

**AGENDA FOR MEETING OF
THE CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
Monday, February 21, 2011, 4:00 p.m.
Kerrville City Hall Council Chambers
800 Junction Highway, Kerrville, Texas**

1. CALL TO ORDER

2. INVOCATION

3. VISITORS FORUM

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

4. APPROVE MINUTES:

4A. January 11, 2011 and January 17, 2011.

5. MONTHLY REPORTS:

5A. Monthly financials for January 2011.

5B. EIC construction project status.

6. INFORMATION AND DISCUSSION:

6A. Discussion concerning joint meeting held the Kerrville City Council and EIC on February 2, 2011. (Crumrine)

6B. Update concerning the Economic Development Delegation's trip to Washington, DC. (Ferguson)

6C. Update concerning site visit from the State Comptroller's Office. (Wendele)

6D. EIC Board appointment calendar and application. (Crumine)

6E. Town Creek Development presentation. (Coleman)

7. CONSIDERATION AND ACTION:

7A. Presentation by City of Kerrville concerning a funding request for Harper Highway. Utility Project. (Ondrias)

7B. Presentation by Christian Assistance Ministry concerning a funding request for expansion of existing facility. (Sebesta)

7C. Discussion concerning action taken at the January 17, 2011 EIC meeting relative to the Investment Policy (Boyland)

7D. Consider proposal from Kerr Economic Development Foundation ("KEDF") for the Economic Improvement Corporation to enter into a Purchase and Sale Agreement with KEDF for the purchase of approximately 86.71 acres located at 300 Peterson Farm Road, which is intended to become the new site of the United State Department of Agriculture ("USDA") Knipling-Bushland Laboratory (Hayes)

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

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: February 17, 2011 at 3:00 p.m. and remained posted continuously for at least 72 hours proceeding the scheduled time of the meeting.

Deputy City Secretary, City of Kerrville, Texas

8. EXECUTIVE SESSION:

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

9. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

10. ADJOURNMENT

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

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: February 17, 2011 at 3:00 p.m. and remained posted continuously for at least 72 hours proceeding the scheduled time of the meeting.

Deputy City Secretary, City of Kerrville, Texas

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

**SPECIAL MEETING
January 11, 2011**

On Monday, January 11, 2011, members of the City of Kerrville, Texas Economic Improvement Corporation attended the regular meeting of the Kerrville City Council held at 6:00 p.m. in the City Hall Council Chambers, 800 Junction Highway, Kerrville, Texas.

EIC Members Present:

Bill Crumrine, President
Alan Massey, Secretary
Gregg Appel

Jack Pratt, Vice President
Rex Boyland
Warren Ferguson

EIC Member Absent: Robert Miller

City Council Members Present:

David Wampler, Mayor
Gene Allen, Councilmember
Stacie Keeble, Councilmember

R. Bruce Motheral, Mayor Pro Tem
T. Scott Gross, Councilmember

City Staff Present:

Todd Parton, City Manager
Brenda Craig, City Secretary
Mindy Wendele, Director of Business Programs

Mike Hayes, City Attorney
Mike Erwin, Director of Finance

CONSIDERATION AND POSSIBLE ACTION BY THE KERRVILLE CITY COUNCIL:

Strategic Plan to Address Economic Development Needs for the City of Kerrville.

Mr. Parton reviewed the city's overall strategic concept, noting tools and resources available to accomplish economic development, e.g. 4B sales tax, hotel occupancy tax, economic development incentives, and capital improvements. The 4B tax was approved by voters in 1995 to fund economic development, public safety, infrastructure improvements, and parks projects; however, public safety projects no longer qualified. 4B revenues averaged \$2.2 million annually the past ten years, and he estimated \$10-12 million of working capital could be leveraged by 4B sales tax over the next five years and still leave EIC \$500,000-900,000 annually for projects. Mr. Parton noted the city had invested heavily in infrastructure improvements since 2005; however, with recent downturn in economy, the city had deferred bond sales that required debt service to be paid through ad valorem tax, and many of those capital improvement projects qualified for 4B funding. In order to fund capital projects and have minimum impact on city taxpayers, he proposed a 2011 EIC debt issuance to fund projects that would also accomplish economic development objectives. He proposed a Council/EIC joint meeting to discuss capital improvement plan projects that qualified for 4B funding, possible EIC debt issuance in 2011, and opportunities to achieve economic development objectives. He noted that EIC's final payment for the 1999 bond issue would be 2014, and EIC would not have any outstanding debt service in 2015.

