KERRVILLE CITY COUNCIL AGENDA
REGULAR COUNCIL MEETING, SEPTEMBER 25, 2018, 6:00 PM
CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION:
Offered by Councilmember Delayne Sigerman.

PLEDGE OF ALLEGIANCE TO THE FLAG

1. 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.

2. VISITORS/CITIZENS FORUM:
Any citizen with business not scheduled on the agenda may speak to the City Council. Prior to speaking, each speaker must fill out the speaker request form and give it to the City Secretary. City 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.

3. CONSENT AGENDA:
These items are considered routine and can be approved in one motion unless a Councilmember asks for separate consideration of an item. It is recommended that the City Council approve the following items which will grant the Mayor or City Manager the authority to take all actions necessary for each approval:

3.A Resolution No. 39-2018 approving the budget for Kerr Emergency 9-1-1 Network for Fiscal Year 2019.

Attachments:

AB-9-1-1_Emergency_FY_2019_Budget.docx
Resolution No. 39-2018.pdf
2019 Kerr 9-1-1 Budget Overview.pdf
2019 Kerr9-1-1 Budget Summary.pdf
Kerr 9-1-1 FY2019 Proposed Budget.pdf

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

I do hereby certify that this notice of meeting was posted on the bulletin board at the City hall of the City of Kerrville, Texas, and said notice was posted on the following date and time: September 21, 2018 at 5:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Cheryl Brown
Interim City Secretary, City of Kerrville, Texas

3.B Resolution No. 40-2018 authorizing publication of notice of intention to issue certificates of obligation for the purpose of financing waterworks and sewer system improvements (Legion Lift Station and TTHM Mitigation Project)
Attachments:

AB_Publication_of_Notice_of_Intention_to_Issue_C_of_O.docx
Resolution No. 40-2018.pdf
Notice of Intention to Issue.docx
Project and funding calendar.pdf

3.C Resolution No. 36-2018 approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2018 Rate Review Mechanism filings; declaring existing rates o be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the attached settlement tariffs to be just and reasonable and in the public interest; approving an attached exhibit establishing a benchmark for pensions and retiree medical benefits; approving an attached exhibit regarding amortization of regulatory liability; requiring the Company to reimburse ACSC's reasonable ratemaking expenses; determining that this Resolution was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this Resolution to the Company and the ACSC's legal counsel.
Attachments:

AB_Atmos_Rate.docx
Resolution No. 36-2018.pdf

END OF CONSENT AGENDA

4. ORDINANCES, SECOND READING:

4.A Ordinance No. 2018-19 Designating a contiguous geographic area within the City as a Reinvestment Zone pursuant to Chapter 311 of the Texas Tax Code, to be known as "Reinvestment Zone No. One, City of Kerrville"; describing the boundaries of the Zone; creating a Board of Directors for the Zone; establishing a Tax Increment Fund for the Zone; containing findings related to the creation of the Zone; providing a date for the termination of the Zone; providing that the Zone take effect immediately upon passage of the Ordinance, providing a severability clause; and providing an effective date.
This Ordinance was approved on first reading on September 11, 2018 with a vote of 3-1 with Mayor Blackburn, Councilmembers Eychner and Sigerman voting in favor, and Councilmember Baroody voting against. Councilmember Voelkel recused himself from the discussion and vote due to a conflict of interest.
Attachments:

AB_Downtown_TIRZ_2nd_Reading_-_20180925.docx
Ordinance_No._2018-19.pdf

4B. Ordinance No. 2018-15 amending the City's "Zoning Code" by amending article 11-I-3 "Definitions and Interpretations of Words and Phrases" and Articles 11-1-4 through 11-1-11 to amend the land use tables for various zoning districts to add "Parking Structure" and "Parking Lot, Stand Alone", as uses that are either permitted by right or as a conditional use within each specified district; containing a cumulative

clause; containing a savings and severability clause; providing for a maximum penalty or fine of Two Thousand Dollars ($2000.00); and ordering publication.
This Ordinance was approved on first reading on September 11, 2018 with a vote of 4-1, with Mayor Blackburn, Councilmembers Eychner, Sigerman and Voelkel voting in favor, and Councilmember Baroody voting against.
Attachments:

AB_CUP_for_parking-zoning_code_amendment_2nd_read.docx
Ordinance No. 2018-15.pdf

4.C Ordinance No. 2018-20 amending the City's "Zoning Code" by changing the Zoning District for property out of the William Watt Survey No. 65, Abstract No. 364, and the William Watt Survey No. 66, Abstract No. 365, specifically Lots 1 through 6 and Lots 22-34, which make up a portion of Comanche Trace, Phase 13, a subdivision within the City of Kerrville, Kerr County, Texas, and more commonly known as those lots addressed as 3001 through 3011 and 2002 through 2024 Club House Drive and 1001 Comanche Hills; by removing the area from a Planned Development Zoning District (PDD) and an "R-1" single Family Residential Zoning District and placing it within a Residential Cluster Zoning District; containing a cumulative clause; containing a savings and severability clause; providing for a maximum penalty or fine of Two Thousand Dollars ($2000.00); ordering publication; and providing other matters relating to the subject.
This Ordinance was approved on first reading on September 11, 2018 with a unanimous vote of 5-0.
Attachments:

AB_ComancheTrace13-RC_2nd_read.docx
Ordinance 2018-20.pdf
2018-062 - Comanche Trace Phase 13 - Location Map.pdf
CTPh13 Villas-DEVELOPMENT SITE PLAN-180228.pdf
Final Plat_Recorded_06.22.18.pdf

4.D Ordinance No. 2018-16 amending the City's "Zoning Code" by changing the Zoning District for Lots 52, 53, and 54, Block 14, the Parsons Addition, a subdivision within the City of Kerrville, Kerr County, Texas, and more commonly known as 213, 215, and 221 West Barnett Street; by removing the area from the "R1A" Residential Zoning District and placing it within the 11C Zoning District; containing a cumulative clause; containing a savings and severability clause; providing for a maximum penalty or fine of Two Thousand Dollars ($2000.00); ordering publication; and providing other matters relating to the subject.
This Ordinance was approved on the first reading on September 11, 2018 with a unanimous vote of 5-0.
Attachments:

AB_213-221_Barnett_11-C.docx
Ordinance No. 2018-16.pdf
Location Map.pdf
aerial map.pdf
Project Summary.pdf
Exterior Views.pdf
support-letters-20180501.pdf

Opposing Letter.pdf

5. ORDINANCE, FIRST READING

5.A Ordinance No. 2018-22 amending in part Ordinance No. 99-18, as amended by adopting revised rate schedules for residential services, miscellaneous services, charges, distributed generation rider, power cost adjustment factor rider, outdoor area lighting, and a new community solar LMI household rider; containing a cumulative clause; containing a savings and severability clause; and establishing an effective date.

Attachments:

AB_First_Reading_KPUB_Rates.docx
Ordinance No. 2018-22.pdf
KPUB Fee Resolution.pdf
KPUB Economic Development Rate.pdf
KPUB Proposed Fee Schedule.pdf
KPUB Rate Design Study.pdf
KPUB Cost of Service Study.pdf
KPUB Rate Increase Presentation.pdf

6. CONSIDERATION AND POSSIBLE ACTION:

6.A Amendments to City Council Procedural Rules for Meetings.

Attachments:

AB_Procedural_Rules_for_Meetings.docx
ProceduralRulesforMeetings_091918 DRAFT redlined.docx

6.B Professional Service Agreement with Kimley Horn to update the City of Kerrville Zoning Ordinance, Zoning Map, Subdivision Ordinance, and key development standards.

Attachments:

AB_Kimley_Horn_PSA_Code_Development_20180925.docx
Kimley Horn PSA.pdf

6.C Administrative Services Contract between City of Kerrville, Texas and City of Kerrville, Texas Economic Improvement Corporation.

Attachments:

AB_EIC_City_Admin_Svc_Agmt_20180925.docx
Administrative Services Contract COK-EIC 2019.pdf

6.D City of Kerrville Funding Agreement with Kerr Economic Development Corporation.

Attachments:

AB_KEDC_City_Funding_Agmt_20180925.docx
Funding Agreement KEDC and COK.pdf

6.E Approval of an Economic Development Grant Agreement between Kerr Economic Development Corporation and the City of Kerrville, Texas Economic Improvement Corporation.

Attachments:

AB_EIC_KEDC_Grant_Agmt_20180925.docx
Grant Agreement EIC-KEDC 2019.pdf

7. INFORMATION & DISCUSSION:

Presentations will be limited to ten (10) minutes with questions from City Council to follow at the conclusion of the presentation.

7.A Financial update for the month ended August 31, 2018.

Attachments:

AB_Financial_Update_8-31-18.docx
August 2018 financial summary.pdf
August 2018 financial graphs.pdf

8. BOARD APPOINTMENTS.

8.A Appointment of an alternate to the Kerrville Youth Advisory Committee.

Attachments:

AB_KYAC_appointment 9-25-18.docx
Kerrville Youth Advisory Committee.docx

9. CITY MANAGER'S REPORT

No questions or discussion may occur without an item being specifically posted.

10. ITEMS FROM CITY COUNCIL FOR FUTURE AGENDAS:

11. EXECUTIVE SESSION:

City Council may, as permitted by law, adjourn into executive session at any time to discuss any matter listed above 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/officers), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code.

12. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY

ADJOURNMENT.

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

SUBJECT: Resolution No. 39-2018 approving the budget for Kerr Emergency 9-1-1 Network for Fiscal Year 2019.

AGENDA DATE OF: 9/25/2018 **DATE SUBMITTED:** 9/14/2018

SUBMITTED BY: Chief David Knight

EXHIBITS: Resolution No. 39-2018
Proposed Kerr Emergency 9-1-1 Network Budget, Fiscal Year 2019
Preliminary Project and Financing Plan

AGENDA MAILED TO: Mark Del Toro, Kerr Emergency 9-1-1 Network, 819 Water Street, Suite 270, Kerrville, TX 78028

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?		**Yes:** ☐	**No:** ☒
Key Priority Area	N/A		
Guiding Principle	N/A		
Action Item	N/A		

SUMMARY STATEMENT:

The City has received the proposed Fiscal Year 2019 for the Kerr Emergency 9-1-1 Network. The Fiscal Year 2019 proposed operating budget totals $458,000.00 as compared to $400,000.00 in Fiscal Year 2018, for an overall increase of 14.50%. The change in operational costs can be attributed to increases in health care insurance costs and upgrading IP call handling technology for 9-1-1 calls into the dispatch center. There is a revenue increase attributed to a 9-1-1 service fee increase.

The Texas Health and Safety Code, Subchapter D, The Emergency Telephone Number Act requires the 9-1-1 Board to present to the governing body of the participating jurisdictions (cities) and to the county commissioners' court no later than 45 days prior to the date the budget is adopted. The participating jurisdictions shall review the proposed budget and submit any comments regarding the budget to the 9-1-1- Board. The budget must be approved by a majority of the participating jurisdictions. If no action is taken on the proposed budget before the 1st day after the proposed budget is received, the budget is approved by operation of law. The city received the proposed 9-1-1 budget on August 30, 2018.

RECOMMENDED ACTION:

Approve Resolution No. 39-2018.

CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 39-2018

A RESOLUTION APPROVING THE BUDGET FOR KERR EMERGENCY 9-1-1 NETWORK FOR FISCAL YEAR 2019

WHEREAS, in accordance with Section 772.309 of the Texas Health and Safety Code, the Executive Director of the Kerr Emergency 9-1-1 Network has prepared and presented to the City Council a budget for the Network's fiscal year commencing January 1, 2019; and

WHEREAS, the City Council of the City of Kerrville, Texas, finds it to be in the public interest to approve said budget;

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

The City Council of the City of Kerrville, Texas, approves the 2019 Fiscal Year Budget for the Kerr Emergency 9-1-1 Network as presented and set forth in **Exhibit A**.

PASSED AND APPROVED ON this the ____ day of _____, A.D., 2018.

_____
Bill Blackburn, Mayor

APPROVED AS TO FORM:

_____
Michael C. Hayes, City Attorney

ATTEST:

_____
Cheryl Brown, Interim City Secretary

T:\Legal\POLICE\Reso\911 Budget-2019_091918.docx

2019 Proposed Budget Highlights

1. Budget Highlights:

    a. Balanced budget
    b. Gross income increases $58,000.00 compared to FY 2018.
    c. Enhanced 911 network, selective routing, wireline & wireless location/technology, and PSAP operation expenses of $134,160.00 vs $98,160 from 2018. We are looking to add a new IP call handing technology that will be replacing the current method of receiving 9-1-1 calls into the dispatch center. This new technology will add approximately $45,000 to the 9-1-1 Operations portion of the budget. This will be an annually recurring cost, thus the reason for the 9-1-1 service rate increase from $0.50 to $0.75 per month per telephone number.

    d. Overall Employee overhead expense increase of 5.35% or $9,153.00 due to health insurance rate increase.

        i. Executive Director salary remains unchanged from last year. $65,000.00
        ii. GIS Manager salary remains unchanged from last year. $51,000.00

    e. 9-1-1 surcharge rate increased for all classes of wireline service from $0.50 per month to $0.75 per month.
    f. Kerr 9-1-1 is anticipating capital expenditures of approximately $367,500 for 2019. There will be a total PSAP overhaul mid to late 2019, and we are replacing our outdated microwave network that provides network redundancy to the 9-1-1 system.

2. Vision for 2019:
    a. Continued 9-1-1 sign sales.
    b. Continued 9-1-1 public education.

819 Water Street, Suite 270, Kerrville, Texas 78028 (830) 792-5911 Phone (830) 792-5923 Fax
Email: kerr911@ktc.com Website: www.kerr911.org

Subject: Proposed 2019 Budget Summary 08/30/2018

1. 100 Revenue. Estimated Net Income: $458,000.00 based on an overall increase of 14.50% from 2018's income projection. The change in revenue is attributed to projected increases in all wireline revenue classes due to 9-1-1 service fee increase.

2. 200 Payroll. Payroll expenses include no salary increase for current staff members, and a 24.13% increase in health care insurance costs. Health care costs increased 13% for the last 6 months of 2018, and we are anticipating another increase for the last 6 months of 2019 as well. Payroll overhead includes staff salaries, payroll taxes, retirement account contributions, employee life insurance and Texas Workforce Commission unemployment insurance costs. There is a $9,153.00, or 5.35% projected increase in costs compared to last year.

3. 300 Operations (PSAP/Call Centers). This expense category includes all operation and maintenance expenses for the Public Safety Answering Point (911 backroom server / telephony equipment / software) and the two call centers (KPD & KCSO). Our expenses are projected to increase $36,000.00 or 36.67% due to implementing the new IP network for 9-1-1 call handling.

4. 400 Direct Services. Over all Direct Services will have a net zero change. There are minor adjustments to line items within the category, but none that affect the bottom line. Direct services include office supplies, office equipment repair/replacement, district liability insurance, staff professional training, office space lease, attorney, CPA, auditor, and other profession service expenses and banking fees.

5. 500 Miscellaneous. Misc. expenses are projected to increase by $647.00 or 1.89% in 2019. Misc. expenses include Aerial Imagery costs, dues and subscriptions, public education / advertising, Texas 911 Alliance meetings and NENA/APCO conferences.

6. 600: Discretionary: This category has been brought back for 2019. Kerr Area Rural Fire Association (KARFA) had submitted a request in the amount of $2,200.00 to help fund the volunteer responder notification system.

7. 700: PSAP Equipment Replacement Fund: This category will be increased to $50,000 per year to fund the PSAP capital replacement account. The capital replacement fund is utilized for PSAP upgrades.

Capital Considerations: The capital cash account will have an estimated balance in of $588,600.00 at the end of 2018 from nominal interest and scheduled PSAP Equipment Replacement Fund transfers. We expect our end-of-2019 capital balance to be in the neighborhood of $273,350.00.
This final figure includes all capital expenses and revenue of $52,250.00. The primary source of revenue is from "planned" operating funds transfers and 9-1-1 sign sales cost-recovery.

9-1-1 Emergency Service Fee: The Texas Health and Safety Code – Chapter 772.314 (d): *The board shall set the amount of the fee each year as part of the annual budget.*

For the 2019 budget, Kerr 9-1-1 will adopt the service fee of $0.75 per month for all classes of service (Residential, Business, Trunk, VOIP).

Vision for 2019:

1. Continued 9-1-1 sign sales.
2. Continued 9-1-1 public education.

Conclusions:

1. The 2019 proposal is a balanced budget.

2. This budget adequately addresses the expected operating needs of our district in providing state-of-the-art 9-1-1 workstations/software and to continue our efforts to enhance and maintain our 9-1-1 connectivity as well as maintaining our Geographic Information Systems (GIS).

3. Our district's vision and public-funds stewardship is based firmly in the state and local government codes, guided by conservative spending and liberal savings policies.

4. Kerr 9-1-1 Board of Managers Budget approval date: 07/19/2018

Mark Del Toro
Executive Director
Kerr Emergency 9-1-1 Network

Kerr Emergency 911 Network
2019 Operating Budget
Proposed

		2018	2019 Proposed	Delta	% Change
100 - Revenue					
	101 - Local 911 Service	**110,000.00**	**147,000.00**	37,000.00	33.64%
	105 - Wireless Emergency Income	**260,000.00**	**262,000.00**	2,000.00	0.77%
	110 - VoIP Service Fees	**27,000.00**	**44,000.00**	17,000.00	62.96%
	120 - Interest Income	**3,000.00**	**5,000.00**	2,000.00	66.67%
Total 100 - Revenue		**400,000.00**	**458,000.00**	58,000.00	14.50%
200 · Payroll Expense					
	210 · Salary	**116,000.00**	**116,000.00**	0.00	0.00%
	212 · Payroll Taxes	**9,280.00**	**9,280.00**	0.00	0.00%
	213 · Medical Insurance Expense	**40,280.00**	**50,000.00**	9,720.00	24.13%
	214 · TCDRS Expense Company	**5,302.00**	**4,735.00**	-567.00	-10.69%
	215 - TCDRS OTLI	**200.00**	**200.00**	0.00	0.00%
	225 · Texas Workforce Commission	**100.00**	**100.00**	0.00	0.00%
	230 · Excess Vacation Payout	**0.00**	**0.00**	0.00	#DIV/0!
Total 200 · Payroll Expense		**171,162.00**	**180,315.00**	9,153.00	5.35%
300 · Operations (PSAP)					
	315 - 911 Call Taker Training	**10,000.00**	**8,000.00**	-2,000.00	-20.00%
	320 - Wireless Phase I & II Contracts	**16,000.00**	**10,000.00**	-6,000.00	-37.50%
	321 - AT&T Wireless Tariff	**1,910.00**	**1,910.00**	0.00	0.00%
	332 - ALI Service Charge	**18,000.00**	**18,000.00**	0.00	0.00%
	331 - Text to 9-1-1 Charges	**5,000.00**	**4,000.00**	-1,000.00	-20.00%
	335 - ALI MPLS	**8,500.00**	**8,500.00**	0.00	0.00%
	337 - AT&T SR Fees	**4,500.00**	**4,500.00**	0.00	0.00%
	340 - ESInet Charge	**0.00**	**45,000.00**	45,000.00	#DIV/0!
	350 - PSAP Trunk Charges	**22,000.00**	**22,000.00**	0.00	0.00%
	355 · Language Translation Services	**500.00**	**500.00**	0.00	0.00%
	357 - PSAP Fiber KPD/KCSO	**2,000.00**	**2,000.00**	0.00	0.00%
	366 - Wireless Redundancy MRC	**750.00**	**750.00**	0.00	0.00%
	370 · PSAP Repairs & Maintenance	**9,000.00**	**9,000.00**	0.00	0.00%
Total 300 · Operations (PSAP)		**98,160.00**	**134,160.00**	36,000.00	36.67%
400 · Direct Services					
	410 · Office Supplies	**2,000.00**	**2,000.00**	0.00	0.00%
	412 · Office Equipment & Repairs	**3,000.00**	**4,000.00**	1,000.00	33.33%
	420 · Liability Insurance	**3,000.00**	**3,000.00**	0.00	0.00%
	430 · Professional Development	**3,500.00**	**3,000.00**	-500.00	-14.29%
	440 · Rent	**28,500.00**	**29,000.00**	500.00	1.75%
	450 · Professional Fees	**16,000.00**	**15,000.00**	-1,000.00	-6.25%
	460 · Postage & Delivery	**400.00**	**400.00**	0.00	0.00%
	490 · Bank Service Charges	**100.00**	**100.00**	0.00	0.00%
Total 400 · Direct Services		**56,500.00**	**56,500.00**	0.00	0.00%
500 · Miscellaneous					
	502 · Pictometry Annual Payment	**10,000.00**	**10,000.00**	0.00	0.00%
	510 · Awards & Honorariums	**500.00**	**400.00**	-100.00	-20.00%
	520 · Dues & Subscriptions	**678.00**	**425.00**	-253.00	-37.32%
	530 · Public Education & Advertising	**4,000.00**	**4,000.00**	0.00	0.00%
	550 · Telecommunications	**8,000.00**	**8,000.00**	0.00	0.00%
	560 · Sundry	**2,000.00**	**2,000.00**	0.00	0.00%
	570 - Texas 911 Alliance Meetings	**5,000.00**	**6,000.00**	1,000.00	20.00%
	575 - Nena/APCO Conferences	**4,000.00**	**4,000.00**	0.00	0.00%
Total 500 · Miscellaneous		**34,178.00**	**34,825.00**	647.00	1.89%
600 - Discretionary	**630 - VFD Paging Service**	**0.00**	**2,200.00**	2,200.00	#DIV/0!
Total 600 - Discretionary		**0.00**	**2,200.00**	2,200.00	#DIV/0!
700 - PSAP Equipment Repacement Account					
	710 - Operating to Capital Fund Transfer	**40,000.00**	**50,000.00**	10,000.00	25.00%
Total 700 - PSAP Equipment Repacement Account		**40,000.00**	**50,000.00**	10,000.00	25.00%
Annual Budget Totals		**400,000.00**	**458,000.00**	58,000.00	14.50%
Net Income		**400,000.00**	**458,000.00**	58,000.00	14.50%
Projected Budget Surplus/Deficit		***0.00***	***0.00***	0.00	#DIV/0!

Kerr Emergency 911 Network
2019 Cap. Budget Proposed

2019 Budget Capital Account		Proposed	Comments
Capital Expenses - 800			
	804 - Sign Materials	$2,500.00	Sign Blanks and Vinyl
	801 - PSAP/Call Center Upgrade	$325,000.00	
	888 - Misc PSAP Upgrade	$40,000.00	
Total - 800		**$367,500.00**	
Capital Income - 900			
	901 - Sign Sales (Recovery)	$2,250.00	90% Recovery
	902 - Equipment Replacement Fund Transfers	$50,000.00	
Total - 900		**$52,250.00**	
2019 Starting Capital Balance (Est.)		**$588,600.00**	
2019 Net Capital Expenses		**$367,500.00**	
2019 Net Capital Income		**$52,250.00**	
Projected End-of-2019 Capital Account Balance		**$273,350.00**	

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

SUBJECT: Resolution authorizing publication of notice of intention to issue certificates of obligation for the purpose of the financing waterworks and sewer system improvements

AGENDA DATE OF: 9/25/2018 **DATE SUBMITTED:** 9/19/2018

SUBMITTED BY: Amy Dozier, CFO

EXHIBITS: Resolution 40-2018
Notice of Intention to Issue Combination Tax and Revenue Certificates of Obligation
Project and funding calendar

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: n/a

Kerrville 2050 Item?	Yes: ☐	No: ☒
Key Priority Area	N/A	
Guiding Principle	N/A	
Action Item	N/A	

SUMMARY STATEMENT:

The Texas Water Development Board (TWDB) approved the City's financial assistance applications for debt funding related to the Legion Lift Station and TTHM mitigation projects on September 12, 2018.

The debt for each project will be issued as a certificate of obligation series that is purchased by direct placement by TWDB. Accordingly, we will follow steps prescribed by Texas Local Government Code Section 271 to issue certificates of obligation which include:

1. **9/25/18** - Resolution authorizing publication of a notice of intention to issue certificates of obligation
2. **10/3/18** – First publication of Notice of Intent to Issue Certificates of Obligation
3. **10/10/18** – Second publication of Notice of Intent to Issue Certificates of Obligation
4. **11/6/18** – Interest rates set by TWDB (current rates are 1.89% for TTHM project, 1.94% for Legion Lift Station project; pro forma calculations assumed 2.25%)
5. **11/13/18** – Ordinances authorizing the order of bonds purchased by direct placement by TWDB. There will be a separate ordinance for each certificate of obligation series. Per state law, the ordinances require one reading only.
6. **12/6/18** – Closing

Please note that the publication includes a "not to exceed" amount that matches our TWDB applications ($8 million for the Legion Lift Station Project, $5.0 million for the

TTHM Mitigation project). We anticipate that the actual issuances will be lower than these amounts. The ordinances will state the actual issuance amount.

RECOMMENDED ACTION:

Approve Resolution No. 40-2018.

CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 40-2018

A RESOLUTION AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION FOR THE PURPOSE OF FINANCING WATERWORKS AND SEWER SYSTEM IMPROVEMENTS

WHEREAS, the City Council of the **CITY OF KERRVILLE, TEXAS** (the "***City***") hereby determines that it is necessary and desirable to plan, acquire, construct, and equip extensions and improvements to the City's waterworks and sewer system, including improvements to address standards related to total trihalomethanes (TTHM) within the water system and the construction and equipping of a new lift station within the sanitary sewer system known generally as the "Legion Lift Station" and related improvements to replace an existing lift station (collectively, the "***Projects***"), which will be funded through the Drinking Water State Revolving Fund, the Clean Water State Revolving Fund or other financial assistance programs managed by the Texas Water Development Board; and

WHEREAS, the City Council of the City intends to finance the Projects from proceeds derived from the sale of one or more a series of *Combination Tax and Revenue Certificates of Obligation* issued by the City pursuant to Sections 271.041-271.064, Texas Local Government Code, as amended; and

WHEREAS, pursuant to Section 271.049, Texas Local Government Code, the City Council deems it advisable to give notice of intention to issue one or more series of certificates of obligation in an amount not to exceed an aggregate of **$13,000,000.00** in principal amount for the purpose of paying, in whole or in part, the Projects, to pay all or a portion of the legal, fiscal, and engineering fees in connection with the Projects, and to pay the costs of issuance related to the certificates of obligation; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code;

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

SECTION ONE. Approval of Notice of Intention. Attached hereto is a form of the "Notice of Intention to Issue Combination Tax and Revenue Certificates of Obligation," the form and substance of which is hereby adopted and approved.

SECTION TWO. Authorization to Publish Notice of Intention. The City Secretary shall cause said notice to be published in substantially the form attached hereto in a newspaper, as defined in Section 2051.044, Texas Government Code, that is of general circulation in the area of the City, on the same day in each of two consecutive weeks, the date of the first publication thereof to be at least 31 days before the date tentatively set for the passage of the ordinance authorizing the issuance of such certificates of obligation as shown in said notice. The City Manager and the Finance Director are each authorized to make changes to said Notice as necessary prior to its publication.

SECTION THREE. Incorporation of Recitals. City Council hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and City Council hereby incorporates such recitals as a part of this Resolution.

SECTION FOUR. Effective Date. This Resolution shall become effective immediately upon passage.

PASSED AND APPROVED ON this the _____ day of _____, A.D., 2018.

_____
Bill Blackburn, Mayor

APPROVED AS TO FORM:

_____
Michael C. Hayes, City Attorney

ATTEST:

_____
Cheryl Brown, Interim City Secretary

CERTIFICATE FOR RESOLUTION

STATE OF TEXAS §
COUNTY OF KERR §
CITY OF KERRVILLE §

I, the undersigned City Secretary of the **CITY OF KERRVILLE, TEXAS** (the "***City***"), hereby certify as follows:

1. The City Council of the City (the "***City Council***") convened in Regular Meeting on September 25, 2018, at the designated meeting place (the "***Meeting***"), and the roll was called of the duly constituted officers and members of the City Council, to-wit:

Bill Blackburn, Mayor
Vincent C. Voelkel, Councilmember, Place One
George Baroody, Councilmember, Place Two
Judy Eychner, Councilmember, Place Three
Delayne Sigerman, Councilmember, Place Four

and all of said persons were present, except the following absentees: , thus constituting a quorum. Whereupon, among other business, the following was transacted at the Meeting: a written

RESOLUTION AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION FOR THE PURPOSE OF FINANCING WATERWORKS AND SEWER SYSTEM IMPROVEMENTS

(the "***Resolution***") was duly read. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed, and carried by the following vote:

AYES: _____ NOES: _____ ABSTENTIONS: _____

2. A true, full, and correct copy of the Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; the Resolution has been duly recorded in the City Council's minutes of the Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the City Council's minutes of the Meeting pertaining to the adoption of the Resolution; the persons named in the above and foregoing paragraph are the duly

chosen, qualified, and acting officers and members of the City Council as indicated therein; each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting, and that the Resolution would be introduced and considered for adoption at the Meeting; and the Meeting was open to the public, and public notice of the time, place, and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code.

Signed and sealed the 25th day of September, 2018.

_____

City Secretary, City of Kerrville, Texas

(Seal)

CITY OF KERRVILLE, TEXAS
NOTICE OF INTENTION TO ISSUE
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION

The City Council of the City of Kerrville, Texas (the "City") does hereby give notice of intention to issue one or more series of *City of Kerrville, Texas Combination Tax and Revenue Certificates of Obligation* in the maximum aggregate principal amount not to exceed $13,000,000 for the purpose of paying, in whole or in part, contractual obligations to plan, acquire, construct and equip extensions and improvements to the City's waterworks and sewer system, including improvements to address standards related to total trihalomethanes (TTHM) within the water system and the construction and equipping of a new lift station within the sanitary sewer system known generally as the "Legion Lift Station" and related improvements to replace an existing lift station (collectively, the "Projects"), and for paying all or a portion of the legal, fiscal and engineering fees in connection with the Projects and the costs of issuance related to such Certificates of Obligation. The City proposes to provide for the payment of such Certificates of Obligation from the levy and collection of ad valorem taxes in the City within the limits provided by law and from a lien on and pledge of "Surplus Revenues" received by the City from the ownership and operation of the City's waterworks and sewer system. The City Council proposes to authorize the issuance of such Certificates of Obligation at 6:00 p.m. on Tuesday, November 13, 2018, at a Regular Meeting, at the City Hall, Kerrville, Texas.

Cheryl Brown
City Secretary
City of Kerrville, Texas

Project & Funding Calendar

Date	Activity
03/27/18	Council approves resolution authorizing TWDB funding application (Legion Lift)
04/20/18	Legion Lift funding application submitted to TWDB
04/24/18	Council approves resolution authorizing TWDB funding application (TTHM)
06/12/18	Council approves $2M EIC funding agreement for Legion Lift
06/22/18	TTHM funding application submitted to TWDB
09/12/18	TWDB notified City that both applications have been approved
09/25/18	Resolution authorizing publication
10/03/18	First publication of notice of intention to issue debt
10/10/18	Second publication of notice of intention to issue debt
11/06/18	TWDB sets interest rates
11/13/18	Ordinances authorizing issuance of debt
12/06/18	Debt closing
Dec 2018	Award bids - both projects
Jan 2019	Construction begins on both projects. Completion expected by end of 2019.

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

SUBJECT: Resolution No. 36-2018 approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the Company's 2018 rate review mechanism filings; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the attached settlement tariffs to be just and reasonable and in the public interest; approving an attached exhibit establishing a benchmark for pensions and retiree medical benefits; approving an attached exhibit regarding amortization of regulatory liability; requiring the Company to reimburse ACSC'S reasonable ratemaking expenses; determining that this Resolution was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this resolution to the Company and the ACSC'S legal counsel.

AGENDA DATE OF: 9/25/2018 **DATE SUBMITTED:** 9/14/2018

SUBMITTED BY: Mike Hayes
City Attorney

EXHIBITS: Resolution 36-2018, including Exhibits

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?		**Yes:** ☐	**No:** ☒
Key Priority Area	N/A		
Guiding Principle	N/A		
Action Item	N/A		

SUMMARY STATEMENT:

The following is a report from the attorneys representing the Atmos Cities Steering Committee:

I. BACKGROUND

The City, along with 171 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members earlier this year. On or about April 1, 2018, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2017, entitled it to additional system-wide revenues of $42.0 million. Application of the standards set forth in ACSC's RRM Tariff required Atmos to reduce its request to $27.4 million. After review of the consultants' report, the Company offered to settle for a system-wide increase of $25.9 million. Following further negotiations, ACSC's Executive Committee agreed to recommend a system-wide rate increase of $24.9 million. That increase when allocated to ACSC members results in an increase of $17.8 million. The Effective Date for new rates is October 1, 2018. Thus, ACSC members should take action approving the Resolution before the end of September.

II. PROOF OF REVENUES

Atmos generated proof that the rate tariffs attached to the Resolution will generate $24.9 million in additional revenues on a system-wide basis. That proof is attached as Attachment 1 to this Staff Report. ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

III. BILL IMPACT

Given the fact that ACSC demanded that Atmos reflect reduced federal income taxes in its cost-of-service, as reflected in the RRM Tariff adopted earlier this year, Atmos reduced its rates in March. The rate increase associated with the Resolution is largely offset by the lowered federal income tax rates, such that out-of-pocket expense to consumers should be roughly the same under new rates as what was experienced by consumers last winter. A bill impact comparison is attached as Attachment 2.

IV. SUMMARY OF ACSC'S OBJECTION TO THE UTILITIES CODE SECTION 104.301 GRIP PROCESS

ACSC strongly opposed the GRIP process because in constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission's review of annual GRIP filings or allow recovery of Cities' rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC's view, the GRIP process unfairly raises customers' rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

V. EXPLANATION OF "BE IT RESOLVED" PARAGRAPHS

1. This section approves all findings in the Resolution.
2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.
3. This section finds that existing rates are unreasonable. Such finding is a necessary predicate to establishment of new rates. The new tariffs will permit Atmos Mid-Tex to recover an additional $24.9 million on a system-wide basis. Settling Cities will be responsible for $17.8 million of the $24.9 million.
4. This section approves an exhibit that establishes a benchmark for pensions and retiree medical benefits to be used in future rate cases of RRM filings.
5. This section approves an exhibit to be used in future rate cases of RRM filings regarding recovery of regulatory liabilities, such as excess deferred income taxes.
6. This section requires the Company to reimburse the City for expenses associated with review of the RRM filing, settlement discussion, and adoption of the Resolution approving new rate tariffs.
7. This section repeals any resolution that is inconsistent with the Resolution.
8. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
9. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that fining shall not affect, impair, or invalidate the remaining provisions of this Resolution. This section further directs that the remaining provisions of the Resolution are to be interpreted as if the offending section of clause never existed.
10. This section provides for an effective date upon passage.
11. This section directs that a copy of the signed Resolution be sent to a representative of the Company and legal counsel for ACSC.

VI. CONCLUSION

The Legislature's GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more

efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex's claim that is historic cost of service should entitle it to recover $42 million in additional system-wide revenues, the RRM settlement at $24.9 million reflects savings of $17.1 million. ACSC's consultants produced a report indicating that Atmos had justified increased revenues of at least $21.7 million. Settlement at $24.9 million is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Resolution before September 30, 2018. New rates become effective October 1, 2018.

RECOMMENDED ACTION:

Approve Resolution 36-2018.

CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 36-2018

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERRVILLE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2018 RATE REVIEW MECHANISM FILINGS; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL

WHEREAS, the City of Kerrville, Texas ("City") is a gas utility customer of Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), and a regulatory authority with an interest in the rates and charges of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee ("ACSC"), a coalition of similarly-situated cities served by Atmos Mid-Tex ("ACSC Cities") that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a new Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program ("GRIP") process instituted by the Legislature, and that will establish rates for the

ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the RRM tariff was adopted by the City in a rate ordinance earlier this year; and

WHEREAS, on about April 1, 2018, Atmos Mid-Tex filed its 2018 RRM rate request with ACSC Cities based on a test year ending December 31, 2017; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2018 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of $24.9 million on a system-wide basis ($17.8 million of which is applicable to ACSC members); and

WHEREAS, the attached tariffs (**Exhibit A**) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the **Exhibit A** rate tariffs incorporate the federal income tax rates that became effective January 1, 2018; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (**Exhibit B**); and

WHEREAS, the settlement agreement establishes an amortization schedule for regulatory liability (**Exhibit C**); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

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

SECTION ONE. The findings set forth in this Resolution are hereby in all things approved.

SECTION TWO. The City Council finds that the settled amount of an increase in revenues of $24.9 million on a system-wide basis represents a comprehensive

settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2018 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

SECTION THREE. The existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as **Exhibit A**, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional $24.9 million in revenue on a system-wide basis over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

SECTION FOUR. The ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on **Exhibit B**, attached hereto and incorporated herein.

SECTION FIVE. Amortization of regulatory liability shall be consistent with the schedule found in attached **Exhibit C**, attached hereto and incorporated herein.

SECTION SIX. Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2018 RRM filing.

SECTION SEVEN. To the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

SECTION EIGHT. The meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

SECTION NINE. If any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

SECTION TEN. Consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2018.

SECTION ELEVEN. A copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex

Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED ON this the _____ day of _____ A.D., 2018.

_____
Bill Blackburn, Mayor

APPROVED AS TO FORM:

_____
Michael C. Hayes, City Attorney

ATTEST:

_____
Cheryl Brown, Interim City Secretary

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MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	**R – RESIDENTIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 12**

Application
Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	$ 18.85 per month
Rider CEE Surcharge	$ 0.03 per month[1]
Total Customer Charge	$ 18.88 per month
Commodity Charge – All Ccf	$0.14846 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

[1]Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2018.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	**C – COMMERCIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 13**

Application
Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	$ 43.50 per month
Rider CEE Surcharge	$ (0.03) per month[1]
Total Customer Charge	$ 43.47 per month
Commodity Charge – All Ccf	$ 0.09165 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

[1] Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2018.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 14**

Application
Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	$ 784.00 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.3312 per MMBtu
Next 3,500 MMBtu	$ 0.2425 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.0520 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee
Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index
In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 15**

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions
In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 16**

Exhibit A

The rates were effective for the following Cities on **3/15/2018**:

ABILENE
ADDISON
ALBANY
ALLEN
ALVARADO
ANGUS
ANNA
ARGYLE
ARLINGTON
AUBREY
AZLE
BEDFORD
BELLMEAD
BENBROOK
BEVERLY HILLS
BLOSSOM
BLUE RIDGE
BOWIE
BOYD
BRIDGEPORT
BROWNWOOD
BUFFALO
BURKBURNETT
BURLESON
CADDO MILLS
CANTON
CARROLLTON
CEDAR HILL
CELESTE
CELINA
CENTERVILLE
CISCO
CLARKSVILLE
CLEBURNE
CLYDE
COLLEGE STATION
COLLEYVILLE
COLORADO CITY
COMANCHE
COOLIDGE
COPPELL
CORINTH
CRANDALL
CROWLEY
DALWORTHINGTON GARDENS
DENISON
DENTON
DESOTO
DRAPER AKA CORRAL CITY
DUNCANVILLE
EASTLAND
EDGECLIFF VILLAGE
EMORY
ENNIS
EULESS
EVERMAN
FAIRVIEW
FARMERS BRANCH
FARMERSVILLE
FATE
FLOWER MOUND
FOREST HILL
FORNEY
FORT WORTH
FRISCO
FROST
GAINSVILLE
GARLAND
GARRETT
GRAND PARAIRIE
GRAPEVINE
GUNTER
HALTOM CITY
HARKER HEIGHTS
HASKELL
HASLET
HEWITT
HIGHLAND PARK
HIGHLAND VILLAGE
HONEY GROVE
HURST
IOWA PARK
IRVING
JUSTIN
KAUFMAN
KEENE
KELLER
KEMP
KENNEDALE
KERRVILLE
KILLEEN
KRUM
LAKE WORTH
LAKESIDE
LEWISVILLE
LINCOLN PARK (ANNEXED WITH LITTLE ELM)
LITTLE ELM
LORENA
MADISONVILLE
MALAKOFF
MANSFIELD
MCKINNEY
MELISSA
MESQUITE
MIDLOTHIAN
MURPHY
NEWARK
NOCONA
NORTH RICHLAND HILLS
NORTHLAKE
OAK LEAF
OVILLA
PALESTINE
PANTEGO
PARIS
PARKER
PECAN HILL
PETROLIA
PLANO
PONDER
POTTSBORO
PROSPER
QUITMAN
RED OAK
RENO (PARKER COUNTY)
RHOME
RICHARDSON
RICHLAND
RICHLAND HILLS
RIVER OAKS
ROANOKE
ROBINSON
ROCKWALL
ROSCOE
ROWLETT

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 17**

Cities with Rate Effective 3/15/2018 (Continued)

ROYSE CITY
SACHSE
SAGINAW
SANSOM PARK
SEAGOVILLE
SHERMAN
SNYDER
SOUTHLAKE
SPRINGTOWN
STAMFORD
STEPHENVILLE
SULPHUR SPRINGS
SWEETWATER
TEMPLE
TERRELL
THE COLONY
TROPHY CLUB
TYLER
UNIVERSITY PARK
VENUS
VERNON
WACO
WATAUGA
WAXAHACHIE
WESTLAKE
WESTOVER HILLS
WHITE SETTLEMENT
WHITESBORO
WICHITA FALLS
WOODWAY
WYLIE

The rates were effective for the following Cities on **4/01/2018**:

ABBOTT
ALBA
ALMA
ALVORD
ANNONA
ANSON
ARCHER CITY
ATHENS
AURORA
AUSTIN
AVERY
BAIRD
BALCH SPRINGS
BALLINGER
BANDERA
BANGS
BARDWELL
BARRY
BARTLETT
BARTONVILLE
BELLEVUE
BELLS
BELTON
BENJAMIN
BERTRAM
BLACKWELL
BLANKET
BLOOMING GROVE
BLUE MOUND
BLUM
BOGATA
BONHAM
BREMOND
BRONTE
BROWNSBORO
BRUCEVILLE-EDDY
BRYAN
BUCKHOLTS
BUFFALO GAP
BURNET
BYERS
CALDWELL
CALVERT
CAMERON
CAMPBELL
CARBON
CASHION COMMUNITY
CEDAR PARK
CHANDLER
CHICO
CHILDRESS
CHILLICOTHE
CLIFTON
COCKRELL HILL
COLEMAN
COLLINSVILLE
COMMERCE
COMO
COOPER
COPPER CANYON
COPPERAS COVE
CORSICANA
COVINGTON
COYOTE FLATS
CRAWFORD
CROSS ROADS
CUMBY
DAWSON
DECATUR
DELEON
DEPORT
DETROIT
DODD CITY
DOUBLE OAK
DUBLIN
EARLY
ECTOR
EDOM
ELECTRA
EMHOUSE
EUSTACE
EVANT
FAIRFIELD
FERRIS
FRANKLIN
FRANKSTON
FREDERICKSBURG
GATESVILLE
GEORGETOWN
GLEN ROSE
GLENN HEIGHTS
GODLEY
GOLDTHWAITE
GOODLOW
GORDON
GOREE
GORMAN
GRANBURY
GRANDVIEW
GRANGER
GREENVILLE
GROESBECK
GUSTINE
HAMLIN
HAMILTON

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 18**

Cities with Rate Effective 4/01/2018 (Continued)

HAWLEY
HEARNE
HEATH
HEBRON
HENRIETTA
HICKORY CREEK
HICO
HILLSBORO
HOLLAND
HOLLIDAY
HOWE
HUBBARD
HUTCHINS
HUTTO
IMPACT
IREDELL
ITALY
ITASCA
JEWETT
JOSEPHINE
JOSHUA
KERENS
KNOLLWOOD
KNOX CITY
KOSSE
KURTEN
LACY-LAKEVIEW
LADONIA
LAKE DALLAS
LAKEPORT
LAMPASAS
LANCASTER
LAVON
LAWN
LEANDER
LEONA
LEONARD
LEXINGTON
LINDSAY
LIPAN
LITTLE RIVER ACADEMY
LLANO
LOMETA
LONE OAK
LONGVIEW
LORAINE
LOTT
LUEDERS
MABANK
MALONE
MANOR
MARBLE FALLS
MARLIN
MART
MAYPEARL
MCGREGOR
MCLENDON-CHISHOLM
MEGARGEL
MERIDIAN
MERKEL
MEXIA
MIDWAY
MILES
MILFORD
MILLSAP
MOBILE CITY
MOODY
MORAN
MORGAN
MUENSTER
MUNDAY
MURCHISON
NEVADA
NEW CHAPEL HILL
NEWCASTLE
NOLANVILLE
NORMANGEE
NOVICE
OAK POINT
OAKWOOD
O'BRIEN CO-OP GIN
OGLESBY
OLNEY
PALMER
PARADISE
PECAN GAP
PENELOPE
PFLUGERVILLE
PILOT POINT
PLEASANT VALLEY
POINT
POST OAK BEND
POWELL
POYNOR
PRINCETON
PUTNAM
QUANAH
QUINLAN
RANGER
RAVENNA
RENO (LAMAR COUNTY)
RETREAT
RICE
RIESEL
RIO VISTA
ROBERT LEE
ROBY
ROCHESTER
ROCKDALE
ROGERS
ROSEBUD
ROSS
ROTAN
ROUND ROCK
ROXTON
RULE
RUNAWAY BAY
SADLER
SAINT JO
SAN ANGELO
SAN SABA
SANCTUARY
SANGER
SANTA ANNA
SAVOY
SCURRY
SEYMOUR
SHADY SHORES
SOMERVILLE
SOUTH MOUNTAIN
SOUTHMAYD
STAR HARBOR
STOCKTON BEND
STRAWN
STREETMAN
SUN VALLEY
SUNNYVALE
TALTY
TAYLOR
TEAGUE
TEHUACANA
THORNDALE
THORNTON
THRALL
THROCKMORTON
TIOGA
TOCO

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 19**

Cities with Rate Effective 4/01/2018 (Continued)

TOM BEAN
TRENT
TRENTON
TRINIDAD
TROY
TUSCOLA
TYE
VALLEY MILLS
VALLEY VIEW
VAN ALSTYNE
WALNUT SPRINGS
WEINERT
WEST
WESTWORTH VILLAGE
WHITEHOUSE
WHITEWRIGHT
WHITNEY
WILMER
WINDOM
WINTERS
WIXON VALLEY
WOLFE CITY
WORTHAM
YANTIS

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 16**

Application
Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	$ 784.00 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.3312 per MMBtu
Next 3,500 MMBtu	$ 0.2425 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.0520 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees
All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees
Customer shall pay Company the greater of (i) $0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 17**

Curtailment Overpull Fee
Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index
In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement
A transportation agreement is required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions
In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 18**

Exhibit A

The rates were effective for the following Cities on **3/15/2018**:

ABILENE
ADDISON
ALBANY
ALLEN
ALVARADO
ANGUS
ANNA
ARGYLE
ARLINGTON
AUBREY
AZLE
BEDFORD
BELLMEAD
BENBROOK
BEVERLY HILLS
BLOSSOM
BLUE RIDGE
BOWIE
BOYD
BRIDGEPORT
BROWNWOOD
BUFFALO
BURKBURNETT
BURLESON
CADDO MILLS
CANTON
CARROLLTON
CEDAR HILL
CELESTE
CELINA
CENTERVILLE
CISCO
CLARKSVILLE
CLEBURNE
CLYDE
COLLEGE STATION
COLLEYVILLE
COLORADO CITY
COMANCHE
COOLIDGE
COPPELL
CORINTH
CRANDALL
CROWLEY
DALWORTHINGTON GARDENS
DENISON
DENTON
DESOTO
DRAPER AKA CORRAL CITY
DUNCANVILLE
EASTLAND
EDGECLIFF VILLAGE
EMORY
ENNIS
EULESS
EVERMAN
FAIRVIEW
FARMERS BRANCH
FARMERSVILLE
FATE
FLOWER MOUND
FOREST HILL
FORNEY
FORT WORTH
FRISCO
FROST
GAINSVILLE
GARLAND
GARRETT
GRAND PARAIRIE
GRAPEVINE
GUNTER
HALTOM CITY
HARKER HEIGHTS
HASKELL
HASLET
HEWITT
HIGHLAND PARK
HIGHLAND VILLAGE
HONEY GROVE
HURST
IOWA PARK
IRVING
JUSTIN
KAUFMAN
KEENE
KELLER
KEMP
KENNEDALE
KERRVILLE
KILLEEN
KRUM
LAKE WORTH
LAKESIDE
LEWISVILLE
LINCOLN PARK (ANNEXED WITH LITTLE ELM)
LITTLE ELM
LORENA
MADISONVILLE
MALAKOFF
MANSFIELD
MCKINNEY
MELISSA
MESQUITE
MIDLOTHIAN
MURPHY
NEWARK
NOCONA
NORTH RICHLAND HILLS
NORTHLAKE
OAK LEAF
OVILLA
PALESTINE
PANTEGO
PARIS
PARKER
PECAN HILL
PETROLIA
PLANO
PONDER
POTTSBORO
PROSPER
QUITMAN
RED OAK
RENO (PARKER COUNTY)
RHOME
RICHARDSON
RICHLAND
RICHLAND HILLS
RIVER OAKS
ROANOKE
ROBINSON
ROCKWALL
ROSCOE
ROWLETT

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 19**

Cities with Rate Effective 3/15/2018 (Continued)

ROYSE CITY
SACHSE
SAGINAW
SANSOM PARK
SEAGOVILLE
SHERMAN
SNYDER
SOUTHLAKE
SPRINGTOWN
STAMFORD
STEPHENVILLE
SULPHUR SPRINGS
SWEETWATER
TEMPLE
TERRELL
THE COLONY
TROPHY CLUB
TYLER
UNIVERSITY PARK
VENUS
VERNON
WACO
WATAUGA
WAXAHACHIE
WESTLAKE
WESTOVER HILLS
WHITE SETTLEMENT
WHITESBORO
WICHITA FALLS
WOODWAY
WYLIE

The rates were effective for the following Cities on **4/01/2018**:

ABBOTT
ALBA
ALMA
ALVORD
ANNONA
ANSON
ARCHER CITY
ATHENS
AURORA
AUSTIN
AVERY
BAIRD
BALCH SPRINGS
BALLINGER
BANDERA
BANGS
BARDWELL
BARRY
BARTLETT
BARTONVILLE
BELLEVUE
BELLS
BELTON
BENJAMIN
BERTRAM
BLACKWELL
BLANKET
BLOOMING GROVE
BLUE MOUND
BLUM
BOGATA
BONHAM
BREMOND
BRONTE
BROWNSBORO
BRUCEVILLE-EDDY
BRYAN
BUCKHOLTS
BUFFALO GAP
BURNET
BYERS
CALDWELL
CALVERT
CAMERON
CAMPBELL
CARBON
CASHION COMMUNITY
CEDAR PARK
CHANDLER
CHICO
CHILDRESS
CHILLICOTHE
CLIFTON
COCKRELL HILL
COLEMAN
COLLINSVILLE
COMMERCE
COMO
COOPER
COPPER CANYON
COPPERAS COVE
CORSICANA
COVINGTON
COYOTE FLATS
CRAWFORD
CROSS ROADS
CUMBY
DAWSON
DECATUR
DELEON
DEPORT
DETROIT
DODD CITY
DOUBLE OAK
DUBLIN
EARLY
ECTOR
EDOM
ELECTRA
EMHOUSE
EUSTACE
EVANT
FAIRFIELD
FERRIS
FRANKLIN
FRANKSTON
FREDERICKSBURG
GATESVILLE
GEORGETOWN
GLEN ROSE
GLENN HEIGHTS
GODLEY
GOLDTHWAITE
GOODLOW
GORDON
GOREE
GORMAN
GRANBURY
GRANDVIEW
GRANGER
GREENVILLE
GROESBECK
GUSTINE
HAMLIN
HAMILTON

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 20**

Cities with Rate Effective 4/01/2018 (Continued)

HAWLEY
HEARNE
HEATH
HEBRON
HENRIETTA
HICKORY CREEK
HICO
HILLSBORO
HOLLAND
HOLLIDAY
HOWE
HUBBARD
HUTCHINS
HUTTO
IMPACT
IREDELL
ITALY
ITASCA
JEWETT
JOSEPHINE
JOSHUA
KERENS
KNOLLWOOD
KNOX CITY
KOSSE
KURTEN
LACY-LAKEVIEW
LADONIA
LAKE DALLAS
LAKEPORT
LAMPASAS
LANCASTER
LAVON
LAWN
LEANDER
LEONA
LEONARD
LEXINGTON
LINDSAY
LIPAN
LITTLE RIVER ACADEMY
LLANO
LOMETA
LONE OAK
LONGVIEW
LORAINE
LOTT
LUEDERS
MABANK
MALONE
MANOR
MARBLE FALLS
MARLIN
MART
MAYPEARL
MCGREGOR
MCLENDON-CHISHOLM
MEGARGEL
MERIDIAN
MERKEL
MEXIA
MIDWAY
MILES
MILFORD
MILLSAP
MOBILE CITY
MOODY
MORAN
MORGAN
MUENSTER
MUNDAY
MURCHISON
NEVADA
NEW CHAPEL HILL
NEWCASTLE
NOLANVILLE
NORMANGEE
NOVICE
OAK POINT
OAKWOOD
O'BRIEN CO-OP GIN
OGLESBY
OLNEY
PALMER
PARADISE
PECAN GAP
PENELOPE
PFLUGERVILLE
PILOT POINT
PLEASANT VALLEY
POINT
POST OAK BEND
POWELL
POYNOR
PRINCETON
PUTNAM
QUANAH
QUINLAN
RANGER
RAVENNA
RENO (LAMAR COUNTY)
RETREAT
RICE
RIESEL
RIO VISTA
ROBERT LEE
ROBY
ROCHESTER
ROCKDALE
ROGERS
ROSEBUD
ROSS
ROTAN
ROUND ROCK
ROXTON
RULE
RUNAWAY BAY
SADLER
SAINT JO
SAN ANGELO
SAN SABA
SANCTUARY
SANGER
SANTA ANNA
SAVOY
SCURRY
SEYMOUR
SHADY SHORES
SOMERVILLE
SOUTH MOUNTAIN
SOUTHMAYD
STAR HARBOR
STOCKTON BEND
STRAWN
STREETMAN
SUN VALLEY
SUNNYVALE
TALTY
TAYLOR
TEAGUE
TEHUACANA
THORNDALE
THORNTON
THRALL
THROCKMORTON
TIOGA
TOCO

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 21**

Cities with Rate Effective 4/01/2018 (Continued)

TOM BEAN
TRENT
TRENTON
TRINIDAD
TROY
TUSCOLA
TYE
VALLEY MILLS
VALLEY VIEW
VAN ALSTYNE
WALNUT SPRINGS
WEINERT
WEST
WESTWORTH VILLAGE
WHITEHOUSE
WHITEWRIGHT
WHITNEY
WILMER
WINDOM
WINTERS
WIXON VALLEY
WOLFE CITY
WORTHAM
YANTIS

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 11/01/2018**	**PAGE:**

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf

R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.

HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class

NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.

ADD = billing cycle actual heating degree days.

BI_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the jth customer in ith rate schedule is computed as:

$WNA_i = WNAF_i \times q_{ij}$

Where q_{ij} is the relevant sales quantity for the jth customer in ith rate schedule.

EXHIBIT A

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 11/01/2018**	**PAGE:**

Base Use/Heat Use Factors

	Residential		Commercial	
Weather Station	Base use Ccf	Heat use Ccf/HDD	Base use Ccf	Heat use Ccf/HDD
Abilene	9.77	0.1201	99.33	0.5737
Austin	10.38	0.1493	201.46	0.8942
Dallas	13.17	0.2062	183.71	1.0046
Waco	9.26	0.1323	124.57	0.6398
Wichita Falls	11.62	0.1278	114.97	0.5226

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

Exhibit B

Pensions and Retiree Medical Benefits

ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2017

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Supplemental Executive Benefit Plan	Post-Employment Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Fiscal Year 2018 Willis Towers Watson Report, as adjusted	$ 4,082,906	$ 2,703,898	$ 6,964,307	$ 188,360	$ 3,724,168	
2	Allocation to Mid-Tex	43.55%	43.55%	71.24%	100.00%	71.24%	
3	Fiscal Year 2018 Actuarially Determined Benefit Costs (Ln 1 x Ln 2)	$ 1,778,092	$ 1,177,539	$ 4,961,241	$ 188,360	$ 2,653,027	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Fiscal Year 2018 Willis Towers Watson Benefit Costs To Approve (Excluding Removed Cost Centers) (Ln 3 x Ln 4)	$ 1,778,092	$ 1,177,539	$ 4,961,241	$ 188,360	$ 2,653,027	$ 10,758,260
6							
7							
8	Summary of Costs to Approve (1):						
9							
10	O&M Expense Factor (WP_F-2.3, Ln 2)	80.15%	80.15%	40.05%	19.03%	40.05%	
11							
12							
13	Total Pension Account Plan	$ 1,425,108		$ 1,987,133			$ 3,412,241
14	Total Post-Employment Benefit Plan		$ 943,775			$ 1,062,621	2,006,396
15	Total Supplemental Executive Benefit Plan				$ 35,837		35,837
16	Total (Ln 13 + Ln 14 + Ln 15)	$ 1,425,108	$ 943,775	$ 1,987,133	$ 35,837	$ 1,062,621	$ 5,454,474
17							
18	Note:						
19	1. Mid-Tex is proposing that the fiscal year 2018 Willis Towers Watson actuarial amounts shown on WP_F-2.3 and WP_F-2.3.1, be approved by the RRM Cities as the						
20	benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The Company is requesting that the benchmark amount approved by the						
21	RRM Cities for future periods include only the expense amount. The amount attributable to capital would continue to be recorded to utility plant through the overhead						
22	process as described in the CAM.						

EXHIBIT B

Exhibit C

Amortization of Regulatory Liability

ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE ADJUSTMENTS
TEST YEAR ENDING DECEMBER 31, 2017
AMORTIZATION OF REGULATORY LIABILITY

Line No.	Year Ended Dec. 31	Beginning of Year Rate Base Adjustment Amount	Annual Amortization (1)	End of Year Rate Base Adjustment Amount	Balance as of December 31, 2017
	(a)	(b)	(c)	(d)	(e)
1	2017			$ 289,813,479	$ 289,813,479
2	2018	$ 289,813,479	$ 12,075,562	277,737,918	
3	2019	277,737,918	12,075,562	265,662,356	
4	2020	265,662,356	12,075,562	253,586,795	
5	2021	253,586,795	12,075,562	241,511,233	
6	2022	241,511,233	12,075,562	229,435,671	
7	2023	229,435,671	12,075,562	217,360,110	
8	2024	217,360,110	12,075,562	205,284,548	
9	2025	205,284,548	12,075,562	193,208,986	
10	2026	193,208,986	12,075,562	181,133,425	
11	2027	181,133,425	12,075,562	169,057,863	
12	2028	169,057,863	12,075,562	156,982,301	
13	2029	156,982,301	12,075,562	144,906,740	
14	2030	144,906,740	12,075,562	132,831,178	
15	2031	132,831,178	12,075,562	120,755,616	
16	2032	120,755,616	12,075,562	108,680,055	
17	2033	108,680,055	12,075,562	96,604,493	
18	2034	96,604,493	12,075,562	84,528,932	
19	2035	84,528,932	12,075,562	72,453,370	
20	2036	72,453,370	12,075,562	60,377,808	
21	2037	60,377,808	12,075,562	48,302,247	
22	2038	48,302,247	12,075,562	36,226,685	
23	2039	36,226,685	12,075,562	24,151,123	
24	2040	24,151,123	12,075,562	12,075,562	
25	2041	12,075,562	12,075,562	(0)	
26					
27	Note:				
28	1. The annual amortization of a 24 year recovery period is based on the				
29	Reverse South Georgia Method.				

EXHIBIT C

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

SUBJECT: Ordinance No. 2018-19 designating a contiguous geographic area within the City as a Reinvestment Zone pursuant to Chapter 311 of the Texas Tax Code, to be known as "Reinvestment Zone Number One, City of Kerrville"; describing the boundaries of the Zone; creating a Board of Directors for the Zone; establishing a Tax Increment Fund for the Zone; containing findings related to the creation of the Zone; providing a date for the termination of the Zone; providing that the Zone take effect immediately upon passage of the Ordinance; providing a severability clause; and providing an effective date.

AGENDA DATE OF: 9/25/2018 **DATE SUBMITTED:** 9/19/2018

SUBMITTED BY: E.A. Hoppe
Deputy City Manager

EXHIBITS: Ordinance No. 2018-19
Legal Description and Map
Preliminary Project and Financing Plan

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: **N/A**

Kerrville 2050 Item?	**Yes:** ☒	**No:** ☐
Key Priority Area	D - Downtown Revitalization	
Guiding Principle	D7 - Encourage reinvestment in Downtown businesses by identifying and addressing regulatory hurdles and providing incentives to attract development consistent with the community's vision	
Action Item	D7.2 – Create a tax increment reinvestment zone (TIRZ) for the Downtown to support revitalization	

SUMMARY STATEMENT:

As part of the Kerrville 2050 Comprehensive Planning effort, the revitalization of downtown was identified as a key priority area. Towards this end, the use of incentives was identified as a necessary guiding principle in order to encourage business reinvestment in downtown. A specific action item to create a tax increment reinvestment zone was identified and adopted within the comprehensive plan.

Subsequently, the City Council has had two workshop presentations by outside consultant David Pettit Economic Development to help guide the dialogue around the process of creating a Tax Increment Reinvestment Zone. An additional presentation and Public Hearing was held on September 11, 2018. Essentially, the creation of a Tax Reinvestment zone sets a geographic boundary around an existing area within the City

limits. A snap shot of the existing property tax base within that geographic area is evaluated and set. Subsequent increases to the property tax base within that area, due to increases in existing property values or from new growth within that boundary, are then captured within a designated TIRZ Fund and spent only within that designated boundary. All existing tax revenues from within the boundary from the original snapshot continue to support the general fund services of the entire City.

Mr. Pettit will be on hand to answer any questions regarding the proposed TIRZ Number One creation Ordinance as well as their evaluation of the boundary area and the preliminary project and financing plan.

RECOMMENDED ACTION:

Approve Ordinance No. 2018-19 on second reading.

CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2018-19

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KERRVILLE, TEXAS, DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN THE CITY AS A REINVESTMENT ZONE PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, TO BE KNOWN AS "REINVESTMENT ZONE NUMBER ONE, CITY OF KERRVILLE"; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; ESTABLISHING A TAX INCREMENT FUND FOR THE ZONE; CONTAINING FINDINGS RELATED TO THE CREATION OF THE ZONE; PROVIDING A DATE FOR THE TERMINATION OF THE ZONE; PROVIDING THAT THE ZONE TAKE EFFECT IMMEDIATELY UPON PASSAGE OF THE ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Kerrville, Texas (the "City"), pursuant to Chapter 311 of the Texas Tax Code as amended (known as the Tax Increment Financing Act and herein referred to as the "Act"), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, the Act provides that the governing body of a municipality by ordinance may designate a noncontiguous geographic area that is in the corporate limits of the municipality to be a reinvestment zone if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future; and

WHEREAS, City Council desires to promote the development of a certain contiguous geographic area in the City, which is more specifically described in **Exhibits A** and **B** of this Ordinance (the "Zone"), through the creation of a new reinvestment zone as authorized by and in accordance with the Act; and

WHEREAS, pursuant to and as required by the Act, the City has prepared a *Preliminary Reinvestment Zone Project Plan and Financing Plan for Reinvestment Zone Number One, City of Kerrville,* attached as **Exhibit C** (hereinafter referred to as the "Preliminary Project and Finance Plan") for a proposed tax increment reinvestment zone containing the real property within the Zone; and

WHEREAS, notice of the public hearing on the creation of Zone was published in a newspaper having general circulation in the City on September 4, 2018, which date is before the seventh (7th) day before the public hearing, held on September 11, 2018; and

WHEREAS, at the public hearing on September 11, 2018, interested persons were allowed to speak for or against the creation of the Zone, the boundaries of the Zone, and the concept of tax increment financing, and owners of property within the proposed Zone were given a reasonable opportunity to protest the inclusion of their property in the Zone; the public hearing was held in full accordance with Section 311.003(c) of the Act; and

WHEREAS, evidence was received and presented at the public hearing on September 11, 2018, and in favor of the creation of the Zone; and

WHEREAS, after all comments and evidence, both written and oral, were received by City Council, the public hearing was closed on September 11, 2018; and

WHEREAS, the City has taken all actions required to create the Zone including taking all actions required by the home-rule Charter of the City, the Act, the Texas Open Meetings Act (defined herein), and all other laws applicable to the creation of the Zone; and

WHEREAS, the percentage of the property in the proposed zone, excluding property that is publicly owned, that is used for residential purposes is less than thirty percent; and

WHEREAS, a Preliminary Project and Finance Plan has been prepared for the proposed reinvestment zone;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, TEXAS:

SECTION ONE. RECITALS INCORPORATED. The facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct.

SECTION TWO. FINDINGS. City Council, after conducting the above described hearing and having heard the evidence and testimony presented at the hearing, has made the following findings and determinations based on the evidence and testimony presented to it:

(a) That the public hearing on creation of the proposed reinvestment zone has been properly called, held, and conducted and that notice of such hearing has been published as required by law; and

(b) That the creation of the proposed reinvestment zone with boundaries as described and depicted in **Exhibits A** and **B** will result in benefits to the City, its residents and property owners, in general, and to the property, residents, and property owners within the reinvestment zone; and

(c) That the proposed reinvestment zone, as defined in **Exhibits A** and **B**, meets the criteria for the creation of a reinvestment zone set forth in the Act in that:

1. It is a geographic area located wholly within the City limits of the City; and

2. City Council further finds and declares that the proposed reinvestment zone meets the criteria and requirements of Section 311.005 of the Act, which may include that the zone substantially arrests or impairs the sound growth of the City; retards the provision of housing accommodations; constitutes an economic or social liability; and may be a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of any of the following: the predominance of defective or inadequate sidewalk or street layout; faulty lot layout in relation to size, adequacy, accessibility, or usefulness; unsanitary or unsafe conditions; the deterioration of site or other improvements; and is predominantly open and undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City; and

(d) 30 percent or less of the property in the proposed reinvestment zone, excluding property dedicated to public use, is currently used for residential purposes; and

(e) The total appraised value of all taxable real property in the proposed reinvestment zone according to the most recent appraisal rolls of the City, together with the total appraised value of taxable real property in all other existing reinvestment zones within the City, if any, according to the most recent appraisal rolls of the City, does not exceed 50 percent of the current total appraised value of taxable real property within the City and in the industrial districts created by the City, if any; and

(f) The improvements in the proposed reinvestment zone will significantly enhance the value of all taxable real property in the proposed reinvestment zone and will be of general benefit to the City; and

(g) The development or redevelopment of the property within the proposed reinvestment zone will not occur solely through private investment in the reasonable foreseeable future.

SECTION THREE. DESIGNATION AND NAME OF THE ZONE. Pursuant to the authority of, and in accordance with the requirements of the Act, City Council hereby designates the area described and depicted in **Exhibits A** and **B** hereto as a tax increment reinvestment zone. The name assigned to the zone for identification is "Reinvestment Zone Number One, City of Kerrville, Texas" (hereinafter referred to as the "Zone").

SECTION FOUR. BOARD OF DIRECTORS. A board of directors for the Zone ("Board") is hereby created. The Board shall consist of five (5) members comprised of Councilmembers from Places 1 through 4 and the Mayor. The Mayor shall serve as chair of the Board and the Board may elect a vice chair and such other officers as the Board sees fit. Additionally, each taxing unit that levies taxes within the Zone and chooses to contribute all or part of the tax increment produced by the unit into the tax increment fund may appoint one member of the Board. The number of directors on the Board shall be increased by one for each taxing unit that appoints a director to the Board; provided, that the maximum number of directors shall not exceed fifteen (15). The Board shall make recommendations to City Council concerning the administration, management, and operation of the Zone. The Board shall prepare and adopt a project plan and a reinvestment zone financing plan for the Zone and submit such plans to City Council for its approval. The Board shall perform all duties imposed upon it by Chapter 311 of the Texas Tax Code and all other applicable laws. Notwithstanding anything to the contrary herein, the Board, pursuant to Section 311.010 of the Act, is not authorized to (i) issues bonds; (ii) impose taxes or fees; (iii) exercise the power of eminent domain, or (iv) give final approval to the Zone's project plan and financing plan.

SECTION FIVE. DURATION OF THE ZONE. The Zone shall take effect immediately upon the passage and approval of this Ordinance, consistent with Section 311.004(a)(3) of the Act, and termination of the Zone shall occur upon any of the following: (i) on December 31, 2049; (ii) at an earlier time designated by subsequent ordinance; (iii) at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment

bonds, notes, and other obligations of the Zone, and the interest thereon, have been paid in full, in accordance with Section 311.017 of the Act.

SECTION SIX. TAX INCREMENT BASE AND TAX INCREMENT. A tax increment fund for the Zone (the "TIF Fund") is hereby established. The TIF Fund may be divided into additional accounts and sub-accounts authorized by resolution or ordinance of City Council. The TIF Fund shall consist of (i) the percentage of the tax increment, as defined by Section 311.012(a) of the Act, that each taxing unit which levies real property taxes in the Zone, other than the City, has elected to dedicate to the TIF Fund under an agreement with the City authorized by Section 311.013(f) of the Act, plus (ii) one-hundred percent (100%) of the City's available portion of the tax increment, as defined by section 311.012(a) of the Act, subject to any binding agreement executed at any time by the City that pledges a portion of such tax increment or an amount of other legally available funds whose calculation is based on receipt of any portion of such tax increment. The TIF Fund shall be maintained in an account at the depository bank of the City and shall be secured in the manner prescribed by law for Texas cities. In addition, all revenues from (i) the sale of any obligations hereafter issued by the City and secured in whole or in part from the tax increments; (ii) the sale of any property acquired as part of a tax increment financing plan adopted by the Board; and (iii) other revenues dedicated to and used in the Zone shall be deposited into the TIF Fund. Prior to the termination of the Zone, money shall be disbursed from the Tax Increment Fund only to pay project costs, as defined by the Texas Tax Code, for the Zone, to satisfy the claims of holders of tax increments bonds or notes issued for the Zone, or to pay obligations incurred pursuant to agreements entered into to implement the project plan and reinvestment zone financing plan and achieve their purpose pursuant to Section 311.010(b) of the Act.

SECTION SEVEN. TAX INCREMENT FUND. There is hereby created and established a "Tax Increment Fund" for the Zone which may be divided into such subaccounts as may be authorized by subsequent ordinance, into which all tax increments of the City, as such increments are described in the final project plan and reinvestment zone financing plan and may include administration costs, less any of the amounts not required to be paid into the Tax Increment Fund pursuant to the Act, are to be deposited. The Tax Increment Fund and any subaccounts are to be maintained in an account at the affiliated depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. In addition, all revenues to be dedicated to and used in the Zone shall be deposited into such fund or subaccount from which money will be disbursed to pay project costs, plus interest, for the Zone.

SECTION EIGHT. SEVERABILITY CLAUSE. Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

SECTION NINE. OPEN MEETINGS. It is hereby found, determined, and declared that sufficient written notice of the date, hour, place, and subject of the meetings of City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding its meeting, as required by Chapter 551 of the Texas Government Code, and that the meetings were open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered and formally acted upon. City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION TEN. EFFECTIVE DATE. This Ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by law and the City Charter.

PASSED AND APPROVED ON FIRST READING, this ____day of _____, 2018.

PASSED AND APPROVED ON SECOND AND FINAL READING, this ____ day of _____, 2018.

_____
Bill Blackburn, Mayor

APPROVED AS TO FORM:

_____
Michael C. Hayes, City Attorney

ATTEST:

_____
Cheryl Brown, Interim City Secretary

T:\Legal\FINANCE\TIRZ\ORD\Creation_091618.docx

EXHIBIT A
BOUNDARY DESCRIPTION

BOUNDARY DESCRIPTION

Beginning at the northwest corner of Property ID 14696 at the point it meets the eastern Right-of-Way (ROW) boundary of Paschal Avenue North, thence

Southeast to the point where the eastern ROW boundary of Hays Street North meets the northwest corner of Property ID 36505, thence

South along the eastern ROW boundary of Hays Street North to the point it meets the northwest corner of Property ID 36470, thence

East along the northern boundary of Property ID 36470 to the point it meets the northwest corner of Property ID 36471, thence

East along the northern boundary of Property ID 36471 to the point it meets the northwest corner of Property ID 36472, thence

East along the northern boundary of Property ID 36472 to the point it meets the northwest corner of Property ID 36473, thence

East along the northern boundary of Property ID 36473 to the point it meets the northwest corner of Property ID 36475, thence

East along the northern boundary of Property ID 36473 to the point it meets the northwest corner of Property ID 36475, thence

East along the northern boundary of Property ID 36475 to the point it meets the western ROW boundary of Quinlan Street North, thence

East to the eastern ROW boundary of Quinlan Street North to the point it meets the northwest corner of Property ID 36487, thence

East along the northern boundary of Property ID 36487 to the point it meets the northwest corner of Property ID 36488, thence

East along the northern boundary of Property ID 36488 to the point it meets the northwest corner of Property ID 36489, thence

East along the northern boundary of Property ID 36489 to the point it meets the northwest corner of Property ID 36490, thence

East along the northern boundary of Property ID 36490 to the point it meets the southwest corner of Property ID 36495, thence

North along the western boundary of Property ID 36495 to the northwest corner of Property ID 36495, thence

East along the northern boundary of Property ID 36495 to the point it meets the western ROW boundary of Clay Street North, thence

East to the eastern ROW boundary of Clay Street North to the point it meets the western boundary of Property ID 24204, thence

North along the western boundary of Property ID 24204 to the point it meets the southwest corner of Property ID 24203, thence

North along the western boundary of Property ID 24203 to the point it meets the northern ROW boundary of Barnett Street North, thence

East along the northern ROW boundary of Barnett Street to the point it meets the western ROW boundary of Sidney Baker Street, thence

East to the eastern ROW boundary of Sidney Baker Street to the point it meets the southwest corner of Property ID 24147, thence

North along the northwest boundary of Property ID 24147 to the point it meets the southwest corner of Property ID 24143, thence

North along the northwest boundary of Property ID 24143 to the point it meets the southwest corner of Property ID 24142, thence

North along the northwest boundary of Property ID 24142 to the point it meets the southwest corner of Property ID 24141, thence

North along the northwest boundary of Property ID 24141 to the point it meets the southwest corner of Property ID 29986, thence

North along the northwest boundary of Property ID 29986 to the point it meets the southwest corner of Property ID 29987, thence

North along the northwest boundary of Property ID 29987 to the point it meets the southwest corner of Property ID 29988, thence

North along the northwest boundary of Property ID 29988 to the point it meets the southwest corner of Property ID 29989, thence

North along the northwest boundary of Property ID 29989 to the point it meets the southwest corner of Property ID 29990, thence

North along the northwest boundary of Property ID 29990 to the point it meets the southwest corner of Property ID 24164, thence

North along the northwest boundary of Property ID 24164 to the point it meets the southwest corner of Property ID 24163, thence

North along the northwest boundary of Property ID 24163 to the point it meets the northern ROW boundary of Myrta Street North, thence

East along the northern ROW boundary of Myrta Street North then south to the point it meets the northeast corner of Property ID 24131, thence

South along the eastern boundary of Property ID 24131 to the point it meets the northeast corner of Property ID 24130, thence

South along the eastern boundary of Property ID 24130 to the point it meets the northeast corner of Property ID 24129, thence

South along the eastern boundary of Property ID 24129 to the point it meets the northeast corner of Property ID 24128, thence

South along the eastern boundary of Property ID 24128 to the point it meets the northeast corner of Property ID 24127, thence

South along the eastern boundary of Property ID 24127 to the point it meets the northeast corner of Property ID 24126, thence

South along the eastern boundary of Property ID 24126 to the point it meets the northeast corner of Property ID 24125, thence

South along the eastern boundary of Property ID 24125 to the point it meets the northeast corner of Property ID 24124, thence

South along the eastern boundary of Property ID 24124 to the point it meets the northern ROW boundary of Bulwer Avenue North, thence

South to the southern ROW boundary of Bulwer Avenue North to the point it meets the northeast corner of Property ID 24249, thence

South along the eastern boundary of Property ID 24249 to the point it meets the northeast corner of Property ID 24248, thence

South along the eastern boundary of Property ID 24248 to the point it meets the northeast corner of Property ID 24247, thence

South along the eastern boundary of Property ID 24247 to the point it meets the northeast corner of Property ID 24246, thence

South along the eastern boundary of Property ID 24246 to the point it meets the northeast corner of Property ID 24244, thence

South along the eastern boundary of Property ID 24244 to the point it meets the northeast corner of Property ID 24243, thence

South along the eastern boundary of Property ID 24243 to the point it meets the northern ROW boundary of Barnett Street North, thence

South to the southern ROW boundary of Barnett Street North to the point it meets the northeast corner of Property ID 24231, thence

South along the eastern boundary of Property ID 24231 to the point it meets the northeast corner of Property ID 24229, thence

South along the eastern boundary of Property ID 24229 to the point it meets the northeast corner of Property ID 24228, thence

South along the eastern boundary of Property ID 24228 to the point it meets the northeast corner of Property ID 24227, thence

South along the eastern boundary of Property ID 24227 to the point it meets the northeast corner of Property ID 24226, thence

South along the eastern boundary of Property ID 24226 to the point it meets the northeast corner of Property ID 24225, thence

South along the eastern boundary of Property ID 24225 to the point it meets the northeast corner of Property ID 24224, thence

South along the eastern boundary of Property ID 24224 to the point it meets the northeast corner of Property ID 24223, thence

South along the eastern boundary of Property ID 24223 to the point it meets the northern ROW boundary of North Street North, thence

East along the northern ROW boundary of North Street to the point it meets the eastern boundary of Washington Street North, thence

South along the eastern ROW boundary of Washington Street North to the point it meets the northern ROW boundary of Jefferson Street North, thence

East along the northern ROW boundary of Jefferson Street North to the point it meets the western ROW boundary of Tivy Street North, thence

North along the western ROW boundary of Tivy Street North to the point it meets the northern ROW boundary of Aransas Street North, thence

East along the northern ROW boundary of Aransas Street North to the point it meets the northern ROW boundary of B Street North, thence

West along the northern ROW boundary of B Street North to the point it meets the western ROW boundary of E Main Street North, thence

North along the western boundary of E Main Street North to the point it meets the eastern ROW boundary of Park Street North, thence

South along the eastern ROW boundary of Park Street North to the point it meets the southern ROW boundary of B Street North, thence

West along the southern ROW boundary of B Street North to the point it meets the northeast corner of Property ID 38565, thence

South along the eastern boundary of Property ID 38565 to the point it meets the northeast corner of Property ID 38564, thence

South along the eastern boundary of Property ID 38564 to the point it meets the northeast corner of Property ID 38563, thence

South along the eastern boundary of Property ID 38563 to the point it meets the northeast corner of Property ID 38562, thence

South along the eastern boundary of Property ID 38562 to the point it meets the northern ROW boundary of C Street North, thence

South to the southern ROW boundary of C Street North to the point it meets the northeast corner of Property ID 38575, thence

South along the eastern boundary of Property ID 38575 to the point it meets the northeast corner of Property ID 38574, thence

South along the eastern boundary of Property ID 38574 to the point it meets the northeast corner of Property ID 38573, thence

South along the eastern boundary of Property ID 38573 to the point it meets the northern ROW boundary of D Street North, thence

South to the southern ROW boundary of D Street North to the point it meets the northeast corner of Property ID 38586, thence

South along the eastern boundary of Property ID 38586 to the point it meets the northeast corner of Property ID 38585, thence

South along the eastern boundary of Property ID 38585 to the point it meets the northeast corner of Property ID 38584, thence

South along the eastern boundary of Property ID 38584 to the point it meets the northeast corner of Property ID 38583, thence

South along the eastern boundary of Property ID 38583 to the point it meets the northeast corner of Property ID 38582, thence

South along the eastern boundary of Property ID 38582 to the point it meets the northeast corner of Property ID 38581, thence

South along the eastern boundary of Property ID 38581 to the point it meets the northern ROW boundary of E Street North, thence

South to the southern ROW boundary of E Street North to the point it meets the northeast corner of Property ID 38597, thence

South along the eastern boundary of Property ID 38597 to the point it meets the northeast corner of Property ID 38595, thence

South along the eastern boundary of Property ID 38595 to the point it meets the northeast corner of Property ID 38594, thence

South along the eastern boundary of Property ID 38594 to the point it meets the northeast corner of Property ID 38593, thence

South along the eastern boundary of Property ID 38593 to the point it meets the northeast corner of Property ID 38605, thence

South along the eastern boundary of Property ID 38605 to the point it meets the northeast corner of Property ID 38604, thence

South along the eastern boundary of Property ID 38604 to the point it meets the northeast corner of Property ID 38603, thence

South along the eastern boundary of Property ID 38603 to the point it meets the northeast corner of Property ID 38602, thence

South along the eastern boundary of Property ID 38602 to the point it meets the northeast corner of Property ID 533488, thence

South along the eastern boundary of Property ID 533488 to the point it meets the southeast corner of Property ID 533488, thence

West along the southern boundary of Property ID 533488 to the point it meets the northeast corner of Property ID 38466, thence

South along the eastern boundary of Property ID 38466 to the point it meets the northeast corner of Property ID 38469, thence

South along the eastern boundary of Property ID 38469 to the point it meets the northeast corner of Property ID 38461, thence

South along the eastern boundary of Property ID 38461 to the point it meets the northeast corner of Property ID 38457, thence

South along the eastern boundary of Property ID 38457 to the point it meets the northern ROW boundary of Travis Street North, thence

South to the southern ROW boundary of Travis Street North, thence

South along the southern ROW boundary of Travis Street North to the point it meets the eastern ROW boundary of Memorial Boulevard, thence

West to the western ROW boundary of Memorial Boulevard to the point it meets the southeast corner of Property ID 38452, thence

West along the southern boundary of Property ID 38452 to the point it meets the southwest corner of Property ID 38452, thence

North along the western boundary of Property ID 38452 to the point it meets the southwest corner of Property ID 46766, thence

North along the western boundary of Property ID 46766 to the point it meets the southwest corner of Property ID 47910, thence

North along the western boundary of Property ID 47910 to the point it meets the southwest corner of Property ID 38449, thence

North along the western boundary of Property ID 38449 to the southwest corner of Property ID 38448, thence

North along the western boundary of Property ID 38448 to the point it meets the southwest corner of Property ID 38447, thence

North along the western boundary of Property ID 38447 to the northwest corner of Property ID 38447, thence

North across G Street East to the southwest corner of Property ID 71735, thence

North along the western boundary of Property ID 71735 to the point it meets the southwest corner of Property ID 38430, thence

North along the western boundary of Property ID 38430 to the point it meets the southwest corner of Property ID 528501, thence

North along the western boundary of Property ID 528501 to the point it meets the southwest corner of Property ID 38429, thence

North along the western boundary of Property ID 38429 to the point it meets the southwest corner of Property ID 38428, thence

North along the western boundary of Property ID 38428 to the southwest corner of Property ID 38427, thence

North along the western boundary of Property ID 38427 to the southwest corner of Property ID 38426, thence

Continuing north along the eastern boundary of the Louise Hays Park to the southwest corner of Property ID 23938, thence

North along the western boundary of Property ID 23938 to the point it meets the southwest corner of Property ID 23935, thence

North along the western boundary of Property ID 23935 to the southwest corner of Property ID 533069, thence

North along the western boundary of Property ID 533069 to the point it meets the southwest corner of Property ID 60284, thence

North along the western boundary of Property ID 60284 to the point it meets the southwest corner of Property ID 520082, thence

North along the western boundary of Property ID 520082 to the point it meets the southwest corner of Property ID 520055, thence

North along the western boundary of Property ID 520082 to the point it meets the southwest corner of Property ID 520055, thence

North along the western boundary of Property ID 520055 to the point it meets the southwest corner of Property ID 520014, thence

North along the western boundary of Property ID 520014 to the point it meets the southwest corner of Property ID 520573, thence

North along the western boundary of Property ID 520573 to the point it meets the southwest corner of Property ID 60188, thence

North along the western boundary of Property ID 60188 to the point it meets the eastern ROW boundary of Sidney Baker Street, thence

North to the western ROW boundary of Sidney Baker Street then continuing north to the southwest corner of Property ID 23915, thence

North along the western boundary of Property ID 23915 to the point it meets the southwest corner of Property ID 23916, thence

North along the western boundary of Property ID 23916 to the point it meets the southwest corner of Property ID 23918, thence

North along the western boundary of Property ID 23918 to the point it meets the southwest corner of Property ID 23920, thence

North along the western boundary of Property ID 23920 to the point it meets the southwest corner of Property ID 23913, thence

North along the western boundary of Property ID 23913 to the point it meets the southwest corner of Property ID 534018, thence

North along the western boundary of Property ID 534018 to the point it meets the southwest corner of Property ID 36262, thence

North along the western boundary of Property ID 36262 to the point it meets the southwest corner of Property ID 36265, thence

North along the western boundary of Property ID 36265 to the point it meets the southern corner of Property ID 36267, thence

North along the southwest boundary of Property ID 36267 to the point it meets the southern corner of Property ID 36266, thence

North along the western boundary of Property ID 36266 to the northwest corner, thence

East along the boundary of Property ID 36266 to the southern corner of Property ID 36268, thence

North along the western boundary of Property ID 36268 to the southern corner of Property ID 36276, thence

North along the western boundary of Property ID 36276 to the point it meets the southern ROW boundary of Herzog Street South, thence

West along the southern ROW boundary of Herzog Street South to the point it meets the western ROW boundary of Herzog Street South, thence

North along the western ROW boundary of Herzog Street to the point it meets the southeastern corner of Property ID 36536, thence

West along the southern boundary of Property ID 36536 to the point it meets the southeastern corner of Property ID 36537, thence

West along the southern boundary of Property ID 36537 to the point it meets the southeastern corner of Property ID 36538, thence

West along the southern boundary of Property ID 36538 to the point it meets the southeastern corner of Property ID 36539, thence

West along the southern boundary of Property ID 36539 to the point it meets the southeastern corner of Property ID 36540, thence

West along the southern boundary of Property ID 36539 to the point it meets the eastern ROW boundary of Francisco Lemos Street, thence

West to the western ROW boundary of Francisco Lemos Street to the point it meets the southwest corner of Property ID 36296, thence

North along the boundary of Property ID 36296 to the point it meets the southwest corner of Property ID 31473, thence

North along the eastern boundary of Property ID 31473 to the point it meets the southwest corner of Property ID 532984, thence

North along the eastern boundary of Property ID 532984 to the point it meets the southwest corner of Property ID 69683, thence

North along the eastern boundary of Property ID 69683 to the point it meets the southern ROW boundary of Water Street South, thence

North to the northern ROW boundary of Water Street South to the point it meets the southwest corner of Property ID 31486, thence

North along the southeastern boundary of Property ID 31486 to the point it meets the southern ROW boundary of Main Street, thence

North to the northern ROW boundary of Main Street to the point it meets the west corner of Property ID 36323, thence

North along the northwest boundary of Property ID 36323 to the point it meets the western corner of Property ID 36322, thence

North along the northwest boundary of Property ID 36322 to the point it meets the western corner of Property ID 36320, thence

North along the northwest boundary of Property ID 36320 to the point it meets the western ROW boundary of Jefferson Street North, thence

North to the northern ROW boundary of Paschal Avenue North, thence

North along the northern ROW boundary of Paschal Avenue North to the point it meets the southern corner of Property ID 33874, thence

North along the southern boundary of Property ID 33874 to the eastern corner, thence

East across Paschal Avenue North to the northwest corner of Property ID 14696, which is the point of beginning.

