

AGENDA FOR REGULAR MEETING

KERRVILLE CITY COUNCIL

TUESDAY, MARCH 13, 2012, 6:00 P.M.

KERRVILLE CITY HALL COUNCIL CHAMBERS

800 JUNCTION HIGHWAY, KERRVILLE, TEXAS

KERRVILLE CITY COUNCIL AGENDA
REGULAR MEETING, TUESDAY, MARCH 13, 2012, 6:00 P.M.
CITY HALL COUNCIL CHAMBERS
800 JUNCTION HIGHWAY, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION offered by Noah Diggs, Pastor of Mount Olive Baptist Church.

PLEDGE OF ALLEGIANCE TO THE FLAG led by Sam Barker of the Military Officers Association of America.

1. VISITORS/CITIZENS FORUM:

Any citizen with business not scheduled on the agenda may speak to the Council. Prior to speaking, each speaker must fill out the speaker request form and give it to the City Secretary. Council may not discuss or take any action on an item but may place the issue on a future agenda. The number of speakers will be limited to the first ten speakers and each speaker is limited to four minutes.

2. PRESENTATIONS:

2A. Resolutions of Commendation to Kyle Bond and Peter Lewis for service on the Main Street Advisory Board. (staff)

2B. Resolution of Commendation to Debbie Bading for service on the Food Service Advisory Board. (staff)

2C. Resolution of Commendation to Janet Moseley for service on the Library Advisory Board. (staff)

3. CONSIDERATION AND POSSIBLE ACTION:

3A. Lease agreement between the Kerrville-Kerr County Joint Airport Board and Alamo Community College District for airport property located at 1994 Airport Loop Road for the purpose of establishing a welding and fabrication school. (staff)

3B. Disposal of City Hall, located at 800 Junction Highway. (staff)

3C. Authorization to implement the Citizens On Patrol (COP) with the Kerrville Police Department. (staff)

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: March 9, 2012 at 10:00 a.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

- 3D. Accept vehicle donation for the Kerrville Police Department. (staff)
- 3E. Approval of the FY 2011 Comprehensive Annual Financial Report (CAFR). (staff)

4. INFORMATION AND DISCUSSION:

4A. Update on 2012 Mardi Gras on Main and the progress of the downtown public art project. (staff)

4B. Water resources report. (staff)

4C. Budget and economic update. (staff)

5. BOARD APPOINTMENTS:

5A. Appointments to the Main Street Advisory Board. (staff)

6. ITEMS FOR FUTURE AGENDAS

7. ANNOUNCEMENTS OF COMMUNITY INTEREST:

Announcement of items of community interest, including expressions of thanks, congratulations, or condolences; information regarding holiday schedules; honorary recognitions of city officials, employees, or other citizens; reminders about upcoming events sponsored by the city or other entity that is scheduled to be attended by city officials or employees; and announcements involving imminent threats to the public health and safety of the City. No action will be taken.

8. EXECUTIVE SESSION:

The City Council 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.

9. ADJOURNMENT.

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

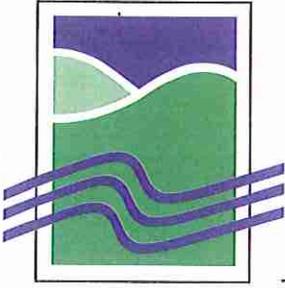
I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: March 9, 2012 at 10:00 a.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig

City Secretary, City of Kerrville, Texas

Agenda Item:

2A. Resolutions of Commendation to Kyle Bond and Peter Lewis for service on the Main Street Advisory Board. (staff)



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

RESOLUTION OF COMMENDATION

WHEREAS, KYLE ALAN BOND has served as a member of the Main Street Advisory Board with the date of service beginning January 22, 2008; and

WHEREAS, KYLE ALAN BOND has served faithfully and dutifully on said board;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

That **KYLE ALAN BOND** be recognized for outstanding service as a member of the Main Street Advisory Board, and that on behalf of the citizens of Kerrville, as well as for ourselves individually, we wish to express our sincere appreciation for contributions to the city and the community.

PASSED AND APPROVED, this the 13th day of March, 2012.
ATTEST:

Brenda G. Craig
Brenda G. Craig, City Secretary

David Wampler
David Wampler, Mayor

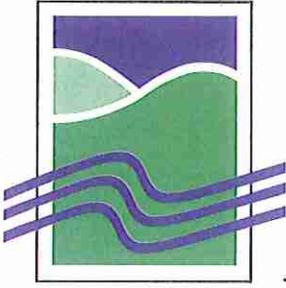
E. Gene Allen
E. Gene Allen, Mayor Pro Tem

Carson Conklin
Carson Conklin, Councilmember

Stacie Keeble
Stacie Keeble, Councilmember

T. Scott Gross
T. Scott Gross, Councilmember





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

RESOLUTION OF COMMENDATION

WHEREAS, PETER LEWIS has served as a member of the Main Street Advisory Board with the date of service beginning January 22, 2008; and

WHEREAS, PETER LEWIS has served faithfully and dutifully on said board;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

That **PETER LEWIS** be recognized for outstanding service as a member of the Main Street Advisory Board, and that on behalf of the citizens of Kerrville, as well as for ourselves individually, we wish to express our sincere appreciation for contributions to the city and the community.

PASSED AND APPROVED, this the 13th day of March, 2012.
ATTEST:

Brenda G. Craig
Brenda G. Craig, City Secretary

David Wampler
David Wampler, Mayor

E. Gene Allen
E. Gene Allen, Mayor Pro Tem

Carson Conklin
Carson Conklin, Councilmember

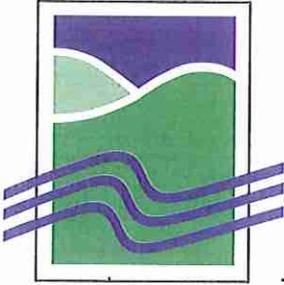
Stacie Keeble
Stacie Keeble, Councilmember

T. Scott Gross
T. Scott Gross, Councilmember



Agenda Item:

2B. Resolution of Commendation to Debbie Bading for service on the Food Service Advisory Board. (staff)



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

RESOLUTION OF COMMENDATION

WHEREAS, DEBBIE BADING has served as a member of the Food Service Advisory Board with the date of service beginning November 11, 2007; and

WHEREAS, DEBBIE BADING has served faithfully and dutifully on said board;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

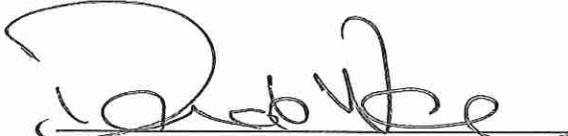
That **DEBBIE BADING** be recognized for outstanding service as a member of the Food Service Advisory Board, and that on behalf of the citizens of Kerrville, as well as for ourselves individually, we wish to express our sincere appreciation for contributions to the city and the community.

PASSED AND APPROVED, this the 13th day of March, 2012.

ATTEST:



Brenda G. Craig, City Secretary



David Wampler, Mayor



E. Gene Allen, Mayor Pro Tem



Carson Conklin, Councilmember



Stacie Keeble, Councilmember

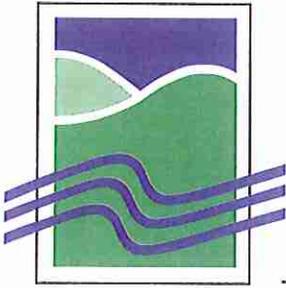


T. Scott Gross, Councilmember



Agenda Item:

2C. Resolution of Commendation to Janet Moseley for service on the Library Advisory Board. (staff)



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

RESOLUTION OF COMMENDATION

WHEREAS, JANET MOSELEY has served as a member of the Library Advisory Board with the date of service beginning July 9, 2007; and

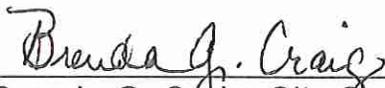
WHEREAS, JANET MOSELEY has served faithfully and dutifully on said board;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

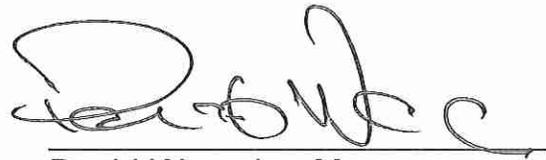
That **JANET MOSELEY** be recognized for outstanding service as a member of the Library Advisory Board, and that on behalf of the citizens of Kerrville, as well as for ourselves individually, we wish to express our sincere appreciation for contributions to the city and the community.

PASSED AND APPROVED, this the 13th day of March, 2012.

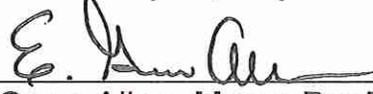
ATTEST:



Brenda G. Craig, City Secretary



David Wampler, Mayor



E. Gene Allen, Mayor Pro Tem



Carson Conklin, Councilmember



Stacie Keeble, Councilmember



T. Scott Gross, Councilmember



Agenda Item:

3A. Lease agreement between the Kerrville-Kerr County Joint Airport Board and Alamo Community College District for airport property located at 1994 Airport Loop Road for the purpose of establishing a welding and fabrication school.
(staff)

renovations, meet all applicable codes, provide required insurance, cover all utility expenses, etc.

City staff is working with representatives of the ACCD to evaluate the proposed use and to determine the code compliance issues that need to be addressed.

RECOMMENDED ACTION

At its meeting of February 20, 2012, the Kerrville/Kerr County Joint Airport Board voted unanimously to recommend that Kerr County and the City of Kerrville lease the property located at 1994 Airport Loop as presented in this agenda bill.

Should City Council accept the board's recommendation city staff will proceed with negotiating a lease agreement with ACCD to be considered by the Kerrville/Kerr County Joint Airport Board, Kerr County Commissioners' Court, and Kerrville City Council. The Kerr County Commissioners Court has voted unanimously to proceed with the negotiation of a lease with ACCD for this property.



RECEIVED FEB 22 2012

Kerrville
Kerr County
Joint Airport
Board

February 21, 2012

Judge Pat Tinley
Kerr County
700 Main Street
Kerrville, Texas 78028

Stephen King
President

Todd Parton, City Manager
City of Kerrville
800 Junction Highway
Kerrville, Texas 78028

Tom Moser
Vice President

Re: 1994 Airport Loop

Mark Cowden
Board Member

Gentlemen,

Corey Walters
Board Member

Mr. Ray Watson, Executive Director of the Kerrville Economic Development Corporation, in conjunction with Alamo Area Community Colleges, requested the use of a facility located on airport property (1994 Airport Loop) at the February 20, 2012, Airport Board meeting. He asked that the building be made available to Alamo Area Community Colleges at no cost. Alamo Area Community Colleges will utilize the structure to teach welding and fabrication classes.

Ed Livermore
Board Member

The Airport Board voted unanimously to recommend to Kerr County and the City of Kerrville that the building be leased to Alamo Area Community Colleges for a period of two years at the cost of \$1.00 (one dollar). The Airport Board would lease the building "as is." All building improvements, utilities, insurance, contract documents, etc. are to be provided by lessee.

Sincerely,

Bruce McKenzie

CC City Council
m Erwin
m Hayes
T Parton

1877 Airport Loop
Kerrville, Texas 78028

Ph (830)896-9399 Fax (830)896-9440

www.kerrvilleairport.com

Agenda Item:
(Staff)

3B. Disposal of City Hall, located at 800 Junction Highway. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Discussion and direction to city staff for the disposal of city property located at 800 Junction Highway, Kerrville, Texas.

FOR AGENDA OF: March 13, 2012 **DATE SUBMITTED:** March 5, 2012

SUBMITTED BY: Todd Parton **CLEARANCES:**
City Manager

EXHIBITS: Resolution No. 042-2007
Market Value Appraisal – Kerrville City Hall Building, 800 Junction Hwy.

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$ 0	\$ 0	\$ 0	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

Construction of the new Kerrville City Hall building is scheduled to be ready for occupancy by September 2012. With the relocation of the city hall to the new site, the City Council should consider what should be done with the current site of city hall (800 Junction Highway).

City staff is requesting formal direction from the City Council on whether to proceed with preparations to dispose this property and requests direction on initiating the applicable processes.

Resolution No. 042-2007 establishes the policies and procedures for the acquisition and disposition of real property. Pursuant to paragraph 11 of this resolution, the city may dispose of property in accordance with state and federal law should the City Council or the City Manager determine that any real estate is no longer needed. The City Council must also approve the sale of each property.

Since this property is valued at more than \$10,000, a determination of the fair market value must be made prior to placing the property on the market. An appraisal will be performed by a licensed independent real estate appraiser and the determination will be presented to the City Council as an update prior to initiating the sale process.

A market appraisal was conducted for this property on September 19, 2008. It was

prepared by Dugger, Canady, Graffe, Inc. and meets the city's requirements. A copy of this appraisal report is attached.

The proceeds from the sale of this property will be used to reimburse the Utility Fund for its contribution to the construction of the city's new building.

RECOMMENDED ACTION

Based on prior discussions with City Council there is not a desire to utilize this property for another municipal purpose and city staff recommends that the City Council initiate the process to sell 800 Junction Highway.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 042-2007**

**A RESOLUTION ADOPTING A REAL ESTATE ACQUISITION AND
DISPOSITION POLICY**

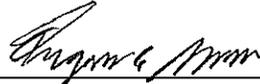
WHEREAS, the City Council of the City of Kerrville, Texas, finds that it is in the public interest to adopt the Real Estate Acquisition and Disposition Policy;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

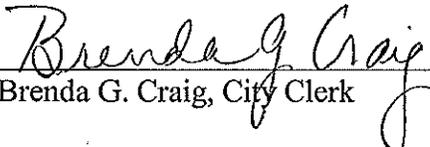
The Real Estate Acquisition and Disposition Policy, the provisions of which are set forth in **Exhibit A** attached hereto and incorporated herein by reference, is approved and adopted.

PASSED AND APPROVED ON this the 10 day of April, A.D., 2007.

ATTEST:

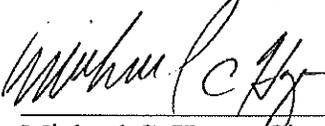


Eugene C. Smith, Mayor



Brenda G. Craig, City Clerk

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

Approved by City Council
Date: April 10, 2007
Volume 36 Page 126
Resolution NO. 042-2007

REAL ESTATE ACQUISITION POLICY

PURPOSE:

It is the intent of the City to strategically utilize its inventory of Real Estate to further the City's goals while avoiding unnecessary acquisition of additional Real Estate. It is the purpose of this policy to ensure that decisions regarding the acquisition and/or disposition of Real Estate reflect effective and efficient use of the City's current real property assets, a long-term vision, and a balance of operational, financial, environmental, and other relevant factors. Decisions regarding the acquisition or disposition of Real Estate should also consider plans and policies adopted by the City Council that provide guidance for the use of property located within identified geographic areas.

POLICY AND PROCEDURE:

1. *Preliminary Decision.* Proper planning activities involve the appropriate balance of fact finding, public input, and expertise under a defined scope to determine the needs of the City. Initially, a Department Director shall consult with the City Manager regarding the need to purchase Real Estate for a particular project or need. The City Manager will be responsible for consultant selection (if applicable) to assist with the preliminary decision making process. Consultants will be chosen in accordance with applicable state laws and related City policies and procedures.

Special cases for acquisitions not included in specific projects (including when a property owner approaches the City) will be evaluated and handled individually as the situation dictates. Council will make both initial and final decisions concerning real estate acquisitions over \$25,000 that are not included in the budget process. Decisions will be based on information gathered from any combination of staff reports and/or outside consultant information.

2. *Authorization.* Authorization to acquire Real Estate is obtained at the time that a specific project requiring a land acquisition has funding authorized by the City Council, which may occur upon the approval of the operating and capital budgets. Cases outside of funded projects will be brought to City Council on a case-by-case basis for approval. The City Manager is authorized to approve the City's acceptance of easements, right-of-way and similar property interests pursuant to the City's application of its subdivision regulations and the requirement of dedication of various property interests for public use. In addition, the City Manager is authorized to acquire a property interest whose value is less than \$25,000. However, City Council must make decisions regarding acquisitions for property with a value of more than \$25,000.
3. *Preliminary Evaluation.* A general analysis is undertaken to determine the overall feasibility of the proposed acquisition. An assessment should be prepared reflecting as many relevant factors identified as deemed appropriate. These factors can be revisited or further expanded upon as the acquisition process continues. Specific items of importance include:

- Operational requirements of the City
 - Current City property inventory and possible co-location opportunities
 - Market conditions and trends
 - Acquisition and transaction costs
 - Projected future revenues and expenses
 - Immediate and long-term needs, issues, and plans
 - Funding mechanisms
 - Legal requirements or constraints, including state and federal guidelines
 - Environmental and other risk management issues
 - Community impacts
 - The City's Comprehensive Plan and other developmental guidelines
 - Other City Council adopted plans
 - Public input
 - Tax Roll Impacts
4. *Due Diligence.* All real estate acquisitions will undergo the proper due diligence to protect the City's immediate and long-term interests. Inspections (including environmental) and other studies may be necessary to protect the City. This includes situations where the City is being donated real estate that it decided to accept. The City may hire a Real Estate consultant to assist with this process. Emphasis will be placed on confirmation of real estate decisions made.
5. *Determination of Fair Market Value.* When identified Real Estate is determined to be necessary and appropriate for completion of a project, an estimation of fair market value shall be obtained for each tract or property interest. If probable value of a tract is less than \$10,000, the estimation of fair market value may be obtained from tax appraisal records or from informal analysis. The fair market value of any tract with a probable cost greater than \$10,000 or where acquisition involves the use of eminent domain shall be determined by an appraisal from a licensed independent real estate appraiser. The determination of fair market value shall be presented as part of a project update to the City Council or City Manager as appropriate when authorization to purchase Real Estate is granted.
6. *Negotiation/Offers.* The City Manager is allowed to enter into preliminary negotiations once City Council has given approval for a project or specific acquisition. The City Manager, however, has no authority to commit the City to a binding contract in excess of \$25,000. Except as otherwise delegated by ordinance, final decisions regarding the acquisition of Real Estate shall be made by the City Council. Any negotiations entered into by the City prior to final authorization by City Council, when needed, shall clearly communicate that the final decision is to be made by City Council.
7. *Title Insurance and Reports.* Title reports and title insurance policy (when necessary) from a title insurance and abstract company shall be obtained for all Real Estate purchases. The report shall state an opinion of current record title ownership

and the list of all liens or records filed against the property. Responsibility of the costs for these items will be negotiated between the buyer and seller.

8. *Deeds and Contracts.* Deeds, Contracts of Sale and other documents needed to convey title or clear title may be prepared or reviewed by the City Attorney or other consultant attorney. All purchase contracts will be subject to satisfying all contingencies before closing. Where the City Attorney does not prepare the documents, the Department Director or City Manager shall ensure that the City Attorney is informed of the pending purchase and has an opportunity to review all of the documents prior to the actual sale and closing.
9. *Taxes.* All taxes that have accrued but which are not due should either be paid at closing or immediately thereafter. The Department Director or City Manager shall verify that the City ownership of the property is reflected on the current tax rolls.
10. *Filing and Recording of Documents.* The City Clerk is responsible for verifying the recording of all deeds and other documents requiring filing and/or recording in the County Clerk's Office. Documents recorded at the County Clerk's Office shall have a return address to the City Clerk's office and after filed and/or recorded, all documents shall be delivered to the City Clerk.
11. *Disposal of Real Property.* When the City Manager and/or City Council has determined that any Real Estate (real property, easements, ROW's) that is owned by the City is no longer needed, the property may be sold or disposed of in accordance with state and/or federal law. The City Manager shall seek approval from City Council for each disposition of Real Estate. The City may terminate the sale procedures used at any time and may reinitiate the same or different procedures at a later date. When appropriate, appraisals will be conducted to ensure the City's interests are protected when disposing of real property.
12. *Eminent Domain.* Where it becomes necessary, the City Manager may consult with the City Attorney concerning recommendation to and/or advising City Council on the use of eminent domain proceedings and decisions to employ experts needed in the process.
13. *Applicability.* These policies and procedures are intended as guidelines for the City. No express or implied rights or responsibilities are intended to be created for any party by these policies and procedures. Failure to comply with these policies and procedures is not intended to give any party the right to change, rescind, or delay any decision or transaction or to provide any claim for damages or other relief. These policies and procedures apply to all City departments and agencies, and to all acquisitions of Real Estate by the City, except as otherwise provided by ordinance, charter, or existing law.
14. *Legal Consistency and Compliance.* This Policy shall be interpreted and applied in accordance with federal, state and local law. In addition, any proposed Real Estate acquisition shall be consistent with the City's Comprehensive Plan and other

applicable planning policies whenever possible. The City Attorney should be consulted as needed in proposed acquisitions and at minimum, on the following matters: (a) compliance of proposed acquisition actions with local, state, and federal ordinances, statutes, regulations, plans, and policies; (b) the need for specific analyses, including applicable environmental studies; and (c) the form and substance of any proposed items Council adoption and transaction documents. These policies and procedures are not intended to supersede policies or procedures reflected in any ordinances or resolutions adopted by the City Council that specifically authorize the acquisition of Real Estate. In cases of inconsistency or conflict, the specific policies adopted by the City Council for the property in question shall prevail. Where superseding requirements are in effect, these policies and procedures shall remain applicable to the extent practicable.