The following issues were also discussed by council:

- From its inception, EIC had been in reactive mode, responding to projects and opportunities presented to them; however, there would be advantages to having a joint strategic plan in place.
- Benefits of having \$9 million available to leverage in a way that could build projects and lay ground work for economic development.

- Council was responsible to the citizens to set policy and determine how city funds should be used.
- Improving infrastructure would enhance the possibility of industry locating and expanding in Kerrville; industries cannot expand without infrastructure, and the city could lose industries if they had to relocate to other areas.

The following persons spoke:

1. Bill Crumrine, EIC president, understood that infrastructure was necessary for economic development; however, asked that council not impair EIC's financial ability to respond to future economic prospects. EIC had anticipated being the funding mechanism for the meeting facility; however, council voted to terminate negotiations for that project (Item 4E). He noted that staff's information did not contemplate projects that may be presented to EIC in the next five years. Also, if bond indebtedness was paid out of EIC funds, that would leave only \$900,000 annually, significantly limiting EIC's ability to fund projects for 20 years. The city needed jobs and more commercial development to improve the city's tax base, and the best way to accomplish that was through EIC. Infrastructure was needed to support economic development; however relying on EIC to fund infrastructure improvements would limit EIC's ability to fund projects.
2. Jack Pratt, EIC vice president, noted that since 1995 most of EIC's projects were infrastructure, not economic development. The city and EIC were spending money but not bringing in jobs; the city needed new jobs to create tax revenue; without more jobs, the tax burden would further shift to an aging population. KEDC was in the process of hiring an executive director; KEDC's major goal will be to bring businesses with jobs to Kerrville.
3. Greg Appel, member of EIC, noted it was important that available resources be funneled to projects that would allow opportunity for growth and increase economic development opportunities. EIC welcomed opportunities that would bring businesses to Kerrville and create jobs, but those opportunities had not been presented to EIC. He welcomed an opportunity to visit with city council and discuss a plan that would help create opportunities.
4. Robert Naman noted an EIC expenditure of \$500,000 to the Salvation Army Kroc Center. As a nonprofit entity, the city will not receive tax revenue from the Kroc Center, and the Kroc Center competed with existing businesses. Therefore, he was confused why tax funds could be spent to help bring in a competing nonprofit business, but could not be used to pave streets and provide infrastructure; there were a lot of projects that could be done to benefit citizens.
5. Jimmie Spradling noted that until the city was clean, the city would not attract economic development. He noted high weeds and thistles in sidewalks, fire hydrants covered up, and dead trees. He questioned how much money was generated from projects funded by EIC in the past. The infrastructure was let go many years ago; if the city does not have infrastructure and is not a clean city, people and businesses will not come, and EIC cannot use 4B money for what is needed. He heard the same thing about economic development every year, but the city did not know how to do it.

Mr. Gross moved to direct staff to set up a joint meeting between the city council and the economic improvement corporation; Mr. Allen seconded the motion and it passed 5-0.

APPROVED: February 21, 2011

Bill Crumrine, President

Brenda Craig, City Secretary

* NOTE: Minutes were also approved by the Kerrville City Council on February 8, 2011.

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

**REGULAR MEETING
January 17, 2011**

On Monday, January 17, 2011, the meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by Bill Crumrine, President, in the City Hall Council Chambers, 800 Junction Highway, Kerrville, Texas.

Members Present:

Bill Crumrine, President
Jack Pratt, Vice President
Alan Massey, Secretary
Warren Ferguson
Robert Miller (arrived at 4:08 p.m.)

Members Absent:

Gregg Appel
Rex Boyland

Staff Present:

Todd Parton, City Manager
Mike Hayes, City Attorney
Mindy Wendele, Director of Business Programs
Brenda Craig, City Secretary
Mike Erwin, Director of Finance

2. **INVOCATION:** Given by President Bill Crumrine.

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

4. **APPROVE MINUTES:**

4A. December 20, 2010:

Mr. Ferguson moved to approve the minutes of the December 20, 2010 meeting, as corrected; Mr. Pratt seconded the motion and it passed 4-0 (Mr. Miller arrived after vote was taken).

5. **MONTHLY REPORTS:**

5A. Monthly financials for December 2010.

Mr. Pratt moved to approve the December 2010 financials as presented; Mr. Miller seconded the motion and it passed 5-0.