EXHIBIT B

BOUNDARY MAP

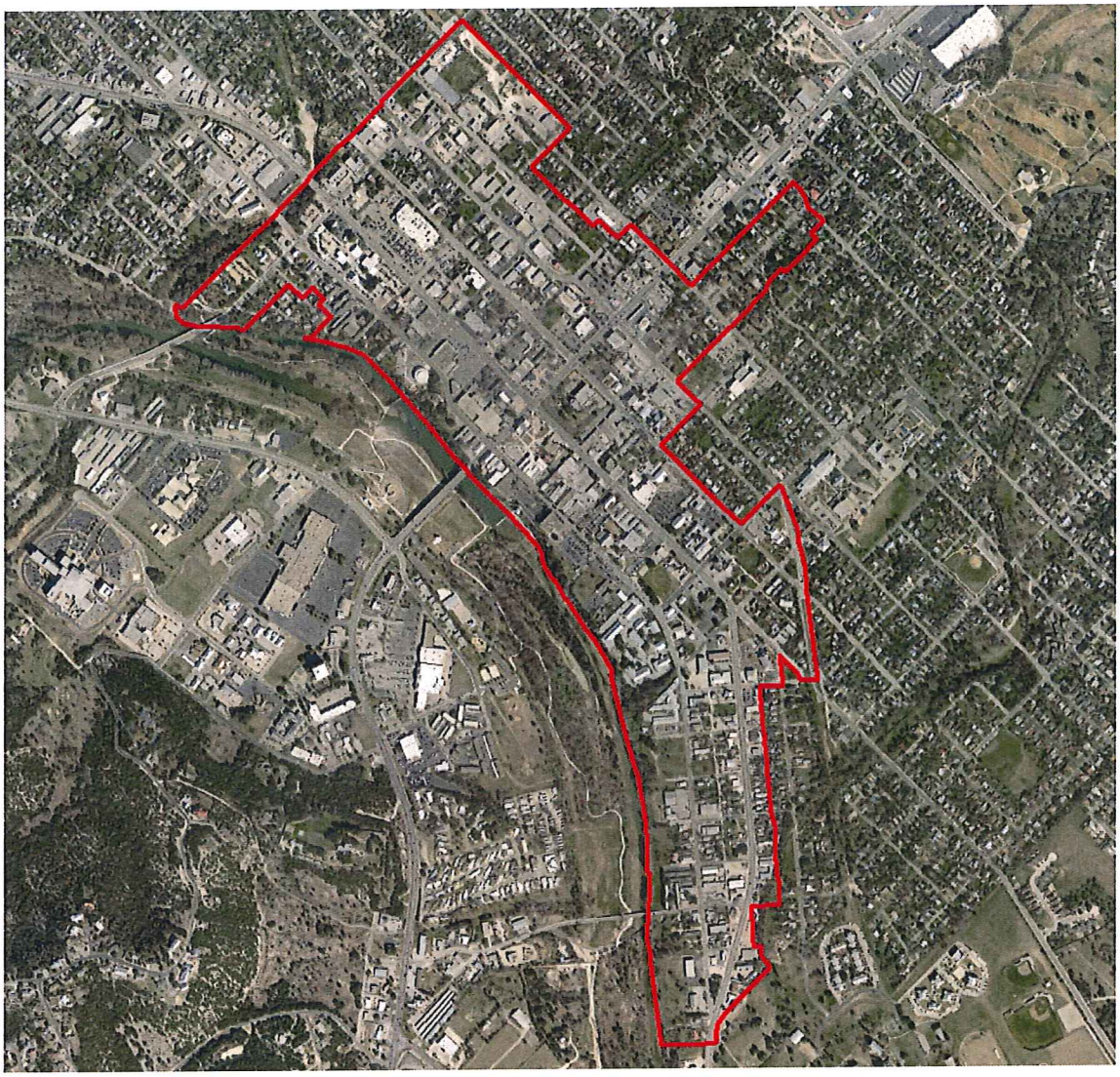
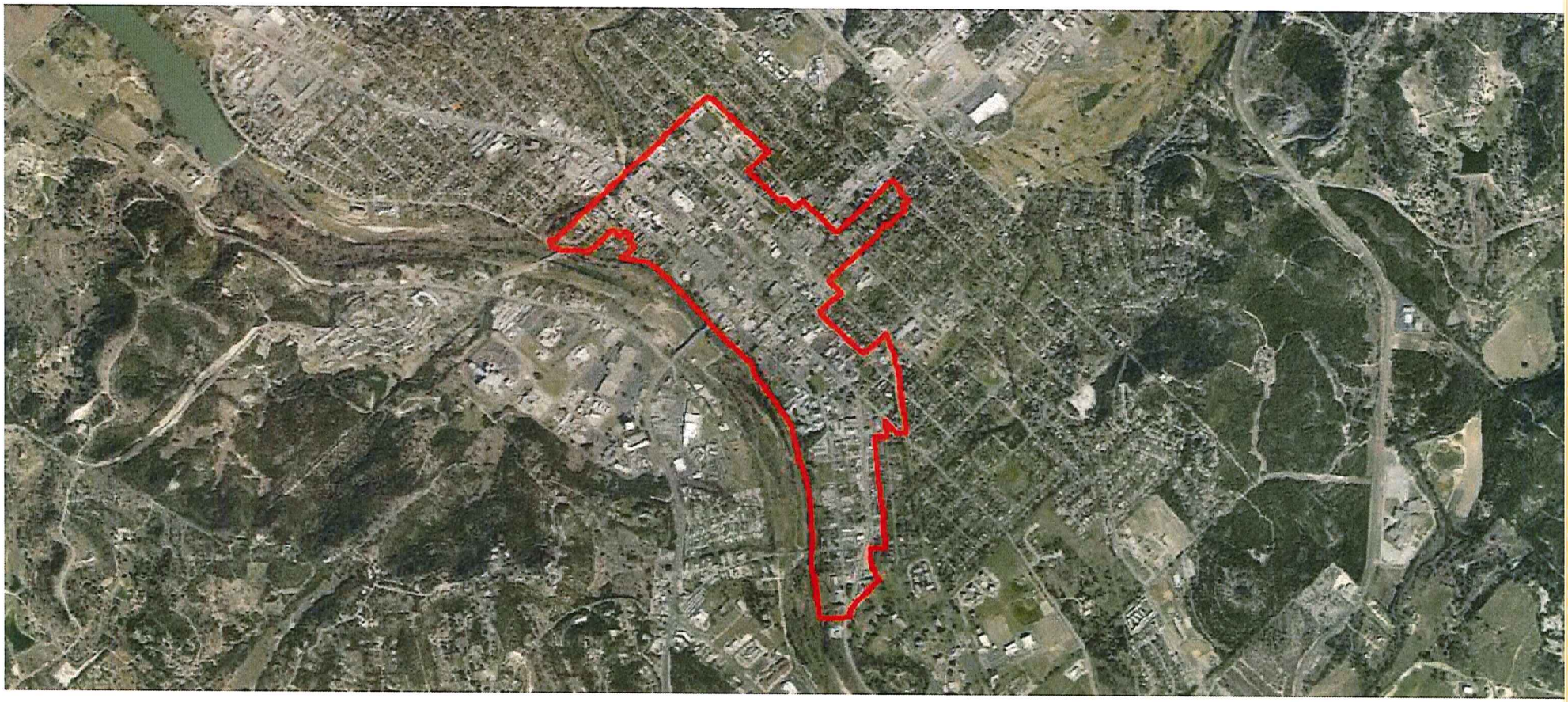


EXHIBIT C
PRELIMINARY PROJECT PLAN AND FINANCE PLAN

Tax Increment Reinvestment Zone #1
City of Kerrville, Texas



DAVID PETTIT
Economic Development

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- Current Conditions 9
- Project Costs 11
- Anticipated Development 12
- Financial Feasibility Analysis 13
- Terms and Conditions 26
- Appendix A 27

Kerrville, Texas is located approximately 65 miles northwest of San Antonio on U.S. Interstate 10 and nestled in the heart of the Texas Hill Country right along the gorgeous Guadalupe River. In addtion, the City of Kerrville is the county seat and principal commercial center of Kerr County, Texas.

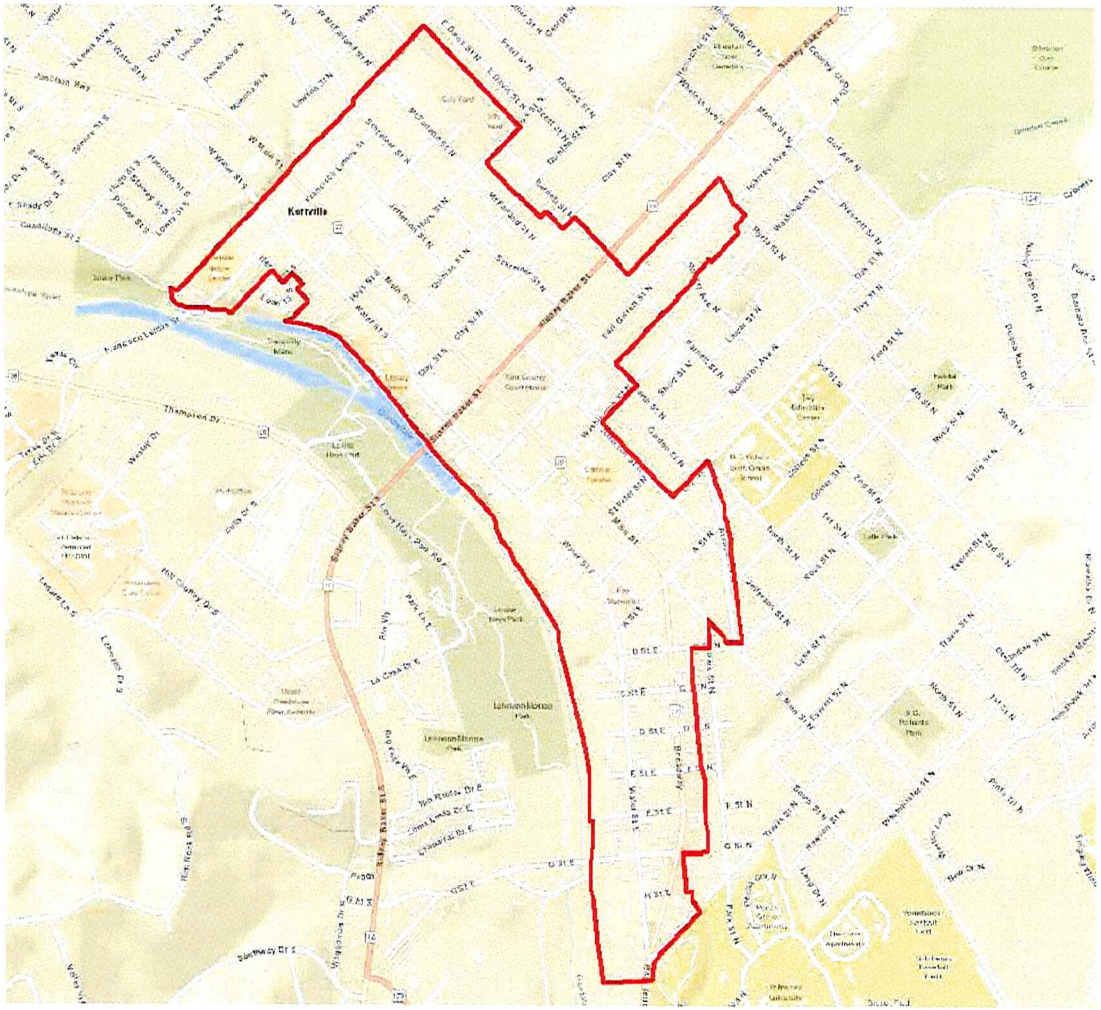
Principal industries in the community include hospitality (made up of tourism, youth camps, retreat facilities, RV parks and hunting), higher education (including Schreiner University, a private liberal arts institution), health care, jewelry, retail and manufacturing. Several small manufacturing firms are located in the Kerrville area, as well as a variety of commercial establishments, restaurants, building supply stores, retail shops, banks and supermarkets.

Economic and recreation opportunities continue to expand in Kerrville. In addition to recently renovated parks and a six mile long River Trail, the City opened a youth baseball and soccer complex in January 2018. The Sports Complex will host over 25 tournaments in 2018, resulting in a projected $1.1 million economic impact to the Kerrville area.

DISCLAIMER

Our conclusions and recommendations are based on current market conditions and the expected performance of the national, and/or local economy and real estate market. Given that economic conditions can change and real estate markets are cyclical, it is critical to monitor the economy and real estate market continuously, and to revisit key project assumptions periodically to ensure that they are still justified.

The future is difficult to predict, particularly given that the economy and housing markets can be cyclical, as well as subject to changing consumer and market psychology. There will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and the differences may be material.

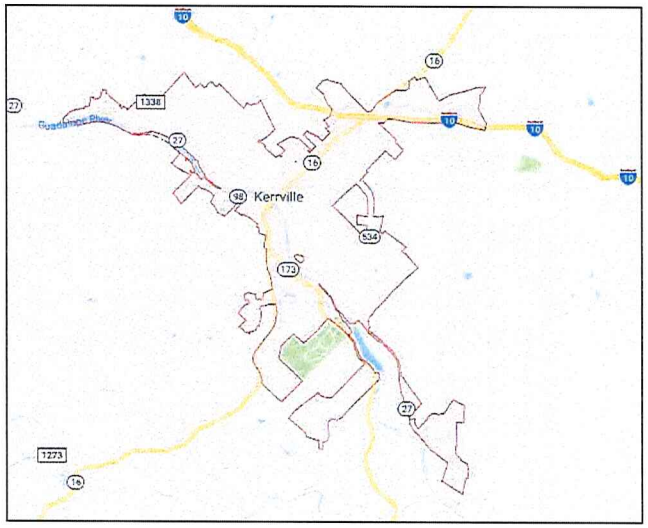


Tax Increment Reinvestment Zone #1, City of Kerrville

The goal of Tax Increment Reinvestment Zone #1 (TIRZ) is to fund the construction of needed public infrastructure and to encourage private development that will yield additional tax revenue to all local taxing jurisdictions. TIRZ #1 will promote the creation of commercial development consisting of retail, office, hotel, as well as residential development.

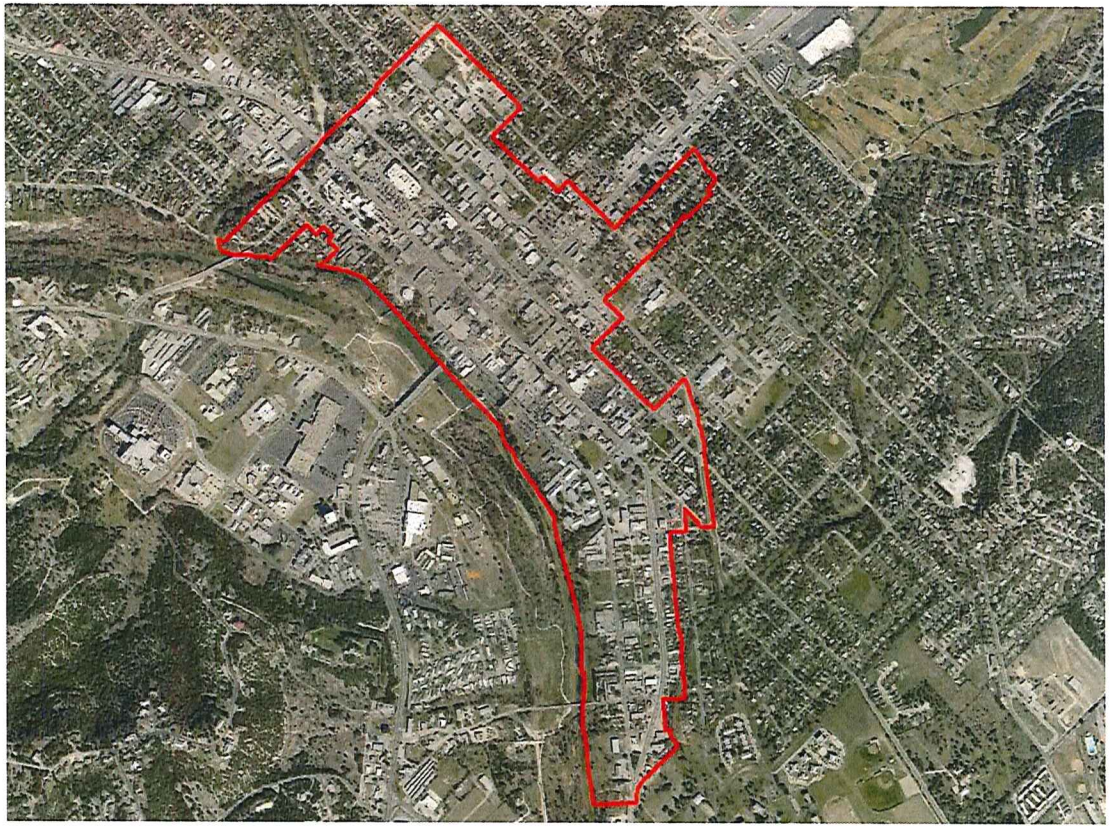
The project and financing plan outlines the funding of $17,065,741 in public improvements related to streets, water and sewer improvements, parks and open spaces, and economic development grants. The TIRZ can fund these improvements through the contribution of the City's real property tax increment within the Zone.

Without the implementation of the TIRZ, the specified property would impair the sound growth of the municipality.



DAVID PETTIT
Economic Development

TIRZ Boundary



Boundary Description

Kerrville TIRZ #1 is located in downtowm Kerrville encompassing approximately 477 acres. The TIRZ is contiguous, and is generally bound by Paschal Avenue to the northwest, the Guadalupe River to the west, Travis Street to the south, and Barnett Street and Aransas Street to the east.

- TIRZ Boundary

TIRZ Boundary

Legal Description

Beginning at the northwest corner of Property ID 14696 at the point it meets the eastern Right-of-Way (ROW) boundary of Paschal Avenue North, thence

Southeast to the point where the eastern ROW boundary of Hays Street North meets the northwest corner of Property ID 36505, thence

South along the eastern ROW boundary of Hays Street North to the point it meets the northwest corner of Property ID 36470, thence

East along the northern boundary of Property ID 36470 to the point it meets the northwest corner of Property ID 36471, thence

East along the northern boundary of Property ID 36471 to the point it meets the northwest corner of Property ID 36472, thence

East along the northern boundary of Property ID 36472 to the point it meets the northwest corner of Property ID 36473, thence

East along the northern boundary of Property ID 36473 to the point it meets the northwest corner of Property ID 36475, thence

East along the northern boundary of Property ID 36473 to the point it meets the northwest corner of Property ID 36475, thence

East along the northern boundary of Property ID 36475 to the point it meets the western ROW boundary of Quinlan Street North, thence

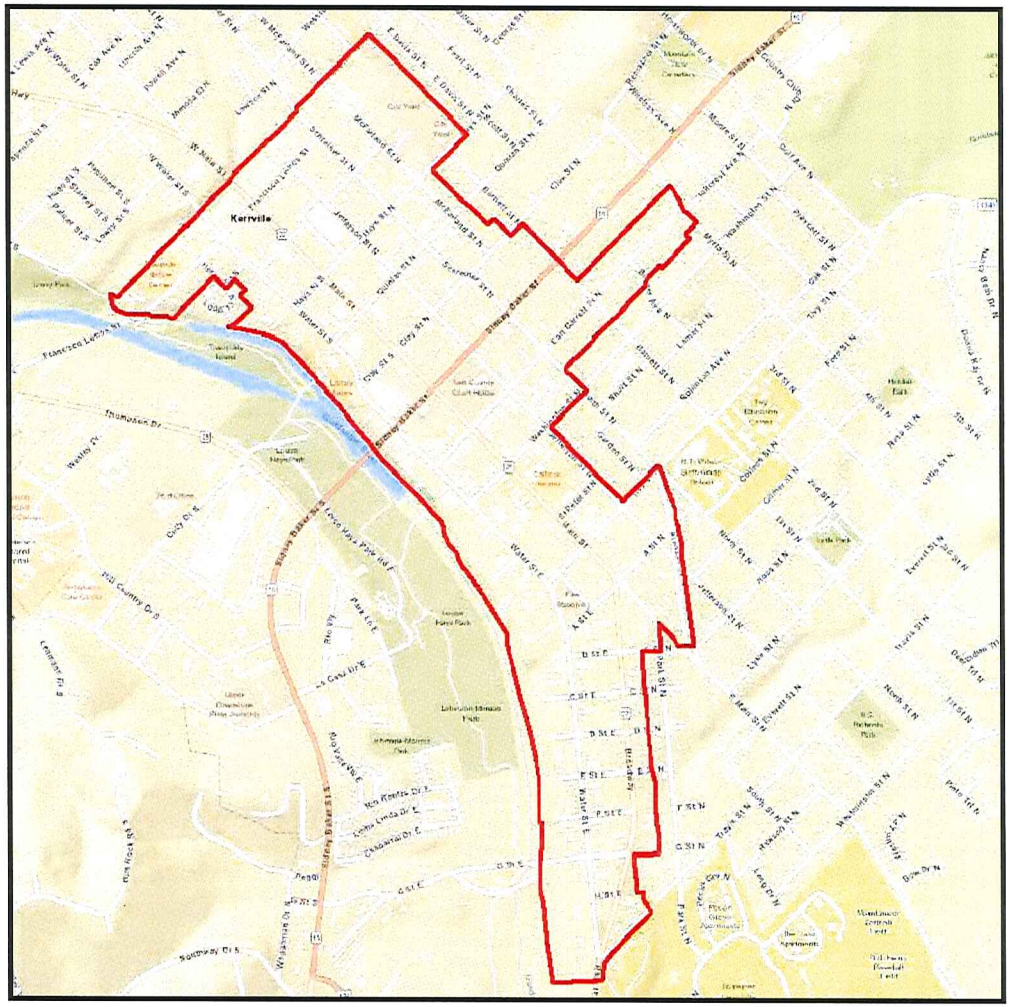
East to the eastern ROW boundary of Quinlan Street North to the point it meets the northwest corner of Property ID 36487, thence

East along the northern boundary of Property ID 36487 to the point it meets the northwest corner of Property ID 36488, thence

East along the northern boundary of Property ID 36488 to the point it meets the northwest corner of Property ID 36489, thence

East along the northern boundary of Property ID 36489 to the point it meets the northwest corner of Property ID 36490, thence

East along the northern boundary of Property ID 36490 to the point it meets the southwest corner of Property ID 36495, thence



TIRZ Boundary

North along the western boundary of Property ID 36495 to the northwest corner of Property ID 36495, thence

East along the northern boundary of Property ID 36495 to the point it meets the western ROW boundary of Clay Street North, thence

East to the eastern ROW boundary of Clay Street North to the point it meets the western boundary of Property ID 24204, thence

North along the western boundary of Property ID 24204 to the point it meets the southwest corner of Property ID 24203, thence

North along the western boundary of Property ID 24203 to the point it meets the northern ROW boundary of Barnett Street North, thence

East along the northern ROW boundary of Barnett Street to the point it meets the western ROW boundary of Sidney Baker Street, thence

East to the eastern ROW boundary of Sidney Baker Street to the point it meets the southwest corner of Property ID 24147, thence

North along the northwest boundary of Property ID 24147 to the point it meets the southwest corner of Property ID 24143, thence

North along the northwest boundary of Property ID 24143 to the point it meets the southwest corner of Property ID 24142, thence

North along the northwest boundary of Property ID 24142 to the point it meets the southwest corner of Property ID 24141, thence

North along the northwest boundary of Property ID 24141 to the point it meets the southwest corner of Property ID 29986, thence

North along the northwest boundary of Property ID 29986 to the point it meets the southwest corner of Property ID 29987, thence

North along the northwest boundary of Property ID 29987 to the point it meets the southwest corner of Property ID 29988, thence

North along the northwest boundary of Property ID 29988 to the point it meets the southwest corner of Property ID 29989, thence

North along the northwest boundary of Property ID 29989 to the point it meets the southwest corner of Property ID 29990, thence

North along the northwest boundary of Property ID 29990 to the point it meets the southwest corner of Property ID 24164, thence

North along the northwest boundary of Property ID 24164 to the point it meets the southwest corner of Property ID 24163, thence

North along the northwest boundary of Property ID 24163 to the point it meets the northern ROW boundary of Myrta Street North, thence

East along the northern ROW boundary of Myrta Street North then south to the point it meets the northeast corner of Property ID 24131, thence

South along the eastern boundary of Property ID 24131 to the point it meets the northeast corner of Property ID 24130, thence

South along the eastern boundary of Property ID 24130 to the point it meets the northeast corner of Property ID 24129, thence

South along the eastern boundary of Property ID 24129 to the point it meets the northeast corner of Property ID 24128, thence

South along the eastern boundary of Property ID 24128 to the point it meets the northeast corner of Property ID 24127, thence

South along the eastern boundary of Property ID 24127 to the point it meets the northeast corner of Property ID 24126, thence

South along the eastern boundary of Property ID 24126 to the point it meets the northeast corner of Property ID 24125, thence

South along the eastern boundary of Property ID 24125 to the point it meets the northeast corner of Property ID 24124, thence

South along the eastern boundary of Property ID 24124 to the point it meets the northern ROW boundary of Bulwer Avenue North, thence

South to the southern ROW boundary of Bulwer Avenue North to the point it meets the northeast corner of Property ID 24249, thence

South along the eastern boundary of Property ID 24249 to the point it meets the northeast corner of Property ID 24248, thence

South along the eastern boundary of Property ID 24248 to the point it meets the northeast corner of Property ID 24247, thence

TIRZ Boundary

South along the eastern boundary of Property ID 24247 to the point it meets the northeast corner of Property ID 24246, thence

South along the eastern boundary of Property ID 24246 to the point it meets the northeast corner of Property ID 24244, thence

South along the eastern boundary of Property ID 24244 to the point it meets the northeast corner of Property ID 24243, thence

South along the eastern boundary of Property ID 24243 to the point it meets the northern ROW boundary of Barnett Street North, thence

South to the southern ROW boundary of Barnett Street North to the point it meets the northeast corner of Property ID 24231, thence

South along the eastern boundary of Property ID 24231 to the point it meets the northeast corner of Property ID 24229, thence

South along the eastern boundary of Property ID 24229 to the point it meets the northeast corner of Property ID 24228, thence

South along the eastern boundary of Property ID 24228 to the point it meets the northeast corner of Property ID 24227, thence

South along the eastern boundary of Property ID 24227 to the point it meets the northeast corner of Property ID 24226, thence

South along the eastern boundary of Property ID 24226 to the point it meets the northeast corner of Property ID 24225, thence

South along the eastern boundary of Property ID 24225 to the point it meets the northeast corner of Property ID 24224, thence

South along the eastern boundary of Property ID 24224 to the point it meets the northeast corner of Property ID 24223, thence

South along the eastern boundary of Property ID 24223 to the point it meets the northern ROW boundary of North Street North, thence

East long the northern ROW boundary of North Street to the point it meets the eastern boundary of Washington Street North, thence

South along the eastern ROW boundary of Washington Street North to the point it meets the northern ROW boundary of Jefferson Street North, thence

East along the northern ROW boundary of Jefferson Street North to the point it meets the western ROW boundary of Tivy Street North, thence

North along the western ROW boundary of Tivy Street North to the point it meets the northern ROW boundary of Aransas Street North, thence

East along the northern ROW boundary of Aransas Street North to the point it meets the northern ROW boundary of B Street North, thence

West along the northern ROW boundary of B Street North to the point it meets the western ROW boundary of E Main Street North, thence

North along the western boundary of E Main Street North to the point it meets the eastern ROW boundary of Park Street North, thence

South along the eastern ROW boundary of Park Street North to the point it meets the southern ROW boundary of B Street North, thence

West along the southern ROW boundary of B Street North to the point it meets the northeast corner of Property ID 38565, thence

South along the eastern boundary of Property ID 38565 to the point it meets the northeast corner of Property ID 38564, thence

South along the eastern boundary of Property ID 38564 to the point it meets the northeast corner of Property ID 38563, thence

South along the eastern boundary of Property ID 38563 to the point it meets the northeast corner of Property ID 38562, thence

South along the eastern boundary of Property ID 38562 to the point it meets the northern ROW boundary of C Street North, thence

South to the southern ROW boundary of C Street North to the point it meets the northeast corner of Property ID 38575, thence

South along the eastern boundary of Property ID 38575 to the point it meets the northeast corner of Property ID 38574, thence

South along the eastern boundary of Property ID 38574 to the point it meets the northeast corner of Property ID 38573, thence

South along the eastern boundary of Property ID 38573 to the point it meets the northern ROW boundary of D Street North, thence

TIRZ Boundary

South to the southern ROW boundary of D Street North to the point it meets the northeast corner of Property ID 38586, thence

South along the eastern boundary of Property ID 38586 to the point it meets the northeast corner of Property ID 38585, thence

South along the eastern boundary of Property ID 38585 to the point it meets the northeast corner of Property ID 38584, thence

South along the eastern boundary of Property ID 38584 to the point it meets the northeast corner of Property ID 38583, thence

South along the eastern boundary of Property ID 38583 to the point it meets the northeast corner of Property ID 38582, thence

South along the eastern boundary of Property ID 38582 to the point it meets the northeast corner of Property ID 38581, thence

South along the eastern boundary of Property ID 38581 to the point it meets the northern ROW boundary of E Street North, thence

South to the southern ROW boundary of E Street North to the point it meets the northeast corner of Property ID 38597, thence

South along the eastern boundary of Property ID 38597 to the point it meets the northeast corner of Property ID 38595, thence

South along the eastern boundary of Property ID 38595 to the point it meets the northeast corner of Property ID 38594, thence

South along the eastern boundary of Property ID 38594 to the point it meets the northeast corner of Property ID 38593, thence

South along the eastern boundary of Property ID 38593 to the point it meets the northeast corner of Property ID 38605, thence

South along the eastern boundary of Property ID 38605 to the point it meets the northeast corner of Property ID 38604, thence

South along the eastern boundary of Property ID 38604 to the point it meets the northeast corner of Property ID 38603, thence

South along the eastern boundary of Property ID 38603 to the point it meets the northeast corner of Property ID 38602, thence

South along the eastern boundary of Property ID 38602 to the point it meets the northeast corner of Property ID 533488, thence

South along the eastern boundary of Property ID 533488 to the point it meets the southeast corner of Property ID 533488, thence

West along the southern boundary of Property ID 533488 to the point it meets the northeast corner of Property ID 38466, thence

South along the eastern boundary of Property ID 38466 to the point it meets the northeast corner of Property ID 38469, thence

South along the eastern boundary of Property ID 38469 to the point it meets the northeast corner of Property ID 38461, thence

South along the eastern boundary of Property ID 38461 to the point it meets the northeast corner of Property ID 38457, thence

South along the eastern boundary of Property ID 38457 to the point it meets the northern ROW boundary of Travis Street North, thence

South to the southern ROW boundary of Travis Street North, thence

South along the southern ROW boundary of Travis Street North to the point it meets the eastern ROW boundary of Memorial Boulevard, thence

West to the western ROW boundary of Memorial Boulevard to the point it meets the southeast corner of Property ID 38452, thence

West along the southern boundary of Property ID 38452 to the point it meets the southwest corner of Property ID 38452, thence

North along the western boundary of Property ID 38452 to the point it meets the southwest corner of Property ID 46766, thence

North along the western boundary of Property ID 46766 to the point it meets the southwest corner of Property ID 47910, thence

North along the western boundary of Property ID 47910 to the point it meets the southwest corner of Property ID 38449, thence

North along the western boundary of Property ID 38449 to the southwest corner of Property ID 38448, thence

TIRZ Boundary

North along the western boundary of Property ID 38448 to the point it meets the southwest corner of Property ID 38447, thence

North along the western boundary of Property ID 38447 to the northwest corner of Property ID 38447, thence

North across G Street East to the southwest corner of Property ID 71735, thence

North along the western boundary of Property ID 71735 to the point it meets the southwest corner of Property ID 38430, thence

North along the western boundary of Property ID 38430 to the point it meets the southwest corner of Property ID 528501, thence

North along the western boundary of Property ID 528501 to the point it meets the southwest corner of Property ID 38429, thence

North along the western boundary of Property ID 38429 to the point it meets the southwest corner of Property ID 38428, thence

North along the western boundary of Property ID 38428 to the southwest corner of Property ID 38427, thence

North along the western boundary of Property ID 38427 to the southwest corner of Property ID 38426, thence

Continuing north along the eastern boundary of the Louise Hays Park to the southwest corner of Property ID 23938, thence

North along the western boundary of Property ID 23938 to the point it meets the southwest corner of Property ID 23935, thence

North along the western boundary of Property ID 23935 to the southwest corner of Property ID 533069, thence

North along the western boundary of Property ID 533069 to the point it meets the southwest corner of Property ID 60284, thence

North along the western boundary of Property ID 60284 to the point it meets the southwest corner of Property ID 520082, thence

North along the western boundary of Property ID 520082 to the point it meets the southwest corner of Property ID 520055, thence

North along the western boundary of Property ID 520055 to the point it meets the southwest corner of Property ID 520014, thence

North along the western boundary of Property ID 520014 to the point it meets the southwest corner of Property ID 520573, thence

North along the western boundary of Property ID 520573 to the point it meets the southwest corner of Property ID 60188, thence

North along the western boundary of Property ID 60188 to the point it meets the eastern ROW boundary of Sidney Baker Street, thence

North to the western ROW boundary of Sidney Baker Street then continuing north to the southwest corner of Property ID 23915, thence

North along the western boundary of Property ID 23915 to the point it meets the southwest corner of Property ID 23916, thence

North along the western boundary of Property ID 23916 to the point it meets the southwest corner of Property ID 23918, thence

North along the western boundary of Property ID 23918 to the point it meets the southwest corner of Property ID 23920, thence

North along the western boundary of Property ID 23920 to the point it meets the southwest corner of Property ID 23913, thence

North along the western boundary of Property ID 23913 to the point it meets the southwest corner of Property ID 534018, thence

North along the western boundary of Property ID 534018 to the point it meets the southwest corner of Property ID 36262, thence

North along the western boundary of Property ID 36262 to the point it meets the southwest corner of Property ID 36265, thence

North along the western boundary of Property ID 36265 to the point it meets the southern corner of Property ID 36267, thence

North along the southwest boundary of Property ID 36267 to the point it meets the southern corner of Property ID 36266, thence

North along the western boundary of Property ID 36266 to the northwest corner, thence

TIRZ Boundary

North along the western boundary of Property ID 36266 to the northwest corner, thence

East along the boundary of Property ID 36266 to the southern corner of Property ID 36268, thence

North along the western boundary of Property ID 36268 to the southern corner of Property ID 36276, thence

North along the western boundary of Property ID 36276 to the point it meets the southern ROW boundary of Herzog Street South, thence

West along the southern ROW boundary of Herzog Street South to the point it meets the western ROW boundary of Herzog Street South, thence

North along the western ROW boundary of Herzog Street to the point it meets the southeastern corner of Property ID 36536, thence

West along the southern boundary of Property ID 36536 to the point it meets the southeastern corner of Property ID 36537, thence

West along the southern boundary of Property ID 36537 to the point it meets the southeastern corner of Property ID 36538, thence

West along the southern boundary of Property ID 36538 to the point it meets the southeastern corner of Property ID 36539, thence

West along the southern boundary of Property ID 36539 to the point it meets the southeastern corner of Property ID 36540, thence

West along the southern boundary of Property ID 36539 to the point it meets the eastern ROW boundary of Francisco Lemos Street, thence

West to the western ROW boundary of Francisco Lemos Street to the point it meets the southwest corner of Property ID 36296, thence

North along the boundary of Property ID 36296 to the point it meets the southwest corner of Property ID 31473, thence

North along the eastern boundary of Property ID 31473 to the point it meets the southwest corner of Property ID 532984, thence

North along the eastern boundary of Property ID 532984 to the point it meets the southwest corner of Property ID 69683, thence

North along the eastern boundary of Property ID 69683 to the point it meets the southern ROW boundary of Water Street South, thence

North to the northern ROW boundary of Water Street South to the point it meets the southwest corner of Property ID 31486, thence

North along the southeastern boundary of Property ID 31486 to the point it meets the southern ROW boundary of Main Street, thence

North to the northern ROW boundary of Main Street to the point it meets the west corner of Property ID 36323, thence

North along the northwest boundary of Property ID 36323 to the point it meets the western corner of Property ID 36322, thence

North along the northwest boundary of Property ID 36322 to the point it meets the western corner of Property ID 36320, thence

North along the northwest boundary of Property ID 36320 to the point it meets the western ROW boundary of Jefferson Street North, thence

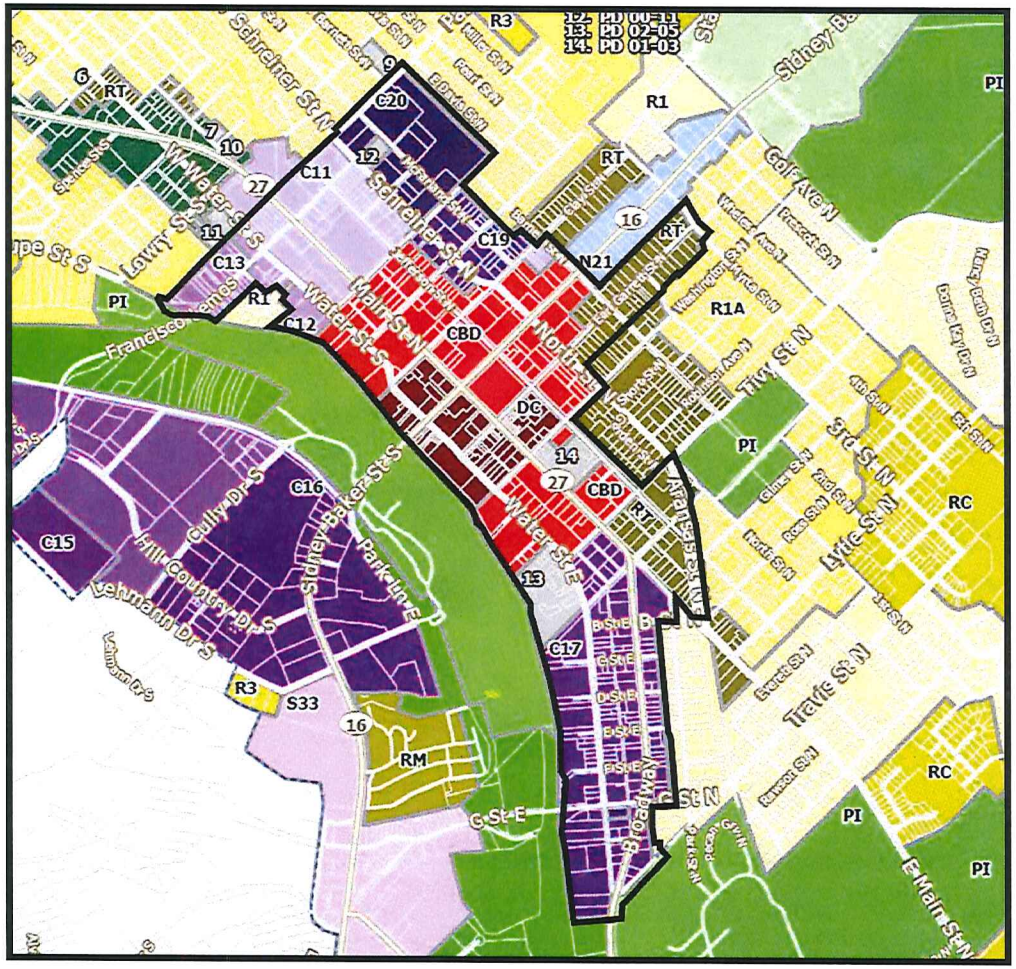
North to the northern ROW boundary of Paschal Avenue North, thence

North along the northern ROW boundary of Paschal Avenue North to the point it meets the southern corner of Property ID 33874, thence

North along the southern boundary of Property ID 33874 to the eastern corner, thence

East across Paschal Avenue North to the northwest corner of Property ID 14696, which is the point of beginning.

Current Conditions



Land Use

The TIRZ contains both commercial and residential improvements as well as some vacant land.

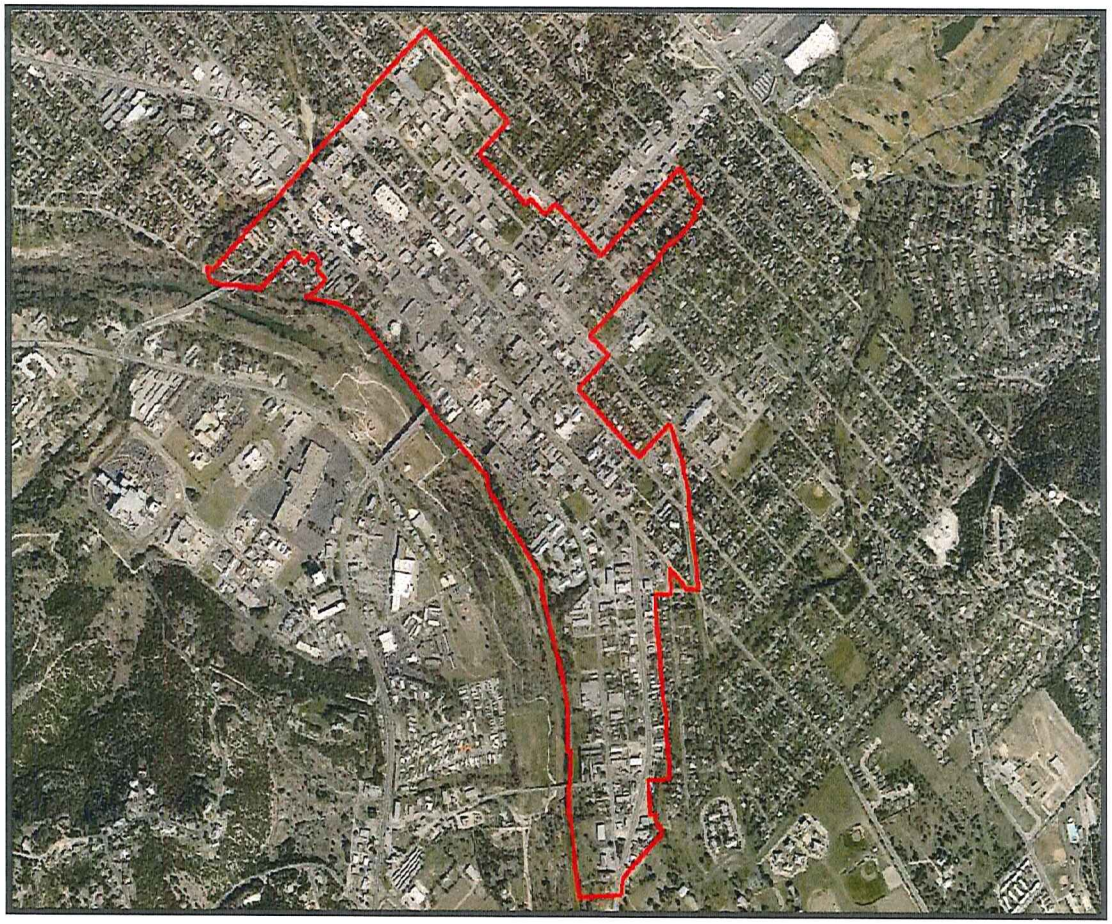
Method of Relocating Persons to be Displaced

It is not anticipated that any persons will be displaced or need to be relocated as result of implementation.

Zoning

The property within the TIRZ is currently zoned as Central Business District, Downtown Core, Residential Transition, Planned Development District, and Central City Districts - 11, 12, 13, 17, 19, and 20.

It is not anticipated that there will be any changes to the master plan, building codes or other municipal ordinances or subdivision rules and regulations of the City at this time.



Current Ownership Information

There are currently 574 parcels within Tax Increment Reinvestment Zone #1.

For further details of the parcel included within the TIRZ see Exhibit A.

The 2018 estimated base taxable value is $99,221,499.

Project Costs of the Zone

There are a number of improvements within Tax Increment Reinvestment Zone #1 that will be financed by in part by incremental real property tax generated within the TIRZ.

Proposed Project Costs			
Water Facilities and Improvements	$	1,706,574	10%
Sanitary Sewer Facilities and Improvements	$	1,706,574	10%
Storm Water Facilities and Improvements	$	1,706,574	10%
Transit/Parking Improvements	$	1,706,574	10%
Street and Intersection Improvements	$	2,559,861	15%
Open Space, Park and Recreation Facilities and Improvements	$	3,071,833	18%
Economic Development Grants	$	4,266,435	25%
Administrative Costs	$	341,315	2%
GROSS	$	17,065,741	100%

The costs illustrated in the table above are estimates and may be revised. Savings from one line item may be applied to a cost increase in another line item.

Chapter 311 of the Texas Tax Code

Sec. 311.002.

(1) "Project costs" means the expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the municipality or county designating a reinvestment zone that are listed in the project plan as costs of public works, public improvements, programs, or other projects benefiting the zone, plus other costs incidental to those expenditures and obligations. "Project costs" include:

(A) capital costs, including the actual costs of the acquisition and construction of public works, public improvements, new buildings, structures, and fixtures; the actual costs of the acquisition, demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and fixtures; the actual costs of the remediation of conditions that contaminate public or private land or buildings; the actual costs of the preservation of the facade of a public or private building; the actual costs of the demolition of public or private buildings; and the actual costs of the acquisition of land and equipment and the clearing and grading of land;

(B) financing costs, including all interest paid to holders of evidences of indebtedness or other obligations issued to pay for project costs and any premium paid over the principal amount of the obligations because of the redemption of the obligations before maturity;

(C) real property assembly costs;

(D) professional service costs, including those incurred for architectural, planning, engineering, and legal advice and services;

(E) imputed administrative costs, including reasonable charges for the time spent by employees of the municipality or county in connection with the implementation of a project plan;

(F) relocation costs;

(G) organizational costs, including the costs of conducting environmental impact studies or other studies, the cost of publicizing the creation of the zone, and the cost of implementing the project plan for the zone;

(H) interest before and during construction and for one year after completion of construction, whether or not capitalized;

(I) the cost of operating the reinvestment zone and project facilities;

(J) the amount of any contributions made by the municipality or county from general revenue for the implementation of the project plan;

(K) the costs of school buildings, other educational buildings, other educational facilities, or other buildings owned by or on behalf of a school district, community college district, or other political subdivision of this state; and

(L) payments made at the discretion of the governing body of the municipality or county that the governing body finds necessary or convenient to the creation of the zone or to the implementation of the project plans for the zone.

Anticipated Development

The proposed TIRZ #1 development is a combination of commercial uses including retail, office, and hotel, as well as residential that is projected to be constructed over the next several years and financed in part by incremental real property tax generated within the TIRZ.

The table provides an overview of the potential development that we believe will occur during the life of the TIRZ along with estimated dates of when the incremental revenue will flow into the TIRZ fund.

	Square Feet	Units	Projected Completion Date	Taxable Value PSF/Unit	Incremental Value	Sales PSF	Total Sales
Years 1-10							
Retail Commercial	7,500		2019	$125	$937,500	$350.00	$2,625,000
Retail Commercial	9,500		2020	$125	$1,187,500	$350.00	$3,325,000
Office	12,500		2020	$125	$1,562,500	$0.00	$0
Residential	54,000	60	2020	$95,000	$5,700,000	$0.00	$0
Hotel	27,972	84	2020	$95,000	$7,980,000	$0.00	$0
Residential	13,500	15	2022	$95,000	$1,425,000	$0.00	$0
Retail Commercial	7,500		2022	$125	$937,500	$350.00	$2,625,000
Residential	13,500	15	2024	$95,000	$1,425,000	$0.00	$0
Hotel	19,980	60	2024	$95,000	$5,700,000	$0.00	$0
Office	12,500		2024	$125	$1,562,500	$0.00	$0
Residential	36,000	40	2026	$95,000	$3,800,000	$0.00	$0
Retail Commercial	10,000		2024	$125	$1,250,000	$350.00	$3,500,000
Office	10,000		2025	$125	$1,250,000	$0.00	$0
Hotel	19,980	60	2026	$95,000	$5,700,000	$0.00	$0
Residential	22,500	25	2026	$95,000	$2,375,000	$0.00	$0
Retail Commercial	7,500		2027	$125	$937,500	$350.00	$2,625,000
Retail Commercial	10,000		2028	$125	$1,250,000	$350.00	$3,500,000
Residential	13,500	15	2028	$95,000	$1,425,000	$0.00	$0
	307,932	**374**			**$46,405,000**		**$18,200,000**
Years 11-20							
Residential	13,500	15	2030	$95,000	$1,425,000	$0.00	$0
Residential	9,000	10	2032	$95,000	$950,000	$0.00	$0
Office	12,500		2031	$125	$1,562,500	$0.00	$0
Retail Commercial	7,500		2031	$125	$937,500	$350.00	$2,625,000
Retail Commercial	10,000		2031	$125	$1,250,000	$350.00	$3,500,000
Office	10,000		2032	$125	$1,250,000	$0.00	$0
Retail Commercial	10,000		2034	$125	$1,250,000	$350.00	$3,500,000
Residential	45,000	50	2034	$95,000	$4,750,000	$0.00	$0
Hotel	21,645	65	2034	$95,000	$6,175,000	$0.00	$0
Office	20,000		2035	$125	$2,500,000	$0.00	$0
Retail Commercial	7,500		2036	$125	$937,500	$350.00	$2,625,000
Residential	13,500	15	2036	$95,000	$1,425,000	$0.00	$0
Residential	27,000	30	2038	$95,000	$2,850,000	$0.00	$0
	207,145	**185**			**$27,262,500.00**		**$12,250,000**
Total	**515,077**	**559**			**$73,667,500**		**$30,450,000**

Method of Financing

To fund the public improvements outlined on the previous pages, it is anticipated that the City Kerrville will contribute 100% of its real property increment.

Debt Service

It is not anticipated at this time that the TIRZ will incur any bonded indebtedness.

Economic Feasibility Study

A taxable value analysis was developed as part of the project and financing plan to determine the economic feasibility of the project. The study examined the expected tax revenue the TIRZ would receive based on the previously outlined developments. A summary overview of the anticipated development square footages, the anticipated sales per square foot and the anticipated taxable value per square foot can be found on the table below.

The following pages show the estimated captured appraised value of the zone during each year of its existence and the net benefits of the zone to each of the local taxing jurisdictions as well as the method of financing and debt service.

Utilizing the information outlined in this feasibility study, we have found that the TIRZ is economically feasible and will provide the City and other taxing jurisdictions with economic benefits that would not occur without its implementation.

Real Property Tax		Participation	
City of Kerrville	0.55140000	100%	0.5514000
Kerr County	0.46770000	0%	0.0000000
Kerr County Lateral Roads	0.03230000	0%	0.0000000
Kerrville ISD	1.18000000	0%	0.0000000
UGRA	0.02350000	0%	0.0000000
HGCD	0.00740000	0%	0.0000000
	2.26230000		**0.5514000**

Personal Property Tax		Participation	
City of Kerrville	0.55140000	0%	0.0000000
Kerr County	0.46770000	0%	0.0000000
Kerr County Lateral Roads	0.03230000	0%	0.0000000
Kerrville ISD	1.18000000	0%	0.0000000
UGRA	0.02350000	0%	0.0000000
HGCD	0.00740000	0%	0.0000000
	2.26230000		**0.0000000**

Sales Tax Rate	0.0200000	0.00%	0.0000000

ESTIMATE OF GENERAL IMPACT OF PROPOSED ZONE PROPERTY VALUES AND TAX REVENUES

TAXABLE BASE YEAR GROWTH 2.00%
DISCOUNT RATE 6.00%

	REAL PROPERTY TAX		
City of Kerrville	0.5514000	100%	0.5514000
Kerr County	0.4677000	0%	0.0000000
Kerr County Lateral Roads	0.0323000	0%	0.0000000
Kerrville ISD	1.1800000	0%	0.0000000
UGRA	0.0235000	0%	0.0000000
HGCD	0.0074000	0%	0.0000000
	2.2623000		0.5514000

	BUSINESS PERSONAL PROPERTY TAX		
City of Kerrville	0.5514000	0%	0.0000000
Kerr County	0.4677000	0%	0.0000000
Kerr County Lateral Roads	0.0323000	0%	0.0000000
Kerrville ISD	1.1800000	0%	0.0000000
UGRA	0.0235000	0%	0.0000000
HGCD	0.0074000	0%	0.0000000
	2.2623000		0.0000000

SALES TAX		
[illegible]	[illegible]	[illegible]

REVENUE YEAR	BASE YEAR 2018	0 2018	1 2019	2 2020	3 2021	4 2022	5 2023	6 2024	7 2025	8 2026	9 2027	10 2028	11 2029	12 2030	13 2031	14 2032	15 2033
BASE YEAR																	
City of Kerrville	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
Kerr County	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
Kerr County Lateral Roads	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
Kerrville ISD	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
UGRA	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
HGCD	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
TAXABLE VALUE																	
City of Kerrville		99,221,499	101,205,929	103,230,048	105,294,649	107,400,541	109,548,552	111,739,523	113,974,314	116,253,800	118,578,876	120,950,454	123,369,463	125,836,852	128,353,589	130,920,661	133,539,074
Kerr County		99,221,499	101,205,929	103,230,048	105,294,649	107,400,541	109,548,552	111,739,523	113,974,314	116,253,800	118,578,876	120,950,454	123,369,463	125,836,852	128,353,589	130,920,661	133,539,074
Kerr County Lateral Roads		99,221,499	101,205,929	103,230,048	105,294,649	107,400,541	109,548,552	111,739,523	113,974,314	116,253,800	118,578,876	120,950,454	123,369,463	125,836,852	128,353,589	130,920,661	133,539,074
Kerrville ISD		99,221,499	101,205,929	103,230,048	105,294,649	107,400,541	109,548,552	111,739,523	113,974,314	116,253,800	118,578,876	120,950,454	123,369,463	125,836,852	128,353,589	130,920,661	133,539,074
UGRA		99,221,499	101,205,929	103,230,048	105,294,649	107,400,541	109,548,552	111,739,523	113,974,314	116,253,800	118,578,876	120,950,454	123,369,463	125,836,852	128,353,589	130,920,661	133,539,074
HGCD		99,221,499	101,205,929	103,230,048	105,294,649	107,400,541	109,548,552	111,739,523	113,974,314	116,253,800	118,578,876	120,950,454	123,369,463	125,836,852	128,353,589	130,920,661	133,539,074
TAXABLE VALUE INCREMENT																	
City of Kerrville		0	1,984,430	4,008,549	6,073,150	8,179,042	10,327,053	12,518,024	14,752,815	17,032,301	19,357,377	21,728,955	24,147,964	26,615,353	29,132,090	31,699,162	34,317,575
Kerr County		0	1,984,430	4,008,549	6,073,150	8,179,042	10,327,053	12,518,024	14,752,815	17,032,301	19,357,377	21,728,955	24,147,964	26,615,353	29,132,090	31,699,162	34,317,575
Kerr County Lateral Roads		0	1,984,430	4,008,549	6,073,150	8,179,042	10,327,053	12,518,024	14,752,815	17,032,301	19,357,377	21,728,955	24,147,964	26,615,353	29,132,090	31,699,162	34,317,575
Kerrville ISD		0	1,984,430	4,008,549	6,073,150	8,179,042	10,327,053	12,518,024	14,752,815	17,032,301	19,357,377	21,728,955	24,147,964	26,615,353	29,132,090	31,699,162	34,317,575
UGRA		0	1,984,430	4,008,549	6,073,150	8,179,042	10,327,053	12,518,024	14,752,815	17,032,301	19,357,377	21,728,955	24,147,964	26,615,353	29,132,090	31,699,162	34,317,575
HGCD		0	1,984,430	4,008,549	6,073,150	8,179,042	10,327,053	12,518,024	14,752,815	17,032,301	19,357,377	21,728,955	24,147,964	26,615,353	29,132,090	31,699,162	34,317,575
REVENUE A – TAXABLE VALUE GROWTH																	
City of Kerrville		0	10,942	22,103	33,487	45,099	56,943	69,024	81,347	93,916	106,737	119,813	133,152	146,757	160,634	174,789	189,227
Kerr County		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kerr County Lateral Roads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kerrville ISD		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UGRA		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HGCD		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			10,942	22,103	33,487	45,099	56,943	69,024	81,347	93,916	106,737	119,813	133,152	146,757	160,634	174,789	189,227
REVENUE #1 – RETAIL																	
REAL PROPERTY TAX		0	468,750	1,296,875	1,828,125	2,593,750	2,828,125	3,687,500	4,000,000	4,312,500	4,781,250	5,640,625	6,187,500	6,500,000	7,593,750	8,140,625	8,687,500
BUSINESS PERSONAL PROPERTY		0	56,250	155,625	219,375	311,250	339,375	442,500	480,000	517,500	573,750	676,875	742,500	780,000	911,250	976,875	1,042,500
City of Kerrville		0	2,585	7,151	10,080	14,302	15,594	20,333	22,056	23,779	26,364	31,102	34,118	35,841	41,872	44,887	47,903
Kerr County		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kerr County Lateral Roads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kerrville ISD		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UGRA		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HGCD		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	2,585	7,151	10,080	14,302	15,594	20,333	22,056	23,779	26,364	31,102	34,118	35,841	41,872	44,887	47,903
REVENUE #2 – SALES TAX																	
Sales		0	1,312,500	3,631,250	5,118,750	7,262,500	7,918,750	10,325,000	11,200,000	12,075,000	13,387,500	15,793,750	17,325,000	18,200,000	21,262,500	22,793,750	24,325,000
City of Kerrville		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
REVENUE #3 – OFFICE																	
REAL PROPERTY TAX		0	0	781,250	1,171,875	1,562,500	1,562,500	2,343,750	3,359,375	4,062,500	4,375,000	4,375,000	4,375,000	4,375,000	5,156,250	6,171,875	6,875,000
BUSINESS PERSONAL PROPERTY		0	0	31,250	46,875	62,500	62,500	93,750	134,375	162,500	175,000	175,000	175,000	175,000	206,250	246,875	275,000
City of Kerrville		0	0	4,308	6,462	8,616	8,616	12,923	18,524	22,401	24,124	24,124	24,124	24,124	28,432	34,032	37,909
Kerr County		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kerr County Lateral Roads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kerrville ISD		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UGRA		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HGCD		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	4,308	6,462	8,616	8,616	12,923	18,524	22,401	24,124	24,124	24,124	24,124	28,432	34,032	37,909
REVENUE #4 – RESIDENTIAL																	
REAL PROPERTY TAX		0	0	2,850,000	4,275,000	6,412,500	6,768,750	7,837,500	8,193,750	11,637,500	13,181,250	15,437,500	15,793,750	16,862,500	17,218,750	18,050,000	18,287,500
BUSINESS PERSONAL PROPERTY		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
City of Kerrville		0	0	15,715	23,572	35,359	37,323	43,216	45,180	64,169	72,681	85,122	87,087	92,980	94,944	99,528	100,837
Kerr County		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kerr County Lateral Roads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kerrville ISD		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UGRA		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HGCD		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
npv @ 6%		0	0	15,715	23,572	35,359	37,323	43,216	45,180	64,169	72,681	85,122	87,087	92,980	94,944	99,528	100,837
REVENUE #5 – HOTEL																	
REAL PROPERTY TAX		0	0	0	3,990,000	5,985,000	7,980,000	7,980,000	10,830,000	12,255,000	16,530,000	17,955,000	19,380,000	19,767,600	20,162,952	20,566,211	20,977,535
BUSINESS PERSONAL PROPERTY		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
City of Kerrville		0	0	0	22,001	33,001	44,002	44,002	59,717	67,574	91,146	99,004	106,861	108,999	111,179	113,402	115,670
Kerr County		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kerr County Lateral Roads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kerrville ISD		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UGRA		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HGCD		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	22,001	33,001	44,002	44,002	59,717	67,574	91,146	99,004	106,861	108,999	111,179	113,402	115,670
REVENUE A, 1, 2, 3, 4, 5, 6		0	13,527	49,277	95,603	136,377	162,478	189,498	226,824	271,839	321,052	359,166	385,342	408,700	437,061	466,638	491,546
Running Total		0	13,527	62,804	158,406	294,783	457,261	646,759	873,583	1,145,422	1,466,474	1,825,640	2,210,981	2,619,681	3,056,742	3,523,380	4,014,926
GROSS	17,065,741																
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
City of Kerrville		0	13,527	49,277	95,603	136,377	162,478	189,498	226,824	271,839	321,052	359,166	385,342	408,700	437,061	466,638	491,546
Kerr County		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kerr County Lateral Roads		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kerrville ISD		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UGRA		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HGCD		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$ -		0	13,527	49,277	95,603	136,377	162,478	189,498	226,824	271,839	321,052	359,166	385,342	408,700	437,061	466,638	491,546

REVENUE YEAR	16 2034	17 2035	18 2036	19 2037	20 2038	21 2039	22 2040	23 2041	24 2042	25 2043	26 2044	27 2045	28 2046	29 2047	30 2048	31 2049	TOTALS	
BASE YEAR																		
City of Kerrville	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499		
Kerr County	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499		
Kerr County Lateral Roads	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499		
Kerrville ISD	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499		
UGRA	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499		
HGCD	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499		
TAXABLE VALUE																		
City of Kerrville	136,209,855	138,934,053	141,712,734	144,546,988	147,437,928	150,386,687	153,394,420	156,462,309	159,591,555	162,783,386	166,039,054	169,359,835	172,747,032	176,201,972	179,726,012	183,320,532		
Kerr County	136,209,855	138,934,053	141,712,734	144,546,988	147,437,928	150,386,687	153,394,420	156,462,309	159,591,555	162,783,386	166,039,054	169,359,835	172,747,032	176,201,972	179,726,012	183,320,532		
Kerr County Lateral Roads	136,209,855	138,934,053	141,712,734	144,546,988	147,437,928	150,386,687	153,394,420	156,462,309	159,591,555	162,783,386	166,039,054	169,359,835	172,747,032	176,201,972	179,726,012	183,320,532		
Kerrville ISD	136,209,855	138,934,053	141,712,734	144,546,988	147,437,928	150,386,687	153,394,420	156,462,309	159,591,555	162,783,386	166,039,054	169,359,835	172,747,032	176,201,972	179,726,012	183,320,532		
UGRA	136,209,855	138,934,053	141,712,734	144,546,988	147,437,928	150,386,687	153,394,420	156,462,309	159,591,555	162,783,386	166,039,054	169,359,835	172,747,032	176,201,972	179,726,012	183,320,532		
HGCD	136,209,855	138,934,053	141,712,734	144,546,988	147,437,928	150,386,687	153,394,420	156,462,309	159,591,555	162,783,386	166,039,054	169,359,835	172,747,032	176,201,972	179,726,012	183,320,532		
TAXABLE VALUE INCREMENT																		
City of Kerrville	36,988,356	39,712,554	42,491,235	45,325,489	48,216,429	51,165,188	54,172,921	57,240,810	60,370,056	63,561,887	66,817,555	70,138,336	73,525,533	76,980,473	80,504,513	84,099,033		
Kerr County	36,988,356	39,712,554	42,491,235	45,325,489	48,216,429	51,165,188	54,172,921	57,240,810	60,370,056	63,561,887	66,817,555	70,138,336	73,525,533	76,980,473	80,504,513	84,099,033		
Kerr County Lateral Roads	36,988,356	39,712,554	42,491,235	45,325,489	48,216,429	51,165,188	54,172,921	57,240,810	60,370,056	63,561,887	66,817,555	70,138,336	73,525,533	76,980,473	80,504,513	84,099,033		
Kerrville ISD	36,988,356	39,712,554	42,491,235	45,325,489	48,216,429	51,165,188	54,172,921	57,240,810	60,370,056	63,561,887	66,817,555	70,138,336	73,525,533	76,980,473	80,504,513	84,099,033		
UGRA	36,988,356	39,712,554	42,491,235	45,325,489	48,216,429	51,165,188	54,172,921	57,240,810	60,370,056	63,561,887	66,817,555	70,138,336	73,525,533	76,980,473	80,504,513	84,099,033		
HGCD	36,988,356	39,712,554	42,491,235	45,325,489	48,216,429	51,165,188	54,172,921	57,240,810	60,370,056	63,561,887	66,817,555	70,138,336	73,525,533	76,980,473	80,504,513	84,099,033		
REVENUE A – TAXABLE VALUE GROWTH																		
City of Kerrville	203,954	218,975	234,297	249,925	265,865	282,125	298,709	315,626	332,880	350,480	368,432	386,743	405,420	424,470	443,902	463,722	6,689,498	City of Kerrville
Kerr County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerr County
Kerr County Lateral Roads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerr County Lateral Roads
Kerrville ISD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerrville ISD
UGRA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	UGRA
HGCD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	HGCD
	203,954	218,975	234,297	249,925	265,865	282,125	298,709	315,626	332,880	350,480	368,432	386,743	405,420	424,470	443,902	463,722	6,689,498	
REVENUE #1 – RETAIL																		
REAL PROPERTY TAX	9,312,500	9,625,000	10,406,250	10,640,625	10,875,000	11,092,500	11,314,350	11,540,637	11,771,450	12,006,879	12,247,016	12,491,957	12,741,796	12,996,632	13,256,564	13,521,696		
BUSINESS PERSONAL PROPERTY	1,117,500	1,155,000	1,248,750	1,276,875	1,305,000	1,331,100	1,357,722	1,384,876	1,412,574	1,440,825	1,469,642	1,499,035	1,529,015	1,559,596	1,590,788	1,622,603		
City of Kerrville	51,349	53,072	57,380	58,672	59,965	61,164	62,387	63,635	64,908	66,206	67,530	68,881	70,258	71,663	73,097	74,559	1,402,694	City of Kerrville
Kerr County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerr County
Kerr County Lateral Roads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerr County Lateral Roads
Kerrville ISD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerrville ISD
UGRA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	UGRA
HGCD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	HGCD
	51,349	53,072	57,380	58,672	59,965	61,164	62,387	63,635	64,908	66,206	67,530	68,881	70,258	71,663	73,097	74,559	1,402,694	
REVENUE #2 – SALES TAX																		
Sales	26,075,000	26,950,000	29,137,500	29,793,750	30,450,000	31,059,000	31,680,180	32,313,784	32,960,059	33,619,260	34,291,646	34,977,479	35,677,028	36,390,569	37,118,380	37,860,748		
City of Kerrville	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	City of Kerrville
REVENUE #3 – OFFICE																		
REAL PROPERTY TAX	7,187,500	8,437,500	9,062,500	9,687,500	9,881,250	10,078,875	10,280,453	10,486,062	10,695,783	10,909,699	11,127,892	11,350,450	11,577,459	11,809,008	12,045,188	12,286,092		
BUSINESS PERSONAL PROPERTY	287,500	337,500	362,500	387,500	395,250	403,155	411,218	419,442	427,831	436,388	445,116	454,018	463,098	472,360	481,808	491,444		
City of Kerrville	39,632	46,524	49,971	53,417	54,485	55,575	56,686	57,820	58,977	60,156	61,359	62,586	63,838	65,115	66,417	67,746	1,199,020	City of Kerrville
Kerr County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerr County
Kerr County Lateral Roads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerr County Lateral Roads
Kerrville ISD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerrville ISD
UGRA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	UGRA
HGCD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	HGCD
	39,632	46,524	49,971	53,417	54,485	55,575	56,686	57,820	58,977	60,156	61,359	62,586	63,838	65,115	66,417	67,746	1,199,020	
REVENUE #4 – RESIDENTIAL																		
REAL PROPERTY TAX	20,900,000	22,087,500	23,987,500	24,343,750	26,125,000	26,837,500	27,550,000	28,101,000	28,663,020	29,236,280	29,821,006	30,417,426	31,025,775	31,646,290	32,279,216	32,924,800		
BUSINESS PERSONAL PROPERTY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
City of Kerrville	115,243	121,790	132,267	134,231	144,053	147,982	151,911	154,949	158,048	161,209	164,433	167,722	171,076	174,498	177,988	181,547	3,356,660	City of Kerrville
Kerr County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerr County
Kerr County Lateral Roads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerr County Lateral Roads
Kerrville ISD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerrville ISD
UGRA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	UGRA
HGCD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	HGCD
npv @ 6%	115,243	121,790	132,267	134,231	144,053	147,982	151,911	154,949	158,048	161,209	164,433	167,722	171,076	174,498	177,988	181,547	3,356,660	
REVENUE #5 – HOTEL																		
REAL PROPERTY TAX	21,397,086	24,912,529	30,042,028	36,817,860	37,554,226	38,305,311	39,071,417	39,852,845	40,649,902	41,462,900	42,292,158	43,138,001	44,000,761	44,880,777	45,778,392	46,693,960		
BUSINESS PERSONAL PROPERTY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
City of Kerrville	117,984	137,368	165,652	203,014	207,074	211,215	215,440	219,749	224,144	228,626	233,199	237,863	242,620	247,473	252,422	257,470	4,417,889	City of Kerrville
Kerr County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerr County
Kerr County Lateral Roads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerr County Lateral Roads
Kerrville ISD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerrville ISD
UGRA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	UGRA
HGCD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	HGCD
	117,984	137,368	165,652	203,014	207,074	211,215	215,440	219,749	224,144	228,626	233,199	237,863	242,620	247,473	252,422	257,470	4,417,889	
REVENUE A, 1, 2, 3, 4, 5, 6	528,161	577,730	639,566	699,259	731,443	758,061	785,134	811,779	838,956	866,678	894,953	923,795	953,212	983,219	1,013,825	1,045,044	17,065,741	
Running Total	4,543,087	5,120,817	5,760,383	6,459,642	7,191,085	7,949,146	8,734,280	9,546,058	10,385,015	11,251,692	12,146,645	13,070,440	14,023,652	15,006,871	16,020,697	17,065,741		
	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049		
City of Kerrville	528,161	577,730	639,566	699,259	731,443	758,061	785,134	811,779	838,956	866,678	894,953	923,795	953,212	983,219	1,013,825	1,045,044	17,065,741	City of Kerrville
Kerr County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerr County
Kerr County Lateral Roads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerr County Lateral Roads
Kerrville ISD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Kerrville ISD
UGRA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	UGRA
HGCD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	HGCD
$ -	528,161	577,730	639,566	699,259	731,443	758,061	785,134	811,779	838,956	866,678	894,953	923,795	953,212	983,219	1,013,825	1,045,044	17,065,741	

Financial Feasibility Analysis
Total Taxes Generated

ESTIMATE OF GENERAL IMPACT OF PROPOSED ZONE PROPERTY VALUES AND TAX REVENUES

TAXABLE BASE YEAR GROWTH 2.00%
DISCOUNT RATE 0.00%

REAL PROPERTY TAX			
City of Kerrville	0.5514000	100%	0.5514000
Kerr County	0.4677000	100%	0.4677000
Kerr County Lateral Roads	0.0323000	100%	0.0323000
Kerrville ISD	1.1800000	100%	1.1800000
UGRA	0.0235000	100%	0.0235000
HGCD	0.0074000	100%	0.0074000
	2.2623000		2.2623000

BUSINESS PERSONAL PROPERTY TAX			
City of Kerrville	0.5514000	100%	0.5514000
Kerr County	0.4677000	100%	0.4677000
Kerr County Lateral Roads	0.0323000	100%	0.0323000
Kerrville ISD	1.1800000	100%	1.1800000
UGRA	0.0235000	100%	0.0235000
HGCD	0.0074000	100%	0.0074000
	2.2623000		2.2623000

SALES TAX		
0.0200000	100.00%	0.0200000

REVENUE YEAR	BASE YEAR 2018	0 2018	1 2019	2 2020	3 2021	4 2022	5 2023	6 2024	7 2025	8 2026	9 2027	10 2028	11 2029	12 2030
BASE YEAR														
City of Kerrville	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
Kerr County	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
Kerr County Lateral Roads	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
Kerrville ISD	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
UGRA	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
HGCD	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
TAXABLE VALUE														
City of Kerrville		99,221,499	101,205,929	103,230,048	105,294,649	107,400,541	109,548,552	111,739,523	113,974,314	116,253,800	118,578,876	120,950,454	123,369,463	125,836,852
Kerr County		99,221,499	101,205,929	103,230,048	105,294,649	107,400,541	109,548,552	111,739,523	113,974,314	116,253,800	118,578,876	120,950,454	123,369,463	125,836,852
Kerr County Lateral Roads		99,221,499	101,205,929	103,230,048	105,294,649	107,400,541	109,548,552	111,739,523	113,974,314	116,253,800	118,578,876	120,950,454	123,369,463	125,836,852
Kerrville ISD		99,221,499	101,205,929	103,230,048	105,294,649	107,400,541	109,548,552	111,739,523	113,974,314	116,253,800	118,578,876	120,950,454	123,369,463	125,836,852
UGRA		99,221,499	101,205,929	103,230,048	105,294,649	107,400,541	109,548,552	111,739,523	113,974,314	116,253,800	118,578,876	120,950,454	123,369,463	125,836,852
HGCD		99,221,499	101,205,929	103,230,048	105,294,649	107,400,541	109,548,552	111,739,523	113,974,314	116,253,800	118,578,876	120,950,454	123,369,463	125,836,852
TAXABLE VALUE INCREMENT														
City of Kerrville		0	1,984,430	4,008,549	6,073,150	8,179,042	10,327,053	12,518,024	14,752,815	17,032,301	19,357,377	21,728,955	24,147,964	26,615,353
Kerr County		0	1,984,430	4,008,549	6,073,150	8,179,042	10,327,053	12,518,024	14,752,815	17,032,301	19,357,377	21,728,955	24,147,964	26,615,353
Kerr County Lateral Roads		0	1,984,430	4,008,549	6,073,150	8,179,042	10,327,053	12,518,024	14,752,815	17,032,301	19,357,377	21,728,955	24,147,964	26,615,353
Kerrville ISD		0	1,984,430	4,008,549	6,073,150	8,179,042	10,327,053	12,518,024	14,752,815	17,032,301	19,357,377	21,728,955	24,147,964	26,615,353
UGRA		0	1,984,430	4,008,549	6,073,150	8,179,042	10,327,053	12,518,024	14,752,815	17,032,301	19,357,377	21,728,955	24,147,964	26,615,353
HGCD		0	1,984,430	4,008,549	6,073,150	8,179,042	10,327,053	12,518,024	14,752,815	17,032,301	19,357,377	21,728,955	24,147,964	26,615,353
REVENUE A – TAXABLE VALUE GROWTH														
City of Kerrville		0	10,942	22,103	33,487	45,099	56,943	69,024	81,347	93,916	106,737	119,813	133,152	146,757
Kerr County		0	9,281	18,748	28,404	38,253	48,300	58,547	68,999	79,660	90,534	101,626	112,940	124,480
Kerr County Lateral Roads		0	641	1,295	1,962	2,642	3,336	4,043	4,765	5,501	6,252	7,019	7,800	8,597
Kerrville ISD		0	23,416	47,301	71,663	96,513	121,859	147,713	174,083	200,981	228,417	256,402	284,946	314,061
UGRA		0	466	942	1,427	1,922	2,427	2,942	3,467	4,003	4,549	5,106	5,675	6,255
HGCD		0	147	297	449	605	764	926	1,092	1,260	1,432	1,608	1,787	1,970
			44,894	90,685	137,393	185,034	233,629	283,195	333,753	385,322	437,922	491,574	548,299	607,119
REVENUE #1 - RETAIL														
REAL PROPERTY TAX		0	468,750	1,296,875	1,828,125	2,593,750	2,828,125	3,687,500	4,000,000	4,312,500	4,781,250	5,640,625	6,187,500	6,500,000
BUSINESS PERSONAL PROPERTY		0	56,250	155,625	219,375	311,250	339,375	442,500	480,000	517,500	573,750	676,875	742,500	780,000
City of Kerrville		0	2,895	8,009	11,290	16,018	17,466	22,773	24,703	26,633	29,527	34,835	38,212	40,142
Kerr County		0	2,455	6,793	9,576	13,587	14,814	19,316	20,953	22,590	25,045	29,547	32,412	34,049
Kerr County Lateral Roads		0	18	50	71	101	110	143	155	167	185	218	240	252
Kerrville ISD		0	34	95	133	189	206	269	291	314	348	411	461	474
UGRA		0	1	3	5	7	8	10	11	12	13	16	17	17
HGCD		0	0	1	1	1	1	1	2	2	2	2	2	3
		0	5,404	14,951	21,674	29,902	32,604	42,512	46,115	49,717	55,121	65,029	71,333	74,936
REVENUE #2 - SALES TAX														
Sales		0	1,312,500	3,631,250	5,118,750	7,262,500	7,918,750	10,325,000	11,200,000	12,075,000	13,387,500	15,793,750	17,325,000	18,200,000
City of Kerrville		0	26,250	72,625	102,375	145,250	158,375	206,500	224,000	241,500	267,750	315,875	346,500	364,000
REVENUE #3 - OFFICE														
REAL PROPERTY TAX		0	0	781,250	1,171,875	1,562,500	1,562,500	2,343,750	3,359,375	4,062,500	4,375,000	4,375,000	4,375,000	4,375,000
BUSINESS PERSONAL PROPERTY		0	0	31,250	46,875	62,500	62,500	93,750	134,375	162,500	175,000	175,000	175,000	175,000
City of Kerrville		0	0	4,480	6,720	8,960	8,960	13,440	19,265	23,297	25,089	25,089	25,089	25,089
Kerr County		0	0	3,800	5,700	7,600	7,600	11,400	16,340	19,760	21,280	21,280	21,280	21,280
Kerr County Lateral Roads		0	0	10	15	20	20	30	43	52	57	57	57	57
Kerrville ISD		0	0	53	79	106	106	159	227	275	296	296	296	296
UGRA		0	0	2	3	4	4	6	8	10	11	11	11	11
HGCD		0	0	0	0	1	1	1	1	1	2	2	2	2
		0	0	8,345	12,518	16,691	16,691	25,036	35,885	43,396	46,734	46,734	46,734	46,734
REVENUE #4 - RESIDENTIAL														
REAL PROPERTY TAX		0	0	2,850,000	4,275,000	6,412,500	6,768,750	7,837,500	8,193,750	11,637,500	13,181,250	16,437,500	16,793,750	16,862,500
BUSINESS PERSONAL PROPERTY		0	0	0	0	0	0	0	0	0	0	0	0	0
City of Kerrville		0	0	15,715	23,572	35,359	37,323	43,216	45,180	64,169	72,681	85,122	87,087	92,980
Kerr County		0	0	13,329	19,994	29,991	31,657	36,656	38,322	54,429	61,648	72,201	73,867	78,866
Kerr County Lateral Roads		0	0	0	0	0	0	0	0	0	0	0	0	0
Kerrville ISD		0	0	105	278	417	440	510	533	757	858	1,004	1,028	1,097
UGRA		0	0	7	10	15	16	19	20	28	32	37	38	40
HGCD		0	0	1	1	2	2	3	3	4	5	5	5	6
		0	0	29,228	43,856	65,785	69,439	80,483	84,058	119,387	135,224	158,370	162,025	172,989
REVENUE #5 - HOTEL														
REAL PROPERTY TAX		0	0	0	3,990,000	5,985,000	7,980,000	7,980,000	10,830,000	12,255,000	16,530,000	17,955,000	19,380,000	19,767,600
BUSINESS PERSONAL PROPERTY		0	0	0	0	0	0	0	0	0	0	0	0	0
City of Kerrville		0	0	0	22,001	33,001	44,002	44,002	59,717	67,574	91,146	99,004	106,861	108,999
Kerr County		0	0	0	0	0	0	0	0	0	0	0	0	0
Kerr County Lateral Roads		0	0	0	7	11	14	14	19	22	29	32	35	35
Kerrville ISD		0	0	0	260	389	519	519	705	797	1,076	1,168	1,261	1,286
UGRA		0	0	0	0	0	0	0	0	0	0	0	0	0
HGCD		0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	22,268	33,401	44,535	44,535	60,441	68,393	92,251	100,204	108,157	110,320
REVENUE #7 - HOTEL CITY			0	138,567	182,205	185,849	189,566	331,470	338,100	488,554	498,325	508,291	518,457	528,820
REVENUE A, 1, 2, 3, 4, 5, 6 & 7		0	76,548	335,401	521,691	661,913	744,840	1,013,652	1,122,351	1,396,269	1,533,328	1,686,078	1,799,506	1,899,925
Running Total		0	76,548	431,949	953,640	1,615,553	2,360,393	3,374,044	4,496,395	5,892,664	7,425,992	9,112,070	10,911,576	12,811,500
GROSS	77,292,695													
	2018	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
City of Kerrville		0	40,087	262,489	391,651	489,637	512,635	730,426	792,311	1,005,842	1,091,256	1,188,030	1,256,358	1,306,782
Kerr County		0	11,737	42,671	63,675	89,431	102,372	125,919	144,614	178,439	198,509	224,655	240,499	259,675
Kerr County Lateral Roads		0	659	1,355	2,055	2,773	3,480	4,231	4,903	5,743	6,524	7,326	8,131	8,940
Kerrville ISD		0	23,450	47,634	72,413	97,014	123,131	140,169	175,840	203,125	230,905	259,291	287,982	317,214
UGRA		0	468	954	1,445	1,948	2,455	2,970	3,506	4,052	4,604	5,169	5,740	6,323
HGCD		0	147	298	452	609	768	931	1,097	1,268	1,441	1,617	1,797	1,980
$ -		0	76,548	335,401	521,691	661,913	744,840	1,013,652	1,122,351	1,396,269	1,533,328	1,686,078	1,799,506	1,899,925

