

**AGENDA FOR MEETING OF THE  
CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION  
REGULAR MEETING, MONDAY, FEBRUARY 27, 2012, 4:00 P.M.  
KERRVILLE CITY HALL COUNCIL CHAMBERS  
800 JUNCTION HIGHWAY, KERRVILLE, TEXAS**

**CALL TO ORDER**

**INVOCATION**

**1. VISITORS/CITIZENS FORUM:**

Any citizen 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 their presentation to three minutes.

**2. APPROVAL OF THE MINUTES:**

2A. Minutes of the regular meetings held December 19, 2011, and January 23, 2012.

**3. MONTHLY REPORTS:**

3A. Monthly financials for January 2012.

3B. Capital project update.

**4. INFORMATION AND DISCUSSION:**

4A. Update on Hill Country Shooting Sport Center. (Burch)

4B. Update on Pinto Trail project. (Peschel)

4C. Update on river trail and parks projects. (Rickert)

4D. Update from the Kerrville Economic Development Corporation. (Appel)

4E. Update regarding "Go" Team activities. (Wendele)

**5. CONSIDERATION AND POSSIBLE ACTION:**

5A. Economic development grant agreement between Kerrville Economic Development Corporation (KEDC) and the City of Kerrville, Texas Economic Improvement Corporation.

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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: February 23, 2012 at 4:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Cheryl Brown  
Deputy City Secretary, City of Kerrville, Texas

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5B. Amend the FY 2012 City of Kerrville, Texas Economic Improvement Corporation's budget to reflect changes to the operating, capital, and debt service budgets.

5C. Review appraisals and discuss possible disposition of Peterson Farm Road property.

**6. EXECUTIVE SESSION:**

The Economic Improvement Corporation Board of Directors reserves the right to adjourn into executive session at any time to discuss any of the matters listed as permitted by law including 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), 551.076 (deliberation regarding security devices) and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code, including the following matters:

Sections 551.071 and 551.087:

- Economic development grant agreement between Kerrville Economic Development Corporation (KEDC) and the City of Kerrville, Texas Economic Improvement Corporation.

Sections 551.071 and 551.072:

- Review appraisals and discuss possible disposition of Peterson Farm Road property.

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

**8. ADJOURNMENT.**

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Cheryl Brown  
Deputy City Secretary, City of Kerrville, Texas

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**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION  
REGULAR MEETING** **DECEMBER 19, 2011**

On Monday, December 19, 2011, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 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 (*arrived at 4:12*)  
Rex Boyland, Secretary  
Gary Cochrane  
Larry Howard  
Stacie Keeble  
Polly Rickert

**Members Absent:**

None

**Staff Present:**

Todd Parton, City Manager  
Mike Hayes, City Attorney  
Mike Erwin, Director of Finance  
Mindy Wendele, Director of Business Programs  
Malcolm Matthews, Director of Parks and Recreation  
Gordon Browning, Senior Planner  
Teri Kinsey, Deputy City Secretary

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

3. **VISITORS FORUM:**

Jack Burch, Hill Country Shooting Sports Center, stated that he was waiting on a permit from TCEQ to drill a new well; and the Kerr County 4-H Club would be using the facility for their events.

4. **PRESENTATION:**

4A. Welcome of new member; Gary Cochrane.

President Gregg Appel welcomed new member Gary Cochrane.

5. **ELECTION OF OFFICER:**

5A. Election of Secretary in accordance with EIC bylaws.

Ms. Keeble moved to appoint Rex Boyland as secretary; Mr. Howard seconded the motion and it passed 6-0 (Mr. Early arrived after the vote was taken).

6. **APPROVAL OF MINUTES:**

6A. Approve minutes from the regular meeting on November 21, 2011.

Mr. Boyland moved to approve the November 21, 2011 regular meeting minutes after correction of a name; Mr. Howard seconded the motion, and it passed 6-0 (Mr. Early arrived after the vote was taken).

## **7. MONTHLY REPORTS:**

### **7A. Monthly financials for November 2011.**

Mr. Erwin noted an ending cash fund balance of \$2.1 million; sales tax income continued to rise slightly. He noted the Kerr Economic Development Corporation line item had been decreased from \$225,000 to \$175,000 at KEDC's request.

Mr. Howard moved to approve the November 2011 financials as presented; Mr. Boyland seconded the motion, and it passed 6-0 (Mr. Early arrived after the vote was taken).

### **7B. EIC construction project status for November 2011.**

Mr. Parton reported a design contract had been executed for engineering services to modify the Harper Hwy. utility extension project; the project should be bid in February and be under construction in March/April.

## **8. PUBLIC HEARING (TO BE CANCELED):**

### **8A. Request for funding by Fox Tank Company for the construction of a new facility.**

Mr. Howard moved to cancel the public hearing for a funding request from Fox Tank Company; Mr. Early seconded the motion, and it passed 7-0.

## **9. PRESENTATION AND POSSIBLE ACTION:**

### **9A. Presentation by Water and Sidney Baker Street Property Owners concerning a funding request for \$242,284.00.**

Dr. William Rector requested EIC fund \$242,284.00 for a downtown utility project that would include funding participation from property owners. The project would involve the replacement of overhead utilities with underground utilities by removing ten utility poles and overhead wiring. He noted that since 2000 some utilities had been placed underground back to the north and west corner of the courthouse square; also, some utilities were placed underground during the construction of the parking garage. He described the proposed route for the underground utilities and the location of the transformer. The project would create permanent improvements and foster economic development through business development and expansion along the riverbank. He noted that although no funding for the boardwalk was included in this project, it may facilitate completion of the boardwalk project. He received permission from TxDOT to place the utilities underground along Highway 16, provided the utility project was completed prior to the state's resurfacing project scheduled to start in late winter/early spring 2012. He noted that the state did not plan to replace the steel traffic signal poles at this time.

Dr. Rector responded to the November 29, 2011 letter from KPUB outlining their requirements prior to KPUB's participation:

1. Party to take the lead on the project: William Rector.
2. Approval from TxDOT: application had been made by Bob Keeling of KPUB to get permission to TxDOT.
3. All affected property owners in agreement: He talked to each property owner and each was willing to look at it as a contribution to the project.

4. Contribution agreements with each utility for the project: Bob Keeling had contribution agreements and cost estimates from each utility. The \$242,000 requested included the estimated cost of the utility companies to relocate their services underground; the total cost of the project with the property owners' contributions would be in excess of \$325,000.

5. Easements on private property for the transformers and other utility infrastructure: Dr. Rector stated that he had given property for the transformer to be relocated from behind Pampell's to his property near the Arcadia Theater.

EIC members expressed concern about the location of transformers and the cost to property owners.

EIC questioned project eligibility. Mr. Hayes noted that EIC would have to make a finding that the project would provide infrastructure to develop new or expanded enterprise; based upon the potential of businesses expanding at the rear of their property along the river, this project would qualify.

President Appel declared the public hearing open and the following persons spoke:

1. Peter Lewis, member of the Main Street Advisory Board, noted this project would be fulfilling the mission and goals of the MSAB and the city, i.e. improvements in the downtown area, expansion of the riverwalk, and enhancement of the unique natural beauty of the historic downtown area. The MSAB had voted unanimously to endorse the proposal as presented.

2. David Wahrmund noted that the electric utility as designed for that service area ended at the riverbank and no future expansion was anticipated along the riverbank.

3. Traci Carlson, President of the Chamber of Commerce, spoke in favor of the project and opined that relocating utilities out of walkways would be more conducive for commercial development, shopping and tourism activities.

Ms. Rickert moved to agree to a funding agreement subject to proof of agreement among existing property owners on how the cost would be split and where the transformers would be located. The motion was seconded by Larry Howard and passed 7-0.

#### **10. CONSIDERATION AND POSSIBLE ACTION:**

##### **10A. Appointment of EIC Board member to the Economic Development "Go Team"**

Mr. Parton discussed a process to evaluate economic prospects whereby KEDC would accept applications and forward them to the appropriate agencies for review. He suggested a team be set up to review applications submitted to the city and EIC and invited EIC to appoint a member to the review team; that member could also routinely update EIC on prospects under review.

Ms. Rickert moved to appoint Kenneth Early as EIC's representative to the Economic Development "Go Team"; Mr. Howard seconded the motion and it passed 7-0.

10B. Provide direction to staff concerning master planning of approximately 86.71 acres located at 300 Peterson Farm Road.

Mr. Appel noted EIC acquired the 87 acres for a potential USDA laboratory facility; however all indications were that the USDA project would not occur, and he proposed discussing options for the property.

Mr. Browning noted the property was zoned PDD (planned development district) specifically for the USDA project. He provided a map of the area and noted it was adjacent to the airport and neighboring properties were agricultural uses. He also noted flood plain issues; adequate water line was available on Peterson Farm Road; sewer could be accessed from Highway 27; and Peterson Farm Road was a narrow rural county road that was not adequate for commercial traffic.

EIC also discussed the following:

- The property was well suited for the USDA project; however, it was not conducive for commercial or industrial development.
- Concern about the cost of developing the property, i.e. flood plain, utilities, and access issues.
- Use of the property for airport related development, or possible exchange of property with the airport.
- EIC assets were tied up in property that did not fit with EIC goals and charter.

Mr. Watson noted the airport consisted of 500 acres and at this time he did not see a need for additional property for airport uses as adequate commercial property was available at the airport and the Airport Commerce Park on Highway 27, and those properties were more conducive for commercial and economic development than the property on Peterson Farm Road. The EIC property had very limited development potential for the reasons noted.

Mr. Parton noted the airport property was designated for airport operations; grant funding received in the past required that the property be maintained for aeronautic related uses only; ownership of the airport property could not be transferred. He suggested that staff prepare a rezoning petition for EIC's consideration at the January meeting.

The consensus of EIC was to instruct staff to notify the owner of the livestock that was on the EIC property that they should remove the livestock or sign a lease agreement that would protect EIC from any liability.

Mr. Howard moved to direct staff to prepare an application on behalf of EIC for a zoning change for the 86.71 acres, with input from Mr. Watson, and bring it to EIC for consideration at the January meeting. Ms. Rickert seconded the motion and it passed 7-0.

**11. INFORMATION AND DISCUSSION:**

11A. Update regarding the Parks and Trail System Improvement Project.

Mr. Matthews noted the city was moving forward with Package A of the river trail which was primarily funded by a 2002 bond issue; staff reviewed plans and bidding was expected in February. Staff was proceeding with the next phase of the river trail, that is, planning the route and then acquiring easements. The plan was to use local professionals as much as possible for design and construction and to purchase materiel from local suppliers. Ms. Rickert will act as liaison with staff to establish a monthly reporting format and to review plans.

11B. Update regarding the Kerrville Economic Development Corporation.

Mr. Watson noted census information had been received. The KEDC demographic evaluation of Kerrville and Kerr County had been completed and it indicated a heavy elderly population with a majority of the wealth, and poverty with the younger population. KEDC was reviewing the draft of the asset management study, and it would be presented to EIC upon completion. He was also working on nine projects.