5B. EIC construction project status report.

Mr. Erwin presented the December 2010 construction project status report. The construction report was accepted by consensus.

6. **INFORMATION AND DISCUSSION:**

6A. Update on Kerrville Economic Development Corporation.

Mr. Pratt reported that an offer had been made to hire a director and he was undergoing the required background checks.

6B. Discussion of long term planning for the community's economic development projects.

Mr. Crumrine reported on the January 11, 2011 city council meeting, at which time it was noted that the city had significant infrastructure needs and may look to use EIC funds for that purpose.

The EIC board also discussed the following:

- Should not use too much of the EIC funds for city infrastructure projects as it would deprive EIC of ability to fund worthwhile projects that may be presented in the future.
- City may ask EIC to consider funding Phase 2 of the Harper Road utility project.
- Possible advantages of developing a strategic plan.
- EIC had planned to provide funding for the multi-purpose meeting facility; however, council voted to discontinue the project as council felt it was not financially feasible.
- The former hospital property was very valuable land and it should be put to the highest and best use. It was also noted that the property was owned by the Cailloux Foundation.

Mr. Ferguson moved to direct staff to schedule a joint meeting of the EIC Board and the Kerrville City Council and to invite a representative from the Texas Attorney General's Office to the meeting to discuss eligible uses of 4B funds under the state law. Mr. Massey seconded the motion and it passed 5-0.

7. CONSIDERATION AND ACTION:

7A. Report from the Investment Policy Committee and authorize the execution of the EIC investment policy from Patterson and Associates.

Mr. Pratt presented changes for inclusion in the document as recommended by the investment policy committee; adding "Purpose" on page 1 and adding "Investment Monitoring & Control" and "Responsibilities" on page 8.

Mr. Pratt moved to adopt the investment policy as amended; Mr. Ferguson seconded the motion and it passed 5-0. Further, staff was instructed to provide a copy of the final document to all board members.

7B. Consider proposal from Kerr Economic Development Foundation (KEDF) for the Economic Improvement Corporation to enter into a Purchase and Sale Agreement with KEDF for the purchase of approximately 86.71 acres located at 300 Peterson Farm Road, which is intended to become the new site of the United States Department of Agriculture (USDA) Knipling-Bushland Laboratory.

Mr. Hayes noted the document had been prepared as per previous EIC instructions.

Mr. Pratt moved to authorize the EIC president to execute the purchase and sale agreement with KEDF for the purchase of approximately 86.71 acres located at 300 Peterson Farm Road; Mr. Miller seconded the motion and it passed 5-0.

8. EXECUTIVE SESSION: None.

9. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION: None

10. ADJOURNMENT:

Mr. Ferguson moved to adjourn the meeting; Mr. Pratt seconded; motion passed 5-0. The meeting adjourned at 4:53 PM.

APPROVED: February 21, 2011

Bill Crumrine, President

Brenda Craig, City Secretary

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Improvement Fund

Cash Balance as of January 1, 2011

\$ 2,104,784

Deposits:

Sales Tax	\$ 195,030
Interest Revenue	\$ 1,061
	<u>\$ 196,091</u>

Expenses:

Office Supplies	\$ -
Advertising	\$ 20
Administrative Service Fee	\$ 6,250
Special Services - Category 1	
Special Services - Category 2	\$ -
Transfer for Debt Service	<u>\$ 42,083</u>
Total Expenses	<u>\$ 48,353</u>

Revenues Over (Under) Expenditures

\$ 147,739

Ending Cash Balance as of January 31, 2011

\$ 2,252,523

City of Kerrville
Economic Improvement Corporation
Sales Tax Improvement Fund - Revenue and Expense Statement
For the month ending January 31, 2011

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
BEGINNING CASH BALANCE	\$ 2,228,924		\$ 2,228,924		
REVENUE:					
Sales and Use Tax	\$ 2,250,000	\$ 195,030	\$ 756,859	33.64%	\$ 1,493,141
Interest	\$ -	\$ 1,061	\$ 4,950	#DIV/o!	\$ (4,950)
TOTAL REVENUE	<u>\$ 2,250,000</u>	<u>\$ 196,091</u>	<u>\$ 761,809</u>	<u>33.86%</u>	<u>\$ 1,488,191</u>

