

**AGENDA FOR MEETING OF
THE CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
Monday, April 19, 2010, 4:00 p.m.
Kerrville City Hall Council Chambers
800 Junction Highway, Kerrville, Texas**

1. CALL TO ORDER

2. INVOCATION

3. VISITORS FORUM

At this time, any person with business not scheduled on the agenda may speak to the corporation. No deliberation or action can be taken on these items because the Open Meetings Act requires an item be posted on an agenda 72 hours before the meeting. Visitors are asked to limit presentations to three minutes.

4. PRESENTATION:

4A. Welcome of new member, Gregg Appel

5. APPROVE MINUTES:

5A. March 15, 2010

6. MONTHLY REPORTS:

6A. Monthly financials for March 2010

6B. EIC construction project status

7. PRESENTATION AND POSSIBLE ACTION:

7A. Hill Country Home Opportunity Council (Wendele/Harrison)

8. DISCUSSION AND POSSIBLE ACTION:

8A. Discussion regarding member attendance requirements (Crumrine)

8B. Discussion regarding funding for Kerr Economic Development Foundation (Parton)

8C. Commercial Improvement Program Draft guideline review (Hamilton/Wendele)

8D. Update from Convention Center Review Panel (Ferguson)

9. EXECUTIVE SESSION:

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

10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

11. ADJOURNMENTS

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: April 15, 2010 at 2:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Teri Kinsey

Deputy City Secretary, City of Kerrville, Texas

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

**Regular Meeting
March 15, 2010**

On Monday, March 15, 2010, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:03 p.m. by Bill Crumrine, President, in the City Hall Council Chambers, 800 Junction Highway, Kerrville, Texas.

Members Present:

Bill Crumrine, President
Jack Pratt, Vice President
Warren Ferguson
Lindsay Duff
Ed Hamilton
Alan Massey (left at 6:00 pm)

Members Absent:

Ben Modisett

Staff Present

Todd Parton, City Manager
Mike Hayes, City Attorney
Mike Erwin, Director of Finance
Mindy Wendele, Director of Business Programs
Teri Kinsey, Administrative Assistant to City Secretary
Sandra Yarbrough, Finance Division
Barbara Lanning, Budget Analyst

2. INVOCATION:

Given by President Bill Crumrine.

3. VISITORS FORUM:

Nobody spoke during the visitors forum.

4. PRESENTATION:

4A. Presentation by the Economic Development Task Force

Mike Huff, representing the KEDTF, noted the major findings of the task force:

- All major stakeholders must be included
- ED entity limited to 9 members
- No single entity should have absolute control
- EDP must have a degree of autonomy
- EDP priorities/objectives be established through joint efforts of stakeholders
- All stakeholders must have a financial commitment
- Desired outcomes and expectations must be clearly defined
- Routine reporting must be required
- No more business as usual.

Mr. Huff outlined new organizational structure, the sources of revenues, annual budget, and duties of the director.

Mark Armstrong addressed questions and answers from city council members at the council meeting held February 23, 2010, asked if the EIC Board foresees a relationship between themselves and the proposed ED Board and wants the EIC to give the ED Board a chance to compete.

Judge Pat Tinley outlined the "incentives program" and explained that procedures have been implemented for the Incentives Committee to make recommendations not decisions.

The EIC board discussed the following:

- What would be considered a quorum
- What is the procedure for tax abatement and whose decision is it to grant or deny it
- Will all requests go before the EIC board
- How will the task force effect the city
- Will there be duplication of work or redundancy
- What was the rational of have 3 business representatives
- Financial commitment, equal funding
- Accountability
- Why was the Board of Realtors not included
- Why is KISD include and Schreiner University not included

It was suggested that the ED Board consist of 5 members, one of which being an EIC Board member and possibly report back the EIC quarterly.

Mr. Huff noted the discussion before the board and after the ED Board was appointed they would come back with responses to the EIC board questions and at the time of the funding request.

Ms. Pratt moved to accept the concept of the governing body with the understanding that the governing body would address the EIC concerns; Mr. Hamilton seconded the motion and it passed 5-0.

A recess was called at 5:55 pm and the meeting went back into session at 6:06 pm.

5. DISCUSSION AND POSSIBLE ACTION:

5A. Appointment to the Economic Development Governing Body

It is not required that an EIC Board member be appointed to the Economic Development Governing Body but it was suggested that whoever is appointed should have been present at the March 15, 2010 EIC meeting.

Mr. Ferguson moved to nominate Jack Pratt the Economic Development Governing Body; Mr. Duff seconded the motion and it passed 4-0.

Ms. Wendele advised that all appointments to the governing body would be made by the end of March.

5B. Update concerning Convention Center and appointment to the RFP review committee (Wendele)

Mindy Wendele that four (4) of the five (5) RFPs received for the Multi-Purpose Meeting Facility qualified. There is a meeting scheduled for the week of March 22, 2010 after coordinating a review panel and will be presented to City Council on April 27, 2010.

Ms. Wendele asked that the EIC board appoint a member to serve on the Multi-Purpose Meeting Facility review committee.

Mr. Pratt nominated Warren Ferguson to be appointed to the Multi-Purpose Meeting Facility; Mr. Hamilton seconded the motion and it passed 4-0.

6. APPROVE THE MINUTES OF THE FEBRUARY 13, 2010, MEETING:

6A. Mr. Duff moved to approve the minutes of the February 13, 2010 meeting, pending changes; Mr. Pratt seconded; motion passed 5-0, Mr. Massey abstained.

7. MONTHLY REPORTS

7A. Monthly financials December 2009

Mike Erwin presented the February 2010 financials. Mr. Pratt moved to accept the financials as presented; Mr. Ferguson seconded the motion and it passed 5-0.