**12. EXECUTIVE SESSION:**

Mr. Boyland moved that the Economic Improvement Corporation go into executive closed session under section 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas; Mr. Howard seconded; motion passed 7-0 to discuss the following matter:

Section 551.087:

- Update concerning the funding of Fox Tank Company for the construction of a new facility.

At 5:25 p.m. the regular meeting recessed and the Board went into executive closed session at 5:31 p.m. At 6:50 p.m. the executive closed session recessed and the Board returned to open session at 6:51 p.m. The president announced that no action had been taken in executive session.

**13. ADJOURNMENT**

Mr. Howard moved to adjourn the meeting; Mr. Early seconded; motion passed 7-0. The meeting adjourned at 6:52 PM.

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

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Gregg Appel, President

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Brenda G. Craig City Secretary

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION  
REGULAR MEETING** **JANUARY 23, 2012**

On Monday, January 23, 2012, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 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  
Rex Boyland, Secretary  
Gary Cochrane  
Larry Howard  
Stacie Keeble  
Polly Rickert (arrived at 4:07)

**Members Absent:**

None

**City Staff Present:**

Todd Parton, City Manager  
Mike Hayes, City Attorney  
Kristine Ondrias, Assistant City Manager  
Brenda G. Craig, City Secretary  
Mike Erwin, Director of Finance  
Mindy Wendele, Director of Business Programs  
Malcolm Matthews, Director of Parks and Recreation  
Gordon Browning, Senior Planner  
Dieter Werner, Director of Engineering

**Visitors Present:** Visitors list on file in the City Secretary's Office.

Ray Watson, Executive Director, Kerr Economic Development Corporation  
Traci Carlson, President of the Kerr Area Chamber of Commerce

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

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

4. **MONTHLY REPORTS:**

4A. **Monthly financials for December 2011:**

Mr. Erwin presented the financial statements ending December 31, 2011, and noted an ending cash balance of \$2,192,257. He reviewed the capital projects summary and noted that several projects would be closed out soon and the fund balance would be returned to the EIC.

Mr. Early moved to approve the December 2011 financials as presented; Mr. Boyland seconded the motion, and it passed 7-0.

**4B. EIC construction project status for December 2011:**

Mr. Werner gave the project update; he anticipated the Harper Road utility extension project would be completed by the end of February 2012; the Harper Road utility extension Phase 2 project should begin in February with anticipated completion in six months. Ms. Ondrias noted several projects would be closed in a budget amendment in late spring, and any remaining fund balance would be moved to the EIC budget.

**5. PUBLIC HEARINGS AND ACTION:**

**5A. Funding agreement with Fox Tank Company for the construction of a new facility in the amount of \$600,000.00:**

Mr. Appel opened the public hearing at 4:17 p.m.; no one spoke and the public hearing was closed.

Mr. Hayes reviewed the agreement and noted he was awaiting directions from EIC regarding the callback provision before finalizing the document.

Mr. Watson noted there were four separate agreements with Fox Tank: the state, county, city, and EIC; none of the packages were contingent on the others; all were stand-alone packages. He reviewed the incentive packages:

- Kerr County acted to approve their agreement, which included a two year reimbursement of sales tax generated by the project, and a five year staggered property tax abatement.
- City of Kerrville would consider their agreement on February 14, which included a two year reimbursement of sales tax generated by the project, and a five year staggered property tax abatement.
- The EIC incentive package proposed that EIC provide \$600,000 based on \$10,000 per employee, each employee to be paid at a minimum wage of \$15 per hour, for a minimum of 60 full time employees each year for ten years, at a facility to be located within the city limits.

Mr. Watson discussed the following regarding EIC's ten year economic incentive package for the Fox Tank project:

- Proposed the following callback provisions: maintain a minimum of 60 employees (this did not include the current 42 employees at the Comfort facility) every year for ten years, with a penalty to be paid to EIC based on a pro rata shortage of \$10,000 per employee in any given year for the life of the agreement, and 60% of the workforce had to live within Kerr County.
- The date of annual reporting compliance to all entities would be the anniversary date of the agreement.
- The project would repay the tax dollars put into it within 3.5 years, and thereafter provide \$75,000 additional sales tax to EIC annually.
- The Fox Tank facility was projected to produce \$300,000 in new local sales tax annually, and generate \$3.5 million in new property tax annually.
- There was no deferment of sales tax proposed.

The following issues were also discussed:

- Mr. Fox was in the process of finalizing the purchase of private property across from the airport on Highway 27, and he proposed to begin construction immediately. City utilities were available to the property. The agreements required that the facility be located inside the city limits, and this property was outside the city. Mr. Parton noted the annexation, platting, and zoning processes would begin immediately upon signing the agreements, and the processes would run concurrently with anticipated completion in 60-90 days. Mr. Fox agreed to initiate the building permit process and follow building codes to ensure the property was built to city standards.
- Regarding Fox Tank's possible future sale of the property, Mr. Watson advised that a provision in the agreement required permission from EIC in writing before any sale, merger, or transfer could take place. EIC could then confirm whether the requirements of the agreement had been fulfilled and the obligations had been met before any sale, merger, or transfer could be finalized; further, any new or merged company must be submitted to EIC for evaluation.
- EIC discussed the option of Fox Tank meeting its requirements and being vested in three years.
- Could EIC place a lien on the Fox Tank property to secure the callback? Mr. Hayes noted the agreement, as written, was tied to the number of employees to be hired and maintained and not to the property.
- The Texas Workforce Commission and the Alamo Community College District proposed to enter into an agreement with Fox Tank to provide a training facility to train welders in the Kerrville area.

Mr. Appel disclosed a conflict and did not participate in discussion of the call back provision or the vote on the EIC agreement with Fox Tank.

Mr. Parton summarized the consensus of EIC with regard to the callback provisions: agreement be for a period of 10 years at 10% per year; maintain a minimum of 60 new employees; if Fox Tank did not meet the employee benchmark for any period, then a pro rata penalty of 1/10<sup>th</sup> of the value of the unvested portion would be reimbursed back to EIC by Fox Tank.

The following person spoke:

1. Ward Jones suggested if Fox exceeded the minimum requirements and had 150 employees, EIC should give him greater incentive, and that would create more jobs. Mr. Appel noted EIC was providing incentive for Mr. Fox to locate his business here based on certain minimum standards; how well the business grew, the number of employees hired, and the salaries paid were Mr. Fox's business as long as he met those minimum standards specified in the EIC agreement.

Mr. Early moved to instruct staff to draft the funding agreement with call back provisions as discussed and send it to all members for review; comments regarding the funding agreement should be addressed Mr. Hayes; and Mr. Appel be authorized to sign the funding agreement. The motion was seconded by Ms. Rickert and passed 6-0-1 with Members Early, Rickert, Boyland, Cochrane, Howard, and Keeble voting in favor of the motion; no one voted against the motion; and Mr. Appel abstained.

5B. Project funding agreement between the Kerrville Public Utility Board and the City of Kerrville, Texas, Economic Improvement Corporation (Downtown Kerrville Utility Line Removal and Undergrounding):

Dr. William Rector stated that since the December EIC meeting the funding request increased from \$242,000 to \$300,000 due to revised bids, change in project scope, and contingency required by KPUB. He noted the following:

- The transformer location had been changed from behind Pampell's to a location behind the Arcadia Theater for several reasons: a transformer cannot be set on top of a gas line and there was a gas line on the east side of Sidney Baker behind Pampell's; the transformer would be too close to the proposed stairway near the bridge; land behind the Arcadia had been donated and the easement was signed; and a retaining wall was already built at this location.
- Funding was in place for completion of the east side of Sidney Baker; however, the west side funding was a concern as the three affected property owners had declined to participate in the project at this time. He estimated the cost to be approximately \$32,000 per property owner for the west side; however, he opined that those property owners were enthusiastic about the project.
- The project was still a viable project as it would: result in the removal of seven poles and overhead wiring; create the opportunity for the boardwalk to continue along the river; provide clean aesthetic appearance in central downtown and that section of the river; and would set the stage for underground utilities to expand on the west side of Sidney Baker when property owners in that area were ready.

Tracy McCuan and Mike Wittler of Kerrville Public Utility Board (KPUB) noted:

- KPUB already had an agreement to serve the Arcadia with electricity underground from the back of their property.
- The city requested KPUB manage this project; therefore, KPUB requested 15% contingency of \$50,000 that was not included in the project cost presented to EIC in December. The project included the cost for all other utility providers to also relocate their services underground. Mr. McCuan suggested that any contingency funds remaining from the east side could be used for the west side.
- Under the proposed project, KPUB would bury utility lines under Sidney Baker and stub out services on the west side for future connection; the poles would remain and west side property owners would not be required to connect to underground utilities, but the service would be available for future connection when desired.
- The main cost for property owners was bringing service to their buildings.
- Mr. McCuan stated he had the permit from TxDOT in hand and KPUB was ready to move forward. KPUB must move expediently to complete the project before TxDOT began resurfacing Sidney Baker in late winter. He opined that TxDOT would not likely grant permission to place utilities underground in their right of way at this location for many years in the future.
- The second circuit for the street light and traffic signal was not part of this project, and that pole would remain on the west side of Sidney Baker on Water Street.
- A transformer for underground utilities could be placed on the west side; however, he felt that the property owners would not grant KPUB the necessary easements.

EIC also discussed the following:

- West side property owners could come back and request funding under a separate project in the future and amenities would be in place from this project to accommodate future connections.
- If the project was extended to the west side, those property owners would lose parking spaces and alleyway.
- At least one owner had created a trashy dump on the riverside; property owners should clean up their property.
- Property owners on both sides of Sidney Baker would benefit and it was not fair that some would contribute to the cost and others who benefited would not.
- Questioned whether this project met the economic development finding. Mr. Hayes stated that the project did not include a job creation component; however, EIC had the discretion to make the finding that the project created the potential for property owners to expand their businesses by opening to the riverside of their property, which he opined met the requirements of the act.

Mr. Appel declared the public hearing open at 5:44 p.m. and the following persons spoke:

1. Traci Carlson, President of the Chamber of Commerce, opined that such a project would attract visitors and shoppers to the downtown area as it would be aesthetically pleasing and more easily navigable, therefore sales would increase. This project was a great opportunity for the city and business owners and would prove to be an economic engine for Kerrville.
2. Ms. Wendele read a letter received from John Mosty stating his opposition to the project as it did not create additional primary jobs; he questioned whether moving the overhead lines to underground would promote or develop new or expanded business development as required under the code.

No one else spoke, and Mr. Appel closed the public hearing at 5:49 p.m.

Ms. Rickert moved to approve the project in the amount of \$300,000 as amended without funding any improvements on the west side of Sidney Baker. The motion died for lack of a second.

Mr. Howard moved to provide funding in the amount up to \$300,00 to connect the east side of Sidney Baker, and any remaining contingency be used for the west side. Mr. Early seconded the motion and it passed 5-2 with Members Howard, Early, Appel, Cochran, and Rickert voting in favor of the motion; and Members Keeble and Boyland voting against the motion.