REVENUE YEAR	13 2031	14 2032	15 2033	16 2034	17 2035	18 2036	19 2037	20 2038	21 2039	22 2040
BASE YEAR										
City of Kerrville	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
Kerr County	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
Kerr County Lateral Roads	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
Kerrville ISD	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
UGRA	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
HGCD	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499
TAXABLE VALUE										
City of Kerrville	128,353,589	130,920,661	133,539,074	136,209,855	138,934,053	141,712,734	144,546,988	147,437,928	150,386,687	153,394,420
Kerr County	128,353,589	130,920,661	133,539,074	136,209,855	138,934,053	141,712,734	144,546,988	147,437,928	150,386,687	153,394,420
Kerr County Lateral Roads	128,353,589	130,920,661	133,539,074	136,209,855	138,934,053	141,712,734	144,546,988	147,437,928	150,386,687	153,394,420
Kerrville ISD	128,353,589	130,920,661	133,539,074	136,209,855	138,934,053	141,712,734	144,546,988	147,437,928	150,386,687	153,394,420
UGRA	128,353,589	130,920,661	133,539,074	136,209,855	138,934,053	141,712,734	144,546,988	147,437,928	150,386,687	153,394,420
HGCD	128,353,589	130,920,661	133,539,074	136,209,855	138,934,053	141,712,734	144,546,988	147,437,928	150,386,687	153,394,420
TAXABLE VALUE INCREMENT										
City of Kerrville	29,132,090	31,699,162	34,317,575	36,988,356	39,712,554	42,491,235	45,325,489	48,216,429	51,165,188	54,172,921
Kerr County	29,132,090	31,699,162	34,317,575	36,988,356	39,712,554	42,491,235	45,325,489	48,216,429	51,165,188	54,172,921
Kerr County Lateral Roads	29,132,090	31,699,162	34,317,575	36,988,356	39,712,554	42,491,235	45,325,489	48,216,429	51,165,188	54,172,921
Kerrville ISD	29,132,090	31,699,162	34,317,575	36,988,356	39,712,554	42,491,235	45,325,489	48,216,429	51,165,188	54,172,921
UGRA	29,132,090	31,699,162	34,317,575	36,988,356	39,712,554	42,491,235	45,325,489	48,216,429	51,165,188	54,172,921
HGCD	29,132,090	31,699,162	34,317,575	36,988,356	39,712,554	42,491,235	45,325,489	48,216,429	51,165,188	54,172,921
REVENUE A – TAXABLE VALUE GROWTH										
City of Kerrville	160,634	174,789	189,227	203,954	218,975	234,287	249,925	265,865	282,125	298,709
Kerr County	136,251	148,257	160,503	172,995	185,736	198,732	211,987	225,508	239,300	253,367
Kerr County Lateral Roads	9,410	10,239	11,085	11,947	12,827	13,725	14,640	15,574	16,526	17,498
Kerrville ISD	343,759	374,050	404,947	436,463	468,608	501,397	534,841	568,954	603,749	639,240
UGRA	6,846	7,449	8,065	8,692	9,332	9,985	10,651	11,331	12,024	12,731
HGCD	2,156	2,346	2,540	2,737	2,939	3,144	3,354	3,568	3,786	4,008
	659,055	717,130	776,366	836,788	898,417	961,279	1,025,399	1,090,800	1,157,518	1,225,554
REVENUE #1 - RETAIL										
REAL PROPERTY TAX	7,593,750	8,140,625	8,687,500	9,312,500	9,625,000	10,406,250	10,640,625	10,875,000	11,092,500	11,314,350
BUSINESS PERSONAL PROPERTY	911,250	976,875	1,042,500	1,117,500	1,155,000	1,248,750	1,276,875	1,305,000	1,331,100	1,357,722
City of Kerrville	46,897	50,274	53,651	57,511	59,441	64,266	65,713	67,161	68,504	69,874
Kerr County	39,778	42,643	45,507	48,781	50,418	54,510	55,738	56,966	58,105	59,267
Kerr County Lateral Roads	294	316	337	361	373	403	412	422	430	439
Kerrville ISD	553	593	633	679	701	758	775	792	809	826
UGRA	20	22	23	25	26	28	29	29	30	30
HGCD	3	3	3	4	4	4	4	4	4	4
	87,546	93,850	100,155	107,360	110,963	119,970	122,672	125,374	127,881	130,439
REVENUE #2 - SALES TAX										
Sales	21,262,500	22,793,750	24,325,000	26,075,000	26,950,000	29,137,500	29,793,750	30,450,000	31,059,000	31,680,180
City of Kerrville	425,250	455,875	486,500	521,500	539,000	582,750	595,875	609,000	621,180	633,604
REVENUE #3 - OFFICE										
REAL PROPERTY TAX	5,156,250	6,171,875	6,875,000	7,187,500	8,437,500	9,062,500	9,687,500	9,881,250	10,078,875	10,280,453
BUSINESS PERSONAL PROPERTY	206,250	246,875	275,000	287,500	337,500	362,500	387,500	395,250	403,155	411,218
City of Kerrville	29,569	35,393	39,426	41,217	48,385	51,969	55,554	56,665	57,798	58,954
Kerr County	25,080	30,020	33,441	34,961	41,041	44,081	47,121	48,063	49,024	50,005
Kerr County Lateral Roads	67	80	89	93	109	117	125	128	130	133
Kerrville ISD	349	418	465	486	571	613	655	669	682	695
UGRA	13	15	17	18	21	23	24	25	25	26
HGCD	2	2	2	3	3	3	3	4	4	4
	55,079	65,928	73,439	76,777	90,130	96,806	103,483	105,552	107,663	109,817
REVENUE #4 - RESIDENTIAL										
REAL PROPERTY TAX	17,218,750	18,050,000	18,287,500	20,900,000	22,087,500	23,987,500	24,343,750	26,125,000	26,837,500	27,550,000
BUSINESS PERSONAL PROPERTY	0	0	0	0	0	0	0	0	0	0
City of Kerrville	94,944	99,528	100,837	115,243	121,790	132,267	134,231	144,053	147,982	151,911
Kerr County	80,532	84,420	85,531	97,749	103,303	112,190	113,856	122,187	125,519	128,851
Kerr County Lateral Roads	0	0	0	0	0	0	0	0	0	0
Kerrville ISD	1,120	1,174	1,190	1,360	1,437	1,561	1,584	1,700	1,746	1,793
UGRA	41	43	44	50	53	57	58	63	64	66
HGCD	6	6	6	7	8	8	8	9	9	10
	176,644	185,171	187,608	214,409	226,591	246,083	249,738	268,011	275,321	282,631
REVENUE #5 - HOTEL										
REAL PROPERTY TAX	20,162,952	20,566,211	20,977,535	21,397,086	24,912,528	30,042,029	36,817,869	37,554,226	38,305,311	39,071,417
BUSINESS PERSONAL PROPERTY	0	0	0	0	0	0	0	0	0	0
City of Kerrville	111,179	113,402	115,670	117,984	137,368	165,652	203,014	207,074	211,216	215,440
Kerr County	0	0	0	0	0	0	0	0	0	0
Kerr County Lateral Roads	36	37	37	38	44	54	66	67	68	70
Kerrville ISD	1,312	1,338	1,365	1,392	1,621	1,955	2,396	2,443	2,492	2,542
UGRA	0	0	0	0	0	0	0	0	0	0
HGCD	0	0	0	0	0	0	0	0	0	0
	112,526	114,777	117,073	119,414	139,033	167,660	205,475	209,585	213,776	218,052
REVENUE #7 - HOTEL CITY	539,403	550,191	561,195	754,807	769,903	785,301	801,007	817,027	833,368	850,035
REVENUE A, 1, 2, 3, 4, 5, 6 & 7	2,055,503	2,182,923	2,302,336	2,631,055	2,774,038	2,959,850	3,103,648	3,225,350	3,336,700	3,450,130
Running Total	14,867,004	17,049,927	19,352,263	21,983,318	24,757,356	27,717,206	30,820,854	34,046,204	37,382,903	40,833,034
	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
City of Kerrville	1,407,875	1,479,462	1,546,606	1,812,216	1,894,883	2,018,602	2,105,319	2,166,946	2,222,172	2,278,527
Kerr County	281,641	305,340	324,982	354,486	380,498	409,512	429,702	452,724	471,948	491,490
Kerr County Lateral Roads	9,807	10,671	11,547	12,439	13,354	14,299	15,243	16,190	17,155	18,139
Kerrville ISD	347,093	377,574	408,600	440,380	472,839	506,284	540,261	574,558	609,478	645,095
UGRA	6,920	7,530	8,149	8,785	9,432	10,093	10,762	11,447	12,143	12,863
HGCD	2,167	2,357	2,552	2,751	2,953	3,160	3,370	3,585	3,804	4,027
	2,055,503	2,182,923	2,302,336	2,631,055	2,774,038	2,959,850	3,103,648	3,225,350	3,336,700	3,450,130

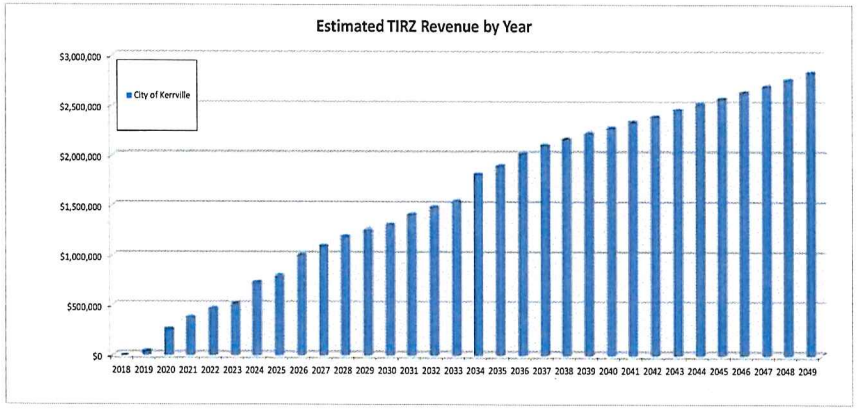
REVENUE YEAR	23 2041	24 2042	25 2043	26 2044	27 2045	28 2046	29 2047	30 2048	31 2049	TOTALS	
BASE YEAR											
City of Kerrville	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499		
Kerr County	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499		
Kerr County Lateral Roads	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499		
Kerrville ISD	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499		
UGRA	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499		
HGCD	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499	99,221,499		
TAXABLE VALUE											
City of Kerrville	156,462,309	159,591,555	162,783,386	166,039,054	169,359,835	172,747,032	176,201,972	179,726,012	183,320,532		
Kerr County	156,462,309	159,591,555	162,783,386	166,039,054	169,359,835	172,747,032	176,201,972	179,726,012	183,320,532		
Kerr County Lateral Roads	156,462,309	159,591,555	162,783,386	166,039,054	169,359,835	172,747,032	176,201,972	179,726,012	183,320,532		
Kerrville ISD	156,462,309	159,591,555	162,783,386	166,039,054	169,359,835	172,747,032	176,201,972	179,726,012	183,320,532		
UGRA	156,462,309	159,591,555	162,783,386	166,039,054	169,359,835	172,747,032	176,201,972	179,726,012	183,320,532		
HGCD	156,462,309	159,591,555	162,783,386	166,039,054	169,359,835	172,747,032	176,201,972	179,726,012	183,320,532		
TAXABLE VALUE INCREMENT											
City of Kerrville	57,240,810	60,370,056	63,561,887	66,817,555	70,138,336	73,525,533	76,980,473	80,504,513	84,099,033		
Kerr County	57,240,810	60,370,056	63,561,887	66,817,555	70,138,336	73,525,533	76,980,473	80,504,513	84,099,033		
Kerr County Lateral Roads	57,240,810	60,370,056	63,561,887	66,817,555	70,138,336	73,525,533	76,980,473	80,504,513	84,099,033		
Kerrville ISD	57,240,810	60,370,056	63,561,887	66,817,555	70,138,336	73,525,533	76,980,473	80,504,513	84,099,033		
UGRA	57,240,810	60,370,056	63,561,887	66,817,555	70,138,336	73,525,533	76,980,473	80,504,513	84,099,033		
HGCD	57,240,810	60,370,056	63,561,887	66,817,555	70,138,336	73,525,533	76,980,473	80,504,513	84,099,033		
REVENUE A – TAXABLE VALUE GROWTH											
City of Kerrville	315,626	332,880	350,480	368,432	386,743	405,420	424,470	443,902	463,722	6,689,498	City of Kerrville
Kerr County	267,716	282,351	297,279	312,506	328,037	343,870	360,038	376,520	393,331	5,674,063	Kerr County
Kerr County Lateral Roads	18,489	19,500	20,530	21,582	22,655	23,740	24,865	26,003	27,164	391,869	Kerr County Lateral Roads
Kerrville ISD	675,442	712,367	750,030	788,447	827,632	867,601	908,370	949,953	992,369	14,315,674	Kerrville ISD
UGRA	13,452	14,187	14,937	15,702	16,483	17,279	18,090	18,919	19,763	285,098	UGRA
HGCD	4,236	4,467	4,704	4,944	5,190	5,441	5,697	5,957	6,223	89,776	HGCD
	1,294,959	1,365,752	1,437,961	1,511,614	1,588,740	1,663,351	1,741,529	1,821,254	1,902,572	27,443,866	
REVENUE #1 - RETAIL											
REAL PROPERTY TAX	11,540,637	11,771,450	12,006,879	12,247,016	12,491,957	12,741,796	12,996,632	13,256,564	13,521,696		
BUSINESS PERSONAL PROPERTY	1,384,876	1,412,574	1,440,825	1,469,642	1,499,035	1,529,015	1,559,596	1,590,788	1,622,603		
City of Kerrville	71,271	72,697	74,151	75,634	77,146	78,689	80,263	81,868	83,506	1,571,017	City of Kerrville
Kerr County	60,453	61,662	62,895	64,153	65,436	66,745	68,070	69,441	70,830	1,332,544	Kerr County
Kerr County Lateral Roads	447	456	465	475	484	494	504	514	524	9,860	Kerr County Lateral Roads
Kerrville ISD	841	858	875	892	910	929	947	966	985	18,539	Kerrville ISD
UGRA	31	32	32	33	34	34	35	36	36	682	UGRA
HGCD	5	5	5	5	5	5	5	5	5	88	HGCD
	133,048	135,709	138,423	141,191	144,015	146,895	149,833	152,830	155,887	2,932,741	
REVENUE #2 - SALES TAX											
Sales	32,313,784	32,960,059	33,619,260	34,291,646	34,977,479	35,677,028	36,390,569	37,118,380	37,860,748		
City of Kerrville	646,276	659,201	672,385	685,833	699,550	713,541	727,811	742,368	757,215	14,245,713	City of Kerrville
REVENUE #3 - OFFICE											
REAL PROPERTY TAX	10,486,062	10,695,783	10,909,698	11,127,892	11,350,450	11,577,459	11,809,008	12,045,189	12,286,092		
BUSINESS PERSONAL PROPERTY	419,442	427,831	436,388	445,116	454,018	463,098	472,360	481,808	491,444		
City of Kerrville	60,133	61,336	62,562	63,814	65,090	66,392	67,719	69,074	70,455	1,246,981	City of Kerrville
Kerr County	51,005	52,025	53,066	54,127	55,209	56,314	57,440	58,589	59,761	1,057,695	Kerr County
Kerr County Lateral Roads	135	138	141	144	147	150	153	156	159	2,009	Kerr County Lateral Roads
Kerrville ISD	710	724	738	753	768	783	799	815	831	14,714	Kerrville ISD
UGRA	26	27	27	28	28	29	29	30	31	542	UGRA
HGCD	4	4	4	4	4	4	4	4	4	78	HGCD
	112,013	114,253	116,538	118,869	121,246	123,671	126,145	128,668	131,241	2,322,019	
REVENUE #4 - RESIDENTIAL											
REAL PROPERTY TAX	28,101,000	28,663,020	29,236,280	29,821,006	30,417,426	31,025,775	31,646,290	32,279,216	32,924,800		
BUSINESS PERSONAL PROPERTY	0	0	0	0	0	0	0	0	0		
City of Kerrville	154,949	158,048	161,209	164,433	167,722	171,076	174,499	177,988	181,547	3,358,660	City of Kerrville
Kerr County	131,428	134,057	136,738	139,473	142,262	145,108	148,010	150,970	153,989	2,847,135	Kerr County
Kerr County Lateral Roads	0	0	0	0	0	0	0	0	0	0	Kerr County Lateral Roads
Kerrville ISD	1,828	1,865	1,902	1,940	1,979	2,019	2,059	2,100	2,142	39,600	Kerrville ISD
UGRA	67	69	70	71	73	74	76	77	79	1,458	UGRA
HGCD	10	10	10	10	11	11	11	11	11	211	HGCD
	288,282	294,048	299,929	305,928	312,047	318,287	324,653	331,146	337,769	6,245,077	
REVENUE #5 - HOTEL											
REAL PROPERTY TAX	39,852,845	40,649,902	41,462,900	42,292,158	43,138,001	44,000,761	44,880,777	45,778,392	46,693,960		
BUSINESS PERSONAL PROPERTY	0	0	0	0	0	0	0	0	0		
City of Kerrville	219,749	224,144	228,626	233,199	237,863	242,620	247,473	252,422	257,470	4,417,869	City of Kerrville
Kerr County	0	0	0	0	0	0	0	0	0	0	Kerr County
Kerr County Lateral Roads	71	72	74	75	77	78	80	82	83	1,427	Kerr County Lateral Roads
Kerrville ISD	2,593	2,645	2,698	2,752	2,807	2,863	2,920	2,979	3,038	52,131	Kerrville ISD
UGRA	0	0	0	0	0	0	0	0	0	0	UGRA
HGCD	0	0	0	0	0	0	0	0	0	4	HGCD
	222,413	226,861	231,398	236,026	240,747	245,562	250,473	255,482	260,592	4,471,431	
REVENUE #7 - HOTEL CITY	867,036	884,377	902,064	920,105	938,508	957,278	976,423	995,952	1,015,871		
REVENUE A, 1, 2, 3, 4, 5, 6 & 7	3,564,027	3,680,201	3,798,699	3,919,566	4,042,852	4,168,602	4,296,868	4,427,899	4,561,147	77,292,695	
Running Total	44,397,060	48,077,261	51,875,960	55,795,526	59,838,378	64,006,980	68,303,848	72,731,548	77,292,695		
	2041	2042	2043	2044	2045	2046	2047	2048	2049		
City of Kerrville	2,336,030	2,392,682	2,451,478	2,511,450	2,572,621	2,635,015	2,699,658	2,763,673	2,829,787	51,166,790	City of Kerrville
Kerr County	510,601	530,095	549,978	570,258	590,945	612,045	633,587	655,519	677,911	10,911,436	Kerr County
Kerr County Lateral Roads	19,143	20,166	21,211	22,276	23,363	24,471	25,601	26,754	27,930	405,956	Kerr County Lateral Roads
Kerrville ISD	681,414	718,458	756,244	794,786	834,097	874,195	915,095	956,813	999,366	14,440,565	Kerrville ISD
UGRA	13,576	14,314	15,066	15,834	16,617	17,416	18,230	19,061	19,909	297,780	UGRA
HGCD	4,254	4,486	4,723	4,964	5,210	5,461	5,717	5,978	6,245	90,169	HGCD
	3,564,027	3,680,201	3,798,699	3,919,566	4,042,852	4,168,602	4,296,868	4,427,899	4,561,147	77,292,695	

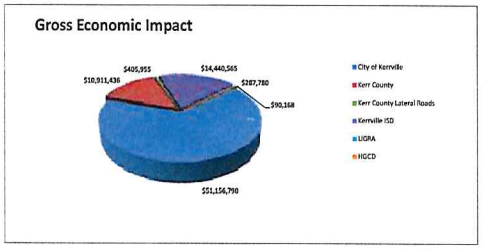
DAVID PETTIT
Economic Development

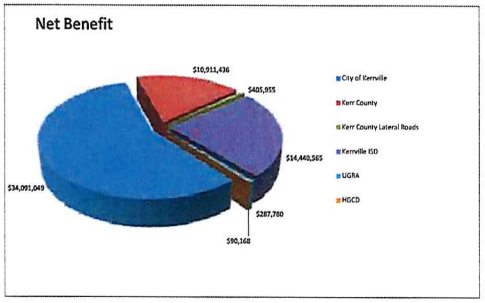
Financial Feasibility Analysis
Summary

Revenue Summary

Taxing Jurisdictions	Total Taxes Generated	Participation	Net Benefit
City of Kerrville	$51,156,790	$17,065,741	$34,091,049
Kerr County	$10,911,436	$0	$10,911,436
Kerr County Lateral Roads	$405,955	$0	$405,955
Kerrville ISD	$14,440,565	$0	$14,440,565
UGRA	$287,780	$0	$287,780
HGCD	$90,168	$0	$90,168
Total	$77,292,695	$17,065,741	$60,226,954







Terms and Conditions

Projects Cost Estimates:

All project costs listed in the project plan shall be considered estimates and shall not be considered a cap on expenditures.

Length of TIRZ #1 in Years:

The TIRZ has a 31-year term and is scheduled to end on December 31, 2049.

Powers and Duties of Board of Directors:

The Board shall have all powers granted to it by Chapter 311 of the Texas Tax Code, including powers of a municipality under Chapter 380, Local Government Code. The Board shall not be authorized to:

issue bonds;

impose taxes or fees;

exercise the power of eminent domain; or

give final approval to the Zone's project and financing plan.

APPENDIX A - CURRENT PROPERTY OWNERSHIP

PROPID	Taxable Value	Owner	LEGAL_DESC
502523	$ 4,349,766.00	CC BUTT GROCERY COMPANY	H.E.B. ADDITION BLK 1 LOT 1 & 2 ACRES 5.5473
23932	$ 2,458,615.00	ONE SCHREINER CENTER MANAGEMENT	BROWN BLK 25 & 26 (ONE SCHREINER CENTER) LOT 3, 4 PT; LTS 1, 2, 3, 4 ACRES 3.1168
23929	$ 2,045,535.00	CROMWELL STREET, LLC	BROWN BLK 24 & 25 LOT 1PT2,4&6 (PT TR I) ACRES 2.129
36324	$ 1,898,240.00	BROADWAY NATIONAL BANK	SCHREINER BLK 43, BLK 9 LOT 321-324, PTS 325-326, LTS 596,597,604,605 ACRES 1.606
23780	$ 1,509,244.00	MILLER, JOHN W JR	BROWN BLK 2 LOT 143-R (REPLAT) ACRES 2.19
66314	$ 1,460,231.00	CAILLOUX FOUNDATION PROPERTIES, LLC	BROWN BLK 8 (SCHREINER STORE) LOT 112,113,114, PTS 101,102,106,&111 ACRES .92
23935	$ 1,459,947.00	ONE SCHREINER CENTER MANAGEMENT	BROWN BLK 26 (PT 25, PT LT 2) LOT 5, 6 ACRES 2.4971
23791	$ 1,439,487.00	MESSICK,HUCE GLENN &	BROWN BLK 3 LOT 1 (WALGREEN'S)
534859	$ 1,414,246.00	MJTJ INVESTMENTS, LP	CRENWELGE MOTORS SUBD BLK 1 LOT 1 ACRES 2.452
36323	$ 1,321,656.00	CVS CORPORATION #7728-01	SCHREINER BLK 37 (+ .49 ACS ABST 375) LOT 577-581
70025	$ 1,230,563.00	RIO ALTO PARTNERS, LP	RIVER GUIDE VILLAGE BLK (16.74% COMMON) LOT K
70015	$ 1,009,495.00	KERRVILLE PROFESSIONAL PROPERTY	RIVER GUIDE VILLAGE BLK (14.08% COMMON) LOT A
23853	$ 992,062.00	CSL TEXAS SYSTEM, LLC	BROWN BLK 7 LOT 91 PT, 92 PT
36266	$ 989,669.00	RIVER OAKS APARTMENTS	SCHREINER BLK 32 LOT 1 (RIVER OAKS APTS)
38425	$ 905,000.00	SMV KERRVILLE EDGEWATER, LP	JA TIVY ADDN BLK 4 (EDGEWATER CARE CTR) LOT 1,2,3,4,5,6 PT(1/2), 7 PT(1/2)
70024	$ 869,695.00	CALICHE INVESTMENTS, LTD	RIVER GUIDE VILLAGE BLK (9.59% COMMON) LOT J
534013	$ 853,628.00	BIG DIAMOND, INC	VALERO CORNER STORE NO. 1073 BLK 1 LOT 1 ACRES 1.34
24198	$ 830,264.00	MCDONALD'S REAL ESTATE CO	CAGE BLK H LOT 6-R (REPLAT) ACRES .8524
23788	$ 823,078.00	PIONEER BANK	BROWN BLK 2 LOT 146, 147, 148
36333	$ 815,398.00	KERR TOWN PLAZA, LLC	SCHREINER BLK 45 LOT 273, 274, 275, 276, 277 & 278-PT
36469	$ 767,857.00	FINE, HASKELL H ESTATE	SCHREINER BLK 58 LOT 5 PT
31486	$ 766,568.00	KEMP, ROWLAND & WILKS, JAMES	LOWRY BLK 3 LOT 3, 4, 5, 6, & PT AB 375
23769	$ 761,929.00	MAINCLAY, LLC	BROWN BLK 1 LOT 115-116 PTS, 117, 118-122 PTS (TR II) ACRES 1.119
70017	$ 755,063.00	ORION KERRVILLE PROPERTIES, LP	RIVER GUIDE VILLAGE BLK (6.85% COMMON) LOT C
23806	$ 750,140.00	GRIMES RENTAL CORP., INC	BROWN BLK 4 (GRIMES FUNERAL HOME) LOT 33, 34
24197	$ 745,618.00	IRVIN FAMILY PARTNERSHIP	CAGE BLK H LOT 2
36328	$ 736,301.00	RHODEN, ELIZABETH ETAL	SCHREINER BLK 22 &44 LOT 588 PT, 589 PT, 590 - 595
534860	$ 715,303.00	MJTJ INVESTMENTS, LP	CRENWELGE MOTORS SUBD BLK 1 LOT 2 ACRES 1.794
24213	$ 702,596.00	STORE PROPERTY KERRVILLE, LLC	CAGE BLK I LOT 5-A (REPLAT) ACRES .99
38429	$ 695,548.00	SEARS, GAIL H	JA TIVY ADDN BLK 6 LOT 2, 3, 4, 5
36448	$ 675,913.00	CDC DEVELOPMENT, INC	SCHREINER BLK 55 LOT 570-R (REPLAT 15-1185) ACRES 1.38
71184	$ 669,837.00	KERRVILLE PROFESSIONAL PROPERTY	RIVER GUIDE VILLAGE LOT B-1
36390	$ 662,499.00	SOUTHERN NEWSPAPERS, INC	SCHREINER BLK 50 LOT 329, 330, 331
38412	$ 652,028.00	J & K ADVENTURE	JA TIVY ADDN BLK 1 LOT 1, 2 & 3
70019	$ 647,649.00	RIVERGUIDE UNIT E, LTD	RIVER GUIDE VILLAGE BLK (3.84% COMMON) LOT E
23837	$ 630,350.00	GRAY, GUY JAMES	MAIN PLAZA ADDN LOT 1-R (REPLAT) ACRES .47
71735	$ 619,708.00	AB LAZY RIVER, LLC	JA TIVY ADDN BLK 8 LOT 1,2,3, PT 4, PT 5, PT 6
36268	$ 617,185.00	RIVER OAKS APARTMENTS	SCHREINER BLK 33 LOT 1, PT 16 (RIVER OAKS APTS)
36332	$ 594,973.00	KERR PECAN PLAZA, LLC	SCHREINER BLK 45 LOT 263, 264
24201	$ 554,046.00	STS4K GROUP, LLC	CAGE BLK H LOT 10, 11
23842	$ 545,921.00	MELUCCI, MICHAEL B & DUSTI L	BROWN BLK 7 LOT 69 PT, 70 PT, 71 PT
23851	$ 536,058.00	1890 BUILDING MANAGEMENT, LLC THE	BROWN BLK 7 LOT 89 PT, 90 PT
23914	$ 501,099.00	SUTHERLIN, KEVIN	BROWN BLK 23 (A106,CAGE,S116) LOT 1, 3 PT ACRES .171
43249	$ 498,265.00	JACK IN THE BOX EASTERN	CAGE BLK H (JACK-IN-THE-BOX) LOT 1 (REPLAT 1-5)
36326	$ 491,499.00	WAGNER, RANDALL L &	SCHREINER BLK 43 LOT 327 PT, 328
24143	$ 489,129.00	GREEN, GEORGE ROBERT &	CAGE BLK F LOT 4, 3 PT
36387	$ 488,339.00	FERRIS, R & D FAMILY LIMITED	SCHREINER BLK 50 LOT 317, 318 PT (COWBOY STEAKHOUSE)
23855	$ 462,350.00	LOVE, ROBERT D	BROWN BLK 7 LOT PT 93
535801	$ 460,248.00	PACHARZINA PARTNERS, LTD	PLANT HAUS 2 BLK 1 LOT 1 ACRES 1.19
23823	$ 444,404.00	POLLARD, EDWARD R & SHARON Y TTEES	BROWN BLK 6 LOT 53, 54 PT
38544	$ 437,360.00	WILSON, EDWARD A & MARJORIE L	JA TIVY ADDN BLK 24 (PARK HILL APTS) LOT 16, 16A
36303	$ 433,615.00	C K LEASING, LLC	SCHREINER BLK 35 LOT 210 & 211
70018	$ 429,349.00	KERRVILLE PROFESSIONAL	RIVER GUIDE VILLAGE BLK (4.66% COMMON) LOT D
24222	$ 421,351.00	ESQUINA, LP	CAGE BLK I LOT 13, 14, 15, 16
36241	$ 412,062.00	MIDTEX OIL, INC	SCHREINER BLK 9 LOT 598, 599
38457	$ 408,050.00	KERR CO PROPERTIES LLC	JA TIVY ADDN BLK 12 LOT 3-5 PTS & PTS 11,12,13
502505	$ 399,356.00	ALACRAN PROPERTIES, LLC	BROWN BLK 7 LOT 89 PT ACRES .041
534861	$ 396,594.00	MJTJ INVESTMENTS, LP	CRENWELGE MOTORS SUBD BLK 1 LOT 3 ACRES 0.859
23790	$ 387,399.00	DEPOT SQUARE SERIES	BROWN BLK 3 LOT 2-R (REPLAT) ACRES .87
23852	$ 382,401.00	CONRAD, JEFFREY V & NURSEL	BROWN BLK 7 LOT 89 PT, 90 PT, 91 PT
36265	$ 379,098.00	BETHEL, JAMES B	SCHREINER BLK 31 LOT 1

APPENDIX A - CURRENT PROPERTY OWNERSHIP

PROPID	Taxable Value	Owner	LEGAL_DESC
36458	$ 378,599.00	POLLARD, EDWARD R & SHARON Y TTEES	SCHREINER BLK 57-A (REPLAT) LOT 1
36262	$ 377,652.00	SHER, KATHY FAMILY LIMITED	SCHREINER BLK 30, BLK 31 LOT 1 PT(ON THE RIVER RESTAURANT)
36459	$ 360,014.00	POLLARD, EDWARD R & SHARON Y TTEES	SCHREINER BLK 57-A (REPLAT) LOT 2
36386	$ 357,458.00	DEAN, EVELYN N TTEE	SCHREINER BLK 50 LOT 315, 316
14699	$ 353,799.00	PRIOUR WAREHOUSE, LLC	ABS A0182 HAYS, SUR 117,ACRES 4.05
36267	$ 353,412.00	RIVER OAKS APARTMENTS	SCHREINER BLK 32 LOT 2 (RIVER OAKS APTS)
23787	$ 350,133.00	SERIES 1 OF BIG MAIN ASSOCIATES, LLC	BROWN BLK 2 LOT 145
23843	$ 347,218.00	CLACK, STEVEN L	BROWN BLK 7 LOT 69 PT, 70 PT
36322	$ 347,178.00	LEMOS STREET, LLC	SCHREINER BLK 37 LOT 574-R (REPLAT) ACRES .48
71185	$ 343,988.00	IQ INVESTMENTS	RIVER GUIDE VILLAGE LOT B-2
23830	$ 341,327.00	WALLACE, EDGAR A &	MAIN PLAZA ADDN LOT 2-R (REPLAT) ACRES .76
36540	$ 329,230.00	WRIGHT-MINTER, LINDA TTEE	SCHREINER HERZOG BLK 33 (2/3 IS BED & BREAKFAST) LOT 13-PT(37.5'), 14,15 & 16
23927	$ 328,632.00	ARCADIA THEATRE, LLC	BROWN BLK 24 (ARCADIA THEATRE) LOT 5 PT
38604	$ 325,602.00	FRITZ FAMILY ENTERPRISES LTD	JA TIVY ADDN BLK 32 LOT 4-5-6
38501	$ 318,265.00	A+ ACTION AUTOMOTIVE, LLC	JA TIVY ADDN BLK 17 LOT 1-R (REPLAT) ACRES .43
36242	$ 314,947.00	PINT AND PLOW BREWING COMPANY, LLC	SCHREINER BLK 9 LOT 602 PT, 603 PTS ACRES .3479
23850	$ 313,866.00	THE 1890 BUILDING MANAGEMENT, LLC	BROWN BLK 7 LOT 89 PT, 90 PT
23773	$ 312,141.00	LUY, MAKARA	BROWN BLK 1 LOT 118 PT, 119 PT, 120 PT
36437	$ 309,255.00	HUGHES, HAROLD E JR &	SCHREINER BLK 54 LOT 405, 407, 408
23779	$ 306,298.00	LEISSNER, LAYTON L	BROWN BLK 2 (NAPPA AUTO) LOT 131-133 PTS
38447	$ 303,749.00	H2O PROPERTIES, LTD	JA TIVY ADDN BLK 9 (WATER STREET MOTEL) LOT 3 & 4
23918	$ 300,848.00	HERRING FAMILY TRUST, THE	BROWN BLK 23 LOT 3 PT
45900	$ 299,870.00	MJTJ INVESTMENTS, LP	SCHREINER BLK 46 LOT 254, 253 PT
23915	$ 299,860.00	WILT, PATRICK D & KERI L	BROWN BLK 23 LOT 2 PT, 3 PT
24230	$ 289,149.00	THORNTON, MARIANNE TTEE	CAGE BLK J (HALLMARK II APTS) LOT 9 PT ACRES 0.3375
38528	$ 287,314.00	RAINS, JOHN WILEY	JA TIVY ADDN BLK 19 LOT 8-12
23847	$ 282,646.00	LESLIE, CRAIG L	BROWN BLK 7 LOT 75 PT, 76 PT
38473	$ 279,552.00	BIGENHO, KEVIN L	JA TIVY ADDN BLK 14 LOT 4 PT, 5, 6 ACRES .5104
38538	$ 275,663.00	DYAL, MICHAEL & LISA	JA TIVY ADDN BLK 24 LOT PT 9, PT 10
38517	$ 274,005.00	FULLERTON, LUCY &	JA TIVY ADDN BLK 18 LOT 6 PT, 5PT
36355	$ 271,337.00	NUGENT, JAMES E & NUGENT,	SCHREINER BLK 47 LOT 291 PT, 292-296
36468	$ 271,130.00	LZC KERRBOE PROPERTIES, LLC	SCHREINER BLK 58 LOT 4 & PT 5
38449	$ 270,742.00	GABBERT, PETER CHARLES TTEE	JA TIVY ADDN BLK 10 LOT 1-5 PTS FRONT
23873	$ 268,159.00	GARRETT, AMMIE ROSE	BROWN BLK 17 (JEFFERSON MANOR APTS) LOT R & S PTS
38484	$ 267,941.00	REITER RENTAL PROPERTIES, LLC	JA TIVY ADDN BLK 15 LOT 5, 6 ACRES .4361
528501	$ 263,093.00	CALM ON WATER, LLC	JA TIVY ADDN BLK 6 LOT 6
38413	$ 259,482.00	THOMPSON, KATHERINE R &	JA TIVY ADDN BLK 1 LOT 4 & 5
36247	$ 259,304.00	SPAULDING-HUBBLE MANAGEMENT TRUST	SCHREINER BLK 10 LOT 1
24146	$ 250,068.00	THORNE, GARY A DDS	CAGE BLK F (PROF ASSOC CONDO BLDG B UNIT 1&2) LOT 5 PT, 6 PT
70022	$ 249,693.00	KERRVILLE PROFESSIONAL PROPERTIES, LTD	RIVER GUIDE VILLAGE BLK (5.48% COMMON) LOT H
24128	$ 249,259.00	WELCH, WHITNEY	CAGE BLK E LOT 3
38555	$ 246,224.00	COON, DUSTIN	JA TIVY ADDN BLK 27 LOT 3-R (REPLAT)
38461	$ 245,951.00	REITER RENTAL PROPERTIES, LLC	JA TIVY ADDN BLK 12 LOT 12 PT 9 & 10, 1/2 CLSD H ST
36404	$ 243,099.00	FARHOUDI, VINNA CONLEE ETAL	SCHREINER BLK 52 LOT 375, 376, 385 PT, 386 PT
23835	$ 242,696.00	NUGENT FAMILY LIMITED PARTNERSHIP	BROWN BLK 6 LOT 67 PT, 68 PT
24229	$ 242,024.00	A&D PROPERTIES #2	CAGE BLK J LOT 8
38464	$ 240,711.00	KERR CRAFT DEVELOPMENT, LLC	JA TIVY ADDN BLK 13 LOT 3-4
29986	$ 239,691.00	GARDNER WARBIRDS, LTD	INSALL BLK 1 LOT 1, 2
23921	$ 238,880.00	FIRST AID MEDICAL	BROWN BLK 24 (PAMPELL'S DRUGSTORE) LOT 1-A (REPLAT) ACRES .149
24164	$ 238,280.00	LIFESTYLE-HOMES LLC	CAGE BLK F LOT 28 PT
71445	$ 237,787.00	417 TIVY ST LLC	C GRAY ADDN BLK 1 LOT 1 ACRES .5
38434	$ 237,352.00	RAYMER, MYERS C & LONDA B	JA TIVY ADDN BLK 7 LOT 3 PT (E/PT)
36461	$ 236,707.00	DEALERS ELECTRICAL SUPPLY, INC	SCHREINER BLK 57-A LOT 4 (REPLAT OF 3)
24145	$ 235,937.00	CROZIER, GARY DDS	CAGE BLK F (PROF ASSOC CONDO BLDG A UNIT 1&2) LOT 5 PT, 6 PT, 7 PT
38574	$ 233,254.00	DEJA MAISON MANAGEMENT, LLC	JA TIVY ADDN BLK 29 LOT 3-R (REPLAT) ACRES .4017
47463	$ 231,505.00	PACHARZINA PARTNERS, LTD	SCHREINER BLK 10 LOT 599-600-601 ACRES .5669
23848	$ 230,792.00	MEEK, JANET THE TRUST	BROWN BLK 7 LOT 75 PT, 76 PT
36473	$ 228,547.00	ABERNETHY, GAYLE TTEE	SCHREINER BLK 59 LOT 429, 430
24165	$ 225,494.00	KERR RESIDENTIAL, LTD	CAGE BLK F LOT 28 PT
24130	$ 225,106.00	HENDRICKS, CARY BLANE	CAGE BLK E LOT 5, 7 PT
38455	$ 221,989.00	BAKER, JOHN R & MAUREEN M	JA TIVY ADDN BLK 12 & 13 PT LOT 2-3-4 PTS

APPENDIX A - CURRENT PROPERTY OWNERSHIP

PROPID	Taxable Value	Owner	LEGAL_DESC
36406	$ 217,703.00	WEST FEEDS INC	SCHREINER BLK 52 LOT 387, 388, 389, 390 PTS ACRES .6299
24219	$ 217,477.00	STEADMAN, ELIZABETH J & CLAY	CAGE BLK I LOT 10
24207	$ 217,101.00	CHEDZOY, ALVAREZ INVESTMENT CO, LP	CAGE BLK H LOT 16
29987	$ 215,901.00	BOVEE, JACQUIE LYNN	INSALL BLK 1 (APARTMENTS & RES) LOT 3 & 4
23856	$ 212,773.00	WATER STREET KV, LLC	BROWN BLK 7 LOT 94 PT ACRES .21
24214	$ 203,752.00	FINLEY, BRYAN	CAGE BLK I LOT 7
36410	$ 203,476.00	KUYKENDALL, DAN	SCHREINER BLK 53 LOT 363, 364, 365
24129	$ 202,494.00	DAVIS, MICHELLE S	CAGE BLK E LOT 4
38448	$ 201,431.00	H2O PROPERTIES, LTD	JA TIVY ADDN BLK 9 LOT 5 & 6
38414	$ 201,114.00	TEXAS TIERRA III, LTD	JA TIVY ADDN BLK 1 LOT 6, 7, 8
29988	$ 200,081.00	GREENLEE, JOHN E &	INSALL BLK 1 LOT 5, 6
23881	$ 199,520.00	POLLARD, THOMAS W & CAROLE	BROWN BLK 18 LOT 4
24131	$ 198,507.00	MCCORMICK, KEVIN C &	CAGE BLK E LOT 6
36535	$ 196,232.00	HERRING FAMILY TRUST, THE	SCHREINER HERZOG BLK 33 LOT 1,2 & PT 3 (42')
24199	$ 192,690.00	BAEHRE, GORDON R	CAGE BLK H LOT 9, 8 PT ACRES .3703
36389	$ 190,541.00	STEHLING, M SCOTT	SCHREINER BLK 50 LOT 320
23922	$ 189,675.00	RECTOR, LYNDIA & WILLIAM LTD	BROWN BLK 24 LOT 2 PT
38475	$ 189,039.00	JEREMY BARNES INTERESTS, LLC	JA TIVY ADDN BLK 14 LOT 9 & 10
23942	$ 188,409.00	BROUN, CARLETTA GENERATION	BROWN BLK 26 LOT 6 PT, 7
38561	$ 187,703.00	COMEGYS, C GEORGE	JA TIVY ADDN BLK 27 LOT 15 & 16
24228	$ 187,494.00	ABRAHAMS, ROBERT CARSON	CAGE BLK J LOT 7
38460	$ 186,119.00	FRITZ FAMILY ENTERPRISES LTD	JA TIVY ADDN BLK 12 LOT 8 & PT 7
36336	$ 184,277.00	DAVIS, CHARLES H & RANDALL K	SCHREINER BLK 45 LOT 280
38427	$ 183,150.00	BRINKMAN, L D CORP	JA TIVY ADDN BLK 5 LOT 1-6 ACRES 2.803
36534	$ 180,405.00	VILLANUEVA, DANNY	SCHREINER BLK 64 LOT 501-504, 509
23824	$ 180,404.00	APA FAMILY INTERESTS, LTD	BROWN BLK 6 LOT 54 PT
36495	$ 180,238.00	ZUBER, RUSTIN	SCHREINER BLK 60 LOT 441, 442
36452	$ 180,203.00	MAXEY FAMILY LIMITED	SCHREINER BLK 56 PT LOT 3 ACRES 2.04
36334	$ 180,131.00	FERRIS, R & D FAMILY LIMITED	SCHREINER BLK 45 LOT 278 PT, 279 PT
38563	$ 178,137.00	MORALES, PATRICIA GARZA	JA TIVY ADDN BLK 28 LOT 2 & 1 PT
24231	$ 176,730.00	DANFORD, HAROLD J & WENDY W	CAGE BLK J LOT 9 PT ACRES 0.1446
38552	$ 176,257.00	AVILA, ADAM D	JA TIVY ADDN BLK 27 LOT 1 PT, 2 PT
24227	$ 175,207.00	NOWLIN, DONALD H & PEGGY ANN	CAGE BLK J LOT 6 ACRES .2295
38477	$ 174,443.00	MILLER, ROBERT COREY	JA TIVY ADDN BLK 14 LOT 11 PT & 12 ACRES .3012
24218	$ 173,781.00	616 EARL GARRETT	CAGE BLK I LOT 9
23776	$ 173,287.00	CDC-KERR LP	BROWN BLK 1 LOT 120-122 PTS
38519	$ 173,097.00	REITER RENTAL PROPERTIES, LLC	JA TIVY ADDN BLK 18 LOT 7 & 8
36340	$ 172,363.00	GRIMMDY VENTURES, LLC	SCHREINER BLK 46 LOT 255, 256 ACRES .332
24141	$ 171,592.00	LOWE, JOHN M & LAURIE T	CAGE BLK E LOT 11 (SW PT), PTS 1A & 1B ACRES 0.35
48500	$ 171,407.00	BOWIE, BEVERLY J	JA TIVY ADDN BLK 24 (BLDG H) LOT PTS 6,7,8 ACRES .32
71186	$ 170,919.00	IQ INVESTMENTS, LTD	RIVER GUIDE VILLAGE LOT B-300
23800	$ 170,701.00	GRIMES RENTAL CORP	BROWN BLK 4 LOT 25 & 26
38533	$ 170,575.00	BERNHARD, WILLIAM ROBERT TTEE	JA TIVY ADDN BLK 23 PT ACRES .32
23857	$ 170,530.00	RHODEN, BETSY JOHNSTON	BROWN BLK 7 LOT 94 PT, 95
48495	$ 169,665.00	BOWIE, BEVERLY J	JA TIVY ADDN BLK 24 (BLDG A) LOT PTS 6,7,8 ACRES .28
23841	$ 168,602.00	DOTY, BETH J	BROWN BLK 7 LOT 69 PT, 70 PT, & 71 PT
36405	$ 166,923.00	SCHUPP, RONALD J	SCHREINER BLK 52 LOT 385 PT, 386 PT
532908	$ 166,800.00	IQ INVESTMENTS, LTD	RIVER GUIDE VILLAGE LOT B-400
38508	$ 166,690.00	BANNISTER, DEWAYNE &	JA TIVY ADDN BLK 17 LOT 9
38465	$ 166,333.00	KERR CRAFT DEVELOPMENT, LLC	JA TIVY ADDN BLK 13 LOT 6 & 5
23849	$ 164,411.00	BAEHRE, GORDON R & DENISE A	BROWN BLK 7 LOT 89 PT, 90 PT
36269	$ 164,195.00	TRAN, DANNY &	SCHREINER BLK 33 LOT 2 ACRES .1791
36466	$ 163,877.00	CK&A, INC	SCHREINER BLK 58 PT LOT 3 PT ACRES .364
23858	$ 161,712.00	RHODEN, BETSY JOHNSTON	BROWN BLK 7 LOT 96
23875	$ 161,058.00	NEIKIRK, CHARLES MARSHALL	BROWN BLK 17 (ADOBE HOUSE APTS) LOT T ACRES .245
502525	$ 160,930.00	CC BUTT GROCERY COMPANY	H.E.B. ADDITION BLK 2 LOT 1 & 2 ACRES .67
38559	$ 159,121.00	LOMERIA INC	JA TIVY ADDN BLK 27 (CIRCLE K CORP STORE #683) LOT 11-12
533069	$ 156,764.00	ONE SCHREINER CENTER MANAGEMENT	ABS A0106 CAGE, SUR 116,ACRES 0.8997
36329	$ 155,277.00	SHER, KATHY FAMILY LIMITED	SCHREINER BLK 45 LOT 257 & 258
24204	$ 155,072.00	LONE STAR INVESTMENTS, LLC	CAGE BLK H LOT 13 PT, 14 PT ACRES 0.221
38511	$ 154,840.00	MORRIS, DOUGLAS RAY	JA TIVY ADDN BLK 18 LOT 1

APPENDIX A - CURRENT PROPERTY OWNERSHIP

PROPID	Taxable Value	Owner	LEGAL_DESC
36434	$ 154,560.00	STANTON ASSET MANAGEMENT COMPANY, LLC	SCHREINER BLK 54 LOT 401, 402
24223	$ 153,325.00	NAGLE, FRANK T & CAROL B	CAGE BLK J LOT 1, 2 PT ACRES 0.2801
23825	$ 153,046.00	REEH, JOSEPH A	BROWN BLK 6 LOT 55
24220	$ 148,831.00	MORRIS, JAMES M	CAGE BLK I LOT 11
38430	$ 147,928.00	BINDOCK, RAYMOND BRUCE TTEE	JA TIVY ADDN BLK 7 LOT PTS 1-6
24202	$ 146,763.00	LONE STAR INVESTMENTS, LLC	CAGE BLK H LOT 12 PT, 13 PT, 14 PT ACRES .2856
45648	$ 145,266.00	MALEK, FARIBORZ	BROWN BLK 3 LOT 5 ACRES .191
23923	$ 144,145.00	RECTOR, LYNDIA & WILLIAM LTD	BROWN BLK 24 LOT 3 PT ACRES .1185
36357	$ 144,109.00	GRUDZINSKI, ALBERT LEROY TTEE	SCHREINER BLK 48 LOT 297 PT, 298 PT, 299 PT
45647	$ 142,092.00	S A & A P SERIES	BROWN BLK 3 LOT 1-B REPLAT ACRES .172
24215	$ 141,047.00	SOFRAN PROPERTIES, LLC	CAGE BLK I LOT 8 PT(REAR) ACRES .228
23778	$ 140,996.00	PIONEER BANK	BROWN BLK 2 LOT 131 PT, 132 PT, 133 PT
24217	$ 137,524.00	RANCH STYLE PROPERTEIS, LTD	CAGE BLK I LOT 8 PT
29989	$ 136,914.00	PIPES, KRISTOFOR J	INSALL BLK 1 LOT 7, 8 PT ACRES .3038
533208	$ 136,169.00	BOERNER, ROBERT W	CULLIGAN ADDITION BLK 1 LOT 1 ACRES .7
38444	$ 135,963.00	BULLS BAY, LLC	JA TIVY ADDN BLK 8 LOT 6 PT (50X150) ACRES .1722
36443	$ 135,328.00	GOMEZ, MARIA SOCORRO	SCHREINER BLK 55 LOT 569 PT
36397	$ 134,613.00	TOWNSEND, RONALD &	SCHREINER BLK 51 LOT 380, 381, 382 PT
23928	$ 134,406.00	BAUBLIT, DAYTON L &	BROWN BLK 24 LOT 5 PT
24226	$ 133,095.00	CURRY, E BRUCE	CAGE BLK J LOT 5 & PT 4
36396	$ 133,090.00	FRASER FAMILY LIMITED PARTNERSHIP	SCHREINER BLK 51 LOT 379
38428	$ 133,020.00	SLAGLE, ALLAN MICHAEL &	JA TIVY ADDN BLK 6 LOT 1
24125	$ 131,811.00	BERNHARD, MILTON J	CAGE BLK E LOT 1B
38557	$ 131,593.00	FOX, DAVID & KATHY A	JA TIVY ADDN BLK 27 LOT 9-10 PTS
38422	$ 130,817.00	NICHOLS, ROGER ROWLAND	JA TIVY ADDN BLK 2 LOT 8 & 9
38523	$ 130,701.00	ABERNETHY, MIKE	JA TIVY ADDN BLK 18 LOT PT 12 & ALL 11
23807	$ 128,147.00	AJIJIC-HUNT INVESTMENTS, LTD	BROWN BLK 5 LOT 35 PT
36399	$ 127,643.00	KELLER, BOBBY C	SCHREINER BLK 52 LOT 369, 370
23845	$ 127,570.00	CSL TEXAS SYSTEM, LLC	BROWN BLK 7 LOT 72, 73 PT
36327	$ 127,352.00	SCHNEIDER, RICHARD J	SCHREINER BLK 43 LOT 327 PT, 328 PT
24147	$ 126,592.00	HEWITT, JOHN M & DEBRA	CAGE BLK F LOT 5 PT, 6 PT, 7 PT (REAR)
38527	$ 125,566.00	CORMAN INVESTMENTS INC	JA TIVY ADDN BLK 19 LOT 7-7 1/2 PTS
23846	$ 125,524.00	WINDSTREAM COMM KERRVILLE LP	BROWN BLK 7 LOT 73 PT, 74
24126	$ 123,802.00	AHHH! LLC	CAGE BLK E LOT 2 PT (S/2)
38500	$ 123,487.00	MORRIS, DOUGLAS R	JA TIVY ADDN BLK 16 LOT 12-R B (REPLAT) ACRES .2984
38452	$ 122,953.00	MEEK, MARK E & EVELYN KIM	ELMO MAATSCH ADDN BLK 1 LOT 1 ACRES 1.062
23805	$ 122,098.00	GRIMES RENTAL CORP., INC	BROWN BLK 4 (GRIMES FUNERAL HOME) LOT 31, 32
36331	$ 120,750.00	KERR PECAN PLAZA, LLC	SCHREINER BLK 45 LOT 260, 261, 262
23797	$ 120,140.00	TOMKIT, LTD	BROWN BLK 4 LOT 21
23804	$ 120,098.00	GRIMES RENTAL CORP., INC	BROWN BLK 4 LOT 29, 30
36360	$ 120,046.00	CC BUTT GROCERY COMPANY	SCHREINER BLK 48 LOT 300, 301 PT, 302 PT ACRES .478
36250	$ 118,973.00	TOWNSEND, RONALD	SCHREINER BLK 10 LOT 598
36450	$ 118,218.00	BLACKBURN, JOHN O TTEE	SCHREINER BLK 56 PT ACRES .6289
38504	$ 117,976.00	GUZMAN, RUBEN	JA TIVY ADDN BLK 17 LOT 6 PT, 5 PT
23771	$ 117,629.00	ADAMEK, LILLIE S &	BROWN BLK 1 LOT 115 PT, 116 PT
36373	$ 115,333.00	CC BUTT GROCERY COMPANY	SCHREINER BLK 48 LOT 348 PT & 349 PT ACRES .4598
38543	$ 114,989.00	NEUTZE, DEBBIE	JA TIVY ADDN BLK 24 LOT 15
38541	$ 114,969.00	JOHNSON, R C	JA TIVY ADDN BLK 24 LOT 12 & 13 PT
38487	$ 114,914.00	KAISER, BRETT A TTEE	JA TIVY ADDN BLK 15 LOT 10-12 PTS
38520	$ 112,809.00	VASQUEZ, RAMON SANCHEZ	JA TIVY ADDN BLK 18 LOT 9 ACRES .2181
14697	$ 111,364.00	HOMEGROWN ENERGY-MCBRYDE LP	ABS A0182 HAYS, SUR 117,ACRES 1.16
38575	$ 109,591.00	IGI PARTNERS, LLC	JA TIVY ADDN BLK 29 LOT 5-6 ACRES .3214
36409	$ 109,237.00	AYALA, MANUEL JR	SCHREINER BLK 53 LOT 361, 362
38437	$ 109,128.00	NAPPER, TERRY R	JA TIVY ADDN BLK 7 LOT 6 PT
38503	$ 107,913.00	COLDWELL, NEAL IV &	JA TIVY ADDN BLK 17 LOT 5 & 6 PTS ACRES .233
38480	$ 107,554.00	NAPPER, TERRY	JA TIVY ADDN BLK 15 LOT 2 PT ACRES .1607
36417	$ 107,371.00	HALL, JEANNETTE	SCHREINER BLK 53 LOT 396
38446	$ 107,004.00	H2O PROPERTIES, LTD	JA TIVY ADDN BLK 9 LOT 1 PT, 2 PT
38499	$ 105,537.00	JARAMILLO, FRANCO	JA TIVY ADDN BLK 16 LOT 11 PT
38532	$ 104,362.00	JIMENEZ, ENRIQUE SR	JA TIVY ADDN BLK 23 PT LOT 1
29990	$ 104,242.00	HOLSTER, ROSS S & BARBARA H	INSALL BLK 1 LOT 8 PT, 9, 10, 11

APPENDIX A - CURRENT PROPERTY OWNERSHIP

PROPID	Taxable Value	Owner	LEGAL_DESC
24203	$ 103,585.00	LONE STAR INVESTMENTS, LLC	CAGE BLK H LOT 12 PT, 13 PT ACRES 0.15
38489	$ 103,541.00	MAGUIRE, MARILYN G	JA TIVY ADDN BLK 16 LOT 3
38562	$ 103,133.00	VIGILL, JOSE LEONEL & VIGIL, CORALIA H &	JA TIVY ADDN BLK 28 LOT 1 PT, PT ALLEY ACRES .132
24127	$ 102,460.00	SMITH, CULLEN W	CAGE BLK E LOT 2 PT(NE 1/2) ACRES .318
38492	$ 102,220.00	DURHAM - HUNT, LTD	JA TIVY ADDN BLK 16 LOT 6
71041	$ 102,041.00	KEITH, RANDALL D	BROWN BLK 24 LOT 1-B (UNIT 1)
23799	$ 101,557.00	KURZ, KEVIN JAMES	BROWN BLK 4 LOT 24 & PT 23
38420	$ 101,498.00	WILLSON, GARY R	JA TIVY ADDN BLK 2 LOT 6
36449	$ 100,972.00	RC MC BRYDE OIL COMPANY	SCHREINER BLK 56 PT ACRES 1.0627
38478	$ 100,786.00	MOBLEY, ALLISON D TTEE	JA TIVY ADDN BLK 15 LOT 1 PT
36306	$ 100,112.00	MOSTY, HAROLD	SCHREINER BLK 35 LOT 214 & PT 215
36453	$ 99,682.00	BUTTERKRUST BAKERY, INC	SCHREINER BLK 56 PT
36330	$ 99,197.00	SHER, KAICHING K &	SCHREINER BLK 45 LOT 259
38596	$ 98,710.00	HERNANDEZ, ELIZABETH DE LA ROSA	JA TIVY ADDN BLK 31 LOT 4-5 PTS
36470	$ 98,445.00	ALVARADO, JESUS R	SCHREINER BLK 59 LOT 425, 426 PT
38462	$ 97,713.00	MARTIN, BOBBY L	JA TIVY ADDN BLK 13 LOT 1-2 PTS, 11 PT
38494	$ 97,531.00	RAMOS, JESS J	JA TIVY ADDN BLK 16 LOT 7 PT, 8 PT, 9 PT
36388	$ 97,500.00	FERRIS, R & D FAMILY LIMITED	SCHREINER BLK 50 LOT 319, 318 PT (E1/2)
36254	$ 96,644.00	SONS & VOELKEL	SCHREINER BLK 22 LOT 588 PT, 589 PT
38521	$ 95,274.00	ABERNETHY, MIKE	JA TIVY ADDN BLK 18 LOT 10
23820	$ 94,427.00	COMMISSION TO EVERY	BROWN BLK 6 LOT 51 PT, 52 PT, 59 PT, 60 PT
36379	$ 92,440.00	ITZ, JEREMY	SCHREINER BLK 48 LOT 351 PT, 352 PT ACRES .2227
38540	$ 92,007.00	ASHLEY, ERIC N & JACQUELINE	JA TIVY ADDN BLK 24 LOT 10 PT & 11 PT
24124	$ 91,698.00	BERNHARD, MILTON J & BETTY	CAGE BLK E LOT 1A
36392	$ 91,407.00	GARCIA, RUDY LYN	SCHREINER BLK 50 LOT 333 PT, 334 PT
24216	$ 91,375.00	PICKELL, STEVEN J	CAGE BLK I LOT 8 PT
36418	$ 90,276.00	BOWEN, R J LEASING, INC	SCHREINER BLK 53 LOT 397 & PT 398
38502	$ 90,110.00	RAMOS, JESS J REV LIV TR	JA TIVY ADDN BLK 17 LOT 3 & 4
36489	$ 89,686.00	512 MCFARLAND STREET	SCHREINER BLK 60 LOT 436 ACRES .1745
38445	$ 88,224.00	SCHUESSLER, HERBERT HUGH	JA TIVY ADDN BLK 9 LOT 1-2 PTS
38558	$ 88,122.00	MERRICK FAMILY TRUST	JA TIVY ADDN BLK 27 LOT 9-10 PTS
23829	$ 87,656.00	POLLARD, EDWARD R & SHARON Y TTEES	BROWN BLK 6 LOT 59 PT, 60 PT
38463	$ 87,400.00	PRUNEDA, HUMBERTO & DLORES G	JA TIVY ADDN BLK 13 LOT 1-2 PTS
23786	$ 86,950.00	SERIES 1 OF BIG MAIN ASSOCIATES, LLC	BROWN BLK 2 (SHAMROCK PARKING) LOT 144
36308	$ 86,551.00	SANCHEZ, MARY ANN	SCHREINER BLK 36 LOT 582
36243	$ 85,872.00	SLETTEN, MATTHEW R &	SCHREINER BLK 9 LOT 602 PT, 603 PT
36408	$ 84,983.00	POWELL, GEORGE CRAIG &	SCHREINER BLK 52 LOT 391, 392
23938	$ 83,592.00	HONEA, TED	BROWN BLK 26 LOT 6 PT ACRES 0.2424
46766	$ 83,587.00	GUERRERO, GUS CLEMENT JR	JA TIVY ADDN BLK 11 LOT 1 & 2 ACRES 1.062
532583	$ 83,334.00	BINDOCK, RAYMOND BRUCE TTEE	JA TIVY ADDN BLK 8 LOT 4, PT 5 ACRES 0.34
36394	$ 82,313.00	HEB GROCERY COMPANY, LP	SCHREINER BLK 50 LOT 334-336 PTS
38415	$ 82,134.00	J & K ADVENTURE	JA TIVY ADDN BLK 1 LOT 9-R (REPLAT) ACRES .32
36249	$ 81,375.00	KUYKENDALL, DAN &	SCHREINER BLK 10 LOT 4
38553	$ 81,291.00	MORRISON, DONALD L & LINDA L	JA TIVY ADDN BLK 27 LOT 1-2 PTS
36411	$ 81,193.00	CARDWELL, ERIC R	SCHREINER BLK 53 LOT 366, PT 367
38426	$ 80,826.00	DONAGHE, CAROLYN A	JA TIVY ADDN BLK 4 LOT 6 PT(1/2), 7 PT(1/2), 8, 9 ACRES 0.2296
23801	$ 80,383.00	TOMKIT, LTD	BROWN BLK 4 LOT 27 PT
38594	$ 79,350.00	HANCOCK, CAREY P	JA TIVY ADDN BLK 31 LOT 2
70021	$ 78,946.00	POST HOLE VENTURES, LLC	RIVER GUIDE VILLAGE BLK (10.28% COMMON) LOT G
70373	$ 78,829.00	WELDER, R H HEIRS, LTD	BROWN BLK 6 LOT PT 56 ACRES .039
36320	$ 78,611.00	AYALA, MIGUEL E & THERESA	SCHREINER BLK 37 LOT 574 PT
38573	$ 78,545.00	MILLER, JANE C & ROBERT B	JA TIVY ADDN BLK 29 LOT 2 PT, 1 PT
38458	$ 78,228.00	FRITZ FAMILY ENTERPRISES LTD	JA TIVY ADDN BLK 12 LOT 5-6 PTS
23798	$ 76,220.00	ESQUINA, LP	BROWN BLK 4 LOT 22, 23 PT ACRES .459
36311	$ 74,456.00	FAIRWAY RANCHES, LTD	SCHREINER BLK 36 LOT 586
24163	$ 73,636.00	MAHAN, JANE	CAGE BLK F LOT 27, 28 PT
36403	$ 73,190.00	FARHOUDI, VINNA CONLEE	SCHREINER BLK 52 LOT 374 PT
38482	$ 73,143.00	ABERNETHY, MIKE	JA TIVY ADDN BLK 15 LOT 4 PT (SW 135')
36272	$ 73,120.00	HERRING, JASON L ETAL	SCHREINER BLK 33 LOT 5
38453	$ 72,561.00	BAKER, JOHN R & MAUREEN M	JA TIVY ADDN BLK 12 LOT 1 PT & 2 PT (PLUS PT ABANDONED ALLEY)
38433	$ 72,533.00	WILLIS, KATHLEEN A	JA TIVY ADDN BLK 7 LOT 2 ACRES .2181

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PROPID	Taxable Value	Owner	LEGAL_DESC
36312	$ 71,938.00	AGUIRRE, ELOISE R	SCHREINER BLK 36 LOT 587
36378	$ 71,329.00	ESPINOZA, JOSE LUIS	SCHREINER BLK 48 LOT 351-PT & 352-PT ACRES .2365
38585	$ 69,502.00	HOEGEMEYER, W H ETUX	JA TIVY ADDN BLK 30 LOT 5
38605	$ 68,488.00	FRITZ FAMILY ENTERPRISES LTD	JA TIVY ADDN BLK F PT ADJ TO BLK 32
36271	$ 68,419.00	HERRING, JASON L ETAL	SCHREINER BLK 33 LOT 4
38583	$ 67,259.00	STOREY, KIRK A	JA TIVY ADDN BLK 30 LOT 3
38582	$ 66,986.00	ALEMAN, CRUZ A JR & BRENDA R	JA TIVY ADDN BLK 30 LOT 2 ACRES .1607
23838	$ 65,932.00	SUTHERLIN, KEVIN	BROWN BLK 7 LOT 69 PT, 70 PT, 71 PT
38602	$ 65,409.00	LANDGREBE, D H ESTATE	JA TIVY ADDN BLK 32 LOT 1-2
38468	$ 65,036.00	KERR CRAFT DEVELOPMENT, LLC	JA TIVY ADDN BLK 13 LOT 7,8,9 & 10 PTS
38431	$ 64,988.00	BK INDEPENDENT PRODUCTION, LLC -	JA TIVY ADDN BLK 7 LOT 1 PT
71855	$ 63,969.00	CO-NEXUS COMMUNICATION	BROWN BLK 24 LOT 1-B (UNIT 2)
36356	$ 63,787.00	GRUDZINSKI, ALBERT LEROY TTEE	SCHREINER BLK 48 LOT 297 PT, 298 PT
38466	$ 63,314.00	STAMMBERGER, ERICE L &	JA TIVY ADDN BLK 13 LOT 7-10 PTS
38534	$ 62,239.00	METRAM, LLC	JA TIVY ADDN BLK 23 PT LOT 3
38495	$ 61,641.00	GARCIA, JUAN T & ESTHELA G	JA TIVY ADDN BLK 16 LOT 8 & 9 PTS
24208	$ 61,633.00	SALUBRIA - CLAY SERIES, LLC	CAGE BLK H LOT 17
38469	$ 60,977.00	STAMMBERGER, ERICE L &	JA TIVY ADDN BLK 13 LOT 11 & 12 PTS & 1/2 CLSD H ST
38506	$ 59,236.00	REITER RENTAL PROPERTIES, LLC	JA TIVY ADDN BLK 17 LOT 7 & 8 PTS
38496	$ 59,089.00	BK INDEPENDENT PRODUCTION, LLC - SERIES FOUR	JA TIVY ADDN BLK 16 LOT 10 PT
38542	$ 58,810.00	STEWART, JIM	JA TIVY ADDN BLK 24 LOT 13 PT & 14
38518	$ 58,678.00	GRAYSON, BILLIE J	JA TIVY ADDN BLK 18 LOT 5 PT & 6 PT
36309	$ 57,920.00	NUGENT FAMILY LIMITED PARTNERSHIP	SCHREINER BLK 36 LOT 583 & 584
38436	$ 57,764.00	TORRES, ANGELITA C	JA TIVY ADDN BLK 7 LOT 5 PT
36391	$ 57,000.00	SOUTHERN NEWSPAPERS, INC	SCHREINER BLK 50 LOT 332 PT, 333 PT
36488	$ 56,061.00	MORQUECHO, GREGORIA	SCHREINER BLK 60 LOT 435, PT 434
38479	$ 55,842.00	AGUERO, MANUEL & MARIA L	JA TIVY ADDN BLK 15 LOT 1 PT, 2 PT, 3 PT
36538	$ 55,173.00	ALCORTA, INDALESIO	SCHREINER HERZOG BLK 33 LOT 10 PT, 11, 12 PT
36442	$ 55,161.00	VALDERAZ, MARY HELEN	SCHREINER BLK 55 LOT 568 1/2
36487	$ 54,698.00	ALCORTA, PAUL A	SCHREINER BLK 60 LOT 433-434 PTS
38432	$ 54,084.00	BK INDEPENDENT PRODUCTION, LLC -	JA TIVY ADDN BLK 7 LOT 1 PT
36377	$ 53,692.00	GONZALES, LYDIA	SCHREINER BLK 48 LOT 350
38581	$ 53,510.00	MURRAY, JOHN	JA TIVY ADDN BLK 30 LOT 1
43439	$ 53,392.00	ESPINOZA, JOSE LUIS	SCHREINER BLK 48 LOT 351 PT, 352 PT ACRES .1148
531631	$ 52,584.00	KING, STEPHEN W	JA TIVY ADDN BLK 18 LOT 4, 3
38539	$ 52,013.00	ASHLEY, ERIC N & JACQUELINE	JA TIVY ADDN BLK 24 LOT 9 PT, 10 PT, 11 PT
36430	$ 51,557.00	LARA, DANIEL	SCHREINER BLK 54 LOT 358
38474	$ 51,430.00	JEREMY BARNES INTERESTS, LLC	JA TIVY ADDN BLK 14 LOT 7 PT & 8 PT
38509	$ 51,408.00	BK INDEPENDENT PRODUCTION, LLC - SERIES ONE	JA TIVY ADDN BLK 17 LOT 10
23839	$ 51,143.00	DOTY, BETH J	BROWN BLK 7 LOT 69 PT, 70 PT, 71 PT
38572	$ 50,736.00	HI-HO, INC	JA TIVY ADDN BLK 29 LOT 1 PT, 2 PT
528945	$ 50,008.00	KERRVILLE DEVELOPMENT	MAIN COMMERCIAL CONDOMINIUMS LOT 12
36425	$ 49,410.00	CONSTANTE, JESSE L & RACHEAL A	SCHREINER BLK 54 LOT 353 PT, 354 PT ACRES .0842
36436	$ 48,369.00	SALAZAR, CELIA O	SCHREINER BLK 54 LOT 404
24206	$ 48,302.00	SANCHEZ, FLORIN B	CAGE BLK H LOT 15 PT
24221	$ 48,150.00	ESQUINA, LP	CAGE BLK I LOT 12 ACRES 0.3444
23854	$ 47,702.00	WINDSTREAM COMM KERRVILLE LP	BROWN BLK 7 LOT 92 PT
23925	$ 47,672.00	RECTOR, LYNDIA & WILLIAM LTD	BROWN BLK 24 LOT 4
38490	$ 47,280.00	LEWIS, JAMIE B (SC)	JA TIVY ADDN BLK 16 LOT 4
24205	$ 46,640.00	RICO, MARIA FLORINDA	CAGE BLK H LOT 15 PT, 14 PT
36421	$ 45,782.00	GARZA, MARIA AYALA	SCHREINER BLK 53 LOT 400
38586	$ 45,702.00	ROJO, ISAIAS & ERIKA	JA TIVY ADDN BLK 30 LOT 6
36471	$ 45,148.00	AGUERO, MANUEL & MARIA L	SCHREINER BLK 59 LOT 426 PT & ALL 427
36429	$ 44,768.00	GONZALES, LYDIA	SCHREINER BLK 54 LOT 357
36460	$ 44,523.00	POLLARD, EDWARD R & SHARON Y TTEES	SCHREINER BLK 57 (REPLAT 57-A) LOT 3
36462	$ 44,268.00	FINE, HASKELL H ESTATE	SCHREINER BLK 58 LOT 1 PT ACRES 0.3388
36476	$ 43,320.00	RODRIGUEZ, LAWRENCE	SCHREINER BLK 59 LOT 431-432 PTS
36536	$ 43,189.00	DARNELL, LARRY	SCHREINER HERZOG BLK 33 LOT PT 6, 7
38524	$ 43,054.00	THOMAS, JAMES R	JA TIVY ADDN BLK 18 LOT 12 PT BACK
24224	$ 42,372.00	BE SQUARED REAL ESTATE, LLC	CAGE BLK J LOT 2 PT, 3 PT ACRES 0.303
36275	$ 42,115.00	HERRING FAMILY TRUST, THE	SCHREINER BLK 33 LOT 8 (PLUS 4-5 & PT 3, HERZOG)

APPENDIX A - CURRENT PROPERTY OWNERSHIP

PROPID	Taxable Value	Owner	LEGAL_DESC
36441	$ 41,990.00	CDC DEVELOPMENT INC	SCHREINER BLK 55 LOT 568
23916	$ 41,525.00	HERRING FAMILY TRUST, THE	BROWN BLK 23 LOT 3 PT
528934	$ 41,283.00	DOUVILLE, MARY SUE STOY	MAIN COMMERCIAL CONDOMINIUMS LOT 1
38435	$ 40,775.00	AYALA, FLORENCE	JA TIVY ADDN BLK 7 LOT 4
36454	$ 40,242.00	BROWN, LYDIA	SCHREINER BLK 57 PT ACRES 0.35
528947	$ 39,950.00	KERRVILLE DEVELOPMENT	MAIN COMMERCIAL CONDOMINIUMS LOT 14
38416	$ 38,745.00	J & K ADVENTURE	JA TIVY ADDN BLK 1 LOT 11, 12 & 13
36455	$ 38,420.00	BROWN, LYDIA	SCHREINER BLK 57 PT LOT 1 (BROWN OIL CO) ACRES 0.441
38584	$ 37,910.00	TEAGUE, WILMA C	JA TIVY ADDN BLK 30 LOT 4
36358	$ 37,500.00	ITZ, JEREMY D	SCHREINER BLK 48 LOT 297 PT, 298 PT, 299 PT ACRES 0.1722
36273	$ 37,360.00	HERRING, JASON L ETAL	SCHREINER BLK 33 LOT 6
36419	$ 36,895.00	RODRIGUEZ, GUADALUPE GALVAN H	SCHREINER BLK 53 LOT 398 PT
23789	$ 36,590.00	S A & A P SERIES	BROWN BLK 3 LOT 1-A REPLAT
38535	$ 36,466.00	KURZ, JAMES M & DARLENE R	JA TIVY ADDN BLK 23 LOT 4 PT
36420	$ 36,407.00	RODRIGUEZ, GUADALUPE GALVAN H	SCHREINER BLK 53 LOT 399
23802	$ 36,400.00	TOMKIT, LTD	BROWN BLK 4 LOT 27 PT, 28 PT
36486	$ 36,215.00	PEREZ, RAMIRO	SCHREINER BLK 60 LOT 433 PT
36539	$ 35,993.00	PRICE, THOMAS S & ELIZABETH M	SCHREINER HERZOG BLK 33 LOT 12 PT, 13 PT
36439	$ 35,910.00	HUGHES, HAROLD E JR &	SCHREINER BLK 54 LOT 406 PT
23924	$ 35,759.00	RECTOR, LYNDIA & WILLIAM LTD	BROWN BLK 24 LOT 3 PT
528938	$ 35,441.00	DOUVILLE, MARY SUE STOY	MAIN COMMERCIAL CONDOMINIUMS LOT 5
36472	$ 35,409.00	CASTILLO, FELIPE S	SCHREINER BLK 59 LOT 428
38510	$ 35,055.00	KING, STEPHEN W	JA TIVY ADDN BLK 17 LOT 11-12
36464	$ 35,000.00	FINE, HASKELL ESTATE	SCHREINER BLK 58 LOT 2 PT ACRES 0.2525
529099	$ 34,848.00	WALLACE, EDGAR A &	MAIN PLAZA ADDN LOT 4 (REPLAT) ACRES .16
529100	$ 34,848.00	WALLACE, EDGAR A &	MAIN PLAZA ADDN LOT 3 (REPLAT) ACRES .16
70023	$ 34,658.00	1001 WATER ST, LTD	RIVER GUIDE VILLAGE BLK (4.45% COMMON) LOT I
23939	$ 34,493.00	HONEA, TED	BROWN BLK 26 LOT 6 PT ACRES .1234
36304	$ 33,060.00	C K LEASING, LLC	SCHREINER BLK 35 LOT 212
61657	$ 32,984.00	J & K ADVENTURE	JA TIVY ADDN BLK 1 LOT 14-15-16 PTS ACRES .3
528937	$ 32,936.00	MCBAIN, MICHAEL & PATRICIA G	MAIN COMMERCIAL CONDOMINIUMS LOT 4
38597	$ 32,698.00	GARCIA, RUDY	JA TIVY ADDN BLK 31 LOT 4-6 PTS
528942	$ 32,618.00	KERRVILLE DEVELOPMENT	MAIN COMMERCIAL CONDOMINIUMS LOT 9
36270	$ 32,486.00	HERRING FAMILY TRUST, THE	SCHREINER BLK 33 LOT 3
36427	$ 32,392.00	LEMOS, RAMON G JR	SCHREINER BLK 54 LOT 355 PT
24142	$ 32,100.00	GREEN, GEORGE ROBERT &	CAGE BLK E LOT 11 (SW PT), PTS 1A & 1B ACRES 0.35
36465	$ 32,100.00	FINE, HASKELL H ESTATE	SCHREINER BLK 58 LOT 2 PT (NW 51 FT) ACRES 0.2456
24243	$ 32,068.00	H E BUTT FOUNDATION	CAGE BLK K LOT 2 ACRES 0.2293
36426	$ 31,445.00	LEMOS, RAMON G JR	SCHREINER BLK 54 LOT 355 PT
36493	$ 31,104.00	DYSON, SHANE & CORRIE	SCHREINER BLK 60 LOT 439 ACRES 0.1785
36494	$ 31,104.00	FINE, HASKELL H ESTATE	SCHREINER BLK 60 LOT 440 ACRES 0.1785
64097	$ 31,102.00	SPAULDING, E CHARLENE	SCHREINER BLK 10 LOT 2
36424	$ 30,561.00	GUTIERREZ, ROBERT	SCHREINER BLK 54 LOT 353 PT, 354 PT ACRES 0.0609
36490	$ 30,400.00	FINE, HASKELL H ESTATE	SCHREINER BLK 60 LOT 437
528946	$ 30,362.00	KERRVILLE DEVELOPMENT	MAIN COMMERCIAL CONDOMINIUMS LOT 13
36428	$ 30,053.00	PRICE, THOMAS S & ELIZABETH M	SCHREINER BLK 54 LOT 356 PT, 357 PT
38512	$ 29,899.00	LACKEY, WILLIAM H	JA TIVY ADDN BLK 18 LOT 2 PT ACRES .04
38485	$ 29,728.00	ARD, WALTER	JA TIVY ADDN BLK 15 LOT 7, 8
36402	$ 29,250.00	KELLER, BOBBY C &	SCHREINER BLK 52 LOT 373, PT 372, PT 374
36310	$ 28,960.00	NUGENT, JAMES E	SCHREINER BLK 36 LOT 585
38507	$ 28,834.00	ELIZARRARAS, JOSE L & ALMA	JA TIVY ADDN BLK 17 LOT 7 PT & 8 PT
70020	$ 27,386.00	KERRVILLE PROFESSIONAL PROPERTIES, LTD	RIVER GUIDE VILLAGE BLK (3.84% COMMON) LOT F
528944	$ 27,259.00	KERRVILLE DEVELOPMENT	MAIN COMMERCIAL CONDOMINIUMS LOT 11
36365	$ 27,095.00	CC BUTT GROCERY COMPANY	SCHREINER BLK 48 LOT 301 PT, 302 PT
24246	$ 26,984.00	H E BUTT FOUNDATION	CAGE BLK K LOT 4 PT ACRES .1148
36319	$ 26,791.00	SANCHEZ, RICHARD A	SCHREINER BLK 37 LOT 574 PT, 575 PT
38417	$ 26,660.00	J & K ADVENTURE	JA TIVY ADDN BLK 1 LOT 14-15-16 PTS ACRES .182
36315	$ 26,152.00	NAPPER, TERRY R	SCHREINER BLK 37 LOT 574 PT
23844	$ 25,065.00	CLACK, STEVEN L	BROWN BLK 7 LOT 71 PT
528943	$ 25,018.00	KERRVILLE DEVELOPMENT	MAIN COMMERCIAL CONDOMINIUMS LOT 10
36400	$ 22,800.00	KELLER, BOBBY C	SCHREINER BLK 52 LOT 371

APPENDIX A - CURRENT PROPERTY OWNERSHIP

PROPID	Taxable Value	Owner	LEGAL_DESC
36431	$ 22,650.00	HEB GROCERY COMPANY, LP	SCHREINER BLK 54 LOT 359
528935	$ 21,498.00	MCBAIN, MICHAEL & PATRICIA G	MAIN COMMERCIAL CONDOMINIUMS LOT 2
36248	$ 21,000.00	KUYKENDALL, DAN &	SCHREINER BLK 10 LOT 3
36463	$ 20,832.00	FINE, HASKELL H ESTATE	SCHREINER BLK 58 LOT 1 PT ACRES 0.1594
36335	$ 20,563.00	DAVIS, CHARLES H & RANDALL K	SCHREINER BLK 45 LOT 279 NW/2 PT
528936	$ 19,589.00	MCBAIN, MICHAEL & PATRICIA G	MAIN COMMERCIAL CONDOMINIUMS LOT 3
36492	$ 19,584.00	CASON, ROBERT ALLEN	SCHREINER BLK 60 LOT 438 PT ACRES 0.1124
36401	$ 19,152.00	KELLER, BOBBY C &	SCHREINER BLK 52 LOT 372 PT
36416	$ 17,606.00	GUERRERO, PEDRO JR	SCHREINER BLK 53 LOT 395 PT ACRES .1347
36433	$ 17,550.00	HEB GROCERY COMPANY, LP	SCHREINER BLK 54 LOT 360 PT
38486	$ 17,528.00	ARD, WALTER	JA TIVY ADDN BLK 15 LOT 9
38491	$ 17,528.00	HCE MANAGEMENT, LLC	JA TIVY ADDN BLK 16 LOT 5
36414	$ 17,289.00	A & D PROPERTIES #2	SCHREINER BLK 53 LOT 393 PT, 394 PT
36438	$ 17,100.00	HUGHES, HAROLD & BRENDA	SCHREINER BLK 54 LOT 406 PT
528939	$ 16,808.00	MECHLER, DONALD JOSEPH &	MAIN COMMERCIAL CONDOMINIUMS LOT 6
36415	$ 16,800.00	GOVEA, JESSE & SONIA	SCHREINER BLK 53 LOT 394 PT, 395 PT
36474	$ 16,350.00	FINE, STEPHEN P & DAVID H FINE	SCHREINER BLK 59 LOT 431 PT
36475	$ 16,350.00	FINE, STEPHEN P & DAVID H FINE	SCHREINER BLK 59 LOT 432 PT
24245	$ 16,050.00	H E BUTT FOUNDATION	CAGE BLK K LOT 4 PT ACRES 0.1148
38593	$ 15,498.00	HANCOCK, CAREY P	JA TIVY ADDN BLK 31 LOT 1(+10 FT OF F ST)
528940	$ 15,449.00	MECHLER, DONALD JOSEPH &	MAIN COMMERCIAL CONDOMINIUMS LOT 7
520573	$ 15,200.00	RECTOR, LYNDIA & WILLIAM LTD	BROWN BLK 24 (RIVER WALK) LOT PTS 2-3 ACRES .0872
528941	$ 14,983.00	MECHLER, JOYCE DIANE &	MAIN COMMERCIAL CONDOMINIUMS LOT 8
38513	$ 14,465.00	LACKEY, WILLIAM H	JA TIVY ADDN BLK 18 LOT 2 PT ACRES .18
36413	$ 13,500.00	NAPPER, CLAY WYCHE	SCHREINER BLK 53 LOT 393 PT, 394 PT, 395 PT
38595	$ 12,915.00	HANCOCK, CAREY P	JA TIVY ADDN BLK 31 LOT 3
36359	$ 12,500.00	HILL COUNTRY BILLBOARD LEASING	SCHREINER BLK 48 LOT 299 PT
38603	$ 12,500.00	FRITZ FAMILY ENTERPRISES LTD	JA TIVY ADDN BLK 32 LOT 3
36302	$ 12,000.00	C K LEASING, LLC	SCHREINER BLK 35 LOT 208 & 209
36407	$ 11,787.00	POWELL, GEORGE CRAIG &	SCHREINER BLK 52 LOT 390 PT ACRES .0902
36491	$ 11,520.00	ZUBER, RUSTIN	SCHREINER BLK 60 LOT 438 PT ACRES 0.0661
36274	$ 11,280.00	HERRING FAMILY TRUST, THE	SCHREINER BLK 33 LOT 7
36432	$ 10,950.00	HEB GROCERY COMPANY, LP	SCHREINER BLK 54 LOT 360 PT
533431	$ 10,491.00	BOERNER, ROBERT W	JA TIVY ADDN BLK 14 LOT 4 PT ACRES .0348
69683	$ 9,627.00	KTC VILLAGE LTD	TOWN CREEK VILLAGE LOT 3 ACRES 1.3
36423	$ 8,658.00	MOSS, LESLYE AMICK	SCHREINER BLK 54 LOT 353 PT, 354 PT ACRES 0.0663
520055	$ 8,120.00	ARCADIA THEATRE, LLC	BROWN BLK 24 (RIVER WALK) LOT 5 PT
36422	$ 6,786.00	MOSS, LESLYE AMICK	SCHREINER BLK 54 LOT 353 PT, 354 PT ACRES 0.0519
36305	$ 6,000.00	MOSTY, HAROLD	SCHREINER BLK 35 LOT 213
36276	$ 6,000.00	HERRING FAMILY TRUST, THE	SCHREINER BLK 33 LOT 9
38483	$ 5,996.00	ABERNETHY, MIKE	JA TIVY ADDN BLK 15 LOT 4 PT (NE 65')
38529	$ 5,000.00	KERRVILLE APOSTOLIC CHURCH, INC	JA TIVY ADDN BLK 20 ALL
36317	$ 4,313.00	VILLARREAL, DANIEL	SCHREINER BLK 37 LOT 574 PT, 575 PT
38497	$ 2,768.00	BK INDEPENDENT PRODUCTION, LLC - SERIES FOUR	JA TIVY ADDN BLK 16 LOT 10 PT
529287	$ 2,091.00	UNKNOWN	SCHREINER BLK 53 LOT 393 PT, 394 PT ACRES 0.016
520014	$ 720.00	RECTOR, LYNDIA & WILLIAM LTD	BROWN BLK 24 (RIVER WALK) LOT 3 PT
14713	$ 82.00	LCRA TRANSMISSION SRVS CORP	ABS A0182 HAYS, SUR 117,BLOCK (NW OF MCBRIDE PROP),ACRES .0137
38481	$ -	WATSON, FREDDIE R	JA TIVY ADDN BLK 15 LOT 3 PT ACRES .1607
38545	$ -	THOMPSON, JOHN E & MARILYN	JA TIVY ADDN BLK 25 LOT 1 & 2
532984	$ -	RIVERSIDE NATURE CENTER	LOWRY BLK 1 LOT 1 PT ACRES 0.39
23803	$ -	KERR COUNTY CHRISTIAN ACTION COUNCIL	BROWN BLK 4 LOT 28 PT
23822	$ -	KERRVILLE ISD	BROWN BLK 6 (KISD TAX OFFICE) LOT 52
23860	$ -	SCHREINER BUILDINGS, A SERIES	BROWN BLK 8 LOT 101-104,106,112-114(PTS OF ALL EXEMPT)
23867	$ -	ST PETERS EPISCOPAL CHURCH	BROWN BLK 17 LOT C, D, E, F, G, H, J PT
23869	$ -	ST PETERS EPISCOPAL CHURCH	BROWN BLK 17 LOT L, M
23871	$ -	ST PETERS EPISCOPAL CHURCH	BROWN BLK 17 LOT O, P
23879	$ -	FLORES, PATRICK - ARCHBISHOP	BROWN BLK 18 LOT 2
23880	$ -	FLORES, PATRICK - ARCHBISHOP	BROWN BLK 18 LOT 3
23882	$ -	FLORES, PATRICK - ARCHBISHOP	BROWN BLK 18 LOT 5
23885	$ -	FLORES, PATRICK - ARCHBISHOP	BROWN BLK 18 LOT 8
23887	$ -	FLORES, PATRICK - ARCHBISHOP	BROWN BLK 19 LOT 77, 78, 79, 80, 81, 82, 83, 84

