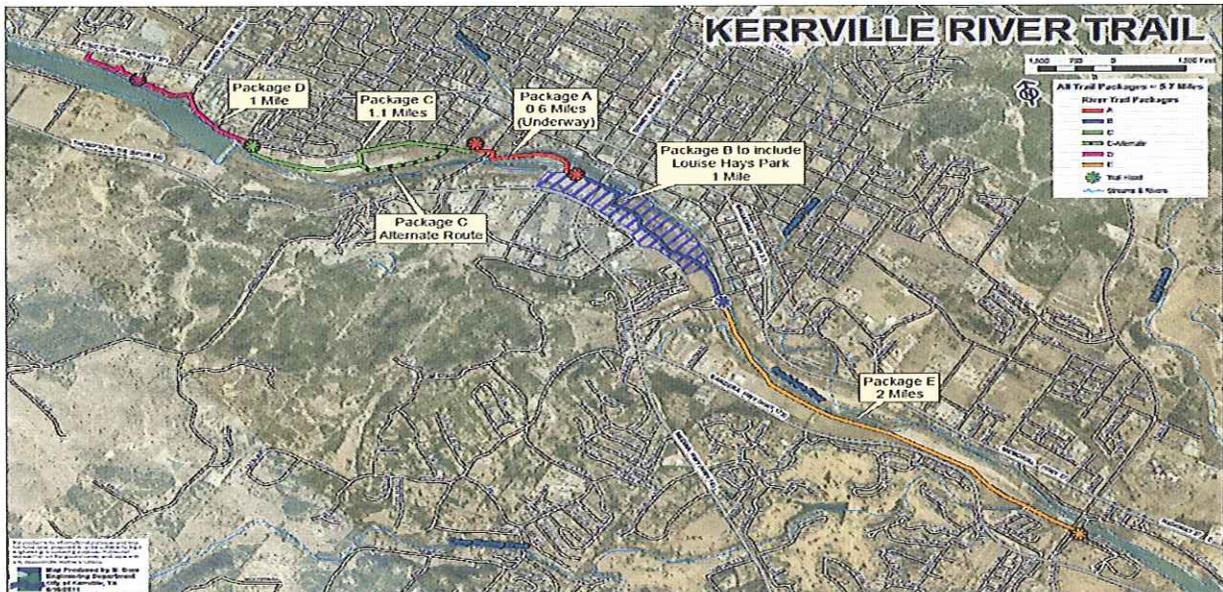


Gradient below the Dietert Center

The majority of the trail will require the securing of recreation easements from private property owners. Several of the property owners along the entire length of the trail have received an easement document for review. Existing parks, rights-of-way, and easements will be used for vehicular access to trailheads.

Proposed Improvements and Cost Projections

The *River Trail* project is included in the City of Kerrville *Comprehensive Plan*, the *5 Year Capital Improvements Plan*, and the *Parks, Recreation, and Open Space Master Plan*. The trail route, as located by the *Kerrville River Trail Master Plan* completed in 2009, has been segmented into 5 areas which allows for scheduling flexibility, design/engineering efficiency, and construction contract scopes which will help involve local contractors. The trail route, in its entirety, will extend from the 1400 block of Junction Hwy to Kerrville-Schreiner Park, a trail length of approximately 6 miles.



The first phase of the project (Package A) has funding and is under final design. Package A extends from the Riverside Nature Center to Tranquility Island to the west end of Louise Hays Park, a distance of approximately 6/10 of a mile. Construction on this segment is expected to begin in early 2012. The balance of the River Trail scope encompasses this funding request to the Economic Improvement Corporation. The capital improvements to be made over the 6 mile project are as follows, with preliminary cost projections.

Item	Description	Cost Projection
1	Site work, trail construction, walls, ramps, drainage improvements, and connections meeting ADA, AASHTO, and floodplain requirements/guidelines, stipulating concrete construction with a 10' trail width x 6 miles	\$3,600,000
2	Trailheads with parking, curb/gutter, flatwork, kiosks, lighting, wayfinding/interpretive signage, and trail amenities (racks, rest areas, drinking fountains, etc.); approximately 6 primary and 5 secondary trailheads	\$1,200,000
3	Utility connections/extensions	\$30,000
4	Adjacent property access/control (signage, gates, barriers)	\$30,000
5	Construction contingency (10%)	\$486,000
6	Design/Engineering services, survey, inspection	\$654,000
	<i>Total Project Cost</i>	\$6,000,000

Implementation

The projected schedule to complete design and construction on each phase (Packages A-E) is as shown.

Project (Package)	Easements Acquisition	Final Design	Time of Construction	Projected Start of Construction
River Trail - A Riverside Nature Center to LHP	underway	December 2011	6 months	January 2012
River Trail - C Riverside Nature Center to Guadalupe Park	concurrent with design	6 months	6 months	January 2013
River Trail - D Starbucks to Guadalupe Park	concurrent with design	6 months	12 months	January 2013
River Trail - E G St. to Kerrville Schreiner Park	concurrent with design	4 months	12 months	January 2013
River Trail - B LHP to G St. (w/ LHP)	concurrent with design	6 months	12 months	April 2013

Completion schedules will be contingent upon securing of easements and construction coordination with any private sector projects currently under design and the construction of water/wastewater projects.