## **6. CONSIDERATION AND POSSIBLE ACTION:**

6A. Economic Development Grant Agreement between Kerrville Economic Development Corporation (KEDC) and the City of Kerrville, Texas Economic Improvement Corporation:

Mr. Hayes and Mr. Parton reviewed the agreement and discussed specific changes:

- The term changed from year ending December 31 (calendar) to September 30 (EIC's fiscal year).
- Defined KEDC's and EIC's roles and obligations.
- Would allow KEDC's director to participate in EIC's confidential communications in executive session as long as the interests or both are aligned.
- EIC would budget \$175,000 to fund KEDC's operations.

6B. Administrative Services Contract between City of Kerrville, Texas and City of Kerrville, Texas Economic Improvement Corporation (Howard):

Mr. Howard requested discussion of the contract be held in executive session under contractual matters with the attorney.

6C. Peterson Farm Road property zoning update (Ondrias):

Mr. Parton noted the city was in the process of redrafting the city-wide zoning code. The zoning district options under the existing code were very limited, and he suggested airport district or planned development district (PDD); however, the airport had sufficient property for airport related uses, and without a specific use for the property it would be difficult to apply a PDD which could limit uses for a potential buyer. He suggested no action be taken on rezoning until the zoning code had been completed or a potential buyer had a specific use and the property could then be zoned for that specific use. He noted that Peterson Farm Road was more conducive for commercial and residential uses.

EIC also discussed the following:

- Several areas of the property had floodplain and elevation issues which made development challenging.
- Water service was available to the property from Peterson Farm Road and sewer service could be accessed from Highway 27.
- Peterson Farm Road was a narrow, rural street and had limited potential.
- The property could be subdivided and the land in the floodplain zoned agricultural, and the property fronting Peterson Farm Road could be zoned commercial and multi-family.

Mr. Howard moved to instruct staff to prepare a plan of action for the board to consider at a future meeting that included getting an appraisal of the property and putting it on the market to be sold. The motion was seconded by Mr. Boyland and passed 7-0.

**7. INFORMATION AND DISCUSSION:**

7A. Update regarding River Trail and Parks Projects (Rickert):

Mr. Matthews reviewed Packages A-F of the river trail and parks projects and noted:

- Package A would connect Riverside Nature Center to Tranquility Island and the west side of Louise Hays Park parking lot; 90% complete with plans and specifications; anticipated construction to start April 2012; funding from 2002 bond sale (\$500,000), park fund (\$25,000), and some EIC funding (\$170,000); and the trail in the Riverside Nature Center area would be crushed granite.

- Anticipated bidding the bridge in February/March and construction in five months.
- Anticipated the Family Sports Center would put the trail in their construction plans.
- 118 easements had been identified for the project.
- Package B would look at solar system upgrade/expansion on Tranquility Island.
- Consider native vegetation to reduce irrigation and maintenance issues.

Mr. Matthews will provide a status report monthly for each package in the format presented.

7B. Update regarding the Kerrville Economic Development Corporation. (Appel):  
No report was given.

7C. Update regarding 'Go' Team activities (Wendele):

Ms. Wendele noted in December Mr. Early was appointed as EIC's representative on the Go Team to evaluate economic prospects. The first meeting was scheduled for January 27, and the first task of the committee will be to look at the incentive policy adopted in 2008 and recommend changes to that policy.

7D. Update regarding the Hill Country Shooting Sports Center (Burch):

Jack Burch reported on the following:

- Received the permit from TCEQ to drill the well; should take about two weeks to complete drilling and set the pump.
- Seven events were scheduled that are sanctioned by the US Olympics.
- Was informed that the Austin Music Festival group would be bringing an event of 1,000 people to Kerrville July 9, and about 300-500 attendees would be participating in shooting events.
- State championship Youth Hunter Education Challenge was scheduled in March.

## **8. EXECUTIVE SESSION:**

Mr. Howard moved that the Economic Improvement Corporation go into executive closed session under Section 551.071 (consultation with attorney) of Chapter 551 of the Government Code of the State of Texas; Ms. Rickert seconded; motion passed 7-0 to discuss the following matters:

### Section 551.071:

- Contract between Economic Improvement Corporation and the Kerrville Economic Development Corporation.
- 
- Administrative services contract between Economic Improvement Corporation and the City of Kerrville.

At 6:32 p.m. the regular meeting recessed and the Board went into executive closed session at 6:37 p.m. At 7:03 p.m. the executive closed session recessed and the Board returned to open session at 7:05 p.m. The president announced that no action had been taken in executive session.

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

Mr. Boyland moved to table the contract between the Economic Improvement Corporation and the Kerrville Economic Development Corporation to the February meeting. The motion was seconded by Mr. Howard and passed 7-0.

**10. ADJOURNMENT**

Mr. Howard moved to adjourn the meeting; Mr. Boyland seconded; motion passed 7-0. The meeting adjourned at 7:07 p.m.

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

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

ATTEST:

\_\_\_\_\_  
Brenda G. Craig, City Secretary

CITY OF KERRVILLE  
Economic Improvement Corporation  
Sales Tax Improvement Fund

<b>Cash Balance as of January 1, 2012</b>		<b>\$ 2,217,257</b>
Deposits:		
Sales Tax	\$ 204,051	
Interest Revenue	\$ 650	
	<u>\$ 204,701</u>	
Expenses:		
Office Supplies		
Public Notice	\$ 20	
Administrative Service Fee	\$ 8,333	
Special Services - Category 1		
Special Services - Category 2		
Transfer for Debt Service	\$ 42,083	
Transfer to Project Fund	\$ 250,000	
Total Expenses	<u>\$ 300,436</u>	
Revenues Over (Under) Expenditures		<u>\$ (95,734)</u>
<b>Ending Cash Balance as of January 31, 2012</b>		<b><u><u>\$ 2,121,522</u></u></b>
Assigned Fund Balance - Park Improvements		<b>\$ 50,000</b>
<b>Ending Cash Balance Available as of January 31, 2012</b>		<b>\$ 2,071,522</b>

City of Kerrville  
Economic Improvement Corporation  
Sales Tax Improvement Fund - Revenue and Expense Statement  
For the month ending January 31, 2012

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>BEGINNING CASH BALANCE</b>	\$ 3,148,386	\$ 3,148,386	\$ 3,148,386		
<b>REVENUE:</b>					
Sales and Use Tax	\$ 2,275,000	\$ 204,051	\$ 835,591	36.73%	\$ 1,439,409
Interest	\$ 5,240	\$ 650	\$ 2,737	52.25%	\$ 2,502
Transfer In		\$ -	\$ -		
<b>TOTAL REVENUE</b>	<b>\$ 2,280,240</b>	<b>\$ 204,701</b>	<b>\$ 838,329</b>	<b>36.76%</b>	<b>\$ 1,441,911</b>

	Annual Budget	Current Period	Y-T-D Actual & Encumbrance	% of Budget	Budget Balance
<b>EXPENDITURES:</b>					
<b>Administrative</b>					
Advertising	\$ -	\$ 20	\$ 90	-	\$ (90)
Transfer to Debt Service Fund	\$ 505,000	\$ 42,083	\$ 168,333	33.33%	\$ 336,667
Economic Development Governing Body	\$ 225,000	\$ -	\$ 175,000	100.00%	\$ 50,000
Annual Disclosure Fee	\$ 3,500	\$ -	\$ -		\$ 3,500
Administrative Services Fee	\$ 100,000	\$ 8,333	\$ 33,333	33.33%	\$ 66,667
<b>Total Administrative</b>	<b>\$ 833,500</b>	<b>\$ 50,436</b>	<b>\$ 376,757</b>	<b>45.20%</b>	<b>\$ 456,743</b>
<b>Category I - Business Development</b>					
Hill Country Shooting Center			\$ -	100.00%	\$ -
Commercial Improve Pilot Program			\$ -	100.00%	\$ -
USDA			\$ 1,138,436		
Unspecified	\$ 850,000	\$ 250,000	\$ 250,000	29.41%	\$ 600,000
<b>Total Category I</b>	<b>\$ 850,000</b>	<b>\$ 250,000</b>	<b>\$ 1,388,436</b>	<b>100.00%</b>	<b>\$ 600,000</b>
<b>Category II - Quality of Life</b>					
Schreiner University Project	\$ -	\$ -	\$ -		\$ -
Hill Country Home Opportunity Program	\$ -	\$ -	\$ 100,000	100.00%	\$ -
Category II Unspecified	\$ 45,750	\$ -	\$ -	0.00%	\$ 45,750
<b>Total Category II</b>	<b>\$ 45,750</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>218.58%</b>	<b>\$ (54,250)</b>
<b>Category III - Public Infrastructure</b>					
Unspecified Projects	\$ 45,750	\$ -	\$ -	0.00%	\$ 45,750
<b>Total Category III</b>	<b>\$ 45,750</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 45,750</b>
<b>Contingency</b>	\$ 500,000	\$ -	\$ -	0.00%	\$ 500,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,275,000</b>	<b>\$ 300,436</b>	<b>\$ 1,865,193</b>	<b>81.99%</b>	<b>\$ 1,548,243</b>
<b>NET REVENUES TO EXPENDITURES</b>	<b>\$ 5,240</b>	<b>\$ (95,734)</b>	<b>\$ (1,026,864)</b>		

	Budget	Actual
<b>ENDING CASH BALANCE: January 31, 2012</b>	\$ 3,153,626	\$ 2,121,522
Assigned Fund Balance - Park Improvements		\$ 50,000
<b>ENDING CASH BALANCE AVAILABLE: January 31, 2012</b>		\$ 2,071,522

	Pro Forma				
	2012	2013	2014	2015	2016
<b>Beginning Cash Balance</b>	\$ 3,153,626	\$ 2,020,430	\$ 3,485,406	\$ 5,392,138	\$ 7,404,244
<b>Revenue</b>					
Sales Tax	\$ 2,275,000	\$ 2,297,750	\$ 2,320,728	\$ 2,343,935	\$ 2,367,374
Interest	\$ 5,240	\$ 5,502	\$ 5,777	\$ 6,065	\$ 6,369
<b>Total Revenue</b>	<b>\$ 2,280,240</b>	<b>\$ 2,303,252</b>	<b>\$ 2,326,504</b>	<b>\$ 2,350,000</b>	<b>\$ 2,373,743</b>
<b>Expense</b>					
Special Services	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
Promo (ED Gov)	\$ 225,000	\$ 229,775	\$ 232,073	\$ 234,393	\$ 236,737
Adminstrative Services-City	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Commercial Improvement Program	\$ -	\$ -	\$ -	\$ -	\$ -
Other/Unspecified	\$ 1,441,500	\$ -	\$ -	\$ -	\$ -
Debt Service Transfer	\$ 505,000	\$ 505,000	\$ 84,200	\$ -	\$ -
<b>Total Expenditure</b>	<b>\$ 2,275,000</b>	<b>\$ 838,275</b>	<b>\$ 419,773</b>	<b>\$ 337,893</b>	<b>\$ 340,237</b>
<b>Revenue over Expense</b>	<b>\$ 5,240</b>	<b>\$ 1,464,977</b>	<b>\$ 1,906,731</b>	<b>\$ 2,012,107</b>	<b>\$ 2,033,505</b>
KEDF Loan #501734 - paid off	\$ 1,138,436				
Harper Hwy. Extension (future)	\$ -				
<b>Ending Cash Balance</b>	<b>\$ 2,020,430</b>	<b>\$ 3,485,406</b>	<b>\$ 5,392,138</b>	<b>\$ 7,404,244</b>	<b>\$ 9,437,750</b>