7B. EIC Construction project status

Mike Erwin presented the February 2010 construction project status report. No motion was made; the financial report was accepted by consensus.

8. INFORMATION AND DISCUSSION:

8A. Commercial Business Incentive Program (Hamilton)

Ed Hamilton reviewed his proposal for a Commercial Business Incentive Program.

Staff was directed to create a draft of guidelines and procedures for implementing this program, this draft was to be submitted by the next EIC Board meeting on April 19, 2010.

8B. Response to Board questions (Erwin)

Mike Erwin responded to the EIC Board questions and approved in conjunction with item 7A.

9. EXECUTIVE SESSION:

The Board did not meet in Executive Session.

10. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

No action was taken.

11. ADJOURNMENT:

Mr. Ferguson moved to adjourn the meeting; Mr. Hamilton seconded; motion passed 4-0. The meeting adjourned at 6:40 PM.

APPROVED: April 19, 2010

Bill Crumrine
President

Teri Kinsey
Admin. Assist. to the City Secretary

CITY OF KERRVILLE
 ECONOMIC IMPROVEMENT CORPORATION
 SALES TAX IMPROVEMENT FUND

Cash Balance as of March 1, 2010		\$ 1,532,981
Deposits:		
Sales Tax	163,136	
Interest Revenue	1,901	
	165,038	
Expenses:		
Administrative Service Fee	6,250	
Transfer for Debt Service	42,083	
Total Expenses	48,333	
Revenues Over (Under) Expenditures		116,704
Ending Cash Balance as of March 31, 2010		1,649,685

INVESTMENTS:

Investment Item	Estimated Rate
TexPool Rate	0.1577%
City's Pooled Rate	
EIC Rate	

CITY OF KERRVILLE
 ECONOMIC IMPROVEMENT CORPORATION
 SALES TAX IMPROVEMENT FUND
 REVENUE AND EXPENSE STATEMENT
 AS OF: March 31, 2010

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
BEGINNING CASH BALANCE	1,098,201		1,098,201		
REVENUE:					
Sales and Use Tax	2,562,000	163,136	1,110,213	43.33%	1,451,787
Interest	45,000	1,901	14,533	32.30%	30,467
TOTAL REVENUE	2,607,000	165,038	1,124,746	43.14%	1,482,254
			Y-T-D Actual &		
	Annual Budget	Current Period	Encumbrances	% of Budget	Budget Balance
EXPENDITURES:					
Administrative					
Supplies	-		-		-
Transfer to Debt Service Fund	505,000	42,083	252,500	50.00%	252,500
Kerrville Economic Development Foundation	25,000			100.00%	25,000
Administrative Services Fee	75,000	6,250	37,500	50.00%	37,500
Total Administrative	605,000	48,333	290,000	47.93%	315,000
Category I - Business Development					
KEDF/USDA Project	33,262		33,262	100.00%	0
Unspecified	1,033,738			0.00%	1,033,738
Total Category I	1,067,000	0	33,262	100.00%	1,033,738
Category II - Quality of Life					
Schreiner University Project	250,000	-	250,000	100.00%	-
Category II Unspecified	50,000			0.00%	50,000
Total Category II	300,000	-	250,000	83.33%	50,000.00
Category III - Public Infrastructure					
Unspecified Projects	1,471,038			0.00%	1,471,038
Total Category III	1,471,038	-	-	0.00%	1,471,038
Contingency	500,000			0.00%	500,000
TOTAL EXPENDITURES	3,943,038	48,333	573,261.98	14.54%	3,369,776
NET REVENUES TO EXPENDITURES	(1,336,038)	116,704	551,484		
ENDING CASH BALANCE: March 31, 2010	Budget (237,837)		Actual 1,649,685		

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CITY OF KERRVILLE
 ECONOMIC IMPROVEMENT CORPORATION
 SALES TAX DEBT SERVICE FUND

Cash Balance as of March 1, 2010		\$ 158,777
Revenues:		
Transfer from Sales Tax Improvements Fund	42,083	
Total Deposits	42,083	
Expenses:		
None	0	
Total Expenses	0	
Revenues Over (Under) Expenditures:		42,083
Ending Cash Balance as of March 31, 2010		\$ 200,860

INVESTMENTS:

Investment Item	Estimated Rate
TexPool Rate	0.1577%
City's Pooled Rate	0.0000%
EIC Rate	0.0000%

CITY OF KERRVILLE
 ECONOMIC IMPROVEMENT CORPORATION
 SALES TAX DEBT SERVICE FUND
 REVENUE AND EXPENSE STATEMENT
 AS OF: March 31, 2010

	<u>Annual Budget</u>	<u>Current Period</u>	<u>Y-T-D Actual</u>	<u>% of Budget</u>	<u>Budget Balance</u>
BEGINNING CASH BALANCE	314,120		314,120		
REVENUE:					
Transfer from Sales Tax Improvement Fund	\$ 505,000	\$ 42,083	\$ 252,500	50.00%	\$ 252,500
Return of Equity - Park Lane Extension	\$ -		\$ 91,016	100.00%	\$ (91,016)
TOTAL REVENUE	505,000	42,083	343,516	68.02%	161,484

	<u>Annual Budget</u>	<u>Current Period</u>	<u>Y-T-D Actual</u>	<u>% of Budget</u>	<u>Budget Balance</u>
EXPENDITURES:					
Series 1999 Sales Tax Bond Debt Service	405,000	-	405,000	100%	0
Series 1999 Sales Tax Bond Interest Expense	92,539	-	50,775	55%	41,764
Paying Agent Fees	1,000	-	1,000	100%	0
First Southwest Continuing Disclosure Fee	-	-	-	-	-
TOTAL EXPENDITURES	498,539	-	456,775	91.62%	41,764