The *Kerrville River Trail* is a defining project for the community. It will steer both quality-of-life and economic development opportunities along the Guadalupe River for the long term. While it would be beneficial for there to be private investment initially, linear projects like trails which front private property require a substantial, initial funding source(s) to install the primary trail improvements, in total, to make the trail usable and trigger private investment. Even as development opportunities are assessed, the trail will serve as an immediate community benefit which creates public access and recreational enjoyment of our waterfront.





**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.

Financial Information Required:

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

SECTION III- PROJECT INFORMATION

Requested amount: \$2,000,000.00

Total Project Amount: \$2,000,000.00

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 ()
- Roadways ()
- Other ()

The proposed improvements are to be located within the following taxing district (s): City of Kerrville () Kerr County () Kerrville ISD () 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	\$ _____
Sq. Footage of New Building (s)	_____
Size of Parking	_____
Other	_____

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 _____

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 () Yes ()

Describe: _____ City did apply for local foundation support for Louise Hays

_____ Park sprayground (not funded)

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

Todd Parton
Printed name.

September 30, 2011
Date

City Manager
Title

Signature

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

Amended 01-18-10



PROJECT DESCRIPTION

LOUISE HAYS and LEHMANN & MONROE PARKS REDEVELOPMENT

The ***Louise Hays and Lehmann & Monroe Parks Redevelopment*** project entails the redefining of the site to serve Kerrville as a regional destination for locals and visitors, not merely local park space. The scope of work includes the introduction of new elements that will attract park patrons to day-use areas, scheduled activities, and tie directly into, and complement, the *Kerrville River Trail* project which will weave through the park.

Nature and Scope

As with the *River Trail* or any other park related enhancement, the goal of this project is to improve the quality-of-life for all local residents and visitors to Kerrville. This park complex offers something strategically different from all other parks in the region - 1) it is easily accessible from state highways and city streets, 2) is a large 91 acre tract with river frontage the entire length of the site, 3) has access to a navigable river, 4) is adjacent to the central business district, 5) has built-in shade (from the highway bridge), 6) will be in the linear middle of the *Kerrville River Trail*, 7) has significant open space to host large events, and 8) has few park improvements or surrounding land use that will restrict renovation or expanded park uses. With the renovation scope as identified under the **Proposed Improvements and Cost Projection** section below, the site will be the activity center along the river corridor. Existing and new events will be able to maximize space, facilities, access to the *River Trail*, and parking (in the park areas and the near-by downtown parking garage and shopping centers).

Site and Existing Improvements

The contiguous Louise Hays and Lehmann & Monroe Parks are located on the banks of the Guadalupe River and have played important roles in the history of Kerrville. Prior to becoming public space, the property, like most sites near downtown along the river, was used as a source for lumber and shingles which were then milled nearby.

The 64 acre Louise Hays Park tract was donated to the City of Kerrville in 1950 with the stipulation that the City accelerate the park's improvements, which it did. Over 500 volunteers worked over a one day period in April 1950 to install many park improvements. The site serves the community as a location for river access to swim, boat, and fish, has a group pavilion which is frequently rented for large gatherings, picnic areas, and a small stage platform and expansive open space which is used for concerts and special events in the park.

Lehmann & Monroe Park, totaling 27 acres, was donated to the City in 1991 and improvements to the park were completed in 2008, consisting of playground, pavilions, trail, and sand volleyball area. Most of the improvements in these parks have been planned and installed over the years by in-house crews or volunteers.



The site boundary consists of Thompson Dr. on the south and the river on the north. The elevated Hwy 16 (Sidney Baker St.) bridge bisects the parks. Adjacent land use around the property consists of commercial development to the south, multi-family and single family residential to the east, and commercial and institutional use across the river to the north into the central business district.

One important factor in redevelopment of this site is the fact that it lies mostly within the Guadalupe River floodplain and floodway. This requires careful planning to avoid the placement of improvements in harm's way and proper design to ensure resilient materials and facilities. All structures and improvements that can impede floodwaters must be avoided in these flood zones.