CITY OF KERRVILLE  
Economic Improvement Corporation  
Sales Tax Debt Service Fund

<b>Cash Balance as of January 1, 2012</b>		<b>\$ 542,987</b>
Revenues:		
Transfer from Sales Tax Improvements Fund	\$ 42,083	
Total Deposits	<u>\$ 42,083</u>	
Expenses:		
Paying Agent Fee	\$ -	
Bond Principal	\$ -	
Bond Interest	<u>-</u>	
Total Expenses	<u>\$ -</u>	
Revenues Over (Under) Expenditures:		<u>\$ 42,083</u>
<b>Ending Cash Balance as of January 31, 2012</b>		<b><u><u>\$ 585,070</u></u></b>

CITY OF KERRVILLE  
Economic Improvement Corporation  
Sales Tax Debt Service Fund  
Revenue and Expense Statement  
For the month ending January 31, 2012

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>BEGINNING CASH BALANCE</b>	\$ 416,738		\$ 416,738		
<b>REVENUE:</b>					
Transfer from Sales Tax Improvement Fund	\$ 505,000	\$ 42,083	\$ 168,333	33.33%	\$ 336,667
Return of Equity - Park Lane Extension	\$ -			100.00%	\$ -
<b>TOTAL REVENUE</b>	<b>\$ 505,000</b>	<b>\$ 42,083</b>	<b>\$ 168,333</b>	<b>33.33%</b>	<b>\$ 336,667</b>
	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
<b>EXPENDITURES:</b>					
Series 1999 Sales Tax Bond Debt Service	\$ 445,000	\$ -		0%	\$ 445,000
Series 1999 Sales Tax Bond Interest Expense	\$ 54,066			0%	\$ 54,066
Paging Agent Fees	\$ 1,000	\$ -		0%	\$ 1,000
First Southwest Continuing Disclosure Fee	\$ -	\$ -		-	\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ 500,066</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 500,066</b>
<b>ENDING CASH BALANCE: January 31, 2012</b>	<b>Budget</b>		<b>Actual</b>		
	\$ 421,672		\$ 585,070		

	<b>Pro Forma</b>		
	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Beginning Cash Balance</b>	\$ 416,738	\$ 421,672	\$ 427,424
Revenue			
Transfer from Sales Tax Improvement Fund	\$ 505,000	\$ 505,000	\$ 84,200
<b>Total Revenue</b>	<b>\$ 505,000</b>	<b>\$ 505,000</b>	<b>\$ 84,200</b>
Expenditures:			
Series 1999 Sales Tax Bond Debt Principal	\$ 445,000	\$ 465,000	\$ 485,000
Series 1999 Sales Tax Bond Debt Interest	\$ 54,066	\$ 33,248	\$ 11,276
Paging Agent Fees	\$ 1,000	\$ 1,000	\$ 1,000
Continuing Disclosure Fee	\$ -	\$ -	
<b>Total Expenditure</b>	<b>\$ 500,066</b>	<b>\$ 499,248</b>	<b>\$ 497,276</b>
Revenue over expenditures	\$ 4,934	\$ 5,752	\$ (413,076)
<b>Ending Cash Balance</b>	<b>\$ 421,672</b>	<b>\$ 427,424</b>	<b>\$ 14,348</b>

CITY OF KERRVILLE  
 Economic Improvement Corporation  
 SALES TAX REVENUE ANALYSIS

	Actual FY 2009	Actual FY 2010	Actual FY 2011	Approved FY 2012	Actual FY 2012	Difference Projected vs Actual	% of Projected Variance
October	\$ 195,050	\$ 179,735	\$ 184,602	\$ 173,576	\$ 219,934	\$ 46,358	26.71%
November	\$ 218,565	\$ 188,879	\$ 207,677	\$ 196,570	\$ 203,379	\$ 6,809	3.46%
December	\$ 202,043	\$ 170,981	\$ 169,550	\$ 174,136	\$ 208,227	\$ 34,091	19.58%
January	\$ 190,881	\$ 170,645	\$ 195,030	\$ 173,606	\$ 204,051	\$ 30,445	17.54%
February	\$ 239,208	\$ 236,837	\$ 241,320	\$ 236,995			
March	\$ 200,569	\$ 163,136	\$ 169,754	\$ 168,664			
April	\$ 259,861	\$ 160,461	\$ 157,729	\$ 167,740			
May	\$ 228,262	\$ 203,235	\$ 234,742	\$ 217,142			
June	\$ 181,835	\$ 182,429	\$ 186,441	\$ 177,831			
July	\$ 183,253	\$ 179,622	\$ 190,696	\$ 178,749			
August	\$ 219,318	\$ 221,711	\$ 238,491	\$ 218,448			
September	\$ 189,718	\$ 186,321	\$ 179,133	\$ 191,546			
<b>Total</b>	<b>\$ 2,508,562</b>	<b>\$ 2,243,991</b>	<b>\$ 2,355,166</b>	<b>\$ 2,275,000</b>	<b>\$ 835,591</b>	<b>\$ 117,704</b>	<b>16.40%</b>

CITY OF KERRVILLE  
Economic Improvement Corporation  
EIC Capital Projects Fund

<b>Cash Balance as of January 1, 2012</b>		<b>\$ 750,332</b>
Revenues:		
Transfer In	\$ 250,000	
Total Revenues/Transfer In	<u>\$ 250,000</u>	
Expenses:		
Services		
Special Services		
Harper Hwy Utility Extention	2,833	
	<u>\$ 2,833</u>	
Capital Outlay		
Capital Outlay Total		-
Total Expenses	\$ 2,833	
Revenue Over (Under) Expenditures		<u>\$ 247,167</u>
<b>Ending Cash Balance as of January 31, 2012</b>		<b><u><u>\$ 997,499</u></u></b>

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

Project Status Summary  
For the month ending October 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	\$ 3,402,396	\$ 2,729,245	\$ 673,151	-
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
2009/10	Hill Country Home Opportunity	FA 2010-02	\$ 250,000	\$ 250,000		\$ 250,000	\$ 236,535	\$ 13,465	-
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	\$ 367,422	\$ 127,411	-
<b>TOTALS</b>			<b>\$ 4,354,725</b>	<b>\$ 4,354,725</b>	<b>\$ 302,396</b>	<b>\$ 4,907,116</b>	<b>\$ 3,909,616</b>	<b>\$ 997,499</b>	<b>0</b>

Cash Balance on 1/31/2012

\$ 997,499

February 1, 2012

*Revised*

City of Kerrville  
800 Junction Highway  
Kerrville, TX 78028  
Attention: Mr. Mike Erwin, Chief Financial Officer

Re: *Kerrville Economic Improvement Corporation, Texas, (Kerrville), Outstanding Sales Tax Revenue Bonds, Series 1999*

Dear Mr. Erwin:

Standard & Poor's has reviewed the Standard & Poor's underlying rating (SPUR) on the above-referenced obligations. After such review, we have affirmed the "A+" rating and stable outlook. A copy of the rationale supporting the rating and outlook is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

Please send all information to:

Standard & Poor's Ratings Services  
Public Finance Department  
55 Water Street  
New York, NY 10041-0003

If you have any questions, or if we can be of help in any other way, please feel free to call or contact us at [nypublicfinance@standardandpoors.com](mailto:nypublicfinance@standardandpoors.com). For more information on Standard & Poor's, please visit our website at [www.standardandpoors.com](http://www.standardandpoors.com). We appreciate the opportunity to work with you and we look forward to working with you again.

Sincerely yours,



Standard & Poor's Ratings Services  
a Standard & Poor's Financial Services LLC business.

cm  
enclosure

## Standard & Poor's Ratings Services Terms and Conditions Applicable To Public Finance Ratings

You understand and agree that:

General. The ratings and other views of Standard & Poor's Ratings Services ("Ratings Services") are statements of opinion and not statements of fact. A rating is not a recommendation to purchase, hold, or sell any securities nor does it comment on market price, marketability, investor preference or suitability of any security. While Ratings Services bases its ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, Ratings Services does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and Ratings Services' opinions should not be relied upon in making any investment decision. Ratings Services does not act as a "fiduciary" or an investment advisor. Ratings Services neither recommends nor will recommend how an issuer can or should achieve a particular rating outcome nor provides or will provide consulting, advisory, financial or structuring advice.

All Rating Actions in Ratings Services' Sole Discretion. Ratings Services may assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, at any time, in Ratings Services' sole discretion. Ratings Services may take any of the foregoing actions notwithstanding any request for a confidential or private rating or a withdrawal of a rating, or termination of this Agreement. Ratings Services will not convert a public rating to a confidential or private rating, or a private rating to a confidential rating.

Publication. Ratings Services reserves the right to use, publish, disseminate, or license others to use, publish or disseminate the rating provided hereunder and any analytical reports, including the rationale for the rating, unless you specifically request in connection with the initial rating that the rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private rating or the existence of a confidential or private rating subsequently becomes public through disclosure other than by an act of Ratings Services or its affiliates, Ratings Services reserves the right to treat the rating as a public rating, including, without limitation, publishing the rating and any related analytical reports. Any analytical reports published by Ratings Services are not issued by or on behalf of you or at your request. Notwithstanding anything to the contrary herein, Ratings Services reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public ratings that have been withdrawn, regardless of the reason for such withdrawal. Ratings Services may publish explanations of Ratings Services' ratings criteria from time to time and nothing in this Agreement shall be construed as limiting Ratings Services' ability to modify or refine its ratings criteria at any time as Ratings Services deems appropriate.

Information to be Provided by You. For so long as this Agreement is in effect, in connection with the rating provided hereunder, you warrant that you will provide, or cause to be provided, as promptly as practicable, to Ratings Services all information requested by Ratings Services in accordance with its applicable published ratings criteria. The rating, and the maintenance of the rating, may be affected by Ratings Services' opinion of the information received from you or your agents or advisors. You further warrant that all information provided to Ratings Services by you or your agents or advisors regarding the rating or, if applicable, surveillance of the rating, as of the date such information is provided, (i) is true, accurate and complete in all material respects and, in light of the circumstances in which it was provided, not misleading and (ii) does not infringe or violate the intellectual property rights of a third party. A material breach of the warranties in this paragraph shall constitute a material breach of this Agreement.

Confidential Information. For purposes of this Agreement, "Confidential Information" shall mean verbal or written information that you or your agents or advisors have provided to Ratings Services and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential". Notwithstanding the foregoing, information disclosed by you or your agents or advisors to Ratings Services shall not be deemed to be Confidential Information, and Ratings Services shall have no obligation to treat such information as Confidential Information, if such information (i) was known by Ratings Services or its affiliates at the

time of such disclosure and was not known by Ratings Services to be subject to a prohibition on disclosure, (ii) was known to the public at the time of such disclosure, (iii) becomes known to the public (other than by an act of Ratings Services or its affiliates) subsequent to such disclosure, (iv) is disclosed to Ratings Services or its affiliates by a third party subsequent to such disclosure and Ratings Services reasonably believes that such third party's disclosure to Ratings Services or its affiliates was not prohibited, (v) is developed independently by Ratings Services or its affiliates without reference to the Confidential Information, (vi) is approved in writing by you for public disclosure, or (vii) is required by law or regulation to be disclosed by Ratings Services or its affiliates. Ratings Services is aware that U.S. and state securities laws may impose restrictions on trading in securities when in possession of material, non-public information and has adopted securities trading and communication policies to that effect.