**MARKET VALUE APPRAISAL
KERRVILLE CITY HALL BUILDING
800 JUNCTION HIGHWAY (STATE HIGHWAY 27)
KERRVILLE, KERR COUNTY, TEXAS**

**DATE OF APPRAISAL: SEPTEMBER 19, 2008
APPRAISAL FILE NO.: 0810051**

Prepared For:

**MS. KRISTINE A. ONDRIAS
DIRECTOR OF GENERAL SERVICES
CITY OF KERRVILLE, TEXAS
800 JUNCTION HIGHWAY
KERRVILLE, TEXAS 78028**

Prepared By:

**DUGGER, CANADAY, GRAFE, INC.
Real Estate Consultants and Appraisers
111 Soledad, Suite 800
San Antonio, Texas 78205**

Richard L. Dugger, MAI, CRE
R. Don Canaday, MAI, SRA
Paul P. Grafe, MAI, CCIM
Merrill E. Swanson, ARA

Franklin L. Flato, MAI
Stuart A. Rouse, MAI
Debra S. Runyan, MAI
Travis R. Taylor, MAI



Dugger, Canaday, Grafe, Inc.

Real Estate Consultants & Appraisers
111 Soledad, Suite 800
San Antonio, Texas 78205-2283
(210) 227-6229 • Fax (210) 227-8520

Cynthia C. Beard
Thomas R. Martin
David H. Thomas, III
Ryan C. Healy
John P. Robertson Jr.
Brett E. Weatherbie
Clinton J. Bendele
Johnathan P. Burda

October 16, 2008

Ms. Kristine A. Ondrias
Director of General Services
City of Kerrville, Texas
800 Junction Highway
Kerrville, Texas 78028

Re: Market Value Appraisal of the
Kerrville City Hall office building
located at 800 Junction Highway (State
Highway 27), Kerrville, Kerr County,
Texas.

Dear Ms. Ondrias:

As requested, Dugger, Canaday, Grafe, Inc. (hereinafter referred to as Dugger/Canaday), has completed a market value appraisal of the above-referenced property. The purpose of this appraisal is to estimate the "as is" market value of the fee simple estate interest in the subject property. The value conclusion conveyed herein considers the market value of the real estate only; no items of personal property (furniture, fixtures or equipment) are included as part of this appraisal assignment. The intended use of this appraisal is to assist in your understanding of the estimated market value of the property for possible asset disposition. The intended user (client) is the City of Kerrville, Texas. No other uses/users are intended. The effective date of appraisal is September 19, 2008, the date of our most recent property tour. The date of report preparation is October 16, 2008.

Information contained in this report, although intended to be sufficient for your needs, may not be sufficient for the needs of any third party who might try to rely on our analysis for their own decision making purposes. Third parties are advised to seek their own experts and counsel.

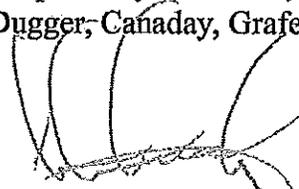
The appraisal is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP), as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The appraisal is also intended to comply with the Standards of Professional Practice and Code of Ethics of the Appraisal Institute. The attached narrative appraisal report highlights our findings and conclusions in summary report format.

After consideration of neighborhood and real estate trends, as well as pertinent market data, the estimated "as is" market value of the fee simple estate interest in the Kerrville City Hall office building located at 800 Junction Highway, as of September 19, 2008, is:

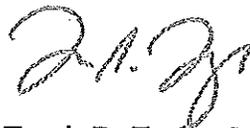
**NINE HUNDRED TEN THOUSAND DOLLARS
(\$910,000)**

Thank you for the opportunity to be of service in this important valuation matter. If we may be of further assistance, please contact us.

Respectfully submitted,
Dugger, Canaday, Grafe, Inc.

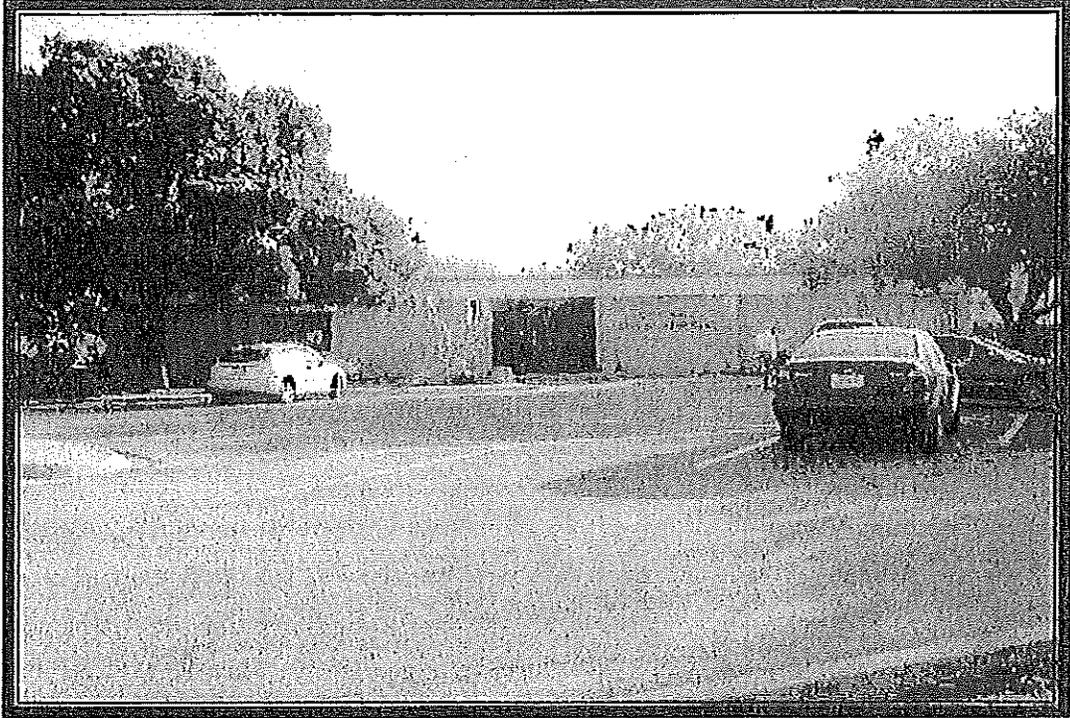


R. Don Canaday, MAI, SRA
State Certified General
Real Estate Appraiser
TX-1320428-G



Travis R. Taylor, MAI
State Certified General
Real Estate Appraiser
TX-1334995-G

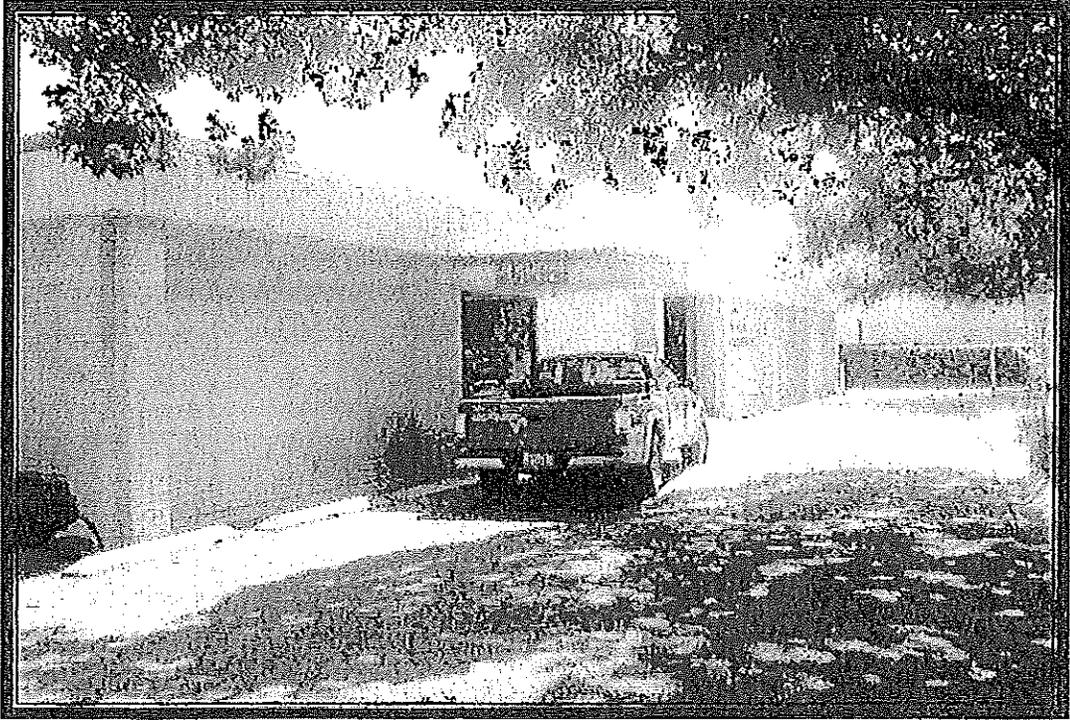
PHOTOGRAPHS OF THE APPRAISED PROPERTY
(Taken September 19, 2008)



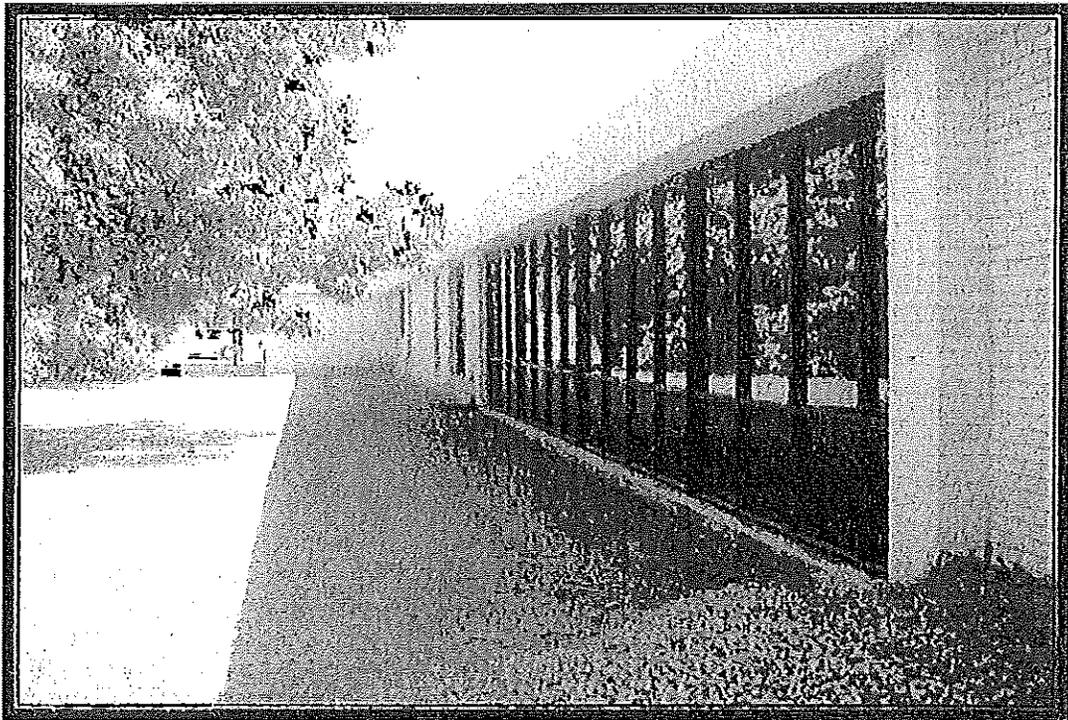
Front view of City Hall facing north from Junction Highway.



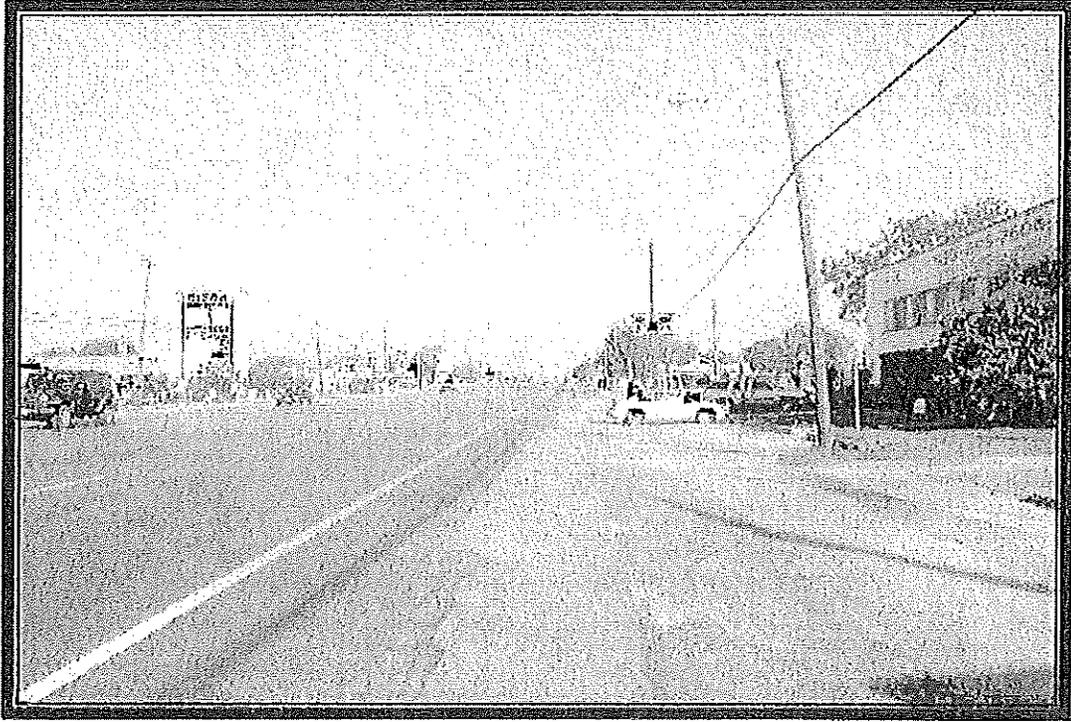
Rear view of the building facing south.



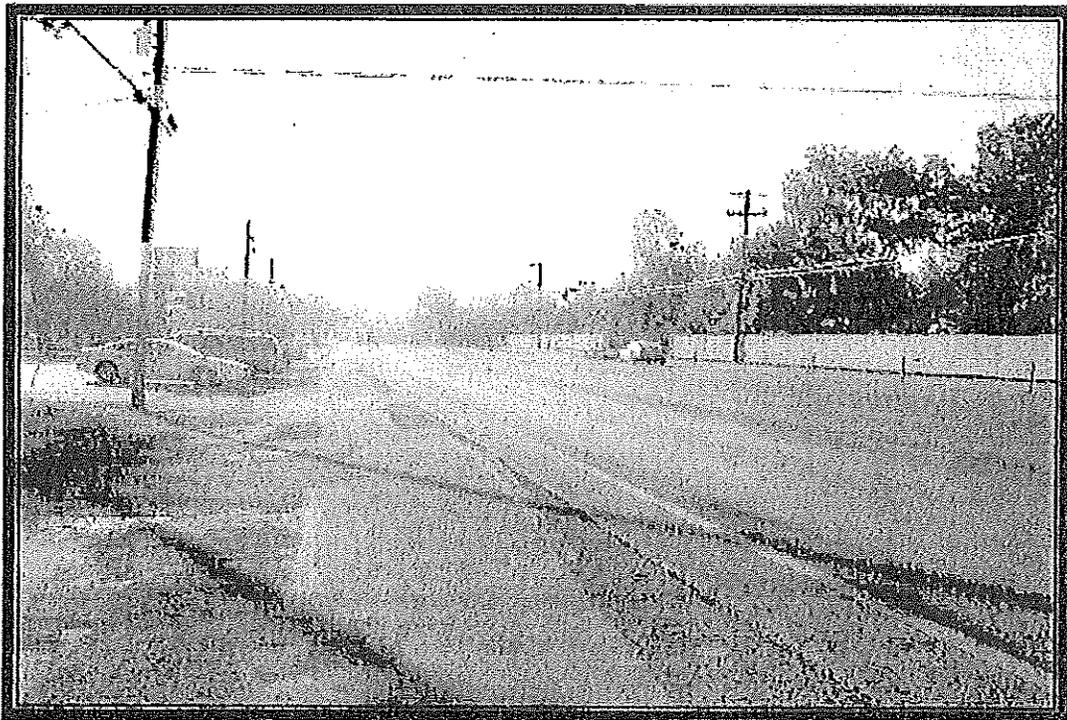
View of the drive-through window at the front of the building.



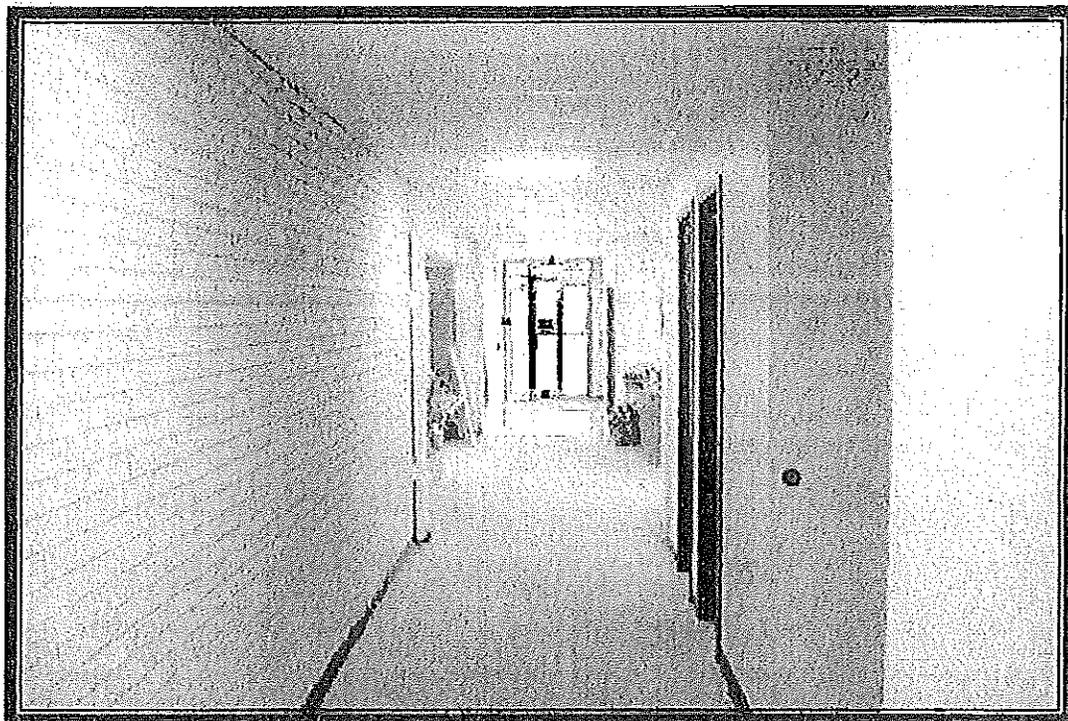
View along the westerly exterior wall.