	Annual Budget	Current Period	Y-T-D Actual & Encumbrance	% of Budget	Budget Balance
EXPENDITURES:					
Administrative					
Advertising	\$ -	\$ 20	\$ 40	-	\$ (40)
Transfer to Debt Service Fund	\$ 505,000	\$ 42,083	\$ 168,333	33.33%	\$ 336,667
Economic Development Governing Body	\$ 225,000	\$ -		100.00%	\$ 225,000
Annual Disclosure Fee		\$ -			\$ -
Administrative Services Fee	\$ 75,000	\$ 6,250	\$ 25,000	33.33%	\$ 50,000
Total Administrative	<u>\$ 805,000</u>	<u>\$ 48,353</u>	<u>\$ 193,373</u>	<u>24.02%</u>	<u>\$ 611,627</u>
Category I - Business Development					
Hill Country Shooting Center			\$ 494,838	100.00%	\$ (494,838)
Commercial Improve Pilot Program			\$ 50,000	100.00%	\$ (50,000)
Unspecified	\$ 781,000	\$ -		0.00%	\$ 781,000
Total Category I	<u>\$ 781,000</u>	<u>\$ -</u>	<u>\$ 544,838</u>	<u>100.00%</u>	<u>\$ 236,162</u>
Category II - Quality of Life					
Schreiner University Project	\$ -	\$ -		#DIV/o!	\$ -
Hill Country Home Opportunity Program	\$ -			100.00%	\$ -
Category II Unspecified	\$ 82,000			0.00%	\$ 82,000
Total Category II	<u>\$ 82,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.00%</u>	<u>\$ 82,000</u>
Category III - Public Infrastructure					
Unspecified Projects	\$ 82,000			0.00%	\$ 82,000
Total Category III	<u>\$ 82,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.00%</u>	<u>\$ 82,000</u>
Contingency	\$ 500,000			0.00%	\$ 500,000
TOTAL EXPENDITURES	<u>\$ 2,250,000</u>	<u>\$ 48,353</u>	<u>\$ 738,211</u>	<u>32.81%</u>	<u>\$ 1,511,789</u>
NET REVENUES TO EXPENDITURES	<u>\$ -</u>	<u>\$ 147,739</u>	<u>\$ 23,598</u>		
ENDING CASH BALANCE: December 31, 2010	Budget \$ 2,228,924		Actual \$ 2,252,523		

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

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Debt Service Fund

Cash Balance as of January 1, 2011		\$ 537,846
Revenues:		
Transfer from Sales Tax Improvements Fund	<u>\$ 42,083</u>	
Total Deposits	<u>\$ 42,083</u>	
Expenses:		
Bond Principal	\$ -	
Bond Interest	<u>\$ -</u>	
Total Expenses	<u>\$ -</u>	
Revenues Over (Under) Expenditures:		<u>\$ 42,083</u>
Ending Cash Balance as of January 31, 2011		<u><u>\$ 579,929</u></u>

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Debt Service Fund
Revenue and Expense Statement
For the month ending January 31, 2011

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
BEGINNING CASH BALANCE	\$ 411,596		\$ 411,596		
REVENUE:					
Transfer from Sales Tax Improvement Fund	\$ 505,000	\$ 42,083	\$ 168,333	33.33%	\$ 336,667
Return of Equity - Park Lane Extension	\$ -			100.00%	\$ -
TOTAL REVENUE	\$ 505,000	\$ 42,083	\$ 168,333	33.33%	\$ 336,667
	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
EXPENDITURES:					
Series 1999 Sales Tax Bond Debt Service	\$ 425,000	\$ -		0%	\$ 425,000
Series 1999 Sales Tax Bond Interest Expense	\$ 73,859			0%	\$ 73,859
Paying Agent Fees	\$ 1,000	\$ -		0%	\$ 1,000
First Southwest Continuing Disclosure Fee	\$ -	\$ -		-	\$ -
TOTAL EXPENDITURES	\$ 499,859	\$ -	\$ -	0.00%	\$ 499,859
	Budget		Actual		
ENDING CASH BALANCE: December 31, 2010	\$ 416,737		\$ 579,929		