ENDING CASH BALANCE: March 31, 2010	Budget 320,581	Actual 200,861
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CITY OF KERRVILLE
 ECONOMIC IMPROVEMENT CORPORATION
 SALES TAX REVENUE ANALYSIS

Month	Actual FY 06	Actual FY 07	Actual FY 08	Actual FY 09	Approved FY 10	Actual FY 10	FY 10 Proj v. FY 10 Actual	% of Budget Variance
October	168,644	184,785	194,330	195,050	195,831	179,735	(16,096)	-8.22%
November	188,549	204,940	219,398	218,565	219,201	188,879	(30,322)	-13.83%
December	172,672	189,001	195,398	202,043	200,130	170,981	(29,149)	-14.56%
January	171,360	184,529	187,236	190,881	193,510	170,645	(22,865)	-11.82%
February	242,073	246,363	251,426	239,208	258,118	236,837	(21,281)	-8.24%
March	175,151	165,161	194,946	200,569	193,990	163,136	(30,854)	-15.91%
April	169,994	166,504	168,423	259,861	201,624			
May	225,360	233,625	234,014	228,262	242,877			
June	179,980	182,280	193,637	181,835	194,493			
July	185,406	196,384	200,625	183,253	201,857			
August	222,357	221,781	230,443	219,318	235,664			
September	220,762	228,600	213,253	189,718	224,705			
Total	2,322,308	2,403,953	2,483,129	2,508,562	2,562,000	1,110,213	(150,567)	-11.94%

CITY OF KERRVILLE
 ECONOMIC IMPROVEMENT CORPORATION
 EIC CAPITAL PROJECTS FUND

Cash Balance as of March 1, 2010	\$	4,413,488
Revenues:		
None		0
Expenses:		
Services		
Special Services		
Alamo Worksource	2,026	
Harper Highway Water/Wastewater Extention	1,835	
Habitat For Humanity	42,951	
	46,812	
Capital Outlay		
Land		
Harper Highway Water/Wastewater Extention	3,638	
Town Creek Sewer Extension	96	
Salvation Army Kroc Center	17,250	
Buildings and Structures		
ASR #3 Well	7,470	
Water System		
ASR #3 Well	201,223	
Wastewater System		
Town Creek Sewer Extension	77,862	
Capital Outlay Total	307,539	
Total Expenses	354,351	
Revenue Over (Under) Expenditures		(354,351)
Ending Cash Balance as of March 31, 2010		4,059,137

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04/14/2010

**CITY OF KERRVILLE
ECONOMIC IMPROVEMENT CORPORATION
SALES TAX IMPROVEMENTS CAPITAL PROJECTS**

**PROJECT STATUS SUMMARY
AS OF MARCH 31, 2010**

PAY AS YOU GO PROJECTS

YEAR(S) FUNDED	PROJECTS	FUNDING AGREEMENT STATUS	APPROVED EIC FUNDING	PROJECT TO DATE EXPENSES	BALANCE TO EIC ALLOCATION	% EXPENSED	% COMPLETE
A 2006/07	Harper Highway Utility Extension	FA 2008-013	2,850,000.00	229,781.22	2,620,218.78	8.1%	Bidding
A 2007/08	Salvation Army Center Kroc Center	FA 2008-011	500,000.00	415,240.53	84,759.47	83.0%	Construct - 98%
A 2007/08	Main Street Marketing Program	FA 2008-015	20,000.00	16,000.00	4,000.00	80.0%	N/A
A 2008/09	Hill Country Shooting Sports Center		300,000.00	292,818.88	7,181.12	97.6%	N/A
A 2008/09	Alamo Workforce		109,887.24	108,393.61	1,493.63	98.6%	N/A
A 2008/09	Habitat For Humanity - Maude Jennings	FA 2009-01	418,000.00	376,000.79	41,999.21	90.0%	N/A
A 2008/09	KEDF USDA Payment	FA 2008-08	33,262.00	33,262.00	0.00	100%	N/A
TOTALS			4,231,149.24	1,471,497.03	2,759,652.21		

Total Balance to EIC Allocation
Unallocated Funds
Total Cash Balance

2,759,652.21
1,299,484.94

4,059,137.15

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

YEAR ENDING SEPTEMBER 30	PRINCIPAL DUE FEBRUARY 15	INTEREST DUE FEBRUARY 15	INTEREST DUE AUGUST 15	TOTAL PRINCIPAL AND INTEREST PAYMENTS	BALANCE OF PRINCIPAL OUTSTANDING
2000	\$160,000	\$222,845	\$113,205	\$496,050	\$5,190,000
2001	275,000	113,205	107,361	495,566	4,915,000
2002	290,000	107,361	101,199	498,560	4,625,000
2003	300,000	101,199	94,824	496,023	4,325,000
2004	315,000	94,824	88,130	497,954	4,010,000
2005	330,000	88,130	81,448	499,578	3,680,000
2006	340,000	81,448	74,478	495,925	3,340,000
2007	355,000	74,478	67,023	496,500	2,985,000
2008	370,000	67,023	59,160	496,183	2,615,000
2009	390,000	59,160	50,775	499,935	2,225,000
2010	405,000	50,775	41,764	497,539	1,820,000
2011	425,000	41,764	32,095	498,859	1,395,000
2012	445,000	32,095	21,791	498,886	950,000
2013	465,000	21,971	11,276	498,248	485,000
2014	485,000	11,276	0	496,276	0
TOTAL	\$5,350,000	\$1,167,553	\$944,528	\$7,462,080	

**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT CORPORATION
CITY OF KERRVILLE, TEXAS**

SUBJECT: Presentation by Hill Country Home Opportunity Council concerning a funding request for a new housing development

FOR AGENDA OF: April 19, 2010 **DATE SUBMITTED:** April 13, 2010

SUBMITTED BY: Mindy N. Wendele **CLEARANCES:**

EXHIBITS: Application

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

Parker Harrison, director of the Hill Country Home Opportunity Council, has submitted an application funding request for assistance with a new housing development. Mr. Harrison will be making a presentation to the Board highlighting the project on Pinto Trail.