View along Junction Highway facing west; subject property is to the right.



View along Junction Highway facing east; subject property is to the left.



View of an interior hallway.



Typical view of the interior office space.

TABLE OF CONTENTS

	<u>Page</u>
Title Page	i
Letter of Transmittal	ii
Location Map	iv
Photographs of the Appraised Property	v
Table of Contents	ix
Property Identification	1
Legal Description	1
Purpose of the Appraisal	1
Definition of Market Value	1
Property Rights Appraised	1
Intended Use	1
Intended User (Client)	1
Scope of the Appraisal	2
History of the Property	2
Market Area Analysis	3
Appraised Site Analysis	5
Description of the Improvements	6
Highest and Best Use	8
Assessed Value	8
Sales Comparison Approach	9
Income Capitalization Approach	20
Certificate	31
Qualifications of R. Don Canaday	32
Qualifications of Travis R. Taylor	34
Contingent and Limiting Conditions	36
Addenda	
Definitions	

MARKET VALUE APPRAISAL
Kerrville City Hall Property at 800 Junction Highway
Prepared for City of Kerrville, Texas

- **Property Identification:** 800 Junction Highway (State Highway 27); northeast side of Junction Highway and the southwest side of Lois Street between Ox Drive and Woodlawn Avenue. The property is owned by the City of Kerrville (per Kerr County Appraisal District records).
- **Legal Description:** 2.27 acres out of the Fosgate Survey No. 120, Abstract No. A0138, City of Kerrville, Kerr County, Texas.
- **Purpose of the Appraisal:** To estimate the “as is” market value of the fee simple estate interest in the property.
- **Definition of Market Value:** As per FIRREA of 1989; see *Addenda*.
- **Property Rights Appraised:** Fee Simple Estate; no personal property (equipment, inventory, furniture, etc.) is included in this appraisal. The building is 100% owner-occupied by the City of Kerrville (City Hall).
- **Date of Appraisal:** September 19, 2008
- **Date of Report Preparation:** October 16, 2008
- **Intended Use:** To assist in the client’s understanding of the asset’s market value for potential disposition of the property.
- **Intended User (Client):** City of Kerrville, Texas
(No other uses/users are intended)

Scope of the Appraisal

The appraisers have toured the subject property (interior and exterior) and surrounding neighborhood/market area. Photographs were taken to adequately depict the various characteristics of the appraised property. The Sales Comparison and Income Capitalization Approaches have been completed. The Cost Approach is not applicable due to the age of the improvements and the difficulty in estimating depreciation.

In order to complete the Sales Comparison Approach, comparable transactions (improved office properties) are directly compared and analyzed relative to the subject property with comparisons made for various elements of comparison. The appraisers have confirmed a number of recent comparable office transactions in the Kerrville market area and nearby Fredericksburg. Fredericksburg is a community with similar market characteristics. The comparable transactions are identified and confirmed through various market participants to include real estate brokers, local property owners/investors, buyers and sellers, other real estate appraisers, etc. The transactions are subsequently verified through the deed records of the respective counties (Kerr and Gillespie).

In the Income Approach, market rent is estimated through the use of comparable office properties which are leased or listed for lease, generally perceived to be reasonably competitive in terms of a substitute property. Again, various comparison factors are identified and related to the appraised property in order to opine as to the appraised property's appropriate "fit". Market information related to vacancy and collection loss, operating expenses and overall capitalization rates, which are applied to the net operating income are researched through a number of sources on a regional basis. The net operating income is capitalized into a single lump sum, indicating the property's market value by the Income Capitalization Approach.

The two above-mentioned valuation methodologies (Sales Comparison and Income Capitalization Approaches) are reconciled into a single, final opinion of market value. This appraisal report highlights the appraisers' findings and conclusions in a summary report format. Detailed supporting documentation is retained in the file of the appraisers.

Information contained in this report, although intended to be sufficient for the needs of the client, may not be sufficient for the needs of any third party who might try to rely on this analysis for their own decision making purposes. Third parties are advised to seek their own experts and counsel.

History of the Property

The appraised property has been under its current ownership in excess of three years. It is understood that the property is not currently listed for sale nor is there any contract for property purchase pending. The building is 100% owned and occupied by the City of Kerrville.

Market Area Analysis

Kerr County is located in west central Texas to the northwest of San Antonio. It is located in the Texas Hill Country and is bound on the north by Kimble and Gillespie Counties, on the west by Edwards and Real Counties, on the south by Bandera County, and on the east by Kendall County. According to the CCIM *Site to Do Business*, the 2000 population of Kerr County was 43,653. The 2008 estimation is 47,789.

The topography is generally hilly and the land is rocky. Kerr County is primarily ranching country with some cultivated crops raised in the bottom land. Because of its location in the Hill Country, Kerr County is an important recreation area and draws visitors from all areas of the state. The area west of Kerrville along the north and south forks of the Guadalupe River is the home of a number of prominent summer camps which are well known throughout the state.

Kerrville is the county seat and principal city in Kerr County. *Site to Do Business* reports that Kerrville's 2000 population was 20,425, with a current population of approximately 21,857. Kerrville is located approximately 65 miles northwest of San Antonio and 105 miles southwest of Austin, the state capital. Interstate Highway 10 is north of the city and State Highways 16 and 27 intersect within the city.

The subject property and its market area is located in the western portion of Kerrville. The neighborhood is best defined as including the several mile "stretch" of the State Highway 27 (Junction Highway) corridor. Junction Highway is a four-lane thoroughfare carrying traffic in two lanes in each direction (east/west) with a central turn-lane. State Highway 27 is raised two to three feet above grade and is crowned.

There are two main thoroughfares in Kerrville. One of the thoroughfares is State Highway 16 (Sydney Baker) and the aforementioned State Highway 27 (Junction Highway) whereby the subject property is located. State Highway 16 extends in a north/south direction connecting Kerrville with Fredericksburg to the north and Bandera to the south. State Highway 27 connects Kerrville with Ingram to the west and Comfort to the east/southeast.

Development along the two major thoroughfares is primarily characterized as moderate to densely developed commercial application. The property uses exhibited are rather broad. Uses include retail, office, lodging, restaurants, automotive, schools, etc.

The development on the east end of Kerrville in between the Ingram area exhibits an increase in development density traveling west to east into the Kerrville area. On the outskirts of Kerrville, property uses are more large retail/industrial oriented. These include Ferguson Enterprises, Sector Equipment Company (John Deere), Hill Country

Stone, Inc., Spears Homes (manufactured housing sales lot), Kerrville Ranch and Pet Center (farm and ranch supply/feed store), etc. At Spur 98, development "picks up". It is noted that State Highway 27 (Junction Highway) parallels the Guadalupe River on the river's north side.

Major retail uses along Junction Highway include a Walmart Supercenter surrounded with a Starbucks, McDonald's, Wendy's, Culvers Frozen Custard/Burgers, Sonic, etc. Adjacent to the Walmart Supercenter is a strip retail center having a regional/national tenant mix such as Pier One Imports, Cici's Pizza, Payless Shoe Source, Great Clips, Sally Beauty Supply, Sprint PCS, GameStop, Quizno's Subs, etc. Other recognized property users include Discount Tires, Chili's Bar & Grill, and a number of other commercial/retail uses. In addition to the retail, there is a wide array of property uses including a small professional office, branch bank (Security State Bank & Trust and Hill Country State Bank), Family Sports Center fitness center with bowling lanes. Development continues to be somewhat dense traveling eastbound into the central area of Kerrville (near the State Highway 16/Sydney Baker intersection). Residential uses both single-family and multi-family are positioned just off the main commercial thoroughfares.

The property uses in the immediate vicinity of the appraised property are typical for the neighborhood. There is a Town & Country convenience store, Pizza Hut, Inn of the Hills, Flagstaff Inn Motel, Exxon, etc. Property uses which immediately surround the subject property are outlined as follows:

- **To the North:** Single-family residential
- **To the East:** Del Norte Restaurant and Town & Country convenience store
- **To the South:** State Highway 27 (Junction Highway). Take It EZ RV Resort, and a 1970's/1980's retail center. Anchor tenants include Ritz Furniture, Home Town Crafts & Fabrics, with smaller tenants including El Charro Mexican Restaurant, TCBY, Dollar General, a travel agent, Chinese food restaurant, etc.
- **To the West:** Vintage Granite Countertops & Custom Cabinets; a two-story office/warehouse with a secured fenced area.

In summary, the subject property is located on the west end of Kerrville along the densely developed State Highway 27 commercial thoroughfare. The area represents an adequate mix of commercial development with the majority being older in nature. There is evidence of new development, particularly near the Walmart Supercenter.

Appraised Site Analysis

- Size:** 2.27 acres or 98,881 square feet (according to the deed recorded in Volume 291, on Page 90). The appraisers were not provided with a survey. In order to more accurately determine the total land area, a new survey should be completed.
- Frontage/Dimensions/Shape:** According to county records, the appraised property has 146.19 feet of frontage along the northeast side of Junction Highway (State Highway 27) and 156.2 feet of frontage along the southeast side of Lois Street. The tract is generally rectangular.
- Access/Visibility:** The appraised site has average accessibility characteristics with only site ingress via Junction Highway. Lois Street provides for both site ingress and egress. The site has average visibility from both thoroughfares. The building improvements are somewhat setback relative to the Junction Highway road frontage.
- Topography:** The appraised site is generally level. According to FEMA Map Panel No. 48265C0170-E, dated July 19, 2000, there are no areas of 100-year flooding.
- Utilities:** The subject property has public water, sewer, electric and telephone service.
- Zoning:** "W10", West Side District
- Easements and Encumbrances:** To the appraisers' knowledge, other than typical building setbacks, and utility easements, the appraised property is unencumbered by adverse easements.
- Hazards and Nuisances:** The appraisers noted no hazards or nuisances to the appraised property. The appraisers were not provided an environmental survey. It is assumed that the property has no environmental contamination issues. If contamination is present, the appraisers reserve the right to alter their value conclusions.

Description of the Improvements

The appraised property improvements are currently identified as the Kerrville City Hall. The improvements consists of a single-story building somewhat set back off of Junction Highway. The building was reportedly constructed in the 1970's, with renovations circa 1984. The building has an effective age of 20 to 25 years. According to the appraisers' measurements, the building area totals 12,972 square feet.

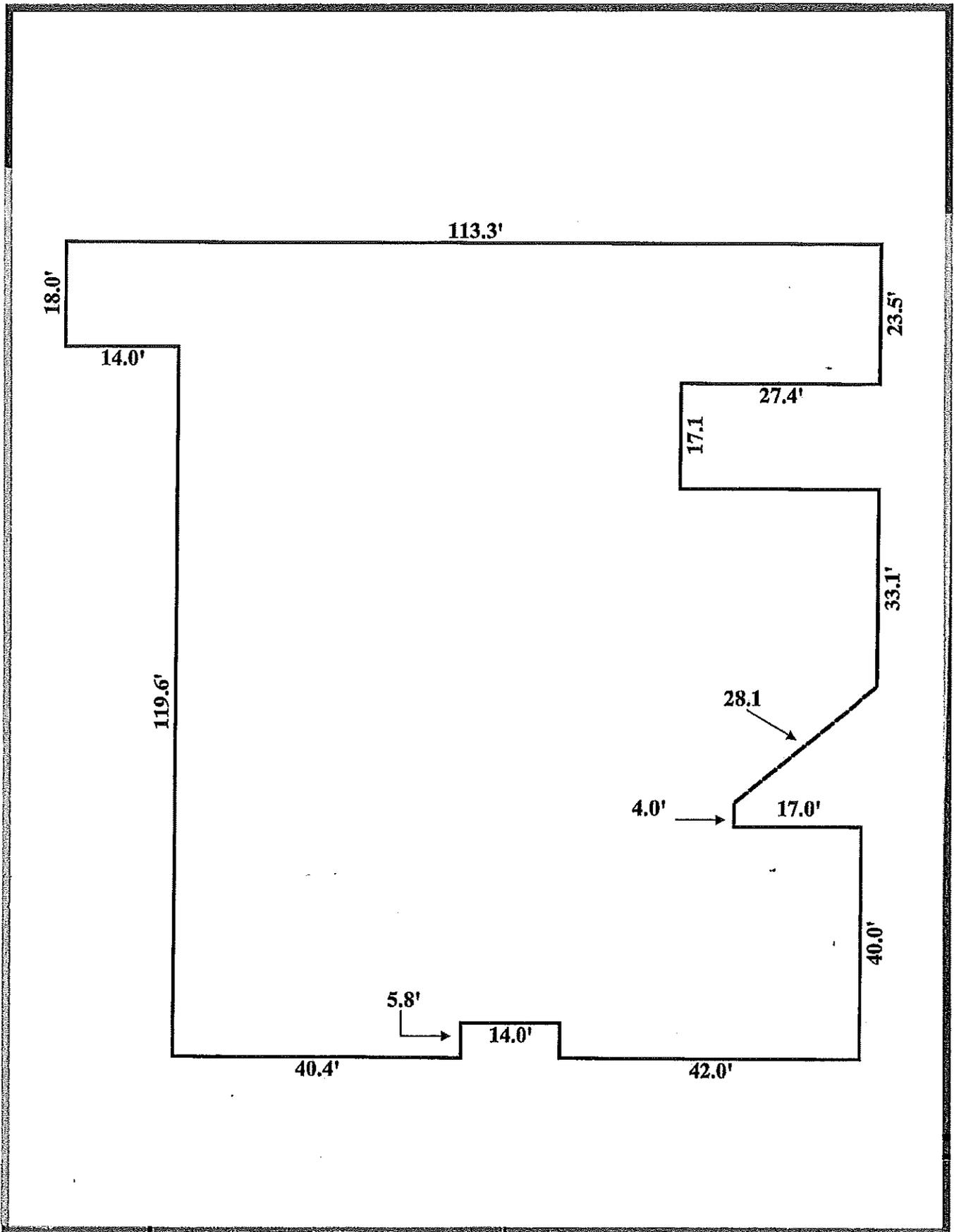
Exterior construction features include brick exterior, flat built up roof with roof mounted HVAC systems, metal gutters and down spouts, and a concrete slab foundation. The building has windows and aluminum framing on all four sides. The building has access from the front, rear and easterly side. The main entry features automatic double sided sliding glass door. There is a drive thru lane with a covered awning, a large glass window and an exchange drawer.

The interior of the building is somewhat "chopped up" with private offices scattered throughout. At the main entry is a reception counter with a secretarial area to the right stationed near two executive type offices and a conference room. To the left of the reception is the area for the drive-thru lane. Behind the drive-thru lane is a hallway leading to the Finance and Human Resources departments. There is also a vault at the end of the hallway. In addition to the numerous private offices scattered throughout, there is a city council chamber, a set of public men's and women's restrooms, both being ADA compliant, a meeting room, Management Information System (MIS) are with the network housing area, and a number of other private offices. The back approximate "half" of the building has an elevated foundation and leads back to a large common area and private offices around the perimeter.

Site improvements include asphalt paved parking, concrete sidewalks and curbing, and average landscaping. There are a total of 16 single flow directional parking spaces, two of which are handicap. At the rear of the building are an additional 64 parking spaces, two of which are handicap. There is a small covered pavilion/picnic area at the northwest corner of the building as part of the rear parking area.

In summary, the appraised property improvements are in average condition for their age. The interior finish-out characteristics are somewhat dated, however, the building appears to have been well-maintained by the City of Kerrville. The building has a somewhat "chopped up" feel and is best suited for single tenant occupancy in its current configuration. In order for the building to accommodate multiple tenants, altering a number of interior walls would be required. Overall, the improvements are in average condition and functional for most office oriented uses.

BUILDING SKETCH



Highest and Best Use

As If Vacant:

Future commercial development as warranted by demand, to include office or secondary retail (or a combination thereof) as allowable under the current zoning classification.

As Improved:

The subject site is improved with an average quality office building with an effective age of 20 to 25 years. The building is in need of some update and presents a somewhat chopped up feel. Nonetheless, the building seems to be of sound functionality and could easily be updated and reconfigured to a more modern style.

Therefore, the highest and best use of the appraised property "as improved" is for continued office application with the interior of the building nearing a point where updating and interior renovations are necessary.

Assessed Value 2008

The appraised property is identified under Account Nos. 14061, 64074 and 64075 by the Kerr County Appraisal District. Below is the Appraisal District's allocation.

Land:	\$ 269,243
Improvements:	<u>\$ 664,510</u>
Total:	\$ 933,753

Tax Rate: \$2.1922 per \$100 of assessed value

Estimated Taxes 2008: Approximately \$20,470 (non-exempt). The property is government owned and therefore tax exempt.

SALES COMPARISON APPROACH

The market value of the appraised property is estimated through the use of the Sales Comparison Approach by direct comparison and analysis of recent sales of similar improved office properties. The appraisers have attempted to concentrate the search to include comparable office properties in the immediate Kerrville market area. Recent transactions of mid-sized to large office properties are limited, and practically non-existent. Most of the office building transactions are much smaller. The most recent includes the former Kerrville Telephone Company building located at 933 Water Street (Sale No. 1). Research of these commercial transactions involved contacting local brokers, investors and confirming the transactions through the deed records of the appropriate counties (Kerr and Gillespie).

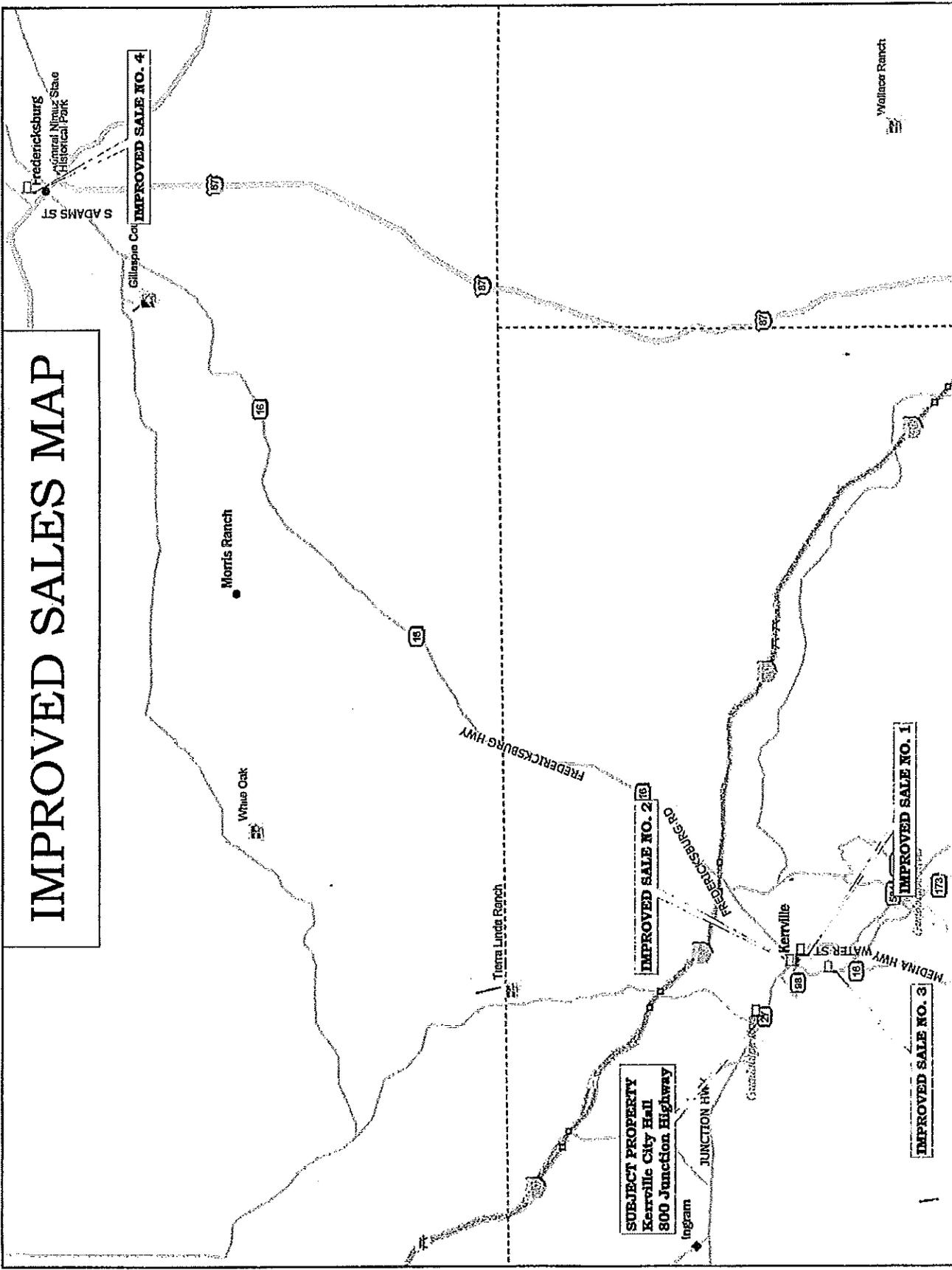
The appraisers have selected four comparable sales which range in building size from 3,960 to 14,945 square feet. In terms of age and construction quality, Sale No. 1 is the most comparable. The four comparable sales transacted at total pricing from \$285,000 to \$1,423,000 (effectively \$1,103,000 excluding the contributory value of the excess land). The indicated price per square foot of building area ranges from \$64.06 to \$113.36. The comparable sales generally "bracket" both the building size and estimated market value of the appraised property on a per square foot basis.