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

CITY OF KERRVILLE
Economic Improvement Corporation
SALES TAX REVENUE ANALYSIS

	Actual FY 2008	Actual FY 2009	Actual FY 2010	Approved FY 2011	Actual FY 2011	Difference Projected vs Actual	% of Projected Variance
October	\$ 194,330	\$ 195,050	\$ 179,735	\$ 173,552	\$ 184,602	\$ 11,050	6.37%
November	\$ 219,398	\$ 218,565	\$ 188,879	\$ 216,981	\$ 207,677	\$ (9,304)	-4.29%
December	\$ 195,398	\$ 202,043	\$ 170,981	\$ 173,554	\$ 169,550	\$ (4,004)	-2.31%
January	\$ 187,236	\$ 190,881	\$ 170,645	\$ 158,281	\$ 195,030	\$ 36,749	23.22%
February	\$ 251,426	\$ 239,208	\$ 236,837	\$ 261,777			
March	\$ 194,946	\$ 200,569	\$ 163,136	\$ 150,622			
April	\$ 168,423	\$ 259,861	\$ 160,461	\$ 153,072			
May	\$ 234,014	\$ 228,262	\$ 203,235	\$ 214,787			
June	\$ 193,637	\$ 181,835	\$ 182,429	\$ 168,623			
July	\$ 200,625	\$ 183,253	\$ 179,622	\$ 170,721			
August	\$ 230,443	\$ 219,318	\$ 221,711	\$ 228,210			
September	\$ 213,253	\$ 189,718	\$ 186,321	\$ 180,144			
Total	\$ 2,483,129	\$ 2,508,562	\$ 2,243,991	\$ 2,250,324	\$ 756,859	\$ 34,491	4.77%

CITY OF KERRVILLE
Economic Improvement Corporation
EIC Capital Projects Fund

Cash Balance as of January 1, 2011		\$ 2,364,980
Revenues:		
Transfer In		
Total Revenues/Transfer In	<u>\$ -</u>	
Expenses:		
Services		
Special Services		
Hill Country Shooting Sports Center	161,923	
Harper Road Utility Extension	\$ 7,079	
Salvation Army Center	<u>\$ 43</u>	
	\$ 169,045	
Capital Outlay		
Capital Outlay Total	-	
Transfer Out		
Total Expenses	\$ 169,045	
Revenue Over (Under) Expenditures		<u>\$ (169,045)</u>
Ending Cash Balance as of January 31, 2011		<u>\$ 2,195,935</u>

CITY OF KERRVILLE
Economic Improvement Corporation
Sales Tax Improvement Capital Projects Fund
Project Status Summary
For the month ending January 31, 2011

YEAR(S) FUNDED	PROJECTS	Funding Agreement	EIC Funding Agreement Commitment	EIC Funded To Date	Non-EIC Funding	Total Funded	Project Expenses to Date	Project Balance	EIC Future Allocation Balance
2004/05	Holdsworth Drive	FA 2004-07	\$ 1,000,000	\$ 1,000,000	\$ 3,500,396	\$ 4,500,396	\$ 4,491,208	\$ 9,188	-
2006/07	Harper Highway Utility Extension	FA 2008-013	\$ 2,850,000	\$ 2,850,000	\$ 302,396	\$ 3,152,396	\$ 1,658,535	\$ 1,493,860	-
2007/08	Salvation Army Kroc Center	FA 2008-011	\$ 500,000	\$ 500,000		\$ 500,000	\$ 438,539	\$ 61,461	-
2008/09	Alamo Workforce	FA 2009-03	\$ 109,887	\$ 109,887		\$ 109,887	\$ 108,394	\$ 1,493	0
2008/09	KEDF USDA Payment*	FA 2008-08	\$ 525,000	\$ 99,968		\$ 99,968	\$ 99,968	\$ (0)	425,032
2009/10	Hill Country Home Opportunity	FA 2010-02	\$ 150,000	\$ 150,000		\$ 150,000	\$ 11,716	\$ 138,284	-
2009/10	Commercial Improvement Program		\$ 100,000	\$ 100,000		\$ 100,000	-	\$ 100,000	-
2010/11	Commercial Improvement Program		\$ 50,000	\$ 50,000		\$ 50,000	-	\$ 50,000	-
2010/11	Hill Country Shooting Center	FA 2010-03	\$ 494,838	\$ 494,838		\$ 494,833	\$ 161,923	\$ 332,910	-
TOTALS			\$ 5,779,725	\$ 5,354,693	\$ 3,802,792	\$ 9,157,480	\$ 6,970,284	\$ 2,187,196	425,032

* Funding moved as payment becomes due

Cash Balance on 1/31/2011: \$ 2,195,935

Unallocated cash available: \$ 8,738



City of Kerrville
Director of Engineering
800 Junction Highway
Kerrville, Texas 78028-5069
830.792.8310 (O)
830.896.8793 (F)
mike.wellborn@kerrvilletx.gov