APPENDIX A - CURRENT PROPERTY OWNERSHIP

PROPID	Taxable Value	Owner	LEGAL_DESC
23888	$ -	FLORES, PATRICK - ARCHBISHOP	BROWN BLK 19 LOT 85 PT, 86 PT
23890	$ -	FLORES, PATRICK - ARCHBISHOP	BROWN BLK 19 LOT 87, 88
23892	$ -	FLORES, PATRICK - ARCHBISHOP	BROWN BLK 19 LOT X, Y
24225	$ -	H E BUTT FOUNDATION	CAGE BLK J LOT 3 PT, 4 PT ACRES .312
36299	$ -	RIVERSIDE NATURE CENTER	SCHREINER BLK 34 LOT 204 PT, 205 PT
36307	$ -	CITY OF KERRVILLE	SCHREINER BLK 35 LOT 215 PT, 216
36313	$ -	CITY OF KERRVILLE	SCHREINER BLK 36 LOT 588
36412	$ -	KERRVILLE BOARD OF REALTORS	SCHREINER BLK 53 LOT 368
38454	$ -	CITY PARK	JA TIVY ADDN BLK 12 LOT 1-2-3 PTS
38505	$ -	KERR COUNTY CHRISTIAN ACTION COUNCIL	JA TIVY ADDN BLK 17 LOT 7 PT & 8 PT
47473	$ -	CITY OF KERRVILLE	BROWN BLK 1 (RADIATION THERAPY UNIT) LOT 118-130 PTS
14696	$ -	CITY OF KERRVILLE	ABS A0182 HAYS, SUR 117,BLOCK (ADJACENT T/BLK 64),ACRES 9.24
23774	$ -	CITY OF KERRVILLE	BROWN BLK 1 LOT 118-130 PTS
23777	$ -	CITY OF KERRVILLE	BROWN BLK 1 LOT 123-124 PTS
23796	$ -	CITY OF KERRVILLE	BROWN BLK 4 (POLICE STATION) LOT 17, 18, 19, 20 ACRES .9912
23808	$ -	FIRST PRESBYTERIAN CHURCH	BROWN BLK 5 LOT 35 PT(REAR)
23809	$ -	FIRST PRESBYTERIAN CHURCH	BROWN BLK 5 LOT 36
23810	$ -	FIRST PRESBYTERIAN CHURCH	BROWN BLK 5 LOT 37, 38
23811	$ -	FIRST PRESBYTERIAN CHURCH	BROWN BLK 5 LOT 39 PT, 40 PT(SE)
23812	$ -	FIRST PRESBYTERIAN CHURCH	BROWN BLK 5 LOT 40 PT
23813	$ -	FIRST PRESBYTERIAN CHURCH	BROWN BLK 5 (ALLEY ADJ TO LTS) LOT 35-38 & 39-42 ACRES .0801
23815	$ -	FIRST PRESBYTERIAN CHURCH	BROWN BLK 5 LOT 41
23816	$ -	FIRST PRESBYTERIAN CHURCH	BROWN BLK 5 LOT 42
23817	$ -	FIRST PRESBYTERIAN CHURCH	BROWN BLK 5 LOT 43, 44, 45, 46, 47, 48
23818	$ -	FIRST PRESBYTERIAN CHURCH	BROWN BLK 5 LOT 49 PT, 50 PT
23819	$ -	FIRST PRESBYTERIAN CHURCH	BROWN BLK 5 LOT 49 PT, 50 PT
23821	$ -	AMERICAN NATIONAL RED CROSS	BROWN BLK 6 (EXEMPT 5.17.95) LOT 51 PT, 52 PT
23861	$ -	KERR ARTS & CULTURAL CENTER INC	BROWN BLK 8 (US POST OFFICE) LOT 101 PT, 102 PT, 103 PT, 104 PT
23862	$ -	CAILLOUX FOUNDATION PROPERTIES, LLC	BROWN BLK I & 8 LOT PTS LTS ACRES 2.2538
23868	$ -	ST PETERS EPISCOPAL CHURCH	BROWN BLK 17 LOT K, J PT
23870	$ -	ST PETERS EPISCOPAL CHURCH	BROWN BLK 17 LOT N
23872	$ -	ST PETERS EPISCOPAL CHURCH	BROWN BLK 17 LOT R & S PTS
23878	$ -	FLORES, PATRICK - ARCHBISHOP	BROWN BLK 18 LOT 1
23883	$ -	FLORES, PATRICK - ARCHBISHOP	BROWN BLK 18 LOT 6 ACRES .48
23884	$ -	FLORES, PATRICK - ARCHBISHOP	BROWN BLK 18 LOT 7
23886	$ -	FLORES, PATRICK - ARCHBISHOP	BROWN BLK 18 LOT B, C, R
23889	$ -	NOTRE DAME CHURCH & SCHOOL	BROWN BLK 19 LOT 85 PT, 86 PT, 87 PT
23913	$ -	CITY OF KERRVILLE	BROWN BLK 22A PT LOT 2 ACRES 1.32
23926	$ -	CITY OF KERRVILLE	BROWN BLK 24 LOT 5 PT
24242	$ -	H E BUTT FOUNDATION	CAGE BLK K LOT 1
36300	$ -	RIVERSIDE NATURE CENTER	SCHREINER BLK 35 LOT 206
36301	$ -	RIVERSIDE NATURE CENTER	SCHREINER BLK 35 LOT 207
36395	$ -	SALVATION ARMY	SCHREINER BLK 51 LOT 377, 378
36398	$ -	SALVATION ARMY	SCHREINER BLK 51 LOT 383, 384 & PT 382 ACRES .3696
38488	$ -	SID PETERSON MEMORIAL HOSPITAL	JA TIVY ADDN BLK 16 LOT 1, 2
38525	$ -	KERR COUNTY VINCENTIAN	JA TIVY ADDN BLK 19 (ST VINCENT DE PAUL SOCIETY) LOT 1-4
38526	$ -	SID PETERSON MEMORIAL HOSPITAL	JA TIVY ADDN BLK 19 LOT 5-6 & PTS 7-7 1/2
38536	$ -	K'STAR, INC	JA TIVY ADDN BLK 24 (SUNSHINE DAY CARE) LOT 1,2,3,4,5,6 PT + .027 AC OF CLOSED GILMER ST/ABST1
38548	$ -	NON-PROFIT CAMPUS, A SERIES OF	JA TIVY ADDN BLK 26 LOT 1-A (REPLAT)
38556	$ -	ST PETERS EPISCOPAL CHURCH	JA TIVY ADDN BLK 27 LOT 9 PT & 10 PT
38560	$ -	K-STAR, INC	JA TIVY ADDN BLK 27 LOT 13 & 14
38598	$ -	DELAROSA, ALEX, PABLO CASTILLO	JA TIVY ADDN BLK 31 LOT 5-6 PTS (IGLESIA DE CRISTO/LATIN AM CHURCH)
47472	$ -	CITY OF KERRVILLE	BROWN BLK 1 (CARDIAC THERAPY UNIT-IMP ONLY) LOT 118-130 PTS
47910	$ -	RAPHAEL COMMUNITY FREE	JA TIVY ADDN BLK 10 LOT 6-10
60188	$ -	CITY OF KERRVILLE	BROWN BLK 24 LOT PT 1 ACRES .01
60284	$ -	CITY OF KERRVILLE	BROWN BLK 26 LOT (PT RIVER WALK TRAIL) ACRES 0.9
62435	$ -	PETERSON FOUNDATION, HAL &	SCHREINER BLK 43 LOT PTS 325-326 ACRES .63
520082	$ -	CITY OF KERRVILLE	BROWN BLK 24 & 25 (RIVER WALK) LOT 1,2,4, & 6 PTS (OUT 3.0 AC TR I) ACRES .8826
520126	$ -	FIRST PRESBYTERIAN CHURCH	BROWN BLK 5 LOT 39 PT, 40 PT ACRES .16
531724	$ -	FIRST ASSEMBLY OF GOD CHURCH	CAILLOUX CENTER ADDN BLK 1 LOT 1 ACRES 0.59
531725	$ -	PLAYHOUSE 2000, INC	CAILLOUX CENTER ADDN BLK 1 LOT 2 ACRES 0.97

APPENDIX A - CURRENT PROPERTY OWNERSHIP

PROPID	Taxable Value	Owner	LEGAL_DESC
531726	$ -	PLAYHOUSE 2000, INC	CAILLOUX CENTER ADDN BLK 1 LOT 3 ACRES 0.32
531727	$ -	CITY OF KERRVILLE	CAILLOUX CENTER ADDN BLK 1 LOT 4 ACRES 2.83
531808	$ -	UNITY CHURCH OF THE HILL COUNTRY	UNITY CHURCH OF THE HILL COUNTRY BLK 1 LOT 1 ACRES 1.25
533469	$ -	CITY OF KERRVILLE	BROWN BLK 8 LOT 97-R (REPLAT) (CITY HALL BLDG) ACRES .77
534018	$ -	CITY OF KERRVILLE	BUTT-HOLDSWORTH MEMORIAL LIBRARY BLK 1 LOT 1 ACRES 3.009
534098	$ -	CITY OF KERRVILLE	BROWN BLK I & 8 LOT PTS LTS ACRES 0.0562
23919	$ -	CAILLOUX FOUNDATION PROPERTIES, LLC	BROWN BLK 23 PT LOT 3 PT (AKA B C PARSONS HS) ACRES .0516
23920	$ -	CAILLOUX FOUNDATION PROPERTIES, LLC	BROWN, BLOCK 23 (KERRVILLE TOWN HOUSE), LOT 3 PT, ACRES 1.067 (PORTION EXEMPT)
24244	$ -	H E BUTT FOUNDATION	CAGE BLK K LOT 3 ACRES .2296
24247	$ -	H E BUTT FOUNDATION	CAGE BLK K LOT 5 & PT 6 ACRES 0.2304
24248	$ -	H E BUTT FOUNDATION	CAGE BLK K LOT 6 PT ACRES 0.2718
24249	$ -	H E BUTT FOUNDATION	CAGE BLK K (HALLMARK I APTS) LOT 7 ACRES 0.43
36296	$ -	RIVERSIDE NATURE CENTER	SCHREINER BLK 34 LOT 1
36297	$ -	RIVERSIDE NATURE CENTER	SCHREINER BLK 35 LOT 201, 202, 203
36298	$ -	RIVERSIDE NATURE CENTER	SCHREINER BLK 35 LOT 204 PT, 205 PT
36451	$ -	ALAMO AREA COUNCIL OF GOVERNMENTS	SCHREINER BLK 56 PT ACRES 1.2515
36456	$ -	CITY OF KERRVILLE	SCHREINER BLK 57 (REPLAT) LOT 1 PT ACRES .56
36457	$ -	KERR COUNTY	SCHREINER BLK 57 PT LOT (COUNTY RECYCLING YARD)
36537	$ -	ALCORTA, INDALESIO (LIFE ESTATE)	SCHREINER HERZOG BLK 33 LOT 8, 9, 10 PT
38418	$ -	CITY OF KERRVILLE	JA TIVY ADDN BLK 2 LOT 1
38419	$ -	CITY OF KERRVILLE	JA TIVY ADDN BLK 2 LOT 2, 3, 4 & 5
38421	$ -	CITY OF KERRVILLE	JA TIVY ADDN BLK 2 LOT 7 (FIRE DEPT #1)
38423	$ -	CITY OF KERRVILLE	JA TIVY ADDN BLK 2 LOT 10 (FIRE DEPT/ADMIN BLDG)
38564	$ -	SUNRISE BAPTIST CHURCH, INC	JA TIVY ADDN BLK 28 LOT 3
38565	$ -	SUNRISE BAPTIST CHURCH, INC	JA TIVY ADDN BLK 28 LOT 4-5-6 (+ 1/2 ADJ ALLEY)

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

SUBJECT: Ordinance 2018-15 amending the City's "Zoning Code" by amending Article 11-I-3 "Definitions and Interpretations of Words and Phrases" and Articles 11-1-4 through 11-1-11 to amend the land use tables for various zoning districts toad "Parking Structure" and "Parking Lot, Stand Alone", as uses that are either permitted by right or as a conditional use within each specified district; containing a cumulative clause; containing a savings and severability clause; providing for a maximum penalty or fine of Two Thousand Dollars ($2000.00); and ordering publication.

AGENDA DATE OF: 9/25/2018 **DATE SUBMITTED:** 8/6/2018

SUBMITTED BY: Drew Paxton

EXHIBITS: Ordinance, opposition letters

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
$0	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?		**Yes:** ☐	**No:** ☒
Key Priority Area	N/A		
Guiding Principle	N/A		
Action Item	N/A		

SUMMARY STATEMENT:

This is an amendment to the zoning code to define “Parking Lot, Stand Alone” and “Parking Structure” as well as establish them as permitted and conditional uses in various districts.

The Planning and Zoning Commission (P&Z) held the first public hearing regarding this zoning code amendment on March 1, 2018. The P&Z continued the discussion to April 5th meeting for further discussion. The P&Z held a workshop in order to give staff more direction for the code amendment and discuss the potential implications for each individual zoning district. During the workshop, staff went through the purpose section for each zoning district while the P&Z gave guidance if the parking lot or structure should be permitted, conditionally permitted, or not allowed in each district. Following that workshop, staff scheduled the item and public hearing on the June 21st P&Z meeting during which the P&Z recommended the attached ordinance for approval by City Council.

The P&Z determined that in most zoning districts both Parking Lots and Parking Structures should be Conditional Uses. The P&Z determined that, in general, stand alone parking lots were not appropriate in residential zoning districts. In the R-3 District, a multi-family district, parking lots and structures were recommended as a Conditional Use.

Throughout the balance of the West, Central, North, East, South, and other Zoning Districts, the P&Z particularly gave deference to the proximity to the Guadalupe River, various creeks, key places, and gateways in Kerrville and the potential hazards of merely paving a property without specific consideration to aesthetics, drainage, and landscaping. In most cases, careful consideration would be necessary to determine the direct impacts to the adjacent area and place conditions on each case accordingly to address those concerns.

Below is a list of each set of Zoning Districts with the Land Use Tables.

P indicates the land use is Permitted by right in said district.

C indicate the land use requires a Conditional Use Permit in said district.

If a section is blank, the use is not allowed in said district.

Article 11-I-5 “Zoning Districts-West Side”

LAND USES	1	2	3	4	5	6	7	8	9	10
Parking Structure	C	C	C	C	C	C	C	C	C	C
Parking Lot, Stand Alone	C	C	C	C	C	C	C	C	C	C

Article 11-I-6 “Zoning Districts-Central City”

LAND USES	11	12	13	14	15	16	17	19	20	CBD
Parking Structure	C	C	C	C	C	C	C	C	C	C
Parking Lot, Stand Alone	C	C	C	C	C	P	C	C	C	C

Article 11-I-7 “Zoning Districts-North Side”

LAND USES	21	22	23	24	38
Parking Structure	C	C	C	C	C
Parking Lot, Stand Alone	C	C	C	C	C

Article 11-I-8 “Zoning Districts-East Side”

LAND USES	25	26	27	28	29	30	31	32
Parking Structure	C	C	C	C	C	C	C	C
Parking Lot, Stand Alone	C	C	P	C	C	C	C	C

Article 11-I-9 “Zoning Districts-South Side”

LAND USES	33	34	35	36	37
Parking Structure	C	C	C	C	C
Parking Lot, Stand Alone	C	C	C	C	C

Article 11-I-10 “Residential Zoning Districts”

LAND USES	R1	R-1A	R-3	RC	RM	RT
Parking Structure			C			
Parking Lot, Stand Alone			C			

Article 11-I-11 “Miscellaneous Zoning Districts”

LAND USES	PI	GTW	GR	AD
Parking Structure	C	C	C	C
Parking Lot, Stand Alone	C	C	C	C

RECOMMENDED ACTION:

Approve Ordinance 2018-15 on second reading.

CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2018-15

AN ORDINANCE AMENDING THE CITY'S "ZONING CODE" BY AMENDING ARTICLE 11-I-3 "DEFINITIONS AND INTERPRETATIONS OF WORDS AND PHRASES" AND ARTICLES 11-1-4 THROUGH 11-1-11 TO AMEND THE LAND USE TABLES FOR VARIOUS ZONING DISTRICTS TO ADD "PARKING STRUCTURE" AND "PARKING LOT, STAND ALONE", AS USES THAT ARE EITHER PERMITTED BY RIGHT OR AS A CONDITIONAL USE WITHIN EACH SPECIFIED DISTRICT; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS ($2000.00); AND ORDERING PUBLICATION

WHEREAS, pursuant to Texas Local Government Code Sections 211.006 and 211.007, the City gave legal notice to all parties in interest and citizens by publication in the official newspaper and otherwise, of a hearing held before the City Council on July 24, 2018, wherein Council considered a report from the City of Kerrville Planning and Zoning Commission regarding its recommendations on an ordinance, the adoption of which will result in amendments to Article 11-I-3 and Articles 11-1-4 through 11-1-11 of the City's Zoning Code to add "parking structure" and "parking lot, stand alone" as defined uses which may be permitted by right or as the City conditionally permits within various zoning districts; and

WHEREAS, such public hearing was held in the Council Chambers beginning at approximately 6:00 p.m. on July 24, 2018, as advertised; and

WHEREAS, after a full hearing, at which the Council gave all parties in interest and citizens an opportunity to be heard; and after receiving and considering the recommendations of the Planning and Zoning Commission and City staff; and after considering among other things, the character of the various areas of the City and the suitability of particular uses in each area; and with a view to conserving the value of properties and encouraging the most appropriate use of land throughout the City, the Council finds it to be in the best interest of the health, safety, morals, and general welfare of the City of Kerrville, Texas, to amend the City's Zoning Code to revise Article 11-I-3 and Articles 11-1-4 through 11-1-11 to add "parking structure" and "parking lot, stand alone" as defined uses which may be permitted by right or as the City conditionally permits within various zoning districts;

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

SECTION ONE. Article 11-1-3 "Definitions and Interpretation of Words and Phrases" is amended by adding the following definitions as indicated by the language that is underlined (added):

"(87) Parking Lot, Stand Alone: A parking surface or series of surfaces used or intended to be used for the parking or circulation of vehicles, for which a fee may or may not be charged, and that is located on a site that is independent of the use or uses that it serves. Specifically not included are parking lots located on the same premises as the primary use that they serve.

(88) Parking Structure: A building or interconnected series of buildings used or intended to be used for the parking or circulation of vehicles, for which a fee may or may not be charged, and that is located on a site that is independent of the use or uses it serves. Specifically not included are parking structures located on the same premises as the primary use that they serve."

SECTION TWO. Article 11-I-4 "Zoning Districts-Generally", subsection (g), of the City's Zoning Code is amended by adding the language that is underlined (added) as follows:

"**(g) Use of Property Located in One Zoning District to Benefit of the Other**: No person shall use property located in one zoning district to provide parking for or access to a use located on property located in another zoning district unless the property being used for said parking or access is also zoned to permit, as a matter of right or permitted upon issuance of a conditional use permit, the use for which such parking or access is desired."

SECTION THREE. Article 11-I-5 "Zoning Districts-West Side", subsection (b), of the City's Zoning Code is amended to add the uses of "parking structure" and "parking lot, stand alone" to the land use table as uses permitted by right or permitted upon the issuance of a conditional use permit, which is effectuated by adding the language that is underlined (added) to the schedule of uses for these zoning districts as follows:

LAND USES	1	2	3	4	5	6	7	8	9	10
Parking Structure	C	C	C	C	C	C	C	C	C	C
Parking Lot, Stand Alone	C	C	C	C	C	C	C	C	C	C

SECTION FOUR. Article 11-I-6 "Zoning Districts-Central City", subsection (b), of the City's Zoning Code is amended to add the uses of "parking structure" and "parking lot, stand alone" to the land use table as uses permitted by right or permitted upon the issuance of a conditional use permit, which is effectuated by adding the

language that is underlined (added) to the schedule of uses for these zoning districts as follows:

LAND USES	11	12	13	14	15	16	17	19	20	CBD
Parking Structure	C	C	C	C	C	C	C	C	C	C
Parking Lot, Stand Alone	C	C	C	C	C	P	C	C	C	C

SECTION FIVE. Article 11-I-7 "Zoning Districts-North Side", subsection (b), of the City's Zoning Code is amended to add the uses of "parking structure" and "parking lot, stand alone" to the land use table as uses permitted by right or permitted upon the issuance of a conditional use permit, which is effectuated by adding the language that is underlined (added) to the schedule of uses for these zoning districts as follows:

LAND USES	21	22	23	24	38
Parking Structure	C	C	C	C	C
Parking Lot, Stand Alone	C	C	C	C	C

SECTION SIX. Article 11-I-8 "Zoning Districts-East Side", subsection (b), of the City's Zoning Code is amended to add the uses of "parking structure" and "parking lot, stand alone" to the land use table as uses permitted by right or permitted upon the issuance of a conditional use permit, which is effectuated by adding the language that is underlined (added) to the schedule of uses for these zoning districts as follows:

LAND USES	25	26	27	28	29	30	31	32
Parking Structure	C	C	C	C	C	C	C	C
Parking Lot, Stand Alone	C	C	P	C	C	C	C	C

SECTION SEVEN. Article 11-I-9 "Zoning Districts-South Side", subsection (b), of the City's Zoning Code is amended to add the uses of "parking structure" and "parking lot, stand alone" to the land use table as uses permitted by right or permitted upon the issuance of a conditional use permit, which is effectuated by adding the language that is underlined (added) to the schedule of uses for these zoning districts as follows:

LAND USES	33	34	35	36	37
Parking Structure	C	C	C	C	C
Parking Lot, Stand Alone	C	C	C	C	C

SECTION EIGHT. Article 11-I-10 "Residential Zoning Districts", subsection (g), of the City's Zoning Code is amended to add the uses of "parking structure" and "parking lot, stand alone" to the land use table as uses permitted by right or permitted upon the issuance of a conditional use permit, which is effectuated by adding the

language that is underlined (added) to the schedule of uses for these zoning districts as follows:

LAND USES	R1	R-1A	R-3	RC	RM	RT
Parking Structure			C			
Parking Lot, Stand Alone			C			

SECTION NINE. Article 11-I-11 "Miscellaneous Zoning Districts", subsection (e), of the City's Zoning Code is amended to add the uses of "parking structure" and "parking lot, stand alone" to the land use table as uses permitted by right or permitted upon the issuance of a conditional use permit, which is effectuated by adding the language that is underlined (added) to the schedule of uses for these zoning districts as follows:

LAND USES	PI	GTW	GR	AD
Parking Structure	C			C
Parking Lot, Stand Alone	C			C

SECTION TEN. The City Manager, or designee, is authorized and directed to amend the City's Zoning Code to reflect the amendments adopted herein and to correct typographical errors and to index, format, and number and letter paragraphs to the existing Code, as appropriate.

SECTION ELEVEN. The provisions of this Ordinance are cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent with or in conflict with any of the provisions of this Ordinance are expressly repealed to the extent of any such inconsistency or conflict.

SECTION TWELVE. If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this Ordinance. The Council of the City of Kerrville, Texas, declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION THIRTEEN. The penalty for violation of this Ordinance shall be in accordance with the general penalty provisions contained in Section 1-9, Chapter 1 of the Code of Ordinances of the City of Kerrville, Texas, which provides for a fine not exceeding TWO THOUSAND DOLLARS ($2,000.00).

SECTION FOURTEEN. Pursuant to Texas Local Government Code §52.013(a) and Section 3.07 of the City's Charter, the City Secretary is hereby

authorized and directed to publish the descriptive caption of this Ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

SECTION FIFTEEN. This Ordinance shall become effective immediately upon the expiration of ten days following publication, as provided for by Section 3.07b. of the City Charter.

PASSED AND APPROVED ON FIRST READING, this the ____ day of _____, A.D., 2018.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the ___ day of _____, A.D., 2018.

_____
Bill Blackburn, Mayor

ATTEST:

_____
Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

_____
Michael C. Hayes, City Attorney

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

SUBJECT: Ordinance No. 2018-20, amending the City's "Zoning Code" by changing the zoning district for property out of the William Watt Survey No. 65, Abstract No. 364, and the William Watt Survey No. 66, Abstract No. 365, specifically Lots 1 through 6 and Lots 22 through 34, which make up a portion of Comanche Tract, Phase 13, a subdivision within the City of Kerrville, Kerr County, Texas; and more commonly known as those lots addressed as 3001 through 3011 and 2002 through 2024 Club House Drive and 1001 Comanche Hills; by removing the area from a Planned Development Zoning District (PDD) and an "R-1" Single Family Residential Zoning District and placing it within a Residential Cluster Zoning District; containing a cumulative clause; containing a savings and severability clause; providing for a maximum penalty or fine of Two Thousand Dollars ($2000.00); ordering publication and providing other matters relating to the subject.

AGENDA DATE OF: 9/25/2018 **DATE SUBMITTED:** 9/5/2018

SUBMITTED BY: Drew Paxton, Executive Director of Development Services

EXHIBITS: Ordinance No. 2018-20, Map, Final Plat, Development Site Plan

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
$0	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?		**Yes:** ☐	**No:** ☒
Key Priority Area	N/A		
Guiding Principle	N/A		
Action Item	N/A		

SUMMARY STATEMENT:

Phase 13 of Comanche Trace was annexed and zoned in 2017. Through the process of the case, the proposed zoning was for a Planned Development District; however, the final ordinance was approved with the zoning as R-1.

Lots 1-6 are proposed as townhome lots and require the RC zoning and the attached Development Site Plan.

Lots 22-34 are proposed single family dwellings on the smaller lots with reduced setbacks, typical in the RC zoning district.

Lots 7-21 are withdrawn from this request as the R-1 zoning is suitable for the proposed construction.

The request is consistent with the Kerrville 2050 Comprehensive Plan. Staff recommends approval of the case.

The Planning and Zoning recommended approval of the case on September 6, 2018.

RECOMMENDED ACTION:

Approve Ordinance No. 2018-20 on second reading.

CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2018-20

AN ORDINANCE AMENDING THE CITY'S "ZONING CODE" BY CHANGING THE ZONING DISTRICT FOR PROPERTY OUT OF THE WILLIAM WATT SURVEY NO. 65, ABSTRACT NO. 364, AND THE WILLIAM WATT SURVEY NO. 66, ABSTRACT NO. 365, SPECIFICALLY LOTS 1 THROUGH 6 AND LOTS 22 THROUGH 34, WHICH MAKE UP A PORTION OF COMANCHE TRACE, PHASE 13, A SUBDIVISION WITHIN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS; AND MORE COMMONLY KNOWN AS THOSE LOTS ADDRESSED AS 3001 THROUGH 3011 AND 2002 THROUGH 2024 CLUB HOUSE DRIVE AND 1001 COMANCHE HILLS; BY REMOVING THE AREA FROM A PLANNED DEVELOPMENT ZONING DISTRICT (PDD) AND AN "R-1" SINGLE FAMILY RESIDENTIAL ZONING DISTRICT AND PLACING IT WITHIN A RESIDENTIAL CLUSTER ZONING DISTRICT; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS ($2000.00); ORDERING PUBLICATION; AND PROVIDING OTHER MATTERS RELATING TO THE SUBJECT

WHEREAS, pursuant to Texas Local Government Code Sections 211.006 and 211.007, notice has been given to all parties in interest and citizens by publication in the official newspaper for the City of Kerrville, Texas ("City"), and otherwise, of a hearing which was held before the City Council on September 11, 2018, which considered a report of the City's Planning and Zoning Commission regarding its recommendations on an ordinance, the adoption of which will result in the change of a zoning district for properties more commonly known as 3001 through 3011 and 2002 through 2024 Club House Drive and 1001 Comanche Hills, all of which make up a portion of Phase 13, within the Comanche Trace residential subdivision; and such change to result in the removal of the properties from a Planned Development District (PDD) and an "R-1" Single Family Residential Zoning District to placement within a Residential Cluster (RC) Zoning District; and

WHEREAS, such public hearing was held in the Council Chambers beginning at approximately 6:00 p.m. on September 11, 2018, as advertised; and

WHEREAS, after a full hearing, at which all parties in interest and citizens were given an opportunity to be heard; and after receiving and considering the recommendations of the Planning and Zoning Commission and City staff; and after considering among other things, the character of the various areas of the City and

the suitability of particular uses in each area; and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout the City, the Council finds it to be in the best interest of the health, safety, morals, and general welfare of the City of Kerrville, Texas, to amend the City's Zoning Code to change the zoning district for the properties described below by placing them within a Residential Cluster (RC) Zoning District;

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

SECTION ONE. The zoning district for the following properties commonly known as 3001 through 3011 and 2002 through 2024 Club House Drive and 1001 Comanche Hills, all of which make up a portion of Phase 13, within the Comanche Trace residential subdivision, is changed from a Planned Development District (PDD) and an "R-1" Single Family Residential Zoning District to a Residential Cluster (RC) Zoning District:

> **Being property out of the William Watt Survey No. 65, Abstract No. 364, and the William Watt Survey No. 66, Abstract No. 365, within the City of Kerrville, Kerr County, Texas, and being Lots 1-6 and 22-34, making up a portion of Comanche Trace, Phase 13, a residential subdivision within the City of Kerrville, Kerr County, Texas; said property being more particular described in the plat filed at 18-03892 of the Real Property Records of Kerr County, Texas; and being described and depicted at Exhibit A, attached hereto and made a part hereof for all purposes.**

SECTION TWO. The City Manager or designee is authorized and directed to amend the City's official zoning map to reflect the change in districts adopted herein and to take other actions contemplated by and in accordance with Section 11-I-4(c) of the City's Zoning Code.

SECTION THREE. The provisions of this Ordinance are cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent with or in conflict with any of the provisions of this Ordinance are expressly repealed to the extent of any such inconsistency or conflict. Ordinance No. 2017-16 is repealed.

SECTION FOUR. If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding

shall not affect the validity of the remaining portions of this Ordinance. The Council of the City of Kerrville, Texas, declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION FIVE. The penalty for violation of this Ordinance shall be in accordance with the general penalty provisions contained in Section 1-7, Chapter 1 of the Code of Ordinances of the City of Kerrville, Texas, which provides for a fine not exceeding TWO THOUSAND DOLLARS ($2,000.00).

SECTION SIX. Pursuant to Texas Local Government Code §52.013(a) and Section 3.07 of the City's Charter, the City Secretary is hereby authorized and directed to publish the descriptive caption of this Ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

SECTION SEVEN. This Ordinance shall become effective immediately upon the expiration of ten days following publication, as provided for by Section 3.07b. of the City Charter.

PASSED AND APPROVED ON FIRST READING, this the _____ day of _____, A.D., 2018.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ of _____, A.D., 2018.

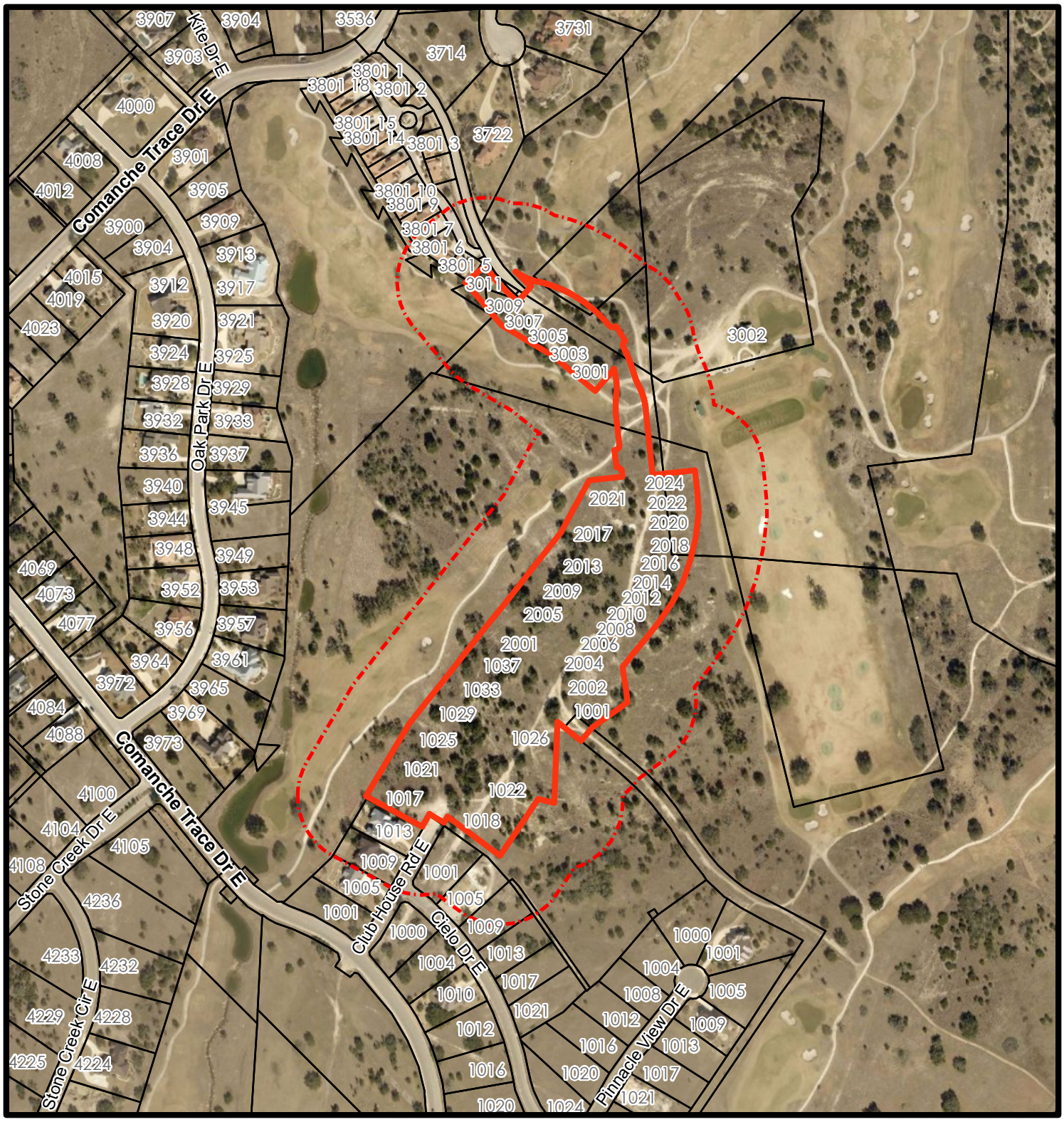
_____
Bill Blackburn, Mayor

ATTEST:

_____
Cheryl Brown, Interim City Secretary

APPROVED AS TO FORM:

_____
Michael C. Hayes, City Attorney



Location Map

Case # 2018-062

Location:
Comanche Trace Phase 13

Legend

200' Notification Area

Subject Properties

N
W E
S

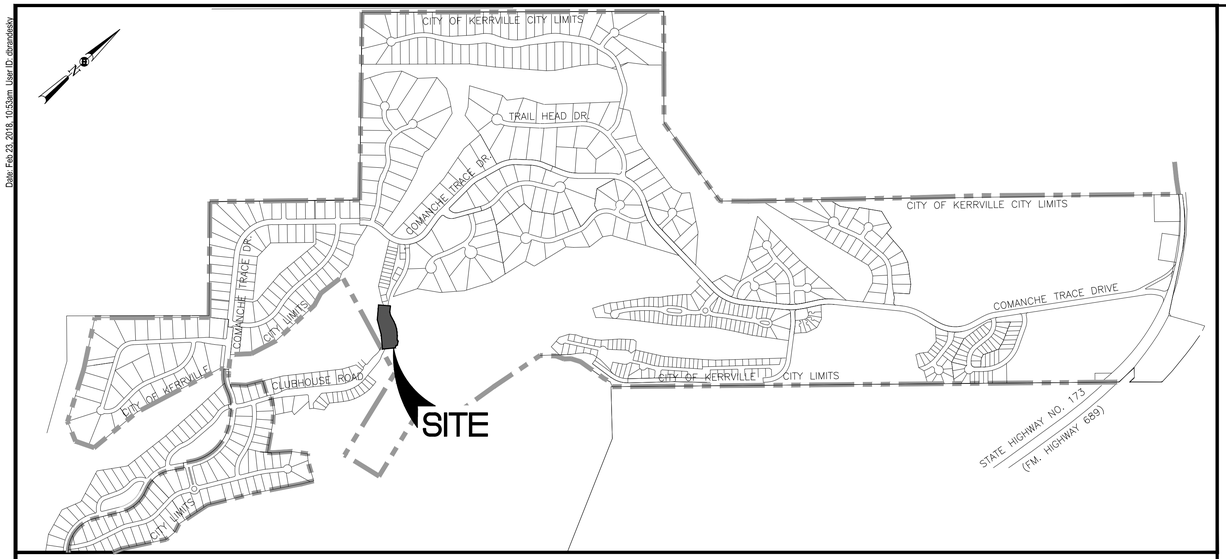
CITY OF KERRVILLE 1889 TEXAS

0 100 200 400
Scale In Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only approximate relative locations.

Date: Feb 23, 2018, 10:53am User ID: cbrandesky

Z:\PROJECTS\2041\14- PHASE 13\Development Site Plan\01 204114 DEVELOPMENT SITE PLAN.dwg



VICINITY MAP
N.T.S

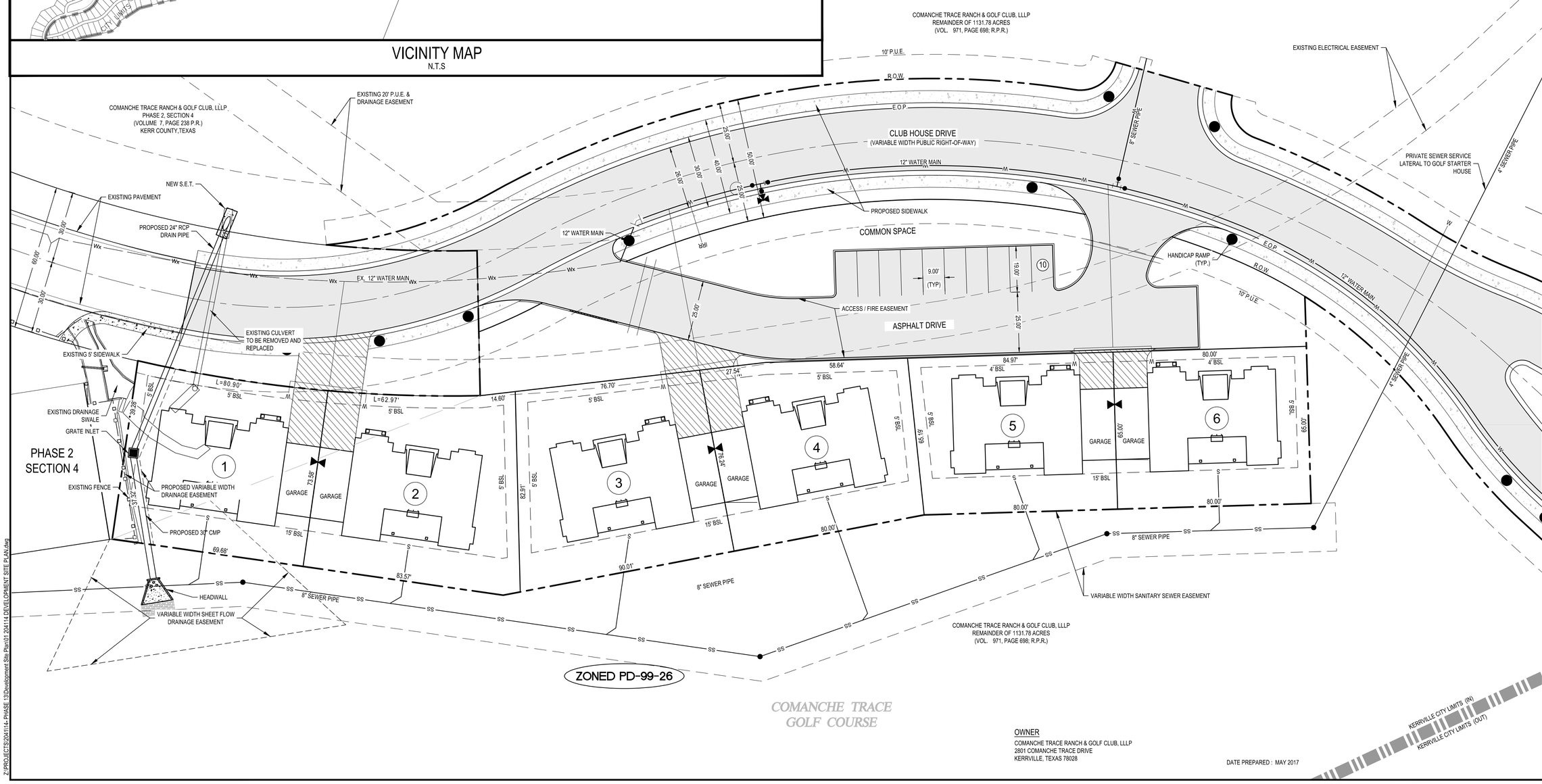
LEGEND:

	PHASE BOUNDARY
	PROPERTY LINE
W	WATER SERVICE
S	SEWER LATERAL
E.O.P.	EDGE OF PAVEMENT
R.O.W.	RIGHT OF WAY
10' P.U.E.	PUBLIC UTILITY EASEMENT
BSL	BUILDING SETBACK LINE
W	WATER MAIN
SS	SANITARY SEWER
Wx	EXISTING WATER MAIN
SSx	EXISTING SANITARY SEWER LINE
	DENOTES ZERO LOT LINE
	SANITARY SEWER MANHOLE
	CLEANOUT
	WATER CAP
	WATER TEE
	45° BEND (WATER)
	STANDARD FIRE HYDRANT ASSEMBLY
	HANDICAP RAMP
	PROPOSED CONCRETE DRIVEWAY

BUILDING INFORMATION:
USE CATEGORY: No. 2
NUMBER OF STORIES: ONE
BUILDING HEIGHT: 35' MAX
GROSS FLOOR AREA: 2,600 S.F./BUILDING
FINISHED FLOOR ELEV.: VARIES

ZONED PD-01-09

NOTES:
1. BUILDING SETBACKS ARE SHOWN HEREON.
2. MAXIMUM BUILDING HEIGHT SHALL BE 35FT.



OWNER
COMANCHE TRACE RANCH & GOLF CLUB, LLLP
2801 COMANCHE TRACE DRIVE
KERRVILLE, TEXAS 78028

DATE PREPARED : MAY 2017

KERRVILLE CITY LIMITS (IN)
KERRVILLE CITY LIMITS (OUT)

SCALE: 1"=20'
0 10' 20' 30' 40'
SHEET SIZE: 24" x 36"

STATE OF TEXAS
KENNETH B. KOLACNY
86300
REGISTERED
PROFESSIONAL ENGINEER
5/6/17

REVISIONS:

1	02/22/2018- CITY COMMENTS

MATKINHOOVER ENGINEERING & SURVEYING
3303 SHELL ROAD SUITE 110
BOERNE, TEXAS 78015
OFFICE: 512.868.2244
CONTACT@MATKINHOOVER.COM
TEXAS REGISTERED ENGINEERING FIRM F-10043 | SURVEYING FIRM F-10024-00

DEVELOPMENT SITE PLAN
FOR
COMANCHE TRACE, PHASE 13 VILLAS
KERRVILLE, TX

CS101

JOB NO.	2041.14
DESIGNED BY:	EAM
DRAWN BY:	MHE
CHECKED BY:	
SHEET #	OF 23

File #18-03893

Tax Certificate #18-03892

A FINAL PLAT ESTABLISHING

COMANCHE TRACE, PHASE 13

BEING 13.413 ACRES OF LAND, MORE OR LESS, OUT OF THE WILLIAM WATT SURVEY NO. 65, ABSTRACT 364 AND THE WILLIAM WATT SURVEY NO. 66, ABSTRACT NO. 365, IN KERR COUNTY, TEXAS, AND BEING PART OF 1131.78 ACRES CONVEYED FROM CRYSTAL LAND COMPANY, L.L.C., TO COMANCHE TRACE RANCH AND GOLF CLUB, L.L.L.P., BY A SPECIAL WARRANTY DEED EXECUTED THE 17TH DAY OF SEPTEMBER, 1998, AND RECORDED IN VOLUME 971 AT PAGE 698 OF THE REAL PROPERTY RECORDS OF KERR COUNTY, TEXAS.

KNOW ALL MEN BY THESE PRESENTS:

THAT I, JEFF BOERNER DO HEREBY CERTIFY THAT I MADE AN ACTUAL AND ACCURATE SURVEY ON THE GROUND OF THE HEREON PLATTED LAND AND THAT THE CORNER MONUMENTS SHOWN HEREON WERE PROPERLY PLACED UNDER MY PERSONAL SUPERVISION IN ACCORDANCE WITH THE SUBDIVISION ORDINANCE OF THE CITY OF KERRVILLE, TEXAS.

DATED THIS 16TH DAY OF MAY 2018.

JEFF BOERNER
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 4939

STATE OF TEXAS REGISTERED JEFF BOERNER 4939 PROFESSIONAL LAND SURVEYOR

I HEREBY CERTIFY THAT THIS SUBDIVISION HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS FOR KERRVILLE, TEXAS, WITH THE EXCEPTION OF SUCH VARIANCES, IF ANY, AS ARE NOTED IN THE MINUTES OF THE CITY PLANNING AND ZONING COMMISSION AND THAT IT HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE COUNTY CLERK.

DATED THIS 19th DAY OF June 2018

CHAIRPERSON
CITY OF KERVILLE PLANNING & ZONING COMMISSION

IN ACCORDANCE WITH ART. 10-IV-2 OF THE CODE OF ORDINANCES OF THE CITY OF KERRVILLE, TEXAS, AND IN CONSIDERATION OF THE APPROVAL OF COMANCHE TRACE 13, HEREBY WAIVE ANY AND ALL CLAIMS FOR DAMAGES MADE AGAINST THE CITY OF KERRVILLE, KERR COUNTY, TEXAS, OCCASIONED BY THE ESTABLISHMENT OF GRADES OF THE ALTERATION OF THE SURFACE OF ANY PORTION OF EXISTING STREETS AND ALLEYS TO CONFORM TO THE GRADES ESTABLISHED IN THE ABOVE NAMED SUBDIVISION.

OWNER

STATE OF TEXAS
COUNTY OF KERR

THAT I, TREVOR HYDE, BEING A DULY AUTHORIZED REPRESENTATIVE FOR COMANCHE TRACE RANCH AND GOLF CLUB, LLLP, THE OWNER OF THE LAND SHOWN AND PLATTED HEREON FOR SUBDIVISION, HEREBY ADOPT THIS PLAT OF SUBDIVISION, ESTABLISH THE MINIMUM BUILDING RESTRICTION LINES AND DEDICATE ALL EASEMENTS FOR PURPOSES NOTED.

WITNESS MY HAND THIS 17 DAY OF May 2018

COMANCHE TRACE LLC, GENERAL PARTNER
TREVOR HYDE, MANAGER

STATE OF TEXAS
COUNTY OF KERR

BEFORE ME, THE UNDERSIGNED AUTHORITY ON THIS DAY PERSONALLY APPEARED TREVOR HYDE KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED, AND IN THE CAPACITY THEREIN STATED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 17 DAY OF May 2018

NOTARY PUBLIC FOR THE STATE OF TEXAS

STACY J. STAVINOHA
Notary Public, State of Texas
Comm. Expires 01-20-2021
Notary ID 2934402

I HEREBY CERTIFY THAT SUBDIVISION PLAT ENTITLED COMANCHE TRACE, PHASE 13 MEETS WITH APPROVAL BY THE POST OFFICE, REGARDING STREET NAMES AND ADDRESSES MEET THE CITY MASTER GRID SYSTEM FOR HOUSE NUMBERS ASSIGNED BY CITY OF KERRVILLE PLANNING DEPARTMENT.

June 19th 2018

CITY PLANNER OR APPROVED AGENT

I HEREBY CERTIFY THAT:

(1) THAT STREETS, UTILITIES AND OTHER IMPROVEMENTS HAVE BEEN INSTALLED IN AN ACCEPTABLE MANNER
AND ACCORDING TO CITY OF KERRVILLE STANDARDS SPECIFICATIONS IN THE SUBDIVISION ENTITILED.

(2) THAT A SURETY BOND IN THE AMOUNT OF $ N/A HAS BEEN DEPOSITED WITH THE CITY OF KERRVILLE
TO ASSURE COMPLETION OF ALL REQUIRED IMPROVEMENTS IN CASE OF DEFAULT.

June 21 2018

CITY ENGINEER OR APPROVING AGENT

CURVE TABLE					
CURVE	RADIUS	LENGTH	DELTA	CHORD BEARING	CHORD LENGTH
C1	15.00'	23.21'	88°40'23"	N55° 22' 35"W	20.97'
C2	15.00'	23.99'	91°37'18"	N39° 48' 16"E	21.51'
C3	200.00'	47.63'	13°39'41"	S60° 48' 58"W	47.52'
C4	200.00'	62.91'	22°38'59"	N64° 11' 41"W	62.63'
C5	576.43'	142.64'	14°10'42"	S42° 31' 55"E	142.25'
C6	513.43'	62.35'	6°57'52"	S45° 09' 45"E	62.31'
C7	175.00'	71.60'	23°26'30"	S65° 47' 25"E	71.10'
C8	375.00'	249.97'	38°11'35"	N66° 24' 40"W	245.37'
C9	15.00'	22.43'	85°40'24"	S82° 13' 44"E	20.43'
C10	15.00'	21.57'	82°23'52"	S13° 39' 38"W	19.76'
C11	375.00'	79.83'	12°11'49"	N21° 28' 23"W	79.68'
C12	200.00'	40.78'	11°41'02"	S21° 10' 59"E	40.71'
C13	200.00'	73.37'	21°01'07"	N16° 30' 56"W	72.96'
C14	975.00'	20.28'	1°11'45"	S31° 29' 58"W	20.08'
C15	1025.00'	45.23'	2°31'47"	S32° 09' 01"W	45.23'
C16	1025.00'	5.97'	0°20'01"	S33° 36' 53"W	5.97'
C17	200.00'	53.68'	15°22'52"	N25° 57' 49"E	53.72'
C18	200.00'	74.14'	21°14'18"	S28° 51' 54"W	73.71'
C19	337.02'	66.88'	11°22'15"	N33° 47' 55"E	66.77'
C20	337.00'	112.49'	19°07'23"	N18° 33' 03"E	111.96'
C21	337.00'	88.20'	14°59'42"	N01° 29' 29"E	87.95'
C22	200.00'	35.83'	10°16'29"	N29° 07' 55"W	35.79'
C23	325.00'	290.94'	51°16'27"	N51° 52' 23"W	281.24'
C24	325.00'	32.24'	5°41'25"	S73° 34' 13"E	32.21'
C25	425.00'	7.19'	0°58'09"	N55° 31' 18"W	7.19'
C26	425.00'	54.94'	7°24'53"	N61° 20' 04"W	54.90'
C27	425.00'	54.62'	7°21'46"	N68° 05' 06"E	54.58'
C28	425.00'	54.20'	7°18'09"	N13° 23' 28"E	54.23'
C29	425.00'	53.88'	7°15'53"	N20° 42' 52"E	53.84'
C30	425.00'	53.48'	7°12'34"	N27° 58' 03"E	53.44'
C31	425.00'	53.08'	7°09'17"	N35° 09' 38"E	53.05'
C32	425.00'	6.00'	0°48'32"	N39° 54' 47"E	6.00'
C33	15.00'	11.78'	45°00'00"	S16° 59' 23"W	11.48'
C34	15.00'	11.78'	45°00'00"	S28° 00' 53"E	11.48'
C35	15.00'	23.56'	90°00'00"	S84° 29' 23"W	21.21'
C36	675.00'	19.79'	1°39'47"	S38° 54' 10"W	19.79'
C37	975.00'	109.05'	6°24'06"	S35° 12' 19"W	109.00'
C38	576.43'	73.67'	7°19'12"	S38° 24' 16"E	73.61'
C39	576.43'	62.97'	6°15'32"	S46° 29' 31"E	62.94'

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N90° 00' 23"W	13.91'
L2	N49° 53' 24"W	50.04'
L3	N06° 09' 23"W	93.51'
L4	S39° 50' 38"W	85.61'
L5	N49° 50' 01"E	74.47'
L6	N47° 22' 43"E	69.00'
L7	S32° 24' 03"E	59.06'
L8	N49° 43' 11"E	73.41'
L9	S46° 13' 21"W	92.92'
L10	S30° 52' 42"W	76.23'
L11	S35° 34' 09"W	65.19'
L12	S39° 56' 38"W	65.00'
L13	N54° 59' 49"W	14.05'
L14	N54° 59' 49"W	76.75'
L15	N54° 59' 49"W	27.54'
L16	N50° 00' 22"W	58.64'
L17	N50° 00' 22"W	64.97'
L18	N50° 00' 22"W	80.00'
L19	S06° 00' 23"E	52.51'
L20	S39° 29' 03"W	47.47'
L21	S39° 29' 03"W	55.00'
L22	S39° 29' 03"W	70.14'
L23	S39° 29' 03"W	48.91'
L24	S55° 30' 57"E	37.82'
L25	S05° 30' 57"E	67.63'
L26	S09° 30' 57"E	39.99'
L27	N50° 30' 57"W	62.25'
L28	N39° 30' 57"W	65.18'
L29	S18° 14' 48"W	33.85'
L30	S18° 14' 48"W	12.79'
L31	S39° 29' 03"W	11.02'
L32	S39° 29' 03"W	95.09'
L33	S39° 29' 03"W	95.09'
L34	S39° 29' 03"W	95.09'
L35	S39° 29' 03"W	95.09'
L36	S39° 29' 03"W	95.09'
L37	S39° 29' 03"W	95.09'
L38	S39° 29' 03"W	41.94'
L39	S06° 09' 23"E	56.52'

ADDRESS TABLE	
CLUB HOUSE DRIVE	
LOT NUMBER	ADDRESS
1	
2	
3	
4	
5	
6	
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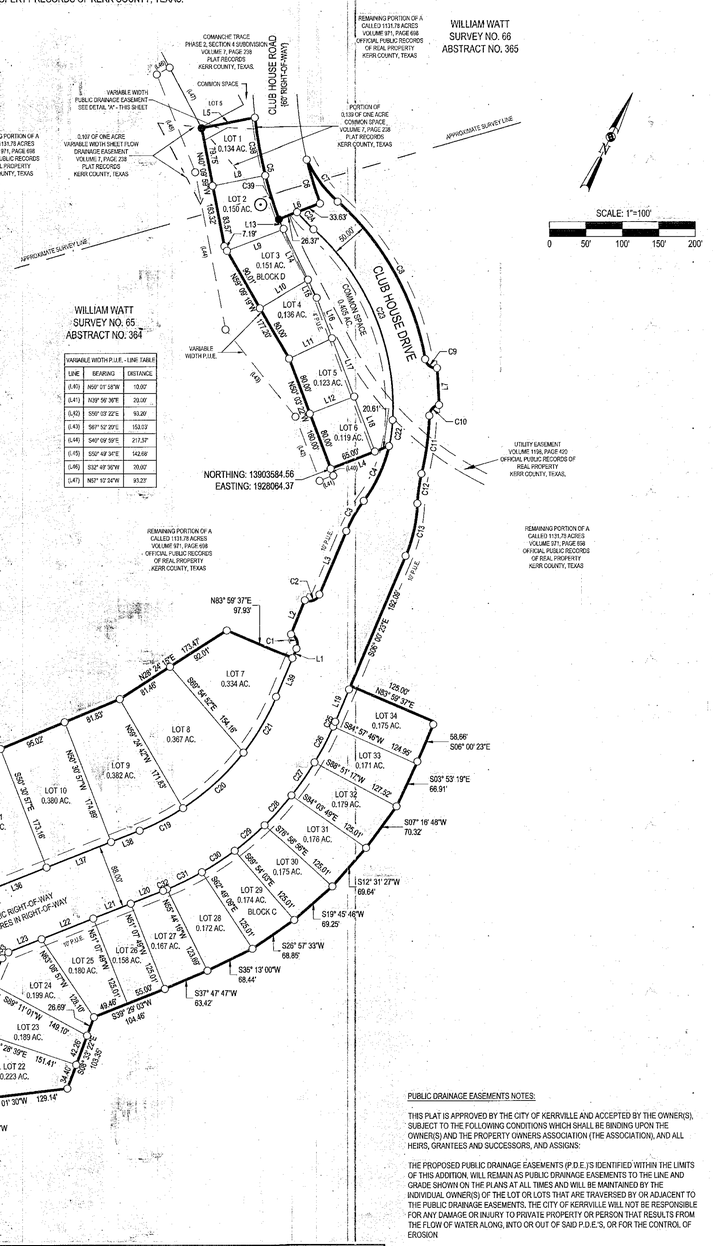
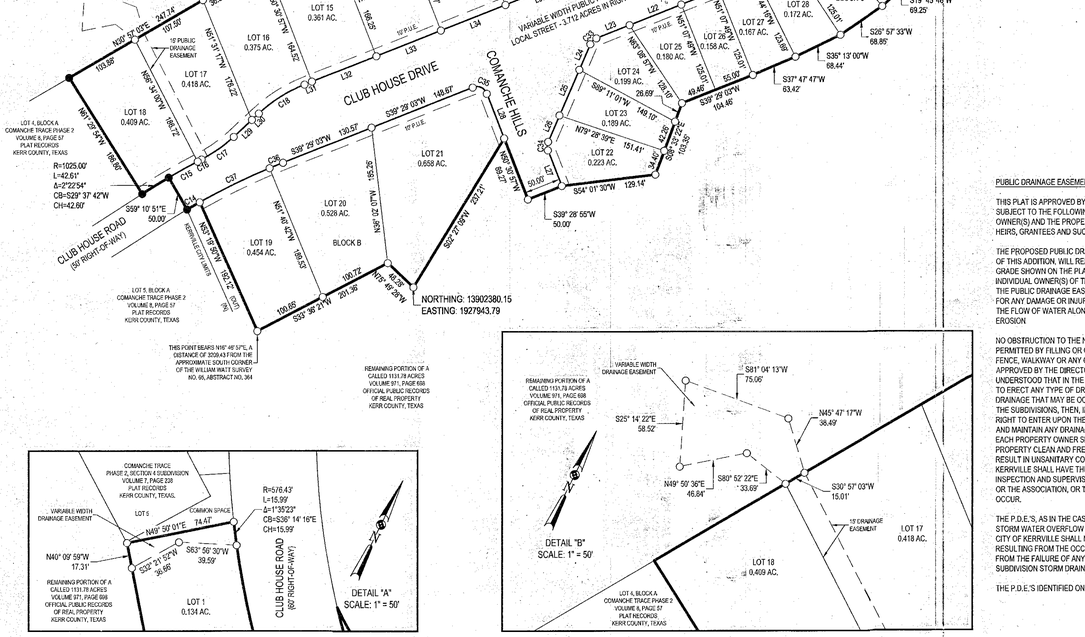
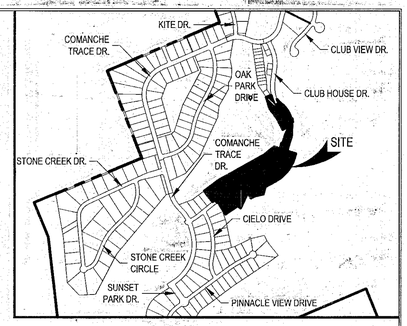
28	
29	
30	
31	
32	
33	
34	
COMANCHE HILLS	
LOT NUMBER	ADDRESS
22	

VARIABLE WIDTH P.U.E. - LINE TABLE		
LINE	BEARING	DISTANCE
(L41)	N09° 01' 14"W	10.00'
(L41)	N39° 59' 36"E	20.00'
(L42)	S50° 03' 22"E	93.20'
(L43)	S61° 52' 20"E	153.03'
(L44)	S40° 09' 59"E	217.37'
(L45)	S50° 49' 34"E	142.69'
(L46)	S32° 49' 30"W	20.00'
(L47)	N57° 10' 24"W	93.23'







NOTES:

1. BENCHMARK: SET 1/2" IRON ROD WITH BLUE CAP APPROXIMATELY 40.39' FT, S19°57'37"E FROM THE COMMON CORNER BETWEEN LOT 1 AND 2, BLOCK D. ELEVATION = 1722.26'
2. THE PRELIMINARY PLAT OF COMANCHE TRACE PHASE 13, WAS APPROVED BY THE CITY OF KERRVILLE PLANNING & ZONING COMMISSION ON SEPTEMBER 07 2017.
3. THE PROPERTY SHOWN HEREON IS LOCATED COMPLETELY WITHIN ZONE X ACCORDING TO THE FLOOD INSURANCE RATE MAP (FIRM) FOR KERR COUNTY, TEXAS (REF.: MAP NO.48265C0675F) MAP DATE: MARCH 02, 2011.
4. VERTICAL DATUM IS BASED ON NAVD 88.
5. BEARINGS AND DISTANCES SHOWN HEREON ARE EITHER NEWLY CREATED OR BEAR NO SIGNIFICANT DIFFERENCES FROM THE RECORD CALLS FOR THEIR RESPECTIVE LINES.
6. BUILDING SETBACKS WILL BE IN ACCORDANCE WITH THE CITY OF KERRVILLE COMPREHENSIVE ZONING ORDINANCE AND ANY APPLICABLE RESTRICTIONS ESTABLISHED BY COMANCHE TRACE RANCH & GOLF CLUB.
7. ALL COMMON SPACES SHOWN HEREON ARE TO BE DEDICATED AS DRAINAGE AND PUBLIC UTILITY EASEMENTS.
8. THE RECTANGULAR COORDINATES AND BEARINGS SHOWN HEREON (COK COORDS) WERE CALCULATED USING THE CITY OF KERRVILLE COORDINATE SYSTEM. THESE COORDINATES ARE FOR THE CITY OF KERRVILLE MAPPING PURPOSES ONLY AND ARE NOT TO BE USED TO REPLACE MISSING CORNERS ON THE GROUND.
9. ORIGINAL SURVEY LINES SHOWN ARE APPROXIMATE. NO ATTEMPT HAS BEEN MADE TO LOCATE ORIGINAL SURVEY LINES.

LEGEND

- P.U.E. PUBLIC UTILITY EASEMENT
- ○ SET 1/2" IRON ROD WITH A RED "MATKIN-HOOVER ENG. & SURVEY." PLASTIC CAP
- ● FOUND 1/2" IRON ROD WITH A YELLOW "GROGAN" PLASTIC CAP
- ⊙ VERTICAL CONTROL POINT

PRESURE REDUSING VALVE NOTE:

ALL LOTS WITHIN THIS PHASE SHALL HAVE A PRESSURE REDUCING VALVE (PRV) INSTALLED ON THE CUSTOMER SERVICE SIDE OF THE METER BY SAID LOT OWNER AT TIME OF SERVICE CONNECTION.

PUBLIC DRAINAGE EASEMENTS NOTES:

THIS PLAT IS APPROVED BY THE CITY OF KERRVILLE AND ACCEPTED BY THE OWNER(S), SUBJECT TO THE FOLLOWING CONDITIONS WHICH SHALL BE BINDING UPON THE OWNER(S) AND THE PROPERTY OWNERS ASSOCIATION (THE ASSOCIATION), AND ALL HEIRS, GRANTEES AND SUCCESSORS, AND ASSIGNS:

THE PROPOSED PUBLIC DRAINAGE EASEMENTS (P.D.E.)'S IDENTIFIED WITHIN THE LIMITS OF THIS ADDITION, WILL REMAIN AS PUBLIC DRAINAGE EASEMENTS TO THE LINE AND GRADE SHOWN ON THE PLANS AT ALL TIMES AND WILL BE MAINTAINED BY THE INDIVIDUAL OWNER(S) OF THE LOT OR LOTS THAT ARE TRAVERSED BY OR ADJACENT TO THE PUBLIC DRAINAGE EASEMENTS, THE CITY OF KERRVILLE WILL NOT BE RESPONSIBLE FOR ANY DAMAGE OR INJURY TO PRIVATE PROPERTY OR PERSON THAT RESULTS FROM THE FLOW OF WATER ALONG, INTO OR OUT OF SAID P.D.E.'S, OR FOR THE CONTROL OF EROSION

NO OBSTRUCTION TO THE NATURAL FLOW OF STORM WATER RUN-OFF SHALL BE PERMITTED BY FILLING OR CONSTRUCTION OF ANY TYPE OF DAM, BUILDING, BRIDGE, FENCE, WALKWAY OR ANY OTHER STRUCTURE WITHIN THE DESIGNATED P.D.E.'S UNLESS APPROVED BY THE DIRECTOR OF PUBLIC WORKS, PROVIDED; HOWEVER, IT IS UNDERSTOOD THAT IN THE EVENT IT BECOMES NECESSARY FOR THE CITY OF KERRVILLE TO ERECT ANY TYPE OF DRAINAGE STRUCTURE IN ORDER TO IMPROVE THE STORM DRAINAGE THAT MAY BE OCCASIONED BY THE STREETS AND ALLEYS IN OR ADJACENT TO THE SUBDIVISIONS, THEN, IN SUCH EVENT, THE CITY OF KERRVILLE SHALL HAVE THE RIGHT TO ENTER UPON THE P.D.E.'S AT ANY POINT, OR POINTS, TO ERECT, CONSTRUCT AND MAINTAIN ANY DRAINAGE FACILITY DEEMED NECESSARY FOR DRAINAGE PURPOSES. EACH PROPERTY OWNER SHALL KEEP THE D.E.,'S TRAVERSING OR ADJACENT TO HIS PROPERTY CLEAN AND FREE OF DEBRIS, SILT AND ANY SUBSTANCE WHICH WOULD RESULT IN UNSANITARY CONDITIONS OR BLOCKAGE OF THE DRAINAGE. THE CITY OF KERRVILLE SHALL HAVE THE RIGHT OF INGRESS AND EGRESS FOR THE PURPOSE OF INSPECTION AND SUPERVISION OF MAINTENANCE WORK BY THE PROPERTY OWNER(S) OR THE ASSOCIATION, OR TO ALLEVIATE ANY UNDESIRABLE CONDITIONS, WHICH MAY OCCUR.

THE P.D.E.'S, AS IN THE CASE OF ALL PUBLIC DRAINAGE EASEMENTS, ARE SUBJECT TO STORM WATER OVERFLOW TO AN EXTENT WHICH CANNOT BE CLEARLY DEFINED. THE CITY OF KERRVILLE SHALL NOT BE HELD LIABLE FOR ANY DAMAGES OF ANY NATURE RESULTING FROM THE OCCURENCES OF THESE NATURAL PHENOMENA, NOR RESULTING FROM THE FAILURE OF ANY STRUCTURE OR STRUCTURES, WITHIN THE P.D.E.'S OR SUBDIVISION STORM DRAINAGE SYSTEM.

THE P.D.E.'S IDENTIFIED ON THIS PLAT SHOW THE P.D.E.'S SERVING THIS SUBDIVISION.

FILED FOR RECORD ON THE 22 DAY OF June 2018
AT 9:27 O'CLOCK A M.
RECORDED ON THE 22 DAY OF June 2018
AT 9:28 O'CLOCK A M. IN VOLUME ____ PAGE ____ OF
THE PLAT RECORDS OF KERR COUNTY, TEXAS

Rebecca Bolin
~~JANETTE FAIR~~, KERR COUNTY CLERK
REBECCA BOLIN

File #18-03893

COUNTY COURT KERR COUNTY TEXAS

MATKINHOOVER ENGINEERING & SURVEYING
P.O. BOX 54
8 SPENCER ROAD SUITE 105
BOERNE, TEXAS 78006
OFFICE: 830.249.0600 FAX:830.249.0096
TEXAS REGISTERED ENGINEERING FIRM F-00451-12
TEXAS REGISTERED SURVEYING FIRM F-10024000
CIVIL ENGINEERS SURVEYORS LAND PLANNERS CONSTRUCTION MANAGERS CONSULTANTS

DATE: JULY 2017
MHES JOB NO. - 2041.14

SHEET 1 OF 1

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

SUBJECT: Ordinance No. 2018-16 amending the City's "Zoning Code" by changing the zoning district for Lots 52, 53, and 54, Block 14, the Parsons Addition, a subdivision within the City of Kerrville, Kerr County, Texas and more commonly known as 212, 215, and 221 West Barnett Street; by removing the area from the "R-1A" Residential Zoning District and placing it within the 11-C Zoning District; containing a cumulative clause; containing a savings and severability clause; providing for a maximum penalty or fine of Two Thousand Dollars ($2000.00); ordering publication; and providing other matters relating to the subject..

AGENDA DATE OF: 9/11/2018 **DATE SUBMITTED:** 8/6/2018

SUBMITTED BY: Drew Paxton

EXHIBITS: Ordinance No. 2018-16, Area maps (2), site plan, exterior rendering, support letters, opposition letter

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
$0	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	**Yes:** ☒	**No:** ☐
Key Priority Area	C - Community/Neighborhood Character and Place making	
Guiding Principle	C6 - Celebrate and honor the character of each neighborhood and its culture. Revitalize neighborhoods and create gathering places within them while avoiding the displacement of citizens and their cultures	
Action Item	N/A	

SUMMARY STATEMENT:

The request is consistent with the Kerrville 2050 Comprehensive Plan in a few ways. Guiding Principle C6, under Community and Neighborhood Character and Placemaking, encourages projects to "Celebrate and honor the character of each neighborhood and its culture; revitalize neighborhoods and create gathering places within them while avoiding the displacement of citizens and their cultures." This is demonstrated through the project description included in the zoning change application:

"This application for a zoning change along Barnett Street within an older Kerrville neighborhood is a path to retaining not only some of our local history but to begin reweaving the fabric that used to sew our neighborhoods together. The Famous Door, "Famous for friends, food and fun," has over the past 90 years been a grocery store, taxi stand, dance hall, restaurant, recreation hall and was the neighborhood anchor for many years. Now vacant, Johnny Barrayo, the "Door's" current owner, is seeking to refurbish the property working within the community and neighborhood, (see attached letters of support from the neighboring property owners), by creating a community

center around a soul food restaurant. Bringing friends, food and fun back to where it started all those years ago."

Additionally, the Kerrville 2050 Plan references small amounts of neighborhood serving retail and office uses in carefully chosen locations. The Kerrville 2050 Plan also places an emphasis on re-investment within the city of Kerrville.

This case was brought before the Planning and Zoning Commission in June of this year. The proposal at that time was for a Planned Development District (PDD) zoning request. However, a PDD is required a minimum of 2 acres. Therefore the case was brought back to the P&Z on September.

Staff is recommending District 11-C, which very closely matches the proposed list of uses in the original request.

This existing vacant location is a prime example of both reinvesting into the community and a neighborhood-serving restaurant. The surrounding neighborhood is zoned R-1A and the Doyle Community Center down the street is zoned PDD.

The Planning and Zoning Commission recommended the case for approval on September 5, 2018.

RECOMMENDED ACTION:

Approve Ordinance No. 2018-16 on second reading.

CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2018-16

AN ORDINANCE AMENDING THE CITY'S "ZONING CODE" BY CHANGING THE ZONING DISTRICT FOR LOTS 52, 53, AND 54, BLOCK 14, THE PARSONS ADDITION, A SUBDIVISION WITHIN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS, AND MORE COMMONLY KNOWN AS 213, 215, AND 221 WEST BARNETT STREET; BY REMOVING THE AREA FROM THE "R-1A" RESIDENTIAL ZONING DISTRICT AND PLACING IT WITHIN THE 11-C ZONING DISTRICT; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR A MAXIMUM PENALTY OR FINE OF TWO THOUSAND DOLLARS ($2000.00); ORDERING PUBLICATION; AND PROVIDING OTHER MATTERS RELATING TO THE SUBJECT

WHEREAS, pursuant to Texas Local Government Code Sections 211.006 and 211.007, notice has been given to all parties in interest and citizens by publication in the official newspaper for the City of Kerrville, Texas ("City"), and otherwise, of a hearing which was held before the City Council on September 11, 2018, which considered a report of the City's Planning and Zoning Commission regarding its recommendations on an ordinance, the adoption of which will result in the change of a zoning district for several properties; said properties more commonly known as 213, 215, and 221 West Barnett Street; and such change to result in the removal of the properties from an "R-1A" Residential Zoning District to placement within the 11-C Zoning District; and

WHEREAS, on June 26, 2018, City Council approved Ordinance 2018-13, which adopted a new Comprehensive Plan for the City (*"Kerrville 2050"*); and

WHEREAS, City Council finds that the zoning change provided for herein complies with *Kerrville 2050* in accordance with Section 211.004 of the Texas Local Government Code; and

WHEREAS, a public hearing was held in the Council Chambers beginning at approximately 6:00 p.m. on September 11, 2018, as advertised; and

WHEREAS, after a full hearing, at which all parties in interest and citizens were given an opportunity to be heard; and after receiving and considering the recommendations of the Planning and Zoning Commission and City staff; and after considering among other things, the character of the various areas of the City and the suitability of particular uses in each area; and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout the City,

the Council finds it to be in the best interest of the health, safety, morals, and general welfare of the City of Kerrville, Texas, to amend the City's Zoning Code to change the zoning district for the properties described below by removing them from an "R-1A" Residential Zoning District and placing them within the 11-C Zoning District;

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

SECTION ONE. The findings made above are hereby approved.

SECTION TWO. The zoning district for the following properties commonly known as 213, 215, 221 West Barnet Street, is changed from an "R-1A" Residential Zoning District to the 11-C Zoning District, said properties also being described as follows:

> **All of Lot Nos. 52, 53, and 54, Block No. 14, of the Parsons Addition, a subdivision within the City of Kerrville, Kerr County, Texas, the plat of which is recorded at Volume P, Page 8, of the Real Property Records of Kerr County, Texas; all of which is described and depicted at Exhibit A, attached hereto and made a part hereof for all purposes.**

SECTION THREE. The City Manager or designee is authorized and directed to amend the City's official zoning map to reflect the change in districts adopted herein and to take other actions contemplated by and in accordance with Section 11-I-4(c) of the City's Zoning Code.

SECTION FOUR. The provisions of this Ordinance are cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent with or in conflict with any of the provisions of this Ordinance are expressly repealed to the extent of any such inconsistency or conflict.

SECTION FIVE. If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this Ordinance. The Council of the City of Kerrville, Texas, declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION SIX. The penalty for violation of this Ordinance shall be in accordance with the general penalty provisions contained in Section 1-7, Chapter 1 of the Code of Ordinances of the City of Kerrville, Texas, which provides for a fine not exceeding TWO THOUSAND DOLLARS ($2,000.00).

SECTION SEVEN. Pursuant to Texas Local Government Code §52.013(a) and Section 3.07 of the City's Charter, the City Secretary is hereby authorized and directed to publish the descriptive caption of this Ordinance in the manner and for the length of time prescribed by the law as an alternative method of publication.

SECTION EIGHT. This Ordinance shall become effective immediately upon the expiration of ten days following publication, as provided for by Section 3.07b. of the City Charter.

PASSED AND APPROVED ON FIRST READING, this the _____ day of _____, A.D., 2018.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ of _____, A.D., 2018.

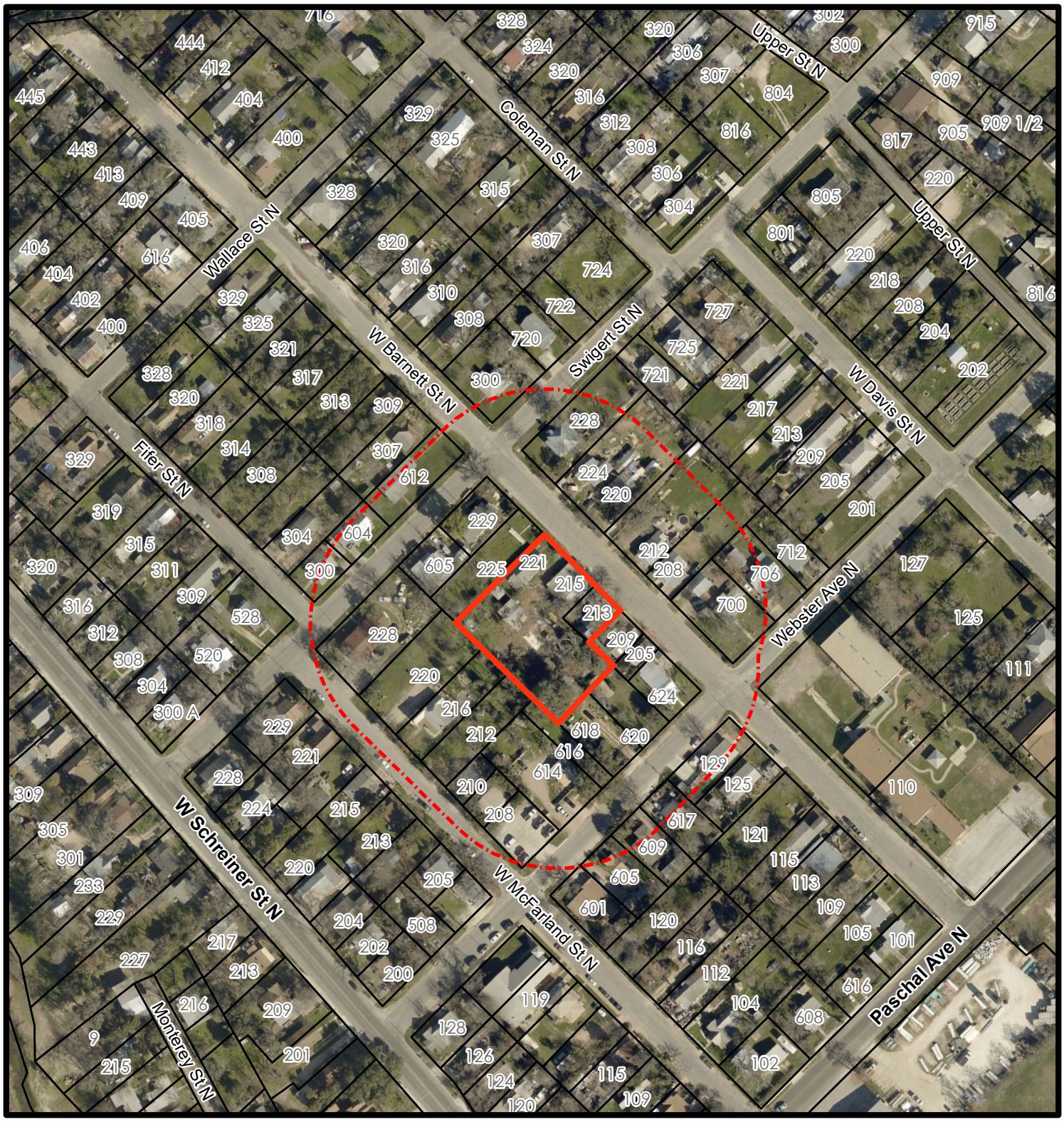
_____
Bill Blackburn, Mayor

ATTEST:

_____
Cheryl Brown, City Secretary

APPROVED AS TO FORM:

_____
Michael C. Hayes, City Attorney



Location Map

Case # 2018-033

Location:
213, 215, 221
West Barnett Street

Legend

200' Notification Area
Subject Properties

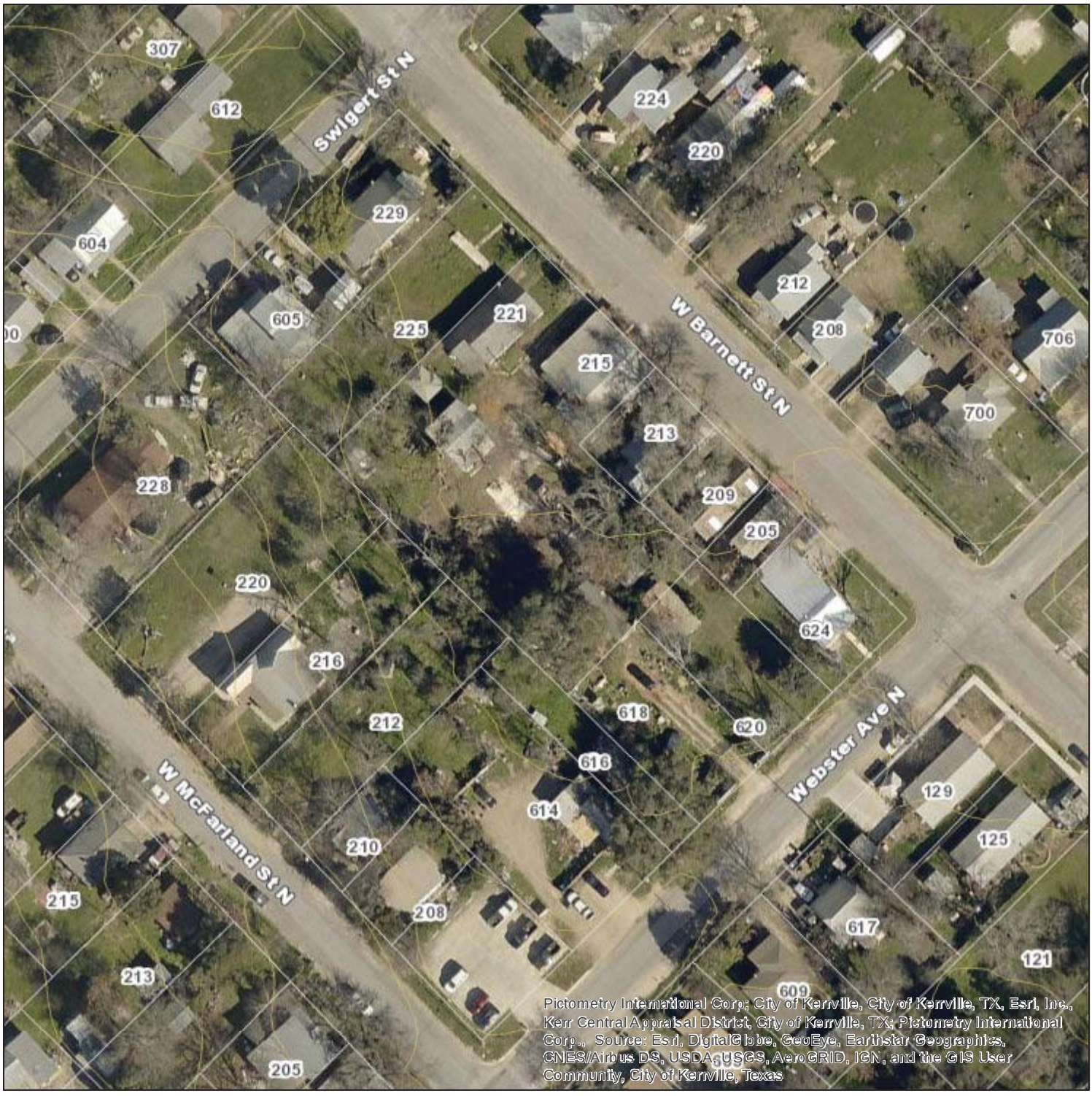
N
W E
S

CITY OF KERRVILLE 1889 TEXAS

0 50 100 200
Scale In Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only approximate relative locations.