The four comparable sales have been adjusted for various market conditions (property rights conveyed, financing, condition of sale and date of sale), location, building size, land to building ratio, age/condition and construction quality. After adjustments, the four comparable sales indicate a range in value applicable to the subject property on a per square foot basis from a low of \$58.38 to a maximum of \$83.33. The average indicated value is \$70.11. The most comparable sale of the four is Sale No. 1. This sale is not only the most physically comparable but the most recent of the group as well. The sale only requires a downward adjustment for its superior location and an offsetting upward adjustment for its smaller land to building ratio. It is judged that the applicable per unit value is closely aligned with Sale No. 1 and the average indicated by the four comparable sales.

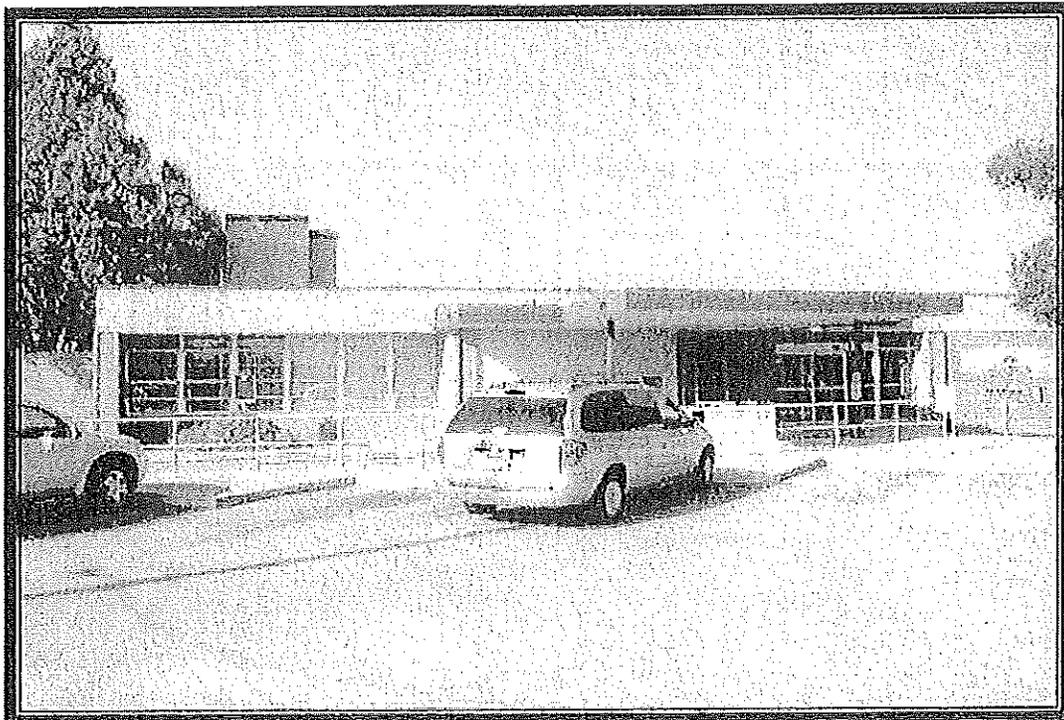
Based on the comparable sales utilized in this analysis, the appraisers estimate the value of the property on a per square foot basis to be \$70.00 per square foot. When multiplying this concluded per unit value by the total square footage (12,972 square feet), the indicated value by the Sales Comparison Approach is \$908,000, rounded.

A map of the comparable sales is included on the following page, followed by detailed sales sheets, photographs of the comparable sales, and an improved sales summary and adjustment grid.

IMPROVED SALES MAP



IMPROVED SALE NO. 1



Property Identification

Record ID	7955
Property Type	Office
Address	933 Water Street, Kerrville, Kerr County, Texas 78028
Location	SW/s of Water Street, SE of Downtown
Tax ID	Multiple
Quadrant	NW
Map/Grid	233

Sale Data

Grantor	Windstream Communications Kerrville, LLC
Grantee	One Schreiner Center Management, Inc.
Sale Date	July 18, 2008
Deed Book/Page	1688/119
Recorded Plat	1/1
Property Rights	Fee simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Status	Special Warranty Deed
Verification	Closing statement; September 19, 2008; TT/DC, Deed Reviewed by: TT, October 13, 2008

Sale Price	\$1,423,000
Downward Adjustment	\$320,000 (Excess Land)
Adjusted Price	\$1,103,000

IMPROVED SALE NO. 1 (CONT.)

Land Data

Land Size	3.440 Acres or 149,846 SF
Front Footage	341.30 ft - S/S of Water Street; 298.92 ft - N/S Guadalupe River
Zoning	C18, Central City District
Topography	Level
Utilities	All public
Dimensions	437.76' avg. depth
Shape	Slightly irregular
Landscaping	Minimal
Fencing	6' CL fencing
Flood Info	All usable
Access/Visibility	Average/Average
Easements/Other	None adverse

General Physical Data

Building Type	Multi Tenant
Gross SF	14,945
Construction Type	Masonry/Brick
Roof Type	Flat B/U
Foundation	Concrete slab
Electrical	N/A
HVAC	Central
Sprinklers	N/A
Stories	Two
Year Built	1977 (per KCAD)
Condition	Average
Parking	Adequate
Building Class	B-/C+
Retail Space	Possible first floor
Elevators	One
Escalators	None

Indicators

Sale Price/Gross SF	\$73.80 Adjusted
Floor Area Ratio	0.10
Land to Building Ratio	10.03:1

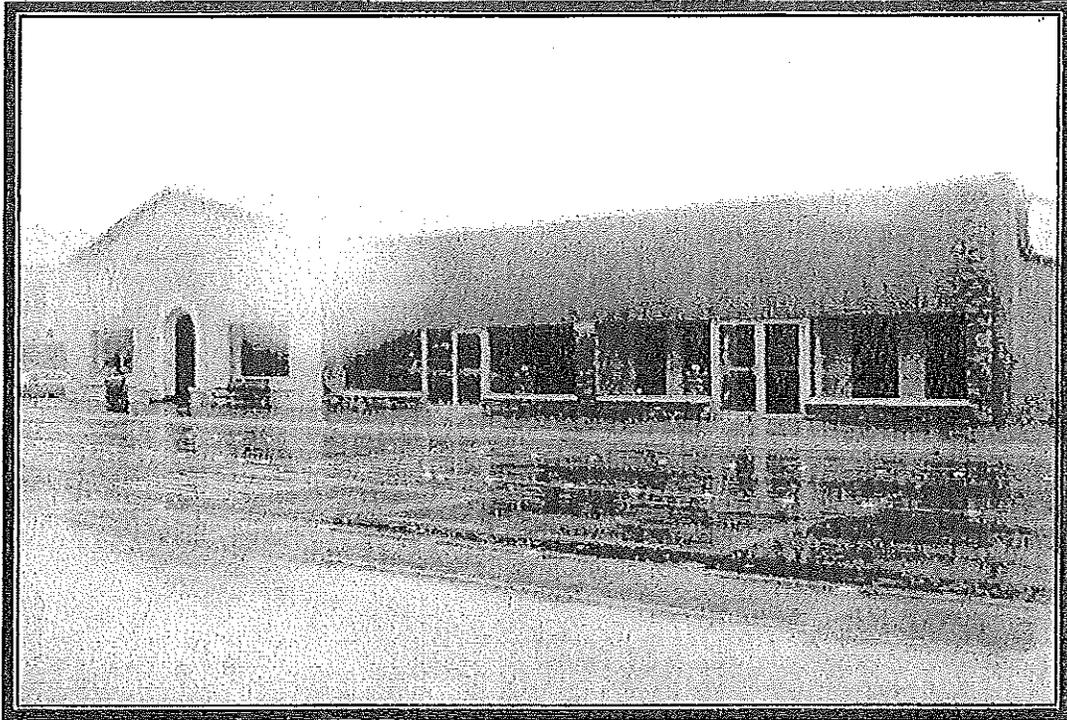
Legal Description

3.44 acres out of B.F. Cage Survey No. 116, Abstract No. 106, being all of Lot 5 and part of Lot 6 in Block 26 of the J.D. Brown Addition, City of Kerrville, Kerr County, Texas.

Remarks

The property is estimated to have 1.753 acres of excess land. It is the appraisers' opinion that the excess land contributes \$320,000 (\$4.25/SF) to the overall price paid.

IMPROVED SALE NO. 2



Property Identification

Record ID	7956
Property Type	Office
Address	623-625 Water Street, Kerrville, Kerr County, Texas 78028
Location	SW/S of Water Street, west of Sidney Baker (SH 16)
Tax ID	23915
Quadrant	NW
Map/Grid	233

Sale Data

Grantor	William G. & Karen Mae Fair
Grantee	D. Michele Stogner
Sale Date	April 26, 2007
Deed Book/Page	1599/539
Recorded Plat	1/1
Property Rights	Fee simple
Conditions of Sale	Arm's length
Financing	Cash to seller
Verification	Navica MLS No. I616778; October 10, 2008; TT/DC, Deed Reviewed by: TT, October 13, 2008
Sale Price	\$285,000

IMPROVED SALE NO. 2 (CONT.)

Land Data

Land Size	0.326 Acres or 14,201 SF
Front Footage	58.27 ft - SW/S of Water Street; 58.66 ft - NE/S of Guadalupe River
Zoning	C18, Central City District
Topography	Sloping
Utilities	All public
Dimensions	Avg. depth of 243.325'
Shape	Rectangular
Landscaping	Minimal
Fencing	None
Flood Info	All usable
Access/Visibility	Average/Average
Easements/Other	None adverse

General Physical Data

Building Type	Multi Tenant
Gross SF	4,449

Construction Type	Masonry
Roof Type	Flat B/U
Foundation	Concrete slab
HVAC	Central
Stories	One
Year Built	1900 's
Condition	Average

Parking	Good for area
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Indicators

Sale Price/Gross SF	\$64.06
Floor Area Ratio	0.31
Land to Building Ratio	3.19:1

Legal Description

An approximate 0.326 acre tract out of the B.F. Cage Survey No. 116, Abstract No. 106, also a part of the southeast part of Block 23, J.D. Brown Addition, City of Kerrville, Kerr County, Texas. The metes and bounds are retained in the appraisers' files.

Remarks

The building could serve single or multi-tenant occupancy, for office or retail application. The building is located in downtown Kerrville, as part of the Main Street District.

IMPROVED SALE NO. 3



Property Identification

Record ID	7957
Property Type	Office
Address	998 S. Sidney Baker, Kerrville, Kerr County, Texas 78028
Tax ID	17171 & 47486
Quadrant	NW
Map/Grid	233

Sale Data

Grantor	Lehmann Partners, Ltd. & Monroe Partners, Ltd.
Grantee	West Texas Industries, Inc.
Sale Date	December 06, 2006
Deed Book/Page	1570/445
Property Rights	Fee simple
Conditions of Sale	Arm's length
Financing	Cash to seller
Verification	Navica MLS No. B62398S; October 10, 2008; TT/DC, Deed Reviewed by: TT, October 13, 2008

Sale Price	\$565,000
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Land Data

Land Size	1.065 Acres or 46,372 SF
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IMPROVED SALE NO. 3 (CONT.)

Land Data (Cont.)

Front Footage	*See remarks
Zoning	S33, South Side District
Topography	Level to sloping
Utilities	All public
Shape	Slightly irregular
Landscaping	Minimal
Flood Info	All usable
Access/Visibility	Excellent/Excellent
Easements/Other	None adverse

General Physical Data

Building Type	Multi Tenant
Gross SF	4,984
Construction Type	Rock
Roof Type	Pitched composition shingle
Foundation	Concrete slab
HVAC	Central
Stories	Two
Year Built	1982
Condition	Average to good
Parking	Adequate

Indicators

Sale Price/Gross SF	\$113.36
Floor Area Ratio	0.11
Land to Building Ratio	9.30:1

Legal Description

Being 1.06 acres out of the Thos L. Waddell Survey No. 145, Abstract No. 354, City of Kerrville, Kerr County, Texas. The metes and bounds are retained in the appraisers' file.

Remarks

Two-story office building with excellent location. There are 15 offices plus reception area. There is also a 3-car parking garage. The site has 198.69' of frontage along the west side of Sidney Baker, 250.35' along the north side of G Street West, 172.60' along the east side of Waggoman Road and 231.55' along the south side of Peggy Dr.

IMPROVED SALE NO. 4



Property Identification

Record ID	7559
Property Type	Office
Address	209 N. Crockett Street, Fredericksburg, Gillespie County, Texas
Quadrant	N/A
Map/Grid	186/NW

Sale Data

Grantor	Michael Z. Summers
Grantee	Samuel K. and Patricia T. Weber
Sale Date	November 15, 2005
Deed Book/Page	627/55
Property Rights	Fee Simple
Conditions of Sale	Arm's length
Financing	Cash to seller
Status	Sold
Verification	MLS #17494C; October 03, 2007; CJB, Deed Reviewed By: CJB, October 03, 2007

Sale Price	\$375,000
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Land Data

Land Size	0.315 Acres or 13,721 SF
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IMPROVED SALE NO. 4 (CONT.)

Front Footage	N. Crockett Street
Zoning	CBD, Central Business District
Topography	Level to gently sloping
Utilities	All available
Dimensions	N/A
Shape	Rectangular
Landscaping	N/A
Rail Service	N/A
Fencing	N/A
Flood Info	None
Access/Visibility	Good/Good
Easements/Other	None adverse

General Physical Data

Building Name	Town Creek Complex
Building Type	Multi Tenant
Gross SF	3,960

Construction Type	Wood frame/brick
Roof Type	Built-up
Foundation	Concrete
Electrical	N/A
HVAC	100%
Sprinklers	No
Stories	One
Year Built	1984
Condition	Good

Indicators

Sale Price/ SF	\$94.70
Floor Area Ratio	0.29
Land to Building Ratio	3.47:1

Legal Description

Lot 62, Block 38, Fredericksburg, Gillespie County, Texas.

Remarks

The property is a multi-tenant office/retail building. Tenants include Wells Fargo Home Mortgage and Durbin's Cleaners.

Comparable Improved Sales Summary & Adjustment Grid

Comparable No.	SUBJECT	1	Adj.	2	Adj.	3	Adj.	4	Adj.
	800 Junction Hwy., Kerrville, TX	933 Water Street, Kerrville, TX		623 - 625 Water Street, Kerrville, TX		998 S. Sidney Baker, Kerrville, TX		209 N. Crockett Street, Fredericksburg, TX	
Location									
Total Price		\$1,103,000		\$285,000		\$565,000		\$375,000	
Price/Square Foot		\$73.80		\$64.06		\$113.36		\$94.70	
Market Conditions									
Property Rights Conveyed	Fee Simple	Fee Simple	0%	Fee Simple	0%	Fee Simple	0%	Fee Simple	0%
Financing	Cash to Seller	Cash to Seller	0%	Cash to Seller	0%	Cash to Seller	0%	Cash to Seller	0%
Condition of Sale	Arm's length	Arm's Length	0%	Arm's Length	0%	Arm's Length	0%	Arm's Length	0%
Date of Sale	As of Sept. 2008	Jul-08	0%	Apr-07	2%	Dec-06	3%	Nov-05	10%
Adjusted Price per Sq. Ft.		\$73.80	\$65.34	\$116.76	\$104.17				
Adjustments									
Location	Subject	Superior	-10%	Superior	-10%	Superior	-10%	Overall Similar	0%
Size (sf)	12,972	14,945	0%	4,449	-15%	4,984	-15%	3,960	-15%
Land Size (sq ft)	98,881	73,484*	0%	14,201	0%	46,372	0%	13,721	0%
Physical Characteristics									
Land to Building Ratio	7.62	4.92*	10%	3.19	15%	9.30	-5%	3.46	15%
Age/condition & Functional Utility	1970's/Average Condition & Functionality	1977/Average Condition	-5%	Early 1900's/Average Condition ATOS	15%	1982/Average to Good Condition	-20%	1984/Good Condition	-20%
Construction Quality	Masonry	Masonry	0%	Masonry	0%	Rock	0%	Wood/Rock	0%
Total Adjustments			-5%		5%		-50%		-20%
Indicated Value per Sq. Ft.		\$70.11	\$68.61	\$58.38	\$83.33				

* Net of Excess Land

Minimum Ind. \$58.38
 Maximum Ind. \$83.33
 Avg. Ind. \$70.11

Concluded Value

\$70.00 per Square Foot

\$908,000 (RD)

\$83.33

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is a technique for converting the anticipated monetary benefits of an income producing property into capital value. The Income Approach reflects the price an investor might pay for the appraised property based on the property's net operating income and appreciation potential. The direct capitalization technique is judged to be the appropriate valuation technique.

The appraisers have estimated market rent based on research of other office properties in the Kerrville area. Research indicates that most lease arrangements are structured on a gross, or more particularly a modified gross basis with the tenant paying for utilities in addition to the monthly rent. One of the rental properties represents the rental rate for a full service lease (expenses are inclusive in the monthly rent). Another comparable rental is quoted on a triple net basis where the tenant reimburses the landlord for their pro rata share of real estate taxes, hazard insurance and common area maintenance. In this instance, the monthly rental obligation is lower since the tenant is also responsible for additional rent in the form of expense reimbursements.

Generally, the five comparable rentals report rental rates averaging in the range of \$0.85 per square foot per month (\$10.20 per year) to \$1.36 per square foot per month (\$16.32 per year). Four of the rentals are true office properties while Rental No. 5 is a mix of office and retail. The comparable rentals are adjusted based on a lease structure (gross or net leases), the date represented by the rental rate and other property-specific adjustments for location, building size, land to building ratio/parking, age/condition and construction quality.

Included on the following pages are detailed rental sheets with photographs, which are preceded by a comparable rentals location map.