The staff has reviewed the application and support documents and reports the following:

Evaluation Summary

4B Category:	(3) Public Infrastructure
Legal eligibility:	Qualifies under current code
Budgeted Funds Available:	\$1,471,038.00 (Cat.3)
Fiscal Impact Summary:	
Amount requested	\$150,000 (not to exceed)

The Initial Response Team met to discuss the project following staff review.

RECOMMENDED ACTION

The Initial Response Team recommends the Board hear the presentation and direct staff to draft a funding agreement to include the following:

1. Funding for engineering fees and infrastructure cost not to exceed \$150, 0000.00.
2. Funds would be available as a reimbursement following an inspection of the work.
3. Construction start date within six months after approval
4. Construction complete date within one year after approval

The IRT further recommends the Board to hold a public hearing and present the draft funding agreement during the May 17, 2010 EIC meeting.

Financial Information Required:

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

Annual Sales for Corporation / Company \$ _____

This Facility \$ _____

Local Sales Tax paid Annually \$ _____

Current Payroll \$ _____

Has the Company or individual (s) owner of the company ever filed for bankruptcy protection under Chapter 7 or Chapter 11 of the Bankruptcy Statutes?

No () Yes () Details:

SECTION III- PROJECT INFORMATION

Requested amount _____

Total Project Amount _____

This application is for a:

- Business Development ()
- Expansion of Existing Facility () or
 - New Construction ()
 - Other ()

Quality of Life Improvement (✓)

- Parks, Open Space ()
- Other ()

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

Parker Harrison
Printed name

4-1-2010
Date

Executive Director
Title


Signature

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

Amended 01-18-10



I. Organizational Information

The Kerrville Home Opportunity Advisory Board was established by the City Council in 1997 to oversee the building the Legion Hills subdivision consisting of new affordable single-family homes on land owned by the city. The members of the advisory board made the determination that a nonprofit corporation was needed to continue serving the communities affordable housing needs once the city owned Legion Hills subdivision was completed. The Hill Country Home Opportunity Council was established as a 501(c)(3) nonprofit corporation in 2007 by the then board members of the Kerrville Home Opportunity Advisory Board to continue the Legion Hills subdivision and education programs of the Advisory Board as well as new housing opportunities to serve Kerr County and the surrounding area. The Hill Country Home Opportunity Council regularly holds home ownership classes and is taking applications for home ownership, and we are continually seeking out new opportunities to better serve this community. To date there have been over 50 single-family homes built in the Legion Hills Subdivision.

The formation of the new nonprofit the Hill Country Home Opportunity Council, Inc. brings new challenges and the ability to help more people. The original board members of our organization came from the Advisory Board from the City of Kerrville. Our current board is made up of individuals with varying experience in the local real estate industry and view low to moderate income housing as a major need for our community.

The Mission is to provide quality housing that is affordable to low to moderate income people of Kerr County and adjacent counties; to provide housing education and ownership counseling through a community home ownership organization; and to promote healthy communities, ultimately contributing to the economic development of this community.

The purposes for which this corporation is organized are to perform charitable activities within the meaning of the Internal Revenue Code Section 501(c)(3). The general purposes of the Corporation shall include, but not be limited to the following:

1. Provide quality housing that is affordable to low-income and moderate-income people.
2. Enhance the creation of new housing and the rehabilitation of existing housing stock in neighborhoods with special emphasis placed on creating ownership-housing stock for low-income families.
3. Promote and create programs to encourage owner occupied households to rehabilitate their housing for accessibility for wheelchairs, thus being able to live in the household longer.

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4. Provide housing education and ownership counseling through a community home ownership organization, which will be comprised of members of the organization.

The Hill Country Home Opportunity Council Inc. strives to build stronger, financially literate homeowners through an extensive mandatory homebuyer education program. Training includes curriculum emphasizing personal involvement in the life of the community, money and credit management, delinquency prevention and home maintenance.

Present operations of the Program-

We are presently taking applications and have 2 lots available to build new houses on and a spec home is available for viewing. This will be good for new homeowners that would like to get in a house earlier. Anyone can pick up an application either at City Hall or at the Program office at 433 Water St. To be considered for the Affordable Housing Program you must meet the following criteria.

Those consist of:

1. Not presently the owner of another residential property
2. Annual income does not exceed Maximum Guidelines (Income from all sources of all household adults will be considered and must be verified.)
3. Must be able to obtain a mortgage loan to purchase the home.
4. Must plan to live in the home.
5. Agree to attend guidance classes on home ownership and money management.

We have a very good relationship with many organizations in the community and work very closely with the USDA Rural Development office in Fredericksburg as well as area banks and mortgage brokers. When appropriate we refer callers to other organizations like Habitat for Humanity, Partners in Ministry and the Community Council of South Central Texas. Presently there is one paid staff member, Parker Harrison, and ten Volunteer Board Members.