ArcGIS Web Map



Legend

- Site_Address...
- Tax Parcels
- City Limit
- ETJ Boundaries
- ETJ Areas
- Two_Foot_C...

N
W E
S

Development Services
5/9/2018 2:23 PM

0 45 90 180
Scale In Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only approximate relative locations.

Project Summary

Existing Conditioned Space

community center	932 sqft
restaurant	2,667 sqft

Parking Area (32 spaces)

Stabilized DG	14,234 sqft
Concrete Apron	516 sqft

Building Information — Community

Construction	Wood Frame
Height	~16′
Classification	Business
Uses	Community Center
Occupancy	12
Fire Sprinklers	No
Fire Detection	No

Building Information — Restaurant

Construction	Wood Frame
Height	~16′
Classification	Business
Uses	Restaurant
Occupancy	60
Fire Sprinklers	Yes - Kitchen
Fire Detection	Yes

PROPOSED Planned Development District on 3 platted lots at the historic Famous Door site on West Barnett

125′ to fire hydrant

existing water meter

BARNETT STREET
60 FOOT WIDE PUBLIC STREET
Ref: Volume P, Page 8

existing curb & sidewalk

existing water meter

lot 55
block 14
GR Parsons Addition
Susie Mae Daniels Estate
residential non resident owner

existing building outline proposed community center

existing building outline proposed restaurant

proposed curb cut

proposed concrete apron

property line

lot 39PT, 40
block 14
GR Parsons Addition
Nanyo Espinoza & Alejandro Mujica
residential resident owner

property line

proposed stabilized dg parking area

lot 51PT
block 14
GR Parsons Addition
Jesus Espinosa Galvan
Claudia Palacios
residential resident owner

lot 38, 39PT
block 14
GR Parsons Addition
Virgilio Blanca
residential non resident owner

lot 37
block 14
GR Parsons Addition
Virgilio & Blanca Aguilar
residential non resident owner

lot 49PT, 50PT, 51PT
block 14
GR Parsons Addition
Juan Valero & Patricia Duron
residential resident owner

lot 36
block 14
GR Parsons Addition
Alejandro Zarate
residential non resident owner

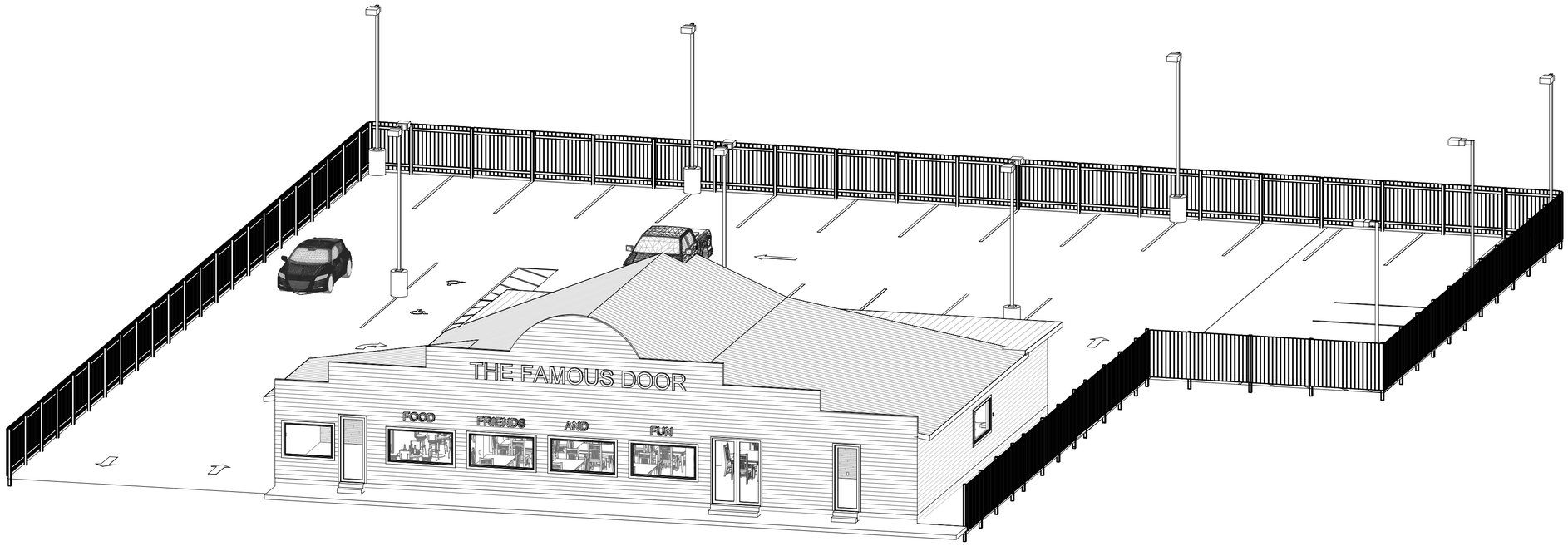
lot 33PT, 34PT, 35PT
block 14
GR Parsons Addition
Christine Pettigrew
residential non resident owner

0.60 acres
lots 52, 53, 54
block 14
GR Parsons Addition
Rio Rancho LTD
proposed restuarant & community center

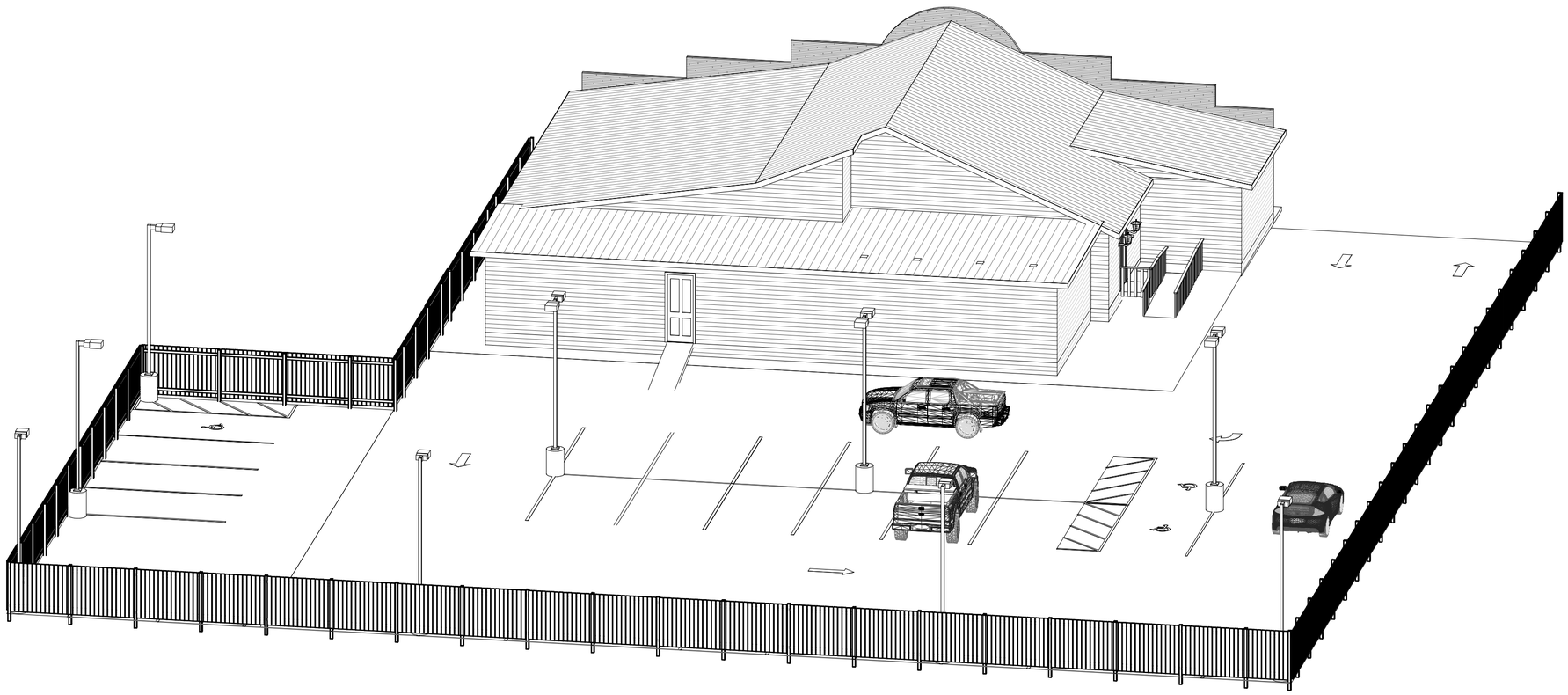
01

scale: 1” = 30’

COPYRIGHT CORNER CANYON INC 2017



FRONT WITH PARKING LOT



REAR WITH PARKING LOT

REVIT DRAFTER:
JOSE J MUNGUIA
KERVILLE, TEXAS 78028
PHONE 830-955-1026
E-MAIL: JMUNGUIA25@YAHOO.COM

BUILDER JOHNY BARROYO
OWNER
ADDRESS 221 WEST BARNETT ST
CITY/STATE KERRVILLE, TX, 78028
DATE 3/26/2018

EXTERIOR 3D VIEW

Project number	
Date	3/26/2018
Drawn by	Author
Checked by	Checker

A40.04

Scale

3/24/2018 9:50:14 PM

City of Kerrville
701 Main Street
Kerrville, TX 78028

Dear Sir or Madam,

I am the owner of property located at 110 W Barnett St in Kerrville. Please accept this letter as an indication of my support for The Borrayo's application to gain permission to use the property located at 215 W. Barnett in Kerrville as a restaurant.

Yo soy el dueño de la propiedad ubicada en 110 W Barnett St en Kerrville. Por favor acepte esta carta como una indicación de mi soporte para aplicación del Borrayo obtener permiso para utilizar la propiedad situada a 215 w. Barnett en Kerrville como restaurante.

Sincerely,

Kay Tallfroos, Brd Chair

Signature / Firma

Doyle School Community Center

3/12/18

Date / Fecha

City of Kerrville
701 Main Street
Kerrville, TX 78028

Dear Sir or Madam,

I am the owner of property located at 127 W Davis Street in Kerrville. Please accept this letter as an indication of my support for The Borrayo's application to gain permission to use the property located at 215 W. Barnett in Kerrville as a restaurant.

Yo soy el dueño de la propiedad ubicada en 127 W Davis Street en Kerrville. Por favor acepte esta carta como una indicación de mi soporte para aplicación del Borrayo obtener permiso para utilizar la propiedad situada a 215 w. Barnett en Kerrville como restaurante.

Sincerely,

LaJoy Frazier
Signature / Firma

Estate of Hillie Frazier

2-24-2018
Date / Fecha

City of Kerrville
701 Main Street
Kerrville, TX 78028

Dear Sir or Madam,

Parsonage to Mt. Olive Baptist Church

I am the owner of property located at 119 W. McFarland in Kerrville. Please accept this letter as an indication of my support for The Borrayo's application to gain permission to use the property located at 215 W. Barnett in Kerrville as a restaurant.

Yo soy el dueño de la propiedad ubicada en 119 W. McFarland en Kerrville. Por favor acepte esta carta como una indicación de mi soporte para aplicación del Borrayo obtener permiso para utilizar la propiedad situada a 215 w. Barnett en Kerrville como restaurante.

Sincerely,

Rev. [redacted], Pastor

Signature / Firma

Mt. Olive Baptist Church

2/25/2018

Date / Fecha

City of Kerrville
701 Main Street
Kerrville, TX 78028

Mt. Olive Baptist Ch. % Pastor Diggs
W
Dear Sir or Madam, 121 McFarland, Kerrville, TX

I am the owner of property located at ~~208 McFarland~~ St in Kerrville. Please accept this letter as an indication of my support for The Borrayo's application to gain permission to use the property located at 215 W. Barnett in Kerrville as a restaurant.

Yo soy el dueño de la propiedad ubicada en 208 McFarland St en Kerrville. Por favor acepte esta carta como una indicación de mi soporte para aplicación del Borrayo obtener permiso para utilizar la propiedad situada a 215 w. Barnett en Kerrville como restaurante.

Sincerely,

Rev. Dwight Diggs

Signature / Firma

Mount Olive Baptist Church

2/25/2018

Date / Fecha

City of Kerrville
701 Main Street
Kerrville, TX 78028

Dear Sir or Madam,

I am the owner of property located at 620 Webster in Kerrville. Please accept this letter as an indication of my support for The Borrayo's application to gain permission to use the property located at 215 W. Barnett in Kerrville as a restaurant.

Yo soy el dueño de la propiedad ubicada en 620 Webster en Kerrville. Por favor acepte esta carta como una indicación de mi soporte para aplicación del Borrayo obtener permiso para utilizar la propiedad situada a 215 w. Barnett en Kerrville como restaurante.

Sincerely,

John Jefferson

Signature / Firma

John Gaberel Jefferson

2/22/2018

Date / Fecha

City of Kerrville
701 Main Street
Kerrville, TX 78028

Dear Sir or Madam,

I am the owner of property located at 309 W Barnett in Kerrville. Please accept this letter as an indication of my support for The Borrayo's application to gain permission to use the property located at 215 W. Barnett in Kerrville as a restaurant.

Yo soy el dueño de la propiedad ubicada en 309 W Barnett en Kerrville. Por favor acepte esta carta como una indicación de mi soporte para aplicación del Borrayo obtener permiso para utilizar la propiedad situada a 215 w. Barnett en Kerrville como restaurante.

Sincerely,

John Jefferson

Signature / Firma

John Jefferson

2/22/2018

Date / Fecha

City of Kerrville
701 Main Street
Kerrville, TX 78028

Dear Sir or Madam,

I am the owner of property located at 115 W Barnett in Kerrville. Please accept this letter as an indication of my support for The Borrayo's application to gain permission to use the property located at 215 W. Barnett in Kerrville as a restaurant.

Yo soy el dueño de la propiedad ubicada en 115 W Barnett en Kerrville. Por favor acepte esta carta como una indicación de mi soporte para aplicación del Borrayo obtener permiso para utilizar la propiedad situada a 215 w. Barnett en Kerrville como restaurante.

Sincerely,

Walter Edmonds

Signature / Firma

Walter & Dorothy Edmonds

2/20/18

Date / Fecha

City of Kerrville
701 Main Street
Kerrville, TX 78028

Dear Sir or Madam,

I am the owner of property located at 221 W Davis St in Kerrville. Please accept this letter as an indication of my support for The Borrayo's application to gain permission to use the property located at 215 W. Barnett in Kerrville as a restaurant.

Yo soy el dueño de la propiedad ubicada en 221 W Davis St en Kerrville. Por favor acepte esta carta como una indicación de mi soporte para aplicación del Borrayo obtener permiso para utilizar la propiedad situada a 215 w. Barnett en Kerrville como restaurante.

Sincerely,

Signature / Firma

Arnulfo Bocanegra

1-30-18

Date / Fecha

City of Kerrville
701 Main Street
Kerrville, TX 78028

Dear Sir or Madam,

I am the owner of property located at 125 W Barnett St in Kerrville. Please accept this letter as an indication of my support for The Borrayo's application to gain permission to use the property located at 215 W. Barnett in Kerrville as a restaurant.

Yo soy el dueño de la propiedad ubicada en 125 W Barnett St en Kerrville. Por favor acepte esta carta como una indicación de mi soporte para aplicación del Borrayo obtener permiso para utilizar la propiedad situada a 215 w. Barnett en Kerrville como restaurante.

Sincerely,

Frank Alcorta
Signature / Firma

Frank & Mary Alcorta

Mary C. Alcorta
Date / Fecha
1-31-15

City of Kerrville
701 Main Street
Kerrville, TX 78028

Dear Sir or Madam,

I am the owner of property located at 721 Swigert in Kerrville. Please accept this letter as an indication of my support for The Borrayo's application to gain permission to use the property located at 215 W. Barnett in Kerrville as a restaurant.

Yo soy el dueño de la propiedad ubicada en 721 Swigert en Kerrville. Por favor acepte esta carta como una indicación de mi soporte para aplicación del Borrayo obtener permiso para utilizar la propiedad situada a 215 w. Barnett en Kerrville como restaurante.

Sincerely,

Norman Jackson
Signature / Firma

Norman Jackson

2-1-18
Date / Fecha

City of Kerrville
701 Main Street
Kerrville, TX 78028

Dear Sir or Madam,

I am the owner of property located at 706 Webster in Kerrville. Please accept this letter as an indication of my support for The Borrayo's application to gain permission to use the property located at 215 W. Barnett in Kerrville as a restaurant.

Yo soy el dueño de la propiedad ubicada en 706 Webster en Kerrville. Por favor acepte esta carta como una indicación de mi soporte para aplicación del Borrayo obtener permiso para utilizar la propiedad situada a 215 w. Barnett en Kerrville como restaurante.

Sincerely,

Signature / Firma

Evodio C. Medrano

1-30-18

Date / Fecha

City of Kerrville
701 Main Street
Kerrville, TX 78028

Dear Sir or Madam,

I am the owner of property located at 125 W Davis St in Kerrville. Please accept this letter as an indication of my support for The Borrayo's application to gain permission to use the property located at 215 W. Barnett in Kerrville as a restaurant.

Yo soy el dueño de la propiedad ubicada en 125 W Davis St en Kerrville. Por favor acepte esta carta como una indicación de mi soporte para aplicación del Borrayo obtener permiso para utilizar la propiedad situada a 215 w. Barnett en Kerrville como restaurante.

Sincerely,

Vernon Leroy Brown
Signature / Firma

Vernon Leroy Brown

1-29-18
Date / Fecha

City of Kerrville
701 Main Street
Kerrville, TX 78028

Dear Sir or Madam,

I am the owner of property located at 516 Webster in Kerrville. Please accept this letter as an indication of my support for The Borrayo's application to gain permission to use the property located at 215 W. Barnett in Kerrville as a restaurant.

Yo soy el dueño de la propiedad ubicada en 516 Webster en Kerrville. Por favor acepte esta carta como una indicación de mi soporte para aplicación del Borrayo obtener permiso para utilizar la propiedad situada a 215 w. Barnett en Kerrville como restaurante.

Sincerely,

_____
Signature / Firma

Tobias Garza

_____
Date / Fecha

I AM NOT THE OWNER, TOBIAS S. GARZA WAS MY GRANDFATHER, MY DAD GERTRUDES A. GARZA PAID TAXES ON THIS PROPERTY, BECAUSE MY GRANDPARENTS LEFT NO WILL.
G.A. GARZA MY DAD PAID TAXES SINCE 1964 UNTIL HE DIED IN 2002.
MY MOTHER MARIA A. GARZA PAID TAXES UNTIL 2015.
IN 2016 MOTHER SAID SHE NEEDED HELP WITH THIS, SO I TOOK OVER IN 2016, THAT IS WHY IT IS IN MY CARE OFF

SINCERELY 1-30-2018

City of Kerrville
701 Main Street
Kerrville, TX 78028

Dear Sir or Madam,

I am the owner of property located at 700 Webster in Kerrville. Please accept this letter as an indication of my support for The Borrayo's application to gain permission to use the property located at 215 W. Barnett in Kerrville as a restaurant.

Yo soy el dueño de la propiedad ubicada en 700 Webster en Kerrville. Por favor acepte esta carta como una indicación de mi soporte para aplicación del Borrayo obtener permiso para utilizar la propiedad situada a 215 w. Barnett en Kerrville como restaurante.

Sincerely,

Signature / Firma

Pedro Claudio

1-30-2018

Date / Fecha

RECEIVED
6-13-18

June 2018

TO Whom it May Concern..

My Name is Virginia Castillo
I lived at 229 W. Barnett.
I'm Concern About the Zoning
Change on this Street. My
Question's Are will the taxes
go up. because I'm disabled
And lived on a fix income.
Can't Afford more taxes.
My Other Concern is the parking
for this Restaurant. they want
to Open. Want to know if they
have enough parking. Cars will
be parkin down & up on this
Street. Children play Outside
on thier yard. My Concern is
if this Children's will be Safe.
Since we had Mens trying to pick
up Childrens before. We Call
Police after we yell out to him.
took pictures of the Car & the
Men. Call police. that's my
Concern. the people here. just
moved not to long ago. And
I don't know if they understand
about Zoning Change.

Phone # Thank You
830-377-6566 Mrs. V. Castillo

Ms Virginia Castillo
229 W Barnett St
Kerrville, TX 78028

SAN ANTONIO TX 780
RIO GRANDE DISTRICT
11 JUN 2018 PM 2 L

RECEIVED
6-13-18

City of Kerrville
Planning Department
200 Sidney Baker St
Kerrville, TX 78028

Att: Dorothy Miller

78028-536700

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

SUBJECT: Ordinance 2018-22 amending in part Ordinance No. 99-18, as amended by adopting revised rate schedules for residential services, miscellaneous service charges, miscellaneous service charges, distributed generation rider, power cost adjustment factor rider, outdoor area lighting, and a new community solar lmi household rider; containing a cumulative clause; and establishing an effective date.

AGENDA DATE OF: 9/25/2018 **DATE SUBMITTED:** 9/17/2018

SUBMITTED BY: Amy Dozier, CFO

EXHIBITS: Ordinance 2018-22
Rate Design Study
Cost of Service Study
Proposed Fee Schedule
Economic Development Rate
KPUB Fee Resolution
KPUB Rate Increase Presentation

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?		**Yes:** ☐	**No:** ☒
Key Priority Area	N/A		
Guiding Principle	N/A		
Action Item	N/A		

SUMMARY STATEMENT:

In 2018, KPUB contracted with Utility Financial Solutions (USF) to perform a rate study, including a cost of service study and rate design reports. The final reports were presented to the KPUB board on 8/28/18 along with recommendations on rate and fee changes. Based on the study, KPUB is proposing a 2.2% average increase across all customer classes. The proposed increase for residential rates is 2.6%.

The KPUB Board passed Resolution No. 18-12 adopting the proposed rate changes on 8/28/18. The next step in the rate setting process is for the Kerrville City Council to adopt an ordinance approving KPUB's proposed rate changes.

The rate study and proposal are attached.

RECOMMENDED ACTION:

Approve Ordinance No. 2018-22 on first reading.

CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2018-22

AN ORDINANCE AMENDING IN PART ORDINANCE NO. 99-18, AS AMENDED, BY ADOPTING REVISED RATE SCHEDULES FOR RESIDENTIAL SERVICES, MISCELLANEOUS SERVICES CHARGES, DISTRIBUTED GENERATION RIDER, POWER COST ADJUSTMENT FACTOR RIDER, OUTDOOR AREA LIGHTING, AND A NEW COMMUNITY SOLAR LMI HOUSEHOLD RIDER; CONTAINING A CUMULATIVE CLAUSE; CONTAINING A SAVINGS AND SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City of Kerrville, Texas, owns an electric system and manages and operates its system through its duly appointed board of trustees, the Kerrville Public Utility Board ("KPUB"), a body created pursuant to Texas law (Tex. Rev. Civ. Stat. Ann. art 1115, as amended) and Resolution No. 87-106; and

WHEREAS, KPUB, pursuant to the authority granted under Resolution No. 87-106, recently reviewed the current schedule of rates and charges for electric service and determined that various rates and charges should be adjusted to reflect current conditions and to maintain its service and bond obligations; and

WHEREAS, prior to making its recommendations, KPUB considered the report on the electric revenue requirements, cost of service, and rate design prepared by the independent consulting firm of Utility Financial Solutions ("UFS"), which was previously retained by KPUB to perform a Cost of Services Study; and

WHEREAS, City Council finds that the current schedule of electric rates and charges should be adjusted as recommended by UFS and KPUB to provide for the continued preservation of the public health, safety, and welfare of the people through the provision of energy services to the community;

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

SECTION ONE. Ordinance No. 99-18, as amended, and as it applies to various rates and charges applicable to electric service provided by the electric system owned by the City of Kerrville and managed and operated on the City's behalf by the Kerrville Public Utility Board is amended as follows:

The revised Residential Rate Tariff, Residential Service Rate Schedule–RS, including the appropriate Miscellaneous Service Charges Rate Schedule–MSC, Distributed Generation Rider DG, Power Cost Adjustment Factor Rider PCAF, and Outdoor Area Lighting Rate Schedule-OAL, attached to this Ordinance as **Exhibit A** and incorporated herein by reference, are hereby adopted and are applicable to all residential customers of the City's

to all residential customers of the City's electric system managed and controlled by the Kerrville Public Utility Board, effective November 1, 2018.

B. The new Community Solar LMI Household Rider–CSLMIH, attached to this Ordinance as **Exhibit B** and incorporated herein by reference, is hereby adopted and is applicable to all residential customers of the City's electric system managed and controlled by the Kerrville Public Utility Board, effective October 10, 2018.

SECTION TWO. Except as specifically amended by Section One above as to rates and charges, Ordinance No. 99-18, as amended, remains in full force and effect.

SECTION THREE. The provisions of this Ordinance are to be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent with or in conflict with any of the provisions of this Ordinance are hereby expressly repealed to the extent of any such inconsistency or conflict.

SECTION FOUR. If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this Ordinance. City Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconditional or invalid.

SECTION FIVE. This Ordinance shall become effective from and after the date of final passage on second reading.

PASSED AND APPROVED ON FIRST READING, this the _____ day of September, 2018.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ day of October, 2018.

_____
Bill Blackburn, Mayor

APPROVED AS TO FORM:

_____
Michael C. Hayes, City Attorney

ATTEST:

_____
Cheryl Brown, Interim City Clerk

RESIDENTIAL SERVICE
RATE SCHEDULE - RS

APPLICATION
Applicable throughout the service area for all electric service supplied at one point of delivery and measured through one meter required exclusively for domestic purposes by individual (single family) private residents, individually metered apartment units and farm homes.

Not applicable to businesses, licensed boarding or rooming houses, camps, fraternity or sorority houses advertised as such, educational institutions, churches or facilities, or apartment houses, whose units are not individually metered, including the common facility requirements of residence also used for business purposes, evidenced by any form of advertising, including separate white page telephone listing, which will be served under the appropriate commercial service rate schedule. Not applicable to shared, standby, or resale service.

CHARACTER OF SERVICE
Service under this rate schedule shall be alternating current, 60 Hertz, single phase, at the customer's option of standard available voltages. KPUB may, at its option, provide three-phase service when individual motors rated at 7.5 horsepower or larger are connected.

MONTHLY RATE

CHARGE		*AMOUNT*
CUSTOMER CHARGE: Meter, Meter Reading, and Billing Charge		$10.25
DISTRIBUTION	All kWh	$0.01930 per kWh
POWER SUPPLY	All kWh	$0.04060 per kWh

Plus an amount calculated in accordance with Rider PCAF.

Plus any taxes, assessments, or surcharges imposed by any governmental authority, which are assessed on the basis of revenues from electric service or volume of electricity purchased or sold.

MINIMUM CHARGE
The monthly minimum charge shall be the sum of the "Customer Charge" and all applicable rate adjustments.

PAYMENT

Bills are due when rendered and become past due if not paid within sixteen (16) days thereafter. Past due bills shall be assessed a one time penalty charge of 5% of the unpaid amount. Upon proof of age of over 60 years the penalty for past due bills shall be waived.

MISCELLANEOUS SERVICE CHARGES
RATE SCHEDULE - MSC

APPLICATION
Applicable to all retail customers served by KPUB.

The charges listed herein are in addition to any other charges made under KPUB's Tariff for Electric Service, and will be applied for the appropriate condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the actual costs plus overhead adders.

CHARGES

NAME AND DESCRIPTION	*AMOUNT*
NEW ACCOUNT CHARGE: made to set a meter and to do the other work necessary to initiate a new account.	
During normal business hours	$45.00
Outside normal business hours	$157.00
NEW SERVICE CHARGE: made in addition to the new account charge when service conductors are installed for the first time to a new building or to a new point of service.	
During normal business hours	$95.00
Outside normal business hours	$500.00
TRANSFER FEE: made to establish Customer account at address with existing meter and service.	$10.00
RECONNECT CHARGE: made when customer requests reconnection of electric service that has been disconnected in accordance with Tariff for Electric Service (no field response required).	
During normal business hours	$14.00
Outside normal business hours	$28.00
TEMPORARY CONNECTION CHARGE: made for 120/240 volt, single phase, three wire, 60 Hertz. Charges for temporary service not covered by these standard conditions will be provided only when customer pays in advance to KPUB the estimated cost of installing and removing the necessary facilities.	
a. install and remove meter and service wires	$240.00
b. install and remove transformer on existing pole	$455.00
RETURNED CHECK OR BANK DRAFT CHARGE: made for each customer's check or bank draft returned unpaid by a financial institution for any reason.	$27.00

METER TEST CHARGE: made when residential customer requests, and KPUB performs, a meter test and the meter is found to be within the accuracy standards of the American National Standards Institute and meter has been tested previously on request of customer within the past four years. Other classes of customers shall pay the actual cost of the test, including appropriate overheads.	$71.25
TAMPERING CHARGE: made for unauthorized reconnection or other tampering with KPUB metering facilities or any theft of electric service by any person on customer's premises or any evidence thereof by whomsoever done at customer's premises. An additional charge for any costs of repairs and/or replacement of damaged facilities, installing protective facilities, and the estimated amount of electric service not recorded by the meter, if any, is also made.	$300.00
TRIP CHARGE: made for each trip to customer's premises for the collection of a delinquent account, disconnection, or reconnection.	
During normal business hours	$38.00
Outside normal business hours	$175.00
COLLECTION PROCESSING CHARGE: made for processing a delinquent account when payment is not received by 5:00 pm on final payment date.	$3.00
BAD DEBT COLLECTION CHARGE: made on the basis of actual charges incurred by KPUB from a collection agency for services rendered to collect an outstanding bill.	Actual fee
CUSTOMER EQUIPMENT CHARGE: made when Customer reports outage and KPUB finds that Customer equipment is the cause of the outage (Customers are asked to check their breakers before reporting an outage).	
During normal business hours	$50.00
Outside normal business hours	$75.00
AMI OPT OUT CHARGE: made monthly per meter to manually read and bill non-communicating meter.	$20.00
NON-COMMUNICATING METER INSTALLATION CHARGE: made when customer requests removal of an AMI meter.	$150.00
ADDITIONAL SERVICES: made monthly for services offered by KPUB and not covered by other rate schedules. Charges for these services are calculated based on the installed cost of the equipment, capital recovery factor, applicable overhead adders, operations and maintenance costs, and power supply costs.	As calculated

PAYMENT

Bills are due when rendered and become past due if not paid within sixteen (16) days thereafter.

DISTRIBUTED GENERATION
RIDER DG

AVAILABILITY
Customers requesting interconnection and parallel operation of Distributed Generation("DG") shall complete the Application for Interconnection and Parallel Operation of Distributed Generation ("Application") with the KPUB System contained in these Tariffs. For purposes of this rate schedule, Distributed Generation refers to an electrical generating facility located at a Customer's point of delivery of ten megawatts (10 MW) or less and connected to the KPUB distribution system at a standard available voltage less than or equal to 60 kilovolts (kV) and 60 Hertz alternating current.

AGREEMENT
Upon determination by KPUB that the Customer's facility is consistent with the safe and reliable operation of the KPUB's distribution system, KPUB and Customer shall enter into an Agreement for Interconnection and Parallel Operation of Distributed Generation ("Interconnection Agreement") contained in this Tariff, which sets forth the contractual conditions under which KPUB and Customer agree that one or more facilities may be interconnected with KPUB's distribution system.

DISTRIBUTION SERVICE TO DG
Distribution service provided to a Customer operating Distributed Generation in parallel with the KPUB's distribution system is available pursuant to this Tariff and agreements for such distribution service.

SPECIAL CONDITIONS
1. **Pre-Interconnection studies** - KPUB may perform pre-interconnection studies, which shall include service study, coordination study, and utility system impact study, as needed and determined in the sole discretion of KPUB. In instances where such studies are deemed necessary, the scope of such studies shall be based on the characteristics of the particular distributed generation facility to be interconnected and the KPUB's distribution system at the specific proposed location. KPUB may charge Customer fees for Pre Interconnection Studies that recover the costs of performing such studies. Any modifications or additions to KPUB's Electric System identified through the pre-interconnection study as required for the safe and reliable interconnection of Customer's facility shall be solely at the Customer's expense. Customer shall not acquire any ownership in such modifications or additions to KPUB's Electric System.

2. **Technical Requirements** - Customer's installation must comply with the technical requirements and procedures set forth in The Public Utility Commission of Texas Substantive Rule 25.212 for safe and effective connection and operation of Distributed Generation, which describes typical interconnection requirements. KPUB may require Customer to install and use more sophisticated protective devices and operating schemes when the DG facility is exporting power to KPUB's system or when otherwise required due to specific interconnection location and condition.

3. **Disconnection and reconnection** – KPUB may disconnect a distributed generation unit from the KPUB system under the following conditions:
   1) **Expiration or termination of Interconnection Agreement** – The Interconnection Agreement specifies the effective term and termination rights of KPUB and Customer.

Upon expiration or termination of the Interconnection Agreement with a Customer, in accordance with the terms of the agreement, KPUB may disconnect Customer's facilities.

2) **Non-compliance with the Technical Requirements** - KPUB may disconnect a distributed generation facility if the facility is not in compliance with the Technical Requirements specified herein. Within two business days from the time the Customer notifies KPUB that the facility has been restored to compliance with the Technical Requirements, KPUB shall have an inspector verify such compliance. Upon such verification, the Customer in coordination with KPUB may reconnect the facility.
3) **System emergency** - KPUB may temporarily disconnect a Customer's facility without prior written notice in cases where continued interconnection will endanger persons or property. During the forced outage of KPUB's system, KPUB shall have the right to temporarily disconnect a Customer's facility to make immediate repairs on the KPUB system.
4) **Routine maintenance, repairs, and modification** - KPUB may disconnect a Customer or a Customer's facility with prior notice of a service interruption for routine maintenance, repairs, and KPUB system modifications. KPUB shall reconnect the Customer as quickly as reasonably possible following any such service interruption.
5) **Lack of approved Application and Interconnection Agreement** - In order to interconnect distributed generation to the KPUB system, a Customer must first submit to KPUB an Application for interconnection and parallel operation with the KPUB system and execute an Interconnection Agreement. KPUB may refuse to connect or may disconnect the Customer's facility if such application has not been received and approved and an Interconnection Agreement executed.

MONTHLY RATE

A. If the Customer's DG requires the installation of an additional meter, the Customer shall pay Kerrville Public Utility Board a charge to cover administrative, billing and metering cost as follows:

CHARGE	*AMOUNT (based on standard service rate schedule)*			
	Rate RS	**Rate CS**	**Rate LCS-S**	**Rate LCS-P**
CUSTOMER CHARGE: Meter, Meter Reading, and Billing Charge	$10.25	$22.00	$180.00	$180.00

B. Kerrville Public Utility Board shall pay Customer for all energy received from Customer as follows:

CHARGE	*AMOUNT (based on standard service rate schedule)*			
	Rate RS	**Rate CS**	**Rate LCS-S**	**Rate LCS-P**
Energy (per all kWh received)	$0.04060	$0.04228	$0.02971	$0.02720

Plus an amount calculated in accordance with Rider PCAF.

POWER COST ADJUSTMENT FACTOR
RIDER PCAF

APPLICATION
Applicable to all rate schedules which include sales of electric energy through kWh billing.

The monthly bill for power supply charges computed in accordance with the appropriate electric rate schedule shall be increased or decreased to account for variances in purchased power expense from that amount included in each electric rate schedule. The Power Supply Charge in each rate schedule shall be multiplied by the Power Cost Adjustment Factor (PCAF) as calculated below on a monthly basis.

METHOD OF CALCULATION
The Power Cost Adjustment Factor (PCAF) is calculated for the current billing month for the system. The formula for determining the PCAF is:

$$PCAF = \frac{((C \pm A)/S)}{0.03969}$$

C = Total Purchased Power Supply costs for the preceding month.

S = Total estimated retail energy sales in kWh for the current month as approved in the annual budget.

A = Adjustment to:

1. Correct for the difference between the actual Purchase Power Supply costs and Power Supply Charge revenues of the previous month;
2. Stabilize rates through over- or under-collection of power supply costs and transfers to and from the Rate Stabilization Fund within limits established by Resolution of the Kerrville Public Utility Board.

The PCAF is calculated to the nearest .000001.

The Power Supply Charge adjusted by the PCAF shall be calculated to the nearest .00001.

OUTDOOR AREA LIGHTING
RATE SCHEDULE -OAL

APPLICATION
Applicable throughout the service area to year-round unmetered outdoor security lighting of areas not covered by any other rate schedule.

Not applicable to street lighting, standby, shared, or resale service.

CHARACTER OF SERVICE
Service under this rate schedule shall be alternating current, 60 Hertz, single phase. Lamps will be operated from dusk to dawn, or approximately 4,300 hours per year per lamp, and controlled by photoelectric control.

MONTHLY RATE

Area Lights

TYPE	*WATTS*	*LUMENS*	*kWh*	*AMOUNT*
LED	48	5,000	17	$5.35
POWER SUPPLY			All kWh	$0.03162 per kWh

Flood Lights

TYPE	*WATTS*	*LUMENS*	*kWh*	*AMOUNT*
LED	56	5,000	20	$7.49
	157	15,000	56	$12.46
	315	30,000	113	$16.51
POWER SUPPLY			All kWh	$0.03162 per kWh

Plus an amount calculated in accordance with Rider PCAF.

Plus any taxes, assessments, or surcharges imposed by any governmental authority, which are assessed on the basis of revenues from electric service or volume of electricity purchased or sold.

MINIMUM CHARGE
The monthly minimum charge shall be the sum of the stated charge per lamp and all applicable rate adjustments.

PAYMENT
Bills are due when rendered and become past due if not paid within sixteen (16) days thereafter. Past due bills shall be assessed a one time penalty charge of 5% of the unpaid amount.

AGREEMENT
Service under this rate schedule requires that the customer execute a contract for a minimum term of 36 months.

SPECIAL CONDITIONS
The following conditions will apply to all facilities installed by KPUB under this rate schedule:

a. Lighting to be provided under this rate schedule shall be on KPUB poles at locations which are easily and economically accessible to KPUB equipment and personnel for construction and maintenance.

b. KPUB will maintain all facilities incidental to providing this service, including replacement of burned-out lamps.

c. Service at locations where existing KPUB-owned poles and facilities are not available will be made at the discretion of KPUB and at an additional charge to cover the cost of installing and maintaining poles, transformers, and conductor.

d. KPUB reserves the right to refuse or discontinue service at locations where excessive maintenance and/or lamp replacements are, in KPUB's sole judgment, likely to or actually do occur.

e. The cost of repairing facilities damaged by acts of vandalism shall be billed to the customer receiving service under this rate schedule at the actual cost to KPUB, including all appropriate overheads.

f. KPUB shall, at the request of the customer, relocate or change existing equipment and the customer shall reimburse KPUB for any and all such relocations or changes at actual cost to KPUB, including all appropriate overheads.

g. New area lighting facilities shall be of a form and substance consistent with KPUB's approved standard configuration for area lighting at the time of the customer's application for service. Where a nonstandard lighting configuration is requested by the customer, all maintenance and replacement costs shall be borne by the customer, should KPUB agree to the installation of the nonstandard facilities.

COMMUNITY SOLAR for LOW and MODERATE INCOME HOUSEHOLDS RIDER CSLMIH

AVAILABILITY

This rider is available only in conjunction with full service electric residential accounts for meters serving Low- and Moderate-Income (LMI) households meeting the following eligibility requirements:

1. Households must meet the guidelines established by the U.S. Department of Housing and Urban Development (HUD) to qualify as a LMI household.
2. Owner occupied housing and rental housing are eligible for the Program.
3. Property owner shall complete the Community Solar LMI Household Application and provide necessary documentation. Owner occupants shall provide documentation of income levels. Property owners of rental housing shall provide documentation from appropriate government entity that establishes the housing as LMI qualified.

CONDITIONS

The current rules and regulations shall apply to the Program, including the payment and collection process.

Households enrolled in this Program will not be allowed to install Distributed Generation. Installation of any Distributed Generation system may result in the disqualification and removal of the household from this Program at KPUB's sole discretion.

KPUB reserves the right to discontinue the Program at any time.

KPUB will install Community Solar System(s) connected to the KPUB System and dedicate a portion of the output for serving LMI households. KPUB may establish additional program rules and open enrollment periods from time to time. For each enrollment period KPUB will allocate shares of solar energy to each household based on the number of qualified applicants, the quantity of solar energy available, and the energy requirements of the eligible LMI households. KPUB may establish additional evaluation and selection criteria including evaluating the energy efficiency of the housing units and efforts taken by the property owner to make energy efficiency improvements.

MONTHLY RATE

The monthly bill will be calculated in accordance with the corresponding full service electric rate.

KPUB will calculate a per kWh solar discount equal to the Community Solar kWh rate minus the total Distribution, Power Supply and PCAF kWh rate. The Community Solar kWh rate will be calculated to recover the solar rate paid by KPUB, ground lease costs, one half of line extension costs and the transfer to the City of Kerrville.

On a separate line item the Customer will receive a credit based on the allocated solar energy times the per kWh solar discount. If the calculation were to result in a charge, no charge will be applied.

Example:

Community Solar kWh Rate Calculation:

	Amount per kWh
Indicative KPUB Solar Purchase Rate	$0.06500
Ground Lease Cost	$0.00380
Half of Line Extension Cost	$0.00170
Subtotal	$0.07050
City Transfer (3%)	$0.00220
Total	$0.07270

Solar Credit Calculation:

	Amount per kWh
Distribution Rate	$0.01930
Power Supply Rate	$0.04060
PCAF	$0.02030
Total Distribution, Power Supply, and PCAF kWh Rate	$0.08020

Solar Discount per kWh = $0.07270 - $0.08020 = -$0.00750

Example Customer Bill Calculation (750 kWh Consumed and 500 kWh Solar credit)

	kWh	Amount per kWh	Amount
Customer Charge			$10.25
Distribution Charge	750	$0.01930	$14.48
Power Charge	750	$0.04060	$30.45
PCAF	750	$0.02030	$15.23
Solar Credit	500	-$0.00750	-$3.75
Total			$66.65

RESOLUTION NO. 18-12

A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD APPROVING THE REVISION OF THE ELECTRIC RATES AND MISCELLANEOUS SERVICE FEES CHARGED BY KPUB TO ITS RESIDENTIAL CUSTOMERS AND FORWARDING THE PROPOSED RESIDENTIAL TARRIFF TO THE CITY OF KERRVILLE FOR ACTION AND APPROVAL BY THE CITY COUNCIL.

WHEREAS, the KPUB staff recommended and the Board approved the hiring of the firm Utility Financial Solutions (UFS) to perform a Cost of Service Study; and

WHEREAS, on January 24, 2018, Mrs. Dawn Lund of Utility Financial Solutions (UFS) presented the company's Draft Cost of Service Study and Rate Design Reports to the Board with her recommended changes; and

WHEREAS, on August 28, 2018, KPUB Staff presented the Final Cost of Service Study and Rate Design Reports from UFS to the Board along with Staff's recommendations regarding rate and miscellaneous service fee changes; now, therefore,

BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD THAT:

Section 1. The above recitals are true and correct.

Section 2. The Board approves the revised Residential Rate Tariff, Rate Schedule RS, including the appropriate Miscellaneous Service Charges, Rate Schedule MSC, Distributed Generation Rider DG, Power Cost Adjustment Factor Rider PCAF, and Outdoor Area Lighting Rate Schedule – OAL and the new Community Solar LMI Household Rider CSLMIH, attached hereto as Exhibit "A", as recommended by Staff, and the General Manager is authorized to forward the revised residential rate tariff described herein to the Kerrville City Council for its consideration and action.

PASSED, APPROVED AND ADOPTED on this 28th day of August, 2018

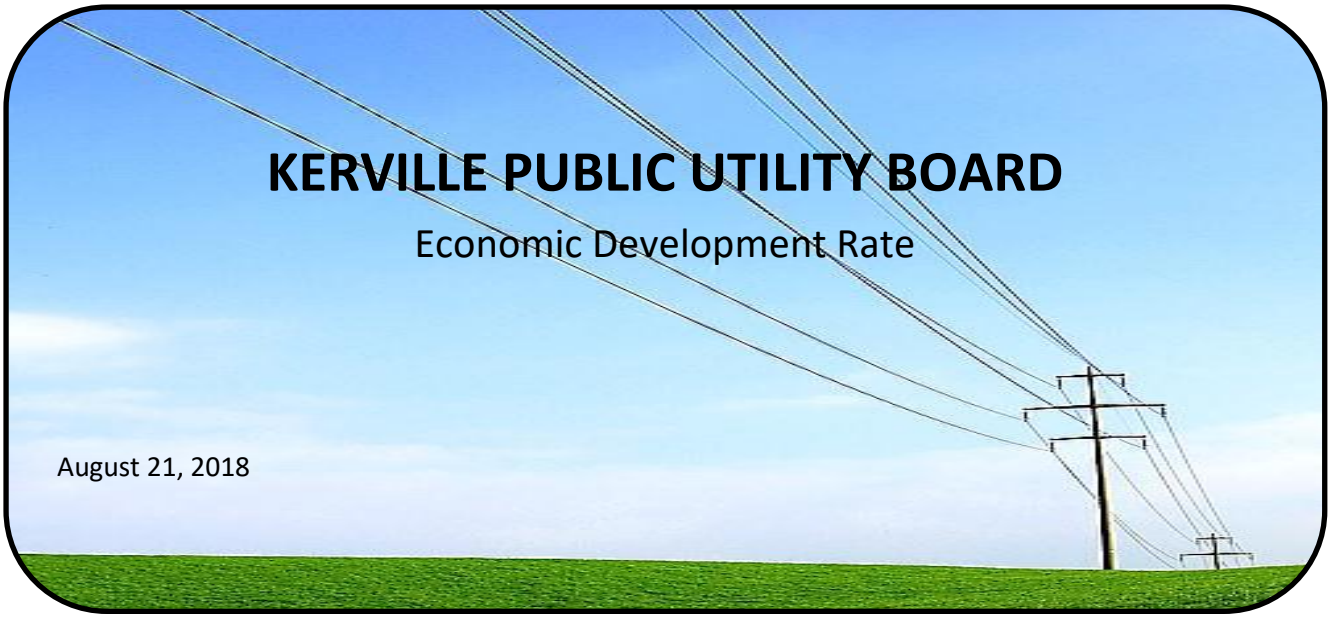
_____

John E. Sample, Chairman

ATTEST:

_____

Bill Thomas, Secretary



KERVILLE PUBLIC UTILITY BOARD

Economic Development Rate

August 21, 2018

Utility Financial Solutions, LLC

Specializing in Cost of Service,
Rate Design, and Financial Analysis

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Utility Financial Solutions, LLC

August 21, 2018

Mr. Mike Wittler
Kerrville Public Utility Board
Kerrville, TX

Dear Mr. Wittler:

We are pleased to present this executive summary for an economic development rate for the City of Kerrville, TX (KPUB). This report was prepared to provide KPUB with an economic rate design using projected 2019 costs. The specific purpose of this economic development rate study is the Identification of potential discounts to promote business development.

This report includes results of the study and recommendations concerning:

1) Economic development discounts
2) Time-line of discounts

This report is intended for information and use by management and the Utility Board for purposes stated above and is not intended to be used by anyone except the specified parties.

Sincerely,

Dawn Lund

Dawn Lund
Vice-President
Utility Financial Solutions, LLC

1. Introduction

KPUB is considering offering an Economic Development Rate for potential new customers. This report discusses the development of the new rate and the potential economic development discounts. The rate is structured using the contribution margin discussed in the section below.

2. Contribution Margin

To help ensure existing customers are not adversely impacted through offering a discounted rate to a new customer or increased loads by existing customers the analysis identified the anticipated contribution margin of any potential new customer. To determine the contribution margin the following steps were taken:

1) Identification of revenue from commercial, large commercial secondary and large commercial primary rate classes.
2) Identification of variable costs for power supply and city contributions
3) Projected revenues less variable costs is the contribution margin to recover fixed distribution costs. Table 1 details the contribution margin calculation.

Table 1 – Contribution Margins

	Commercial Service	Large Commercial Service Primary	Large Commercial Service Secondary
Power Supply	9,864,892	450,297	822,098
PILOT	403,593.41	15,051.79	27,535.07
Fixed Costs	4,686,565.17	78,888.76	185,857.02
Fixed % of RR	31.34%	14.50%	17.95%

Fixed cost contribution as a percent of revenues = Fixed cost contribution divided by the cost of service revenues

The fixed cost contribution is the maximum discount allowed without impacting existing customers. The discount assumes adequate capacity exists throughout the system and the new customer will have minimal impact on the backbone infrastructure, at some point the new customer combined with normal growth of the system would result in the need for increased capacity in the backbone infrastructure. When this occurs the rates charged under the economic development rate would not adequately recover costs and lead to increased rates for existing customers. It is standard practice in the industry to phase out the discount over a five-year period.

Table 2 is the recommended discount for new customer or additional load growth for existing customers.

Table 2 – Economic Development Rate Discounts

	Commercial Service	Large Commercial Service Primary	Large Commercial Service Secondary
Proposed Year 1	30.0%	14.50%	18.0%
Proposed Year 2	24%	11.60%	14.4%
Proposed Year 3	18%	8.70%	10.8%
Proposed Year 4	12%	5.80%	7.2%
Proposed Year 5	6%	2.90%	3.6%
Proposed Year 6	Regular Schedule	Regular Schedule	Regular Schedule

Discount Qualifications

New customers or existing customers whose load will grow by a specified amount in the rate schedule would be eligible for the discount. The customer must apply for the discount prior to the new load occurring and the discount applies only to the customers new load, existing customer usage will be billed on the appropriate rate schedule. KPUB has the right to discontinue the economic development rate if agreed upon conditions are not met.

Kerrville Public Utility Board
Fee Schedule COS - 2018

8/21/2018

Kerrville Public Utility Board

Fee Schedule COS - 2018

Summary

Service Provided	COS	Current Fee	Proposed Fee	Percent Inc/Dec	NOTES
New Account Charge - During Normal Business Hours **(set a meter)**	$ 71.49	$ 30.00	$ 45.00	50%	includes cost of meter $30.80
New Account Charge - Outside Normal Business Hours **(set a meter)**	$ 156.57	$ 150.00	$ 157.00	5%	
New Account Charge - During Normal Business Hours **(update billing)**	$ 7.65				This charge is added in the New Account Charge to set a meter
New Service Charge - During Normal Business Hours **(install service conductors)**	$ 297.58	$ 65.00	$ 95.00	46%	Materials cost $68.81
New Service Charge - Outside Normal Business Hours **(install service conductors)**	$ 499.70	$ 500.00	$ 500.00	0%	
Reconnect Charge - During Normal Business Hours	$ 38.10	$ 36.00	$ 38.00	6%	
Reconnect Charge - Outside Normal Business Hours	$ 172.32	$ 170.00	$ 175.00	3%	
Temporary Connection Charge **(install & remove meter and service wires)**	$ 237.24	$ 230.00	$ 240.00	4%	
Temporary Connection Charge **(install & remove transformer on existing pole)**	$ 456.47	$ 450.00	$ 455.00	1%	
Returned Check or Bank Draft Charge	$ 26.60	$ 25.00	$ 27.00	8%	
Meter Test Charge **(Residential meter test)**	$ 71.24	$ 60.00	$ 71.25	19%	(Waived if meter fails test)
Tampering Charge **(Investigate tampering)**	$ 96.29	$ 300.00	$ 300.00	0%	
Trip Charge **(trip to customer's premise)**	$ 23.51	$ 20.00	$ 24.00	20%	
Bad Debt Collection Charge **(process of delinquent account)**	$ 41.20	Actual fee	Actual fee		
Collection Processing Fee **(processing payment after due date)**	$ 1.02	$ 3.00	$ 3.00	0%	To be applied to bill as a late fee
Additional Service Charge	$ -	As Calculated	As Calculated		

Kerrville Public Utility Board
Fee Schedule COS - 2018
Fees (as provided by Kerrville)

	C	D	E	F	G	H	I	J	K	L	M
	Labor										
	# persons	pay band (Low - High)	Benefits as a %	Average time w/ travel (Hours)	Overtime rate	Call out rate	Call-out Minimum time req's (Hours)	Material costs	Vehicle type (see types below)	Average mileage per service call	Average bank charges
6 New Account Charge (set a meter)	1	$ 18.43	30%	0.5	1.5	1.5	2	$ 30.80	pickup	20	
7 New Account Charge (update billing)	1	$ 17.65	30%	0.25	assuming this is only done on regurlar hours			$ -	no vehicle required		
8 New Service Charge (install service conductors)	2	$ 29.24	30%	2	1.5	1.5	2	$ 68.81	bucket	20	
9 Reconnect Charge	1.5	$ 18.43	30%	0.5	1.5	1.5	2	$ -	pickup	20	
10 Temporary Connection Charge (install & Remover meter and service wires)	2	$ 29.24	30%	2	assuming this is only done on regurlar hours			$ 10.16	bucket -boom	20	
11 Temporary Connection Charge (install & remove transformer on existing pole)	4	$ 31.40	30%	2	assuming this is only done on regurlar hours			$ 9.61	bucket -boom	20	
12 Returned Check or Bank Draft Charge	1	$ 17.48	30%		assuming this is only done on regurlar hours			$ -	no vehicle required		$X / returned ck avg. 7 cks/mo
13 Meter Test Charge (Residential meter test)	1	$ 34.26	30%	1	assuming this is only done on regurlar hours			$ -	pickup	20	
14 Tampering Charge (Investigate tampering)	1	$ 40.82	30%	1	assuming this is only done on regurlar hours			$ -	pickup	20	
15 Trip Charge (trip to customer's premise)	1	$ 18.43	30%	0.5	assuming this is only done on regurlar hours			$ -	pickup	20	
16 Collection Processing Charge (process of delinquent account)	1	$ 21.01			assuming this is only done on regurlar hours			$ -	no vehicle required		

VEHICLE COST BREAKDOWN:

	Pickup Truck	Service Truck	Small Bucket Truck	Large Bucket Truck	Backhoe
* Cost per vehicle per hour	$ 6.15	$ 15.99	$ 15.99	$ 19.68	$ 12.30

Kerrville Public Utility Board
Fee Schedule COS - 2018
Calculations

Assumptions		NOTES:
MARGIN	7.0%	Service requested after noon is consider after hours,
Overhead	10.0%	reconnect non pay after hours is 4pm
Overtime rate multiplier (1.5x)	50.0%	
Electric Benefits	30.0%	
Admin Benefits	30.0%	
Call-out mimimum time (Hours)	2.00	

A	**New Account Charge - During Normal Business Hours (set a meter)**			
	Personnel needed		1.00	
	Pay		23.77	
	Average length of time		0.50	
	Total Labor		11.89	
	Total labor and benefits		15.45	
	Cost of materials		30.80	
	Vehicle cost per trip		7.99	service truck
	Overhead		5.42	
	Margin		4.18	
	Total Fee per application	**$**	**63.84**	
B	**New Account Charge - Outside Normal Business Hours (set a meter)**			
	Personnel needed		1.00	
	Pay (/hr)		23.77	
	Over-time pay (additional $/hr)		11.89	
	Average length of time (2hr min after normal hrs)		2.00	
	Vehicle length of time		0.50	
	Total Labor		47.54	
	Total Overtime		23.77	
	Total labor and benefits		85.57	
	Cost of materials		30.80	
	Vehicle cost per trip		7.99	service truck
	Overhead		14.81	Overhead is charged on all hours including overtime
	Margin		9.74	
	Total Fee per application	**$**	**148.92**	
C	**New Account Charge - During Normal Business Hours (update billing)**			
	Personnel needed		1.00	
	Pay		20.00	
	Average length of time		0.25	
	Total labor		5.00	
	Total labor and benefits		6.50	
	Overhead		0.65	
	Margin		0.50	
	Total Fee per application	**$**	**7.65**	

D	**New Service Charge - During Normal Business Hours (install service conductors)**			
	Personnel needed		2.00	
	Pay		29.24	
	Average length of time		2.00	
	Total labor		116.96	
	Total labor and benefits		152.05	
	Cost of materials		68.81	
	Vehicle cost per trip		31.98	small bucket truck
	Overhead		25.28	
	Margin		19.47	
	Total Fee per application	**$**	**297.58**	
E	**New Service Charge - Outside Normal Business Hours (install service conductors)**			
	Personnel needed		2.00	
	Pay		29.24	
	Over-time pay (additional $/hr)		14.62	
	Average length of time (2hr min after normal hrs)		3.00	add 0.5 hr's for employee to drive in to utility
	Vehicle length of time		2.00	
	Total Labor		175.44	
	Total Overtime		87.72	
	Total labor and benefits		315.79	
	Cost of materials		68.81	
	Vehicle cost per trip		31.98	small bucket truck
	Overhead		50.43	Overhead is charged on all hours including overtime
	Margin		32.69	
	Total Fee per application	**$**	**499.70**	
F	**Reconnect Charge - During Normal Business Hours**			
	Personnel needed		1.50	
	Pay		25.00	
	Average length of time		0.50	
	Total Labor		18.75	
	Total labor and benefits		24.38	
	Vehicle cost per trip		7.99	service truck
	Overhead		3.24	
	Margin		2.49	
	Total Fee per application	**$**	**38.10**	
G	**Reconnect Charge - Outside Normal Business Hours**			
	Personnel needed		1.50	
	Pay		25.00	
	Over-time pay (additional $/hr)		12.50	
	Average length of time (2hr min after normal hrs)		2.00	add 0.5 hr's for employee to drive in to utility
	Vehicle length of time		0.50	
	Total Labor		75.00	
	Total Overtime		37.50	
	Total labor and benefits		135.00	
	Vehicle cost per trip		7.99	service truck
	Overhead		18.05	Overhead is charged on all hours including overtime
	Margin		11.27	
	Total Fee per application	**$**	**172.32**	

H	**Temporary Connection Charge (install & remove meter and service wires)**			
	Personnel needed		2.00	
	Pay		29.24	
	Average length of time		2.00	
	Total labor		116.96	
	Total labor and benefits		152.05	
	Cost of materials		10.16	
	Vehicle cost per trip		39.36	bucket truck
	Overhead		20.16	
	Margin		15.52	
	Total Fee per application	**$**	**237.24**	
I	**Temporary Connection Charge (install & remove transformer on existing pole)**			
	Personnel needed		4.00	
	Pay		31.40	
	Average length of time		2.00	
	Total labor		251.20	
	Total labor and benefits		326.56	
	Cost of materials		9.61	
	Vehicle cost per trip		51.65	bucket truck, pickup truck
	Overhead		38.78	
	Margin		29.86	
	Total Fee per application	**$**	**456.47**	
J	**Returned Check or Bank Draft Charge**			
	Personnel needed		1.00	
	Pay		20.00	
	Average length of time		0.10	
	Total labor		2.00	
	Total labor and benefits		2.60	
	Average Bank Charges		20.00	
	Overhead		2.26	
	Margin		1.74	
	Total Fee per returned check	**$**	**26.60**	
K	**Meter Test Charge (Residential meter test)**			
	Personnel needed		1.00	
	Pay		34.26	
	Average length of time		1.00	
	Total labor		34.26	
	Total labor and benefits		44.54	
	Vehicle cost per trip		15.99	service truck
	Overhead		6.05	
	Margin		4.66	
	Total Fee per application	**$**	**71.24**	(Waived if meter fails test)

Kerrville Public Utility Board

Fee Schedule COS - 2018

Calculations

L	**Tampering Charge (Investigate tampering)**			
	Personnel needed		1.00	
	Pay		31.40	
	Average length of time		1.00	
	Total labor		31.40	
	Total labor and benefits		40.82	
	Cost of materials		25.00	
	Cost of Law Enforcement (if required)		-	
	Cost of Energy		-	
	Vehicle cost per trip		15.99	service truck
	Overhead		8.18	
	Margin		6.30	
	Total Fee per application	**$**	**96.29**	
M	**Trip Charge (trip to customer's premise)**			
	Personnel needed		1.00	
	Pay		$18.43	
	Average length of time		0.50	
	Total labor		9.22	
	Total labor and benefits		11.98	
	Vehicle cost per trip		7.99	service truck
	Overhead		2.00	
	Margin		1.54	
	Total Fee per application	**$**	**23.51**	
N	**Bad Debt Collection Charge (process of delinquent account)**			
	Average Collection Charges		35.00	
	Overhead		3.50	
	Margin		2.70	
	Total Fee per returned check	**$**	**41.20**	
O	**Late Fee for reminder notices**			
	Process is outsourced		0.17	3,000/month - $500 cost for outsourced work
	# of notices sent before shut-off		1.00	
	Postage		0.49	
	Material Costs		1.25	paper/envelopes/address labels
	Overhead		0.17	
	Margin		0.13	
	Total Fee per notice	**$**	**1.02**	

Kerrville Public Utility Board

Fee Schedule COS - 2018

Current Fees Schedule

NAME AND DESCRIPTION	Current Rate	COS Rate
NEW ACCOUNT CHARGE: made to set a meter and to do the other work necessary to initiate a new account		
During normal business hours	$ 30.00	$ 71.49
Outside normal business hours	$ 150.00	$ 156.57
NEW SERVICE CHARGE: made in addition to the new account charge when service conductors are installed for the first time to a new building or to a new point of service		
During normal business hours	$ 65.00	$ 297.58
Outside normal business hours	$ 500.00	$ 499.70
RECONNECT CHARGE: made when customer requests reconnection of electric service that has been disconnected in accordance with Tariff for Electric Service.		
During normal business hours	$ 36.00	$ 38.10
Outside normal business hours	$ 170.00	$ 172.32
TEMPORARY CONNECTION CHARGE: made for 120/240 volt, single phase, three wire, 60 Hertz. Charges for temporary service not covered by these standard conditions will be provided only when customer pays in advance to KPUB the estimated cost of installing and removing the necessary facilities.		
a. install and remove meter and service wires	$ 230.00	$ 237.24
b. install and remove transformer on existing pole	$ 450.00	$ 456.47
RETURNED CHECK OR BANK DRAFT CHARGE: made for each customer's check or bank draft returned unpaid by a financial institution for any reason.	$ 25.00	$ 26.60
METER TEST CHARGE: made when residential customer requests, and KPUB performs, a meter test and the meter is found to be within the accuracy standards of the American National Standards Institute and meter has been tested previously on request of customer within the past four years. Other classes of customers shall pay the actual cost of the test, including appropriate overheads.	$ 60.00	$ 71.24 (Waived if meter fails test)
TAMPERING CHARGE: made for unauthorized reconnection or other tampering with KPUB metering facilities or any theft of electric service by any person on customer's premises or any evidence thereof by whomsoever done at customer's premises. An additional charge for any costs of repairs and/or replacement of damaged facilities, installing protective facilities, and the estimated amount of electric service not recorded by the meter, if any, is also made.	$ 300.00	$ 96.29
TRIP CHARGE: made for each trip to customer's premises for the collection of a delinquent account.	$ 20.00	$ 23.51
COLLECTION PROCESSING CHARGE: made for processing a delinquent account when payment is not received by 5:00 pm on final payment date.	$ 3.00	$ 1.02 (Late Payment Fee)
BAD DEBT COLLECTION CHARGE: made on the basis of actual charges incurred by KPUB from a collection agency for services rendered to collect an outstanding bill.	Actual fee	$ 41.20
ADDITIONAL SERVICES: made monthly for services offered by KPUB and not covered by other rate schedules. Charges for these services are calculated based on the installed cost of the equipment, capital recovery factor, applicable overhead adders, operations and maintenance costs, and power supply costs.	As Calculated	

Kerrville Public Utility Board
Final 2019 Rate Design

Customer Class	Current Revenues	Proposed Revenue	Percent Change
Residential	$ 19,795,879	$ 20,309,870	2.6%
Outdoor Area Lighting	245,730	248,187	1.0%
Street Lighting	264,529	269,820	2.0%
Commercial Service	12,503,020	12,689,864	1.5%
Large Commercial Service Secondary	930,180	948,361	2.0%
Large Commercial Service Primary	484,673	495,341	2.2%
Contract Secondary	1,844,039	1,921,134	4.2%
Contract Primary	360,462	368,260	2.2%
Total	**36,428,514**	**$ 37,250,837**	**2.2%**
Total Without Contract Rates	**34,224,012**	**34,961,444**	**2.0%**

UFS
Utility Financial Solutions, LLC

Kerrville Public Utility Board
2019 Rate Design
Residential

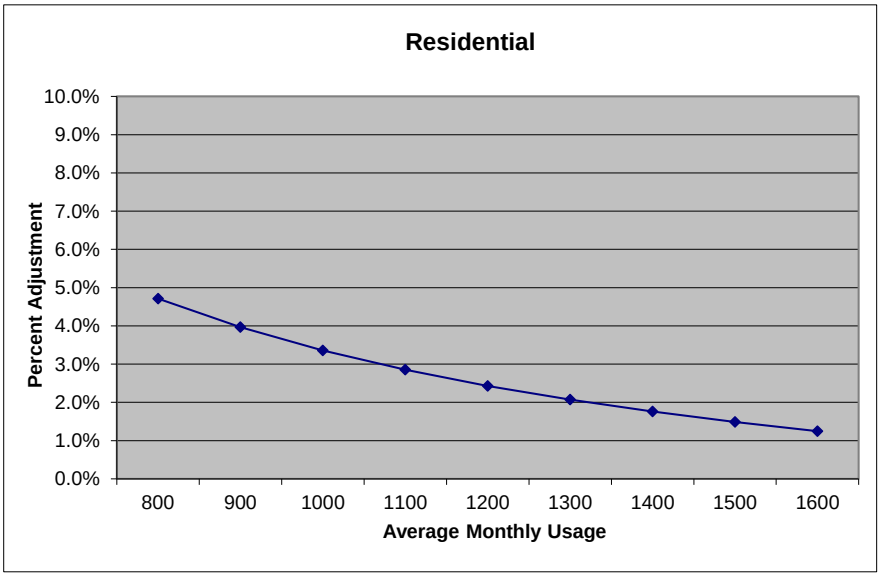
Current Rate		Customer Charge	Distribution All KWh's	Power Supply All KWh's	*Calc by Utility Formula* Estimated PCAF
Winter Rate	Meter Charge	$ 0.77	$ 0.0169	$ 0.0451	$ 0.02024
Summer	Meter Reading Charge	$ 1.10	$ 0.0169	$ 0.0451	$ 0.02024
	Billing Charge	$ 3.39			
	Total	**$ 5.26**			

Proposed Rate		Customer Charge	Distribution All KWh's	Power Supply All KWh's	*Calc by Utility Formula* Estimated PCAF
Winter Rate	Meter Charge	$ 3.75	$ 0.0193	$ 0.0406	$ 0.02024
Summer	Meter Reading Charge	$ 1.25	$ 0.0193	$ 0.0406	$ 0.02024
	Billing, Services, CS, Dist	$ 5.25			
	Total	**$ 10.25**			

Cost of Service	**14.88**
Total Without Contract Rates	
Estimated Change in Revenues	
Current Revenues	19,795,879
Proposed Revenues	20,309,870
Percentage Change	**2.6%**

Residential Dollar Impacts

Usage	Dollar	Usage	Dollar
800	**$ 3.35**	**1300**	**2.32**
900	**3.14**	**1400**	**2.12**
1000	**2.94**	**1500**	**1.91**
1100	**2.73**	**1600**	**1.71**
1200	**2.53**		



Kerrville Public Utility Board
2019 Rate Design
Commercial Service

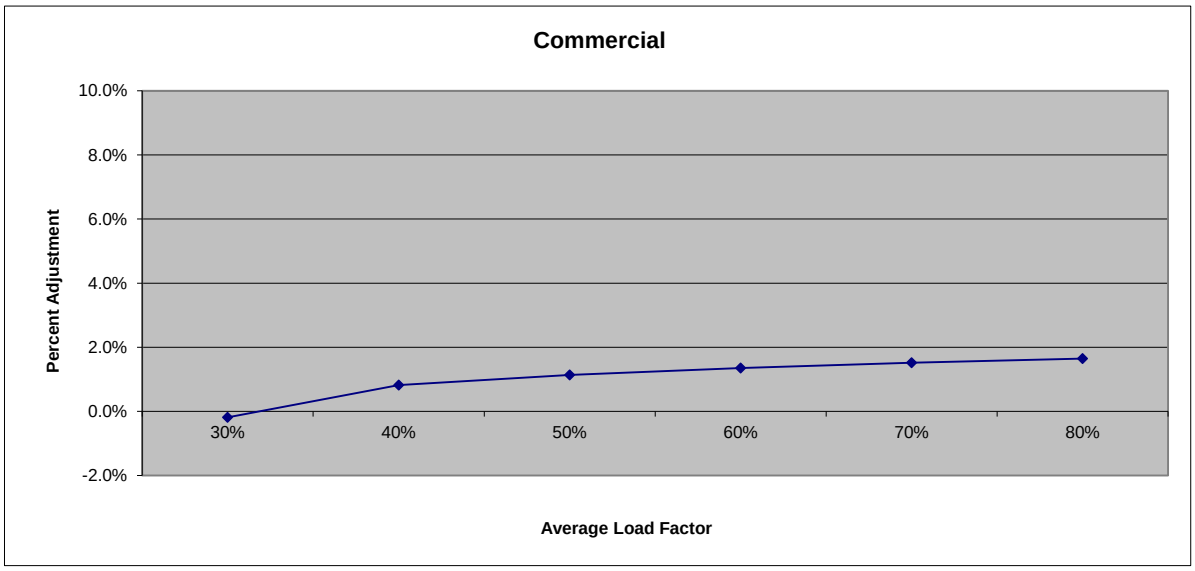
Current Rate		Customer Charge	Distribution 2500 KWh's	Distribution Over 2500	Distribution Over (KW)	Power Supply All KWh's	*Calc by Utility Formula* Estimated PCAF
Winter Rate	Meter Charge	$ 4.80	$ 0.0305	$ 0.0200	$ 0.50	$ 0.03983	$ 0.01787
Summer	Meter Reading Charge	$ 2.50	$ 0.0305	$ 0.0200	$ 0.50	$ 0.03983	$ 0.01787
	Billing Charge	$ 5.20					
	Total	**$ 12.50**					

Proposed Rate		Customer Charge	Distribution 2500 KWh's	Distribution Over 2500	Distribution Over (KW)	Power Supply All KWh's	*Calc by Utility Formula* Estimated PCAF
Winter Rate	Meter Charge	$ 6.50	$ 0.019530	$ 0.016330	$ 1.00	$ 0.04228	$ 0.02114
Summer	Meter Reading Charge	$ 2.50	$ 0.019530	$ 0.016330	$ 1.00	$ 0.04228	$ 0.02114
	Billing, Services, CS, Dist	$ 13.00					
	Total	**$ 22.00**					

Cost of Service	**30.66**

Total Without Contract Rates

Current Revenues	12,503,020
Proposed Revenues	12,689,864
Percentage Change	1.5%



Kerrville Public Utility Board
2019 Rate Design
Large Commercial Service Secondary

Current Rate		Customer Charge	Distribution All KWh's	Distribution All KW	Power Supply Secondary	*Calc by Utility Formula* Estimated PCAF
Winter Rate	Meter Charge	$ 50.00	$ 0.00720	$ 9.50	$ 0.02621	$ 0.01176
Summer	Meter Reading Charge	$ 30.00	$ 0.00720	$ 9.50	$ 0.02621	$ 0.01176
	Billing Charge	$ 50.00				
	Total	**$ 130.00**				

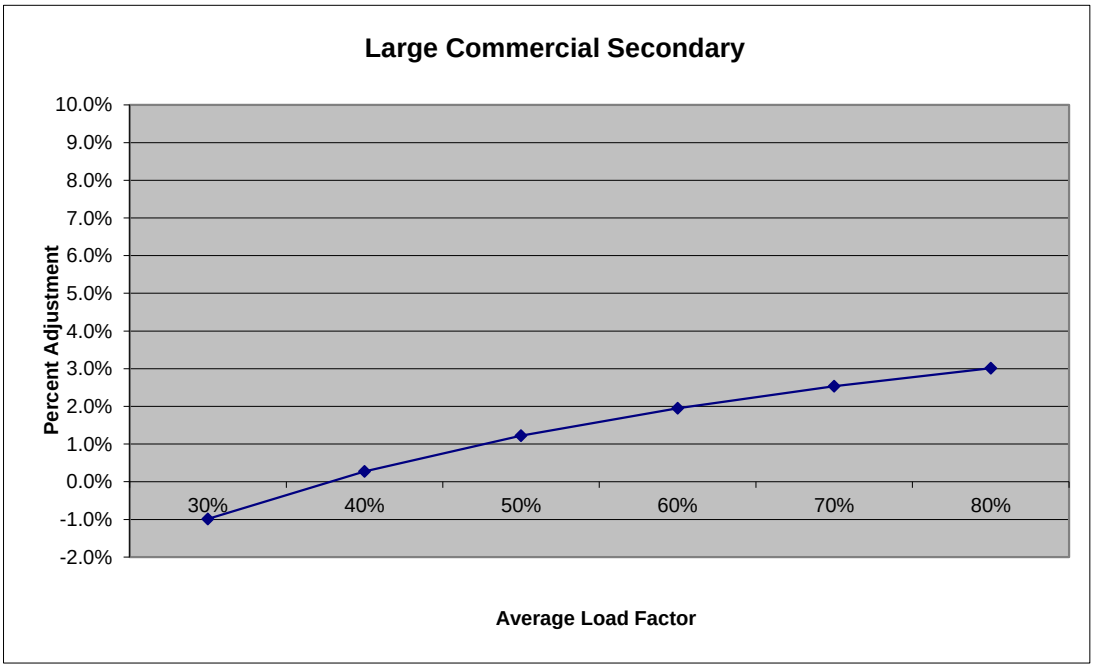
AVG LF 61%

Proposed Rate		Customer Charge	Distribution All KWh's	Distribution All KW	Power Supply Secondary	*Calc by Utility Formula* Estimated PCAF
Winter Rate	Meter Charge	$ 74.00	$ 0.00410	$ 8.50	$ 0.02971	$ 0.01486
Summer	Meter Reading Charge	$ 32.00	$ 0.00410	$ 8.50	$ 0.02971	$ 0.01486
	Billing Charge	$ 74.00				
	Total	**$ 180.00**				

Cost of Service	**$ 497.33**

Total Without Contract Rates

Current Revenues	930,180
Proposed Revenues	948,361
Percentage Change	2.0%



Kerrville Public Utility Board
2019 Rate Design
Large Commercial Service Primary

Current Rate		Customer Charge	Distribution All KWh's	Distribution All KW	Power Supply Primary	*Calc by Utility Formula* Estimated PCAF
Winter Rate	Meter Charge	$ 50.00	$ 0.00720	$ 9.50	$ 0.02411	$ 0.01082
Summer	Meter Reading Charge	$ 30.00	$ 0.00720	$ 9.50	$ 0.02411	$ 0.01082
	Billing Charge	$ 50.00				
	Total	**$ 130.00**				

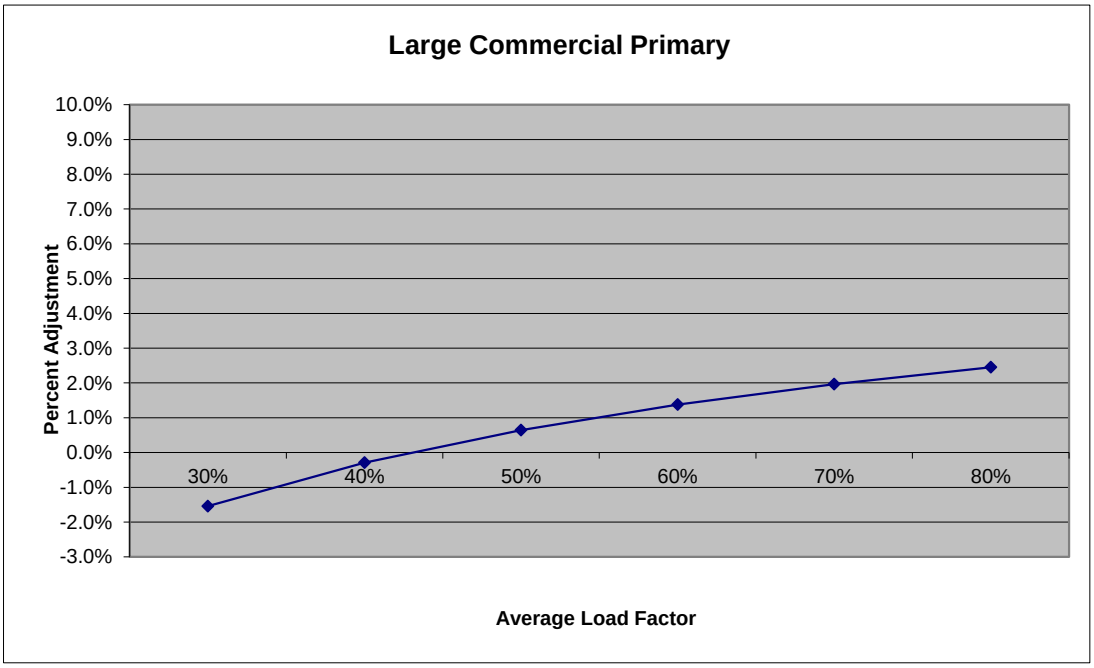
75% LF

Proposed Rate		Customer Charge	Distribution All KWh's	Distribution All KW	Power Supply Primary	*Calc by Utility Formula* Estimated PCAF
Winter Rate	Meter Charge	$ 74.00	$ 0.00442	$ 8.50	$ 0.02720	$ 0.01360
Summer	Meter Reading Charge	$ 32.00	$ 0.00442	$ 8.50	$ 0.02720	$ 0.01360
	Billing Charge	$ 74.00				
	Total	**$ 180.00**				

Cost of Service	**$ 385.98**

Total Without Contract Rates

Current Revenues	484,673
Proposed Revenues	495,341
Percentage Change	2.2%



Kerrville Public Utility Board
2019 Rate Design
Contract Secondary

Current Rate		**Customer Charge**	**Distribution All KWh's**	**Distribution All KW**	**Power Supply Secondary**	***Calc by Utility Formula*** **Estimated PCA**
Winter Rate	Meter Charge	$ 50.00	$ 0.01170	$ 3.45	$ 0.02911	$ 0.01306
Summer	Meter Reading Charge	$ 30.00	$ 0.01170	$ 3.45	$ 0.02911	$ 0.01306
	Billing Charge	$ 50.00				
	Total	**$ 130.00**				

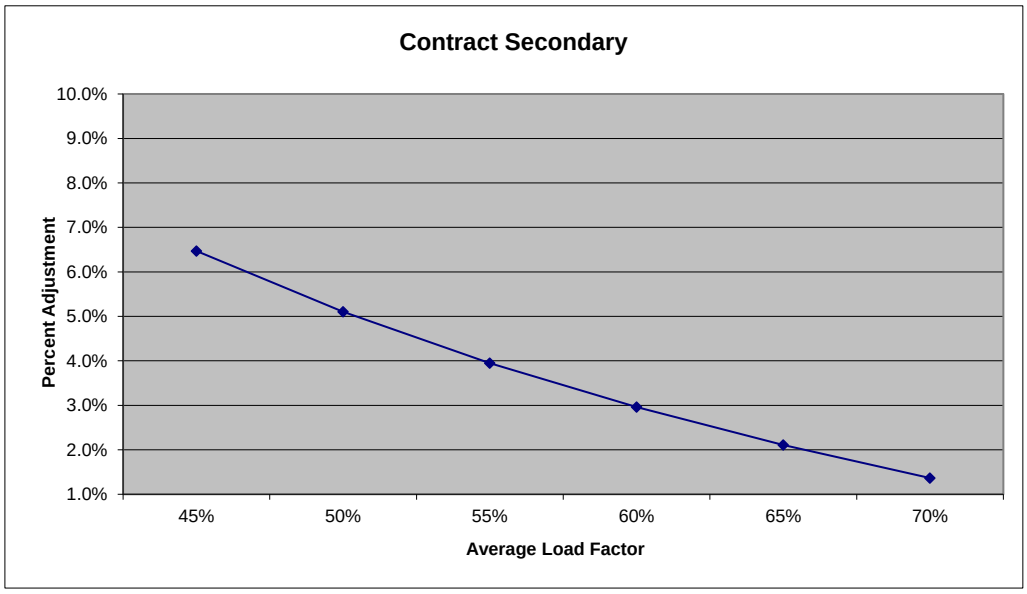
LF 55%

Proposed Rate		**Customer Charge**	**Distribution All KWh's**	**Distribution All KW**	**Power Supply Secondary**	***Calc by Utility Formula*** **Estimated PCA**
Winter Rate	Meter Charge	$ 74.00	$ 0.00720	$ 6.50	$ 0.02971	$ 0.01176
Summer	Meter Reading Charge	$ 32.00	$ 0.00720	$ 6.50	$ 0.02971	$ 0.01176
	Billing Charge	$ 74.00				
	Total	**$ 180.00**				

Cost of Service	**166.27**
Total Without Contract Rates	

Estimated Change in Revenues

Current Revenues	1,844,039
Proposed Revenues	1,921,134
Percentage Change	4.2%



Kerrville Public Utility Board
2019 Rate Design
Contract Primary

		Customer Charge	Distribution All KWh's	Distribution All KW	Power Supply Primary	*Calc by Utility Formula* Estimated PCAF
Current Rate						
Winter Rate	Meter Charge	$ 50.00	$ 0.01170	$ 3.35	$ 0.02808	$ 0.01260
Summer	Meter Reading Charge	$ 30.00	$ 0.01170	$ 3.35	$ 0.02808	$ 0.01260
	Billing Charge	$ 50.00				
	Total	**$ 130.00**				

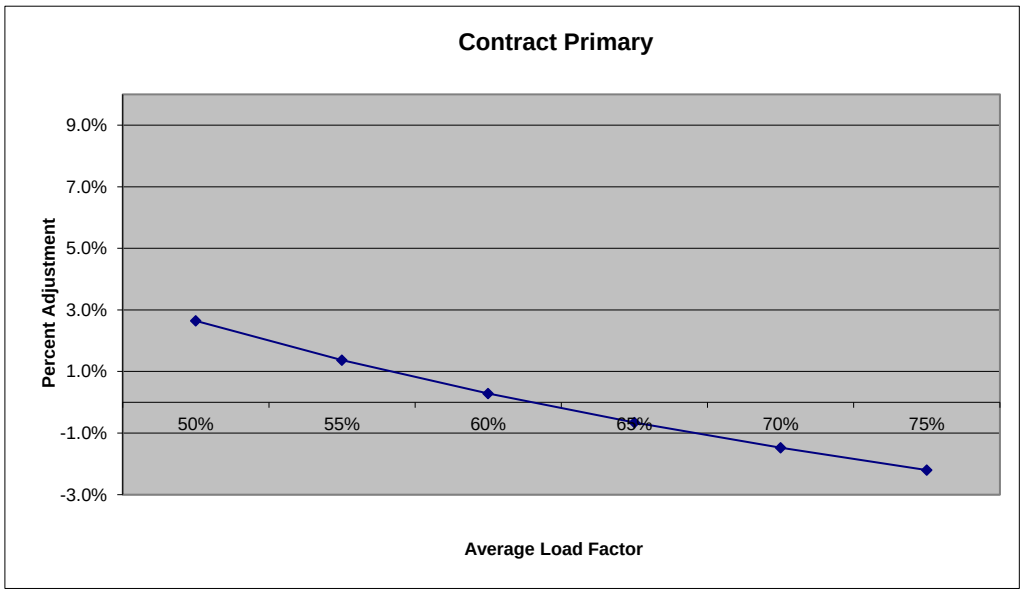
LF 50%

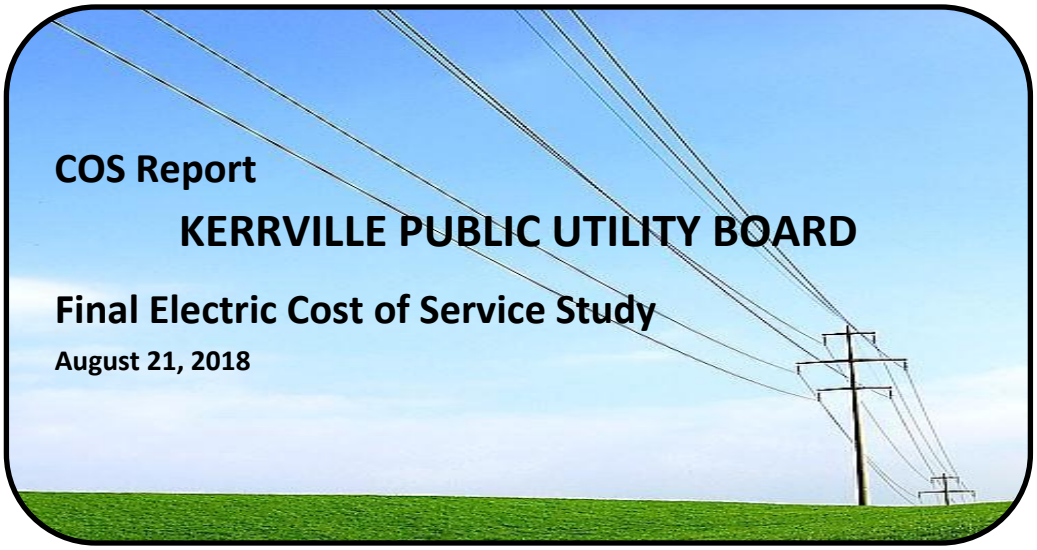
		Customer Charge	Distribution All KWh's	Distribution All KW	Power Supply Primary	*Calc by Utility Formula* Estimated PCAF
Proposed Rate						
Winter Rate	Meter Charge	$ 74.00	$ 0.00442	$ 6.50	$ 0.02720	$ 0.01360
Summer	Meter Reading Charge	$ 32.00	$ 0.00442	$ 6.50	$ 0.02720	$ 0.01360
	Billing Charge	$ 74.00				
	Total	**$ 180.00**				

Cost of Service	**273.97**

Total Without Contract Rates

Current Revenues	360,462
Proposed Revenues	368,260
Percentage Change	2.2%





COS Report

KERRVILLE PUBLIC UTILITY BOARD

Final Electric Cost of Service Study

August 21, 2018

Utility Financial Solutions, LLC

Specializing in Cost of Service,
Rate Design, and Financial Analysis

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Utility Financial Solutions, LLC

January 10, 2018

Mr. Mike Wittler
General Manager & CEO
Kerrville Public Utility Board
2250 Memorial Blvd.
Kerrville, TX 78028

Dear Mr. Wittler:

We are pleased to present this executive summary report for an electric cost of service, financial projection and rate design study for Kerrville Public Utility Board (KPUB). This report was prepared to provide KPUB with a comprehensive examination of its existing rate structure by an outside party.