RENTALS MAP

SUBJECT PROPERTY
Kerrville City Hall
800 Junction Highway

RENTAL NO. 5

RENTAL NO. 4

RENTAL NO. 2

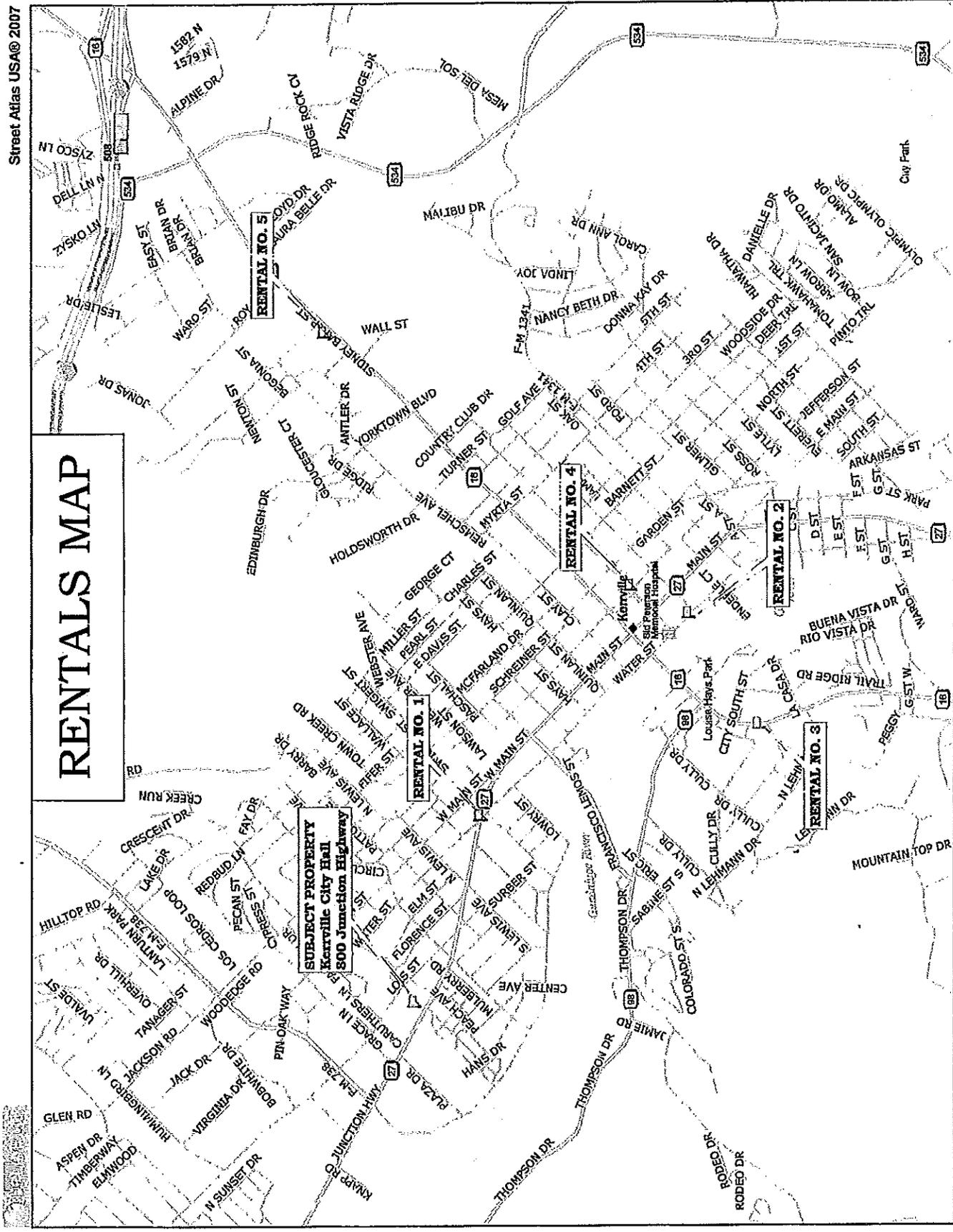
RENTAL NO. 3

RENTAL NO. 1

Scale 1 : 25,000



1" = 2,083.3 ft Data Zoom 13-0



COMPARABLE RENTAL NO. 1



Identification/Location: Wells Fargo at Five Points; 301 Junction Highway, Kerrville, Texas.

Year Built/Condition: 1974/Good condition for its age. Leasing agent reports that the interior of the building is “really nice”, and is well kept with a high level of attentiveness by the landlord.

Building Size: 42,117 square feet; multiple tenant spaces ranging from small executive suites to larger contiguous office spaces.

Rental Rate: The quoted rent ranges from \$12.00 to \$13.00 per square foot per month, or equivalently speaking, \$1.00 to \$1.08 per square foot per month on a modified gross basis with the tenant paying a pro rata share for utilities only.

Comments: This building is located at a major, well known/identified intersection in Kerrville. The building is located at the intersection where West Main Street, Junction Highway, West Water Street, Hugo Street and Spin Street all converge. This area is known as “Five Points”. This building is one of the more modern, larger multi-tenant office buildings.

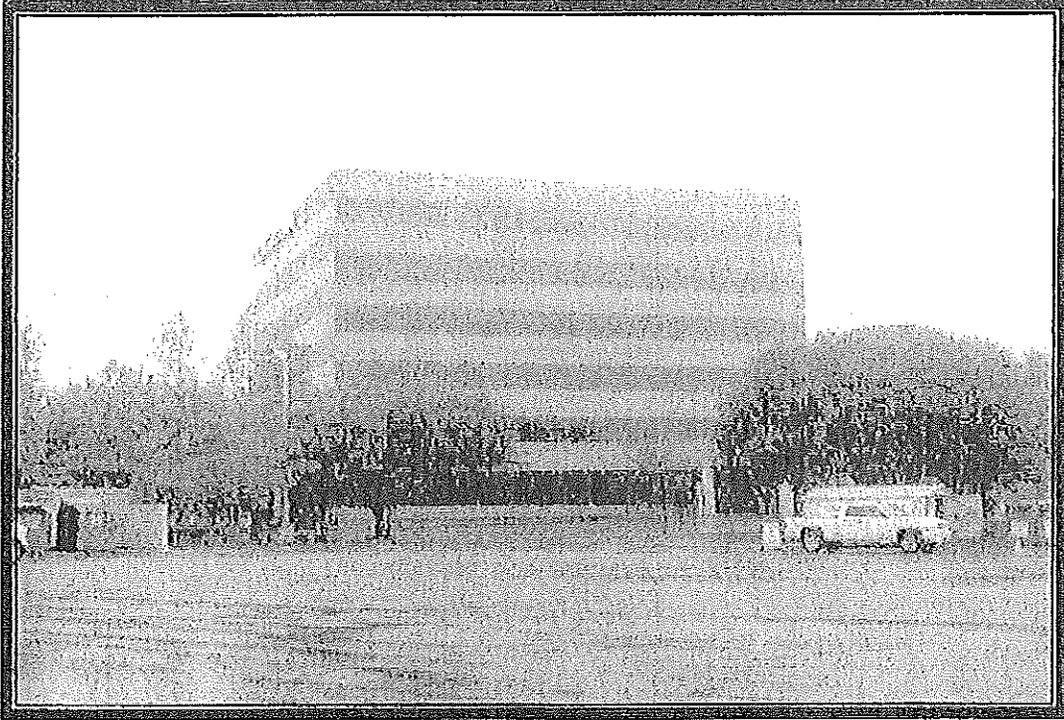
Verification: Harvey Brinkmann; (830) 896-8888; TT/DC; October 2008

COMPARABLE RENTAL NO. 2



- Identification/Location:** One Schreiner Center; 819 Water Street, Kerrville, Texas.
- Year Built/Condition:** 1986/Good condition.
- Building Size:** 57,119 square feet; multi-tenant space, total of 24 tenants.
- Rental Rate:** Reportedly averages \$0.85 per square foot per month on a modified gross basis.
- Comments:** The building has a total of 24 tenants and reportedly represents a below market rental rate. The building typically remains mostly full. The owner reports that rental rates are reduced in order to keep occupancy rates high.
- Verification:** Ed Hamilton - Owner; (830) 739-0056; TT/DC; September 2008

COMPARABLE RENTAL NO. 3



Identification/Location: Wells Fargo-Kerrville South Tower; 222 South Sidney Baker, Kerrville, Texas.

Year Built/Condition: 1983/Good condition.

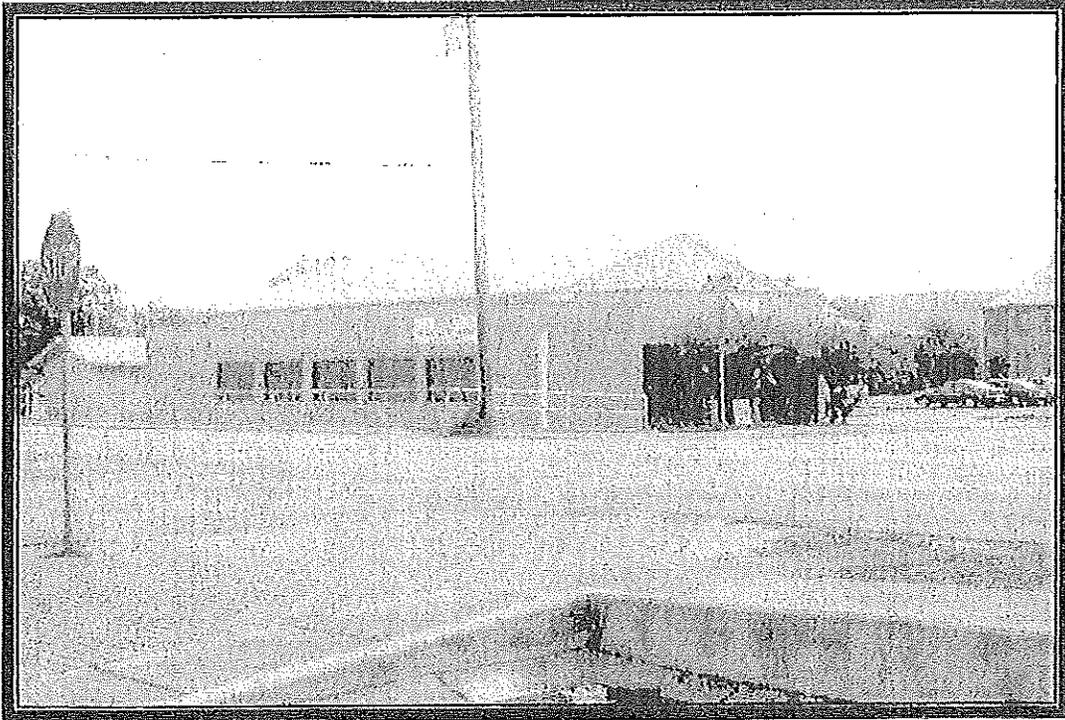
Building Size: 17,943 square feet (according to KCAD)

Rental Rate: **\$1.36 per square foot per month full service**

Comments: The building was converted to a condominium regime. The above rental rate reflects the quoted/actual rental rates approximately one year ago for the second floor space. Reportedly, the interior of this building is above average for the Kerrville market area.

Verification: Sue Tiemann; (830) 792-5775; TT/DC; October 2008

COMPARABLE RENTAL NO. 4



- Identification/Location:** Freestanding office building; 429 Earl Garrett, Kerrville, Texas.
- Year Built/Condition:** 1983/Good condition.
- Building Size:** 2,150 square feet (per KCAD)
- Rental Rate:** Quoted at \$2,250 per month or **\$1.05 per square foot per month** on a modified gross basis with the tenant paying utilities.
- Comments:** This is a freestanding office building currently available for sale or lease. The building is located just north of the downtown area at Earl Garrett and Jefferson.
- Verification:** Listing Agent; (830) 896-5500; TT/DC; October 2008

COMPARABLE RENTAL NO. 5



- Identification/Location:** Live Oak Plaza; 1400 Sidney Baker, Kerrville Texas.
- Year Built/Condition:** 1986/Good condition.
- Building Size:** 34,550 square feet. Three spaces are available ranging in size from 1,080 and 3,750 square feet.
- Rental Rate:** Quoted rental rate of \$9.00 to \$10.80 per square foot on a triple net basis. Considering triple net expenses of approximately \$3.00 per square foot per year indicates a calculated average rental rate of approximately **\$1.02 per square foot per month on a modified gross basis.**
- Comments:** This building is located on the north end of town along Sidney Baker between IH-10 and downtown, a major commercial strip of Kerrville. The vacant space totals 6,485 square feet, suggesting an occupancy of approximately 81%.
- Verification:** Loopnet ID No. 13775247; TI/DC; October 2008

Income Analysis

The appraisers surveyed five comparable rentals. The rental rates largely range from \$0.85 to \$1.36 per square foot per month on an effective modified gross or full service basis. After adjustments for lease structure, date, location, building size, land to building ratio, age/condition, construction quality, the four comparable rentals indicate a range in rent applicable to the subject property of \$0.82 to \$0.95 per square foot per month. The average indicated rental rate is \$0.87 per square foot per month. Based on this analysis, it is the appraisers' opinion that the market rental rate applicable to the subject property is \$0.90 per square foot per month, or \$10.80 per year. When multiplied by 12,972 square feet, the indicated monthly market rent totals \$11,675 or \$140,098 when annualized.

Vacancy and collection loss for buildings of this type appear to be fairly low, mainly as a result of limited product available. When vacancies come available however, the Kerrville office market, at times, is somewhat sluggish to absorb the vacant space according to several leasing agents. Therefore, it is the appraisers' opinion that the appropriate vacancy and collection loss is a moderate 10%, or \$14,010 per annum. This indicates effective gross income of \$126,088.

Under the modified gross arrangement, operating expenses borne by the owner include real estate taxes, hazard insurance, maintenance/repair, management fees and an allowance for miscellaneous/reserves.

Real estate taxes were earlier estimated and discussed in the *Tax and Assessment Data* section of this report. Hazard Insurance typically ranges from \$0.10 to \$0.20 per square foot for buildings of this size. The appraisers selected a middle rate of \$0.15 per square foot. Maintenance/repairs are estimated at \$1.25 per square foot considering the age of the building and the repairs associated with a 20+ year old building. The management expense is based on 4% of EGI with an allocation for miscellaneous/reserves of \$0.15 per square foot. The total operating expenses which would be borne by the owner, therefore, are \$45,620.

When deducting operating expenses from effective gross income, net operating income calculates to be \$80,458. Net operating income is capitalized using a market derived overall capitalization rate.

Most investment grade commercial space (office or retail) in the Kerrville area indicates overall capitalization rates ranging from just under 7.50% to 8.50% for large, good to excellent quality, investment grade properties. Smaller or older similar properties in the

Kerrville market would likely command an overall capitalization rate in the range of 8.5% to 9.5%.

The *Korpacz Real Estate Investor Survey* which is a nationwide survey tracking various property types reports that a range in overall capitalization rates for suburban office markets in the Second Quarter 2008 to range from 5.00% to 10.50%, with an average of 7.28%. Note that this national survey “tracks” large, investment grade properties in major metropolitan market areas. As a result, the appraised property would command an overall rate higher than the average exhibited by the *Korpacz Study*.

The appraisers have estimated the appropriate overall capitalization rate to range from 8.50% to 9.00%, say 8.75%. Capitalizing the net operating income of \$80,468 at 8.75% indicates the property’s value by direct capitalization of \$920,000, rounded.

The calculations of the direct capitalization technique are included on the following page.

DIRECT CAPITALIZATION APPROACH

800 Junction Highway, Kerrville, Texas

Gross Building Area *12,972 sf*

	<u>Per SF</u>	
Gross Potential Rental Income	\$10.80 or: \$0.90 per month	\$140,098
Less - Vacancy And Collection Loss	10%	(\$14,010)
Effective Gross Income		\$126,088
Less - Ownership Expenses		
Real Estate Taxes	\$1.58	\$20,470
Hazard Insurance	\$0.15	\$1,946
Maintenance/Repair	\$1.25	\$16,215
Management 4.0% of EGI	\$0.39	\$5,044
Miscellaneous/Reserves	\$0.15	\$1,946
Total Ownership Expenses	\$3.52	\$45,620
Net Operating Income	\$6.20	\$80,468
Overall Capitalization Rate		8.75%
Value Indicated by Direct Capitalization		\$919,634
Total Value Indicated by the Income Approach (RD)	\$70.92	\$920,000

RECONCILIATION AND FINAL OPINION OF MARKET VALUE

In this valuation analysis, the appraisers have utilized the Sales Comparison and Income Capitalization Approaches. The value indications are summarized as follows.

Sales Comparison Approach	\$908,000
Income Capitalization Approach	\$920,000

The Sales Comparison Approach utilizes a set of sales constructed during the similar time frame to that of the subject property with the exception of Sale No. 2. Three of the four comparable sales are located in the Kerrville market area with Sale No. 4 located in nearby Fredericksburg. The adjustments were well supported by the market, therefore, providing a credible value indication. In the Income Capitalization Approach, a number of comparable rentals were confirmed. The likely purchaser of this property would be for owner-occupancy thereby suggesting the Sales Comparison to be most enlightening. Nonetheless, the Income Capitalization Approach supports the value indication of the Sales Comparison Approach and is assigned equal weight in the final value conclusion.

It is the appraisers' opinion, that the "as is" market value of the Kerrville City Hall office property located at 800 Junction Highway in Kerrville, Texas, as of September 19, 2008, is:

**NINE HUNDRED TEN THOUSAND DOLLARS
(\$910,000)**

Estimated Exposure Time

Exposure time is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. The estimated adequate exposure time for the appraised property is 12 months or less.

CERTIFICATE

The undersigned does hereby certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I, R. Don Canaday, MAI, SRA, have completed the requirements of the continuing education program of the Appraisal Institute.

As of the date of this report, I, Travis R. Taylor, MAI, have completed the requirements of the continuing education program of the Appraisal Institute.

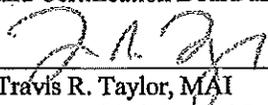
We have made a personal inspection of the property that is the subject of this report unless otherwise noted in the attached report.

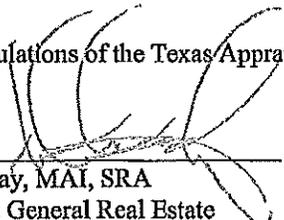
No one provided significant real property appraisal assistance to the persons signing this report, except as may be noted elsewhere in this report.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or to the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan (12 CFR 564.4 (a) (10)).

The appraisal was prepared in conformance with the rules and regulations of the Texas Appraiser Licensing and Certification Board and the Texas Real Estate Commission.


Travis R. Taylor, MAI
State Certified General Real Estate
Appraiser (Number: TX-1334995-G)


R. Don Canaday, MAI, SRA
State Certified General Real Estate
Appraiser (Number: TX-1320428-G)

QUALIFICATIONS OF R. DON CANADAY

Education:

- Bachelor of Business Administration Degree, Southwest Texas State University, 1971

Specialized Education:

He has successfully completed the following courses of the American Institute of Real Estate Appraisers:

- Course 1A in 1976 at the University of Houston;
- Case studies in Real Estate Valuation in 1980 at the University of Colorado;
- Valuation Analysis and Report Writing, in 1980 at the University of Colorado;
- Rural Valuation in 1980 at Stanford University;
- Standards of Professional Practice in 1980 at the University of Portland;
- Capitalization and Theory Part 3 in 1982 at the University of Colorado.

- Course 201 and the R-2 Examination of the Society of Real Estate Appraisers

- Additionally, he has attended numerous seminars, conferences, and lectures sponsored by the Appraisal Institute, American Institute of Real Estate Appraisers, Society of Real Estate Appraisers, San Antonio Board of Realtors, Texas Association of Realtors, and the National Association of Realtors.

- He is currently certified under the continuing education program of the Appraisal Institute.

Experience:

Presently, and since 1972, R. Don Canaday has been engaged in independent fee appraising and real estate consultations. He is President of Dugger, Canaday, Grafe, Inc., Real Estate Consultants and Appraisers.

Generally, his trade area includes South, West, and Central Texas. Appraisals have also been made in Colorado, California, Missouri, Arkansas, Oklahoma, New Mexico, and Florida. Since 1994, a number of appraisals have been made in Mexico.

He has served as President of the San Antonio Board of Realtors, President of the San Antonio Chapter of the Appraisal Institute, Director of the Texas Association of Realtors, Director of the National Association of Realtors, Chairman of what is now known as the Texas Appraiser Licensing and Certification Board, and President of the Foundation Appraiser Coalition of Texas.