II. Purpose of Grant

The Corporation currently has 2.25 acres on Pinto Trail ("the Property") under contract to be purchased on or before April 15, 2010. We have all funds needed to complete the purchase and waiting on one final requirement to be met by the Seller. After an extensive analysis of all development opportunities available, the Corporation determined the Pinto Trail Property to be the best available option for the development of a new affordable

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housing subdivision. This property lends itself to approximately eleven single family lots and the possibility for an additional Eco Housing development on one section of the Property that would provide an additional 4 units available as rental units. The Corporation has secured all funds necessary for the purchase of the Property and now seeks assistance for the development, construction and infrastructure cost of this development. The Hill Country Home Opportunity Council Inc. would like to ask the EIC's help in funding for the Survey, engineering and infrastructure cost for a total not to exceed \$150,000. We have split our request into two parts in order to be as accurate as possible with the infrastructure costs. Our first request is limited to survey and engineering work necessary to reach a final development plan and to obtain accurate infrastructure costs for the Property. We would like to ask for \$20,000.00 for survey work and 95% of the engineering work complete. Once this is done we would like to report back to you with solid numbers to complete the engineering and infrastructure and supplement our request to include these new numbers for additional funding by the EIC not to exceed the stated total of \$150,000.

Plans to sustain our program for years to come will be in the form of income sources from the sale of residential lots as well as the rental of the four eco housing units. When new opportunities arise we will evaluate means of funding. These will most likely come from donations or future grant proposals. The main income source will be from the sale of the lots, currently we are selling the lots for \$6000.00 well below market value, thus giving the new homeowners the ability to purchase an affordable house.

The Proposed development will provide new affordable housing opportunities for residents of Kerrville, provide affordable rental units to Kerrville residents, provide revenue to the City through additional property taxes, and provide revenue to the Corporation to continue our service to residents of the City of Kerrville.

III. Evaluation

The success of our program is evident in the ownership of persons who would otherwise not have the opportunity to purchase a new home, and seeing these homeowners thrive in their new house. We are creating a community of responsible homeowners and as of today there are no foreclosed homeowners that have received help through our program. To evaluate our future projects, we will be asking for our homeowners to fill out survey and questionnaires on the before and after process. This will help us determine our strengths and weaknesses through their eyes and give us a foundation to continue building on for future endeavors. Please find our current application and questionnaire as part of our attachment to this proposal.



IV. Pinto Trail

The Planning Division of the City of Kerrville has reviewed the conceptual drawing of the planned HCHOP development on Pinto Trail. The property is zoned RC – Residential Cluster. The use generally conforms to that district. HCHOP will be required to re-plot the property. That platting action will require approval of a revised Development Site Plan by resolution of the City Council. The conceptual plan is consistent with Development Site Plans that have been approved in the past.

The homes built for approved applicants will be built by approved builders that have applied to the HCHOC to build in the Pinto Trail Property. Among many criteria for becoming an approved builder for the HCHOC, one criteria of the builders will be that they are able to secure interim construction financing to build the home. As with the Legion Hills Project these houses will be sold and built in the range of \$90,000 - \$110,000. The Pinto Trail project will consist of 2-4 bedroom plans. All house plans come standard with two bathrooms, a one car garage and two car driveway and all appliances furnished.

The Eco Housing rental portion will consist of 4 units. The square foot of the units will vary between 900 -1000 sqft. The projected rental rate will be anywhere from \$600.00 - \$800.00. These units will be marketed to the 55 and older community.

Currently the Executive Director is working closely with five applicants in various stages of their application. As mentioned before one criteria is that all applicants must be able to obtain a mortgage loan to purchase the home. We are not a lender. All loans come from an outside source. Many past applicants have received financing through USDA Rural Development. We work very close with USDA on behalf of the applicants to help them become a stronger borrower. Credit counseling is provided if needed to all applicants and there is a mandatory home education class taught by the Hill Country Home Opportunity Council and approved by the USDA Rural Development and the Texas Department of Community Affairs.

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Committee-

Hill Country Home Opportunity Council Inc.

MINIMUM PROPERTY STANDARDS FOR HOME CONSTRUCTION

A. Minimum Square Footage for Overall House Sizes

1. A two-bedroom, two-bath house shall have at least 900 sq ft.
2. A three-bedroom, two-bath house shall have at least 1,000 sq ft.
3. A four-bedroom, two-bath house shall have at least 1,200 sq ft.

B. Minimum Room Sizes

1. At least one bedroom shall have 110 sq ft. The 2nd, 3rd, and 4th bedrooms shall have at least 80 sq ft.
2. The 110 sq ft bedroom shall have a minimum dimension of 10 ft.
3. The 80 sq ft bedrooms shall have a minimum dimension of at least 8'0.
4. The two- and three-bedroom houses shall have a living area of at least 160 sq ft with a minimum dimension of at least 10'0.
5. The four-bedroom house shall have a living area of at least 180 sq ft with a minimum dimension of 10'0.
6. The kitchen area shall be at least 72 sq ft with a dining area of at least 80 sq ft.
7. If the living, dining, and kitchen areas are combined or open to each other, the total area must still be the same.
8. Bathrooms shall have at least 40 sq ft with no dimension less than 5'0.
9. The bathroom design must allow for access in the event that a person has fallen within the bathroom. If the door swings into the bathroom, there must be sufficient area beyond the door swing for the fallen person to lie down or to be pushed out of the way.
10. All room dimensions must be within or between the walls and must not include the wall thicknesses.
11. A minimum clothes closet size for the large bedroom shall be 12 sq ft with a minimum depth of 2'0, which does not include any wall thicknesses.

12. All other clothes closets shall have a minimum of 6 sq ft with a depth of 2'0, not including any wall thicknesses.

13. The laundry closet shall be at least 2'8" deep and at least 5'0 wide.

14. There also shall be a linen closet, which is at least 1'0 deep by 2'0 wide.

15. Guest closet and/or storage closets are optional.

C. Kitchen Cabinets and Counter Tops

1. Each kitchen must have at least 14 sq ft of counter top.

2. There must be at least 10 sq ft of drawer space. The drawer space areas may include the drawer guides and side and back clearances.