The specific purposes of this cost of service rate study are:

1) Determine electric utility's revenue requirements for 2018
2) Identify cross-subsidies that may exist between rate classes
3) Identify the appropriate monthly customer charge for each customer class
4) Develop retail rates to be implemented in 2019

This report includes results of the electric cost of service and unbundling study and recommendations on future rate designs. Specific recommendations included in this report are:

1) Rate adjustments that are based the utilities ability to meet three factors listed below:
    - Debt Coverage Ratio
    - Minimum Cash Reserves
    - Optimal Net Income
2) Rate adjustments that are designed to provide the overall recommendation and within a bandwidth for each customer class based on the cost of service study completed by Utility Financial Solutions (UFS).
    - Recommend rates be designed to provide the Board's recommended rate adjustment within a bandwidth for each customer class based on cost of service results.
    - Recommend monthly customer charge variances between cost of service and actual be addressed in the proposed 2019 rates.

This report is intended for information and use by management for purposes stated above and is not intended to be used by anyone except the specified parties.

Sincerely,

Dawn Lund

Utility Financial Solutions, LLC
Dawn Lund
Vice-President

Utility Financial Solutions, LLC

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Introduction

This report was prepared to provide Kerrville Public Utility Board (KPUB) with an electric cost of service study and a comprehensive examination of its existing rate structure by an outside party. The specific purposes of the rate study are identified below:

1) ***Determine electric utility's revenue requirements for 2018 (Rate implementation 2019)***. The Electric Utility's revenue requirements were projected for the period from 2018 – 2022 and included adjustments for the following:
    a. Anticipated power costs
    b. Anticipated annual sales growth
    c. Five-year capital improvement plan

2) ***Identify cross-subsidies that may exist between rate classes.*** Cross-subsidies exist when certain customer classes subsidize the electric costs of other customers. The rate study identifies if cross-subsidies exist and practical ways to reduce the subsidies. The cost of service study was completed using 2018 projected revenues and expenses. The financial projections are for the period from 2018 – 2022.

3) ***Recommend rate adjustments needed to meet targeted revenue requirements.*** The primary purpose of this rate study is to identify appropriate revenue requirements and the rate adjustments needed to meet targeted revenue requirements. The report includes a long-term rate track for KPUB to help ensure the financial stability of the utility in future years.

4) ***Unbundled electric rates.*** The cost of providing electricity to customers consists of a number of components, including power supply, distribution, customer services, and transmission. Electric unbundling identifies the cost of each component to assist the utility in preparing for electric restructuring, understanding its cost structure and developing special rate forms for customers such as net metering rates, standby rates, and time of use rates.

5) ***Identify the appropriate monthly customer charge for each customer class.*** The monthly customer charge consists of fixed costs to service customers that do not vary based on the amount of electricity used.

KPUB retained Utility Financial Solutions (UFS) to review the above items and make recommendations on the appropriate course of action. This report includes results of the electric cost of service and unbundling study, recommendations on future rate designs and potential rate structures for customers to help lower power supply costs and customer bills.

Cost of Service Summary Results

The completed cost of service study will determine costs of providing service to each class of customer and help assist in design of electric rates for customers. The cost of service study consists of the following general steps:

1) Determine utility revenue requirements for 2018 using KPUB 2016, YTD 2017 and Budget 2018
2) Classify utility expenses into common cost pools
3) Allocate costs to customer classes based on the classes' contribution to utility expenses
4) Compare revenues received from each class to the cost of service

Table One below is a cost of service summary which compares projected costs to serve each customer class with projected revenues expected from each customer class. The "% change" column is an adjustment that is necessary to meet projected cost of service requirements.

Table One – Cost of Service Summary – Without Rate Adjustments

Customer Class	Cost of Service	Projected Revenues	% Change
Residential	$ 23,360,415	$ 22,776,298	3%
Outdoor Area Lighting	219,649	218,468	1%
Street Lighting	291,114	286,336	2%
Commercial Service	14,955,051	14,847,944	1%
Large Commercial Service Primary	544,238	553,746	-2%
Large Commercial Service Secondary	1,035,490	1,012,998	2%
Contract Secondary	2,234,939	2,038,832	10%
Contract Primary	378,218	355,270	6%
Total	**$ 43,019,115**	**$ 42,089,892**	**2.2%**

The study indicates an overall 2.2% adjustment from current rates to meet revenue requirements. The actual recommended adjustment and rate track is discussed on page 19.

Utility Revenue Requirements

Revenue requirements for KPUB were projected for 2017 based on 2016 actual expenses with adjustments made for known changes. Revenues for 2018 were analyzed with adjustments made to actual to reflect projected operating characteristics. Detailed descriptions of the methodology are included in the section "Summary of Significant Assumptions". The table below is a summary of the financial projection based on the following assumptions:

1. Capital improvement plan was provided by KPUB
2. Power Supply projected annual increases provided by KPUB
3. General Inflation rate of 2.6% on expenses
4. Growth 0% 2018-2022

KPUB is projected to have an operating income of $1.6 million in 2018 and decreases to an operating loss of $(214,102) in 2022 without rate adjustments.

Table Two – Projected Financial Statements – Without Rate Adjustments

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	City Transfer (%)	City Transfer $	Adjusted Operating Income	Projected Cash Balances	Restricted Funds	Total Cash	Capital Improvements	Bond Issues	Debt Coverage Ratio
2017	0.00%	38,686,111	37,658,063	3.0%	1,002,332	1,028,048	13,540,439	7,386,792	20,927,231	6,151,650		9.98
2018	0.00%	42,640,076	40,986,578	3.0%	1,144,078	1,653,497	7,534,055	7,386,792	14,920,847	10,728,295	-	12.06
2019	0.00%	43,399,211	42,375,780	3.0%	1,262,697	1,023,431	6,591,501	7,386,792	13,978,293	5,325,210	-	11.64
2020	0.00%	44,178,083	43,582,926	3.0%	1,285,471	595,157	6,633,023	7,386,792	14,019,815	5,183,414	-	11.25
2021	0.00%	44,977,207	44,800,233	3.0%	1,308,837	176,974	7,070,924	7,386,792	14,457,716	4,537,150	-	10.82
2022	0.00%	45,797,107	46,011,209	3.0%	1,332,811	(214,102)	8,255,441	7,386,792	15,642,233	3,537,150	-	10.38
Recommended Target in 2018						$ 2,582,720	$ 11,873,520					1.65
Recommended Target in 2022						$ 2,822,706	$ 12,470,290					1.65

1. Financial projections should be updated during the yearly budget process.
2. Cash balances include current cash and investments; the utility also holds $7.3 million in restricted reserves.
3. Capital plan for this base scenario includes the AMI Capital Plan.
4. Additional assumptions were used in developing the financial projections. Please see summary of significant assumptions on page 17.

DEVELOPMENT OF RECOMMENDED RATE TRACK:

When evaluating rates to charge customers, three factors must be considered:

1. Debt Coverage Ratio
2. Minimum Cash Reserves
3. Optimal Net Income

Each of these factors is discussed below:

1. **Debt Coverage Ratio** - Debt coverage ratios that are mandated by covenants established in the bond ordinance must be maintained to ensure KPUB maintains its bond rating and has the capacity to issue additional revenue bonds in the future if necessary. Typical bond coverage ratios require that cash generated from operations exceed 1.2 times the debt payments. The Utility should maintain a minimum coverage ratio of 1.2. Due to fluctuations in sales, mainly the result of weather, a safety factor is recommended to help ensure coverage ratios are met during low sales years. KPUB has an established target of 1.65 for financial projection purposes. This becomes the minimum target and rates must be established to meet the debt coverage ratio requirement.

   Table Three below contains projected debt coverage ratios from 2018–2022.

Table Three – Debt Ratio Coverage

Debt Coverage Ratio	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022
Add Net Income	$ 1,803,278	$ 1,148,953	$ 723,062	$ 308,154	$ (76,225)
Add Depreciation Expense	3,297,633	3,618,703	3,828,875	4,023,287	4,184,773
Add Interest Expense	151,316	145,543	138,448	130,055	120,325
Add Transfer to City	1,144,078	1,262,697	1,285,471	1,308,837	1,332,811
Cash Available for Debt Service	$ 6,396,305	$ 6,175,896	$ 5,975,856	$ 5,770,333	$ 5,561,683
Debt Principal and Interest	$ 530,316	$ 530,543	$ 530,448	$ 531,055	$ 531,325
Projected Debt Coverage Ratio (Covenants)	12.06	11.64	11.27	10.87	10.47
Minimum Debt Coverage Ratio	**1.65**	**1.65**	**1.65**	**1.65**	**1.65**

Debt Ratios are sufficient throughout the projection and no debt issuances are projected.

2) Minimum Cash Reserve Target -

Minimum cash reserves attempt to quantify the minimum amount of cash the utility should keep in reserve, actual cash reserves may vary substantially above the minimum and is dependent on the life cycle of assets that are currently in service. The methodology used in this report and adopted by KPUB is based on certain assumptions related to percent of operation and maintenance, rate base, capital improvements, and debt service. The establishment of minimum cash reserves should consider a number factors including:

- **Working Capital Lag** - Timing differences between when expenses are incurred, and revenues received from customers. Establishing a minimum cash reserve helps to ensure cash exists to pay expenses in a timely manner.
- **Investment in assets** – Catastrophic events may occur that require substantial amounts of cash reserves to replace damaged assets. Some examples of catastrophic events include ice storms, earthquakes, wind storms, floods, or tornadoes. Many of these catastrophic events may allow the utility to recover the cost of damages from FEMA; however, FEMA reimbursements can take between 6 months to 2 years to recover. The utility should ensure adequate cash reserves exist to replace the assets in a timely fashion. The minimum reserve levels are often combined with emergency funding from banks or bonding agencies.
- **Annual debt service** – Debt service payments do not occur evenly throughout the year and often occurs at periodic times typically every six months. The utility has to ensure adequate cash reserves exist to fund the debt service payment when the payment is due.
- **Capital improvement program** – Some capital improvements are funded through bond issuances and some through cash reserves. The establishment of a minimum cash reserve level helps to ensure timely replacement or construction of assets.

The minimum recommended cash reserve for KPUB is around $12 million. The projected cash balance (without restricted reserves) is below the minimum throughout the projection period. Table Four provides the minimum cash reserve calculation.

Table Four – Minimum Cash Reserves

	Percent Allocated	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022
Operation & Maintenance Less Depreciation Expense	12%	$ 1,044,447	$ 1,082,454	$ 1,109,280	$ 1,136,804	$ 1,165,044
Power Costs	12%	3,591,293	3,684,667	3,780,468	3,878,760	3,979,608
Historical Rate Base	1%	844,992	790,962	896,827	836,333	932,198
Current Portion of Debt Service Payment	100%	530,543	530,448	531,055	531,325	531,197
Five Year Capital Improvements - Net of bond proceeds	20%	5,862,244	5,862,244	5,862,244	5,862,244	5,862,244
Minimum Recommended Cash Reserve		**$ 11,873,520**	**$ 11,950,774**	**$ 12,179,874**	**$ 12,245,466**	**$ 12,470,290**
Projected Cash Reserves		**$ 7,534,055**	**$ 6,591,501**	**$ 5,568,024**	**$ 4,961,315**	**$ 5,121,713**

Cash reserves are below the minimum throughout the projection period.

Notes:

1. Operation & Maintenance expenses exclude power supply and depreciation expense
2. Power Costs is total power supply
3. Historical Rate base is historical investment in plant and equipment
4. Current Portion of Debt Service Payment is the principal and interest payment
5. Five Year CIP includes total sum of budgeted capital improvements for the next five years and excludes any capital improvements funded through debt issuances

3) **Optimal operating income targets** - The optimal target for setting rates is the establishment of a target operating income to help ensure the following:

   a. Funding interest expense and the inflationary increase on assets invested in the system
   b. Adequate rate of return on investment to help ensure current customers are paying their fair share of the use of the infrastructure and not deferring the charge to future generations.

As improvements are made to the system, the optimal operating income target will increase unless annual depreciation expense is greater than yearly capital improvements. The target established for 2018 is $2.6 million and increases slightly to $2.8 million by 2022.

Table Five - Optimal Operating Income Targets Compared to Projected

	Percent Allocated	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022
Outstanding Principal on Debt	3.4%	151,316	145,543	138,448	130,055	120,325
Contributed Capital Estimated	0.0%	-	-	-	-	-
System Equity	6.0%	2,431,404	2,556,894	2,661,686	2,716,578	2,702,381
Target Operating Income		**$ 2,582,720**	**$ 2,702,437**	**$ 2,800,134**	**$ 2,846,634**	**$ 2,822,706**
Projected Operating Income		**$ 1,653,497**	**$ 1,023,431**	**$ 595,157**	**$ 176,974**	**$ (214,102)**
Rate of Return in %		**5.7%**	**5.8%**	**5.8%**	**5.9%**	**5.9%**

Projected operating income is below targets throughout the period.

COST OF SERVICE RESULTS

Table Six below shows the average cost of service per kWh and compares that cost to the average revenue per kWh for each customer class.

Table Six - Average Cost per kWh compared with Average Revenue per kWh

	Average Cost per kWh	
Customer Class	Cost of Service	Current Charge per kWh
Residential	$ 0.0895	$ 0.0758
Outdoor Area Lighting	$ 0.1899	$ 0.1104
Street Lighting	$ 0.1899	$ 0.4027
Commercial Service	$ 0.0912	$ 0.0762
Large Commercial Service Primary	$ 0.0597	$ 0.0532
Large Commercial Service Secondary	$ 0.0677	$ 0.0608
Contract Secondary	$ 0.0691	$ 0.0570
Contract Primary	$ 0.0666	$ 0.0634

DISTRIBUTION RATES

Separation of distribution cost helps identify distribution charges for each customer class and the fixed monthly customer charge for customers and to ensure the utility recovers its operational costs. Distribution rates include separation of the following costs:

1) Operation and maintenance of distribution & transmission system
2) Contributions to City
3) Customer service
4) Customer accounting
5) Meter reading
6) Billing
7) Meter operation & maintenance
8) Administrative expenses

The distribution rates consist of two components:

1) Monthly customer charge to recover the costs of meter reading, billing, customer service, and a portion of maintenance and operations of the distribution system.
2) Distribution rate based on billing parameter, (KW or kWh) to recover the cost to operate and maintain the distribution system. The table below identifies the cost-based distribution rates for customer classes.

Distribution rates by customer are listed in Table Seven:

Table Seven– Distribution Rates by Customer Class

Customer Class	Monthly Customer Charge	Distribution Rate	Billing Basis	Contribution to City	Billing Basis
Residential	14.88	0.0134	kWh	0.0024	kWh
Outdoor Area Lighting	3.45	0.0134	kWh	0.0031	kWh
Street Lighting	9.51	0.1975	kWh	0.0112	kWh
Commercial Service	30.66	6.09	KW	0.76	KW
Large Commercial Service Primary	385.98	4.49	KW	0.93	KW
Large Commercial Service Secondary	497.33	4.50	KW	0.81	KW
Contract Secondary	166.27	4.17	KW	0.70	KW
Contract Primary	273.97	3.77	KW	0.65	KW

Delivery of electricity consists of many components that bring electricity from the power supply facilities to the communities and eventually into customer facilities. The facilities consist of four major components: transmission, distribution, customer-related services, and administration. Following are general descriptions of each of these facilities and the sub-breakdowns within each category.

Transmission

The transmission system is comprised of four types of subsystems that operate together:

1) Backbone and inter-tie transmission facilities are the network of high voltage facilities through which a utility's major production sources are integrated.
2) Generation set-up facilities are the substations through which power is transformed from a utility's generation voltages to its various transmission voltage
3) Sub-transmission plant consists of lower voltage facilities to transfer electric energy from convenient points on a utility's backbone system to its distribution system
4) Radial transmission facilities are those that are not networked with other transmission lines but are used to serve specific loads directly.

Operation of the transmission system also consists of providing certain services that ensure a stable supply of power. These services are typically referred to as ancillary services. The Federal Energy Regulatory Commission (FERC) has defined six ancillary service charges for the use of transmission facilities:

Ancillary Service Charges:
Regulation and Frequency Response Service
Energy Imbalance Charges
Operating Reserves Spinning
Operating Reserves Supplemental
Power losses from use of transmission system

Terminology of Cost of Service

FUNCTIONALIZATION – Cost data arranged by functional category (e.g. power supply, transmission, distribution

CLASSIFICATION – Assignment of functionalized costs to cost components (e.g. demand, energy and customer related).

ALLOCATION – Allocating classified costs to each class of service based on each class's contribution to that specific cost component.

DEMAND COSTS – Costs that vary with the maximum or peak usage. Measured in kilowatts (kW)

ENERGY COSTS – Costs that vary over an extended period of time. Measured in kilowatt-hours (kWh)

CUSTOMER COSTS – Costs that vary with the number of customers on the system, e.g. metering costs.

DIRECT ASSIGNMENT – Costs identified as belonging to a specific customer or group of customers.

Distribution System

The distribution facilities connect the customer with the transmission grid to provide the customer with access to the electrical power that has been generated and transmitted. The distribution plant includes substations, primary and secondary conductors, poles, and line transformers that are jointly used and in the public right-of-way.

Substations typically separate the distribution plant from the transmission system. The substation power transformer "steps down" the voltage to a level that is more practical to install on and under City streets.

Distribution system provides primary circuits with voltages between 12.47 kV and 4.16 kV. Secondary circuits are 480 volts and less.

Distribution Customer Types

Sub-transmission customers are served directly from the substation feeder and bypass both the secondary and primary distribution lines. The charges for this type of customer should reflect the cost of the substation and not include the cost of primary or secondary line charges.

Primary customers are typically referred to as customers who have purchased, owned, and maintained their own transformers that convert the voltage to the secondary voltage level. The rates for these customers should reflect the cost of substations and the cost of primary distribution lines and not include the cost of secondary line extensions.

Secondary customers have the services provided by the utilities directly into their facilities. The utility provides the customer with the transformer and the connection on the customers' facilities.

Customer-Related Services

Certain administrative-type services are necessary to ensure customers are provided service connections and disconnections in a timely manner and the facilities are in place to read meters and bill for customer usages. These services typically consist of the following components:

1) Customer Services – The cost of providing personnel to assist customers with questions and dispatch personnel to connect and disconnect meters.
2) Billing and Collections – The cost of billing and collections personnel, postage, and supplies.
3) Meter Reading – The cost of reading customers' meters.
4) Meter Operation and Maintenance – The cost of installing and maintaining customer meters.

Administrative Services

These costs are sometimes referred to as overhead costs and relate to functions that cannot be directly-attributed to any service. These costs are spread to the other services through an allocator such as labor, expenses, or total rate base. These costs may consist of Board Member expenses, property insurance, and wages for higher level management of the utility.

System Losses

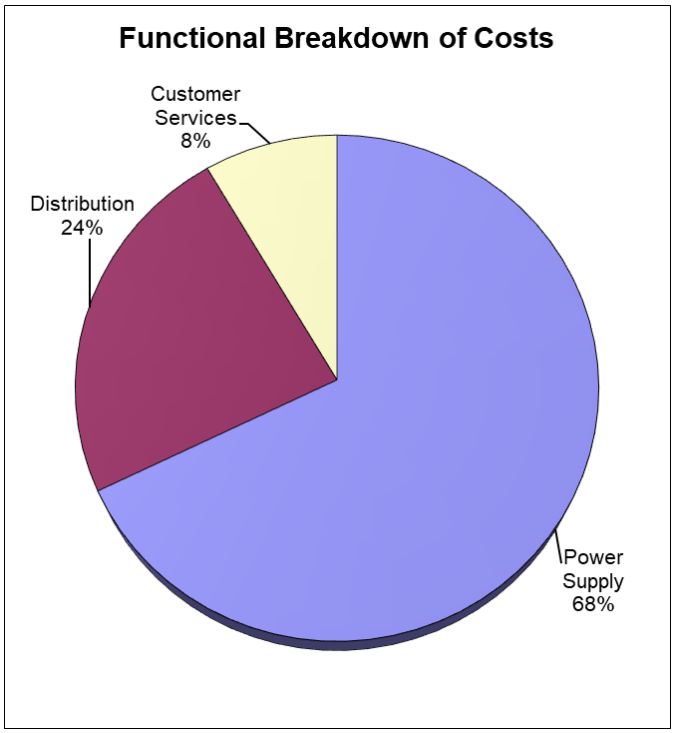
As energy moves through each component of the transmission and distribution system, some of the power is lost and cannot be sold to customers. Losses vary based on time of day and season. Typically, as system usage increases or ambient temperature increases, the percentages of losses that occur also increase. These losses are recovered from distribution customers through an analysis of the peak losses that occur in the system. The average system losses for KPUB are approximately 7.2%.

Unbundling Process

The cost of power supply, distribution, and customer services are identified as part of the unbundling process and are the first step in determining unbundled charges to customers. The total 2018 revenue requirements of $43.0 million are separated into three categories identified in the graph below.

Graph One – Breakdown of KPUB Cost Structure

Expense Type	Amount	Percent of Total
Power Supply	$ 29,197,504	67.9%
Distribution	10,156,106	23.6%
Customer Services	3,665,505	8.5%
Totals	**$ 43,019,115**	**100%**

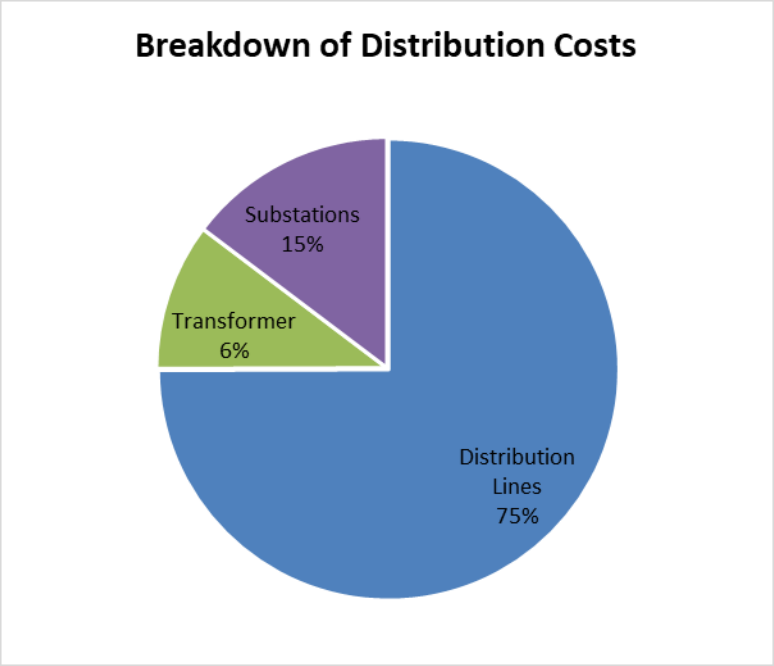


KPUB is projected to expend 68% of its total costs toward power supply from purchased power costs. Distribution-related costs are 24%, customer service amounts to 8%. These components are broken down into each of the subcomponents and are identified in the following sections.

Distribution Breakdown

As stated earlier, distribution rates consist of different components; total distribution-related costs of $10.2 million for 2018 are broken down into the main components listed below, substations, transformers, transmission, and distribution lines.

Graph Two – Breakdown of Distribution Costs

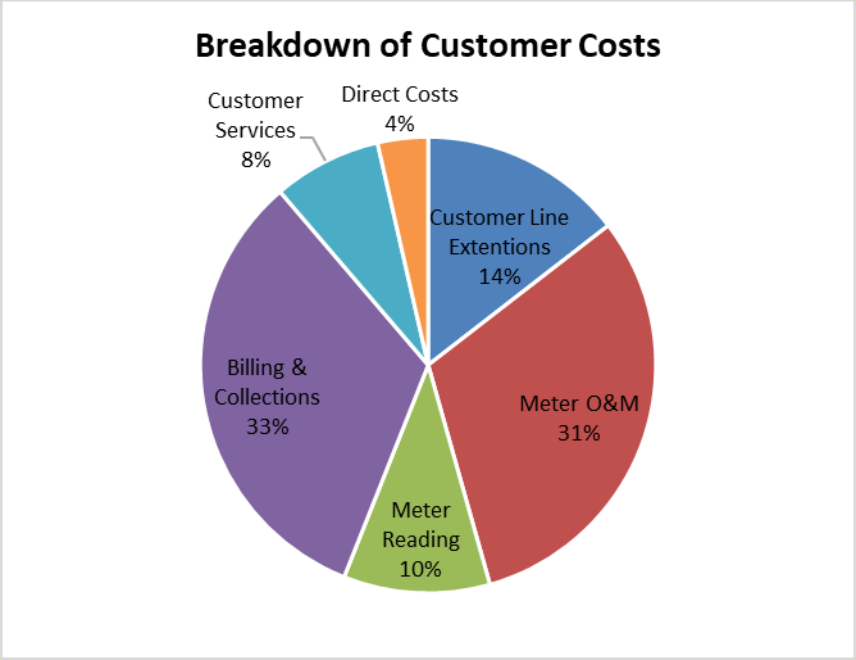


Each of these components are allocated to customer groups based on certain factors established in the study. These factors are based on the efficiency of each customer class and the time of day or the season the electricity is used. Other factors are also considered, such as the length of line extensions to reach certain customer classes. A complete list of allocators is included in the detailed section of this report.

Customer-Related Cost Breakdown

KPUB total expenses for customer-related costs are $3.7 million for 2018. The cost is broken down into the following components.

Graph Three – Breakdown of Customer Costs



Each cost is broken down by customer class and additional detail of the breakdown is included in the detailed analysis section of this report.

Power Supply Cost Breakdown

The table below identifies the average cost of providing power supply to customers of KPUB.

Table Eight - Power Supply Cost by Customer Class

	Summer		Winter	
Customer Class	Demand	Energy	Demand	Energy
Residential	0.0240	0.0335	0.0272	0.0357
Outdoor Area Lighting	-	0.0335	-	0.0358
Street Lighting	-	0.0335	-	0.0358
Commercial Service	10.09	0.0335	6.26	0.0359
Large Commercial Service Primary	9.34	0.0320	8.36	0.0346
Large Commercial Service Secondary	8.90	0.0335	7.97	0.0359
Contract Secondary	8.45	0.0335	7.62	0.0358
Contract Primary	7.80	0.0320	7.28	0.0347

Combined Cost Summary

The table below identifies the cost of service rates for each customer class. Charging these rates would directly match the cost of providing service to customers identified in this study; and are not recommended to be fully implemented in the first year. The study showed the Customer Charges need to be increased significantly in all classes. For example, the residential class identified a $14.88 monthly customer charge compared to the current charge of $5.26. Any future rate designs should be designed to moved slowly over time to work towards the cost to serve rate. The actual rate design will vary based on impacts to customers.

Table Nine – Total Costs by Customer Class

			Power Supply	
Customer Class	Customer Charge	Distribution Charges	Demand - kW	Energy - kWh's
Residential	14.88	0.0158		0.0609
Outdoor Area Lighting	3.45	0.0165		0.0350
Street Lighting	9.51	0.2087		0.0351
Commercial Service	30.66	6.85	7.62	0.0350
Large Commercial Service Primary	385.98	5.42	8.73	0.0336
Large Commercial Service Secondary	497.33	5.31	8.29	0.0350
Contract Secondary	166.27	4.87	7.91	0.0350
Contract Primary	273.97	4.42	7.48	0.0336

Significant Assumptions

This section outlines the procedures used to develop the cost of service and unbundling study for KPUB and the related significant assumptions.

Forecasted Operating Expenses

Forecasted expenses were based on actual 2016, YTD 2017 and Budget 2018. The table below is a summary of the expenses used in the analysis.

Actual and Projected Operating Expenses for 2016 – 2022

	Actual 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022
Expenses							
Purchased Power	21,936,659	26,520,839	29,197,504	29,956,639	30,735,512	31,534,635	32,354,535
Distribution	2,614,566	2,661,628	2,720,184	2,790,908	2,863,472	2,937,922	3,014,308
Customer Accounting	824,902	839,750	858,224	880,538	903,432	926,921	951,021
Customer Service & Information	128,809	131,127	134,012	137,496	141,071	144,739	148,502
Administrative and Other	3,469,624	3,532,078	3,609,783	3,703,638	3,799,932	3,898,730	4,000,097
Franchise Fee - City of Ingram	25,161	25,161	25,161	25,161	25,161	25,161	25,161
Payment In-Lieu-of-Taxes	1,122,252	1,002,332	1,144,078	1,262,697	1,285,471	1,308,837	1,332,811
Depreciation & Amortization	2,801,802	2,945,148	3,297,633	3,618,703	3,828,875	4,023,287	4,184,773
Total O&M	**$ 32,923,774**	**$ 37,658,063**	**$ 40,986,578**	**$ 42,375,780**	**$ 43,582,926**	**$ 44,800,233**	**$ 46,011,209**

Load Data

Load data is one of the most critical components of a cost of service study. Information from billing statistics was combined with KPUB load data to determine usage patterns of each customer class.

Forecasted Sales Forecast

Forecasted sales were projected using 0% growth.

System Loss Factors

Losses occurring from the transmission and distribution of electricity can vary from year to year depending upon weather and system loading.

Revenue Forecast

The revenue forecast was based on 2016 usages adjusted for projected changes.

Capital Plan

The capital plan below was provided by KPUB

Projected Capital Improvements for 2018 – 2022

Fiscal Year	Projected Capital Improvement
2018	10,728,295
2019	5,325,210
2020	5,183,414
2021	4,537,150
2022	3,537,150

Recommendations

1) The cost of service study indicates current revenues are 2.2% below current revenue requirements and a rate adjustment is recommended for 2019 and beyond. The rate track indicates a 2.2% increase should be considered in 2019, with additional 2% adjustment in 2021. The actual rate track may differ as expenses and capital costs materialize throughout the projection period.

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	City Transfer (%)	City Transfer $	Adjusted Operating Income	Projected Cash Balances	Restricted Funds	Total Cash	Capital Improvements	Bond Issues	Debt Coverage Ratio
2017	0.00%	38,686,111	37,658,063	3.0%	1,002,332	1,028,048	13,540,439	7,386,792	20,927,231	6,151,650		9.98
2018	0.00%	42,640,076	40,986,578	3.0%	1,144,078	1,653,497	7,534,055	7,386,792	14,920,847	10,728,295	-	12.06
2019	2.20%	44,325,188	42,375,780	3.0%	1,262,697	1,949,409	7,517,478	7,386,792	14,904,270	5,325,210	-	13.39
2020	0.00%	45,104,061	43,610,706	3.0%	1,313,250	1,493,356	7,396,830	7,386,792	14,783,622	5,183,414	-	13.02
2021	2.00%	46,794,262	44,828,012	3.0%	1,336,616	1,966,250	8,588,541	7,386,792	15,975,333	4,537,150	-	14.30
2022	0.00%	47,614,162	46,065,721	3.0%	1,387,322	1,548,442	10,529,618	7,386,792	17,916,410	3,537,150	-	13.92
Recommended Target in 2018						**$ 2,582,720**	**$ 11,873,520**					**1.65**
Recommended Target in 2022						**$ 2,822,706**	**$ 12,476,995**					**1.65**

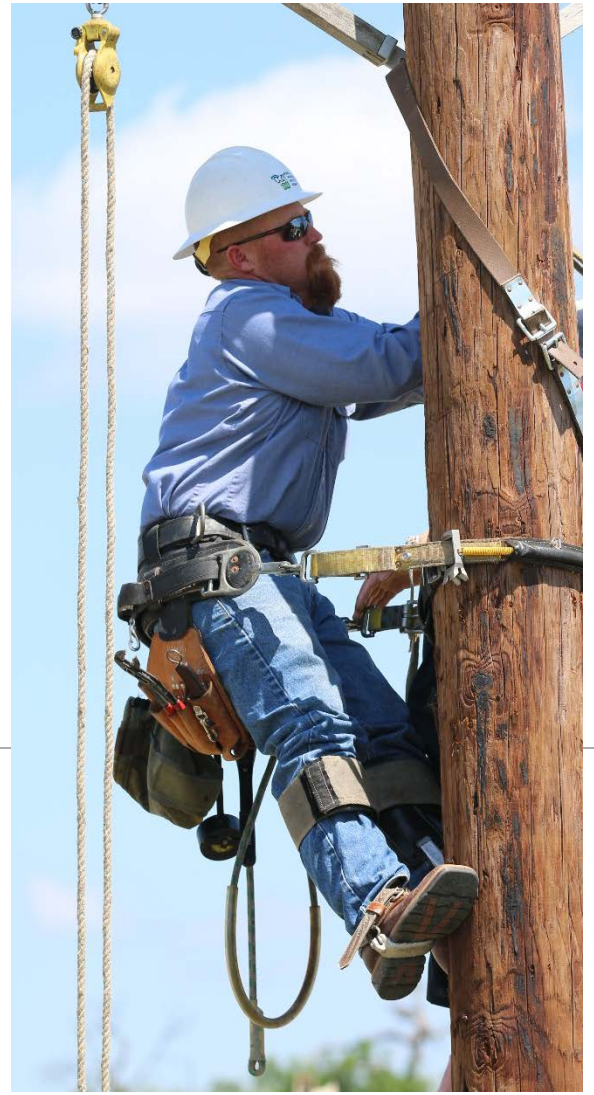
2) The cost of service study indicates that some customer classes are paying above cost of service and some below cost of service. It is recommended rates be designed with a plus or minus 2.0% bandwidth using the table below for guidance. The recommended rate adjustment for 2019 is 2.2%.

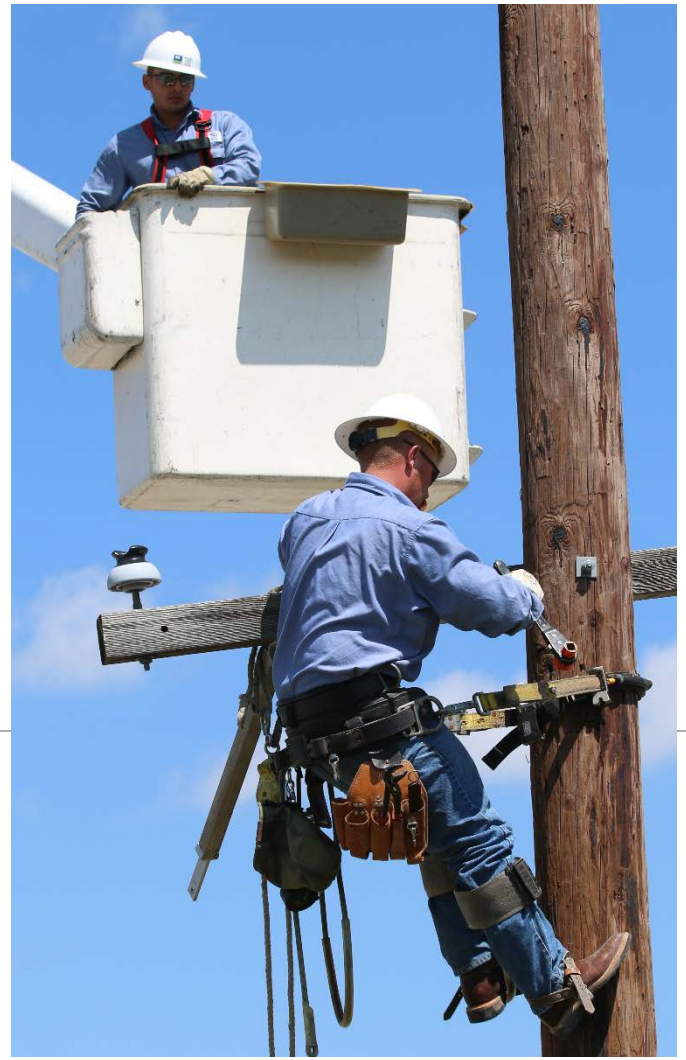
Customer Class	Cost of Service	Projected Revenues	% Change
Residential	$ 23,360,415	$ 22,776,298	3%
Outdoor Area Lighting	219,649	218,468	1%
Street Lighting	291,114	286,336	2%
Commercial Service	14,955,051	14,847,944	1%
Large Commercial Service Primary	544,238	553,746	-2%
Large Commercial Service Secondary	1,035,490	1,012,998	2%
Contract Secondary	2,234,939	2,038,832	10%
Contract Primary	378,218	355,270	6%
Total	**$ 43,019,115**	**$ 42,089,892**	**2.2%**

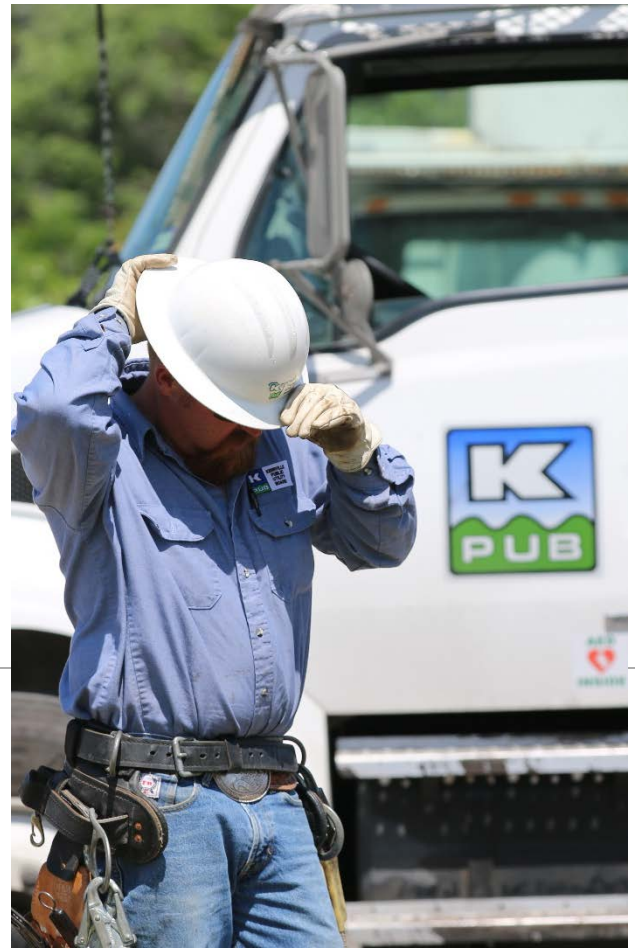
APPENDIX A

Rate Design Report Under Separate Cover

Kerrville Public Utility Board







Safety. Our Way of Life.

Proposed Residential Rate Increase

KERRVILLE PUBLIC UTILITY BOARD

SEPTEMBER 25, 2018

Cost of Service Study

- Analyze cost to serve each class
- Five year financial projection of operating income, cash balance, and debt service coverage
- Declining operating income
- Recommended 2.2% Overall Rate Increase in first year with a projected 2% increase in the future

Rate Design

- Detailed Analysis of the Current Rate Structure
- Recommends New Rates to meet cost of service and correct rate class cross subsidization

Proposed Rate Adjustments

Kerrville Public Utility Board
Final 2019 Rate Design

Customer Class	Current Revenues	Proposed Revenue	Percent Change
Residential	$ 19,795,879	$ 20,309,870	2.6%
Outdoor Area Lighting	245,730	248,187	1.0%
Street Lighting	264,529	269,820	2.0%
Commercial Service	12,503,020	12,689,864	1.5%
Large Commercial Service Secondary	930,180	948,361	2.0%
Large Commercial Service Primary	484,673	495,341	2.2%
Contract Secondary	1,844,039	1,921,134	4.2%
Contract Primary	360,462	368,260	2.2%
Total	**36,428,514**	**$ 37,250,837**	**2.2%**

Customer Service Charge

- Currently at $5.26
- Cost of service is $14.88
- KPUB plans getting to Cost of Service in two steps
- Proposed Customer Charge is $10.25
- Total kWh charges going down from $0.08224 to $0.08014
- Low usage customers paying less than their fair share to serve them

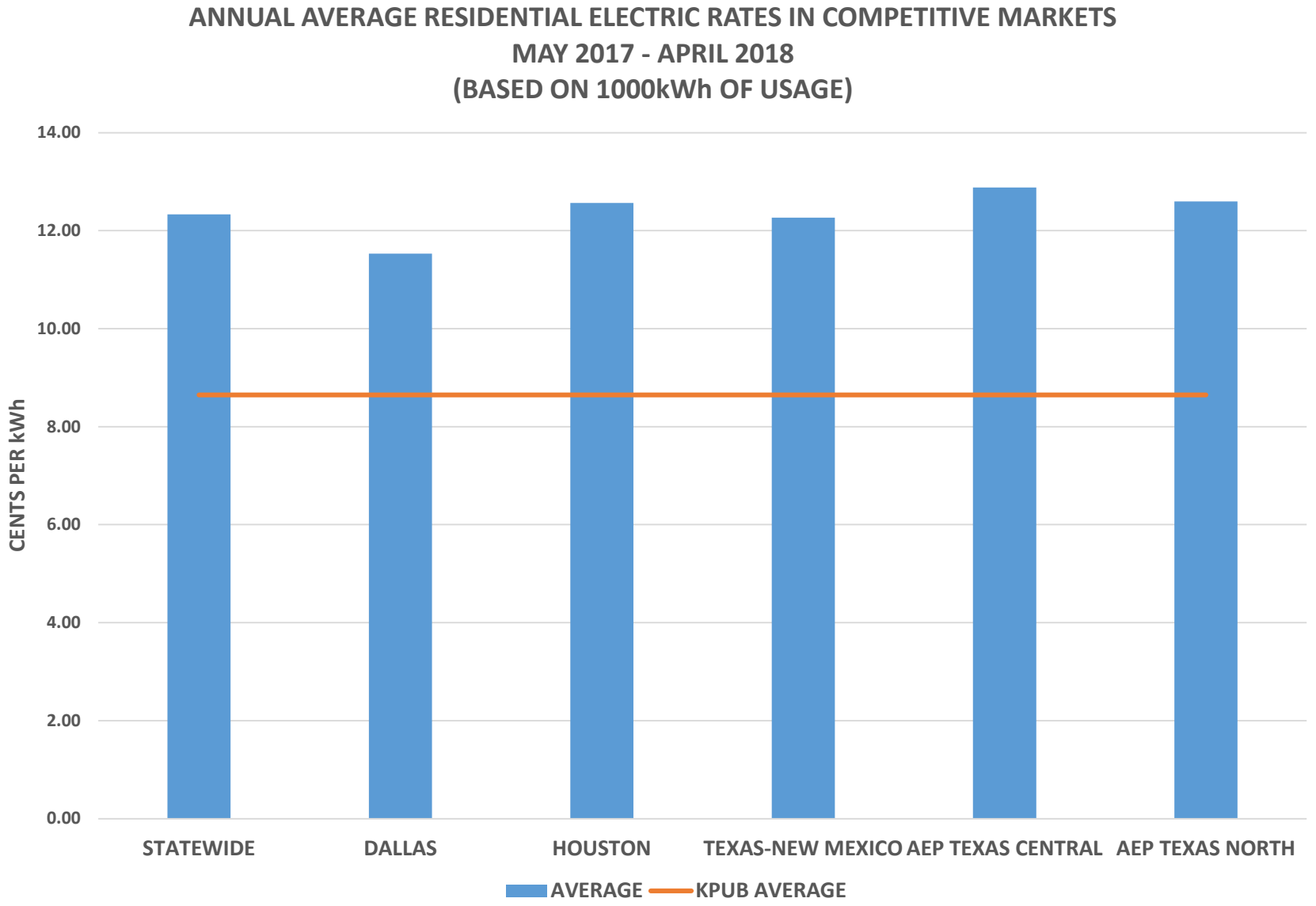
Residential Average Monthly Dollar Impact

Usage	From	To	Current Increase
100	$ 13.48	$ 18.26	$ 4.78
300	29.93	34.29	4.36
500	46.38	50.32	3.94
700	62.83	66.35	3.52
900	79.28	82.38	3.10
1100	95.72	98.40	2.68
1300	112.17	114.43	2.26
1500	128.62	130.46	1.84
1700	145.07	146.49	1.42
1900	161.52	162.52	1.00
2100	177.96	178.54	0.58
2300	194.41	194.57	0.16
2500	210.86	210.60	(0.26)
2700	227.31	226.63	(0.68)
2900	243.76	242.66	(1.10)
3100	260.20	258.68	(1.52)

City of Kerrville Ordinance No. 2018-22

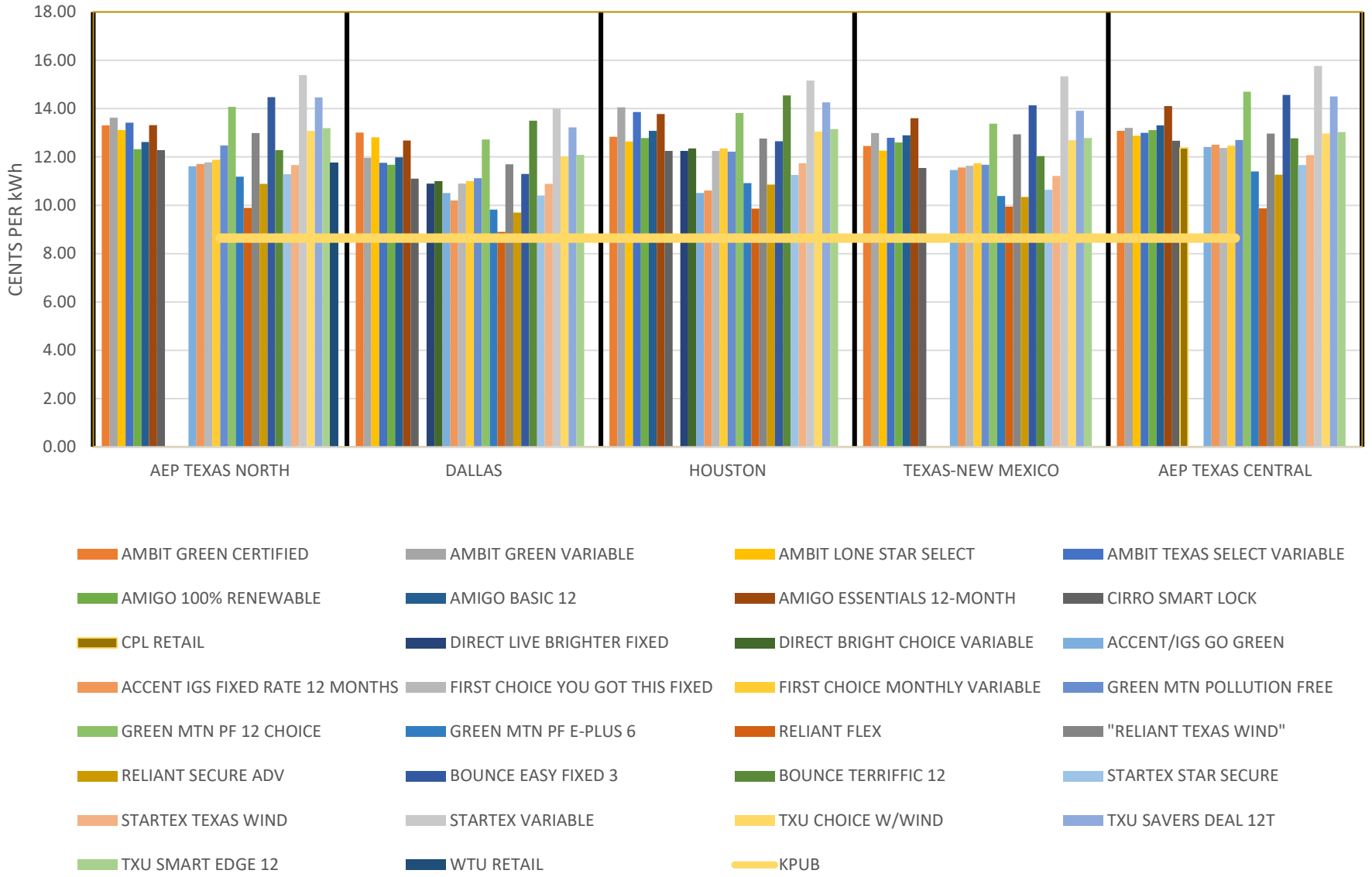
- 2.6% Residential Rate Increase
- 1% Outdoor Area Lighting Rate Increase
- Revised Miscellaneous Service Fees
- LMI Solar
- Minor adjustments to Rider PCAF, Rider DG

Questions?

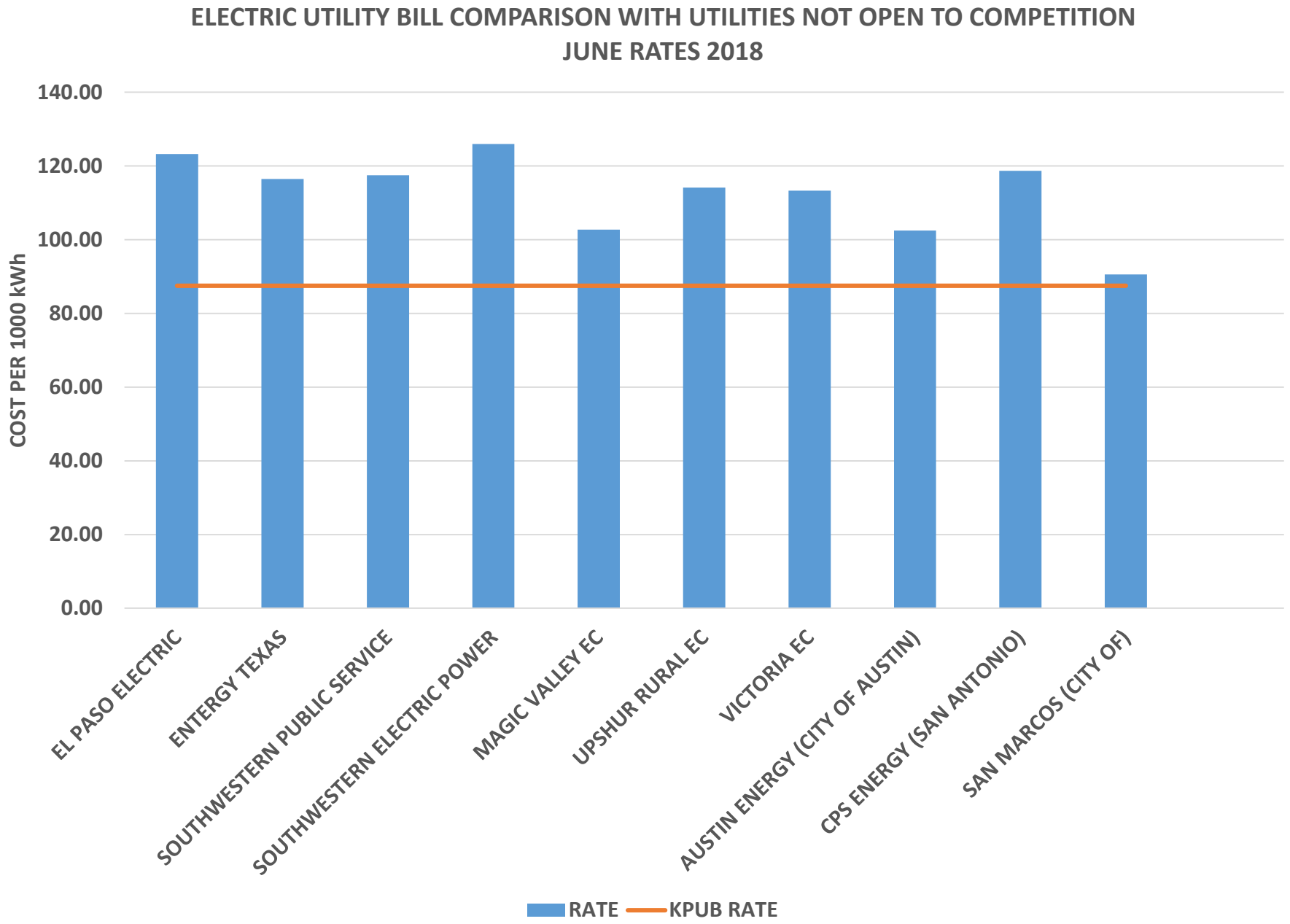


DATA SOURCE: PUBLIC UTLITY COMMISSION OF TEXAS COMPETITIVE MARKETS DIVISION RETAIL ELECTRIC SERVICE RATE COMPARISON JUNE 2016.
KPUB DATA REPORTED AS ANNUAL AVERAGE RESIDENTIAL RATE FOR MAY 2017 - APRIL 2018.

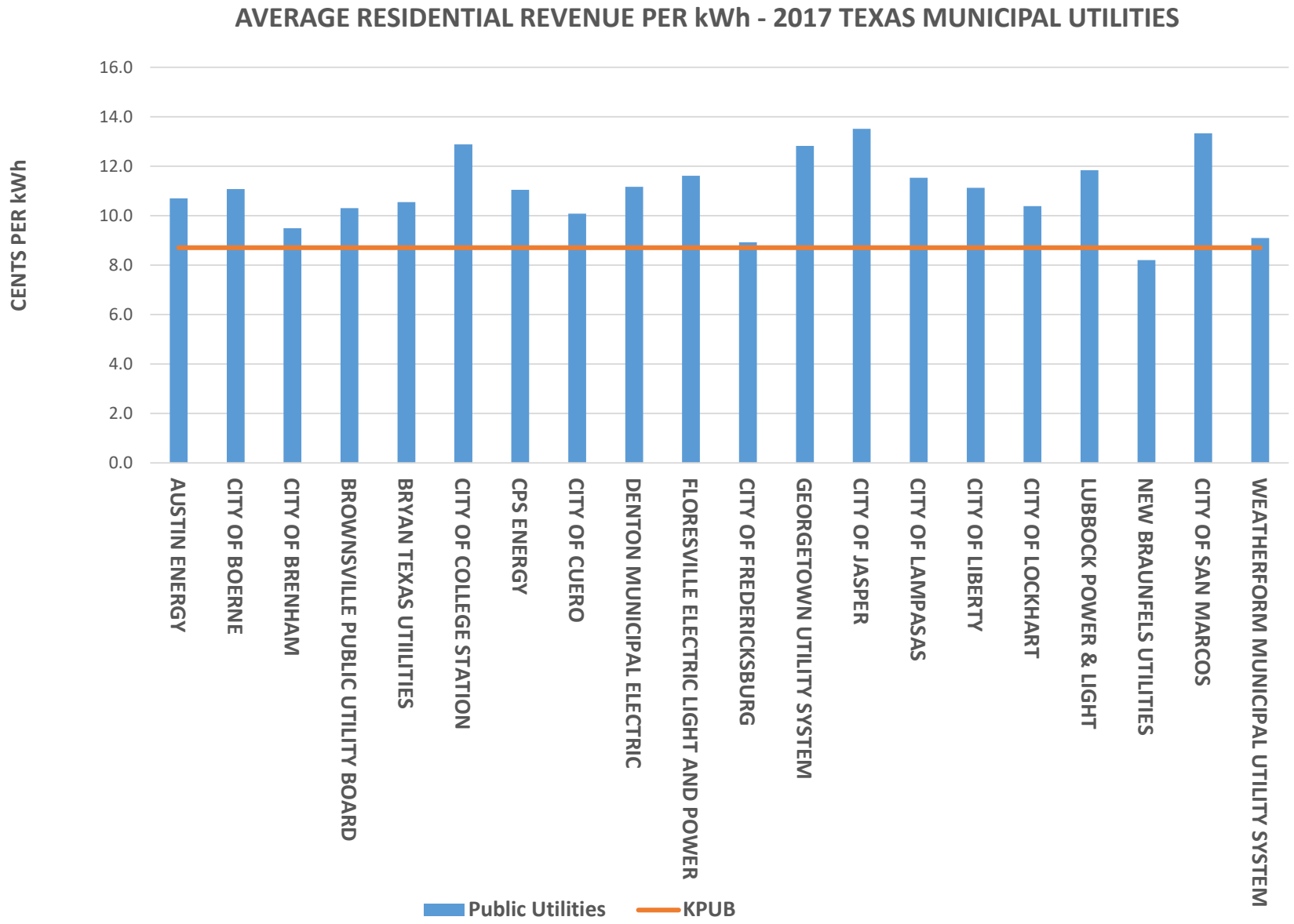
ANNUAL RESIDENTIAL ELECTRIC RATES IN COMPETITIVE MARKETS
MARCH 2017 THROUGH APRIL 2018
(BASED ON 1000 kWh OF USAGE)



DATA SOURCE: PUBLIC UTILITY COMMISSION OF TEXAS COMPETITIVE MARKETS DIVISION RETAIL ELECTRIC SERVICE RATE COMPARISONS.
KPUB DATA REPORTED AS ANNUAL AVERAGE RESIDENTIAL RATE – APRIL 2018 BILL COMPARISON.



DATA SOURCE: PUBLIC UTILITY COMMISSION OF TEXAS RATE REGULATION DIVISION ELECTRIC UTILITY BILL COMPARISON JUNE 2018



DATA SOURCE: U.S. DEPARTMENT OF ENERGY, ENERGY INFORMATION ADMINISTRATION, FORM E1A-861, 2017 DATA. **This is an early release of the final EIA-861 data for calendar year 2017.** The early release is provided for the express purpose of providing immediate access to individual utility data for analysts who use this type of information. The data has not been fully edited and is inappropriate for aggregation, such as to state or national totals.

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

SUBJECT: Amendments to Procedural Rules for Meetings for City Council.

AGENDA DATE OF: 9/25/2018 **DATE SUBMITTED:** 9/20/2018

SUBMITTED BY: Mike Hayes
City Attorney

EXHIBITS: Procedural Rules for Meetings for City Council

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?		**Yes:** ☐	**No:** ☒
Key Priority Area	N/A		
Guiding Principle	N/A		
Action Item	N/A		

SUMMARY STATEMENT:

The City Council reviewed the Procedural Rules for Meetings at their September 18, 2018 workshop, and requested amendments.

RECOMMENDED ACTION:

Approve amendments.

D R A F T 9/19/18

PROCEDURAL RULES FOR MEETINGS
KERRVILLE CITY COUNCIL

SECTION ONE. GENERAL PROVISIONS

Rule 1.1 Scope of Rules; Intent. These rules govern the conduct of the Council and shall be interpreted to ensure fair and open deliberations and decision-making. The rules are intended to promote and maintain courtesy, civility, and collegiality during meetings.

Rule 1.2 Technical Parliamentary Forms Abolished. Except as specifically required by these rules, Council shall not use any formal points of parliamentary order, personal privilege, parliamentary inquiry, or other technical forms.

Rule 1.3. Rulings; Matters Not Covered. Rulings on procedure are governed by the presiding officer or by a majority of Council, which would prevail. Section 3.02 of the City Charter provides the following basis for this:

> *The Mayor shall preside at meetings of the Council and shall exercise such other powers and perform such other duties as are or may be conferred and imposed upon him by this Charter and the ordinances of the City.*

Any matter or order or procedure not covered by these rules may be deferred to the presiding officer or legal counsel, as appropriate.

Rule 1.4 Interpretation. These rules are intended to supplement and shall be interpreted to conform to the statutes of the State of Texas and the Charter and ordinances of the City of Kerrville. In general, these rules shall be interpreted to allow the majority to prevail but preserve the right of the minority to be heard.

Rule 1.5. Authority to Change and Adopt Rules of Procedure. Adoption and/or modification of rules governing City Council meetings is addressed in Section 3.04 of the Charter, which provides the following with respect to rules of procedure:

> *…The Council shall determine its own rules and order of business and keep a journal of its proceedings. It shall have power to compel the attendance of absent members, may punish its members for disorderly behavior, and by vote of not less than a majority of all its members, expel from a meeting a member for disorderly conduct for the violation of its rules; but no member shall be expelled from a meeting unless notified of the charge against him and given an opportunity to be heard in his own defense.*

SECTION TWO. TIME AND PLACE OF MEETING

Rule 2.1. Regular Meetings. Scheduling regular meetings is governed by Section 3/01 of the Charter and Section 2-31 of Article II of the Code of Ordinances. Section 2-31 of Article II of the Code of Ordinances provides:

City Council will hold its regular meetings on the second and fourth Tuesdays of each month, beginning at 6:00 p.m. The council may, by majority vote at a regular meeting, change the days or times of meetings as circumstances may necessitate.

Rule 2.2. Special Meetings/Informal Events.

(a) *Special Meeting*. A "special meeting" of Council is defined as a meeting where at a minimum, City business will be deliberated. A Council workshop or special called business meeting are examples. Section 3.01 of the Charter provides:

> *Special meetings shall be called by the City Secretary upon request of the Mayor, the City Manager, or a majority of the members of the Council.*

Notwithstanding this section, any two Councilmember may request a special meeting. A request for a special meeting shall be filed with the City Secretary or City Manager in written/electronic format unless made at a regular meeting at which a quorum of Councilmembers is present. The City Manager and all Councilmembers shall be notified of all special meetings.

(b) *Informal event*. It is important that when more than two Councilmembers are invited or may attend any event or gathering where City business will be discussed, the event should be posted as a precautionary measure. Such "informal events" may include a town hall discussion, informational gathering, or a community event at which one or more Councilmembers may present information concerning public business or policy. Where a Councilmember believes that such an event may occur, the Councilmember may request that the City Secretary or City Manager post the event, which the City Secretary shall then do.

Rule 2.3. Quorum, Majority Voting. Quorum and majority voting are governed by Section 3.05 of the Charter, which provides:

A majority of all the members of the Council shall constitute a quorum to do business, but a less number may adjourn from time to time and compel the attendance of absent members in such manner and under such penalties as may be prescribed by ordinance. The affirmative vote of a majority of all the members of the Council shall be necessary to adopt any ordinance, resolution, or order; except that a vote to adjourn, or an action regarding the attendance of absent members, may be adopted by a majority of the members present.

SECTION THREE. AGENDA

Rule 3.1. Agenda Preparation; Councilmember Agenda Requests. The City Secretary shall prepare, post, and distribute notices of meetings and the assembled agenda packages. The City Manager is responsible for assembling the agenda package for each meeting. Any Councilmember wishing to have a matter heard at a City Council meeting shall make a written request, including via email, to the City Manager or City Secretary. The request shall contain a short summary

statement of the proposed presentation and be submitted before 5:00 p.m. Wednesday, the sixth day preceding such meeting. The City Manager must place a subject on the agenda if the subject is requested by the Mayor or a Councilmember. Other persons may request that the City Manager place an item on the agenda pursuant to Rule 3.3.

Rule 3.2. Consent Agenda. In preparing an agenda, the City Secretary may separately designate items as "Consent Agenda" which may be acted upon by the Council under Rule 6.5. The "Consent Agenda" shall consist of routine items, which in the City Secretary's determination, may be appropriately considered as a group, without separate discussion, at the Council meeting. Any item listed on the consent agenda may be removed by a member of Council or upon a request by staff or a member of the public.

Rule 3.3. Agenda Requests from Public. Any person wishing to have a matter heard at a City Council meeting shall make a written request, including via email, to the City Manager or City Secretary. The request shall contain a short summary statement of the proposed presentation and be submitted before 5:00 p.m. Monday, the eighth day preceding such meeting. Once the person's request has been placed on an agenda, neither that person nor anyone else may submit the item, or an item concerning a similar subject matter, for placement on an agenda for a period of one-hundred eighty (180) days unless the item was postponed to a future meeting or a Councilmember makes a written request for placement. This rule does not apply to the right to appeal or petition Council pursuant to City ordinance or other law.

Rule 3.4. Requests to Include or Exclude Items. Each request to include or exclude an agenda item shall be forwarded to all members of the Council at the time the request is submitted to the City Manager or City Secretary. When a Councilmember will be absent from a meeting, the Councilmember may request that an item not be included and such request shall not be unreasonably denied.

Rule 3.5. Council Action to Defer, Continue, or Not Act. A Councilmember wishing to withdraw, defer, or continue an item may make a motion to that effect. Such a motion shall be considered before any other action on that item.

Rule 4. Conduct of Meetings

Rule 4.1. Roll Call. Before proceeding with the business of the Council, the City Secretary shall make note of Members present, and enter those names in the minutes. The presiding officer shall determine the presence of a quorum as required by law and these rules.

Rule 4.2. Call to Order. The presiding officer shall call the meeting to order.

Rule 4.3. Presiding Officer. The Mayor, or in the Mayor's absence or inability to perform, the Mayor Pro Tem, shall be the presiding officer at all Council meetings. The presiding officer retains all rights and privileges of a Member of Council. If both the Mayor and Mayor Pro Tem are absent or unable to perform, the most senior Councilmember present shall preside. In the event two or more Members equally possess the greatest seniority then the eldest person among them shall preside.

Rule 4.4. Control of Discussion. The presiding officer shall control discussion of the Council on each agenda item to assure full participation in accordance with these rules, the City Charter and the Code of Ordinances. The presiding officer will preserve order and decorum, preventing the impugning of any member's motives or other personal comment not relevant to the orderly conduct of business. The presiding officer shall request that all speakers keep comments brief and relevant to the question before the Council. All persons present in the meeting room should eschew abusive, rude or inappropriate conduct. See Chapter 38 and Section 42.05 of the Texas Penal Code regarding the "hindering" or "disrupting" of official proceedings.

Rule 4.5. Order of Consideration of Agenda. Except as otherwise provided in these rules, each agenda item shall be considered in the numerical order as presented in the meeting agenda. Each agenda item shall be introduced by the presiding officer. To introduce an item, it shall be sufficient to identify the item by the number assigned to it on the agenda. However, as provided in Section 3.06(a) of the City Charter:

Ordinances and resolutions shall be introduced only in written form.

After a measure is introduced, the standard procedure for consideration will be as follows:

(1) Reading of the measure by the presiding officer (or other person designated by the presiding officer). Reading ordinances or resolutions by caption or summary is allowed if the full text is available as prescribed by the Charter. (Note: Section 3.06(a) of the Charter requires additional steps for ordinances: "No ordinance shall be passed until it has been read and voted upon in at least two regular meetings, except an emergency measure. The final reading of each ordinance shall be in full unless a written or printed copy thereof shall have been furnished to each member of the Council prior to such reading.")

(2) The City Manager or other person may present a staff statement or presentation with questions and discussion from City Council.

(3) Public Comments.

(4) Discussion.

(5) Motion and second.

(6) Vote.

(7) If a majority of Council votes against a motion, the Councilmember making the original motion may amend that motion for reconsideration. In addition, any Councilmember may make an alternate motion for consideration related to that agenda item.

In the absence of the objections of the presiding officer or a majority of Council, by consensus or vote, which would prevail, the Council may vary the standard procedure. Informal voting by voice or a show of hands shall be used at the discretion of the presiding officer, unless a Councilmember requests a roll call vote or a roll call vote is otherwise required by state law. In case of a tie, the motion fails. For purpose of this rule and others, "consensus" is defined as a majority of the Councilmembers present at the meeting.

Rule 4.6. Discussion; referenced document. A Councilmember shall speak only after being recognized by the presiding officer. A Councilmember recognized for a specific purpose shall limit remarks to that purpose. A Councilmember, after being recognized shall not be interrupted except by the presiding officer to enforce these rules. Anyone speaking shall be recognized by the presiding officer. Where a Councilmember plans to reference or cite a document that was not included as part of the agenda packet, the Councilmember should make copies for each Councilmember and provide the document to the entire Council as soon as possible and prior to the meeting. The Councilmember may seek the aid of the City Manager in complying with this provision.

Rule 4.7. Presiding Officer's Right to Enter into Discussion. The Mayor (or other presiding officer) as a Member of the Council may enter into any discussion.

Rule 4.8. Limit on Remarks. Each Councilmember shall limit his or her remarks to a reasonable length. Toward that end, each Councilmember is limited to five minutes of speaking time per agenda item at one time. The allotted time includes questions asked of staff and citizens and the corresponding responses.

Rule 4.9. Call for Vote. At the conclusion (or closure) of debate or discussion, the presiding officer shall call for a vote, provided however, a majority of the Council present may require a vote at any time.

SECTION FIVE. CITIZEN PARTICIPATION

Rule 5.1. Public Participation. Comments and suggestions by the public are highly valued and encouraged during those parts of a meeting designated for public participation. Speakers should register in advance and should limit their presentations to four minutes each. Speakers should direct all remarks and questions to the Council, who may refer them for investigation, response or other action. The "Texas Open Meetings Act" requires the City to post a notice, in advance, listing every topic or subject to be considered by the Council. This law may prevent the Council from considering a subject raised by a member of the public. In this case, the presiding officer may refer the matter, and the Council may direct that the matter be placed on the agenda for an upcoming meeting.

Rule 5.2. Manner of Addressing Council. A person desiring to address the Council shall step to the lectern or other alternate arrangement and state his or her name and address for the record before proceeding with comments. All comments from the public should be directed to the Council.

Rule 5.3. Total Time Limits. Those members of the public speaking on items both on the agenda and not on the agenda are limited to four minutes of speaking time. A person may speak only once on any agenda item. However, Applicants, or those persons having placed an item on the agenda seeking a specific answer from the Council, will be allowed ten minutes of total speaking time. Time limitations of this rule may be extended by the consensus of Council or pursuant to majority vote.

Rule 5.4. Remarks to be Germane/Non-redundant. Public comments must be kept relevant to the subject before the Council. The presiding officer shall rule on the relevance of comments. Persons making irrelevant, personal, impertinent, overly redundant or slanderous remarks may be barred by the presiding officer from further comment before the Council during the meeting.

Rule 5.5. Matters not on the Agenda. Under the Visitor/Citizens Forum item on the agenda, the first ten completed requests to speak under this item will be the maximum number of people that will be allowed to speak on items not specifically mentioned on the agenda. The maximum number of people allowed to speak may be increased by consensus of Council or pursuant to majority vote. Discussion of matters not on the agenda is prohibited by the Texas Open Meetings Act. Council may provide specific factual information in response to the inquiry, recite existing policy, or propose the placement of the issue on an upcoming meeting agenda.

SECTION SIX. COUNCIL ACTION

Rule 6.1. Motion Required. All action requiring a vote shall be moved by a Member of the Council. Each motion will require a second by another Member of the Council to be considered. A motion must be voted on or withdrawn before another motion for that same agenda item can be considered. Any Member of the Council can make an amendment to a motion. With a second, the amended motion is then voted on.

Rule 6.2. Motion to Reconsider. Except in case of a tie vote, a motion to reconsider may be made but only by a Councilmember who was on the prevailing side in the original action. This type of motion may only be made at the same meeting when the subject is considered. Rule 4.5 does not apply to this process.

Rule 6.3. Recording names of Moving Members. The City Secretary shall record the name of the Councilmember making each motion and corresponding second to the motion.

Rule 6.4. Separate Consideration. Except as otherwise required by these rules, each agenda item shall be voted upon separately and each separate vote shall be recorded by the City Secretary.

Rule 6.5. Action on Consent Agenda. Except as herein provided, the "Consent Agenda" shall be considered as a group without separate discussion on each item. When the Consent Agenda is introduced, each Councilmember has the right to remove any item, in which case the item is handled under Rule 4.5. After items are removed, the presiding officer shall ask the Members to indicate their votes on the remaining Consent Agenda items. The City Secretary shall record the votes on each item separately.

Rule 6.6. Consideration Out of Order. With the consensus of Council or pursuant to majority vote, any agenda item may be considered out of order, at the request of any Councilmember.

Rule 6.7. Council Appointments. The Council may consider and make appointments to City boards and commissions by either of the following procedures:

- By direct motion. The Councilmember shall state the name of the person and the board to which they are being appointed. The motion will require a second, and a majority vote of the Council shall be required for appointment.
- By nomination process. The mayor shall open the floor for nominations, whereupon Councilmembers may put the names of appointees forward. The names submitted shall be debated. When the debate ends, the City Secretary shall call the roll of the Councilmembers, and each member shall cast their vote from those persons nominated. The nominee receiving the highest number of votes shall be appointed. If more than one appointee is to be selected, then each member shall have as many votes as there are slots to be filled; however, a member shall not cast more than one vote for a single candidate. A majority of the members voting shall be required for appointment.

In accordance with Section 3.01 of the City Charter, all meetings of all boards, commissions and committees of the Council shall be open to the public and as provided by state law. The requirements of the Texas Open Meetings Act shall apply to all elected or appointed authorities, boards, commissions, Council, or other bodies of the City that are composed of a quorum of members of a particular body. However, the law's requirements shall not apply to a meeting solely among the City's professional staff.

Rule 6.8. Board Application Process. The City Manager shall ensure that public notice is provided to announce the opening of positions on various boards, such notice to be given at least 30 days prior to the date of the meeting that Council will consider such appointments. Where an unexpected vacancy occurs, the City Manager shall provide such notice not less than 14 days prior to the date of the meeting.

SECTION SEVEN. MISCELLANEOUS

Rule 7.1. Voting Required. Section 3.05 of the Charter requires Councilmembers to vote, as follows:

> *No member may be excused from voting except when such member has a conflict of interest as defined by law.*

Any Council Member prohibited from voting by personal interest shall announce at the commencement of consideration of the matter and shall not enter into discussion or debate on any such matter. In that case, the member shall file with the City Secretary a written statement (electronic communications are considered acceptable) of the reason for abstaining. Any Councilmember refusing to vote – and not excused from voting – shall be considered in violation of the City Charter and will be recorded in the minutes as voting in the affirmative and may be held to further repercussions as deemed appropriate by the City Council.

Rule 7.2. Point of Order. A Councilmember may make a point of order to draw attention to a violation of these rules, such as the irrelevance or continued repetition of a speaker. Such action is not to be made because of disagreement over the subject matter of the discussion or an opinion. A point of order may be made at any point during a meeting and it may interrupt the pending discussion, takes precedence over that discussion or any other motion, and must be decided before

any other discussion or action occurs. Following a point of order, the presiding officer shall immediately stop the discussion, acknowledge the point of order, and allow the Councilmember who raised it the opportunity to state the basis thereof. No debate concerning the point of order is permitted beyond a fair, reasonable clarification of the applicable rule. After hearing the basis upon which the point of order is made, the presiding officer must rule immediately subject to conferring with relevant authorities about the validity of the raised issue. The presiding officer may dispute the point of order, accept it and apply or comply with the applicable rule, or not accept the order. If a Councilmember believes that the ruling given by the presiding officer is incorrect, then a Councilmember may make the procedural motion "dissenting from the chair's ruling." This motion must then be seconded and put to the vote without debate. The result of the vote will determine whether the ruling is upheld or reversed.

Rule 7.3. Suspension of Rules. These rules or any part hereof may be suspended for a specific purpose or any single meeting by consensus of Council or pursuant to majority vote. This does not apply to those rules directly mentioned in the City Charter or other sections of the Code of Ordinances.

Rule 7.4. Informal Requests. A Member of the Council, before or during the consideration of any matter, or in the course of a hearing, may request and receive information, explanations or the opinions of the City Manager or City Attorney.

Rule 7.5. Council Liaisons; attendance at board meetings.

(a) A Councilmember serving as an ex-officio member of a City board and/or commission will act to relay Council actions concerning board and/or commission items and to report back to Council. Where a board or commission does not include a Councilmember as an ex-officio member, the City Manager will work with staff to provide regular reports to Council regarding board or commission proceedings.

(b) Council Liaisons should also abide by the rules and procedures for meetings of the board and/or commission meeting they are attending. Ex-officio members will be appointed by Council with consideration given to applicable expertise.

(c) A Councilmember may attend a board or commission meeting in their capacity as a councilmember, but should not participate in the discussion or deliberation so as to avoid any undue influence or an issue of due process. A Councilmember may attend a board or commission meeting and participate in the discussion where they have a personal interest in an issue before the board or commission, such as attending a Planning and Zoning Commission meeting for property that he or she owns and that is subject to a zoning change.

Rule 7.6. Councilmember Requests of Staff. Pursuant to Section 6.05 of the City Charter, Council is generally limited to going through the City Manager with respect to a request to staff. The policy basis for this procedure includes helping to ensure the City Manager is aware of any issue raised by a Councilmember, promoting the "chain of command" management, and efficiency. Where such a request or inquiry is made to the City Manager, the City Manager will

address the request or inquiry as efficiently as possible, based in part on the nature of the request and existing workload, and will communicate with the Councilmember as to the timing of a response. The Councilmember should provide as much information as possible to help ensure that the response adequately addresses the question. In most cases, the City Manager will provide the response to the entire Council. Where a request will, in the City Manager's opinion, utilize a significant amount of staff time or other resources or divert from City policy, the City Manager may ask the Councilmember to place the issue on an agenda for Council direction.

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

SUBJECT: Professional Services Agreement with Kimley Horn to update the City of Kerrville Zoning Ordinance, Zoning Map, Subdivision Ordinance, and key development standards.

AGENDA DATE OF: 9/25/2018 **DATE SUBMITTED:** 9/19/2018

SUBMITTED BY: E.A. Hoppe
Deputy City Manager

EXHIBITS: Professional Service Agreement

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
$299,890	$300,000	$300,00	N/A

PAYMENT TO BE MADE TO: **Kimley Horn**

Kerrville 2050 Item?	**Yes:** ☒	**No:** ☐
Key Priority Area	C - Community/Neighborhood Character and Place making	
Guiding Principle	C3 - Promote the use of inclusive processes to capture the voices of the citizenry in decision making	
Action Item	N/A	

SUMMARY STATEMENT:

The purpose of this project is to update the City of Kerrville's Zoning Ordinance, Zoning Map, Subdivision Ordinance and key Development Standards to improve overall functionality and practicality of the City's ordinances, and to reflect the vision established in the Kerrville 2050 Comprehensive Plan. The primary objective of developing these updated ordinances is to establish a set of standards / guidelines and procedures for development that builds upon the existing character of the community while supporting economic development and overall livability.

The Kimley-Horn Team will work with City Staff and the City-appointed Code Review Committee, to review and revise existing zoning and development-related ordinances to address deficiencies, inconsistencies, and operational issues, and to align with and support the implementation of the Kerrville 2050 Comprehensive Plan. The ordinances in question include:

• **Zoning ordinance** (potentially including overlays for Downtown, the River Corridor, and / or an Arts / Culture District)

• **Zoning map** (revisions to reflect new and amended zoning categories and potential new development concepts consistent with the Kerrville 2050 Comprehensive Plan)

• **Subdivision ordinance** (including requirements for streets and sidewalks)

- **Development standards / guidelines**
- **Landscape ordinance** (including tree preservation standards / guidelines and "water wise" principles and practices)
- **Sign ordinance**
- **Lighting, including Night Skies ordinance**, guidelines if desired
-

RECOMMENDED ACTION:

Approve the Professional Services Agreement with Kimley Horn to update the City of Kerrville Zoning Ordinance, Zoning Map, Subdivision Ordinance, and key development standards.

PROFESSIONAL SERVICES AGREEMENT
[FIRM: KIMLEY-HORN AND ASSOCIATES, INC. | PROJECT-SERVICES: KERRVILLE ZONING AND SUBDIVISION ORDINANCE UPDATES]

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into the _____ day of September 2018 ("Effective Date"), by and between the **CITY OF KERRVILLE, TEXAS** ("CITY") and **KIMLEY-HORN AND ASSOCIATES, INC.**, ("CONSULTANT"), and at times, collectively referred to herein as "parties".

WHEREAS, CITY hires CONSULTANT as an independent contractor to perform certain work and services set forth in Scope of Services, marked **Exhibit A**, which is attached hereto and incorporated herein, and which is collectively referred to herein as the "Project"; and

WHEREAS, CONSULTANT agrees to perform said work and services as specified under Article I of this Agreement toward completion of the Project;

NOW, THEREFORE, in exchange for the mutual covenants set forth herein, and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

I. CONSULTANT'S SERVICES

CONSULTANT shall perform and pay for all labor, tools, materials, equipment, supplies, transportation, and management necessary to perform all services set forth in **Exhibit A** and all other professional services reasonably inferable from **Exhibit A** and necessary for complete performance of CONSULTANT's obligations under this Agreement, collectively referred to herein as "Services". CITY may, at any time, stop CONSULTANT from performing the Services upon giving CONSULTANT written notice. To the extent of any conflict between the terms of this Agreement and **Exhibit A**, the terms of this Agreement will prevail.

II. CONSULTANT'S RESPONSIBILITIES

A. CONSULTANT, upon its review of a general description of the Project provided by CITY, has prepared and provided to CITY the specific Services required to complete the Project, which is attached as **Exhibit A**.

B. CONSULTANT shall use its best efforts, skill, judgment, and abilities in performing the Services in an expeditious and timely manner consistent with the applicable professional standards of care and the orderly progress of the Project. CONSULTANT shall at all times provide sufficient personnel to accomplish the Services in a timely manner. CONSULTANT shall manage the Services, administer the Project, and coordinate other professional services as necessary for the complete performance of CONSULTANT's obligations under this Agreement. CONSULTANT shall periodically report the status of the Services to CITY as is appropriate to keep CITY informed as to the status of the work.

C. CONSULTANT shall perform the Services in compliance with all applicable federal, state, and municipal laws, to include building codes and accessibility standards (*e.g.*, Americans with Disabilities Act) and with those of any other entity having jurisdiction over the Project. In addition, CONSULTANT shall perform the Services in a manner consistent with generally accepted standards for its profession.

D. Plans, drawings, specifications, maps, ordinances, and/or other reports produced by CONSULTANT (collectively referred to herein as "Planning Documents") pursuant to the Services must be reasonably accurate and free from material errors or omissions. CONSULTANT shall promptly correct any known or discovered error, omission, or other defect in the Planning Documents without any additional cost or expense to CITY and notify of CITY of same.

E. CONSULTANT shall designate a representative primarily responsible for its performance of the Services. The designated representative shall act on behalf of CONSULTANT with respect to all phases of the Services and shall be available as required for the benefit of the Project and CITY. CONSULTANT shall not change the designated representative without prior written approval of CITY, which approval may not be unreasonably withheld.

III. CITY'S RESPONSIBILITIES

A. CITY has provided CONSULTANT with a general description of the Project.

B. CITY shall furnish surveys, geotechnical reports, or other special investigations or tests, including structural, mechanical, and chemical, for the Project site as requested by the CONSULTANT and as reasonably necessary for the completion of the Services. The parties will agree to this work prior to entering into this Agreement and such work will not be included as part of the Services specified in **Exhibit A**.

C. CITY shall review the Planning Documents and shall notify CONSULTANT of any fault or defect in the Services or Planning Documents of which CITY becomes aware.

D. CITY shall furnish required information and services and shall render approvals and decisions as expeditiously as necessary for the orderly progress of the Services.

E. CITY designates Mark McDaniel, City Manager, or designee as its representative authorized to act on its behalf with respect to the Project.