His experience is varied and includes special purpose properties including golf courses, resorts, nursing homes, churches, micro-processor manufacturing plants, among others. Also included are properties such as residential subdivisions, large-scale mixed-use developments, office buildings, apartments, retail complexes, industrial complexes, full-service hotels, limited-service motels, and single-family residential properties.

Clients served include corporations, attorneys, estates, financial institutions, individuals, and governmental agencies. He is qualified as an expert witness in County, District, and Federal Courts.

During the time period from 1968 to 1975, he was actively engaged in site location, lease negotiations, installations, and operations of retail gasoline outlets as President of Canaday Enterprises, Inc., and on a contract basis for Pioneer Oil Company.

He has qualified as an expert witness for real estate related matters in County, District and Federal Courts.

Professional association memberships include the following:

- Member, Appraisal Institute, Certificate No. 6555 (MAI)
- Senior Residential Appraiser, Appraisal Institute (SRA)
- Active Member, San Antonio Board of Realtors
- Active Member, Texas Association of Realtors
- Active Member, National Association of Realtors
- Licensed Real Estate Broker - State of Texas since 1975 (License No. 0176457-06)
- State Certified General Appraiser in the State of Texas, Certification No. TX-1320428-G.

Activities in State Agencies:

- Chairman (1989/1990/1991), Texas Real Estate Appraiser Certification Committee of the Texas Real Estate Commission

Activities in professional associations include:

- President (1991), Appraisal Institute, San Antonio Chapter
- First Vice-President (1990), AIREA, South Texas Chapter No. 29
- Second Vice-President (1989), AIREA, South Texas Chapter No. 29
- Secretary (1988), American Institute of Real Estate Appraisers, South Texas Chapter No. 29
- Treasurer, (1987), American Institute of Real Estate Appraisers, South Texas Chapter No. 29
- Appointed Legislative Coordinator for Texas by the President of the Appraisal Institute
- President, (1986), San Antonio Board of Realtors
- President-Elect, (1985), San Antonio Board of Realtors
- Vice-President, (1984), San Antonio Board of Realtors
- Treasurer, (1983), San Antonio Board of Realtors
- Director, (1984 - 1989), Texas Association of Realtors
- Director, (1987, 1988, & 1989), National Association of Realtors

QUALIFICATIONS OF TRAVIS RIVERS TAYLOR

Education:

- Bachelor of Business Administration in Finance, with a specialization in Real Estate, Texas A & M University; December, 2001.
- During his education at Texas A&M University, he completed 12 hours of core real estate classes, including: Real Estate Law, Real Estate Decision Making, Real Estate Finance and Real Estate Appraisal

Specialized Education:

Received credit for the following classes sponsored by the Appraisal Institute:

- Real Estate Appraisal Procedures (AI-120), *Plano, TX; 2002*
- Basic Income Capitalization (AI-310), *San Antonio, TX; 2002*
- Advanced Income Capitalization (AI-510), *Chicago, IL; 2003*
- Highest & Best Use and Market Analysis (AI-520), *Plano, TX; 2006*
- Advanced Sales Comparison Approach and Cost Approach (AI-530), *Las Vegas, NV; 2004*
- Report Writing and Valuation Analysis (AI-540), *Windsor, CT; 2005*
- Advanced Applications (AI-550), *Houston, TX; 2006*
- Standards of Professional Practice Part A (AI-410), *Houston, TX; 2002 & 2004*
- Business Practice and Code of Ethics (AI-420), *San Antonio, TX 2006*

Experience and Interests:

Presently and since January 2002, Travis R. Taylor has been employed by Dugger, Canaday, Grafe, Inc., Real Estate Consultants and Appraisers. Currently a state certified general appraiser, experience includes appraisal and consulting assignments related to industrial, multi-family and single family residential properties, hotel/motel, convenience store, right-of-way issues, office properties, medical buildings, numerous retail developments, farm and ranch, and many other commercial properties. He has developed specializations in appraisal matters of single family residential subdivision, as well as multi-family development, and a wide variety of appraisal assignments related to income-producing properties, both institutional grade and small commercial.

Examples of special use projects include mixed-use/master-planned development, golf course, corporate retreat, dance hall, government owned/leased property, hospital, entertainment venue, parking lot, RV Park, Ice Skating Rink and Truck Stop. While San Antonio is his primary trade area, Mr. Taylor has a special interest in high growth areas of south Texas such as Laredo and the Rio Grande Valley (McAllen and Harlingen/Brownsville MSA's). Mr. Taylor also maintains a presence

in the Corpus Christi market area. Appraisal assignments related to steel manufacturing plants have been conducted in the states of South Carolina and Illinois.

Mr. Taylor has been involved in the San Antonio Stock Show and Rodeo where he served on the Rodeo Ticket Committee. Involvement benefits the promotion of group ticket sales, season ticket sales, charity ticket sales and general ticket sales. He also served one year on the Livestock Committee.

Mr. Taylor served two years on the Capital Improvement Oversight Committee for the City of Cibolo, where he resides. The committee acts as an advisory group for City Counsel related to capital improvements to accommodate future growth for the city.

Additional interests include a strong connection with Texas A&M University Association of Former Students, with occasional involvement in the San Antonio Chapter. Mr. Taylor is a member of the Class of 2001, and the Century Club.

Professional Affiliations Include the Following Organizations:

- Member, Appraisal Institute, No. 437605; July 2008
- State Certified General Appraiser; State of Texas; Certification No. TX-1334995-G; June 10, 2005
- Texas Real Estate Salesman License, License No. 0549653; February 2006
- Past Member, Society of Texas A&M Real Estate Professionals; 2002

CONTINGENT AND LIMITING CONDITIONS
(Unless Otherwise Stated in this Report)

The estimate of value for the property analyzed in the attached report is subject to the following limiting conditions:

The legal description furnished the appraisers is assumed to be correct. No responsibility is assumed for matters legal in character, nor is any opinion rendered as to title. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report. All existing liens and encumbrances, if any, have been disregarded, and the property is analyzed as though free and clear and under responsible ownership and competent management.

The boundaries of the land and the dimensions and size thereof as indicated to the appraisers, are assumed to be correct, no provision having been made for a special survey of the property. Valuation is reported without regard to questions of encroachments.

The use of the term "inspection" within the attached report only refers to the act of visiting and/or viewing the property or properties being appraised or a property or properties used as comparables. We are not licensed real estate inspectors in the State of Texas and are not qualified to render opinions required of those who are licensed real estate inspectors.

All engineering is assumed to be correct. The plot plans and illustrative materials in this report are included only to assist the reader in visualizing the property.

The information contained in this report and identified as having been furnished by others is believed to be reliable, but no responsibility is assumed for its accuracy.

No responsibility is assumed, nor is any guarantee made as to the structural soundness of the improvements. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless a non-conformity has been stated, defined and considered in the appraisal report.

It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any other purposes by anyone but the applicant without the previous written consent of the appraisers.

The appraisers, by reason of this report, are not required to give testimony or attendance in court, or any other hearing with reference to the property in question, unless arrangements therefore have been previously made.

The distribution of the total valuation in this report between the land and the improvements applies only under the existing program of utilization. The separate valuations for land and improvements should not be used in conjunction with any other appraisal and are invalid if so used.

The appraisers have no present or contemplated future interest in the property which is not specifically disclosed in this report. Neither his employment for making this analysis nor the fee to be received therefore are contingent upon the valuation placed on the property.

No attempt was made, unless otherwise noted in the attached report, to detect the presence of various potentially hazardous materials or conditions upon the subject site or within or upon the subject improvements, and the appraisers are not qualified to do so. These hazardous materials or conditions could include, but are not limited to, the existence of toxic waste (within or around the subject site, presently or in the past), UREA formaldehyde foam insulation, ACMs (asbestos containing materials), or communicable diseases from present or former occupants. The existence of any such hazardous materials or conditions could adversely affect the value of the property. Unless otherwise stated in the attached report, the appraisers have no knowledge of the existence of any such materials or conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert, if desired. The value estimate is predicated on the assumption that there are no such hazardous conditions or materials present that would cause a loss in value.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the firm with which they are connected, or any reference to the Appraisal Institute or to the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned.

ADDENDA

DEFINITIONS

DEFINITION OF FEE SIMPLE ESTATE

Absolute ownership unencumbered by any other interest or estate; subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.¹

DEFINITION OF MARKET VALUE

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.²

¹Appraisal Institute, The Dictionary of Real Estate Appraisal, Third Edition, (Chicago: Appraisal Institute, 1993), p. 140.

² As published in the Federal Register, in accordance with Title XI of the Financial Institution Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), 12 CFR 564.2(f), as adopted August, 1990.

Agenda Item:
(Staff)

3C. Authorization to implement the Citizens on Patrol (COP) with the Kerrville Police Department. (staff)

**BUSINESS OF THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Citizens on Patrol Program

FOR AGENDA OF: March 13, 2012

DATE SUBMITTED: March 2, 2012

SUBMITTED BY: Chief John Young

CLEARANCES: Todd Parton – City
Manager

EXHIBITS: Attached

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:



Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

The police department has been conducting successful Citizen Police Academy classes since 2006. The program has matured over the last six years and has provided volunteer assistance to the police department through an alumni association. The Kerrville Citizen Police Academy Alumni Association (KCPAAA) not only provides volunteers to the police department but also provides valuable community support through the Blue Santa Program.

A goal of the KCPAAA is to provide additional assistance to the police department through a Citizen on Patrol (COP) program supporting the crime prevention and community policing efforts of the police department. The volunteers upon completion of a mandatory training program will initially provide assistance with minor traffic related issues. Specifically their focus will be on handicapped parking violations. As the program matures, their assistance may be expanded to crime prevention issues; vacation house checks, seasonal parking lot security other parking violations as well as traffic control assignments.

RECOMMENDED ACTION

The KCPAAA is a valuable force multiplier for the police department that

currently provides services that would otherwise not exist within our current budget. Expanding their responsibilities will allow the police department to provide services that are now being addressed on limited bases or sometimes not at all. Standards of conduct, handicap parking procedures, legal liabilities and insurance are addressed in the form of an Operations and Training Manual that will be issued to all COP volunteers. The KCPAAA has partnered with City Human Resources and has complied with the TML insurance requirements.

Agencies throughout the State of Texas have successfully implemented similar programs and it is recommended that this program be implemented and managed through the police department.



Citizens on Patrol

Operations and Training Manual

FEBRUARY 2012

Table of Contents

SECTION 1 - INTRODUCTION.....	3
SECTION 2 – STANDARDS OF CONDUCT	4
SECTION 3 – HANDICAP PARKING PATROL PROCEDURES	7
SECTION 4 – STATE STATUTE AND RELATED LAWS	9
SECTION 5 – RADIO GUIDELINES	20
SECTION 6 - LEGAL LIABILITY AND INSURANCE	20
SECTION 7 – MEDIA AND PUBLIC INFORMATION POLICIES	21

SECTION 1 - INTRODUCTION

A. Purpose

The purpose of this section is to:

- Define the mission of Citizens on Patrol (COP) program.
- Define who is eligible to participate in the COP program and the chain of authority.
- Define the duties and training requirements of COP volunteers.

After completing training on this section a COP volunteer should:

- Understand what the COP program is and why the COP program was created.
- Understand the duties of the COP program.
- Understand participation requirements.

B. Mission:

The mission of the Kerrville Police Department's Citizens on Patrol is to support the crime prevention and community policing efforts of the Kerrville Police Department through empowering citizens to actively patrol their community and assist in police operations.

C. Participation:

Participation in the COP program is open to active members of the Kerrville Citizens Police Academy Alumni Association who have and maintain background and driving checks, and who have completed COP program training. The Kerrville Police Department shall approve all assignments of COP volunteers.

COP Volunteer Qualifications

1. Must hold a valid Texas Drivers License
2. Must be at least 21 years of age.
3. Must have no felony convictions.
4. Must have no more than one Class C misdemeanor conviction in the last three years.
5. Must have no DWI convictions in the past ten years.
6. Must have no more than three accidents or moving violations with the past three years.
7. Must pass COP application process.
8. Must be a graduate of the National Safety Council's Defensive Driving Course.
9. Must be a graduate of (and currently qualified in) a CPR/AED Course.
10. Must have a desire and be willing to dedicate time each month to the COP Program and be available for duty shifts as established by the COP Chairperson, COP Coordinators or other responsible individual.
11. Must be willing to purchase, maintain and wear the approved uniform and all required member-owned equipment.
12. Must be able to hear well enough to communicate via police radio.
13. Must be able to work in a team environment and follow the chain of command.
14. Must be able to handle stressful situations.
15. Must have the ability to effectively handle and work multiple tasks simultaneously.
16. Must be capable of patrolling on foot or in a vehicle.
17. Must be capable of directing traffic and standing for extended periods of time.

18. Must be capable of composing legible reports of activities occurring during shift.

D. Authorization:

COP volunteers shall be subject to the authority of the Kerrville Police Department.

E. Definitions:

1. **COP Chairperson:** This position is appointed at the direction of the Kerrville PD Liaison Officer and the KCPAAA board. This person is responsible for maintaining required paperwork, coordinating training and other daily responsibilities as needed. They shall act as the primary contact for the Kerrville Police Department with the COP program both on a daily basis and at incidents/events if present.
2. **COP Coordinator:** These positions are appointed by the COP Chairperson. These individuals shall be assigned to monitor the Kerrville PD sectors. They shall be in charge of COP involvement in events and incidents occurring within their assigned sector if the COP Chairperson is not present.
3. **COP Field Training Officer:** FTOs are qualified COP volunteers who are appointed by the Kerrville PD Liaison Officer, as needs arise. Their primary purpose is to handle training of COP volunteers. Since they shall be more experienced individuals, should the COP Chairperson and COP Coordinators not be present, they may take charge at events or incidents, if needed.
4. **COP Volunteer:** KCPAAA members who have completed the required training.
5. **COP Trainee:** KCPAAA members who have started, but not completed their COP training.

F. Duties:

1. Public Events
2. Parades
3. Security and Handicap Parking Enforcement
4. Training and Certifications

G. Kerrville Police Department General Orders

The Kerrville Police Department prides itself on a well established tradition of ethical and legal conduct and high integrity on the part of all its employees. In continuing this tradition, it is the policy of the Kerrville Police Department that no volunteer shall have an interest, direct or indirect, which is in conflict with the standards of conduct expected of any volunteer of this Department.

H. Training Requirements

All COP activities require COP volunteers to complete and pass the appropriate training and be authorized to perform each activity. In order to be recognized as a COP member, volunteers must meet the following minimum training requirements.

1. Patrol Training
 - a. Orientation and Introduction
 - b. Standards of Conduct and Department Policy
 - c. Patrol Procedures

- d. City Geography/Limits
 - e. Use of a City Vehicle.
 - f. Basic State Statutes and Related Laws.
 - g. Observation Skills and Documentation Procedures
 - h. Media and Public Information Policies
 - i. Miscellaneous
 - 1) Resource Contact Information
 - 2) Grievance Procedures
2. Radio Training
Radio training provides an overview of the use a police radio, the various radio channel assignments and the proper communication procedures.
 3. Handicap Parking Patrol Training
Handicap Parking Patrol Training includes a review of the State Law governing the use of Handicap Parking spaces, who is allowed to park in these spaces, and required forms of vehicle identification required to park in a Handicap Parking space.

I. Continuing Education

1. COP members may be required to attend and pass a COP Continuing Education class each calendar year to maintain their COP certifications. The continuing education classes are usually offered twice a year and involve classroom, as well as hands-on scenarios.
2. Additional training, as may be required.

J. Grievance Procedures

All grievances or complaints from Kerrville Police Department supervisors or other Kerrville Police Department employees in regard to COP volunteers shall be properly documented and forwarded to the Kerrville Police Department Liaison Officer or their designee, with a copy of the complaint and documentation being sent to the COP Program Chairperson.

All grievances or complaints from COP volunteers against Police Department employees shall be properly documented and forwarded to the Kerrville Police Department Liaison Officer or their designee, with a copy of the complaint and documentation being sent to the COP Program Chairperson.

K. COP Program Membership

Should the COP volunteer's status as an available, capable and acceptable member of the program change in any way, his/her continued participation will be governed in accordance with the general membership criteria outlined in the KCPAAA bylaws.

The Kerrville Police Department Liaison Officer, designee, or the KCPAAA Board of Directors may suspend a COP volunteer from COP activities for 30 days after receiving a complaint or observing activity which they feel may reflect negatively on the COP program and the Kerrville Police Department. The Kerrville Police Department Liaison Officer and the COP Program Chairperson shall be notified of this occurrence immediately. It shall be the joint decision of the Kerrville Police Department Liaison Officer and the COP Program Chairperson as to whether the complaint has merit and should be pursued.

SECTION 2 – STANDARDS OF CONDUCT

A. Purpose

The purpose of this section is to:

- Define the code of conduct expected of all COP volunteers.
- Explain duty guidelines and expectations.
- Explain the dress code.
- Explain reasons for disciplinary action.

After completing this section you should:

- Clearly understand the code of conduct.
- Understand what you may expect to be asked to do as a COP volunteer.
- Know where and when to wear the KCPAAA uniform.
- Know which violations shall result in disciplinary action.

B. Code of Conduct:

Volunteers who participate in the Kerrville Police Department COP program must agree to and abide by the following code of conduct:

1. COP volunteers *are not* police officers and shall not at any time identify themselves, nor insinuate through actions, that they are a police officer. State law mandates that you identify yourself as a KCPAAA member.
2. COP volunteers have *no authority* to detain, arrest or search.
3. Firearms or other weapons *shall not* be carried by COP volunteers either on their person or in their vehicle while on duty.
4. COP volunteers *shall not* be under the influence of alcohol or any illegal substances at any time while on duty.
5. COP volunteers *must refrain* from consuming any medications that can potentially affect mental alertness while on duty.
6. COP volunteers *shall not* purchase or consume any alcoholic beverages while wearing any KCPAAA clothing, whether on or off duty.
7. COP volunteers *shall not* approach suspects or suspect vehicles if the possibility of a confrontation is anticipated.
8. When on patrol, COP volunteers *must* obey all traffic laws.
9. COP volunteers *should never* place themselves or anyone else in danger at any time. COP volunteers should contact Dispatch by radio or telephone if they need assistance.
10. COP volunteers should never approach or interfere at a crime scene or a police call for service unless directed to do so by Dispatch or a Kerrville Police Officer.
11. COP volunteers *must* carry their official KCPAAA ID badge while on duty. The ID badge *shall not* to be used for general ID purposes, such as check cashing privileges or to gain favorable treatment and/or gratuities.
12. COP volunteers may write handicap parking citations *only when properly trained and certified* to do so.

13. COP volunteers ***must request approval*** from the Kerrville PD Liaison Officer or their designee before assuming any new assignments.
14. COP volunteers ***shall avoid*** any behavior that would bring about criticism of the COP Program or the Kerrville Police Department. COP volunteers conduct, whether on or off duty, in or out of uniform, shall be such as to merit the respect and confidence of the community.
15. COP volunteers ***shall refrain*** from gossip about the affairs of the Kerrville Police Department or any volunteer in the COP program.
16. COP volunteers ***shall not*** make any unauthorized public statements.
17. COP volunteers ***shall not*** reveal any confidential information to anyone unless authorized to do so by the Kerrville Police Department and then only to a person or persons authorized to receive such confidential information by the Kerrville Police Department. Any information provided shall be limited to a need to know basis.
18. Smoking, chewing, dipping or any other use of a tobacco product in uniform or during public contact while representing the Kerrville Police Department ***is prohibited***.
19. In the event a COP volunteer becomes involved in an incident, including traffic incidents, arrests or any other incident, regardless of the COP volunteer's role in the incident (witness, suspect, reporting person, etc.), the COP volunteer ***will contact*** the Kerrville PD Liaison Officer as soon as possible and provide a full account of what transpired.
20. Violation of any of these rules or any directive may be cause for disciplinary action, up to and including dismissal from the COP program.
21. Nothing in this directive requires COP volunteers to waive any constitutional protections they may have in a criminal investigation. ***This directive does require full cooperation in any Administrative Investigation.***

C. Guidelines

1. The activities of the COP program are dependent upon the areas of need, as determined by the Kerrville Police Department.
2. All COP volunteers are responsible to the Kerrville Police patrol shift supervisor while on duty. COP volunteers must follow the directions of the Kerrville Police Officer in charge at a scene where they are deployed.
3. COP volunteers are required to notify Dispatch when tour of duty starts and ends and return all equipment to the same location where they received it.
4. COP volunteers must complete the daily activity log of all activities at the end of their shift.