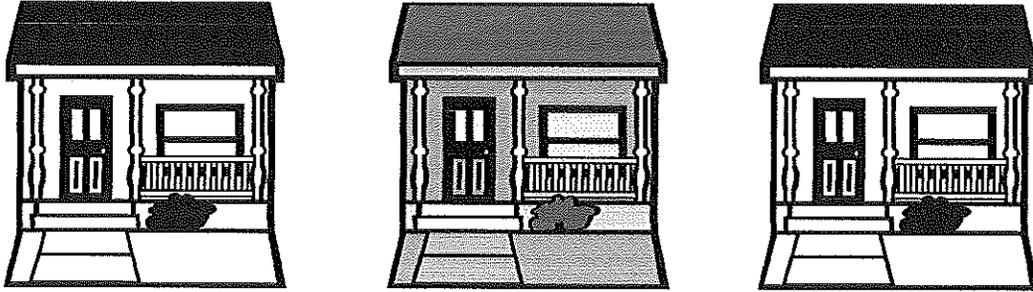
3. Base cabinets shall have at least 14 sq ft of shelving.

4. Wall cabinets shall have at least 14 sq ft of shelving.

5. A width of 3'0 must be allowed for the refrigerator and at least 2'6" for a freestanding range.

6. A width of 2'0 must be allowed for a dishwasher under the kitchen counter top.

7. Kitchen counters shall be 3'0" high. Eating or bar counters may be higher or lower.



Hill Country Home Opportunity Council Incorporated

Home Purchase Preparation Training 4-2 Hours Sessions

Please call the office with any questions 830-895-0735

Course Outline

The following is a tentative list of subjects to be covered in this course. The facilitator will determine the order of presentation. The instructor will provide handouts and/or other materials.

- Goal setting for home purchase
- Understanding credit and credit repair
- Budgeting
- Saving \$ for down payment/closing costs
- Selecting a home
- The home purchase process
- The mortgage loan process
- The closing process
- Maintaining a home
- Mortgage default prevention
- Review of Declaration of Covenants Conditions, and Restrictions.
- Graduation & Evaluation

Dress comfortably and be prepared to learn!

Hill Country Home Opportunity Council Inc. Home Purchase Preparation Training

Hill Country Home Opportunity Council Inc.

Interview Form

Date _____

Interviewer: _____

Applicant Name: _____

_____ A fee of \$50.00 is expected by the second visit. This fee covers the 8-hour homebuyer education class and any credit counseling services needed to obtain the mortgage loan. This fee will be refunded to you when you become a homeowner in the Legion Hills Subdivision.

_____ The Home Opportunity Council may provide low-income homebuyers who are eligible to purchase in Legion Hills, down payment and/or closing cost assistance up to the amount of \$1000 in the purchase of a new single family home. This home will be located in the Legion Hills subdivision in Kerrville, Texas.

_____ Most homebuyers must make a down payment and pay closing costs when a home is purchased. **For Example:** A \$60,000 house could require a down payment anywhere between \$1,800 and \$6,000, depending on the type of mortgage loan being used. Closing costs are additional expenses and could exceed \$2500 on this amount of loan. The Kerrville Home Opportunity Program may have funds available to help you pay these expenses. These funds are available in the form of a grant and do not have to be repaid. Funds when available, are on a first come first serve basis. The amount of the grant award is determined by the Home Opportunity Advisory Board and all decisions are final.

_____ At the time of the contract signing with the home builder, the applicant will need to deposit \$500.00 in an escrow account at Fidelity Abstract and Title Company and deposit more money accordingly for the closing of the house.

_____ A mortgage loan for your home purchase must be obtained from an outside lender. You may obtain your mortgage from any source you choose. Notification of eligibility for purchase in Legion Hills is not a guarantee that you will be provided a grant for down payment and/or closing costs, nor that you will be assigned a home lot in Legion Hills. When you provide this program with written verification that you have secured mortgage loan financing for the home, you will be allowed selection from the home lots available and your application will be considered for grant assistance.

_____ You the homebuyer, acknowledge and certify that this property will be used as your principal residence and agree that no temporary subleases will be made.

KERRVILLE HOME OPPORTUNITY PROGRAM

Applicant Name: _____

Date: _____

_____ Program guidelines require a copy of your mortgage loan application be on file in our office. This information is kept confidential and used only for purposes pertaining to this program. Information from your file may be used for the purpose of collecting statistical data. Initialing this item is your intention to give permission for your mortgage lender to release a copy of your file to the Hill Country Home Opportunity Council Inc.

_____ You the homebuyer, acknowledge and certify that you do not presently hold ownership in any other residential property.

_____ You agree to attend a series of home purchase preparation classes with other homebuyers covering at least the following topics:

- Managing money and credit
- Home Maintenance
- A Homeowner's Neighborhood (including a review of the covenants and restrictions for Legion Hills)