Rain event in 2010

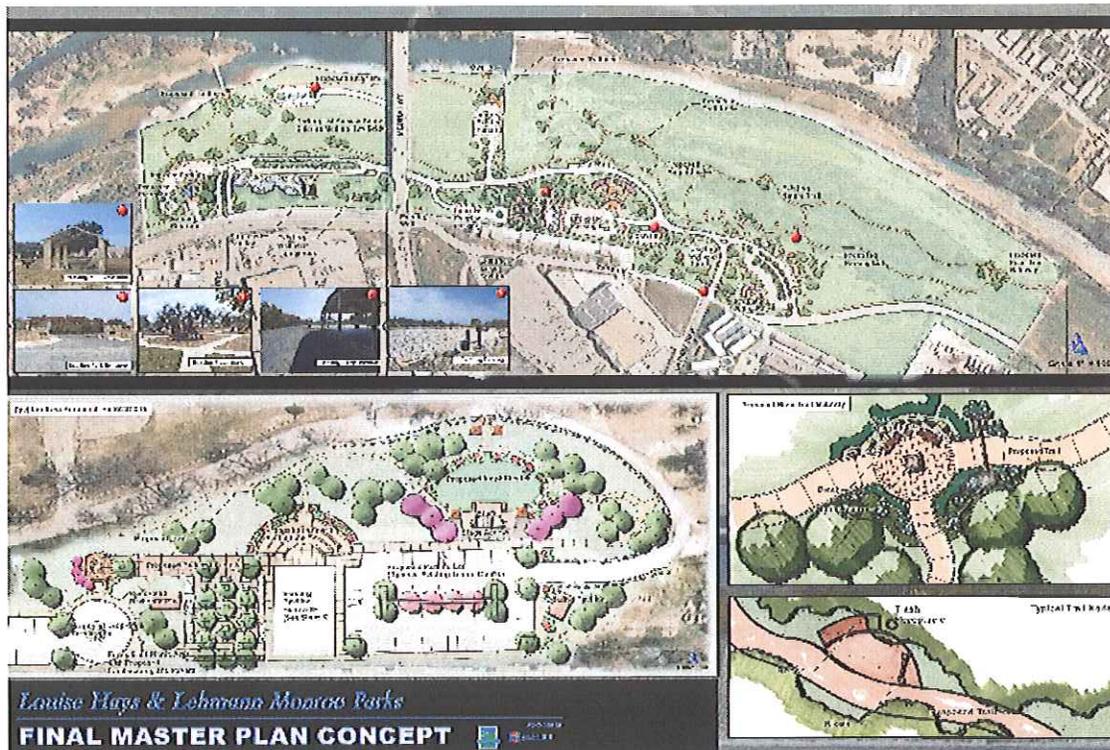
Proposed Improvements and Cost Projections

The redevelopment of the site is included in the City of Kerrville *Parks, Recreation, and Open Space Master Plan*. Additionally, the *Louise Hays and Lehmann & Monroe Parks Master Plan* was completed after extensive public input and adopted by the City in 2009, with the following scope of work.

Park enhancements will include renovation of the large pavilion and BBQ facility, a new amphitheater/stage for large events, sprayground with parking, trailheads to the *River Trail*, improved existing parking and park roads, improved river access for boating, swimming, and fishing, additional playground and picnic areas, restroom, and utility improvements. In addition to increase daily use, these improvements will allow the City to regularly schedule large special events and performances during the year and to expand concessions in the park.



The redevelopment of the park will coincide and be designed/constructed with **River Trail - Package B**, which will extend from Tranquility Island to the 'G' St. bridge. However, **River Trail - Package B** through the park is to be funded separately from this Louise Hays and Lehmann & Monroe Parks Redevelopment request.



Louise Hays and Lehmann & Monroe Parks Master Plan

Cost Projections

Item	Description	Cost Projection
1	Park amenities, amphitheater/stage, sprayground/playground, picnic areas, group pavilion upgrades, improved river access, restrooms)	\$1,250,000
2	Site work, utilities, road and parking construction, irrigation, lighting, landscaping	\$350,000
3	Construction contingency (10%)	\$160,000
4	Design/engineering services, survey, inspection	\$240,000
	<i>Total Project Cost</i>	\$2,000,000
	(Note: The <i>River Trail</i> segment through the park is separately funded)	

Implementation

The projected schedule to complete design and construction for the project is directly tied to two other capital improvement projects. First, the Jefferson Wastewater Project and 16" Water Transmission Line will need to be completed, which extend through the parks. These utilities are projected to be completed in the first half of 2013. The ***River Trail – Package B*** project, which extends through the parks from the west end of Louise Hays Park to 'G' St. will be included in the same design and construction project as the Louise Hays and Lehmann & Monroe Parks improvements for integration and efficiency purposes. Design is schedule to begin on the parks project in mid 2012 with construction start in mid 2013.

The **Louise Hays and Lehmann & Monroe Parks Redevelopment** project will establish this public space as the region's primary public park space. It will be designed as an activity center for day-use and have regularly scheduled special events that both local residents and visitors will frequent. The river will become more accessible and will have more opportunities to engage the water, through concessions and improved entry points. Park facilities will be designed and programmed to be multi-functional to maximize efficiency and to be sustainable in order to endure the natural impacts to the park over the long term. The parks' location in the center of the *River Trail*, and near downtown and the Library, will create new opportunities for events that can extend into all of the surrounding sites.