Ratings Services' Use of Information. Except as otherwise provided herein, Ratings Services shall not disclose Confidential Information to third parties. Ratings Services may (i) use Confidential Information to assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, and (ii) share Confidential Information with its affiliates engaged in the ratings business who are bound by appropriate confidentiality obligations; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. Ratings Services may also use, and share Confidential Information with any of its affiliates or agents engaged in the ratings or other financial services businesses who are bound by appropriate confidentiality obligations ("Relevant Affiliates and Agents"), for modelling, benchmarking and research purposes; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. With respect to structured finance ratings not maintained on a confidential or private basis, Ratings Services may publish data aggregated from Confidential Information, excluding data that is specific to and identifies individual debtors ("Relevant Data"), and share such Confidential Information with any of its Relevant Affiliates and Agents for general market dissemination of Relevant Data; you confirm that, to the best of your knowledge, such publication would not breach any confidentiality obligations you may have toward third parties. Ratings Services will comply with all applicable U.S. and state laws, rules and regulations protecting personally-identifiable information and the privacy rights of individuals. Ratings Services acknowledges that you may be entitled to seek specific performance and injunctive or other equitable relief as a remedy for Ratings Services' disclosure of Confidential Information in violation of this Agreement. Ratings Services and its affiliates reserve the right to use, publish, disseminate, or license others to use, publish or disseminate any non-Confidential Information provided by you, your agents or advisors.

Ratings Services Not an Expert, Underwriter or Seller under Securities Laws. Ratings Services has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. Ratings Services is not an "underwriter" or "seller" as those terms are defined under applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933. Rating Services has not performed the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with this engagement.

Office of Foreign Assets Control. As of the date of this Agreement, (a) neither you nor the issuer (if you are not the issuer) or any of your or the issuer's subsidiaries, or any director or corporate officer of any of the foregoing entities, is the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC Sanctions"), (b) neither you nor the issuer (if you are not the issuer) is 50% or more owned or controlled, directly or indirectly, by any person or entity ("parent") that is the subject of OFAC Sanctions, and (c) to the best of your knowledge, no entity 50% or more owned or controlled by a direct or indirect parent of you or the issuer (if you are not the issuer) is the subject of OFAC sanctions. For so long as this Agreement is in effect, you will promptly notify Ratings Services if any of these circumstances change.

Ratings Services' Use of Confidential and Private Ratings. Ratings Services may use confidential and private ratings in its analysis of the debt issued by collateralized debt obligation (CDO) and other investment vehicles. Ratings Services may disclose a confidential or private rating as a confidential credit estimate or assessment to the managers of CDO and similar investment vehicles. Ratings Services may permit CDO managers to use and disseminate credit estimates or assessments on a limited basis and subject to various restrictions; however, Ratings Services cannot control any such use or dissemination.

Entire Agreement. Nothing in this Agreement shall prevent you, the issuer (if you are not the issuer) or Ratings Services from acting in accordance with applicable laws and regulations. Subject to the prior sentence, this Agreement, including any amendment made in accordance with the provisions hereof, constitutes the complete and entire agreement between the parties

on all matters regarding the rating provided hereunder. The terms of this Agreement supersede any other terms and conditions relating to information provided to Ratings Services by you or your agents and advisors hereunder, including without limitation, terms and conditions found on, or applicable to, websites or other means through which you or your agents and advisors make such information available to Ratings Services, regardless if such terms and conditions are entered into before or after the date of this Agreement. Such terms and conditions shall be null and void as to Ratings Services.

Limitation on Damages. Ratings Services does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a rating or the results obtained from the use of such information. RATINGS SERVICES GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Ratings Services, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the rating provided hereunder or the related analytic services even if advised of the possibility of such damages or other amounts except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and Ratings Services are parties to result from gross negligence, intentional wrongdoing, or willful misconduct of Ratings Services. In furtherance and not in limitation of the foregoing, Ratings Services will not be liable to you, your affiliates or any person asserting claims on your behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or recommendations. In the event that Ratings Services is nevertheless held liable to you, your affiliates, or any person asserting claims on your behalf for monetary damages under this Agreement, in no event shall Ratings Services be liable in an aggregate amount in excess of US\$5,000,000 except to the extent such monetary damages directly result from Ratings Services' intentional wrongdoing or willful misconduct. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. Neither party waives any protections, privileges, or defenses it may have under law, including but not limited to, the First Amendment of the Constitution of the United States of America.

Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

No Third-Party Beneficiaries. Nothing in this Agreement, or the rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the rating. No person is intended as a third party beneficiary of this Agreement or of the rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Reservation of Rights. The parties to this Agreement do not waive, and reserve the right to contest, any issues regarding sovereign immunity, the applicable governing law and the appropriate forum for resolving any disputes arising out of or relating to this Agreement.

# EIC Status Report

February 2012

## Harper Highway Utility Extension – Phase One

<b>SCOPE</b>	The project consists of construction of approximately 12,495 linear feet of 12-inch water mains and 10,830 linear feet of 12-inch and 8-inch diameter wastewater main, including services, manholes, fire hydrants and fittings to serve the James Avery campus and residents along the City's ETJ.
<b>Status</b>	Construction has been completed and final walk through punch list items have been addressed as necessary for Final Acceptance. Project is anticipated to be closed with a budget amendment April 2012.

PHASING	Action Item	Schedule (Status)	Task/Issues	Comments/Risks
Easement Acquisition or Property Agreements		Completed		
Annexation		Completed		
Design		Completed		
Bidding/Contracts		Bid March 2010; awarded to Nelson Lewis, Inc. June 2010	bid process, contract prep	
Construction		Start August 2010	Pre-construction – 08/02/10 Work to be completed – 02/24/12 Final Acceptance – 03/02/12	

FUNDING - BUDGET	Allocation	Expended - Encumbered	Balance	Cost Est. for Package	Needed to Complete Package
EIC Funding (FA2008-013) Non-EIC	\$2,850,000 — 302,396 \$3,152,396	\$2,729,245 [includes acquisition, construction, engineering design, and testing]	\$423,151		*Retainage to be paid

# EIC Status Report

February 2012

## Harper Highway Utility Extension – Phase Two

<b>SCOPE</b>	<ul style="list-style-type: none"> <li><b>Phase Two</b> Projects consists of the construction of approximately 4,600 linear feet of 12" water main &amp; 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 &amp; 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; and 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 &amp; appurtenances.</li> </ul>
<b>Status</b>	95 % review plans were received from the engineering consultant on 1/18/12. Redlines were returned for revisions and project is scheduled to bid in March 2012.

PHASING	Action Item	Schedule (Status)	Task/Issues	Comments/Risks
Easement Acquisition or Property Agreements	6 easements to CoK completed through Legal and ready for execution by property owner 1 easement (Howard) in negotiation	complete by 3/31/12  complete by 3/31/12		
Misc. Reports/Permits	Pending approval from TxDOT for construction approval within Control of Access area in TxDOT right of way. TxDOT Permits	Pending approval; anticipate approval by end of February 2012  Pending	TxDOT approval of plans  General construction permits for construction within TxDOT right of way	will require Austin office approval
Design	under contract – HDR Engineering	End of February 2012		
Construction Drawings	final plans/specs/costs/ documents	complete by 3/02/12	all project elements	
Bidding/Contracts	secure contractor	Bid March 2012; award April 2012	bid process, contract prep	
Construction	build project	start May 2012; complete Nov. 2012		

<b>FUNDING - BUDGET</b>		<i>Allocation</i>	<i>Expended - Encumbered</i>	<i>Balance</i>	<i>Cost Est. for Package</i>	<i>Needed to Complete Package</i>
EIC funding (FA2008-013)		\$1,000,000		\$1,000,000		

# EIC Status Report

February 2012

## Salvation Army Kroc Center Site Work and Drainage Improvements

<b>SCOPE</b>	<p>Project consists of constructing retaining walls, sidewalks, walking trails, fencing, replacement of sanitary sewer and other associated improvements related to the Salvation Army Kroc Center including site preparation, grading and drainage. The construction contract was awarded to Yantis Company (Contractor) during the May 12, 2009 City Council meeting. On June 8, 2010, Council authorized the increase of the Yantis Contract and authorized the release of the remainder funds to cover change orders. Final acceptance has been issued to the Contractor and the project is ready for closure.</p>
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<b>FUNDING - BUDGET</b>		<i>Allocation</i>	<i>Expended - Encumbered</i>	<i>Balance</i>	<i>Comments</i>
EIC funding (FA2008-011)		\$500,000	\$490,527.20	\$9,472.80	

<b>SCOPE</b>	Project to fund the Alamo Workforce training equipment.
<b>Amenities</b>	

<b>PHASING</b>	<b>Action Item</b>	<b>Schedule (Status)</b>	<b>Task/Issues</b>	<b>Comments/Risks</b>
	Training equipment purchase	Completed 12/2009	Close project in EIC budget amendment	
<b>FUNDING - BUDGET</b>	<b>Allocation</b>	<b>Expended - Encumbered</b>	<b>Project Balance</b>	
FA - 2009-03	\$109,887.00	\$108,394.00	\$1,493.00	Ready to close out

<b>SCOPE</b>	Project to fund the engineering, design and infrastructure of Pinto Trail Subdivision -- an affordable housing project.
<b>Amenities</b>	Eleven home sites made ready for construction.

<b>PHASING</b>	<b>Action Item</b>	<b>Schedule (Status)</b>	<b>Task/Issues</b>	<b>Comments/Risks</b>
Project	Preliminary Plat	Completed		
	Waivers/Variances	Completed		
	Engineering/Design	Completed		
	Infrastructure Improvements	In process	Final acceptance to be given in March 2012	Water, Wastewater, Private Streets
	Final Plat	To be completed after Infrastructure Improvements	Administrative approval	
<b>FUNDING - BUDGET</b>	<b>Allocation</b>	<b>Expended - Encumbered</b>	<b>Project Balance</b>	
FA - 2010-02	\$250,000.00	\$236,535.00	\$13,465.00	

<b>SCOPE</b>	Project to fund the improvements to buildings in the commercial corridors in a maximum grant amount of 10k. Project guidelines attached.
<b>Amenities</b>	

<b>PHASING</b>	<b>Action Item</b>	<b>Schedule (Status)</b>	<b>Task/Issues</b>	<b>Comments/Risks</b>
Projects	Hewitt Engineering	Completed		
	San Saba Cap Company	Completed		
<b>FUNDING - BUDGET</b>	<b>Allocation</b>	<b>Expended - Encumbered</b>	<b>Project Balance</b>	
	\$1,000,000.00	\$20,000.00	\$80,000.00	





City of Kerrville

# EIC 4B Projects Status Report

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## River Trail and Parks Projects

February 27, 2012

EIC Status Report Kerrville River Trail

SCOPE

Package A extends from a new trailhead at the Riverside Nature Center parking lot, along the west property line of the RNC, down to the river's edge, under the Lemos St. Bridge, construction of a trail bridge across the river, through Tranquility Island, to the west end of the parking area in Louise Hays Park. The 10' wide trail will be constructed of concrete, except for the segment that runs along the RNC western property line. Total trail length: 0.6 miles

Amenities

Trailheads with lighting, observation areas, seating areas, trail bridge, drainage, and signage. [Note: additional amenities, such as trail entries, kiosks, and interpretive signage, will be added with future packages, once designed with future packages.]