_____ Financial Income Verification provided at interview:

_____ Guideline subject to change, if any change the HCHOC will notify in a timely manner

Signature of Applicant #1

Signature of Applicant #2

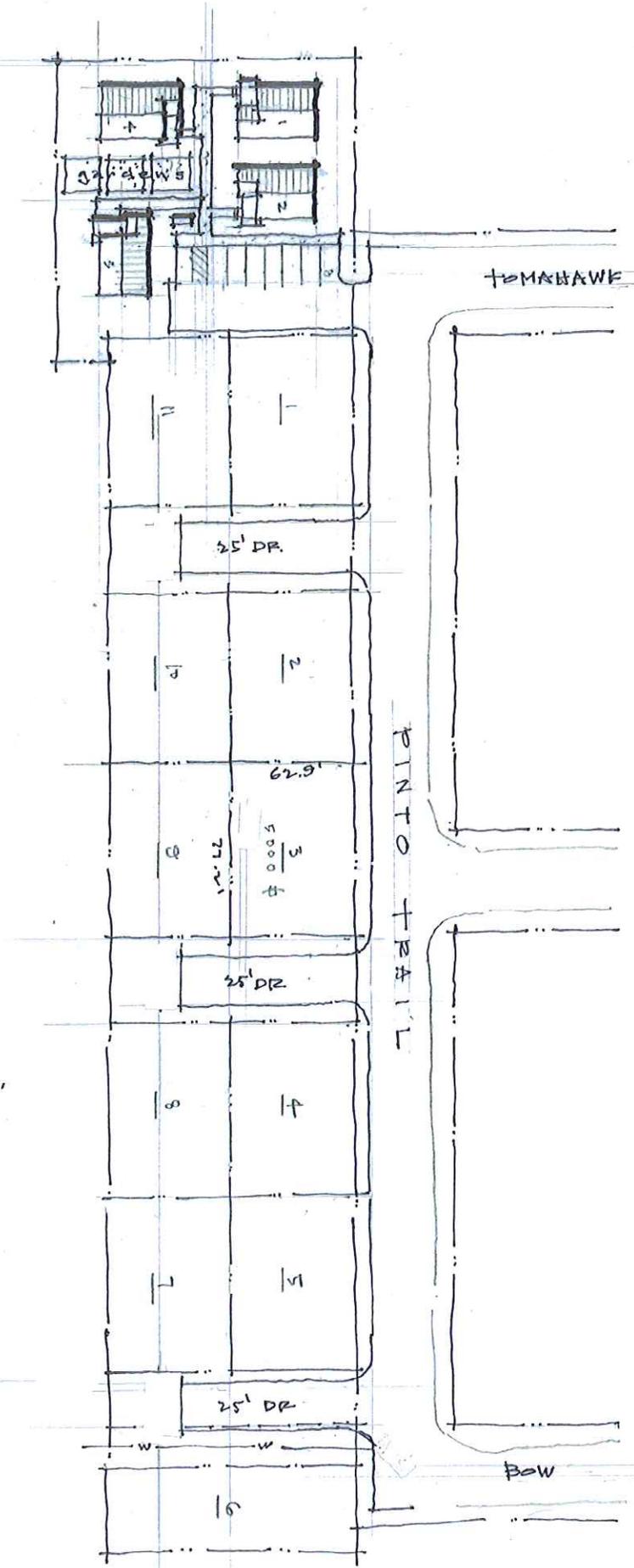
(revised 11-27-07)



1" = 50'

SCHEME A

3.24.10



ECHO
 Hill Country Home
 Opportunity Council



PETER LEWIS
 ARCHITECT + ASSOC

SECTION 3. RESPONSIBILITIES OF BOARD MEMBERS

3.1 Oaths and Training. Upon notification of appointment or reappointment, it shall be the responsibility of every board member to report to the City Secretary's office to be administered the Statement of Elected/Appointed Officer, the Oath of Office, and to receive instruction on how to complete the required open government training within 30 days of appointment. Any member who fails to take the statement and oath, or fails to complete the required open government training, may subject their membership to be terminated pursuant to Council action.

3.2 Attendance. Prior to an appointment to a board, an applicant should familiarize himself/herself with the board's meeting schedule. In order to be fully aware of issues before the board, it is imperative that members are faithful in their attendance at meetings. Any member who is absent from twenty-five percent (25%) of the board's regular meetings during any twelve (12) month period, or who is absent from any three (3) consecutive regular meetings, shall be considered for removal by the City Council. The staff member has the responsibility of reporting a member's non-attendance to the City Council in writing, and the City Secretary shall notify the board member in writing that their non-attendance has been reported to the City Council. However, a member whose absences are directly related to a medical or family emergency may seek consideration from the board upon which they serve to qualify such absences as excused.

3.3 Responsibility to Vote. No member may be excused from voting on any matter except when such member has a conflict of interest as defined by state law.

3.4 Member Not Voting. Any board member refusing to vote, and not excused from voting due to a conflict of interest, shall be considered in violation of these rules and will be recorded in the minutes as voting in the affirmative of the motion. If a member continues to choose not to vote on matters brought before the board, the City Council may consider further action. The staff member has the responsibility of reporting a member's non-voting to the City Council in writing, and the City Secretary shall notify the board member in writing that their conduct has been reported to the City Council.

3.5 Conflict of Interest. Any board member prohibited from voting by a conflict of interest as defined by state law, shall announce the same at the commencement of consideration of the matter and shall not enter into discussion or debate on said matter. In such case, the member shall file with the recording secretary the Affidavit Conflict of Interest form indicating the reason for abstaining. The member shall then announce their conflict to the board and leave the meeting room until discussion of and vote on the issue has been completed. Further, that member shall not discuss the matter with other members of the board at any time.



**City of Kerrville Economic Improvement Corporation
4B Sales Tax Funding Request
for the
Commercial Improvement Program**

Guidelines and Procedures

Economic Improvement Corporation

Both the Economic Improvement Corporation Board of Directors (EIC) and the Kerrville City Council must approve expenditures of 4B funding. Before a project may be considered and awarded funds, the attached application must be completed and submitted to:

**City of Kerrville Economic Improvement Corporation
800 Junction Hwy.
Kerrville, Texas 78028
830.257.8000**

All actions of the EIC are subject to the Development Corporation Act of 1979, article 5190.6 Vernon's Civil Statutes, Section 4B. The EIC is a legal entity with statutory authority to spend economic development sales tax dollars. The Corporation is city-chartered and governed by a city-appointed board of directors. The EIC is a 4B Corporation and may fund "projects" focused on the creation of "primary jobs" and/or to provide an economic benefit to the City of Kerrville, as well as "Quality of Life" projects. Application approvals are subject to funding availability.