D. Personal Appearance

COP volunteers shall wear the designated KCPAAA uniform for the applicable function.

E. Reasons for Disciplinary Action

1. Commission of a criminal offense.
2. Violation of policies and procedures set forth in this manual.

3. Leaving an assigned duty station without authorization or just cause.

SECTION 3 – HANDICAP PARKING PATROL PROCEDURES

A. Purpose

Enforcement of handicap parking laws is of great importance to the City of Kerrville. This directive provides the policy and procedures for the Handicap Parking Patrol (HPP) program, as developed by the Kerrville Police Department, to allow for trained COP volunteers to issue parking citations when violations of the handicap parking laws are observed.

B. Procedure

A. Getting Started

1. Application Process

- a. COP volunteers wishing to participate in the HPP program must attend the required training classes and submit the required forms.
- b. COP volunteers must provide a copy of their Texas driver's license and proof of insurance.

2. Training

Prior to participation in the HPP program, COP volunteers must complete the required training in the following topics.

- a. Elements of handicap parking laws.
- b. Parking citation form and procedure for completion.
- c. Civil liability/laws of arrest.
- d. Conflict avoidance.
- e. Note-taking and case preparation.
- f. Courtroom demeanor and testimony.

3. Additional COP volunteer responsibilities related to the HPP program.

- a. Ride with an FTO at least twice before performing a Handicap Parking Patrol.
- b. Report to the designated court when subpoenaed.

B. HPP Patrol Procedures

1. COP volunteers using a COP Vehicle must obtain the keys, a ticket writer, a radio and a digital camera. All citations issued must be accounted for at the end of the COP volunteer's Handicap Parking Patrol.

2. Handicap parking citations shall only be issued when all elements of the applicable handicap parking law can be proven in a court of law. A minimum of two (2) digital photos are required for each Handicap Parking Citation. Additional photos may be taken if deemed appropriate in order to demonstrate to the court the nature of the violation.

- For parking space violations: 1) a photo of the vehicle standing in a properly marked space shall be taken that clearly shows the vehicle's license plate and the handicap sign; and 2) a photo shall be taken of the front windshield (full width) when no placard is visible or of the expired or altered placard when such placard is displayed.
- For access aisle/ramp violations, at least one additional photo shall be taken that clearly shows the vehicle standing in a marked access aisle or blocking a ramp.
- When an expired or altered placard is displayed, a close up photo showing the reason you believe the placard is invalid shall also be taken.

3. Handicap parking citations can only be issued when at least 50% of the vehicle is infringing upon a properly marked handicap parking spot or access area.

4. If a volunteer encounters a commercial vehicle parked in a handicap parking space, they are to issue a warning only and photograph the violation. Citations are not to be issued. The Kerrville PD Liaison Officer shall follow up with the offender / company / organization. Vehicles from transportation and educational agencies such as Kerrville ISD and other school districts are not eligible for handicap parking placards under the current law, but may be transporting passengers who are eligible to park in Handicap spots. Therefore COP volunteers are NOT to issue citations or warnings for these vehicles.

5. If a COP volunteer sees someone sitting in a vehicle in a handicap parking spot and no placard is visible, the COP volunteer shall make contact with the person and identify themselves in the following manner:

Hello Sir/Ma'am, my name is John Doe and I am a member of the Handicap Parking Patrol. I noticed that your vehicle is parked in a Handicap Parking space and I don't see your handicap placard. Do you have one?

-- If they say yes, allow them to display it, thank them and move on.

-- If they say no, inform them that they are illegally parked and give the person an opportunity to move the vehicle. If they move the vehicle, there is no reason for a citation or warning. If they refuse to move, issue a citation.

Remember that we are to remain non-confrontational. If the situation escalates, call for an officer to assist.

6. Do not use warnings for other violations such as expired registration stickers, fire lane violations or anything else. Warnings can only be used for situations in which you could write a ticket for the handicap parking offense.

7. If a handicap parking placard is expired for 60 days or less, then a warning must be issued instead of a citation.

8. For access aisle violations, if a valid placard is displayed, then only a warning shall be issued.

9. If you are approached by an individual who you are in the process of issuing a citation or to whom you have previously in the day issued a citation, and that individual shows you their valid placard and/or agrees to move their vehicle, you are to void the ticket. All voided tickets must have an explanation of why the ticket was voided written on it.

C. COP Vehicle Utilization

The COP vehicle will be operated in accordance and compliance with Texas state motor vehicle operating statutes.

SECTION 4 - STATE STATUTE AND RELATED LAWS

A. Purpose

The purpose of this section is to:

- Provide a basic understanding of basic statute regarding Privileged Parking.
- Provide a basic understanding of city ordinances.

After completing training of this section you should:

- Be able to reasonably know when a violation has occurred.
- Know what you are authorized to do under the statute.
- Be able to reasonably recognize violations of city ordinances.
- Know what you should do when a city ordinance has been violated.

B. Texas Statute

TRANSPORTATION CODE

TITLE 7. VEHICLES AND TRAFFIC

SUBTITLE H. PARKING, TOWING, AND STORAGE OF VEHICLES

CHAPTER 681. PRIVILEGED PARKING

Sec. 681.001. DEFINITIONS. In this chapter:

- (1) "Department" means the Texas Department of Motor Vehicles.
- (2) "Disability" means a condition in which a person has:
 - (A) mobility problems that substantially impair the person's ability to ambulate;
 - (B) visual acuity of 20/200 or less in the better eye with correcting lenses; or
 - (C) visual acuity of more than 20/200 but with a limited field of vision in which the widest diameter of the visual field subtends an angle of 20 degrees or less.
- (3) "Disabled parking placard" means a placard issued under Section 681.002.
- (4) "International symbol of access" means the symbol adopted by Rehabilitation International in 1969 at its Eleventh World Congress on Rehabilitation of the Disabled.
- (5) "Mobility problem that substantially impairs a person's ability to ambulate" means that the person:
 - (A) cannot walk 200 feet without stopping to rest;
 - (B) cannot walk without the use of or assistance from an assistance device, including a brace, a cane, a crutch, another person, or a prosthetic device;
 - (C) cannot ambulate without a wheelchair or similar device;
 - (D) is restricted by lung disease to the extent that the person's forced respiratory expiratory volume for one second, measured by spirometry, is less than one liter, or the arterial oxygen tension is less than 60 millimeters of mercury on room air at rest;
 - (E) uses portable oxygen;

(F) has a cardiac condition to the extent that the person's functional limitations are classified in severity as Class III or Class IV according to standards set by the American Heart Association;

(G) is severely limited in the ability to walk because of an arthritic, neurological, or orthopedic condition;

(H) has a disorder of the foot that, in the opinion of a person licensed to practice podiatry in this state or in a state adjacent to this state, limits or impairs the person's ability to walk; or

(I) has another debilitating condition that, in the opinion of a physician licensed to practice medicine in this state or a state adjacent to this state, or authorized by applicable law to practice medicine in a hospital or other health facility of the Veterans Administration, limits or impairs the person's ability to walk.

(6) "Podiatry" has the meaning assigned by Section 202.001, Occupations Code.

(7) "Stand" or "standing" means to halt an occupied or unoccupied vehicle, other than temporarily while receiving or discharging passengers.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.156(a), eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1172, Sec. 2, eff. June 18, 1999; Acts 2001, 77th Leg., ch. 105, Sec. 2, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 1325, Sec. 19.08(a), eff. Sept. 1, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 933, Sec. 2P.01, eff. September 1, 2009.

Sec. 681.002. DISABLED PARKING PLACARD. (a) The department shall provide for the issuance of a disabled parking placard to a person with a disability.

(b) A disabled parking placard must be two-sided and hooked and include on each side:

(1) the international symbol of access, which must be at least three inches in height, be centered on the placard, and be:

(A) white on a blue shield for a placard issued to a person with a permanent disability; or

(B) white on a red shield for a placard issued to a person with a temporary disability;

(2) an identification number;

(3) an expiration date at least three inches in height; and

(4) the seal or other identification of the department.

(c) The department shall furnish the disabled parking placards to each county assessor-collector.

(d) A disabled parking placard must bear a hologram designed to prevent the reproduction of the placard or the production of a counterfeit placard.

(e) In addition to the expiration date included on a disabled parking placard under Subsection (b), the expiration date must be indicated on the placard by a month and year hole-punch system.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1353, Sec. 1, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1362, Sec. 1, eff. Sept. 1, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1160, Sec. 1, eff. September 1, 2009.

Sec. 681.003. PARKING PLACARD APPLICATION. (a) An owner of a motor vehicle regularly operated by or for the transportation of a person with a disability may apply for a disabled parking placard.

(b) An application for a disabled parking placard must be:

- (1) on a form furnished by the department;
- (2) submitted to the county assessor-collector of the county in which the person with the disability resides; and
- (3) accompanied by a fee of \$5 if the application is for a temporary placard.

(c) Subject to Subsections (e) and (f), the first application must be accompanied by a notarized written statement or written prescription of a physician licensed to practice medicine in this state or a state adjacent to this state, or authorized by applicable law to practice medicine in a hospital or other health facility of the United States Department of Veterans Affairs, certifying and providing evidence acceptable to the department that the person making the application or on whose behalf the application is made is legally blind or has a mobility problem that substantially impairs the person's ability to ambulate. The statement or prescription must include a certification of whether the disability is temporary or permanent and information acceptable to the department to determine the type of disabled parking placard for which the applicant is eligible. The department shall determine a person's eligibility based on evidence provided by the applicant establishing legal blindness or mobility impairment.

(d) Information concerning the name or address of a person to whom a disabled parking placard is issued or in whose behalf a disabled parking placard is issued is confidential and not subject to disclosure under Chapter 552, Government Code.

(e) If a first application for a disabled parking placard under this section is made by or on behalf of a person with:

(1) a mobility problem caused by a disorder of the foot, the notarized written statement or written prescription required by Subsection (c) may be issued by a person licensed to practice podiatry in this state or a state adjacent to this state; or

(2) a disability caused by an impairment of vision as provided by Section 681.001(2), the notarized written statement or written prescription required by Subsection (c) may be issued by a person licensed to engage in the practice of optometry or the practice of therapeutic optometry in this state or a state adjacent to this state.

Text of subsection as added by Acts 2009, 81st Leg., R.S., Ch. 842, Sec. 1

(f) This subsection applies only to the first application for a disabled parking placard submitted by a person who resides in a county with a population of 125,000 or less. The notarized written statement or prescription may be issued by:

(1) a person acting under the delegation and supervision of a licensed physician in conformance with Subchapter B, Chapter 157, Occupations Code; or

(2) a physician assistant licensed to practice in this state acting as the agent of a licensed physician under Section 204.202(e), Occupations Code.

Text of subsection as added by Acts 2009, 81st Leg., R.S., Ch. 531, Sec. 3

(f) In this section, "practice of optometry" and "practice of therapeutic optometry" have the meanings assigned by Section 351.002, Occupations Code.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.156(b); Acts 1997, 75th Leg., ch. 1353, Sec. 2, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1172, Sec. 3, eff. June 18, 1999; Acts 1999, 76th Leg., ch. 1362, Sec. 2, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 105, Sec. 3, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 531, Sec. 3, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 842, Sec. 1, eff. June 19, 2009.

Acts 2009, 81st Leg., R.S., Ch. 1160, Sec. 2, eff. September 1, 2009.

Sec. 681.0031. APPLICANT'S DRIVER'S LICENSE OR PERSONAL IDENTIFICATION CARD NUMBER.

(a) The applicant shall include on the application the applicant's driver's license number or the number of a personal identification card issued to the applicant under Chapter 521. The department shall provide for this information in prescribing the application form.

(b) The county assessor-collector shall record on any disabled parking placard issued to the applicant the following information in the following order:

- (1) the county number assigned by the comptroller to the county issuing the placard;
- (2) the first four digits of the applicant's driver's license number; and
- (3) the applicant's initials.

Added by Acts 1997, 75th Leg., ch. 1353, Sec. 3, eff. Sept. 1, 1997. Amended by Acts 2003, 78th Leg., ch. 473, Sec. 1, eff. June 20, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 231, Sec. 1, eff. September 1, 2007.

Sec. 681.0032. ISSUANCE OF DISABLED PARKING PLACARDS TO CERTAIN INSTITUTIONS. (a) The department shall provide for the issuance of disabled parking placards described by Section 681.002 for a van or bus operated by an institution, facility, or residential retirement community for the elderly in which a person described by Section 504.201(a) resides, including an institution licensed under Chapter 242, Health and Safety Code, and a facility licensed under Chapter 246 or 247 of that code.

(b) The application for a disabled parking placard must be made in the manner provided by Section 681.003(b) and be accompanied by a written statement signed by the administrator or manager of the institution, facility, or retirement community certifying to the department that the institution, facility, or retirement community regularly transports, as a part of the services that the institution, facility, or retirement community provides, one or more persons described by Section 504.201(a) who reside in the institution, facility, or retirement community. The department shall determine the eligibility of the institution, facility, or retirement community on the evidence the applicant provides.

Added by Acts 1999, 76th Leg., ch. 513, Sec. 2, eff. Sept. 1, 1999.

Amended by:

Acts 2005, 79th Leg., Ch. 728, Sec. 20.003(c), eff. September 1, 2005.

Sec. 681.004. ISSUANCE OF PARKING PLACARD; EXPIRATION. (a) A person with a permanent disability may receive:

- (1) two disabled parking placards, if the person does not receive a set of special license plates under Section 504.201;
- (2) one disabled parking placard, if the person receives a set of special license plates under Section 504.201; or
- (3) two disabled parking placards, if the person receives two sets of special license plates under Section 504.202.

(b) A person with a temporary disability may receive two disabled parking placards.

(c) A disabled parking placard issued to a person with a permanent disability is valid for a period of four years and shall be replaced or renewed on request of the person to whom the initial card was issued without presentation of evidence of eligibility.

(d) A disabled parking placard issued to a person with a temporary disability expires after the period set by the department and may be renewed at the end of that period if the disability remains as evidenced by a physician's statement or prescription submitted as required for a first application under Section 681.003(c).

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1353, Sec. 4, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 728, Sec. 20.003(d), eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 98, Sec. 2, eff. May 15, 2007.

Sec. 681.005. DUTIES OF COUNTY ASSESSOR-COLLECTOR. Each county assessor-collector shall send to the department:

(1) each fee collected under Section 681.003, to be deposited in the state highway fund to defray the cost of providing the disabled parking placard; and

(2) a copy of each application for a disabled parking placard.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Sec. 681.006. PARKING PRIVILEGES: PERSONS WITH DISABILITIES. (a) Subject to Section 681.009(e), a vehicle may be parked for an unlimited period in a parking space or area that is designated specifically for persons with physical disabilities if:

(1) the vehicle is being operated by or for the transportation of a person with a disability; and

(2) there are:

(A) displayed on the vehicle special license plates issued under Section 504.201; or

(B) placed on the rearview mirror of the vehicle's front windshield a disabled parking placard.

(b) The owner of a vehicle is exempt from the payment of a fee or penalty imposed by a governmental unit for parking at a meter if:

(1) the vehicle is being operated by or for the transportation of a person with a disability; and

(2) there are:

(A) displayed on the vehicle special license plates issued under Section 504.201; or

(B) placed on the rearview mirror of the vehicle's front windshield a disabled parking placard.

(c) The exemption provided by Subsection (b) or (e) does not apply to a fee or penalty:

(1) imposed by a branch of the United States government; or

(2) imposed by a governmental unit for parking at a meter, in a parking garage or lot, or in a space located within the boundaries of a municipal airport.

(d) This section does not permit a vehicle to be parked at a time when or a place where parking is prohibited.

(e) A governmental unit may provide by ordinance or order that the exemption provided by Subsection (b) also applies to payment of a fee or penalty imposed by the governmental unit for parking in a parking garage or lot or in a space with a limitation on the length of time for parking.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.156(c), eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 804, Sec. 1, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1353, Sec. 5, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1362, Sec. 3, eff. Sept. 1, 1999.

Amended by:

Acts 2005, 79th Leg., Ch. 728, Sec. 20.003(e), eff. September 1, 2005.

Sec. 681.007. PARKING PRIVILEGES: VEHICLES DISPLAYING INTERNATIONAL SYMBOL OF ACCESS. A vehicle may be parked and is exempt from the payment of a fee or penalty in the same manner as a vehicle that has displayed on the vehicle special license plates issued under Section 504.201 or a disabled parking placard as provided by Section 681.006 if there is displayed on the vehicle a license plate or placard that:

(1) bears the international symbol of access; and

(2) is issued by a state or by a state or province of a foreign country to the owner or operator of the vehicle for the transportation of a person with a disability.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2005, 79th Leg., Ch. 728, Sec. 20.003(f), eff. September 1, 2005.

Sec. 681.008. PARKING PRIVILEGES: CERTAIN VETERANS AND MILITARY AWARD RECIPIENTS.

(a) A vehicle may be parked for an unlimited period in a parking space or area that is designated specifically for persons with physical disabilities if the vehicle:

(1) is being operated by or for the transportation of:

(A) the person who registered the vehicle under Section 504.202(a) or

a person described by Section 504.202(b) if the vehicle is registered under that subsection; and

(B) displays special license plates issued under Section 504.202; or

(2) displays license plates issued by another state of the United States that indicate on the face of the license plates that the owner or operator of the vehicle is a disabled veteran of the United States armed forces.

Text of subsection as amended by Acts 2009, 81st Leg., R.S., Ch. 319, Sec. 2

(b) A vehicle on which license plates issued under Section 504.202, Section 504.315(c), (d), (e), (f), or (g), or Section 504.316 are displayed is exempt from the payment of a parking fee collected through a parking meter charged by a governmental authority other than a branch of the federal government, when being operated by or for the transportation of:

(1) the person who registered the vehicle under Section 504.202(a), Section 504.315(c), (d), (e), (f), or (g), or Section 504.316; or

(2) a person described in Section 504.202(b) if the vehicle is registered under that subsection.

Text of subsection as amended by Acts 2009, 81st Leg., R.S., Ch. 115, Sec. 1

(b) A vehicle on which license plates described by Subsection (a)(2) or issued under Section 504.202 or Section 504.315(c), (d), (e), or (g) are displayed is exempt from the payment of a parking fee collected through a parking meter charged by a governmental authority other than a branch of the federal government, when being operated by or for the transportation of:

(1) the person who registered the vehicle under Section 504.202(a) or Section 504.315(c), (d), (e), or (g);

(2) a person described in Section 504.202(b) if the vehicle is registered under that subsection; or

(3) the owner or operator of a vehicle displaying license plates described by Subsection (a)(2).

(c) This section does not permit a vehicle to be parked at a time when or a place where parking is prohibited.

(d) A governmental unit may provide by ordinance or order that the exemption provided by Subsection (b) also applies to payment of a fee or penalty imposed by the governmental unit for parking in a parking garage or lot or in a space with a limitation on the length of time for parking.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 738, Sec. 1, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1195, Sec. 1, eff. June 18, 1999; Acts 1999, 76th Leg., ch. 1362, Sec. 4, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1420, Sec. 19.007, eff. Sept. 1, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 728, Sec. 20.003(g), eff. September 1, 2005.

Acts 2009, 81st Leg., R.S., Ch. 115, Sec. 1, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 319, Sec. 1, eff. June 19, 2009.

Acts 2009, 81st Leg., R.S., Ch. 319, Sec. 2, eff. June 19, 2009.

Sec. 681.009. DESIGNATION OF PARKING SPACES BY POLITICAL SUBDIVISION OR PRIVATE PROPERTY OWNER. (a) A political subdivision or a person who owns or controls property used for parking may designate one or more parking spaces or a parking area for the exclusive use of vehicles transporting persons with disabilities.