PHASING	Action Item	Schedule (Status)	Task/Issues	Comments/Risks
Recreation easements or Property Agreements	easement to CoK from RNC	complete by 3/31/12	RNC to provide easement to City	requires RNC approval
	lease renewal to RNC of CoK property	complete by 3/31/12	City to provide lease to RNC	requires City Council approval
	approval from TxDOT for use of Lemos St. r.o.w.	submit by 2/28/12	TxDOT approval of plans and Const./Maint. Agreement	will require SA office approval; include in MIMA
	construction easements, if needed	complete by 2/28/12 NA	determine need by 1/31/12 NA	requires property owner approval NA
Property Survey	M&B and Topo surveys	11/31/11 (complete)	identify property boundary and grades	submittal to FEMA
Misc. Reports/Permits	LOMR	submit 7/31/12	flood level impact, if any	review by TPWD
	TPWD (land & water permit)	submit 1/31/12	coffer dam - bridge construction review	could require USACE individual permit
	USACE	April 2012	Determine any jurisdictional waters of the US	
Design	under contract - Hewitt Engineering	12/31/11 (complete)	define gradients and layout (complete)	
	location of trail	50% review - 12/2/11 (complete)	all project elements	
	schematic plans with amenities; prelim. costs	75% review - 1/13/12 (complete) 90% review - 2/20/12 (complete)	all project elements all project elements	final bridge design
Construction Drawings Bidding/Contracts	final plans/specs/costs/ documents	complete by 2/28/12	all project elements	project delay assoc. with approvals
	secure contractor	Bid March 2012; award April 2012	bid process, contract prep	project delay, bid cost, permit approvals, etc.
Construction	build project	start May 2012; complete Sept. 2012	sequencing of work	typical delays/field alterations

FUNDING - BUDGET		Allocation	Expended - Encumbered	Balance	Cost Est. for Package	Needed to Complete Package
G.O. bonds (2002) Park Dedication Funds	\$500,000 <u>25,000</u> \$525,000	\$147,112 [includes completion of the River Trail Master Plan and survey work]	\$377,888	[Final cost est. to be avail. 2/28/12] *(prelim. construction est. w/ contingencies - \$630,00)		
COs (4B)	\$*					*(prelim. est. of \$252,112 needed in 4B funds)

### EIC Status Report Kerrville River Trail

### Package B, Package C, and Parks Project

#### SCOPE

**Package B, Package C, and Parks Project** extends the trail from Guadalupe Park, connects to Package A at the RNC and picks up at the west end of the Louise Hays Park parking lot, through Louise Hays Park and Lehmann & Monroe Park, to G St. r.o.w. The 10' wide trail will be constructed of concrete. This Package will be coordinated with the Jefferson Wastewater Project and Water transmission Line Project, both slated for completion in the first half of 2013. This Package will include the entire scope of work for the Louise Hays Park/Lehmann & Monroe Park Project, as funded by 4B. *Total trail length: miles*

#### Amenities

Trail - trailheads with lighting, observation areas, seating areas, bridging, drainage, signage, trail entries, kiosks, and interpretive signage.  
Parks - park amenities, amphitheater/stage, playground/sprayground, picnic areas, group pavilion upgrades, river access, restrooms, parking, lighting, utilities, landscaping, and signage.

PHASING	Action Item	Schedule (Status)	Task/Issues	Comments/Risks
Recreation easements or Property Agreements	easements to CoK from property owners	complete by 1/31/13	CoK to secure easements from property owners; title work and surveys	requires property owner approval, purchase, or other; coord. possible use of KSH property.
	construction easements, if needed	complete by 1/31/13	determine need by 11/30/12	requires property owner approval
	M&B and Topo surveys	(partially complete)	identify property boundary and grades flood impact, if any	may require submittal to FEMA review by TPWD
Property Survey Misc. Reports/Permits	LOMR		routing preference	approval by State, if needed
	TPWD (land & water permit) GLO (state property use)	6/1/12		requires City Council approval
Design Routing Preliminary Design	negotiating contract - Halff team finalize location of trail	approval 3/13/12; 8/1/12	define gradients, layout, properties	approval by State, if needed
	schematic plan with amenities; prelim. costs	50% review - (partially complete) 75% review - 90% review -	all project elements all project elements	
Construction Drawings Bidding/Contracts	final plans/specs/costs/ documents	complete by 1 <sup>st</sup> Q 2013	all project elements	project delay assoc. with approvals project delay, bid cost, etc.
	secure contractor build project	2 <sup>nd</sup> Q 2013	bid process, contract prep sequencing of work	typical delays/field alterations

FUNDING - BUDGET		Allocation	Expended - Encumbered	Balance	Cost Est. for Package	Needed to Complete Package
COs (4B)		\$3,000,000 (trail) \$2,000,000 (parks)				
[will include LHP/LMP Renovation Project 4B funding.]						

## Package D

## EIC Status Report Kerrville River Trail

### SCOPE

**Package D** extends from a new trailhead at the Knapp Crossing Boat Ramp parking lot, runs adjacent to the river, ties into the Guadalupe St. r.o.w. (Package C). The 10' wide trail will be constructed of concrete. *TBD - this package's design/construction expected to be integrated with private sector improvements. Total trail length: miles*

### Amenities

Trailheads with lighting, observation areas, seating areas, trail bridge, drainage, signage, trail entries, kiosks, interpretive signage, and private improvement interface.

PHASING	Action Item	Schedule (Status)	Task/Issues	Comments/Risks
Recreation easements or Property Agreements	easement to CoK from property owners	complete by 1/31/13	CoK to secure easements from property owners	requires property owner approval, purchase, or other
	construction easements, if needed	complete by 1/31/13	determine need by 11/30/12	requires property owner approval
Property Survey	M&B and Topo surveys	(partially complete)	identify property boundary and grades	
Misc. Reports/Permits	LOMR		flood impact, if any	may require submittal to FEMA
	TPWD (land & water permit)		if needed	review by TPWD
Design	TBD	(partially complete)		
Routing	location of trail	(partially complete)	define gradients and layout	
	schematic plan with amenities;	50% review -	all project elements	
	prelim. costs	75% review -	all project elements	
Construction Drawings Bidding/Contracts	final plans/specs/costs/ documents	90% review -	all project elements	
	secure contractor	complete by 1 <sup>st</sup> Q 2013	bid process, contract prep	project delay assoc. with approvals project delay, bid cost, etc.
Construction	build project	2 <sup>nd</sup> Q 2013	sequencing of work	typical delays/field alterations

FUNDING - BUDGET		Allocation	Expended - Encumbered	Balance	Cost Est. for Package	Needed to Complete Package
COs (4B)						

# EIC Status Report Kerrville River Trail

# Package E

<b>SCOPE</b>	<u>Package E</u> extends from near the Spur 98 bridge on Junction Hwy along the river's edge, connect to a new trailhead at the Cypress Boat Ramp parking lot, to the trailhead at the Knapp Crossing trailhead. The 10' wide trail will be constructed of concrete. <i>Total trail length: miles</i>
<b>Amenities</b>	Trailheads with lighting, observation areas, seating areas, trail bridge, drainage, signage, trail entries, kiosks, and interpretive signage.

<b>PHASING</b>	<b>Action Item</b>	<b>Schedule (Status)</b>	<b>Task/Issues</b>	<b>Comments/Risks</b>
Recreation easements or Property Agreements	easement to CoK from property owners construction easements, if needed	complete by 1/31/13 complete by 1/31/13	CoK to secure easements from property owners determine need by 11/30/12	requires property owner approval, purchase, or other requires property owner approval
Property Survey	M&B and Topo surveys	(partially complete)	identify property boundary and grades	
Misc. Reports/Permits	LOMR TPWD (land & water permit)		flood impact, if any if needed	may require submittal to FEMA review by TPWD
Design	negotiating contract – Half team	approve contract 2/14/12		
Routing	location of trail		define gradients and layout	
Preliminary Design	schematic plan with amenities; prelim. costs	50% review – (partially complete) 75% review – 90% review –	all project elements all project elements all project elements	
Construction Drawings	final plans/specs/costs/ documents	complete by	all project elements	project delay assoc. with approvals
Bidding/Contracts	secure contractor	1 <sup>st</sup> Q 2013	bid process, contract prep	project delay, bid cost, etc.
Construction	build project	2 <sup>nd</sup> Q 2013	sequencing of work	typical delays/field alterations

<b>FUNDING - BUDGET</b>	<b>Allocation</b>	<b>Expended - Encumbered</b>	<b>Balance</b>	<b>Cost Est. for Package</b>	<b>Needed to Complete Package</b>
COs (4B)					

# EIC Status Report Kerrville River Trail

# Package F

**SCOPE**  
**Package F** extends from G St. (Package B) along the river to Kerrville Schreiner Park. The 10' wide trail will be constructed of concrete. Consultant team scope will include design criteria used throughout the River Trail Project. *Total trail length: 2.0 miles*

**Amenities**  
 Trailheads with lighting, observation areas, seating areas, trail bridge, drainage, signage, trail entries, kiosks, and interpretive signage.

PHASING	Action Item	Schedule (Status)	Task/Issues	Comments/Risks
Recreation easements or Property Agreements	easement to CoK from property owners	complete by 1/31/13	CoK to secure easements from property owners	requires property owner approval, purchase, or other
	construction easements, if needed	complete by 1/31/13	determine need by 11/30/12	requires property owner approval
Property Survey	M&B and Topo surveys	partially complete	identify property boundary and grades	coord. w/ utilities projects
	LOMR		flood impact, if any	may require submittal to FEMA
Misc. Reports/Permits	TPWD (land & water permit)		if needed	review by TPWD
	negotiating contract – TDG team	approval 3/13/12		requires City Council approval
Design	finalize location of trail	8/1/12	define gradients, layout, properties	coord. w/ utilities projects
	schematic plans with amenities; prelim. costs	50% review – 75% review – 90% review –	all project elements all project elements all project elements	
Construction Drawings Bidding/Contracts	final plans/specs/costs/ documents	complete by	all project elements	project delay assoc. with approvals
	secure contractor	1 <sup>st</sup> Q 2013	bid process, contract prep	project delay, bid cost, etc.
Construction	build project	2 <sup>nd</sup> Q 2013	sequencing of work	typical delays/field alterations

FUNDING - BUDGET	Allocation	Expended - Encumbered	Balance	Cost Est. for Package	Needed to Complete Package
COs (48)					

## **Other Services to be Evaluated**

Required reporting and permitting may dictate additional professional services or consolidation of services currently assigned to the design teams. These include, but are not limited to, the following.