IV. PAYMENT

CITY shall compensate CONSULTANT for the Services in the amount and manner described and set forth in the Fee Schedule, attached hereto and incorporated herein as **Exhibit B**. The amount will not exceed **$299,890.00**.

V. TIME FOR PERFORMANCE

A. CONSULTANT shall commence its work immediately upon the parties' execution of this Agreement and proceed diligently with said work, except for delays beyond the reasonable control of CONSULTANT, in accordance with the Project Schedule at **Exhibit C**, attached hereto and incorporated herein.

B. In the event CONSULTANT's performance of this Agreement is delayed or interfered with by acts of CITY or others, CONSULTANT may request an extension of time for the performance of same as hereinafter provided, but shall not be entitled to any increase in fee or price, or to damages or additional compensation as a consequence of such delays unless such delays exceed 90 days.

C. CITY is not obligated to approve and may not approve any allowance of an extension of time for any cause whatever claimed or made by CONSULTANT, unless CONSULTANT shall have made written request upon CITY for such extension within forty-eight (48) hours after the cause for such extension occurred, and unless CITY and CONSULTANT have agreed in writing upon the allowance of additional time to be made.

VI. DOCUMENTS

A. CONSULTANT shall submit all Planning Documents to CITY for approval. All Planning Documents must be professionally sealed as required by law or by CITY.

B. CONSULTANT shall deliver the Planning Documents, together with any necessary supporting documents, to CITY and CITY has unlimited rights, for the benefit of CITY, in all Planning Documents, including the right to use same on any other work of CITY without additional cost to CITY. If CITY uses the Planning Documents on any work of CITY other than that specified in the Services, then under those circumstances and only to the extent allowed by law, CONSULTANT, its officers, agents, servants, and employees will not be liable for damages or claims arising from any inaccuracy or any use of the Planning Documents with respect to such other work, and except where CONSULTANT participates in such other work.

C. CONSULTANT grants CITY a royalty-free, perpetual license and right, to survive the termination of this Agreement, to all Planning Documents which CONSULTANT may cover by copyright and to all designs as to which CONSULTANT may assert any rights or establish any claim under the design patent or copyright laws. This license includes CITY's right to use and reproduce these documents as necessary to implement any CITY project which may require the use of these documents. Further, CONSULTANT acknowledges that CITY is subject to Chapter 552 of the Government Code, commonly known as the "Texas Public Information Act," and hereby waives and releases the CITY from any claims against CITY for providing copies of the Planning Documents in compliance with that Act. CONSULTANT, after completion of the Project, shall immediately furnish originals of all Planning Documents to CITY.

D. CONSULTANT shall ensure that all text documents supplied to CITY as provided herein are fully compatible with MS Word and that all drawings are fully compatible with Adobe PDF format.

VII. TERMINATION

A. CITY or CONSULTANT may suspend or terminate this Agreement for cause or without cause at any time by giving written notice to the other party. In the event suspension or termination is without cause, CITY's payment to CONSULTANT, in accordance with this Agreement, will be made on the basis of the Services reasonably determined by CITY to be satisfactorily performed to date of suspension or termination. In addition, CITY's payment is subject to the CONSULTANT's delivery of all documents and reports reasonably required by CITY, to include Planning Documents, invoices, statements, and accounts.

B. Should CITY require a modification to this Agreement, and in the event CITY and CONSULTANT fail to agree upon such modification, either CITY or CONSULTANT have the option of terminating this Agreement. Thereafter, CITY shall pay CONSULTANT in accordance with this Agreement for the Services mutually agreed upon by CITY and CONSULTANT to be properly performed by the CONSULTANT prior to such termination date.

VIII. INSURANCE

CONSULTANT shall provide and maintain in full force and effect during the term of this Agreement the following types of insurance and liability coverage:

A. Workers Compensation Insurance: in an amount meeting statutory requirements of the State of Texas on all CONSULTANT's employees carrying out the Services.

B. Automobile Liability Insurance: with either a combined limit of at least $1,000,000 per occurrence for bodily injury and property damage or split limits of at least $1,000,000 for bodily injury per person per occurrence and $1,000,000 for property damage per occurrence. Coverage must include all owned, hired, and non-owned motor vehicles used in the performance of this Agreement by CONSULTANT or its employees.

C. General Liability Insurance: on a per occurrence basis with limits of liability not less than $1,000,000 for each occurrence and for fire damage and for Bodily Injury and Property Damage, no less than $1,000,000. As a minimum, coverage for Premises, Operations, Products, and Completed Operations shall be $2,000,000. This coverage must protect the public or any person from injury or property damages sustained by reason of CONSULTANT or its employees providing the Services. The general aggregate must be no less than $2,000,000.

D. Professional Liability Errors and Omissions Insurance: with limits of liability not less than $1,000,000 per occurrence covering all work performed by CONSULTANT, its employees, subcontractors, or independent contractors. If this coverage may only be obtained on a "claims made" basis, the certificate of insurance must clearly state coverage is on a "claims made" basis and coverage must remain in effect for at least two years after final payment with CONSULTANT continuing to furnish the City certificates of insurance.

E. Subcontractor: in the case of any work sublet, CONSULTANT shall require subcontractor and independent contractors working under the direction of either CONSULTANT or a subcontractor

to carry and maintain the same workers compensation and liability insurance required of CONSULTANT.

F. Qualifying Insurance: the insurance required by this Agreement must be written by non-assessable insurance company licensed to do business in the State of Texas and currently rated "B" or better by the A.M. Best Companies. All policies must be written on a "per occurrence basis" and not a "claims made" form.

IX. INDEMNIFICATION FOR INJURY AND PERFORMANCE

A. CONSULTANT shall protect, indemnify, and hold harmless CITY, its officers, agents, servants, and employees, hereinafter individually and collectively referred to as "Indemnitee(s)", from and against suits, actions, claims, losses, liability, or damage of any character and from and against costs and expenses, including, in part, attorney fees incidental to the defense of such suits, actions, claims, losses, damages, or liability on account of injury, disease, sickness, including death, to any person or damage to property including, in part, the loss of use resulting therefrom, arising from any negligent act, error, or omission of CONSULTANT, its officers, employees, servants, agents, or subcontractors, or anyone else under CONSULTANT's, direction and control, whether arising out of, resulting from, or caused by the performance or failure of performance of the Services, or from conditions created by the performance or non-performance of said work, subject to the limitations in Texas Local Government Code Section 271.904. In the event one or more of the Indemnitees is determined by a court of law to be jointly or derivatively negligent or liable for such damage or injury, CONSULTANT shall indemnify Indemnitee(s) as provided herein on a proportionate basis in accordance with the final judgment, after all appeals are exhausted, determining such joint or derivative negligence or liability.

B. CONSULTANT is not responsible for the actions of the CITY's contractor to perform the construction of the improvements covered under this Agreement.

C. Acceptance and approval of any work or final plans by CITY neither constitutes nor may be deemed a release of this responsibility and liability of CONSULTANT, its employees, associates, agents, and consultants for the accuracy or competency of their designs, working drawings, and specifications, or other documents and work; nor shall such approval be deemed to be an assumption of such responsibility by CITY for any defect in the Planning Documents, or CONSULTANT's employees, contractor, agents, and consultants.

X. INDEMNIFICATION FOR UNEMPLOYMENT COMPENSATION

CONSULTANT agrees that it is an independent contractor and not an agent of CITY, and that CONSULTANT is subject, as an employer, to all applicable Unemployment Compensation Statutes, so as to relieve CITY of any responsibility or liability from treating CONSULTANT's employees as employees of CITY for the purpose of keeping records, making reports or payments of Unemployment Compensation taxes or contributions. **CONSULTANT shall indemnify and hold CITY harmless and reimburse it for any expenses or liability incurred under said statutes in connection with employees of CONSULTANT.**

XI. INDEMNIFICATION FOR PERFORMANCE

CONSULTANT shall defend and indemnify Indemnitees against and hold CITY and the premises harmless from any and all claims, suits, or liens based upon or alleged to be based upon the non-payment of labor, tools, materials, equipment, supplies, transportation, and management costs incurred by CONSULTANT in performing the Services.

XII. DEFAULT OF CONSULTANT

In the event CONSULTANT fails to comply or becomes disabled and unable to comply with this Agreement as to the quality or character of the Services or time of performance, and the failure is not corrected within ten (10) days after written notice from CITY to CONSULTANT, CITY may, at its sole discretion, without prejudice to any other right or remedy:

A. Terminate this Agreement and be relieved of the payment of any further consideration to CONSULTANT except for all work determined by CITY to be satisfactorily completed prior to termination. Payment for work satisfactorily completed will equal actual costs, including reasonable salaries and travel expenses of CONSULTANT to and from meetings called by CITY at which CONSULTANT is required to attend, but shall not include any loss of profit of CONSULTANT. In the event of such termination, CITY may complete the services in any manner deemed proper by CITY, either by the use of its own forces or by assigning the work to others. In either event, CONSULTANT is liable for all costs in excess of the total contract price under this Agreement incurred to complete the Services and CITY may deduct the costs CITY incurs out of such monies as may be due or that may thereafter become due to CONSULTANT under this Agreement.

B. CITY may, without terminating this Agreement or taking over the Services, furnish the necessary materials, equipment, supplies, and/or help necessary to remedy the situation, at the expense of CONSULTANT.

XIII. MISCELLANEOUS PROVISIONS

A. Entire Agreement. This Agreement supersedes all prior agreements, written or oral, between CITY and CONSULTANT and constitutes the entire and integrated Agreement and understanding between the parties with respect to the subject matter of the Agreement. This Agreement may only be amended by a written instrument signed by both parties.

B. Assignment. This Agreement is a personal service contract for the services of CONSULTANT and CONSULTANT's interest in this Agreement, duties hereunder, and/or fees due may not be assigned or delegated to a third party without the written consent of CITY. Sale of more than fifty percent (50%) ownership of CONSULTANT will be considered an assignment.

C. Adjustment in Services. CONSULTANT shall not make any claims for extra services, additional services, or changes in the Services without a written agreement with CITY prior to the performance of such services.

D. Applicable Law. This Agreement must be construed, interpreted, and applied in accordance with and governed by and enforced under the laws of the State of Texas without giving effect to principles of conflict of law. Venue will occur in Kerr County, Texas.

E. Waiver. A delay or omission by either party in exercising any right or power under the Agreement may not be construed as a waiver of that right or power. A waiver by either party of any term or condition of the Agreement may not be construed as a waiver of any subsequent breach of that term or condition or of any other term or condition of the Agreement. Further, neither CITY's review, approval, or acceptance of, nor payment for any of the Services may be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

F. Severability. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, that determination may not affect any other provision of this Agreement which will be interpreted as if the invalid or unenforceable provision had not been included.

G. Independent Contractor. CONSULTANT agrees that CONSULTANT is engaged as an independent contractor and that City has no responsibility to provide CONSULTANT or its employees with any benefits associated with employee status. CONSULTANT shall neither hold itself out as nor claim to be an officer, partner, employee, or agent of CITY.

H. Exhibit(s). The following exhibit(s) is attached to this Agreement and are included herein for all purposes:

Exhibit A	**Scope of Services**
Exhibit B	**Fee Schedule**
Exhibit C	**Project Schedule**

I. Execution Becomes Effective. This Agreement is effective as of the Effective Date.

J. Notices and Authority. CONSULTANT shall send all notices required under this Agreement to the City Manager at City Hall, 701 Main Street, Kerrville, TX 78028. CONSULTANT agrees that only the City Manager, or designee, has the authority to represent CITY or bind CITY under this Agreement. CITY shall send all notices required under this Agreement to the CONSULTANT at:

Kimley-Horn and Associates, Inc.
BY: ERIC Z. SMITH
ADDRESS: 13455 Noel Road, Two Galleria Office Tower, Suite 700, Dallas, TX 75240
EMAIL: Eric.Smith@kimley-horn.com

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

OWNER
CITY OF KERRVILLE, TEXAS

BY:_____
MARK L. McDANIEL,
CITY MANAGER

CONSULTANT
KIMLEY-HORN AND ASSOCIATES, INC.

BY:_____
ERIC Z. SMITH, ASST. SECRETARY

ATTEST:

_____
Cheryl Brown, Interim City Secretary

APPROVED AS TO FORM:

_____
Michael C. Hayes, City Attorney

T:\Legal\DEVELOPMENT SERVICES (Planning)\Contract\PSA_Kimley-Horn_Zoning & Subdiv Ord updates_092018.docx

Kerrville Zoning and Subdivision Ordinance Updates
Exhibit A - Scope of Services
9-18-18

Project Understanding

The purpose of this project is to update the City of Kerrville's Zoning Ordinance, Zoning Map, Subdivision Ordinance and key Development Standards to improve overall functionality and practicality of the City's ordinances, and to reflect the vision established in the Kerrville 2050 Comprehensive Plan. The primary objective of developing these updated ordinances is to establish a set of standards / guidelines and procedures for development that builds upon the existing character of the community while supporting economic development and overall livability.

The Kimley-Horn Team will work with City Staff and the City-appointed Code Review Committee, to review and revise existing zoning and development-related ordinances to address deficiencies, inconsistencies, and operational issues, and to align with and support the implementation of the Kerrville 2050 Comprehensive Plan. The ordinances in question include:

- **Zoning ordinance** (potentially including overlays for Downtown, the River Corridor, and / or an Arts / Culture District)
- **Zoning map** (revisions to reflect new and amended zoning categories and potential new development concepts consistent with the Kerrville 2050 Comprehensive Plan)
- **Subdivision ordinance** (including requirements for streets and sidewalks)
- **Development standards / guidelines**
    - Landscape ordinance (including tree preservation standards / guidelines and "water wise" principles and practices)
    - Sign ordinance
    - Lighting / Night Skies ordinance / guidelines (if desired)

PHASE I – PROJECT INITIATION / MANAGEMENT / COMMUNITY ENGAGEMENT

Task 1 - Project Kickoff and Management

1.1 – Data Gathering - The Kimley-Horn Team will coordinate with City Staff in collecting any additional or updated data and / or ordinances to supplement or replace the items collected during the Kerrville 2050 Comprehensive Plan project. The following are the types of items that will be requested by the Kimley-Horn Team:

- Current Zoning Ordinance
- Current Official Zoning Map (Including Current GIS Data)
- Current Subdivision Ordinance
- Current Ordinances Referencing Landscaping and Tree Preservation
- Current Street and Sidewalk Design Standards

- Current Sidewalk Master Plan and Supporting Ordinances
- Current Ordinances Referencing Stormwater and River Protection Requirements
- Current Park Dedication Ordinance
- Current Ordinances Referencing Lighting Requirements
- Current Sign Ordinance

All documents should be provided as electronic files in Word format 1) on flash drive and 2) on the project share site hosted by Kimley-Horn. Graphics should be provided similarly (on flash drive and on the share site) in a .pdf or .jpg format.

1.2 – Progress Meetings (up to 18 meetings) – The Kimley-Horn Team will conduct periodic online meetings (generally, every other week) with key City Staff to discuss project progress, key action items and responsibilities, and project schedule. Kimley-Horn will prepare an agenda and a checklist with action items, responsibilities, and due dates for appropriate team members and will schedule and notify attendees of the meetings via Microsoft Outlook.

Task 2 – Communications / Community Engagement

2.1 – Communications / Community Engagement Plan Update - The Kimley-Horn Team will develop a plan for overall communications and community engagement for Staff review and approval. The plan will identify methods for stakeholder identification, pre- and post-meeting communication techniques and tools, a schedule of stakeholder and community engagement meetings, necessary activities in preparation for meetings, and tools and techniques to be utilized during stakeholder and public meetings to facilitate engagement and encourage feedback. The Communications / Community Engagement Plan will specify the responsibilities and level of resources to be provided for these activities by the Kimley-Horn Team and by City Staff.

2.2 – Web-Based Engagement – Utilizing the Kerrville 2050 page on the City's website, content (text and graphics) will be provided by the Kimley-Horn Team to make information available to anyone who chooses to go online for convenience and flexibility. Tools and techniques will include:

- **Website**. The Kerrville 2050 page on the City's website will be utilized to inform the public of the ordinance update process and to convey project information such as meeting dates, background information, and to serve as a means of contact. Content for the page will be provided to City Staff for posting, and could include presentation slides, meeting information, and downloadable ordinance drafts. It could also be used as a method for obtaining public input, if / when appropriate, and the City could implement a system so that Interested persons would be able to sign up for notifications so that they can be updated automatically when new materials are posted. The Kimley-Horn Team will be responsible for the development of content only.

- **Social Media.** The Kimley-Horn Team will develop content, such as progress updates, exhibits, polling questions, videos, and information to promote the Community Open Houses (see 2.6 below) and other opportunities for participation, and coordinate with Staff to use the City's Facebook page and Twitter account to disseminate the information.

2.3 – Code Review Committee (CRC) Meetings (up to nine [9] meetings) – A Code Review Committee (CRC) appointed by the City will serve throughout the project process as a review, input, and advisory body for the development of the updated ordinances. The Kimley-Horn Team will meet with the committee at key points during the project to present research and recommendations, discuss critical issues related to the development of the ordinances, and obtain feedback and direction. The City will be responsible for providing a venue for the committee meetings and notifying members of meeting dates and times. The Kimley-Horn Team will provide agendas and materials for discussion at each meeting. The following meetings and focus for each are anticipated:

2.3.1 – CRC Meeting #1 (CRC Kickoff and Introductory Zoning Meeting)

2.3.2 – CRC Meeting #2 (Zoning Ordinance / Zoning Map)

2.3.3 – CRC Meeting #3 (Final Zoning Ordinance / Zoning Map)

2.3.4 – CRC Meeting #4 (Introductory Subdivision Ordinance)

2.3.5 – CRC Meeting #5 (Subdivision Ordinance)

2.3.6 – CRC Meeting #6 (Final Subdivision Ordinance)

2.3.7 – CRC Meeting #7 (Introductory Development Standards / Guidelines)

2.3.8 – CRC Meeting #8 (Development Standards / Guidelines)

2.3.9 – CRC Meeting #9 (Final Development Standards / Guidelines)

2.4 – Key Individual Interviews (two [2] days) – The Kimley-Horn Team will prepare for and conduct interviews and small group discussions with key individuals and organizations (to be identified by the City) that work on a regular basis with Kerrville's current zoning and subdivision ordinances, zoning map, and other development-related ordinances. The focus of the interviews will be related to the user-friendliness of the existing ordinances, issues that need to be explored, and potential changes which might be incorporated into the updated ordinances to address current challenges. The interview team will use a set of questions as a starting point and follow up with additional questions to probe for more detailed responses. The team will develop the

interview questions and distribute them to City Staff for review and comment prior to meeting with the participants. The City will contact interviewees to schedule and confirm meeting times and provide private meeting rooms for the interviews.

2.5 – Community Open Houses

2.5.1 – Community Open House Prep (prep for three [3] meetings) – The Kimley-Horn Team will plan the specific agenda, format and activities, prepare background presentations and meeting exhibits, and develop the tools to be used during three (3) Community Open Houses. One of the open houses will be focused on the Zoning Ordinance and Official Zoning map, one will be focused on the Subdivision Ordinance, and one will be focused on the Development Standards / Guidelines (Lighting / Night Skies, Signage, Landscape / Tree Preservation, Water Wise Principles and Practices, and Drainage. All materials and activities will be closely coordinated with City Staff and vetted with the CRC prior to public presentation.

2.5.2 – Conduct Community Open Houses (three [3] meetings) – The Kimley-Horn Team will facilitate Community Open Houses to present and discuss preliminary direction on the ordinances and zoning map and to receive feedback on document drafts. Outreach, invitations, and announcements about the open houses will be distributed according to the roles defined in the Community Engagement Plan. The City will be responsible for identifying and securing a venue for the events. The Kimley-Horn Team will be responsible for all meeting content and will facilitate and manage the Open House sessions. The meetings will be conducted in an open house format to obtain the maximum amount of input and to provide the greatest flexibility for participants. Information will be presented and feedback will be gathered through interactive small group discussions, written comment forms, map / input "stations," and general workshop discussion. To further facilitate the discussion, the Kimley-Horn Team will develop, execute, and analyze the results of electronic keypad polling sessions.

2.5.3 – Open House Results (documentation of three [3] Meetings) - Results from the Community Open Houses will be documented in presentation materials and could be incorporated into web-based applications to allow interested individuals to weigh-in on the ordinances and zoning map, if desired.

2.6 – Joint City Council / P&Z Work Sessions / Briefings (3) - The Kimley-Horn Team will attend a total of three (3) Joint City Council / Planning and Zoning (P&Z) briefings to update the groups on project direction, progress, and to receive feedback on the direction of the draft ordinances. The team will prepare overview presentations related to the content that will be the focus of each meeting.

PHASE II – EVALUATION / RESEARCH

Task 3 – Zoning Ordinance Evaluation

3.1 – Identification of Questions and Issues – The Kimley-Horn Team will review existing the existing zoning ordinance and develop a list of potential amendments and changes in format and organization that could be considered for the purpose of creating a more user-friendly zoning ordinance. The evaluation will include a review of procedural requirements and board responsibilities, definitions, zoning categories, lot sizes and building height and setback requirements, conditional and specific use permits, parking standards, nonconforming provisions, development review processes, and other requirements as necessary.

3.2 – Diagnostic Meeting #1 – Zoning Ordinance – Kimley-Horn will conduct one (1) diagnostic meeting with City Staff who have experience administering the existing zoning ordinance on a day-to-day basis to identify the primary issues needing to be addressed. Based on input from the meeting and a review of the existing ordinance, Kimley-Horn will develop a preliminary set of observations and recommendations to review with City Staff. This will include potential changes in: format and organization for the purpose of creating a more user-friendly document, procedural and board requirements, definitions, zoning categories (amendments or additions) to support existing development and the vision of the Kerrville 2050 Comprehensive Plan, lot sizes and building height and setback requirements, conditional and specific use permit regulations, parking standards, nonconforming provisions, development review processes, and other revisions as needed.

Task 4 – Subdivision Ordinance Evaluation

4.1 – Identification of Questions and Issues – The Kimley-Horn Team will review the existing subdivision ordinance and develop a list of amendments and potential changes in format and organization that could be considered for the purpose of creating a more user-friendly subdivision ordinance. The evaluation will include a review of procedures for platting and development, definitions, design standards (for streets, sidewalks, blocks, parks and open space, etc.), and other revisions as necessary.

4.2 – Diagnostic Meeting #2 – Subdivision Ordinance – Kimley-Horn will conduct one (1) diagnostic meetings with City Staff who have experience administering the existing subdivision ordinance on a day-to-day basis to identify the primary issues needing to be addressed. Based on input from the meeting and a review of the existing ordinance, Kimley-Horn will develop a preliminary set of observations and recommendations to review with City staff, which could potentially include changes in: format and organization for the purpose of creating a more user-friendly document, development requirements and design standards / guidelines to support the vision of the Kerrville 2050 Comprehensive Plan, development procedures, provisions for variances and waivers, and other revisions as necessary.

Task 5 – Research Relevant Ordinances from other Communities

5.1 – Identification of Example Ordinances –The Kimley-Horn Team will research and identify model ordinances and guidelines related to: Lighting / Night Skies, Signage, Landscaping / Tree Preservation, Water Wise Principles and Practices, and Drainage that have relevance for potential adoption as stand-alone ordinances or guidelines, or to be incorporated into the Subdivision Ordinance or Development Standards / Guidelines for Kerrville.

5.2 – Diagnostic Meeting #3 – Additional Ordinances – Kimley-Horn will conduct one (1) diagnostic meetings with City Staff to review the Kimley-Horn Team's recommendations related to the development of ordinances or guidelines regarding: Lighting / Night Skies, Signage, Landscaping / Tree Preservation, Water Wise Principles and Practices, and Drainage ordinances to be implemented as stand-alone ordinances, or could be incorporated into the updated Subdivision Ordinance or Development Standards / Guidelines for Kerrville.

PHASE III – PREPARATION OF UPDATED ORDINANCES

Task 6 - Preparation of a Draft Zoning Ordinance and Draft Zoning Map

The process for creating the new zoning ordinance and zoning map will be divided into three distinct parts to allow for focused and interactive review of recommendations between City Staff and Kimley-Horn.

These review phases are: (1) developing revised zoning districts and land uses, (2) identifying potential amendments to development requirements and zoning procedures, (3) updating the zoning map. At the end of subtask 6.3, the Draft Zoning Ordinance and Draft Zoning Map will be presented and discussed with the CRC, and at a Community Open House.

6.1 - Develop Draft Zoning Districts **-** Kimley-Horn will draft updated zoning ordinance sections related to zoning districts and land uses. Kimley-Horn will hold one (1) orientation conference call meeting with City Staff to present and provide a detailed explanation of the elements within this task before Staff conducts a review of the draft text. The suitability and potential location of new or modified zoning districts will be discussed during this task, along with discussion of the possibility of developing overlay districts such as an Arts and Culture overlay, a River Corridor Overlay, and / or a Downtown Overlay to advance the Kerrville 2050 vision. As part of this task, City Staff will also provide direction regarding modifying existing zoning districts as preliminary input to the drafting of the updated zoning map.

One (1) feedback conference call will be held with Staff to review City comments. City Staff will provide one written set of consolidated comments for the sections drafted under this task for incorporation prior to being presented at the Community Open House.

6.2 - Develop Draft Development Requirements and Zoning Procedures **-** Kimley-Horn will draft updated zoning ordinance sections related to: procedural requirements and board

responsibilities, definitions, conditional and specific use permits, parking standards, nonconforming provisions, and other requirements as necessary. Kimley-Horn will hold one (1) orientation conference call meeting with City Staff to present and provide a detailed explanation of the elements within this task before Staff conducts a review of the draft text.

One (1) feedback conference call will be held with Staff to review City comments. City Staff will provide one written set of consolidated comments for the sections identified above for incorporation prior to being presented at the Community Open House.

6.3 - Develop Draft Zoning Map - Based on comments received in Tasks 3.1, 3.2, and 6.1, Kimley-Horn will develop an updated zoning map in GIS format as a draft. City Staff will provide one written set of consolidated comments for incorporation into the draft zoning map before it is presented at the Community Open House.

6.4 - Preparation of a Revised Zoning Ordinance and Revised Zoning Map - Based upon community comment at the Community Open House, and direction from the Joint City Council / P&Z work session, the Kimley-Horn Team will update the draft zoning ordinance and draft zoning map to respond to P&Z and City Council direction. Following these revisions, the documents will be prepared for Planning and Zoning Commission consideration and City Council adoption.

Task 7 - Preparation of the Subdivision Ordinance Update

7.1 - Develop Draft Subdivision Ordinance Update - The Kimley-Horn Team will draft updated subdivision ordinance sections to support the updated zoning ordinance. The consultant team will hold one (1) orientation conference call with City Staff to present and provide a detailed explanation of the elements within this task before Staff conducts a review of the draft text.

One (1) feedback conference call will be held with Staff to review City comments. City Staff will provide one written set of consolidated comments for the sections drafted under this task. At the end of each this task, the Subdivision Ordinance Update will be presented and discussed with the CRC, and at a Community Open House.

7.2 - Develop Revised Subdivision Ordinance Update - Based upon community comment at the Community Open House, and direction from the Joint City Council / P&Z work session, the Kimley-Horn Team will revise the Subdivision Ordinance Update to respond to P&Z and City Council direction. Following these revisions, the Subdivision Ordinance Update will be prepared for Planning and Zoning Commission consideration and City Council adoption.

Task 8 - Preparation of Development Standards / Guidelines (Additional Ordinances / Guidelines)

8.1 - Develop Draft Development Standards / Guidelines - Based on the information gathered in Task 5, the Kimley-Horn Team will draft Development Standards / Guidelines related to: Lighting / Night Skies, Signage, Landscape / Tree Preservation, Water Wise Principles and Practices, and Drainage that have relevance for potential adoption as stand-alone ordinances or guidelines, or to be incorporated into the Subdivision Ordinance or Development Standards / Guidelines for Kerrville. Kimley-Horn will hold one (1) orientation conference call meeting with City Staff to present and provide a detailed explanation of the elements within this task before Staff conducts a review of the draft text.

One (1) feedback conference call will be held with Staff to review City comments. City Staff will provide one written set of consolidated comments for the sections drafted under this task. At the end of this task, the Subdivision Ordinance Update will be presented and discussed with the CRC, and at a Community Open House.

8.2 - Develop Revised Development Standards / Guidelines - Based upon community comment at the Community Open House, and direction from the Joint City Council / P&Z work session, the Kimley-Horn Team will revise the Development Standards / Guidelines to respond to P&Z and City Council direction. Following these revisions, the Development Standards / Guidelines will be prepared for Planning and Zoning Commission consideration and City Council adoption.

PHASE IV – ADOPTION

City Staff will be solely responsible for mandatory notifications for public meetings and public hearings as required by state law.

Task 9 – Zoning Ordinance Adoption

9.1– Planning & Zoning Commission Recommendation (one [1] meeting) – The Kimley-Horn Team will present the Draft Zoning Ordinance and Zoning Map to the Kerrville Planning & Zoning Commission in a public hearing for community and Commission comment. The Kimley-Horn Team will incorporate any additional Commission comments into the Final Draft Zoning Ordinance and Official Zoning Map for recommendation prior to presentation to the Kerrville City Council.

9.2– City Council Adoption (one [1] meeting) – The Kimley-Horn Team will present the Final Draft Zoning Ordinance and Official Zoning Map to the Kerrville City Council at a public hearing to consider adoption. Any changes requested by the Kerrville City Council will be incorporated into the Final Zoning Ordinance and Official Zoning Map.

Task 10 – Subdivision and Development Standards / Guidelines Adoption

10.1– Planning & Zoning Commission Recommendation (one [1] meeting) – The Kimley-Horn Team will present the Subdivision Ordinance and Development Standards / Guidelines (Lighting / Night Skies, Signage, Landscape / Tree Preservation, Water Wise Principles and Practices, and Drainage) to the Kerrville Planning & Zoning Commission in a public hearing for community and Commission comment. The Kimley-Horn Team will incorporate any additional comments from the Commission into the Final Draft Subdivision Ordinance and Draft Development Standards / Guidelines for recommendation prior to presentation to the Kerrville City Council.

10.2– City Council Adoption (one [1] meeting) – The Kimley-Horn Team will present the Final Draft Subdivision Ordinance and Development Standards / Guidelines to the Kerrville City Council at a public hearing to consider adoption. Any changes requested by the Kerrville City Council will be incorporated into the Final Subdivision Ordinance and Development Standards / Guidelines.

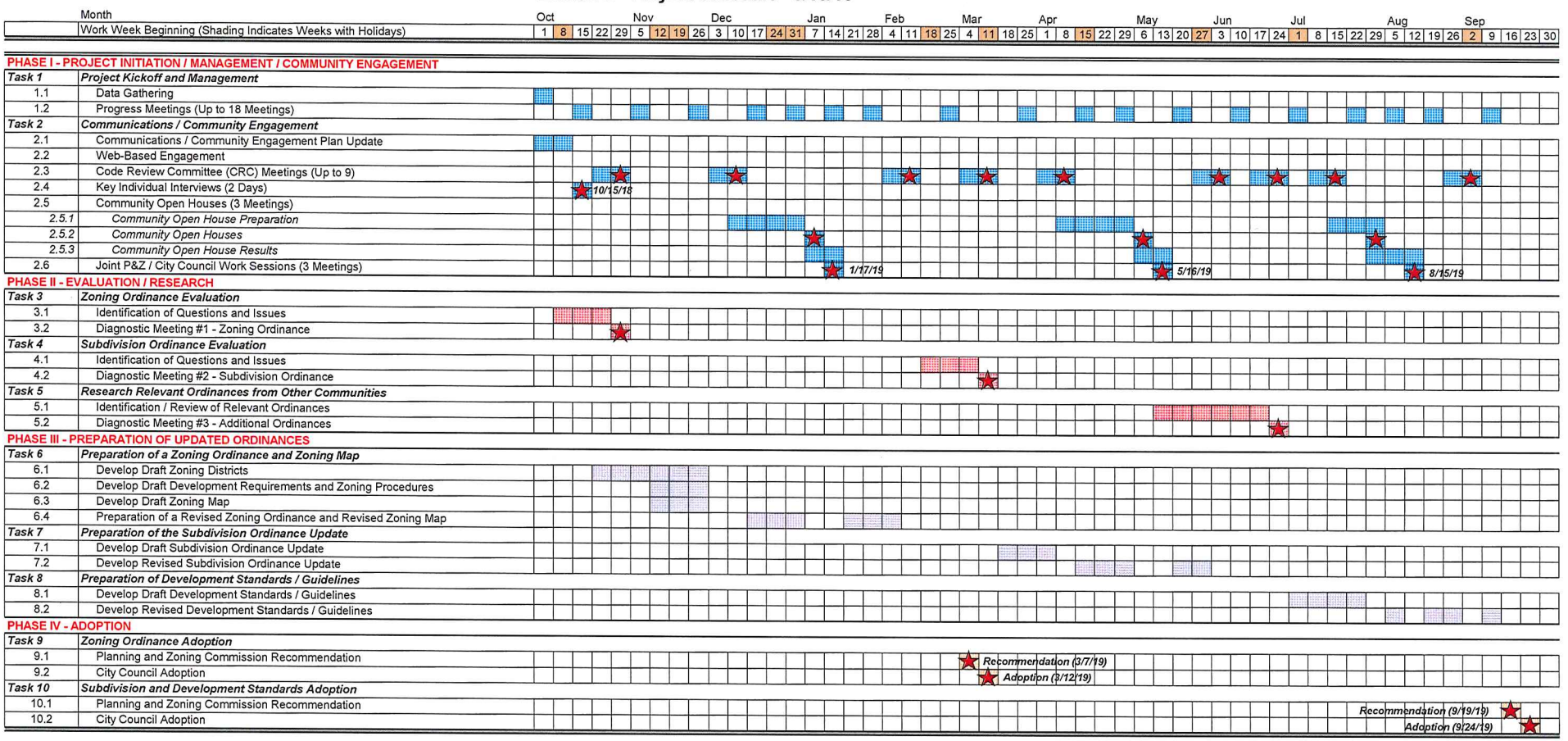
Kerrville Zoning / Subdivision Ordinance Updates - The Kimley-Horn Team
Exhibit B - Fee Schedule - 9-18-18

Staff Categories	Kimley-Horn and Associates										Prologue Planning Services					Attorney							
	Project Manager / Planner (MLB)	Senior Planner (IM)	Senior Planner (DB)	Planner (WM)	Analyst (DK)	Senior Engineer (AA)	Support Staff	Labor	Expenses	KHA	Principal	Associate	Labor	Expenses	PPS	Principal	Associate	Labor	Expenses	R-C	Labor	Expenses	TEAM
Units	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Fee Dollars	Items	Total	Hours	Hours	Fee Dollars	Items	Total	Hours	Hours	Fee Dollars	Items	Total	Fee Dollars	Items	Total
PHASE I - PROJECT INITIATION / MANAGEMENT / COMMUNITY ENGAGEMENT																							
Task 1 - Project Kickoff and Management																							
1.1 - Data Gathering		2			4			$ 850		$ 850			$ -		$ -			$ -		$ -	$ 850	$ -	$ 850
1.2 - Progress Meetings (Up to 18 Meetings)	18	27			9			$ 10,845		$ 10,845	18		$ 3,150		$ 3,150			$ -		$ -	$ 13,995	$ -	$ 13,995
Task 2 - Communications / Community Engagement																							
2.1 - Communications / Community Engagement Plan Update								$ -	$ -	$ -	3		$ 525		$ 525			$ -		$ -	$ 525	$ -	$ 525
2.2 - Web-Based Engagement								$ -	$ -	$ -	12		$ 2,100		$ 2,100			$ -		$ -	$ 2,100	$ -	$ 2,100
2.3 - Code Review Committee (CRC) Meetings (Up to 9)																							
2.3.1 - Code Review Committee (CRC) Meeting #1	12	5						$ 4,105	$ 500	$ 4,605	12		$ 2,100	$ 500	$ 2,600			$ -		$ -	$ 6,205	$ 1,000	$ 7,205
2.3.2 - Code Review Committee (CRC) Meeting #2	12	5						$ 4,105	$ 500	$ 4,605	12		$ 2,100	$ 500	$ 2,600			$ -		$ -	$ 6,205	$ 1,000	$ 7,205
2.3.3 - Code Review Committee (CRC) Meeting #3	12	5						$ 4,105	$ 500	$ 4,605	12		$ 2,100	$ 500	$ 2,600			$ -		$ -	$ 6,205	$ 1,000	$ 7,205
2.3.4 - Code Review Committee (CRC) Meeting #4	12	5						$ 4,105	$ 500	$ 4,605	12		$ 2,100	$ 500	$ 2,600			$ -		$ -	$ 6,205	$ 1,000	$ 7,205
2.3.5 - Code Review Committee (CRC) Meeting #5	12	5						$ 4,105	$ 500	$ 4,605	12		$ 2,100	$ 500	$ 2,600			$ -		$ -	$ 6,205	$ 1,000	$ 7,205
2.3.6 - Code Review Committee (CRC) Meeting #6	12	5						$ 4,105	$ 500	$ 4,605	12		$ 2,100	$ 500	$ 2,600			$ -		$ -	$ 6,205	$ 1,000	$ 7,205
2.3.7 - Code Review Committee (CRC) Meeting #7	12	5						$ 4,105	$ 500	$ 4,605	12		$ 2,100	$ 500	$ 2,600			$ -		$ -	$ 6,205	$ 1,000	$ 7,205
2.3.8 - Code Review Committee (CRC) Meeting #8	12	5						$ 4,105	$ 500	$ 4,605	12		$ 2,100	$ 500	$ 2,600			$ -		$ -	$ 6,205	$ 1,000	$ 7,205
2.3.9 - Code Review Committee (CRC) Meeting #9	12	5						$ 4,105	$ 500	$ 4,605	12		$ 2,100	$ 500	$ 2,600			$ -		$ -	$ 6,205	$ 1,000	$ 7,205
2.4 - Key Individual Interviews (2 Days)	20						4	$ 5,700	$ 500	$ 6,200	20		$ 3,500	$ 500	$ 4,000			$ -		$ -	$ 9,200	$ 1,000	$ 10,200
2.5 - Community Open Houses (3 Meetings)																							
2.5.1 - Community Open House Preparation (Prep for 3 Meetings)	18	45		27	54			$ 24,300		$ 24,300	18		$ 3,150		$ 3,150			$ -		$ -	$ 27,450	$ -	$ 27,450
2.5.2 - Conduct Community Open Houses (3)	27	27						$ 12,150	$ 3,000	$ 15,150	27		$ 4,725	$ 1,500	$ 6,225			$ -		$ -	$ 16,875	$ 4,500	$ 21,375
2.5.3 - Open House Results (3)		12			27			$ 5,460		$ 5,460			$ -		$ -			$ -		$ -	$ 5,460	$ -	$ 5,460
2.6 - Joint P&Z / City Council Work Sessions (3 Meetings)	36							$ 9,540	$ 1,500	$ 11,040	36		$ 6,300	$ 1,500	$ 7,800			$ -		$ -	$ 15,840	$ 3,000	$ 18,840
PHASE II - EVALUATION / RESEARCH																							
Task 3 - Zoning Ordinance Evaluation																							
3.1 - Identification of Questions and Issues	2	4						$ 1,270		$ 1,270	2		$ 350		$ 350			$ -		$ -	$ 1,620	$ -	$ 1,620
3.2 - Diagnostic Meeting #1 - Zoning Ordinance	4	4						$ 1,800		$ 1,800	4		$ 700		$ 700			$ -		$ -	$ 2,500	$ -	$ 2,500
Task 4 - Subdivision Ordinance Evaluation																							
4.1 - Identification of Questions and Issues	2	2						$ 900		$ 900	2		$ 350		$ 350			$ -		$ -	$ 1,250	$ -	$ 1,250
4.2 - Diagnostic Meeting #2 - Subdivision Ordinance	4	4						$ 1,800		$ 1,800	4		$ 700		$ 700			$ -		$ -	$ 2,500	$ -	$ 2,500
Task 5 - Research Relevant Ordinances from Other Communities																							
5.1 - Identification / Review of Relevant Ordinances	2	2			27			$ 4,140		$ 4,140	3		$ 525		$ 525			$ -		$ -	$ 4,665	$ -	$ 4,665
5.2 - Diagnostic Meeting #3 - Additional Ordinances	4	4						$ 1,800		$ 1,800	4		$ 700		$ 700			$ -		$ -	$ 2,500	$ -	$ 2,500
PHASE III - PREPARATION OF UPDATED ORDINANCES																							
Task 6 - Preparation of a Zoning Ordinance and Zoning Map																							
6.1 - Develop Draft Zoning Districts	2		12		12		12	$ 5,690		$ 5,690	40		$ 7,000		$ 7,000			$ -		$ -	$ 12,690	$ -	$ 12,690
6.2 - Develop Draft Development Requirements and Zoning Procedures								$ -		$ -	8		$ 1,400		$ 1,400	10		$ 2,500		$ 2,500	$ 3,900	$ -	$ 3,900
6.3 - Develop Draft Zoning Map	6	40			48			$ 14,750		$ 14,750	8		$ 1,400		$ 1,400			$ -		$ -	$ 16,150	$ -	$ 16,150
6.4 - Preparation of a Revised Zoning Ordinance and Revised Zoning Map	3	26			36		4	$ 10,325		$ 10,325	4		$ 700		$ 700	12		$ 3,000		$ 3,000	$ 14,025	$ -	$ 14,025
Task 7 - Preparation of the Subdivision Ordinance Update																							
7.1 - Develop Draft Subdivision Ordinance Update	2		24		20	8	6	$ 10,250		$ 10,250	24		$ 4,200		$ 4,200	10		$ 2,500		$ 2,500	$ 16,950	$ -	$ 16,950
7.2 - Develop Revised Subdivision Ordinance Update	2		4			2	3	$ 2,090		$ 2,090	4		$ 700		$ 700	12		$ 3,000		$ 3,000	$ 5,790	$ -	$ 5,790
Task 8 - Preparation of Development Standards / Guidelines																							
8.1 - Develop Draft Development Standards / Guidelines	2		24	4	27		6	$ 10,110		$ 10,110	24		$ 4,200		$ 4,200	24		$ 6,000		$ 6,000	$ 20,310	$ -	$ 20,310
8.2 - Develop Revised Development Standards / Guidelines	2		4				3	$ 1,670		$ 1,670	6		$ 1,050		$ 1,050	12		$ 3,000		$ 3,000	$ 5,720	$ -	$ 5,720
PHASE IV - ADOPTION																							
Task 9 - Zoning Ordinance Adoption																							
9.1 - Planning and Zoning Commission Recommendation (1 Meeting)	12							$ 3,180	$ 800	$ 3,980	12		$ 2,100	$ 500	$ 2,600			$ -		$ -	$ 5,280	$ 1,300	$ 6,580
9.2 - City Council Adoption (1 Meeting)	9							$ 2,385	$ 800	$ 3,185	9		$ 1,575	$ 500	$ 2,075			$ -		$ -	$ 3,960	$ 1,300	$ 5,260
Task 10 - Subdivision and Development Standards Adoption	12							$ 3,180	$ 800	$ 3,980	12		$ 2,100	$ 500	$ 2,600			$ -		$ -			
10.1 - Planning and Zoning Commission Recommendation (1 Meeting)																					$ 5,280	$ 1,300	$ 6,580
10.2 - City Council Adoption (1 Meeting)	9							$ 2,385	$ 800	$ 3,185	9		$ 1,575	$ 500	$ 2,075			$ -		$ -	$ 3,960	$ 1,300	$ 5,260
961	306	244	68	31	264	10	38				421	0				80	0						
TOTAL FEES								*$ 183,515*	*$ 12,700*	*$ 196,215*			*$ 73,675*	*$ 10,000*	*$ 83,675*			*$ 20,000*	*$ -*	*$ 20,000*	*$ 277,190*	*$ 22,700*	*$ 299,890*

Kimley»Horn

Kerrville Zoning / Subdivision Updates

Exhibit C - Project Schedule - 9/19/18



9/19/2018

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

SUBJECT: Administrative Services Contract between the City of Kerrville, Texas and the City of Kerrville, Texas Economic Improvement Corporation in the amount of $180,000.

AGENDA DATE OF: 9/25/2018 **DATE SUBMITTED:** 9/19/2018

SUBMITTED BY: E.A. Hoppe
Deputy City Manager

EXHIBITS: Administrative Services Contract

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
$180,000	$180,000	$180,000	N/A

PAYMENT TO BE MADE TO: **City of Kerrville, TX**

Kerrville 2050 Item?	**Yes:** ☒	**No:** ☐
Key Priority Area	E - Economic Development	
Guiding Principle	E2 - Develop policies, processes and programs, including economic incentives, which are clear and consistently applied by a team of City & partner economic development entities working with stakeholders & focused on attracting, retaining & expanding bus.	
Action Item	N/A	

SUMMARY STATEMENT:

The City of Kerrville provides services to the EIC through an annual Administrative Services contract. This contact includes services for project management, engineering, financial, legal, and administrative support. The approved EIC budget for Fiscal Year 2019 compensates the City $180,000 for these services. The current contract expires on September 30, 2018 thus necessitating a new contract for Fiscal Year 2019, which will begin October 1, 2018.

Attached is the Fiscal Year 2019 Administrative Services Contract between the City of Kerrville and the EIC. This item was unanimously approved by the EIC at their September 17, 2018 regular meeting.

RECOMMENDED ACTION:

Approve the Administrative Services Contract between the City of Kerrville, Texas, and the City of Kerrville, Texas Economic Improvement Corporation in the amount of $180,000.00.

ADMINISTRATIVE SERVICES CONTRACT
BETWEEN CITY OF KERRVILLE, TEXAS AND
CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION

THIS CONTRACT is entered into and effective as of the ____ day of October 2018, by and between the City of Kerrville, Texas, ("City"), and the City of Kerrville, Texas Economic Improvement Corporation ("EIC") for and in consideration of the following promises and conditions:

ARTICLE I
SERVICES PROVIDED BY CITY

City shall provide the following services to EIC subject to the limitations and conditions set forth below:

A. **Engineering and Project Management Services**: City agrees to provide engineering and project management services, to include design, bid, and construction phases, for EIC-funded projects that involve improvements to City and/or public property. For such projects requiring expenditures estimated at more than $25,000.00 for construction, City may contract for specialized engineering services and EIC agrees to pay for such services as part of a project, which is authorized by the EIC to be funded in whole or in part by sales tax revenues generated pursuant to the authority of Chapters 501, 502, and 505 of the Texas Local Government Code.

B. **Legal Services**: City agrees the City Attorney will be the legal advisor of, and attorney for, EIC, which representation will include review of documents, contracts, and other instruments as to form and legality, the conduct of legal research, and, if requested, the issuance of legal opinions. In the provision of legal services by the City Attorney, the City Attorney shall provide such services only if the provision of legal services to EIC does not unreasonably impair his ability to provide legal services to the City. For example, in the event the City Attorney determines that a legal or ethical conflict exists between the City and the EIC, the EIC agrees that the City Attorney may continue to represent the City on such matter notwithstanding such conflict, provided the City Attorney has made reasonable disclosure of the conflict to the president of the EIC. Where a conflict exists, EIC may hire counsel of its own choice at EIC expense, subject to its budget, to include any undesignated reserve cash balance but not to exceed an overall expense of $50,000.00. The City Attorney may contract at times for specialized legal services with respect to a project approved by EIC and EIC shall pay for such services.

C. **Financial Services**: City agrees to provide accounting, banking, and investment services, including accounts receivable, accounts payable, investments, record keeping, financial reporting, and an audit of all funds. The City will provide a report at each regular monthly meeting of the EIC, such report to include a statement of revenues and expenditures for all funds and a cash flow analysis on a form approved by the EIC.

D. **Administrative Services**: City will provide services from the City Manager to include secretarial and other clerical services, including taking minutes and preparation of resolutions and correspondence related to the operation of EIC. The City Manager or designee will engage with the EIC in a manner comparable to the role identified by Section 6.04 of the City Charter.

E. **Investment Officer**: The City's Director of Finance will serve as the EIC's investment officer in accordance with the EIC's Investment Policy, as may be amended.

F. **Regulatory Financial Reporting**: The City's Director of Finance shall prepare all financial reports required by state and federal regulatory agencies.

G. **Annual Audit**: The City's Director of Finance shall include the EIC's financial information as part of the City's Comprehensive Annual Financial Report (CAFR).

H. **Project Reports**: The City Manager or designee shall provide a report at each regular monthly meeting of the EIC on all ongoing projects, which are subject to a funding agreement with the EIC. These reports shall include the status and estimated completion date of each project and verification that performance criteria are being met.

I. **Staff Reports**: The City Manager or designee shall prepare a report on each application for EIC funds, such report to include the following information:

1. Complete Application

2. Financial Impact Analysis

    a. Total payroll

    b. Payroll multiplier

    c. Sales and ad valorem tax generation

3. Return on Investment Analysis

    a. Property tax – City, County, and KISD

    b. Sales tax – City and County

    c. Payroll multiplier

    d. Timeline by which return is realized

4. Feasibility Analysis

    a. Land – size, zoning, platting, building/fire codes

    b. Building – size, suitability, condition

    c. Infrastructure – water, wastewater, streets, drainage, electricity, public safety

J. **Prospect Support Services**: The City Manager or designee shall ensure that the following support services as provided by City staff are provided to the EIC in the review and processing of applications for EIC funds:

1. receive applications;
2. evaluate applications for completeness;
3. determine eligibility;
4. facilitate submission before the EIC;
5. provide technical evaluation;
6. provide recommendations;
7. coordinate with other aligned agencies/entities; and
8. identify appropriate incentives and programs.

ARTICLE II
COMPENSATION

In consideration of the provision by City to EIC of the services described in Article I, above, EIC shall pay City the sum of **$180,000.00** for the term specified below. It is agreed by the parties that this compensation is equal to the reasonable value of the services anticipated to be provided by City to the EIC. City shall deduct the payment required hereunder upon receipt of said sales tax revenues from the Comptroller of Public Accounts for the State of Texas.

ARTICLE III
TERM

The term of this Contract commences on October 1, 2018, and ends on September 30, 2019, subject to earlier termination as provided herein and extension by agreement of the parties hereto.

ARTICLE IV
TERMINATION

This Contract may be terminated by City or EIC for any reason, with or without cause, not earlier than thirty (30) days prior to delivery to the non-terminating party of a written notice of termination. EIC agrees to pay City the reasonable cost of services rendered by City up to the date of termination.

ARTICLE V
GOVERNING LAW

This Contract is subject to, governed by, and construed in accordance with the laws of the State of Texas.

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

(signatures begin on following page)

CITY OF KERRVILLE, TEXAS

By:_____
Mark L. McDaniel, City Manager

CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION

By:_____
Kenneth Early, President

ATTEST:

_____
Cheryl Brown, Interim City Secretary

APPROVED AS TO FORM:

_____
Michael C. Hayes, City Attorney

T:\Legal EIC Contract City Admin Services\EIC Services 2018-19_091418.docx

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

SUBJECT: City of Kerrville Funding Agreement with Kerr Economic Development Corporation.

AGENDA DATE OF: 9/25/2018 **DATE SUBMITTED:** 9/19/2018

SUBMITTED BY: E.A. Hoppe
Deputy City Manager

EXHIBITS: Economic Development Grant Agreement

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
$24,500	$24,500	$24,500	N/A

PAYMENT TO BE MADE TO: **Kerr Economic Development Corporation**

Kerrville 2050 Item?	**Yes:** ☒ **No:** ☐
Key Priority Area	E - Economic Development
Guiding Principle	E2 - Develop policies, processes and programs, including economic incentives, which are clear and consistently applied by a team of City & partner economic development entities working with stakeholders & focused on attracting, retaining & expanding bus.
Action Item	N/A

SUMMARY STATEMENT:

The Kerr Economic Development Corporation (KEDC) has requested $24,500.00 each from the City, County, and Kerrville Public Utility Board (KPUB), under separate grant agreements with each entity, for the implementation of a comprehensive economic development program over the next fiscal year. This is in addition to the $140,000 KEDC request to the Kerrville Economic Improvement Corporation (EIC), per the annual work program review presented to the EIC on July 16th and the City Council on August 14th.

The attached Funding Agreement is for a one year term that expires on September 30th, 2019 and includes the KEDC 2018-2022 Business Plan and FY19 Budget.

RECOMMENDED ACTION:

Approve of the Funding Agreement with Kerr Economic Development Corporation for an amount up to $24,500.00 for Fiscal Year 2019.

STATE OF TEXAS	§	**CITY OF KERRVILLE FUNDING**
	§	**AGREEMENT WITH KERR ECONOMIC**
COUNTY OF KERR	§	**DEVELOPMENT CORPORATION**

This Agreement entered this _____ day of _____, 2018, by and between the **City of Kerrville, Texas** ("CITY"), and **Kerr Economic Development Corporation** ("KEDC"), a non-profit organization in the State of Texas.

W I T N E S S E T H

WHEREAS, CITY desires to contract with KEDC for an economic development program and it is considered to be in the best interests of both CITY and KEDC for KEDC to provide these economic development services to CITY; and

WHEREAS, CITY's intent in entering into this agreement is to accomplish a public purpose and it believes that it will receive a sufficient return for the funds it contributes;

NOW, THEREFORE, CITY and KEDC agree as follows:

1. **Services**. KEDC shall undertake a proactive economic development role on behalf of businesses identified for targeted markets for CITY as outlined in the KEDC (Board) 2018-22 Business Plan (the "Plan") dated July 12, 2018, and attached as **Exhibit A**. Said activities, to include the retention and recruitment of businesses, shall be in accordance with the Plan. A copy of KEDC's estimated operating 2018-19 fiscal year budget for this economic development program, as approved by KEDC's Board of Directors, is attached hereto as **Exhibit B**. This budget includes all proposed sources of income and amounts as well as expenses. CITY's intent is to purchase certain services and public benefits as part of an arm's length transaction.

2. **Payment**. KEDC, in conjunction with periodic meetings of its Board of Directors, which includes CITY representation, shall provide CITY with an expense and activity report, to include related metrics, actual monthly expenses, and services performed pursuant to the economic development program. In return for these economic development services and as a means of contributing for a portion of the costs, CITY agrees to pay KEDC the amount of **$24,500.00** for the term of this agreement, payable by CITY in full by January 1, 2019.

3. **Records**. In order to insure proper financial accountability, CITY reserves the right to require reasonable requirements regarding the segregation and handling of all funds paid by CITY to KEDC under the terms of this agreement and KEDC agrees to abide by all such requirements. At least annually, KEDC shall furnish to the City Manager a) a financial statement which KEDC shall have prepared according to generally accepted accounting principles and shall, at a minimum, encompass all aspects of the operation and provision of KEDC's services under this agreement; and b) an audit report prepared by a certified public

accountant. CITY may request additional financial information it deems necessary or appropriate to assist CITY in analyzing a request for financial assistance or verifying the accuracy of any payment due KEDC or accuracy of KEDC's financial records or viability as an organization. Any duly authorized agent of CITY shall be entitled to inspect and audit all books and records of KEDC for compliance with the terms of this agreement.

4. **Independent KEDC/Indemnity**. It is acknowledged, understood, and agreed that KEDC shall be considered an independent KEDC or donee for the purposes of this agreement and shall in no manner incur any expenses or liability on behalf of the CITY. **KEDC further agrees to hold CITY harmless for any and all claims by third parties for any injuries, damages, or liability arising under or occasioned by KEDC in connection with this agreement, KEDC's work, or the services it provides.**

5. **Notice**. Any notice required to be given under the terms of this agreement shall be effective if and when given in writing and mailed by certified mail to the addresses listed below:

CITY:	**KEDC**:
City Manager	President
City of Kerrville, Texas	Kerr Economic Development
City Hall	Corporation
701 Main Street	1700 Sidney Baker, Suite 100
Kerrville, TX 78028	Kerrville, TX 78028
(830) 258-1105	(830) 896-1157

6. **Assignment**. KEDC may not assign this agreement without the prior written consent of CITY.

7. **Termination**. Notwithstanding the agreed upon term, this agreement may be terminated upon the occurrence of any of the following, in which case KEDC shall immediately, but in no case longer than thirty (30) days, return to CITY the prorated share of CITY's payment in accordance with Section 2, above:

a. the giving of written notice by either party to the other party at least ninety (90) days prior to the desired effective termination date;

b. the termination of the corporate existence of KEDC;

c. the insolvency of KEDC, the filing of a petition in bankruptcy either by or against KEDC, an assignment by KEDC for the benefit of creditors, or if KEDC goes dormant and/or ceases operations for any reason for thirty (30) days or more; and/or

d. the breach by KEDC of any of the terms of this agreement and the continuation of such breach for a period of ten (10) days after written notice is given by CITY to KEDC of such breach.

8. **Term**. The term of this agreement shall be from October 1, 2018, through September 30, 2019.

9. **Open Records**. KEDC understands that receipt of payment for these services may subject all or part of KEDC's records to the Texas Public Information Act.

10. **Minority Representation on Board**. KEDC is encouraged to obtain minority representation on its Board of Directors.

EXECUTED on the date above stated.

CITY OF KERRVILLE, TEXAS

MARK L. McDANIEL
CITY MANAGER

KERR ECONOMIC DEVELOPMENT CORPORATION, KEDC

MIKE WITTLER
PRESIDENT

ATTEST:

CHERYL BROWN, INTERIM CITY SECRETARY

APPROVED AS TO FORM:

MICHAEL C. HAYES, CITY ATTORNEY

Exhibit A

KEDC
Kerr Economic Development Corp.

2018-2022 Business Plan

July 12, 2018

EXECUTIVE SUMMARY

VISION

The Kerr Economic Development Corporation (KEDC) is a 501(c)(6) non-profit public-private regional economic development organization committed to creating a more prosperous and diverse regional economy. To better serve the region, KEDC proposes to form a Partnership with the Kerrville Chamber of Commerce. As a result, the Partnership, will combine the Chamber's business-to-business network of 1,000 members and access to local resources with the KEDC's technical expertise and connection to regional resources to provide optimum economic development services throughout Kerr County.

Moreover, the newly formed Partnership will seek to eliminate administrative redundancies, reduce operating expenses as well as create a unified vision and voice for penetration into new business markets through enhanced communication efforts, a broad regional business network that will improve KEDC's business retention and recruitment efforts.

MISSION

It is KEDC's mission to adopt a more comprehensive approach to economic development and to aggressively attract, start-grow and retain higher wage industries, talent and jobs. KEDC and Chamber of Commerce will also collaborate with the Convention & Visitors Bureau's regional marketing platform to promote Kerr County and its communities as a primary location for economic investment and business expansion.

KEDC will continue to serve as the area's lead regional economic development organization to recruit and encourage new and expanded business development and a talented business employment pool. Leadership for both organizations will be unified, and the current President and CEO of the Kerrville Area Chamber of Commerce will also serve as the Executive Director of the Kerr Economic Development Corporation.

More specifically, the Partnership will:

- Help existing companies with their expansion needs when requested by the locality or the company.
- Identify and target regional and national companies for recruitment to Kerr County.
- Aggressively market the competitive advantages of Kerr County.
- Develop and promote a region inclusive of and bolstered by its individual community brands.
- Focus on achieving regional success that is broad-based and inclusive of each partner in the community.
- Organize, grow and strengthen higher wage industry across the region.
- Maintain a regional economic development information, research and resource center.
- Promote entrepreneurship and support startup businesses.
- Identify and support regional efforts that lead to a broad and diversified economic base.

Formation of the Partnership will benefit both organizations by:

- Creating a unified vision and voice.
- Delivering additional value to Chamber members through Economic Development technical support.
- Providing KEDC access to the Chamber's relationships and network of members to enhance Business Retention and Expansion activities.
- Enhancing marketing efforts to improve business retention and recruitment efforts.
- Providing a more comprehensive approach to economic development to aggressively attract, grow and retain higher wage industries, talent, and jobs.
- Streamlining resources and eliminating administrative redundancies.
- Improving regional competitiveness through greater awareness of available real estate, financial incentives, workforce and quality of life.
- Strengthen the Chamber's Core Mission to bring together a wide range of business that can share information on competitiveness.
- Creating a "One-Stop Shop" for existing and prospective businesses
- Providing additional professional development for staff.

STRATEGY

It is the KEDC's belief that economic development should increase opportunities for today's businesses, while expanding the possibilities for younger people in Kerr County to stay in the region and obtain nationally competitive jobs.

Therefore, KEDC will aggressively pursue a higher wage job creation strategy that will be developed through a broad-based and inclusive planning effort during 2018. A Five-Year Higher Wage Job Creation Strategy plan will be developed based on industry research and higher wage job creation models focusing on the region's current and emerging advanced industrial sectors. The plan will drive the creation of higher wage jobs in the region overall through new-to-market business recruitment.

STRATEGIC APPROACH & PRIORITIES

The four areas of primary focus for developing a Higher Wage Job Creation Strategy were first developed through a series of strategic planning sessions that were facilitated by Avalanche Consulting of Austin, Texas on December 12, 2017 and January 29, 2018.

1. Business Retention and Expansion (BR&E)
2. Strategic Development Leveraging Existing Community Infrastructure
3. Talent Development
4. Business Recruitment

Revenue to support Kerr County's economic development efforts comes from funding provided by the City and County government and local utility partners. Future funding models will be reviewed as part of the 2018 planning process.

KEDC will continue to focus on the growth of "Primary Jobs" through the use of various tools authorized by Stakeholders and other entities. "Primary Employer" means a business that provides or manufactures goods, services, supplies and/or inventory that are sold predominantly (more than

50%) to customers that permanently reside outside of the immediate region (more than 30 travel miles from the intersection of State Highway 16 and State Highway 27). Primary Job means a job or position employed by a Primary Employer.

Examples of Primary Employers are:

- A manufacturer that produces a good its sales can be predominantly attributed to customers who reside outside of the immediate region.
- A company that provides a service and its sales can be predominantly attributed to customers who reside outside of the immediate region.
- An educational or training institution of higher education that has a student body who predominantly resides outside of the immediate region on a permanent basis.

1. BUSINESS RETENTION AND EXPANSION

KEDC will successfully develop and maintain a proactive direct outreach and prospecting program focused on generating quality leads that can be nurtured and converted into job creation, and job diversification opportunities for the region.

Accelerating regional business and industry expansion is a key component of KEDC's primary business attraction strategy. Maintaining and growing employment, payroll, capital investment and corporate partners foster stability in the regional economy. Therefore, KEDC will continue to address primary industry needs through engagement in cluster development, expansion of financial incentives, technical support and real estate assistance.

Since fierce global competition forces many companies to continually evaluate the best location for their business, KEDC will work in close alignment with its public-sector partners to conduct outreach to target sector firms and encourage/support economic growth and expansion projects. Outreach visits to these sectors will provide valuable insight on business drivers, workforce challenges, and regional competitiveness.

In support of the direct outreach and prospecting program, KEDC offers a full range of services to assist companies as they evaluate Kerr County as a premier and high-quality location in which to locate and grow their companies. Business development activities and strategies will be focused on targeted industries through organized marketing for both inbound and outbound promotion.

Action Items

- Plan and execute a targeted program of regional and national business development.
- Outreach missions targeting select high-impact companies in select markets.
- Plan and execute focused outreach to site selectors, consultants and advisors in key markets.
- Leverage resources by engaging and coordinating business development efforts within Kerr County.
- Support and participate in Governor's Small Business Forum.
- Plan a biennial event to bring Texas site selectors to Kerr County as part of familiarity tour.
- Participate in or sponsor booths at selected targeted industry trade shows/conferences.
- Support the region's communities as needed by hosting select business delegations.

2. STRATEGIC DEVELOPMENT OF INFRASTRUCTURE

Infrastructure is not the end result of economic activity; rather it is the framework that makes economic activity possible.

Action Items

- Continue to develop the Location One Information System (LOIS) property inventory to track changes in commercial and industrial property inventory.
- Create an Industrial Park Plan specific to development of the Hwy 27 corridor.
- Site selectors most often consider hard infrastructure assets when representing clients. Therefore, marketing materials will include information on: 1) number and quality of roadways; 2) airport capacity; 3) availability of electrical, natural gas, water and sewer.
- Work with private property owners to market shovel-ready property.

3. TALENT DEVELOPMENT

Education has been identified as an important determinant of economic growth. Higher levels of educational attainment lead to a more skilled and productive workforce, providing a higher standard of goods and services, which in turn forms the basis for faster economic growth and rising living standards.

Action Items

- Establish a local chapter of the SCORE Association or similar business mentoring program. SCORE is a nonprofit association dedicated to helping small businesses get off the ground, grow and achieve their goals through education and mentorship. SCORE is supported by the U.S. Small Business Administration and volunteers; SCORE delivers services at little or no cost. Kerr County has a significant number of retired Executives that could be used more effectively as mentors, advisors and investors.
- Create strong innovation ecosystems, particularly through initiatives like cluster organizations, business accelerators, and innovation districts.
- Update the Avalanche Consulting Labor Shed Analysis to identify Kerr County's strengths that can be promoted through local training and educational institutions.
- Work with Alamo Colleges, the University of Texas at San Antonio, Workforce Solutions and others to increase regional workforce initiatives in the construction trades that could eventually encourage the development of affordable housing.
- Build solid bridges between the world of work and training programs in order to match skills provision to the needs of local business.
- Create sustained dialogue between employers and trainers, by providing labor market and employment services information as steps to an early identification of skills needs.
- Develop relationships between employers and educators by centralizing data on job placement and workforce trends.
- Develop common definitions of credentials and streamlining the process for employers to implement apprenticeship and cooperative education programs.

4. BUSINESS RECRUITMENT

Although revitalizing a community is less about what you can attract from outside and more about what you can grow yourself, some effort should be made to recruit new business to Kerr County.

Action Items

- Work with Kerr County's more prominent companies to identify suppliers and vendors that may be interested in moving to the area.
- Direct market to companies and site selectors within Kerr County's target industries for relocation to the area.
- Create a local environment/culture for early-stage business through 1) micro-loans, business incubators, business accelerators to cultivate a niche market.
- Work with Mooney International to approach airplane partners about relocation opportunities.
- Work with Mooney International to establish sources of Aviation Engineering for future R&D expansion.

PRIORITY AREAS

In support of a creating a Higher Wage Job Creation Strategy, the KEDC will concentrate time, energy and financial resources in five priority areas.

1. COMPETITIVENESS IMPROVEMENT

▪ **Regional Business Identity and Brand:** Launch a collaborative community-based effort supported by the CVB, to strengthen, merchandise and promote the region's business identity with a focus on Kerr County and the City of Kerrville as business-friendly and a good place for business.

▪ **Higher Wage Industry Growth:** Support and assist in efforts to organize, develop and accelerate growth and the competitive position of the region's current and emerging higher wage industry sectors.

▪ **Competitive Product Strategy:** Partner with (Alamo Colleges, Schreiner University, UTSA, KISD, Workforce Solutions and others) to improve the region's competitive position in the areas of workforce and talent recruitment.

2. MARKETING AND PROMOTION

▪ **Middle-Market Recruitment:** Focus business outreach efforts on attraction and recruitment of small to mid-sized businesses, within Austin and San Antonio MSA, identified within the target industry sectors that can broaden the local employment base while allowing the local infrastructure to develop.

3. BUSINESS DEVELOPMENT AND PROMOTION

▪ **Site Locaters, Consultants and Advisors:** Elevate awareness of the opportunities in Kerr County through proactive outreach to site locators, consultants and industry advisors.

4. BUSINESS NETWORKING

▪ **Economic Forum:** Work with City and County leaders to organize and launch an Economic Forum to create a peer region benchmarking program with Fredericksburg and Boerne to inform/educate regional leadership about common issues/concerns such as workforce, affordable housing and education/skills development.

▪ **Enhanced Company/Industry Research Platform:** Collaborate with UTSA, Alamo Colleges, Texas A&M Real Estate Center and Schreiner University to strengthen research capability and data collection in target sectors.

5. INVESTOR RELATIONS AND ENGAGEMENT

▪ **Investor Relations and Engagement:** Bring together a cross section of business community members to review, analyze and understand investor opportunities, frame new investment tiers and support opportunities.

PROGRAM MEASUREMENT AND EVALUATION

KEDC is a strong proponent of the belief that "what gets measured gets done". Measurement can be a powerful catalyzing force to engender a more inclusive overall economy. Therefore, the KEDC's approach to program evaluation includes three types of assessment.

1. **Monitor Progress:** Success in carrying out program activities on schedule and within budget.
2. **Evaluate Effectiveness:** Determine whether efforts achieve prescribed objectives.
3. **Measure Impact:** Assess positive changes in the overall environment that relate to program actions.

Within this context, the KEDC will develop a system of performance assessments that evaluates both historical performance and functions as a management tool to drive future actions and results. With a clear understanding of what performance areas should be measured, KEDC can also develop a best practice approach to setting specific performance targets and goals.

TOP-LEVEL METRICS AND PERFORMANCE INDICATORS

The following chart illustrates potential top-level Key Performance Indicators (KPIs) that have been identified to measure future performance. Specific threshold and target goals will be determined as performance is measured and monitored in the future.

Annual Metric or Performance Measure	Threshold Goals	Target Goals
Projects Completed		
Jobs Announced		
Payroll Announced		
Capital Investment Announced		
Absorption of Commercial/Industrial Space (S.F.)		
Average Wage		
Lead Generation		
Project Generation		
Prospects Hosted		
Return on Investment		
Utilization of 4B Funding		

Action Items

- Design and implement a Quarterly Project Activity Report (Exhibit D) covering regional progress and organizational performance.
- Conduct specialized research, reports as required to highlight Kerr County's: business climate and cost; industry base; physical infrastructure; real estate availability; and talent pool.
- Convene biannual workshops with partnering agencies (City, County, EIC and KPUB) to refine program benchmarks.

TARGETED INDUSTRIES & SECTORS

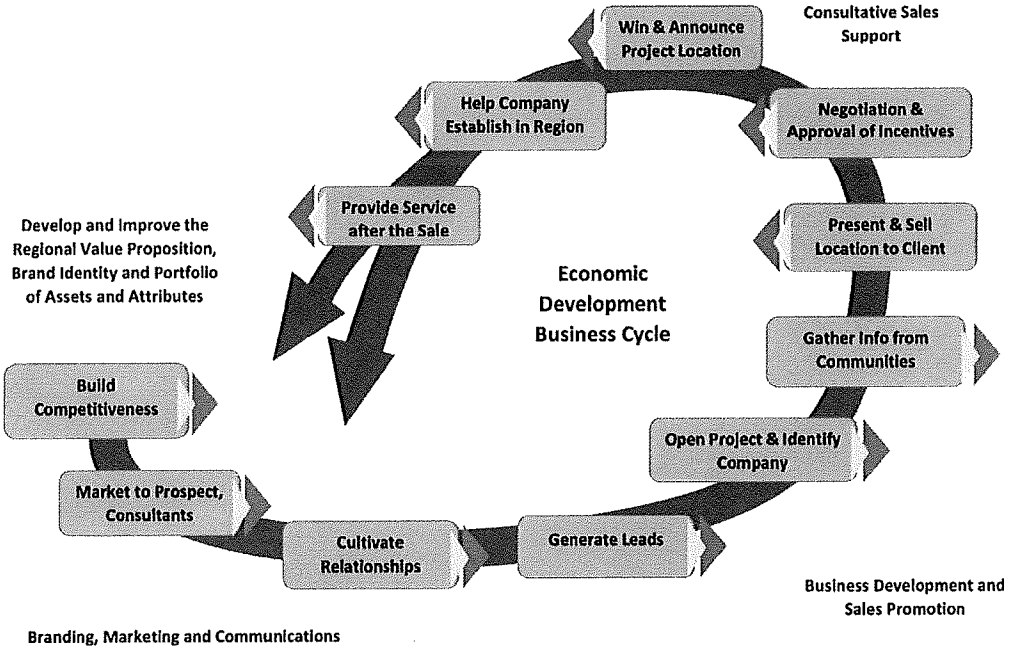
KEDC will continue to target industries where Kerr County has a natural advantage. Industry sectors that job creation efforts are focused on will periodically be reevaluated. The sectors currently being focused on include:

- Advanced Manufacturing
- Aviation, Aerospace & Defense
- Craft Agriculture
- Energy
- Food Processing & Storage
- Information, Analytics & Security
- Life Sciences & Healthcare

STRATEGIES, OPERATIONAL PLANS AND TACTICS

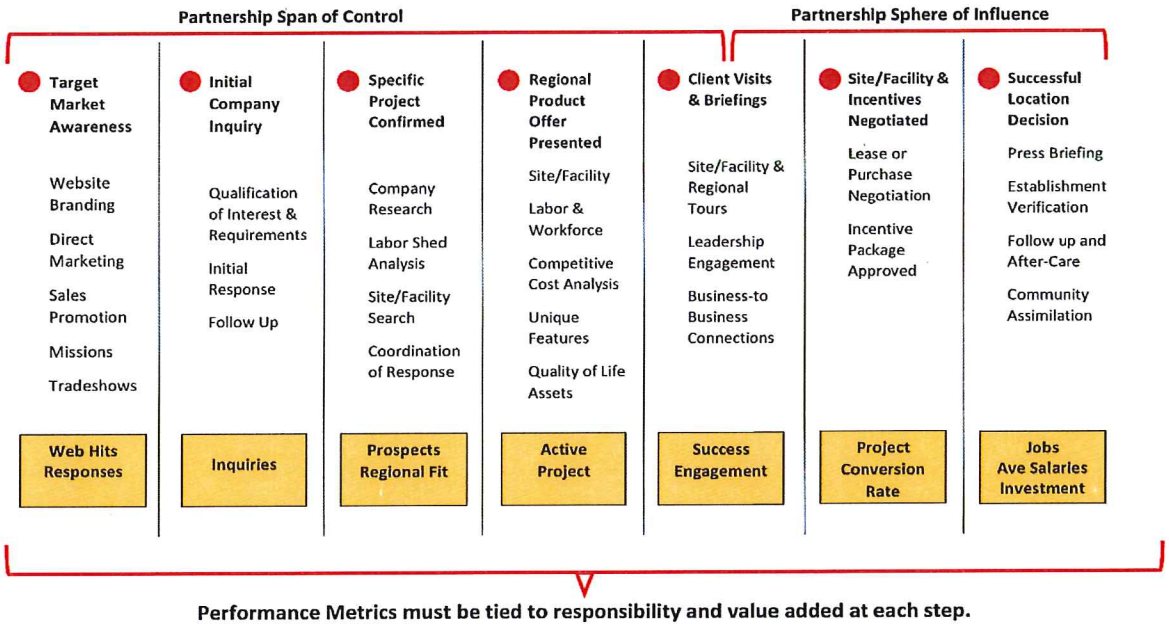
KEDC will concentrate its efforts where it can add value in the economic development business cycle.

Exhibit B



The chart below illustrates, how through "The Partnership," KEDC will be more capable of shifting resources throughout the site selection process to ensure better business recruitment and attraction results.

KEDC Action Chart

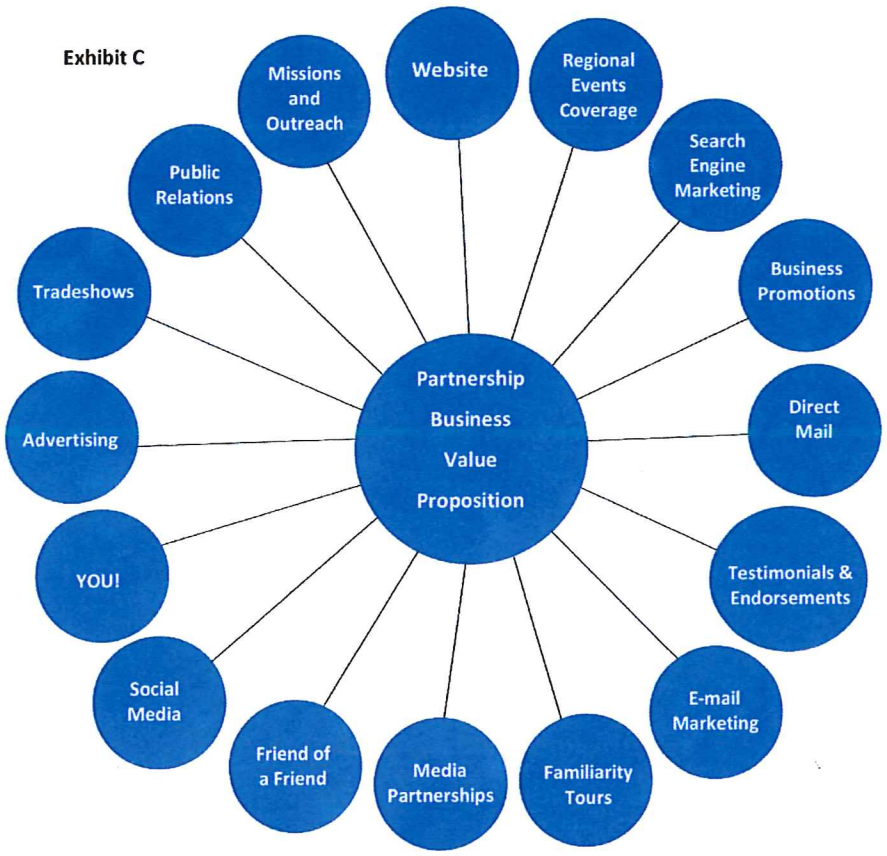


MARKETING & COMMUNICATIONS

As 2018 is the initial year of the KEDC's revised organizational structure and business plan, a marketing and promotional campaign will be required. A marketing campaign is necessary to create more opportunities to present the region's locational advantages to qualified business and industry prospects.

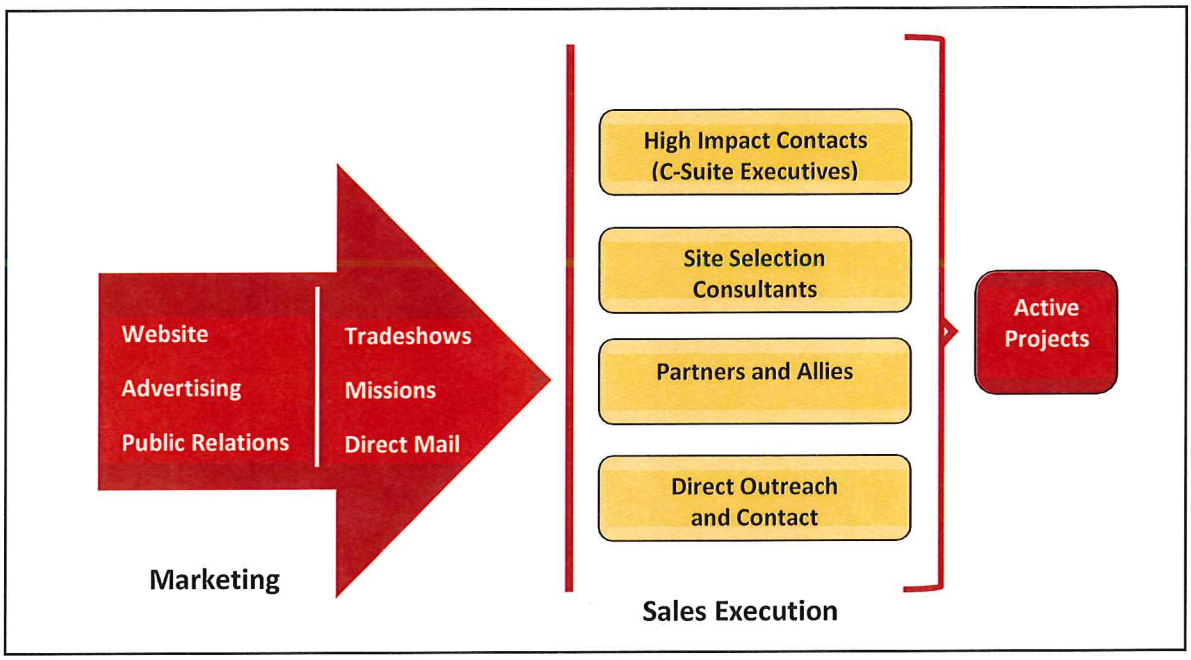
The program includes a stronger branding program along with specific marketing and promotional program enhancements. The marketing campaign's focus is on enhancing and building perceptions about Kerr County. This will be accomplished by marketing through a variety of means including advertising, direct mail, and website content as demonstrated in (Exhibit C).

Exhibit C



Impact measures will include new leads that come directly as a result of the marketing and promotional campaign within targeted industries. The ultimate goal of the marketing campaign is to convert these leads into new business opportunities, new capital investment and new job creation for the region.

The image below demonstrates how coordinated marketing and branding efforts drive traffic to KEDC and manifests itself in terms of inquiries, leads and prospective business and industry clients. The Chamber of Commerce and the KEDC in collaboration with its regional partners will work to convert the increased traffic, leads and prospects into new business investment projects.



Action Items

- KEDC will conduct baseline research, regional identity/brand audit and prepare regional positioning assessment, retail and labor shed analysis, and business case.
- Organize and drive development of a regional identity and brand strategy platform, and an overall regional marketing and communications strategy and plan.
- Design and implement direct marketing and outreach to both site selection consultants and c-suite executives within targeted industries.
- Directly support and assist in the implementation of out-of-market business development missions to spread the Kerr County business identity message, positively change perceptions and generate leads.
- Continually refine and upgrade the messaging of the KEDC and Chamber website to coordinate messaging.
- Plan and executive a comprehensive regional communications program to ensure business and government leaders, stakeholders, partners and investors are educated and informed about the KEDC's efforts to implement the Five-Year Higher Wage Job Creation Strategy.
- Strategically involve local partners, stakeholders and investors in all efforts to spread the message of the Kerr County business identity.

INVESTOR RELATIONS & EVENTS

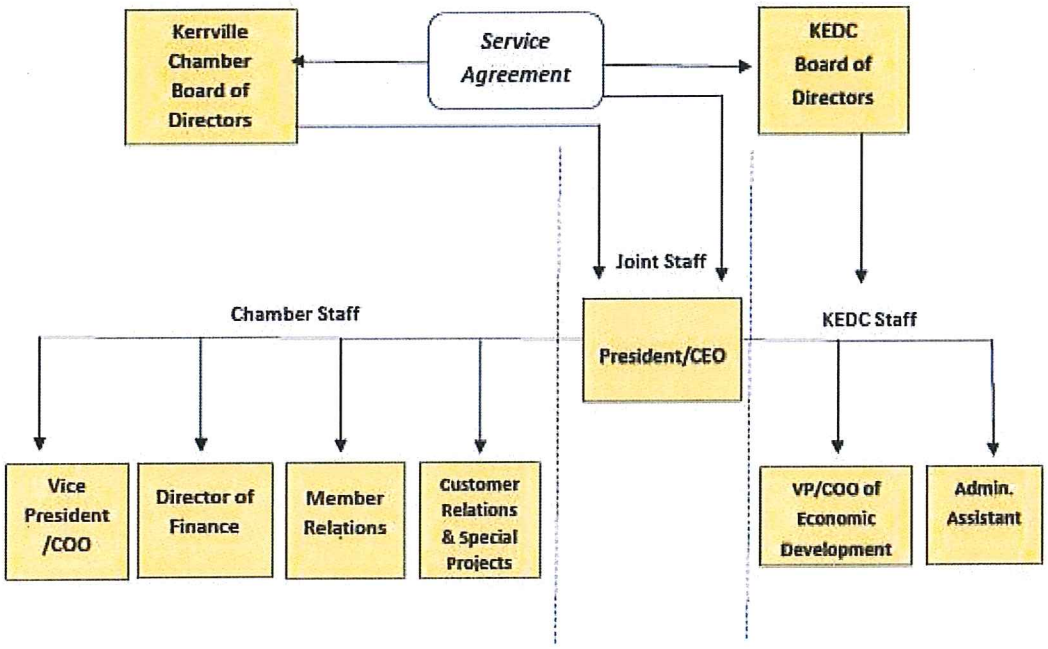
The KEDC's value is enhanced by effectively engaging both public and private stakeholders.

Action Items

- Organize and staff investor relations meetings to review, analyze and understand investor concerns, new investment opportunities and regional support efforts.
- Plan, organize and recruit attendance for two (2) Investor Update sessions across the region.

MANAGEMENT & OPERATIONS

The Partnership team is organized in a way to bring staff members of the Chamber and KEDC closer together under a single Executive responsible to both Boards. This organization is expected to eliminate administrative redundancies, streamline resources, and create a unified vision and voice. The Chamber retains the Executive as an employee and the KEDC contracts for services from the Chamber through a Service Agreement. The Executive will be the initial shared resource and other sharing will be considered as the Partnership develops. Formation of the Partnership does not require modification to either Organizations' Bylaws, and the Service Agreement will have a cancellation option with notice requirements. KEDC Staff will be hired through a KEDC Board approved process that involves the Joint President/CEO.