(b) A political subdivision must designate a parking space or area by conforming to the standards and specifications adopted by the Texas Commission of Licensing and Regulation under Section 5(i), Article 9102, Revised Statutes, relating to the identification and dimensions of parking spaces for persons with disabilities. A person who owns or controls private property used for parking may designate a parking space or area without conforming to those standards and specifications, unless required to conform by law.

(c) A political subdivision may require a private property owner or a person who controls property used for parking:

(1) to designate one or more parking spaces or a parking area for the exclusive use of vehicles transporting persons with disabilities; or

(2) to conform to the standards and specifications referred to in Subsection (b) when designating a parking space or area for persons with disabilities.

(d) The department shall provide at cost a design and stencil for use by a political subdivision or person who owns or controls property used for parking to designate spaces as provided by this section.

(e) Parking spaces or areas designated for the exclusive use of vehicles transporting persons with disabilities may be used by vehicles displaying a white on blue shield disabled parking placard, license plates issued under Section 504.201 or 504.202, or a white on red shield disabled parking placard.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1246, Sec. 9, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 11362, Sec. 5, eff. Sept. 1, 1999.

Amended by:

Acts 2005, 79th Leg., Ch. 728, Sec. 20.003(h), eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 357, Sec. 1, eff. September 1, 2007.

Acts 2009, 81st Leg., R.S., Ch. 1160, Sec. 3, eff. September 1, 2009.

Sec. 681.010. ENFORCEMENT. (a) A peace officer or a person designated by a political subdivision to enforce parking regulations may file a charge against a person who commits an offense under this chapter at a parking space or area designated as provided by Section 681.009.

(b) A security officer commissioned under Chapter 1702, Occupations Code, and employed by the owner of private property may file a charge against a person who commits an offense under this chapter at a parking space or area designated by the owner of the property as provided by Section 681.009.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 14.840, eff. Sept. 1, 2001.

Sec. 681.0101. ENFORCEMENT BY CERTAIN APPOINTED PERSONS. (a) A political subdivision may appoint a person to have authority to file a charge against a person who commits an offense under this chapter.

(b) A person appointed under this section must:

- (1) be a United States citizen of good moral character who has not been convicted of a felony;
- (2) take and subscribe to an oath of office that the political subdivision prescribes; and
- (3) successfully complete a training program of at least four hours in length developed by the political subdivision.

(c) A person appointed under this section:

- (1) is not a peace officer;
- (2) has no authority other than the authority applicable to a citizen to enforce a law other than this chapter; and
- (3) may not carry a weapon while performing duties under this section.

(d) A person appointed under this section is not entitled to compensation for performing duties under this section or to indemnification from the political subdivision or the state for injury or property damage the person sustains or liability the person incurs in performing duties under this section.

(e) The political subdivision and the state are not liable for any damage arising from an act or omission of a person appointed under Subsection (a) in performing duties under this section.

Added by Acts 1997, 75th Leg., ch. 165, Sec. 30.156(d), eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1353, Sec. 6, eff. Sept. 1, 1997.

Sec. 681.011. OFFENSES; PRESUMPTION. (a) A person commits an offense if:

(1) the person stands a vehicle on which are displayed license plates issued under Section 504.201 or 504.202 or a disabled parking placard in a parking space or area designated specifically for persons with disabilities by:

(A) a political subdivision; or

(B) a person who owns or controls private property used for parking as to which a political subdivision has provided for the application of this section under Subsection (f); and

(2) the standing of the vehicle in that parking space or area is not authorized by Section 681.006, 681.007, or 681.008.

(b) A person commits an offense if the person stands a vehicle on which license plates issued under Section 504.201 or 504.202 are not displayed and a disabled parking placard is not displayed in a parking space or area designated specifically for individuals with disabilities by:

(1) a political subdivision; or

(2) a person who owns or controls private property used for parking as to which a political subdivision has provided for the application of this section under Subsection (f).

(c) A person commits an offense if the person stands a vehicle so that the vehicle blocks an architectural improvement designed to aid persons with disabilities, including an access aisle or curb ramp.

(d) A person commits an offense if the person lends a disabled parking placard issued to the person to a person who uses the placard in violation of this section.

(e) In a prosecution under this section, it is presumed that the registered owner of the motor vehicle is the person who left the vehicle standing at the time and place the offense occurred.

(f) A political subdivision may provide that this section applies to a parking space or area for persons with disabilities on private property that is designated in compliance with the identification requirements referred to in Section 681.009(b).

(g) Except as provided by Subsections (h)-(k), an offense under this section is a misdemeanor punishable by a fine of not less than \$500 or more than \$750.

Text of subsection as amended by Acts 2009, 81st Leg., R.S., Ch. 1160, Sec. 4

(h) If it is shown on the trial of an offense under this section that the person has been previously convicted one time of an offense under this section, the offense is punishable by:

(1) a fine of not less than \$550 or more than \$800; and

(2) 10 hours of community service.

Text of subsection as amended by Acts 2009, 81st Leg., R.S., Ch. 1336, Sec. 1

(h) If it is shown on the trial of an offense under this section that the person has been previously convicted one time of an offense under this section, the offense is punishable by:

(1) a fine of not less than \$500 or more than \$800; and

(2) 10 hours of community service.

Text of subsection as amended by Acts 2009, 81st Leg., R.S., Ch. 1160, Sec. 4

(i) If it is shown on the trial of an offense under this section that the person has been previously convicted two times of an offense under this section, the offense is punishable by:

(1) a fine of not less than \$550 or more than \$800; and

(2) not less than 20 or more than 30 hours of community service.

Text of subsection as amended by Acts 2009, 81st Leg., R.S., Ch. 1336, Sec. 1

(i) If it is shown on the trial of an offense under this section that the person has been previously convicted two times of an offense under this section, the offense is punishable by:

- (1) a fine of not less than \$550 or more than \$800; and
- (2) 20 hours of community service.

Text of subsection as amended by Acts 2009, 81st Leg., R.S., Ch. 1160, Sec. 4

(j) If it is shown on the trial of an offense under this section that the person has been previously convicted three times of an offense under this section, the offense is punishable by:

- (1) a fine of not less than \$800 or more than \$1,100; and
- (2) 50 hours of community service.

Text of subsection as amended by Acts 2009, 81st Leg., R.S., Ch. 1336, Sec. 1

(j) If it is shown on the trial of an offense under this section that the person has been previously convicted three times of an offense under this section, the offense is punishable by:

- (1) a fine of not less than \$800 or more than \$1,100; and
- (2) 30 hours of community service.

(k) If it is shown on the trial of an offense under this section that the person has been previously convicted four times of an offense under this section, the offense is punishable by a fine of \$1,250 and 50 hours of community service.

(l) A person commits an offense if the person:

- (1) stands a vehicle on which are displayed license plates issued under Section 504.201 or a disabled parking placard in a parking space or area for which this chapter creates an exemption from payment of a fee or penalty imposed by a governmental unit;
- (2) does not have a disability;
- (3) is not transporting a person with disability; and
- (4) does not pay any applicable fee related to standing in the space or area imposed by a governmental unit or exceeds a limitation on the length of time for standing in the space or area.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.156(e), eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 738, Sec. 2, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1362, Sec. 6, 7, eff. Sept. 1, 1999; Acts 2003, 78th Leg., ch. 595, Sec. 1, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1325, Sec. 19.08(b), eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 728, Sec. 20.003(i), eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 357, Sec. 2, eff. September 1, 2007.

Acts 2009, 81st Leg., R.S., Ch. 1160, Sec. 4, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 1136, Sec. 1, eff. September 1, 2009.

Sec. 681.0111. MANUFACTURE, SALE, POSSESSION, OR USE OF COUNTERFEIT PLACARD. (a) A person commits an offense if, without the department's authorization, the person manufactures, sells, or possesses a placard that is deceptively similar to a disabled parking placard.

(b) A person commits an offense if the person knowingly parks a vehicle displaying a counterfeit placard in a parking space or area designated specifically for persons with disabilities.

(c) An offense under Subsection (a) is a Class A misdemeanor. An offense under Subsection (b) is a Class C misdemeanor.

(d) For purposes of this section, a placard is deceptively similar to a disabled parking placard if the placard is not a genuine disabled parking placard but a reasonable person would presume that it is a genuine disabled parking placard.

Added by Acts 2003, 78th Leg., ch. 400, Sec. 1, eff. Sept. 1, 2003.

Sec. 681.012. SEIZURE AND REVOCATION OF PLACARD. (a) A law enforcement officer who believes that an offense under Section 681.011(a) or (d) has occurred in the officer's presence shall seize any disabled parking placard involved in the offense. Not later than 48 hours after the seizure, the officer shall determine whether probable cause existed to believe that the offense was committed. If the officer does not find that probable cause existed, the officer shall promptly return each placard to the person from whom it was seized. If the officer finds that probable cause existed, the officer, not later than the fifth day after the date of the seizure, shall submit each seized placard to the department.

(a-1) A peace officer may seize a disabled parking placard from a person who operates a vehicle on which a disabled parking placard is displayed if the peace officer determines by inspecting the person's driver's license or personal identification certificate that the disabled parking placard does not contain the first four digits of the driver's license number or personal identification certificate number and the initials of:

- (1) the person operating the vehicle; or
- (2) a person being transported by the vehicle.

(a-2) A peace officer shall submit each seized parking placard to the department not later than the fifth day after the seizure.

(b) On submission to the department under Subsection (a) or (a-2), a placard is revoked. On request of the person from whom the placard was seized, the department shall conduct a hearing and determine whether the revocation should continue or the placard should be returned to the person and the revocation rescinded.

Added by Acts 1997, 75th Leg., ch. 1353, Sec. 7, eff. Sept. 1, 1997.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1136, Sec. 2, eff. September 1, 2009.

Sec. 681.013. DISMISSAL OF CHARGE; ADMINISTRATIVE FEE. (a) In this section, "working day" means any day other than a Saturday, a Sunday, or a holiday on which county offices are closed.

(b) The court shall:

(1) dismiss a charge for an offense under Section 681.011(b)(1) if:

- (A) the vehicle displayed a disabled parking placard that was not valid as expired;
 - (B) the defendant remedies the defect by renewing the expired disabled parking placard within 20 working days from the date of the offense or before the defendant's first court appearance date, whichever is later; and
 - (C) the disabled parking placard has not been expired for more than 60 days; and
- (2) assess an administrative fee not to exceed \$20 when the charge has been remedied.

(c) Notwithstanding Subsection (b)(1)(C), the court may dismiss a charge of unlawfully parking a vehicle in a space designated specifically for persons with disabilities, if at the time of the offense the defendant's vehicle displays a disabled parking placard that has been expired for more than 60 days.

SECTION 5 – RADIO GUIDELINES

A. Radio Etiquette

- Do not key the microphone when someone else is speaking.
- Speak clearly and limit your transmission time.
- Use plain language - use common sense.
- No slang or profanity.
- Remember, your conversation is a matter of public record...BE PROFESSIONAL.

B. Codes and Signals

- **10 CODES:**
 - **4 - OK**
 - **8 - Clear**
 - **9 - Repeat**
 - **20 - Location**

C. Phonetic Alphabet

Adam	Nora
Boy	Ocean
Charles	Paul
David	Queen
Edward	Robert
Frank	Sam
George	Tom
Henry	Union
Ida	Victor
John	William
King	X-Ray
Lincoln	Young
Mary	Zebra

SECTION 6 – LEGAL LIABILITY AND INSURANCE

A. Purpose

All COP volunteers should be aware that there are risks involved in many of the activities you may perform.

All COP volunteers who operate a COP vehicle are required to possess a current Texas driver's license. If a volunteer's driver's license lapses, he/she must immediately notify the Kerrville PD Liaison Officer.

Liability and workers compensation insurance for COP volunteers is provided under the Texas Municipal League's Inter-governmental Risk Pool.

COP volunteers may be required to sign a City of Kerrville release of liability form prior to taking part in COP activities.

SECTION 7 – MEDIA AND PUBLIC INFORMATION POLICIES

A. Purpose

The purpose of this section is to:

- Explain the media and public information policies of the Department as they may relate to the COP organization.
- Explain the information you are authorized to pass on to citizens.

After you complete training in this section you should:

- Understand that the press may try to obtain information from you.
- Understand when and what you can and cannot say to the press.
- Understand the consequences of not following the Department's policy
- Have a basic understanding of city services and contact information.

Unless given prior approval by a Sergeant or above, COP volunteers shall refer all media inquiries to the on-scene officer or Kerrville Police Department Public Information Officer (PIO).

Agenda Item:
(Staff)

3D. Accept vehicle donation for the Kerrville Police Department. (staff)

**BUSINESS OF THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Acceptance of a vehicle donation

FOR AGENDA OF: March 13, 2012

DATE SUBMITTED: March 2, 2012

SUBMITTED BY: Chief John Young

CLEARANCES: Todd Parton, City
Manager

EXHIBITS: Attached

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:



Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

APPROVED FOR SUBMITTAL BY DIRECTOR OF ADMINISTRATIVE SERVICES:

SUMMARY STATEMENT

Mr. Jim Burgin a member of the Kerrville Citizen Police Academy Alumni Association is offering to donate a 2003 Ford Crown Victoria Police Inceptor to the police department for the use by the alumni association. The vehicle will be used by the alumni association to assist and support the police department during community events and minor traffic violation issues. The vehicle will be equipped with appropriate radio equipment and graphics but will not have emergency equipment (red/blue lights and siren).

RECOMMENDED ACTION

It is recommended that the police department be granted permission to accept the vehicle donation for use by the KCPAAA.

TRANSFER OF VEHICLE

The City of Kerrville, Texas, hereby accepts transfer to the City of City of Kerrville, Texas (Police Department), title to the following described vehicle:

Make and Model: 2003 Ford Crown Victoria (Police Interceptor)
Vehicle Identification No.: 2FAFP71W03X171876
License No.: 081-GKT

Signed this _____ day of _____, 2012.

By: _____

ACCEPTED:

CITY OF KERRVILLE, TEXAS

Todd Parton, City Manager
ACCEPTED:

Agenda Item:
(Staff)

3E. Approval of the FY 2011 Comprehensive Annual Financial Report (CAFR).

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Presentation and Council Approval of the FY 2011 City of Kerrville Comprehensive Annual Financial Report (CAFR)

FOR AGENDA OF: March 13, 2012 **DATE SUBMITTED:** February 29, 2012

SUBMITTED BY: Mike Erwin,  Director of Finance **CLEARANCES:** Todd Parton, City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:
REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

The draft FY 2011 City of Kerrville Comprehensive Annual Financial Report will be presented at the meeting. This draft will allow Council to review the document prior to submission to Government Finance Officers Association and other entities. The City engaged the audit firm of BKD, LLP in Dallas to perform the annual audit and to prepare the financial report.

RECOMMENDED ACTION

The Director of Finance recommends Council's approval of the draft FY 2011 City of Kerrville Comprehensive Annual Financial Report and on March 20, 2012, when draft will become final absent any significant changes.

Agenda Item:

4A. Update on 2012 Mardi Gras on Main and the progress of the downtown public art project. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Update City Council in regards to the 2012 Mardi Gras on Main and the progress of the Downtown Public Art Project.

FOR AGENDA OF: March 13, 2012

DATE SUBMITTED: March 2, 2012

SUBMITTED BY: Johnna Wade
Main Street Manager

CLEARANCES: Mindy Wendele
Director of Business
Programs & Public
Affairs

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

The 2012 Mardi Gras on Main was held on February 21, 2012 at the YO Ranch Hotel in Kerrville. During the past four years we have taken the money raised from this event and put it towards the construction of a Downtown Public Art project.

At the 2011 Mardi Gras on Main the Public Art Project was revealed. James Avery designed the piece titled "Mother's Love" and it will be placed at the corner of Earl Garrett and Main Street on the property of the Kerr Arts and Cultural Center. The piece is currently being fabricated and we are opening bids for the construction phase of the project on Thursday, March 15th at 2:00 PM at the Kerrville Main Street Office. An unveiling and dedication date is planned on Mother's Day weekend, May 11-13th.

RECOMMENDED ACTION

None.

Agenda Item:

- 4B. Water resources report. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Water Resources Report

FOR AGENDA OF: 3/13/12

DATE SUBMITTED: 3/1/12

SUBMITTED BY: Charlie Hastings *CH*
Public Works Director

CLEARANCES: Todd Parton
City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *TP*

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Staff will present an update on the water supply and availability as it relates to the drought.

RECOMMENDED ACTION

Information and discussion.

Agenda Item:

4C. Budget and economic update. (staff)

**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Kerrville Budget/Economic Update

FOR AGENDA OF: March 13, 2012 **DATE SUBMITTED:** March 7, 2012

SUBMITTED BY: Mike Erwin 
Director of Finance

CLEARANCES: Todd Parton
City Manager

EXHIBITS: Economic Update
AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$	\$	\$	

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OR FINANCE:

SUMMARY STATEMENT

The City of Kerrville staff will present and update Council on a biweekly basis as to the status of the City's budget and current economic trends affecting the City.

RECOMMENDED ACTION

No action required information purposes only.

Agenda Item:

5A. Appointments to the Main Street Advisory Board. (staff)

**BUSINESS OF THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Appointments to the Main Street Advisory Board

FOR AGENDA OF: March 13, 2012 **DATE SUBMITTED:** March 7, 2012

SUBMITTED BY: Brenda Craig, 
City Secretary **CLEARANCES:**

EXHIBITS: Board List

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

SUMMARY STATEMENT

Consider appointments to the following board:

Main Street Advisory Board: Three places are open, due to the resignations of:
Penni Carr, Brett McDowell and Kacy Smith; two with terms to expire January 31, 2013
and one to expire January 31, 2014.

RECOMMENDED ACTION

Consider appointments.

MAIN STREET ADVISORY BOARD

	<u>Telephone</u>	<u>Orig. Appt.</u>	<u>Re-Appt. Date</u>	<u>Exp. Date</u>
CARR, PENNI 202 Riverhill Blvd.	896-5569 (O) 896-0059 (H)	01-27-09	01-25-11	01-31-13
CLANTON, TAMMI 3340 Loop 534	792-7456 (O) 459-5752 (H)	01-24-12		01-31-14
COBBS, STAN 1010 Linda Joy	895-8771 (O) 895-8771 (H)	01-24-12		01-31-14
FRY, LEE 120 Victoria Drive	367-7109 (H)	01-27-09	01-25-11	01-31-13
MIZE-JUGERT, JANET 1210 Harper Road	210-705-6702 (O) 792-9600 (H)	01-24-12		01-31-14
McDOWELL, BRETT 106 Surrey Dr. Boerne, Texas 78006	830-815-1342 (O) 896-5000 (H)	08-10-10	01-25-11	01-31-13
RAIN, SCOTT 106 Bowie	459-1156 (H) 257-8588	01-25-11		01-31-13
SCHNEIDER, RICH 105 Whitetail Rd.	370-4876 (H) 257-7373 (O)	01-25-11		01-31-13
SMITH, KACY 125 Bushwhack Rd.	792-7865 (O) 792-4788 (H)	08-10-10	1-24-12	01-31-14
COUNCIL LIAISON:				
Scott Gross	792-5555 (O)			
2908 Dry Hollow	210-363-1144 (C)			
PO Box 291277				
CITY STAFF:				
Johnna Wade	258-1113 (O)			
715 Water Street				

Powers and Duties: To encourage participation in the Main Street Revitalization Program; to establish goals and priorities for the Main Street Program; to review design appropriateness for the purpose of participation in the main street low-interest loan program and incentive grant projects; and to advise and support the main street program manager.

Term of Office: Two years with a maximum of two full successive terms (Bylaws)

Quorum: Five members

Number of Members: Nine

Absences: Any member who miss three consecutive meetings may be replaced (Bylaws)

Meeting Time & Place: Fourth Thursday at noon, 715 Water Street

Established by: Resolution No. 1994-133

Revised: January 25, 2012