1. Floodplain/Floodway Impact, Hydraulic Analysis, Section 404 – Clean Water Act submittals (Corps of Engineers), and Flood Insurance Rate Map/ Letter of Map Revision preparation and submittal (CoK, FEMA) may be best completed by one firm in order to comprehensively address the issues and data collection/reporting. This could avoid multiple submittals (costs) and reduce mistakes and need for resubmittals. We will make a determination on this approach in the near future.
2. Archeological and Environmental Surveys and Section 404 review will need to be completed in areas where sensitive site conditions are probable. We anticipate now extreme findings in the initial surveys/reports; however, if further study is required by state or federal agencies, those services will require amendments to the consultant contracts.
3. TDLR permitting for ADA compliance, CoK building permits, Texas Historical Commission plan review, any other city or state agency submittals, will best be submitted by each of the design teams at the time of plan completion. This keeps regulation compliance with the design teams.

**Michael de los Santos**  
**Rotary Introduction**

**Scout Executive/CEO – Alamo Area Council, BSA**

- **Scout Executive**
  - **Manage the Activities of the Council**
  - **Promote Programs**
    - Other Organizations
    - Business Community
    - General Public
  - **Primarily – Support the Activities of the Thousands of Volunteers Serving the Council**
- August 2011
- Blessed to Have Him
- Brought New Energy and Vision
  - Technology
  - Local Activities

**Other High Profile Positions Include**

- Director of Field Services/COO – Grand Canyon Council, BSA
- Field Director – Grand Canyon Council
- Come Full Circle – Started as an Intern While in College w/Alamo Area Council

**Educational Background**

- Saint Mary's University
  - BBA International Business
  - Delta Sigma Pi

**Happily Married Elizabeth (SAM Ministries) & Has a 10-Year Old Daughter Emma**

**10-Year Old Daughter**

**Hobbies Include**

- Chopping Wood
- Burning Stuff
- Sleeping on the Ground
- Preparing Gourmet Foods like GORP and Trail Mix

**Most Proud of the Following Accomplishments:**

- Pitching a 12-Man Tent in 4 Hours Flat
- Breaking 14 Shoe Laces on a 5-Mile Trek Around Bear Creek Last Summer

**WITHOUT FURTHER ADO, PLEASE PROVIDE A WARM WELCOME TO  
MR. MICHAEL DE LOS SANTOS**

**ECONOMIC DEVELOPMENT GRANT AGREEMENT BETWEEN KERRVILLE  
ECONOMIC DEVELOPMENT CORPORATION (KEDC) AND THE CITY OF  
KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION**

This Agreement entered into by and between **KERRVILLE ECONOMIC DEVELOPMENT CORPORATION** ("KEDC"), a Texas nonprofit corporation, acting herein by and through its duly authorized officer, \_\_\_\_\_ ("KEDC President"), and the **CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION** ("EIC"), a Texas nonprofit corporation established pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 (otherwise known as the Development Corporation Act of 1979 and now codified in Chapters 501, 502, and 505 of the Texas Local Government Code) (hereafter referred to as "the Act"), acting by and through its duly authorized President, Greg Appel.

**WITNESSETH:**

**WHEREAS**, the EIC was formed to administer the sales and use tax approved by the citizens of Kerrville, Texas, in May 1995 and collected for projects to enhance economic development and/or the quality of life within the Kerrville area; and

**WHEREAS**, pursuant to the Act, the EIC is authorized to provide funding for promotional expenses, such expenses which are used to advertise or publicize the City for the purpose of developing new and expanded business enterprises; and

**WHEREAS**, KEDC is a private entity whose purpose is to support and promote the retention, expansion, and attraction of business entities in Kerr County in a manner that complements the efforts of its economic development partners and enhances the quality of life for residents of Kerrville and surrounding areas ; and

**WHEREAS**, KEDC has applied for funding from the EIC for marketing to expand and increase its efforts toward the promotion of economic development in the Kerrville area; and

**WHEREAS**, the EIC finds that the formation of the KEDC was intended to promote and develop new or expanded business enterprises and to foster the creation or retention of "primary jobs," as that term is defined by the Act; and

**WHEREAS**, Section 505.102 of the Act provides that a Type B corporation may contract with another private corporation to (1) carry out an industrial development program or objective; or (2) assist with the development or operation of an economic development program or objective consistent with the purposes and duties specified by the Act; and

**WHEREAS**, pursuant to Section 505.103 of the Act, the EIC is limited to spending not more than 10 percent of its current annual revenues for promotional expenses in any given year; and

**WHEREAS**, EIC has determined that such a grant complies with the Act and is in keeping with the mission of EIC and *City of Kerrville Economic Improvement Corporation 4B Sales Tax Funding Request Guidelines and Procedures* in that it will enhance business development and/or the "quality of life" within the community; and

**WHEREAS**, EIC finds that it will be in the public interest to enter into an agreement with KEDC to provide sales tax revenues collected pursuant to the Act (“4B Revenues”) to KEDC for costs related to marketing expenses for economic development; and

**WHEREAS**, on \_\_\_\_\_, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, EIC held a public hearing pursuant to Section 505.159 of the Act related to the proposed expenditure of 4B revenues for the purposes provided above;

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

**ARTICLE I.  
EIC’S OBLIGATIONS**

- A. The EIC hereby grants One Hundred Seventy-Five Thousand and No/100 Dollars (\$175,000.00) (“Grant”) to KEDC for KEDC’s costs directly related to: i) carrying out an industrial development program or objective; and/or, ii) assisting with the development or operation of an economic development program or objective consistent with the purposes and duties specified by the Act as proposed by KEDC. Such activities are collectively referred to herein as “Economic Development.”
- B. In no event shall the total amount of the Grant exceed One Hundred Seventy-Five Thousand and No/100 Dollars (\$175,000.00).
- C. KEDC specifically agrees that EIC shall only be liable to KEDC for the actual amount of the Grant to be conveyed to KEDC and shall not be liable to KEDC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or costs of court for any act of default by EIC under the terms of this Agreement.

**ARTICLE II.  
KEDC’S OBLIGATIONS**

- A. Pursuant to the purposes for which the Grant was awarded and in strict accordance with Section 505.102 of the Texas Local Government Code, KEDC shall use the Grant for only those costs directly resulting from its Economic Development. Toward this end, eligible costs and expenses for Economic Development are limited to those activities and purposes specifically listed in **Exhibit A**.
- B. KEDC shall hire and employ sufficient professional personnel to perform its Economic Development obligations, including but not limited to, a Director of Development (“Director”).
- C. KEDC shall maintain complete and accurate records relating to the costs and expenditures made for Economic Development as specified in **Exhibit A**. KEDC shall maintain such records separate and identifiable from its other records and for three (3) years following the termination of this Agreement. EIC and its representatives shall be entitled to inspect the

records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice.

- D. KEDC shall make written quarterly reports to EIC, or before the last day of each calendar quarter. Said reports, at a minimum, shall include information on its Economic Development efforts, including its specific costs and expenses on the eligible items listed in **Exhibit A**.
- E. KEDC understands that the EIC may, in accordance with state law, vote to deliberate certain matters in executive session including, but not limited to: i) where the public discussion of the subject would have a detrimental effect on the EIC's negotiating position; ii) where the subject concerns commercial or financial information that the EIC has received from a business prospect that the EIC is seeking to have locate, stay, or expand within the Kerrville area and with which the EIC is conducting economic development negotiations; and/or iii) to deliberate the offer of a financial or other incentive to a business prospect. Toward this end and with an understanding of KEDC's performance of its Economic Development obligations, the EIC may believe that the presence of the Director in executive session is necessary for deliberation and that the Director's interest is not adverse to the EIC's interests. However, at any time where the Director believes that his interests may be adverse to the EIC's interests, the Director will immediately notify the EIC of this issue, the specifics thereof, and will not take part in the executive session.
- F. KEDC shall only be liable to EIC for the actual amount of the Grant to be conveyed to KEDC and shall not be liable to EIC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by KEDC under the terms of this Agreement.

**ARTICLE III.  
KEDC'S REPRESENTATIONS AND WARRANTIES**

- A. KEDC represents and warrants as of the date hereof:
  - (1) KEDC is a Texas nonprofit corporation existing in good standing and authorized to do business in the State of Texas;
  - (2) Execution of this Agreement has been duly authorized by KEDC and this Agreement is not in contravention of KEDC's corporate charter, or any agreement or instrument to which KEDC is a party or by which it may be bound as of the date hereof;
  - (3) No litigation or governmental proceeding is pending, or, to the knowledge of KEDC Officer, threatened against or affecting KEDC, which may result in a material adverse change in KEDC's business, properties or operations sufficient to jeopardize KEDC's legal existence; and
  - (4) No written application, written statement or correspondence delivered by KEDC to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of KEDC Officer, contains any untrue

statement of a material fact or fails to state any material fact necessary to keep the statements contained therein from being misleading.

- B. Except as expressly set forth in this Article IV, KEDC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE IV.  
EIC'S REPRESENTATIONS AND WARRANTIES**

- A. EIC represents and warrants as of the date hereof:
- (1) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the statute under which it is governed and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;
  - (2) Execution of this Agreement has been duly authorized by EIC;
  - (3) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and
  - (4) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.
- B. Except as expressly set forth in this Article V, EIC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

**ARTICLE V.  
MAJOR FORCES PREVENTING KEDC FROM CARRYING  
OUT ITS OBLIGATIONS UNDER THIS AGREEMENT**

If, by reason of force majeure, such as fire, flood, windstorm, drought, or other act of God, act of war, act of terrorism, labor strike, or economic downturn affecting KEDC, KEDC is reasonably unable to fulfill its obligations under this Agreement, KEDC shall use reasonable and diligent efforts to rectify the situation to allow it to perform its obligations specified herein with all due haste. In the event that the situation cannot be rectified within six (6) months after the occurrence of the force majeure, either party may terminate this Agreement by providing thirty (30) days advance written notice to the other without further liability hereunder. To the extent that KEDC has not expended funds from the Grant, KEDC shall immediately, but in any event within ten (10) days, return such funding to the EIC.

**ARTICLE VI.  
CONDITIONS UNDER WHICH EIC MAY SUSPEND PERFORMANCE  
OF ITS OBLIGATIONS UNDER THIS AGREEMENT**

Under any of the following conditions EIC may, at its option, after fifteen (15) days written notice to KEDC, suspend its further performance under this Agreement until such time as KEDC shall have cured the condition(s) and so notified EIC, in writing, that the condition(s) have been cured:

- A. The KEDC becomes insolvent. "Insolvent" is defined to mean one either has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, or is insolvent within the meaning of the federal bankruptcy law.
- B. The appointment of a receiver of KEDC, or of all or any substantial part of its property, and the failure of such receiver to be discharged within sixty (60) days thereafter.
- C. The adjudication of KEDC as bankrupt.
- D. The filing by KEDC of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

Should any of these conditions not be cured by KEDC within a period of three (3) months EIC may, at its option, with written notice to KEDC, terminate this Agreement and the KEDC shall have no further obligations hereunder.