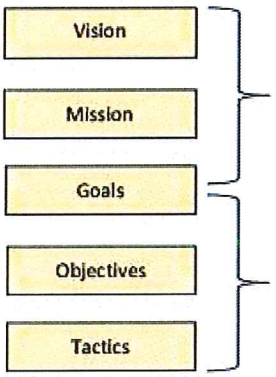


BUDGETS & FUNDING

The proposed operating budget is shown below in Table 1. The table shows the current year, 2017/2018 Budget, 2017/2018 Forecast Year End Budget Performance, and the Proposed 2018/2019 Budget. Funding requests for 2018/2019 are the same as 2017/2018. Contract Services are increased primarily due to the engagement of a recruiter to fill the vacant VP/COO of Economic Development position. Operations is down due to reduced office lease cost with the Chamber Partnership. We recognize that there is a need to enhance the efficiency of our economic development efforts and believe that there are opportunities to make improvements through economies of scale and efficiency improvements.

Table 1	2017/2018 Budget	2017/2018 Forecast YE	2018/2019 Budget
Beginning Balance	**112,873.09**	**112,873.09**	**111,546.33**
Income			
City of Kerrville	24,500.00		24,500.00
EIC	140,000.00	140,000.00	140,000.00
Kerr County	24,500.00		24,500.00
KPUB	24,500.00		24,500.00
Other Income			
Total Income	**213,500.00**	**140,000.00**	**213,500.00**
Expense			
Business Recruitment	6,500.00	8,250.00	6,500.00
Website	300.00	2,880.93	2,880.00
Marketing	3,450.00	447.46	3,450.00
Business Expenses - Other	20,000.00	235.90	20,000.00
Contract Services	3,500.00	11,227.97	16,166.67
Operations	19,850.00	13,043.01	13,050.00
Liability Insurance	900.00	1,700.00	900.00
Payroll Expenses	181,000.00	102,363.25	177,600.00
Travel and Meetings	18,000.00	1,178.24	18,000.00
Total Expenses	**253,500.00**	**141,326.76**	**258,546.67**
Net Income	**-40,000.00**	**-1,326.76**	**-45,046.67**
Ending Balance	**72,873.09**	**111,546.33**	**66,499.66**

Exhibit A – Performance Measurement Framework



Milestones and Metrics

- Five-year benchmarks
- Job Creation
- Payroll
- Capital Investment
- Average Salaries
- % of projects in Target Sectors
- Client visits and repeat visits
- Growth in public revenue
- Growth in private revenue

	Annual Metrics	Key Performance Indicators (KPIs)
Business Development	▪ Job creation ▪ Payroll/Ave. salaries ▪ Capital investment	▪ Leadership engagement ▪ Governance process effectiveness ▪ # and % of projects in target sectors ▪ Client visits and repeat visits
Marketing & Communications	▪ Awareness ▪ Consideration set targets	▪ Conversion rates ▪ Effectiveness of missions, trade shows ▪ Qualified inquiries ▪ Social media targets
Investor Relations	▪ Public revenue ▪ Private revenue	▪ Website traffic targets ▪ Media inquiries ▪ Stakeholder engagement
Strategic Initiatives	▪ Success on priority projects	▪ Fundraising calls ▪ Event and meeting attendance

LEGAL ENTITY

The Kerr Economic Development Corporation (KEDC) received its certificate of incorporation from the Texas Secretary of State on July 14, 2015. The business affairs of the KEDC are conducted by a board of 9 directors, all of whom have one vote on any proposition coming before the commission. As of July 2018, the KEDC Bylaws are being revised to add one additional director for the City of Kerrville and one additional director for the Kerr County Commissioners Court.

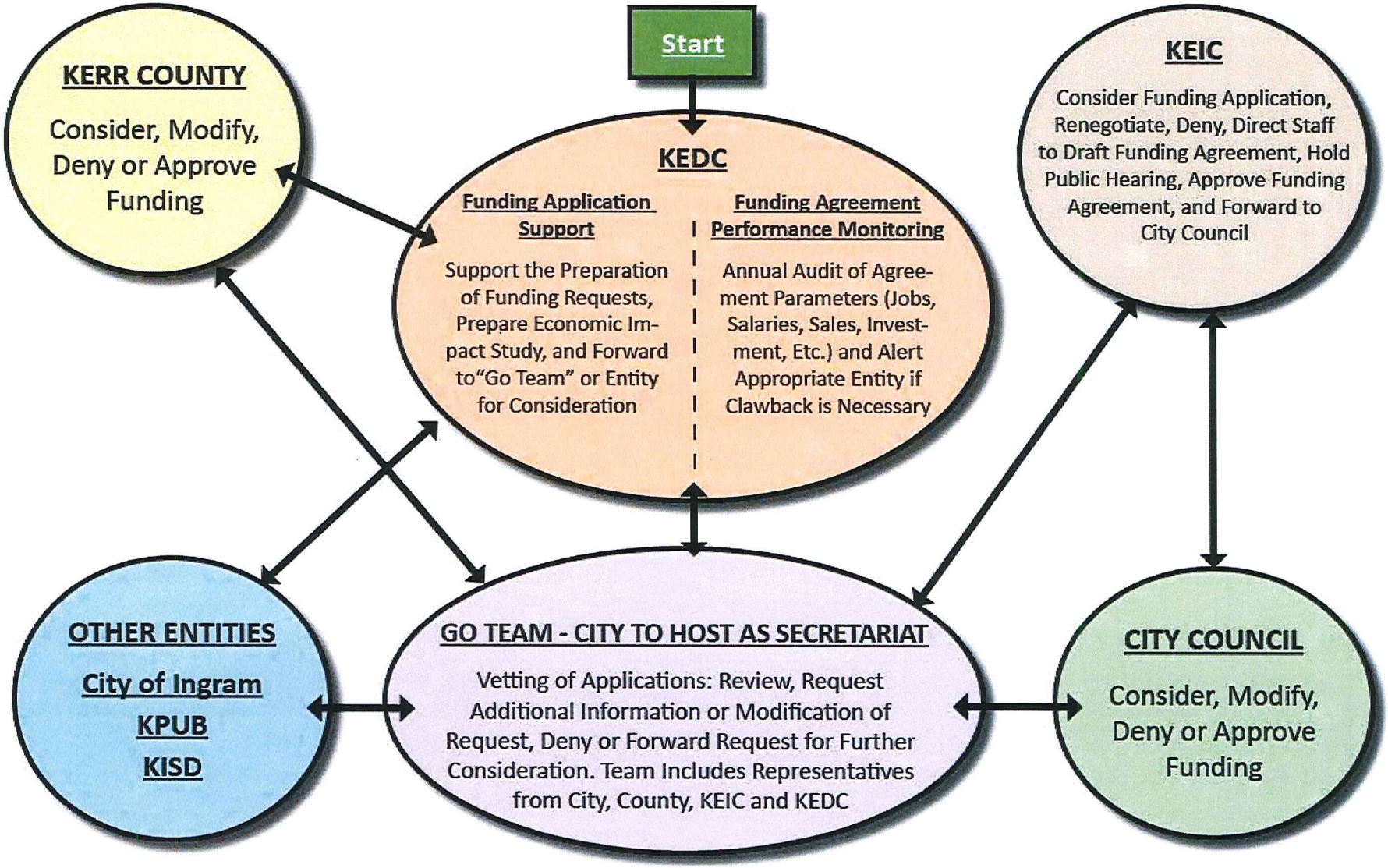
The day-to-day management of the organization is entrusted to a hired executive director that is evaluated annually by the board of directors. The leadership regularly meets the first Thursday of each month at 7:30 A.M. for monthly meetings. The officer seats of chair, vice-chair, treasurer and secretary are selected at the scheduled annual meeting in January.

PROPOSED COMPOSITION OF THE KEDC BOARD OF DIRECTORS

- One (1) representative from the Kerrville City Council (appointed by the City Council)
- One (1) representative from the Kerrville City Administration (appointed by the City Manager)
- Two (2) representatives from the Kerr County Commissioners Court (appointed by the Commissioners Court)
- One (1) representative of the Economic Improvement Corporation (appointed by the Economic Improvement Corporation)
- One (1) representative from the Kerrville Public Utility Board (appointed by the KPUB Board)
- One (1) representative from the Kerrville Chamber of Commerce Board of Directors (appointed by the Chamber of Commerce Board)
- Two (2) representatives from the Business Community (appointed by the KEDC Board)
- One (1) representative from the Kerrville Convention and Visitors Bureau (appointed by the CVB)
- One (1) representative from the Kerrville Independent School District (appointed by the KISD Board)

ECONOMIC DEVELOPMENT STAKEHOLDERS, PROCESSES, ROLES AND TOOLS

The charts below illustrate the current processes, roles and tools for handling funding requests by the Stakeholders in our community. The first chart shows KEDC providing primary support for funding applications and the Go Team vetting those applications. The Go Team routes applications to the appropriate entities to consider those applications. A large project could have multiple applications being considered by different entities at the same time. The second chart illustrates each KEDC Stakeholder's lead role(s) and the types of tools or support provided by that Stakeholder.


Start
KERR COUNTY
Consider, Modify, Deny or Approve Funding
KEDC
Funding Application Support
Support the Preparation of Funding Requests, Prepare Economic Impact Study, and Forward to"Go Team" or Entity for Consideration
Funding Agreement Performance Monitoring
Annual Audit of Agreement Parameters (Jobs, Salaries, Sales, Investment, Etc.) and Alert Appropriate Entity if Clawback is Necessary
KEIC
Consider Funding Application, Renegotiate, Deny, Direct Staff to Draft Funding Agreement, Hold Public Hearing, Approve Funding Agreement, and Forward to City Council
OTHER ENTITIES
City of Ingram
KPUB
KISD
GO TEAM - CITY TO HOST AS SECRETARIAT
Vetting of Applications: Review, Request Additional Information or Modification of Request, Deny or Forward Request for Further Consideration. Team Includes Representatives from City, County, KEIC and KEDC
CITY COUNCIL
Consider, Modify, Deny or Approve Funding

KEDC Stakeholders

Kerr Economic Development Corporation	City of Kerrville	Kerr County	Kerrville Economic Improvement Corporation	Kerrville Area Chamber of Commerce	Kerrville Convention and Visitors Bureau	Kerrville Public Utility Board	Kerrville Independent School District
Lead Role							
- Entry Point for ED Opportunities - Primary Jobs - Recruitment - Retention and Expansion - Workforce Development & Readiness	- Go Team Secretariat - Housing - Downtown - Infrastructure - Quality of Life - Retail Development			- Start ups - Incubators - Expansion of Business - Small Business Development	- Tourism		
Tools and Support							
- Local Hub for Economic Development - State Incentives	- 380 Agreements - Property tax Abatement - TIRZ Creation - Hotel Occupancy Tax (HOT) Rebates - Retail Incentives - Infastructure - Tourism Facilitator	- 381 Agreement - Property tax Abatement - TIRZ Participation - Retail Incentives - Infastructure	- 4B Funding	- KEDC Partner - Liason for Businesses - SBA/SCORE	- Marketing and Promotion	- Electric Rate Incentives	- Workforce Development & Readiness

Exhibit B

Kerr Economic Development Corporation
Proposed Budget FY2018/2019

	2017/2018 Budget	2017/2018 YTD Actuals	2017/2018 Balance to be Spent	2017/2018 Forecast YE	2018/2019 Budget
Beginning Balance	**112,873.09**			**112,873.09**	**111,546.33**
Income					
City of Kerrville	24,500.00	0.00			24,500.00
EIC	140,000.00	140,000.00		140,000.00	140,000.00
Kerr County	24,500.00	0.00			24,500.00
KPUB	24,500.00	0.00			24,500.00
Other Income					
Total Income	**213,500.00**	**140,000.00**	**0.00**	**140,000.00**	**213,500.00**
Expense					
Business Expenses					
Business Recruitment	6,500.00	8,250.00		8,250.00	6,500.00
Website	300.00	2,880.93		2,880.93	2,880.00
Marketing	3,450.00	447.46		447.46	3,450.00
Business Expenses - Other	20,000.00	235.90		235.90	20,000.00
Total Business Expenses	**30,250.00**	**11,814.29**	**0.00**	**11,814.29**	**32,830.00**
Contract Services					
Accounting Fees	2,500.00	365.00	810.00	1,175.00	2,500.00
Legal Fees	1,000.00		750.00	750.00	1,000.00
Other Contract Services		3,969.64	5,333.33	9,302.97	12,666.67
Total Contract Services	**3,500.00**	**4,334.64**	**6,893.33**	**11,227.97**	**16,166.67**
Operations					
Supplies	1,000.00	621.84		621.84	1,000.00
Telephone, Internet	2,000.00	873.31	137.02	1,010.33	4,800.00
Office Lease	9,600.00	7,200.00	1,600.00	8,800.00	0.00
Dues & Subscriptions	4,500.00	2,036.73		2,036.73	4,500.00
Operations - Other	2,750.00	574.11		574.11	2,750.00
Total Operations	**19,850.00**	**11,305.99**	**1,737.02**	**13,043.01**	**13,050.00**
Other Types of Expenses					
Insurance - Liability, D and O	900.00	1,700.00	0.00	1,700.00	900.00
Total Other Types of Expenses	**900.00**	**1,700.00**	**0.00**	**1,700.00**	**900.00**
Payroll Expenses					
Health Insurance	6,000.00	2,500.00		2,500.00	10,000.00
Payroll Taxes	12,000.00	12,019.00	440.00	12,459.00	12,000.00
Salaries ED + Admin Asst.	142,000.00	58,614.00	9,486.99	68,100.99	
Executive Director (Chamber Agreement Start 1 August 2018)		0.00	7,875.00	7,875.00	31,500.00
VP COO (assume start 1 October 2018)		0.00		0.00	100,000.00
Support Staff (Chamber Agreement Start 1 August 2018)		0.00	2,275.00	2,275.00	9,100.00
Vehicle Allowance - Director	6,000.00	3,600.00		3,600.00	
Payroll Expenses - Other	15,000.00	5,553.26		5,553.26	15,000.00
Total Payroll Expenses	**181,000.00**	**82,286.26**	**20,076.99**	**102,363.25**	**177,600.00**
Travel & Meetings					
Meals & Entertainment	3,000.00	153.24		153.24	3,000.00
Travel and Meetings - Other	15,000.00	1,025.00		1,025.00	15,000.00
Total Travel and Meetings	**18,000.00**	**1,178.24**	**0.00**	**1,178.24**	**18,000.00**
Total Expenses	**253,500.00**	**112,619.42**	**28,707.34**	**141,326.76**	**258,546.67**
Net Income	**-40,000.00**	**27,380.58**		**-1,326.76**	**-45,046.67**
Ending Balance/Startup Funding for Action Items from New KEDC & 2050 Plans	**72,873.09**			**111,546.33**	**66,499.66**

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

SUBJECT: Approval of an Economic Development Grant Agreement between the City of Kerrville, Texas Economic Improvement Corporation and the Kerr Economic Development Corporation for an amount up to $140,000.00 for Fiscal Year 2019.

AGENDA DATE OF: 9/25/2018 **DATE SUBMITTED:** 9/19/2018

SUBMITTED BY: E.A. Hoppe
Deputy City Manager

EXHIBITS: Economic Development Grant Agreement

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
$140,000	$140,000	$140,000	N/A

PAYMENT TO BE MADE TO: **Kerr Economic Development Corporation**

Kerrville 2050 Item?	**Yes:** ☒ **No:** ☐
Key Priority Area	E - Economic Development
Guiding Principle	E2 - Develop policies, processes and programs, including economic incentives, which are clear and consistently applied by a team of City & partner economic development entities working with stakeholders & focused on attracting, retaining & expanding bus.
Action Item	N/A

SUMMARY STATEMENT:

Fiscal Year 2018 marked the last year of a three-year economic development grant agreement between the City of Kerrville, Texas Economic Improvement Corporation (EIC) and the Kerr Economic Development Corporation (KEDC) for the provision of a comprehensive economic development program. The current agreement expires Sept. 30, 2018.

The new agreement has been drafted for a one-year term whereby the KEDC is requesting $140,000 from the EIC for the implementation of a comprehensive economic development program over the next fiscal year. The KEDC is also requesting $24,500.00 each from the City, County, and KPUB, under separate grant agreements with each entity. The $140,000 KEDC request was budgeted in the EIC's Fiscal Year 2019 Budget, per the annual work program review presented to the EIC on July 16, 2018.

A public hearing is required of all economic development grant agreements and was accomplished at the September 19, 2018 regular EIC meeting, where the item was also unanimously approved.

RECOMMENDED ACTION:

Approve the Economic Development Grant Agreement.

ECONOMIC DEVELOPMENT GRANT AGREEMENT BETWEEN KERR ECONOMIC DEVELOPMENT CORPORATION AND THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION

This Economic Development Grant Agreement ("Agreement") is entered into as of the Effective Date by and between **KERR ECONOMIC DEVELOPMENT CORPORATION** ("KEDC"), a Texas nonprofit corporation, acting herein by and through its duly authorized officer; and, the **CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION** ("EIC"), a Type B Economic Development Corporation established pursuant to Chapters 501, 502, and 505 of the Texas Local Government Code, as amended (i.e., the Development Corporation Act and hereafter referred to as "the Act"), acting by and through its duly authorized President. KEDC and EIC are sometimes collectively referred to herein as "Parties" and individually as "Party".

WITNESSETH:

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

WHEREAS, pursuant to Section 505.103 of the Act, the EIC is authorized to provide funding for promotional expenses, such expenses which are used to advertise or publicize the City for the purpose of developing new and expanded business enterprises; and

WHEREAS, KEDC is a 501(c)6 private non-profit entity whose purpose is to support and promote the retention, expansion, and attraction of business entities in Kerr County in a manner that complements the efforts of its economic development partners and enhances the quality of life for residents of Kerrville and surrounding areas; and

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

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

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

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

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

WHEREAS, on September 17, 2018, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, EIC held a public hearing pursuant to Section 505.159 of the Act related to the proposed expenditure of 4B revenues for the purposes provided above;

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

ARTICLE I.
EIC'S OBLIGATIONS

A. Subject to terms found elsewhere in this Agreement, EIC hereby grants $140,000.00 ("Grant") to KEDC for the Term, as defined below. EIC shall pay the Grant to KEDC in equal quarterly payments, with the 1st such payment being paid on or before October, 10, 2018. Thereafter, EIC will make each payment within ten (10) days of the beginning of each new quarter (*i.e.*, January, April, July)

B. EIC's payments to KEDC are solely intended for KEDC's costs directly related to: i) carrying out an industrial development program or objective; or ii) assisting with the development and operation of an economic development program or objective consistent with the purposes and duties specified by the Act. Such activities are collectively referred to herein as "Economic Development," and are as specifically provided in Article II, below.

C. In no event shall the total amount of the Grant from EIC to KEDC exceed $140,000.00.

D. KEDC specifically agrees that EIC shall only be liable to KEDC for the actual amount of the Grant to be conveyed to KEDC and shall not be liable to KEDC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or costs of court for any act of default by EIC under the terms of this Agreement.

ARTICLE II.
KEDC'S OBLIGATIONS

A. Pursuant to the purposes for which the Grant was awarded and in strict accordance with Section 505.102 of the Act, KEDC shall use the Grant for only those costs directly resulting from its Economic Development. Toward this end, KEDC will conduct Economic Development pursuant to its adopted "2018-22 Business Plan", which is attached as **Exhibit A**.

B. KEDC shall hire and employ sufficient professional personnel to perform its Economic Development obligations.

C. KEDC shall maintain complete and accurate records relating to the costs and expenditures made for Economic Development as specified in KEDC's 2018-19 budget as approved by its Board of Directors and attached as **Exhibit B**. KEDC shall maintain such records separate and identifiable from its other records and for three (3) years following the termination of this Agreement. EIC and its representatives shall be entitled to inspect the records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice.

D. KEDC, either through its Executive Director or another representative, must appear at each regular meeting of the EIC or make a presentation regarding its Economic Development and related metrics pursuant to a regularly posted agenda item. Where appropriate, the Executive Director or KEDC representative will provide written documentation to support the presentation.

E. KEDC shall only be liable to EIC for the actual amount of the Grant to be conveyed to KEDC and shall not be liable to EIC for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by KEDC under the terms of this Agreement.

ARTICLE III.
KEDC'S REPRESENTATIONS AND WARRANTIES

A. KEDC represents and warrants as of the date hereof:

(1) KEDC is a Texas 501(c)6 private non-profit corporation existing in good standing and authorized to do business in the State of Texas;

(2) Execution of this Agreement has been duly authorized by KEDC and this Agreement is not in contravention of KEDC's corporate charter, or any agreement or instrument to which KEDC is a party or by which it may be bound as of the date hereof;

(3) No litigation or governmental proceeding is pending, or, to the knowledge of the Executive Director, threatened against or affecting KEDC, which may result in a material adverse change in KEDC's business, properties or operations sufficient to jeopardize KEDC's legal existence; and

(4) No written application, written statement or correspondence delivered by KEDC to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of the Executive Director, contains any untrue statement of a material fact or fails to state any material fact necessary to keep the statements contained therein from being misleading.

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

ARTICLE IV.
EIC'S REPRESENTATIONS AND WARRANTIES

A. EIC represents and warrants as of the date hereof:

(1) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the statute under which it is governed and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;

(2) Execution of this Agreement has been duly authorized by EIC;

(3) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and

(4) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.

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

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

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

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

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

A. The KEDC becomes insolvent. "Insolvent" is defined to mean one either has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, or is insolvent within the meaning of the federal bankruptcy law.

B. The appointment of a receiver of KEDC, or of all or any substantial part of its property, and the failure of such receiver to be discharged within sixty (60) days thereafter.

C. The adjudication of KEDC as bankrupt.

D. The filing by KEDC of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

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

ARTICLE VII.
REMEDIES

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

B. Upon breach of this Agreement by either party and the failure to cure as permitted by this Article VII, the non-breaching party shall have the sole right and discretion to either terminate this Agreement or pursue any and all remedies which may be provided by law and this Agreement. Each party acknowledges and agrees that no party hereunder shall be entitled to recover any amounts in excess of the Grant contracted for under this Agreement and that no party hereunder shall be liable to the other party for any other actual or consequential damages for any act of default by such party under the terms of this Agreement.

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

ARTICLE VIII.
GENERAL PROVISIONS

A. Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court having competent jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement, a

provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

B. Amendment. This Agreement may be amended only by written amendment signed by both parties.

C. Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement shall be made or performed in Kerrville, Kerr County, Texas. Venue shall lie in Kerr County, Texas; and this Agreement shall be governed by and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof.

D. Notices. All notices given with respect to this Agreement shall be in writing and shall be deemed to have been properly given for all purposes (i) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

1. EIC
President
City of Kerrville, Texas, Economic Improvement Corporation
City Hall, 701 Main Street
Kerrville, Texas 78028
Facsimile: (830) 792-3850

With a copy to:
City Manager
City of Kerrville
City Hall, 701 Main Street
Kerrville, Texas 78028
Facsimile: (830) 792-3850

2. KEDC President
1700 Sidney Baker Suite 100
Kerrville, Texas 78028
Phone: (830) 896-1175

E. Assignment. This Agreement shall be binding upon the parties hereto and their successors and assigns. This Agreement may not be assigned by either party without the specific prior written consent of the other, which consent will

not be unreasonably withheld. In the event that a party consents to any valid assignment of this Agreement by the other party hereto, the assigning party shall be relieved of any and all obligations and liabilities on the part of such assigning party under this Agreement. KEDC may, without written consent of EIC, assign this Agreement to any entity controlled and 100 percent owned by KEDC or by the parent, subsidiary or affiliate of KEDC provided the entity assumes all of KEDC's obligations and liabilities under this Agreement; agrees to comply with all provisions of this Agreement; has the legal, managerial, technical and financial ability to properly perform and discharge such obligations and liabilities; and such abilities are each at least as great as those of KEDC and KEDC provides a written guarantee of such assignee's performance in a form reasonably acceptable to EIC. EIC shall be advised in writing of such assignment and of the entity's qualifications at least sixty (60) days before such assignment occurs.

F. Parties In Interest. Nothing in this Agreement shall entitle any party other than KEDC or EIC to any claim, cause of action, remedy or right of any kind except as expressly provided in Article VII.

G. Term. The term of this Agreement (the "Term") shall commence on October 1, 2018 (the "Effective Date"), and shall terminate on the earlier of: (i) September 30, 2019; (ii) when terminated by mutual agreement of the parties; (iii) when terminated pursuant to Article VII; (iv) at KEDC's sole and absolute discretion but only upon and subject to KEDC's return of all Grant funding to EIC that it has received under this Agreement; or, (v) upon KEDC's repayment of all monies that are demanded by EIC. Upon termination of this Agreement as specified herein, all rights, duties, and obligations of any kind under this Agreement, unless specifically provided otherwise, shall automatically expire and terminate and be of no other force and effect.

H. Interpretation. Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arms length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.

I. Indemnity. **IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES THAT KEDC, IN PERFORMING ITS OBLIGATIONS HEREUNDER, IS ACTING INDEPENDENTLY, AND EIC ASSUMES NO RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH TO KEDC. KEDC AGREES TO INDEMNIFY AND HOLD HARMLESS EIC, ITS OFFICERS AND AGENTS, AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT,**

SUFFERED BY ANY PERSON OR PERSONS THAT MAY ARISE OUT OF OR BE OCCASIONED BY KEDC'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR BY ANY NEGLIGENT ACT OR OMISSION OF KEDC, ITS OFFICER, AGENTS, ASSOCIATES OR EMPLOYEES, IN THE PERFORMANCE OF THIS AGREEMENT; AND NOTHING HEREIN SHALL BE CONSTRUED AS A WAIVER OF ANY GOVERNMENTAL IMMUNITY AVAILABLE TO EIC UNDER TEXAS LAW.

J. No Joint Venture. Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties.

K. Survival of Terms. All rights, duties, liabilities and obligations accrued prior to termination shall survive termination.

L. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof.

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

CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION

Kenneth Early, President

KERRVILLE ECONOMIC DEVELOPMENT CORPORATION

Mike Wittler, President

ATTEST:

Cheryl Brown, Recording Secretary

APPROVED AS TO FORM:

Michael C. Hayes, Attorney for EIC

T:\Legal\EIC\Contract\KEDC\EIC Grant Agreement_KEDC_091418.docx

Exhibit A

KEDC
Kerr Economic Development Corp.

2018-2022 Business Plan

July 12, 2018

EXECUTIVE SUMMARY

VISION

The Kerr Economic Development Corporation (KEDC) is a 501(c)(6) non-profit public-private regional economic development organization committed to creating a more prosperous and diverse regional economy. To better serve the region, KEDC proposes to form a Partnership with the Kerrville Chamber of Commerce. As a result, the Partnership, will combine the Chamber's business-to-business network of 1,000 members and access to local resources with the KEDC's technical expertise and connection to regional resources to provide optimum economic development services throughout Kerr County.

Moreover, the newly formed Partnership will seek to eliminate administrative redundancies, reduce operating expenses as well as create a unified vision and voice for penetration into new business markets through enhanced communication efforts, a broad regional business network that will improve KEDC's business retention and recruitment efforts.

MISSION

It is KEDC's mission to adopt a more comprehensive approach to economic development and to aggressively attract, start-grow and retain higher wage industries, talent and jobs. KEDC and Chamber of Commerce will also collaborate with the Convention & Visitors Bureau's regional marketing platform to promote Kerr County and its communities as a primary location for economic investment and business expansion.

KEDC will continue to serve as the area's lead regional economic development organization to recruit and encourage new and expanded business development and a talented business employment pool. Leadership for both organizations will be unified, and the current President and CEO of the Kerrville Area Chamber of Commerce will also serve as the Executive Director of the Kerr Economic Development Corporation.

More specifically, the Partnership will:

- Help existing companies with their expansion needs when requested by the locality or the company.
- Identify and target regional and national companies for recruitment to Kerr County.
- Aggressively market the competitive advantages of Kerr County.
- Develop and promote a region inclusive of and bolstered by its individual community brands.
- Focus on achieving regional success that is broad-based and inclusive of each partner in the community.
- Organize, grow and strengthen higher wage industry across the region.
- Maintain a regional economic development information, research and resource center.
- Promote entrepreneurship and support startup businesses.
- Identify and support regional efforts that lead to a broad and diversified economic base.

Formation of the Partnership will benefit both organizations by:

- Creating a unified vision and voice.
- Delivering additional value to Chamber members through Economic Development technical support.
- Providing KEDC access to the Chamber's relationships and network of members to enhance Business Retention and Expansion activities.
- Enhancing marketing efforts to improve business retention and recruitment efforts.
- Providing a more comprehensive approach to economic development to aggressively attract, grow and retain higher wage industries, talent, and jobs.
- Streamlining resources and eliminating administrative redundancies.
- Improving regional competitiveness through greater awareness of available real estate, financial incentives, workforce and quality of life.
- Strengthen the Chamber's Core Mission to bring together a wide range of business that can share information on competitiveness.
- Creating a "One-Stop Shop" for existing and prospective businesses
- Providing additional professional development for staff.

STRATEGY

It is the KEDC's belief that economic development should increase opportunities for today's businesses, while expanding the possibilities for younger people in Kerr County to stay in the region and obtain nationally competitive jobs.

Therefore, KEDC will aggressively pursue a higher wage job creation strategy that will be developed through a broad-based and inclusive planning effort during 2018. A Five-Year Higher Wage Job Creation Strategy plan will be developed based on industry research and higher wage job creation models focusing on the region's current and emerging advanced industrial sectors. The plan will drive the creation of higher wage jobs in the region overall through new-to-market business recruitment.

STRATEGIC APPROACH & PRIORITIES

The four areas of primary focus for developing a Higher Wage Job Creation Strategy were first developed through a series of strategic planning sessions that were facilitated by Avalanche Consulting of Austin, Texas on December 12, 2017 and January 29, 2018.

1. Business Retention and Expansion (BR&E)
2. Strategic Development Leveraging Existing Community Infrastructure
3. Talent Development
4. Business Recruitment

Revenue to support Kerr County's economic development efforts comes from funding provided by the City and County government and local utility partners. Future funding models will be reviewed as part of the 2018 planning process.

KEDC will continue to focus on the growth of "Primary Jobs" through the use of various tools authorized by Stakeholders and other entities. "Primary Employer" means a business that provides or manufactures goods, services, supplies and/or inventory that are sold predominantly (more than

50%) to customers that permanently reside outside of the immediate region (more than 30 travel miles from the intersection of State Highway 16 and State Highway 27). Primary Job means a job or position employed by a Primary Employer.

Examples of Primary Employers are:

- A manufacturer that produces a good its sales can be predominantly attributed to customers who reside outside of the immediate region.
- A company that provides a service and its sales can be predominantly attributed to customers who reside outside of the immediate region.
- An educational or training institution of higher education that has a student body who predominantly resides outside of the immediate region on a permanent basis.

1. BUSINESS RETENTION AND EXPANSION

KEDC will successfully develop and maintain a proactive direct outreach and prospecting program focused on generating quality leads that can be nurtured and converted into job creation, and job diversification opportunities for the region.

Accelerating regional business and industry expansion is a key component of KEDC's primary business attraction strategy. Maintaining and growing employment, payroll, capital investment and corporate partners foster stability in the regional economy. Therefore, KEDC will continue to address primary industry needs through engagement in cluster development, expansion of financial incentives, technical support and real estate assistance.

Since fierce global competition forces many companies to continually evaluate the best location for their business, KEDC will work in close alignment with its public-sector partners to conduct outreach to target sector firms and encourage/support economic growth and expansion projects. Outreach visits to these sectors will provide valuable insight on business drivers, workforce challenges, and regional competitiveness.

In support of the direct outreach and prospecting program, KEDC offers a full range of services to assist companies as they evaluate Kerr County as a premier and high-quality location in which to locate and grow their companies. Business development activities and strategies will be focused on targeted industries through organized marketing for both inbound and outbound promotion.

Action Items

- Plan and execute a targeted program of regional and national business development.
- Outreach missions targeting select high-impact companies in select markets.
- Plan and execute focused outreach to site selectors, consultants and advisors in key markets.
- Leverage resources by engaging and coordinating business development efforts within Kerr County.
- Support and participate in Governor's Small Business Forum.
- Plan a biennial event to bring Texas site selectors to Kerr County as part of familiarity tour.
- Participate in or sponsor booths at selected targeted industry trade shows/conferences.
- Support the region's communities as needed by hosting select business delegations.

2. STRATEGIC DEVELOPMENT OF INFRASTRUCTURE

Infrastructure is not the end result of economic activity; rather it is the framework that makes economic activity possible.

Action Items

- Continue to develop the Location One Information System (LOIS) property inventory to track changes in commercial and industrial property inventory.
- Create an Industrial Park Plan specific to development of the Hwy 27 corridor.
- Site selectors most often consider hard infrastructure assets when representing clients. Therefore, marketing materials will include information on: 1) number and quality of roadways; 2) airport capacity; 3) availability of electrical, natural gas, water and sewer.
- Work with private property owners to market shovel-ready property.

3. TALENT DEVELOPMENT

Education has been identified as an important determinant of economic growth. Higher levels of educational attainment lead to a more skilled and productive workforce, providing a higher standard of goods and services, which in turn forms the basis for faster economic growth and rising living standards.

Action Items

- Establish a local chapter of the SCORE Association or similar business mentoring program. SCORE is a nonprofit association dedicated to helping small businesses get off the ground, grow and achieve their goals through education and mentorship. SCORE is supported by the U.S. Small Business Administration and volunteers; SCORE delivers services at little or no cost. Kerr County has a significant number of retired Executives that could be used more effectively as mentors, advisors and investors.
- Create strong innovation ecosystems, particularly through initiatives like cluster organizations, business accelerators, and innovation districts.
- Update the Avalanche Consulting Labor Shed Analysis to identify Kerr County's strengths that can be promoted through local training and educational institutions.
- Work with Alamo Colleges, the University of Texas at San Antonio, Workforce Solutions and others to increase regional workforce initiatives in the construction trades that could eventually encourage the development of affordable housing.
- Build solid bridges between the world of work and training programs in order to match skills provision to the needs of local business.
- Create sustained dialogue between employers and trainers, by providing labor market and employment services information as steps to an early identification of skills needs.
- Develop relationships between employers and educators by centralizing data on job placement and workforce trends.
- Develop common definitions of credentials and streamlining the process for employers to implement apprenticeship and cooperative education programs.

4. BUSINESS RECRUITMENT

Although revitalizing a community is less about what you can attract from outside and more about what you can grow yourself, some effort should be made to recruit new business to Kerr County.

Action Items

- Work with Kerr County's more prominent companies to identify suppliers and vendors that may be interested in moving to the area.
- Direct market to companies and site selectors within Kerr County's target industries for relocation to the area.
- Create a local environment/culture for early-stage business through 1) micro-loans, business incubators, business accelerators to cultivate a niche market.
- Work with Mooney International to approach airplane partners about relocation opportunities.
- Work with Mooney International to establish sources of Aviation Engineering for future R&D expansion.

PRIORITY AREAS

In support of a creating a Higher Wage Job Creation Strategy, the KEDC will concentrate time, energy and financial resources in five priority areas.

1. COMPETITIVENESS IMPROVEMENT

▪ **Regional Business Identity and Brand:** Launch a collaborative community-based effort supported by the CVB, to strengthen, merchandise and promote the region's business identity with a focus on Kerr County and the City of Kerrville as business-friendly and a good place for business.

▪ **Higher Wage Industry Growth:** Support and assist in efforts to organize, develop and accelerate growth and the competitive position of the region's current and emerging higher wage industry sectors.

▪ **Competitive Product Strategy:** Partner with (Alamo Colleges, Schreiner University, UTSA, KISD, Workforce Solutions and others) to improve the region's competitive position in the areas of workforce and talent recruitment.

2. MARKETING AND PROMOTION

▪ **Middle-Market Recruitment:** Focus business outreach efforts on attraction and recruitment of small to mid-sized businesses, within Austin and San Antonio MSA, identified within the target industry sectors that can broaden the local employment base while allowing the local infrastructure to develop.

3. BUSINESS DEVELOPMENT AND PROMOTION

▪ **Site Locaters, Consultants and Advisors:** Elevate awareness of the opportunities in Kerr County through proactive outreach to site locators, consultants and industry advisors.

4. BUSINESS NETWORKING

▪ **Economic Forum:** Work with City and County leaders to organize and launch an Economic Forum to create a peer region benchmarking program with Fredericksburg and Boerne to inform/educate regional leadership about common issues/concerns such as workforce, affordable housing and education/skills development.

▪ **Enhanced Company/Industry Research Platform:** Collaborate with UTSA, Alamo Colleges, Texas A&M Real Estate Center and Schreiner University to strengthen research capability and data collection in target sectors.

5. INVESTOR RELATIONS AND ENGAGEMENT

▪ **Investor Relations and Engagement:** Bring together a cross section of business community members to review, analyze and understand investor opportunities, frame new investment tiers and support opportunities.

PROGRAM MEASUREMENT AND EVALUATION

KEDC is a strong proponent of the belief that "what gets measured gets done". Measurement can be a powerful catalyzing force to engender a more inclusive overall economy. Therefore, the KEDC's approach to program evaluation includes three types of assessment.

1. **Monitor Progress:** Success in carrying out program activities on schedule and within budget.
2. **Evaluate Effectiveness:** Determine whether efforts achieve prescribed objectives.
3. **Measure Impact:** Assess positive changes in the overall environment that relate to program actions.

Within this context, the KEDC will develop a system of performance assessments that evaluates both historical performance and functions as a management tool to drive future actions and results. With a clear understanding of what performance areas should be measured, KEDC can also develop a best practice approach to setting specific performance targets and goals.

TOP-LEVEL METRICS AND PERFORMANCE INDICATORS

The following chart illustrates potential top-level Key Performance Indicators (KPIs) that have been identified to measure future performance. Specific threshold and target goals will be determined as performance is measured and monitored in the future.

Annual Metric or Performance Measure	Threshold Goals	Target Goals
Projects Completed		
Jobs Announced		
Payroll Announced		
Capital Investment Announced		
Absorption of Commercial/Industrial Space (S.F.)		
Average Wage		
Lead Generation		
Project Generation		
Prospects Hosted		
Return on Investment		
Utilization of 4B Funding		

Action Items

- Design and implement a Quarterly Project Activity Report (Exhibit D) covering regional progress and organizational performance.
- Conduct specialized research, reports as required to highlight Kerr County's: business climate and cost; industry base; physical infrastructure; real estate availability; and talent pool.
- Convene biannual workshops with partnering agencies (City, County, EIC and KPUB) to refine program benchmarks.

TARGETED INDUSTRIES & SECTORS

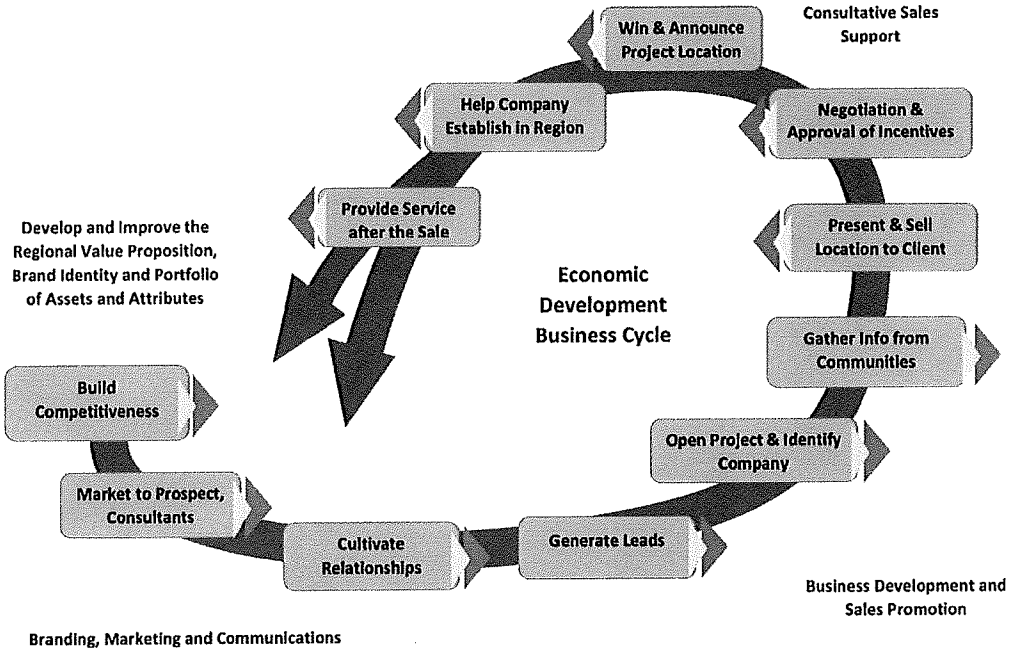
KEDC will continue to target industries where Kerr County has a natural advantage. Industry sectors that job creation efforts are focused on will periodically be reevaluated. The sectors currently being focused on include:

- Advanced Manufacturing
- Aviation, Aerospace & Defense
- Craft Agriculture
- Energy
- Food Processing & Storage
- Information, Analytics & Security
- Life Sciences & Healthcare

STRATEGIES, OPERATIONAL PLANS AND TACTICS

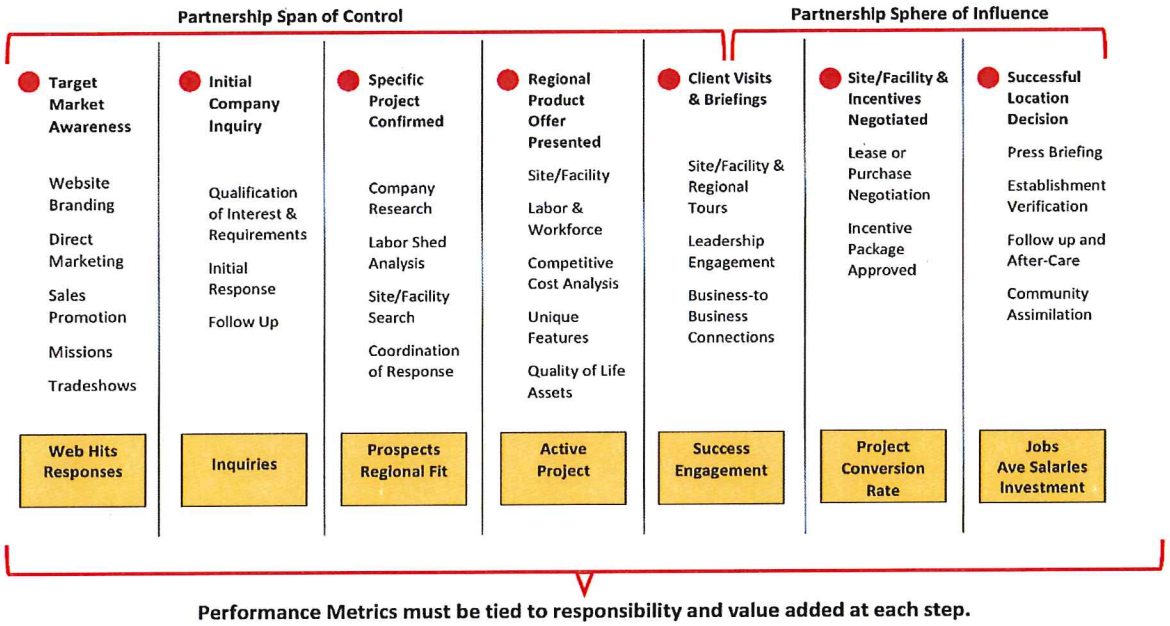
KEDC will concentrate its efforts where it can add value in the economic development business cycle.

Exhibit B



The chart below illustrates, how through "The Partnership," KEDC will be more capable of shifting resources throughout the site selection process to ensure better business recruitment and attraction results.

KEDC Action Chart



MARKETING & COMMUNICATIONS

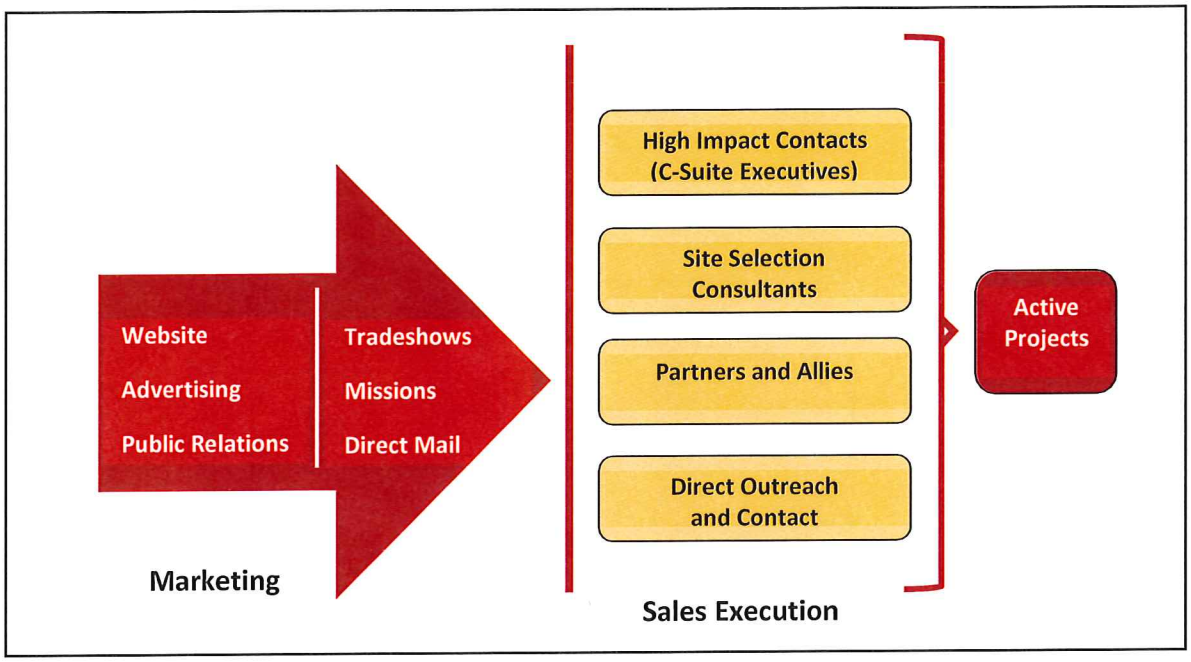
As 2018 is the initial year of the KEDC's revised organizational structure and business plan, a marketing and promotional campaign will be required. A marketing campaign is necessary to create more opportunities to present the region's locational advantages to qualified business and industry prospects.

The program includes a stronger branding program along with specific marketing and promotional program enhancements. The marketing campaign's focus is on enhancing and building perceptions about Kerr County. This will be accomplished by marketing through a variety of means including advertising, direct mail, and website content as demonstrated in (Exhibit C).

Exhibit C

Impact measures will include new leads that come directly as a result of the marketing and promotional campaign within targeted industries. The ultimate goal of the marketing campaign is to convert these leads into new business opportunities, new capital investment and new job creation for the region.

The image below demonstrates how coordinated marketing and branding efforts drive traffic to KEDC and manifests itself in terms of inquiries, leads and prospective business and industry clients. The Chamber of Commerce and the KEDC in collaboration with its regional partners will work to convert the increased traffic, leads and prospects into new business investment projects.



Action Items

- KEDC will conduct baseline research, regional identity/brand audit and prepare regional positioning assessment, retail and labor shed analysis, and business case.
- Organize and drive development of a regional identity and brand strategy platform, and an overall regional marketing and communications strategy and plan.
- Design and implement direct marketing and outreach to both site selection consultants and c-suite executives within targeted industries.
- Directly support and assist in the implementation of out-of-market business development missions to spread the Kerr County business identity message, positively change perceptions and generate leads.
- Continually refine and upgrade the messaging of the KEDC and Chamber website to coordinate messaging.
- Plan and executive a comprehensive regional communications program to ensure business and government leaders, stakeholders, partners and investors are educated and informed about the KEDC's efforts to implement the Five-Year Higher Wage Job Creation Strategy.
- Strategically involve local partners, stakeholders and investors in all efforts to spread the message of the Kerr County business identity.

INVESTOR RELATIONS & EVENTS

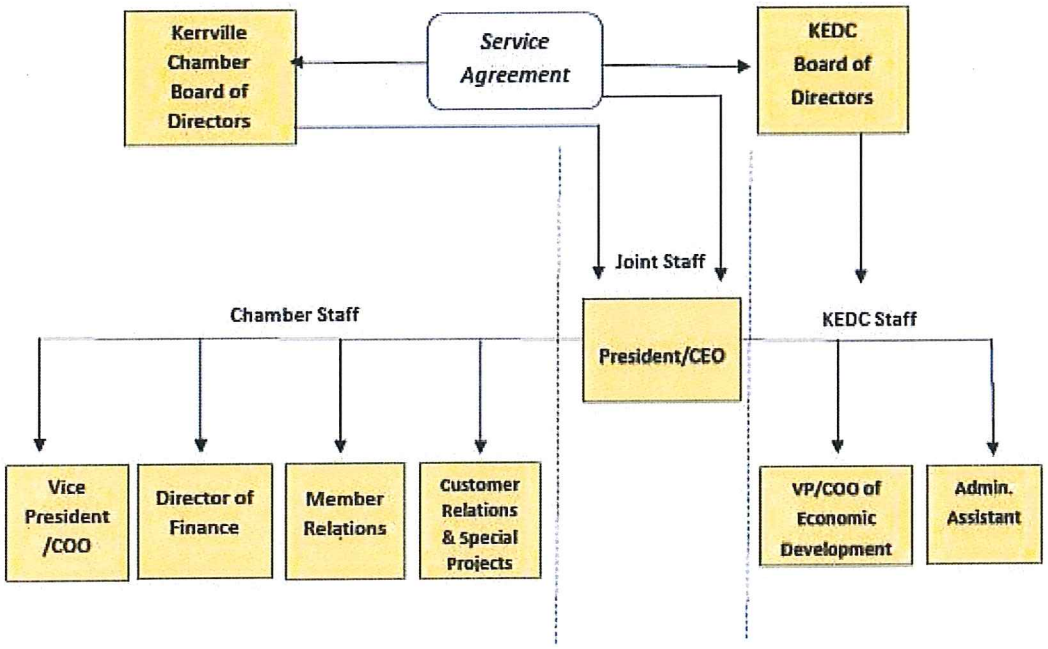
The KEDC's value is enhanced by effectively engaging both public and private stakeholders.

Action Items

- Organize and staff investor relations meetings to review, analyze and understand investor concerns, new investment opportunities and regional support efforts.
- Plan, organize and recruit attendance for two (2) Investor Update sessions across the region.

MANAGEMENT & OPERATIONS

The Partnership team is organized in a way to bring staff members of the Chamber and KEDC closer together under a single Executive responsible to both Boards. This organization is expected to eliminate administrative redundancies, streamline resources, and create a unified vision and voice. The Chamber retains the Executive as an employee and the KEDC contracts for services from the Chamber through a Service Agreement. The Executive will be the initial shared resource and other sharing will be considered as the Partnership develops. Formation of the Partnership does not require modification to either Organizations' Bylaws, and the Service Agreement will have a cancellation option with notice requirements. KEDC Staff will be hired through a KEDC Board approved process that involves the Joint President/CEO.

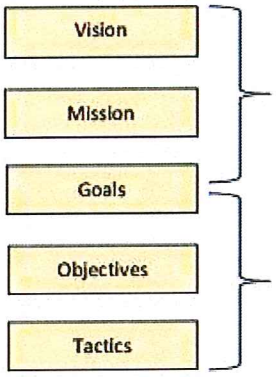


BUDGETS & FUNDING

The proposed operating budget is shown below in Table 1. The table shows the current year, 2017/2018 Budget, 2017/2018 Forecast Year End Budget Performance, and the Proposed 2018/2019 Budget. Funding requests for 2018/2019 are the same as 2017/2018. Contract Services are increased primarily due to the engagement of a recruiter to fill the vacant VP/COO of Economic Development position. Operations is down due to reduced office lease cost with the Chamber Partnership. We recognize that there is a need to enhance the efficiency of our economic development efforts and believe that there are opportunities to make improvements through economies of scale and efficiency improvements.

Table 1	2017/2018 Budget	2017/2018 Forecast YE	2018/2019 Budget
Beginning Balance	**112,873.09**	**112,873.09**	**111,546.33**
Income			
City of Kerrville	24,500.00		24,500.00
EIC	140,000.00	140,000.00	140,000.00
Kerr County	24,500.00		24,500.00
KPUB	24,500.00		24,500.00
Other Income			
Total Income	**213,500.00**	**140,000.00**	**213,500.00**
Expense			
Business Recruitment	6,500.00	8,250.00	6,500.00
Website	300.00	2,880.93	2,880.00
Marketing	3,450.00	447.46	3,450.00
Business Expenses - Other	20,000.00	235.90	20,000.00
Contract Services	3,500.00	11,227.97	16,166.67
Operations	19,850.00	13,043.01	13,050.00
Liability Insurance	900.00	1,700.00	900.00
Payroll Expenses	181,000.00	102,363.25	177,600.00
Travel and Meetings	18,000.00	1,178.24	18,000.00
Total Expenses	**253,500.00**	**141,326.76**	**258,546.67**
Net Income	**-40,000.00**	**-1,326.76**	**-45,046.67**
Ending Balance	**72,873.09**	**111,546.33**	**66,499.66**

Exhibit A – Performance Measurement Framework



Impact Measures

Program Measures

Milestones and Metrics

- Five-year benchmarks
- Job Creation
- Payroll
- Capital Investment
- Average Salaries
- % of projects in Target Sectors
- Client visits and repeat visits
- Growth in public revenue
- Growth in private revenue

	Annual Metrics	Key Performance Indicators (KPIs)
Business Development	▪ Job creation ▪ Payroll/Ave. salaries ▪ Capital investment	▪ Leadership engagement ▪ Governance process effectiveness ▪ # and % of projects in target sectors ▪ Client visits and repeat visits
Marketing & Communications	▪ Awareness ▪ Consideration set targets	▪ Conversion rates ▪ Effectiveness of missions, trade shows ▪ Qualified inquiries ▪ Social media targets ▪ Website traffic targets
Investor Relations	▪ Public revenue ▪ Private revenue	▪ Media inquiries ▪ Stakeholder engagement ▪ Fundraising calls
Strategic Initiatives	▪ Success on priority projects	▪ Event and meeting attendance

LEGAL ENTITY

The Kerr Economic Development Corporation (KEDC) received its certificate of incorporation from the Texas Secretary of State on July 14, 2015. The business affairs of the KEDC are conducted by a board of 9 directors, all of whom have one vote on any proposition coming before the commission. As of July 2018, the KEDC Bylaws are being revised to add one additional director for the City of Kerrville and one additional director for the Kerr County Commissioners Court.

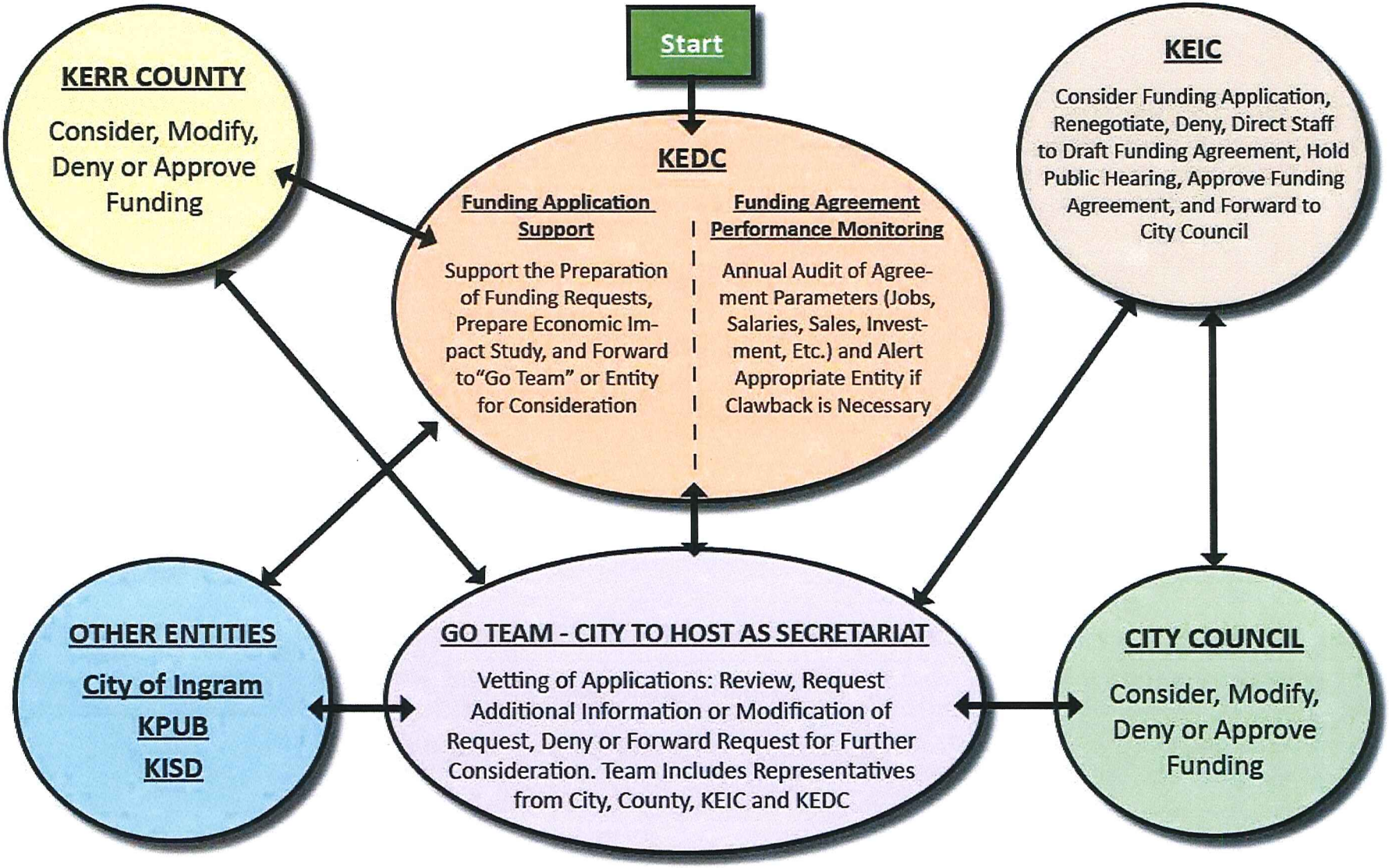
The day-to-day management of the organization is entrusted to a hired executive director that is evaluated annually by the board of directors. The leadership regularly meets the first Thursday of each month at 7:30 A.M. for monthly meetings. The officer seats of chair, vice-chair, treasurer and secretary are selected at the scheduled annual meeting in January.

PROPOSED COMPOSITION OF THE KEDC BOARD OF DIRECTORS

- One (1) representative from the Kerrville City Council (appointed by the City Council)
- One (1) representative from the Kerrville City Administration (appointed by the City Manager)
- Two (2) representatives from the Kerr County Commissioners Court (appointed by the Commissioners Court)
- One (1) representative of the Economic Improvement Corporation (appointed by the Economic Improvement Corporation)
- One (1) representative from the Kerrville Public Utility Board (appointed by the KPUB Board)
- One (1) representative from the Kerrville Chamber of Commerce Board of Directors (appointed by the Chamber of Commerce Board)
- Two (2) representatives from the Business Community (appointed by the KEDC Board)
- One (1) representative from the Kerrville Convention and Visitors Bureau (appointed by the CVB)
- One (1) representative from the Kerrville Independent School District (appointed by the KISD Board)

ECONOMIC DEVELOPMENT STAKEHOLDERS, PROCESSES, ROLES AND TOOLS

The charts below illustrate the current processes, roles and tools for handling funding requests by the Stakeholders in our community. The first chart shows KEDC providing primary support for funding applications and the Go Team vetting those applications. The Go Team routes applications to the appropriate entities to consider those applications. A large project could have multiple applications being considered by different entities at the same time. The second chart illustrates each KEDC Stakeholder's lead role(s) and the types of tools or support provided by that Stakeholder.


Start
KERR COUNTY
Consider, Modify, Deny or Approve Funding
KEDC
Funding Application Support
Support the Preparation of Funding Requests, Prepare Economic Impact Study, and Forward to "Go Team" or Entity for Consideration
Funding Agreement Performance Monitoring
Annual Audit of Agreement Parameters (Jobs, Salaries, Sales, Investment, Etc.) and Alert Appropriate Entity if Clawback is Necessary
KEIC
Consider Funding Application, Renegotiate, Deny, Direct Staff to Draft Funding Agreement, Hold Public Hearing, Approve Funding Agreement, and Forward to City Council
OTHER ENTITIES
City of Ingram
KPUB
KISD
GO TEAM - CITY TO HOST AS SECRETARIAT
Vetting of Applications: Review, Request Additional Information or Modification of Request, Deny or Forward Request for Further Consideration. Team Includes Representatives from City, County, KEIC and KEDC
CITY COUNCIL
Consider, Modify, Deny or Approve Funding

KEDC Stakeholders

Kerr Economic Development Corporation	City of Kerrville	Kerr County	Kerrville Economic Improvement Corporation	Kerrville Area Chamber of Commerce	Kerrville Convention and Visitors Bureau	Kerrville Public Utility Board	Kerrville Independent School District
Lead Role							
- Entry Point for ED Opportunities - Primary Jobs - Recruitment - Retention and Expansion - Workforce Development & Readiness	- Go Team Secretariat - Housing - Downtown - Infrastructure - Quality of Life - Retail Development			- Start ups - Incubators - Expansion of Business - Small Business Development	- Tourism		
Tools and Support							
- Local Hub for Economic Development - State Incentives	- 380 Agreements - Property tax Abatement - TIRZ Creation - Hotel Occupancy Tax (HOT) Rebates - Retail Incentives - Infastructure - Tourism Facilitator	- 381 Agreement - Property tax Abatement - TIRZ Participation - Retail Incentives - Infastructure	- 4B Funding	- KEDC Partner - Liason for Businesses - SBA/SCORE	- Marketing and Promotion	- Electric Rate Incentives	- Workforce Development & Readiness

Exhibit B

Kerr Economic Development Corporation
Proposed Budget FY2018/2019

	2017/2018 Budget	2017/2018 YTD Actuals	2017/2018 Balance to be Spent	2017/2018 Forecast YE	2018/2019 Budget
Beginning Balance	**112,873.09**			**112,873.09**	**111,546.33**
Income					
City of Kerrville	24,500.00	0.00			24,500.00
EIC	140,000.00	140,000.00		140,000.00	140,000.00
Kerr County	24,500.00	0.00			24,500.00
KPUB	24,500.00	0.00			24,500.00
Other Income					
Total Income	**213,500.00**	**140,000.00**	**0.00**	**140,000.00**	**213,500.00**
Expense					
Business Expenses					
Business Recruitment	6,500.00	8,250.00		8,250.00	6,500.00
Website	300.00	2,880.93		2,880.93	2,880.00
Marketing	3,450.00	447.46		447.46	3,450.00
Business Expenses - Other	20,000.00	235.90		235.90	20,000.00
Total Business Expenses	**30,250.00**	**11,814.29**	**0.00**	**11,814.29**	**32,830.00**
Contract Services					
Accounting Fees	2,500.00	365.00	810.00	1,175.00	2,500.00
Legal Fees	1,000.00		750.00	750.00	1,000.00
Other Contract Services		3,969.64	5,333.33	9,302.97	12,666.67
Total Contract Services	**3,500.00**	**4,334.64**	**6,893.33**	**11,227.97**	**16,166.67**
Operations					
Supplies	1,000.00	621.84		621.84	1,000.00
Telephone, Internet	2,000.00	873.31	137.02	1,010.33	4,800.00
Office Lease	9,600.00	7,200.00	1,600.00	8,800.00	0.00
Dues & Subscriptions	4,500.00	2,036.73		2,036.73	4,500.00
Operations - Other	2,750.00	574.11		574.11	2,750.00
Total Operations	**19,850.00**	**11,305.99**	**1,737.02**	**13,043.01**	**13,050.00**
Other Types of Expenses					
Insurance - Liability, D and O	900.00	1,700.00	0.00	1,700.00	900.00
Total Other Types of Expenses	**900.00**	**1,700.00**	**0.00**	**1,700.00**	**900.00**
Payroll Expenses					
Health Insurance	6,000.00	2,500.00		2,500.00	10,000.00
Payroll Taxes	12,000.00	12,019.00	440.00	12,459.00	12,000.00
Salaries ED + Admin Asst.	142,000.00	58,614.00	9,486.99	68,100.99	
Executive Director (Chamber Agreement Start 1 August 2018)		0.00	7,875.00	7,875.00	31,500.00
VP COO (assume start 1 October 2018)		0.00		0.00	100,000.00
Support Staff (Chamber Agreement Start 1 August 2018)		0.00	2,275.00	2,275.00	9,100.00
Vehicle Allowance - Director	6,000.00	3,600.00		3,600.00	
Payroll Expenses - Other	15,000.00	5,553.26		5,553.26	15,000.00
Total Payroll Expenses	**181,000.00**	**82,286.26**	**20,076.99**	**102,363.25**	**177,600.00**
Travel & Meetings					
Meals & Entertainment	3,000.00	153.24		153.24	3,000.00
Travel and Meetings - Other	15,000.00	1,025.00		1,025.00	15,000.00
Total Travel and Meetings	**18,000.00**	**1,178.24**	**0.00**	**1,178.24**	**18,000.00**
Total Expenses	**253,500.00**	**112,619.42**	**28,707.34**	**141,326.76**	**258,546.67**
Net Income	**-40,000.00**	**27,380.58**		**-1,326.76**	**-45,046.67**
Ending Balance/Startup Funding for Action Items from New KEDC & 2050 Plans	**72,873.09**			**111,546.33**	**66,499.66**

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

SUBJECT: Financial update for the month ended August 31, 2018.

AGENDA DATE OF: 9/25/2018 **DATE SUBMITTED:** 9/19/2018

SUBMITTED BY: Amy Dozier, CFO

EXHIBITS: Financial summary
Financial graphs

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?		**Yes:** ☐	**No:** ☒
Key Priority Area	N/A		
Guiding Principle	N/A		
Action Item	N/A		

SUMMARY STATEMENT:

General Fund

Year to date through August 31, 2018, the General Fund has recorded revenues of $25.2 million compared to expenditures of $23.9 million. Notable activity includes:

1. Sales tax revenue continues to track under budget for the year, but was up 5.48% in August 2018 compared to August 2017, driven by increases in the retail and manufacturing categories. After receiving September sales tax, we are under budget by $76K for the year. This number could change slightly based on year end accounting adjustments required for financial reporting purposes.
2. Property tax is on track to end the year slightly better than budget.
3. Expenditures are lower than budget primarily due to staffing vacancies. We have filled multiple positions recently, but still expect to end the year under budget.

Water and Sewer Fund

Year to date through August 31, 2018, the Water and Sewer Fund received revenues of $11.5 million compared to expenditures of $10.5 million. Notable activity includes:

1. Water sales are higher than budget due to lower than average rainfall and new reuse customers using potable water for longer than budgeted in FY2018.
2. Residential sewer average gallons declined slightly from FY2017 to FY2018 due to water conservation during the sewer averaging period. We anticipate a budget shortfall in sewer sales that will be partially offset by better than budgeted water sales.
3. FY2018 other revenue contains a $415K transfer in related to the December 2017 debt refinancing.

4. Water and Sewer expenditures are lower than budget due to savings in multiple areas including chemicals, equipment maintenance and overtime.

RECOMMENDED ACTION:

Information only; no action required.

City of Kerrville
Financial Summary
For the Month Ended August 31, 2018

Fund	Year to Date FY2018 Actual	Year to Date FY2018 Budget	Better / (Worse) than Budget	Year to Date FY2017 Actual	Change from FY2017	Variance Explanation
General Fund						
Revenues						
Property Tax	$ 9,425,345	$ 9,417,130	$ 8,215	$ 9,280,024	$ 145,321	
Sales Tax	6,322,580	6,389,197	(66,617)	6,170,037	152,543	note A
Other Revenue	9,436,328	9,440,965	(4,637)	12,968,546	(3,532,218)	note B
Total Revenue	25,184,253	25,247,292	(63,039)	28,418,607	(3,234,354)	
Expenditures	23,937,571	24,474,262	536,692	24,949,729	(1,012,159)	note C
Net	1,246,683	773,030	473,653	3,468,878	(2,222,196)	
Water and Sewer Fund						
Revenues						
Water Sales	5,305,273	5,170,223	135,050	5,122,225	183,048	note D
Sewer Sales	4,877,914	5,139,787	(261,873)	4,892,080	(14,166)	note E
Reuse	57,867	103,206	(45,338)	66,576	(8,708)	
Other Revenue	1,268,489	732,351	536,138	729,586	538,903	note F
Total Revenue	11,509,544	11,145,567	363,977	10,810,467	699,077	
Expenditures	10,540,143	11,243,334	703,191	10,507,519	32,624	note G
Net	969,401	(97,767)	1,067,168	302,948	666,453	
Golf Fund						
Revenues	772,056	832,768	(60,712)	717,215	54,841	
Expenditures	752,773	836,906	84,133	748,834	3,939	
Net	19,283	(4,138)	23,421	(31,619)	50,902	
Hotel Occupancy Tax Fund						
Revenues	1,236,136	1,121,914	114,222	1,134,937	101,199	
Expenditures	1,090,707	1,077,267	(13,440)	1,012,700	78,007	
Net	$ 145,429	$ 44,647	$ 100,782	$ 122,237	$ 23,192	

Notes:

A. **Sales Tax** - August 2018 sales tax was up 5.48% compared to July 2017, driven by a strong increase in our largest category, retail sales. We have already received sales tax in August and it is up 5.49% compared to August 2017. We still expect to end the year with lower than budgeted sales tax revenue.

B. **Other Revenue** - FY2017 had a $2.0 million transfer in related to a capital project that did not recur in FY2018. Additionally, in FY2017 the process for disallowed and bad debt charge offs was still being established with our new EMS biller, Intermedix. That resulted in larger catch up charges later in FY2017 for those items. In FY2018, the charges are being regularly recorded each month, making FY2018 revenue lower than FY2017 revenue when comparing activity through August.

C. **General Fund Expenditures** - FY2018 expenditures are lower than budget primarily due to staffing vacancies. FY2018 expenditures are lower than FY2017 expenditures due primarily to a $2.0 million capital project transfer that did not recur in FY2018.

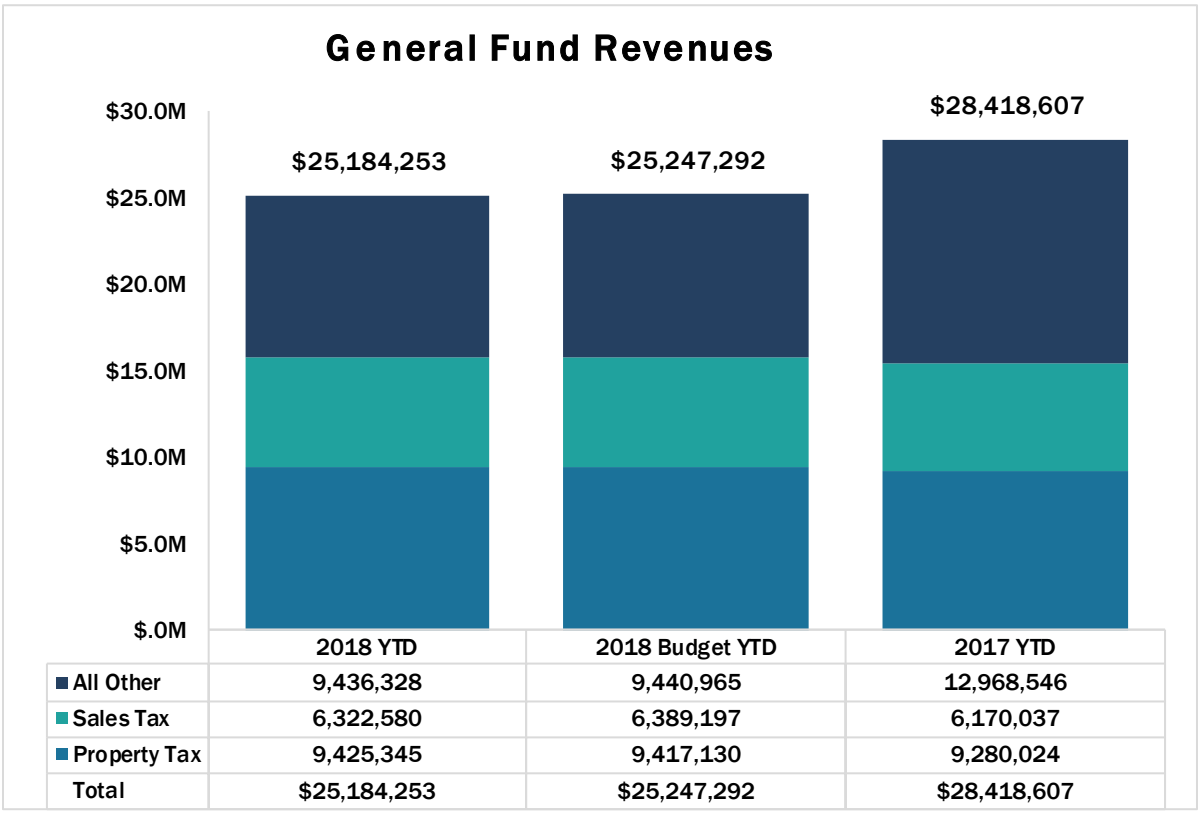
D. **Water Sales** - Water sales are higher than budget due to lower than average rainfall and new reuse customers using potable water in FY2018 longer than budgeted.

E. **Sewer sales** - Residential sewer average gallons declined slightly from FY2017 to FY2018 due to water conservation during the sewer averaging period. We anticipate a budget shortfall in this line item that will be partially offset by better than budgeted water sales.

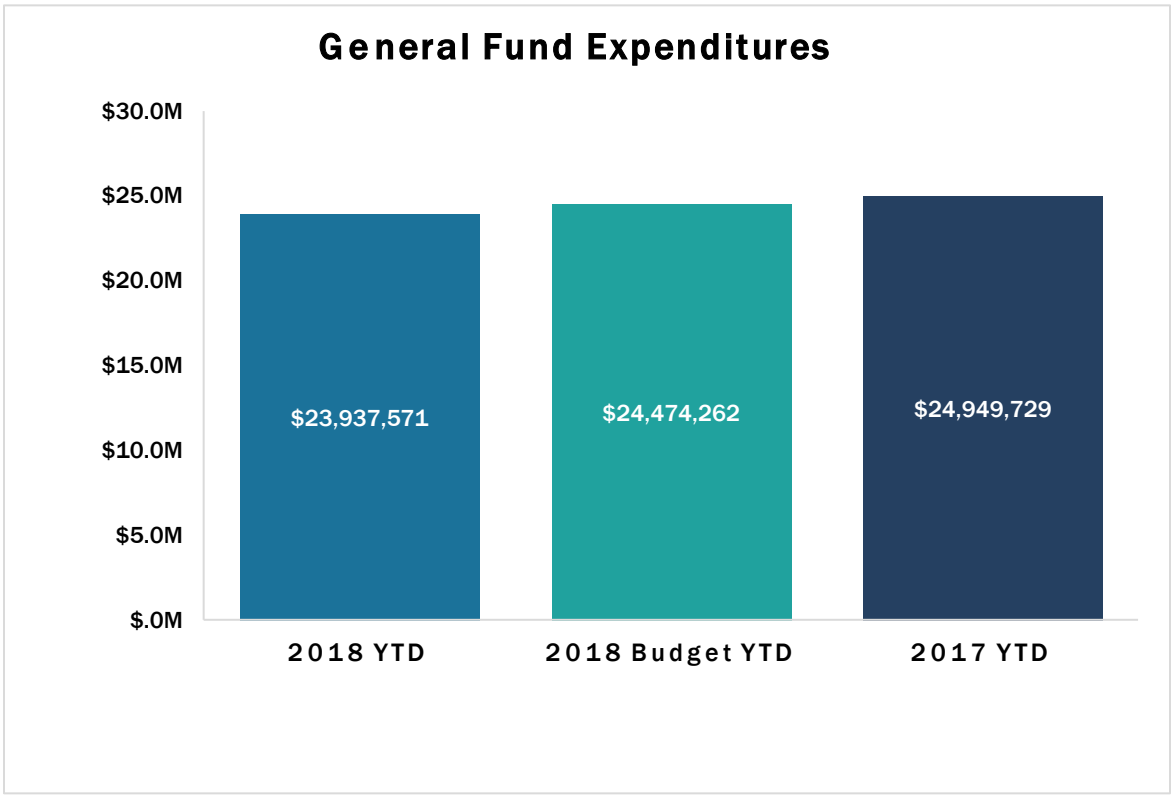
F. **Water and Sewer Other Revenue** - FY2018 contains a $415K transfer in related to the debt refinancing.

G. **Water and Sewer Expenditures -** FY2018 expenditures are lower than budget due to savings in multiple areas including chemicals, equipment maintenance and overtime.

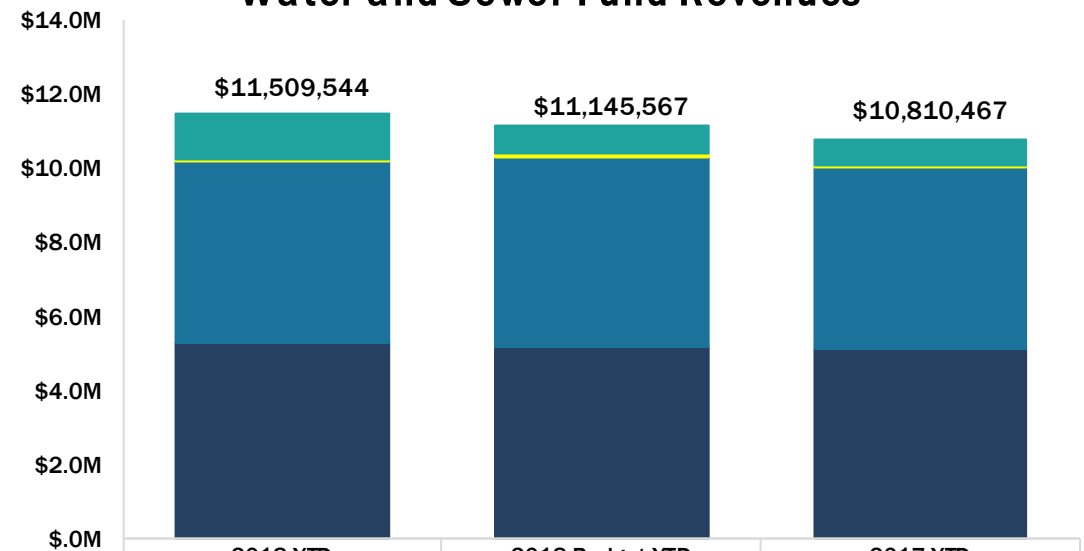
City of Kerrville
Financial Summary
For the Month Ended August 31, 2018



	2018 YTD	2018 Budget YTD	2017 YTD
All Other	9,436,328	9,440,965	12,968,546
Sales Tax	6,322,580	6,389,197	6,170,037
Property Tax	9,425,345	9,417,130	9,280,024
Total	$25,184,253	$25,247,292	$28,418,607

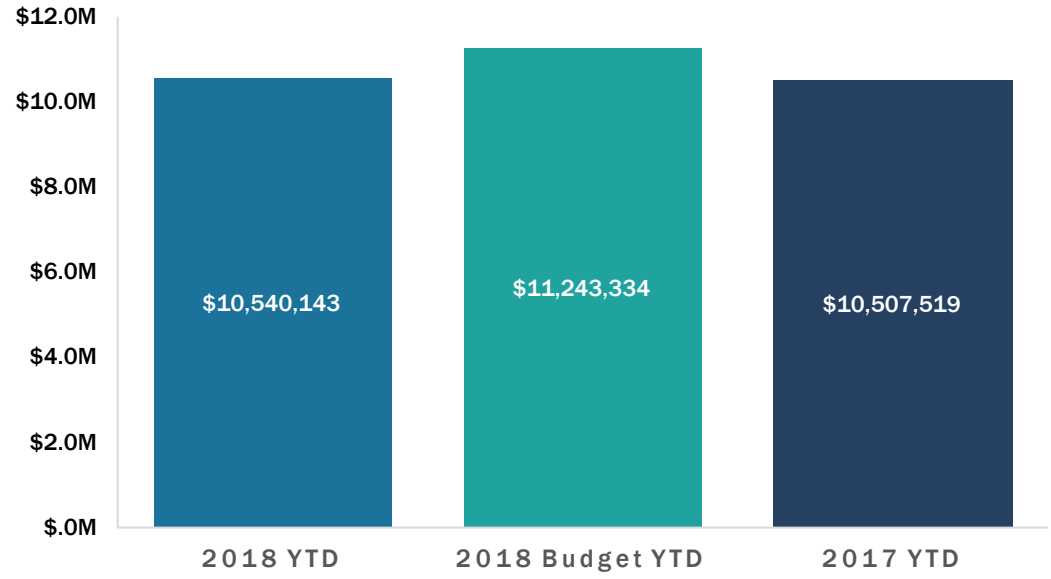


Water and Sewer Fund Revenues



	2018 YTD	2018 Budget YTD	2017 YTD
All Other	1,268,489	732,351	729,586
Reuse	57,867	103,206	66,576
Sewer	4,877,914	5,139,787	4,892,080
Water	$5,305,273	$5,170,223	$5,122,225
Total	$11,509,544	$11,145,567	$10,810,467

Water and Sewer Fund Expenditures



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

SUBJECT: Appointment to the Kerrville Youth Advisory Committee

AGENDA DATE OF: 9/11/2018 **DATE SUBMITTED:** 9/4/2018

SUBMITTED BY: Cheryl Brown
Interim City Secretary

EXHIBITS: Board Sheet

Expenditure Required:	**Current Balance in Account:**	**Amount Budgeted:**	**Account Number:**
$0	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?		**Yes:** ☐	**No:** ☒
Key Priority Area	N/A		
Guiding Principle	N/A		
Action Item	N/A		

SUMMARY STATEMENT:

There is one alternate position due to expire May 31, 2018.

RECOMMENDED ACTION:

Make appointment to the Kerrville Youth Advisory Committee.

KERRVILLE YOUTH ADVISORY COMMITTEE

	Telephone	Orig. Appt.	Exp. Date
BROWN, KINDAL 359 Beaver Road Ingram, TX	285-0651	09-11-18	05-31-19
BUCHANAN, CATHARINE 3152 Pinnacle Club Dr.	970-630-7932	09-11-18	05-31-19
BUCK, KAYLA 2501 Birkdale Lane	285-3655	09-11-18	05-31-19
COE, BLAKE 125 West Lane	940-781-6281	09-11-18	05-31-19
DANG, KISARA 2319 Trails End	928-8490	09-11-18	05-31-19
GARCIA, ROMAN 934 Pecan St.	370-1649	09-11-18	05-31-19
GARCIA, SYDNEY 118 Cedar Way	377-8411	09-11-18	05-31-19
GUERRIERO, GRACE 307 Lakewood	928-4909	09-11-18	05-31-19
HALL, MARIA 160 Stephen F. Austin Dr.	285-9502	09-11-18	05-31-19
HOLEKAMP, EMILY 1013 Roanoke Lane	928-726?	09-11-18	05-31-19
MURPHY, MOLLY 246 Oak Wood Rd.	817-659-8513	09-11-18	05-31-19
SCHREINER, GAZELLE 108 Larry Lee Dr.	739-1755	09-11-18	05-31-19
SCOCCIA, ILEANA 1900 Summit Top Dr.	992-9084	09-11-18	05-31-19
TRAN, JESSICA 1909 Summit Ridge Dr.	512-203-5715	09-11-18	05-31-19
WATSON, KIRK 505 Winged Foot Lane	285-2672	09-11-18	05-31-19

ALTERNATE:

05-31-19

City Staff:
Kim Meismer, Executive Director for General Operations,
(830) 258-1140, kim.meismer@kerrvilletx.gov

Qualifications: Resident of the county and current student in grades 9-12.

Purpose:

- Provide input from a youthful point of view for the Kerrville City Council on community affairs and issues.
- Provide an overview of the complexity and variety of opportunities through public service;
- Empower youth from various backgrounds to become active members in their community, encouraging them to have an everlasting effect on the future of the city;
- Develop youth leaders committed to learning about local government and the roles they can have in it;
- Make a difference in the community and in the lives of youth; and
- Provide valuable youth perspectives that will focus on volunteerism, community service and providing feedback to the Mayor and city leadership.

Term of Office: One School Year

Quorum: Eight

Number of Members: Fifteen and one alternate

Meeting Time & Place: Second and Fourth Thursday of each month during the school year; 4:30 p.m.; City Hall Upstairs Conference Room.

Established by City Council vote on November 10, 2015; reconstituted by Resolution 29-2018

Revised: September 12, 2018