Commercial Improvement Program

The Economic Improvement Corporation encourages existing businesses to be successful by making improvements to their commercial buildings. The Commercial Improvement Program (CIP) offers to reimburse 20% of the cost of an improvement project up to \$10,000.00. \$100,000.00 has been set aside for the CIP in the FY10 budget. All future program disbursements are subject to funding availability.

Potential projects to be considered could include but are not limited to interior remodel, improved signage and façade improvements. If the structure needs to be razed, up to 40% of the cost could be reimbursed.

Candidate buildings for the Commercial Improvement Program should be located in commercial corridors within the city limits of Kerrville and any commercial corridor located in Kerr County in a highly visible location.

The following guidelines would apply and are subject to City Council approval:

1. Grants to be made to improve or demolish an existing commercial structure in Kerr County.
2. Grant limited to reimbursement of 20% of improvement cost or 40% of demolition cost up to a maximum of a \$10,000 grant.
3. Grant to be funded as a reimbursement of a percentage of the actual cost after completion.
4. Applicants buying materials locally and using local labor will be given priority.
5. Project to be completed within 90 days from the date the grant is awarded.
6. Conflict of interest rules apply.
7. Considered a pilot program and reserve the right to reject any proposal.
8. Successful applicants agree to appropriate publicity upon completion of a project.

Application

The City of Kerrville will accept applications for projects at any time. Applications will not be considered until complete. Applicants must be available to present projects at an Economic Improvement Corporation board meeting. Eligible projects can be projects within the city limits of Kerrville and within Kerr County. All projects outside the Kerrville city limits must have approval of the governing body in which the project is to be located. Applicants may be businesses, individuals, the City of Kerrville, Kerr County, or Kerr Economic Development Foundation.

Initial Response Team

An initial response team (IRT) will evaluate and recommend applications based on:

1. Compliance with legal requirements (with necessary assistance from the City Attorney)
2. Funding Availability
3. Economic impact analysis results*, including a return on investment and the break even point (as affected by the extent of developer participation), job creation impact, and impact on the tax base
4. Verification of all documents, reports, statements
5. Project status; for example, projects already under construction

The initial response team will consist of the City Manager, Director of Business Programs, and the President of the Kerr Economic Development Foundation. Additional members of staff may be added to the initial response team where appropriate depending on the nature and location of the project.

Upon review of the application and support documents, the initial response team will make a recommendation to the Economic Improvement Corporation. The initial response team will then notify the applicant of the next available Economic Improvement Corporation board meeting for a project presentation.

The Economic Improvement Corporation may direct a public hearing to be scheduled and a funding agreement to be drafted. The EIC and the Kerrville City Council must both approve the funding agreement.

04.06.10

DRAFT

I HAVE SOME IDEAS WE HAVE NOT DISCUSSED.

1. SUGGEST LIMITS OF \$2,000 MINIMUM GRANT FOR A \$10,000 PROJECT UP TO A \$10,000 GRANT FOR A \$50,000 OR GREATER PROJECT. REIMBURSEMENT TO BE 20% OF ACTUAL COST OF EITHER DEMOLITION, RENOVATION OR A COMBINATION OF THE TWO.
2. APPLICATION MUST BE MADE PRIOR TO START OF THE PROJECT. AFTER APPLICATION, THE PROJECT CAN BE STARTED BUT THERE IS NO GUARANTEE IT WILL BE APPROVED. PROJECT MUST BE FINALIZED WITHIN 90 DAYS OF APPROVAL OF GRANT.
3. FUNDING IS BY REIMBURSEMENT OF ACTUALLY EXPENSE OF THE COMPLETED PROJECT. IN KIND OR "SWEAT EQUITY" LABOR TO BE VALUED AT \$20 PER HOUR TO FIGURE VALUE AND NOT TO EXCEED 50% OF THE PROJECT COST.
4. PROPERTY MUST EITHER BE COMMERCIAL OR MULTI-FAMILY TO QUALIFY.
5. PROPERTY MUST BE LOCATED IN KERR COUNTY.
6. USE OF LOCAL LABOR AND PURCHASE OF MATERIALS LOCALLY IS ENCOURAGED.
7. GRANT CAN BE MADE TO THE OWNER OR LESSOR BECAUSE UNDER MANY LEASES THE TENANT PAYS FOR ALL UPKEEP OF THE PROPERTY. GRANTS TO LESSORS REQUIRE OWNER'S APPROVAL.
8. USE SIMPLIFIED APPLICATION FORM. NO NEED TO ESTABLISH FINANCIAL RESPONSIBILITY BECAUSE THEY DEMONSTRATE THAT BY PAYING FOR THE WORK BEFORE WE FUND THE REIMBURSEMENT. APPLICATION NEEDS TO INCLUDE:
 - A. NAME OF APPLICANT:
ADDRESS AND PHONE #
OWNER____LESSOR_____
 - B. PROPERTY ADDRESS:
 - C. SCOPE OF WORK IN PROJECT
 - D. ESTIMATED TOTAL COST
 - E. DESCRIBE "IN KIND" CONTRIBUTION.
 - F.CURRENT AND PROJECTED USE AND ZONING OF THE PROPERTY.
 - G. REQUESTED GRANT AMOUNT.
 - H. RENOVATION____DEMOLITION_____

IT WOULD BE NICE IF WE COULD HAVE A ONE PAGE FORM WITH NECESSARY INSTRUCTIONS ON THE BACK.

I ENVISION US VOTING TO ALLOCATE THESE FUNDS THEN EACH PROJECT WILL BE BROUGHT TO THE BOARD FOR APPROVAL OF THAT SPECIFIC PROJECT. I WOULD THINK THE APPLICATION PROCESS COULD BE COMPLETED WITH ONE APPEARANCE BEFORE THE BOARD.