**ARTICLE VII.  
REMEDIES**

- A. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement, by any party hereto, or any successor to such party, such defaulting or breaching party (or successor) shall upon written notice from the other, proceed immediately to cure or remedy such default or breach, and, in any event, within sixty (60) days after receipt of such notice. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time (but in no event later than ninety (90) days from the date of notification of such breach), the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including but not limited to, seeking specific performance and/or injunctive relief, enforcement by mandamus or by the appointment of a receiver in equity with power to charge and collect rents, purchase price payments, and loan payments and to apply the revenues from the project in accordance with this Agreement, as required by the Act.
- B. Upon breach of this Agreement by either party and the failure to cure as permitted by this Article VIII, the non-breaching party shall have the sole right and discretion to either terminate this Agreement or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that no party hereunder shall be

entitled to recover any amounts in excess of the Grant contracted for under this Agreement and that no party hereunder shall be liable to the other party for any other actual or consequential damages for any act of default by such party under the terms of this Agreement.

- C. Any delay by any party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not, so long as the breach or default by another party shall be continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor shall any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

### **ARTICLE VIII. GENERAL PROVISIONS**

- A. Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court having competent jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.
- B. Amendment. This Agreement may be amended only by written amendment signed by both parties.
- C. Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement shall be made or performed in Kerrville, Kerr County, Texas. Venue shall lie in Kerr County, Texas; and this Agreement shall be governed by and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof.
- D. Notices. All notices given with respect to this Agreement shall be in writing and shall be deemed to have been properly given for all purposes (i) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:
1. EIC  
President  
City of Kerrville, Texas, Economic Improvement Corporation  
800 Junction Highway  
Kerrville, Texas 78028

Facsimile: (830) 792-3850  
*With a copy to:*  
Director of Business Programs  
City of Kerrville  
800 Junction Highways  
Kerrville, Texas 78028  
Facsimile: (830) 792-3850

2. KEDC  
1700 Sydney Baker South  
Kerrville, Texas 78028  
Facsimile: (830) 995-2169

- E. Assignment. This Agreement shall be binding upon the parties hereto and their successors and assigns. This Agreement may not be assigned by either party without the specific prior written consent of the other, which consent will not be unreasonably withheld. In the event that a party consents to any valid assignment of this Agreement by the other party hereto, the assigning party shall be relieved of any and all obligations and liabilities on the part of such assigning party under this Agreement. KEDC may, without written consent of EIC, assign this Agreement to any entity controlled and 100 percent owned by KEDC or by the parent, subsidiary or affiliate of KEDC provided the entity assumes all of KEDC's obligations and liabilities under this Agreement; agrees to comply with all provisions of this Agreement; has the legal, managerial, technical and financial ability to properly perform and discharge such obligations and liabilities; and such abilities are each at least as great as those of KEDC and KEDC provides a written guarantee of such assignee's performance in a form reasonably acceptable to EIC. EIC shall be advised in writing of such assignment and of the entity's qualifications at least sixty (60) days before such assignment occurs.
- F. Parties In Interest. Nothing in this Agreement shall entitle any party other than KEDC or EIC to any claim, cause of action, remedy or right of any kind except as expressly provided in Article III.
- G. Term. The term of this Agreement (the "Term") shall commence on \_\_\_\_\_ (the "Effective Date"), and shall terminate on the earlier of: (i) December 31, 2012, or when the requirements set forth in this Agreement are completed; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Article VIII, Paragraph B; (iv) when terminated pursuant to Article VII; (v) at KEDC's sole and absolute discretion, upon KEDC's return of all Grant funding to EIC that it has received under this Agreement; or, (vi) upon KEDC's repayment of all monies that are demanded by EIC. Upon termination of this Agreement as specified herein, all rights, duties and obligations of any kind under this Agreement shall automatically expire and terminate and be of no other force and effect.
- H. Interpretation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arms length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.

- I. Indemnity. IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES THAT KEDC, IN PERFORMING ITS OBLIGATIONS HEREUNDER, IS ACTING INDEPENDENTLY, AND EIC ASSUMES NO RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH TO KEDC. KEDC AGREES TO INDEMNIFY AND HOLD HARMLESS EIC, ITS OFFICERS AND AGENTS, AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS THAT MAY ARISE OUT OF OR BE OCCASIONED BY KEDC'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR BY ANY NEGLIGENT ACT OR OMISSION OF KEDC, ITS OFFICER, AGENTS, ASSOCIATES OR EMPLOYEES, IN THE PERFORMANCE OF THIS AGREEMENT; AND NOTHING HEREIN SHALL BE CONSTRUED AS A WAIVER OF ANY GOVERNMENTAL IMMUNITY AVAILABLE TO EIC UNDER TEXAS LAW.
- J. No Joint Venture. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties.
- K. Survival of Terms. All rights, duties, liabilities and obligations accrued prior to termination shall survive termination.
- L. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof.

EXECUTED AND EFFECTIVE, as of the date indicated above, by the City of Kerrville, Texas, Economic Improvement Corporation, by and through its Board President, duly authorized to execute same by action of the Board, and by Kerrville Economic Development Corporation, acting through its duly authorized official.

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

**KERRVILLE ECONOMIC  
DEVELOPMENT CORPORATION**

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

By: \_\_\_\_\_,  
\_\_\_\_\_, President

ATTEST:

\_\_\_\_\_  
Rex Boyland, Secretary to the Corporation

APPROVED AS TO FORM:

\_\_\_\_\_  
Michael C. Hayes, City Attorney

	Annual Budget	Amended Budget
<b>BEGINNING CASH BALANCE</b>	\$ 3,148,386	\$ 3,148,386
<b>USDA Land</b>		\$ (1,138,436)
<b>Hill Country Home Opportunity Council</b>		\$ (100,000)
<b>Fund Balance</b>	\$ 3,148,386	\$ 1,909,950
<b>REVENUE:</b>		
Sales and Use Tax	\$ 2,275,000	\$ 2,433,897
Interest	\$ 5,240	\$ 7,377
Transfer In		\$ -
<b>TOTAL REVENUE</b>	<u>\$ 2,280,240</u>	<u>\$ 2,441,275</u>
	Annual Budget	Amended Budget
<b>EXPENDITURES:</b>		
<b>Administrative</b>		
Advertising	\$ -	\$ 100
Transfer to Debt Service Fund	\$ 505,000	\$ 595,000
Economic Development Governing Body	\$ 225,000	\$ 175,000
Annual Disclosure Fee	\$ 3,500	\$ 3,400
Administrative Services Fee	\$ 100,000	\$ 100,000
<b>Total Administrative</b>	<u>\$ 833,500</u>	<u>\$ 873,500</u>
<b>Category I - Business Development</b>		
Hill Country Shooting Center		
Commercial Improve Pilot Program	\$ 50,000	\$ 50,000
Fox Tank		\$ 600,000
Downtown Underground Utilities		\$ 300,000
USDA		\$ -
Unspecified	\$ 800,000	\$ -
<b>Total Category I</b>	<u>\$ 850,000</u>	<u>\$ 950,000</u>
<b>Category II - Quality of Life</b>		
Schreiner University Project	\$ -	
Hill Country Home Opportunity Program	\$ -	
Trails		\$ 250,000
Category II Unspecified	\$ 45,750	\$ -
<b>Total Category II</b>	<u>\$ 45,750</u>	<u>\$ 250,000</u>
<b>Category III - Public Infrastructure</b>		
Harper Hwy	\$ 45,750	\$ 1,000,000
<b>Total Category III</b>	<u>\$ 45,750</u>	<u>\$ 1,000,000</u>
<b>Contingency</b>	\$ 500,000	\$ -
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,275,000</u>	<u>\$ 3,073,500</u>
<b>NET REVENUES TO EXPENDITURES</b>	<u>\$ 5,240</u>	<u>\$ (632,225)</u>
<b>FUND BALANCE</b>	\$ 3,153,626	# \$ 1,277,725

Sales Tax Debt Service Fund  
Revenue and Expense Statement

	Annual Budget	Amended Budget
	\$ 416,738	
<b>REVENUE:</b>		
Transfer from Sales Tax Improvement Fund	\$ 505,000	\$ 595,000
<b>TOTAL REVENUE</b>	\$ 505,000	\$ 595,000
<b>EXPENDITURES:</b>		
Series 1999 Sales Tax Bond Debt Service	\$ 445,000	\$ 445,000
Series 1999 Sales Tax Bond Interest Expense	\$ 54,066	\$ 54,066
Series 2011a		\$ 55,723
Series 2012		\$ 33,442
Paying Agent Fees	\$ 1,000	\$ 1,000
First Southwest Continuing Disclosure Fee	\$ -	
<b>TOTAL EXPENDITURES</b>	\$ 500,066	\$ 589,231
	Budget	
	\$ 421,672	

FY12	October	November	December	January	February	March	April	May	June	July	August	September
Beginning Balance	\$3,148,386	\$2,180,026	\$2,158,554	\$2,192,258	\$2,071,522	\$1,966,735	\$1,490,383	\$1,002,005	\$1,140,641	\$930,975	\$1,035,565	\$1,187,949
<b>Revenue</b>												
Sales Tax	\$219,934	\$203,379	\$208,227	\$204,051	\$241,320	\$169,754	\$157,729	\$234,742	\$186,441	\$190,696	\$238,491	\$179,133
Interest	\$586	\$586	\$915	\$650	\$580	\$580	\$580	\$580	\$580	\$580	\$580	\$580
sub-total	\$220,521	\$203,965	\$209,142	\$204,701	\$241,900	\$170,334	\$158,309	\$235,322	\$187,021	\$191,276	\$239,071	\$179,713
<b>Expenses</b>												
Office Supplies	\$8											
Services	\$20	\$20	\$22	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20
Public Notice												
Admin Service Fee	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333
KEDC	\$175,000											
Transfer for Debt Service	\$42,083	\$42,083	\$42,083	\$42,083	\$42,083	\$42,083	\$42,083	\$42,083	\$42,083	\$42,083	\$42,083	\$42,083
Transfer for New Debt				\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250
Capital Improvement Program				\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000		
KEDF/USDA Land	\$1,138,436											
Transfer for Trails		\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Hill Country Home Opportunity Council		\$100,000										
Fox Tank						\$300,000				\$300,000		
Utility Downtown							\$300,000					
Harper Hwy				\$250,000	\$250,000	\$250,000	\$250,000	\$250,000				
sub-total	\$1,188,880	\$225,436	\$175,439	\$325,437	\$346,687	\$646,687	\$646,687	\$96,687	\$396,687	\$86,687	\$86,687	\$89,937
revenue over/(under) expenditures	-\$968,360	-\$21,472	\$33,703	-\$120,736	-\$104,787	-\$476,352	-\$488,377	\$138,636	-\$209,666	\$104,590	\$152,384	\$89,776
Available Fund Balance	\$2,180,026	\$2,158,554	\$2,192,258	\$2,071,522	\$1,966,735	\$1,490,383	\$1,002,005	\$1,140,641	\$930,975	\$1,035,565	\$1,187,949	\$1,277,725