MEMORANDUM

TO: EIC Board

FROM: Michael Wellborn, P.E., Director of Engineering

DATE: February 16, 2011

SUBJECT: February, 2011 CIP Update for EIC Funded Projects

Harper Road Utility Extension (\$2,850,000.00) – The project construction contract was awarded to Nelson Lewis, Inc. in an amount not to exceed \$2,520,564.00 on June 22, 2010. Notice to precede letter issued on August 2, 2010. In addition to the construction contract, City Council awarded a separate contract to Raba Kistner Consultants, Inc to perform the required material testing for the project. The contract with the consultant is a not to exceed contract in an amount of \$67,840.00. The construction is broken up into sections as follows:

- Section 1 (James Avery Campus to north side of I-10) = water & sewer complete.
- Section 2 (South end of project to Horseshoe Oaks subdivision) = complete.
- Section 3 (Horseshoe Oaks subdivision to south side of I-10) = under construction.

Nelson Lewis, Inc. has currently invoiced & been paid 64% of their construction contract. Raba Kistner has invoice & been paid 16% of their material testing contract.

Salvation Army Kroc Center Site Work & Drainage Improvements (\$570,000.00) – This project consists of constructing retaining walls, side walks, walking trails, fencing, replacement of sanitary sewer and other associated improvements related to the Salvation Army Kroc Center including site preparation, grading and drainage. The construction contract was awarded to Yantis Company (Contractor) during the May 12, 2009 City Council meeting in the amount of \$1,119,735.75. On June 8, 2010, Council authorized the increase of the Yantis Contract to the amount of \$1,173,959.55 and authorized the release of the remainder funds in the amount of \$44,317.46 to cover change orders. Final acceptance has been issued to the Contractor and the project will closed this fiscal year.

Proposal for I-10 Access

Town Creek Development

January 17, 2011

**Chuck Coleman
830-257-4321**

Objective

1. To gain community support for:
 1. A joint application to TxDot to create access ramps along both the eastbound and westbound lanes of I-10 along Town Creek Development frontage.
 2. Annual property and sales tax benefit for the community after absorption is \$19,179,000.
 3. Cost of constructing the exit ramp is \$11,519,000.

Financing Alternatives

1. Chapter 380 Development Agreement.
2. TxDot reimbursement program. Local community obtains financing and is reimbursed by TxDot over time.
3. TIF, tax increment financing where projected growth in tax revenue is used to finance the improvements.
4. Developer participation.
5. State level and local level EIC funds.
6. Federal funds through Lamar Smith.
7. Grants.
8. Combinations of various programs.

Methodology to Estimate Tax Benefit

1. Land planning architect developed a use specific site plan.
2. Estimated tax benefit based on one year of tax revenues subsequent to full absorption.
3. Ad valorem tax benefit projected on estimated values of the building and land from comparable applications and tax records.
4. Sales tax benefit projected on sales per square foot per comparable applications.
5. Construction cost for ramps by engineer.

Benefits of Access Ramps

1. Access ramps would provide an inventory of commercially developable land for the entire community.
 1. Town Creek Development of 375 commercial acres.
 2. Keystone Development of 46 commercial acres.
 3. Higgins Acreage of 49 commercial acres.
 4. Significant acreage on north side of access ramp.
 5. Holdsworth would become an “I-10 frontage” road from Harper Road to Veterans Loop.

Benefits of Access Ramps

2. Land would be absorbed over a 7 to 10 year period giving the taxing entities a constant stream of increased tax base for ad valorem and sales tax revenue.
 1. City (and community) has limited expansion land.
 2. Planning needs to maximize developable land for the future benefit of the community.
 3. Proposal will help shift burden from residential to commercial.
 4. Proposal mitigates impact of residential tax freeze.

Benefits

3. Estimated **annual** tax benefit from ad valorem tax, sales tax, and hotel tax for the community after full absorption is:

City of Kerrville	\$ 7,478,000
EIC	2,422,000
Kerr County	4,261,000
Kerrville ISD	4,884,000
All Other	<u>134,000</u>
Annual Total	\$19,179,000

Benefits of Access Ramps

4. Access ramps would improve transportation system for Kerrville:

1. Town Creek Parkway would provide a third north / south corridor and could be linked from I-10 to Highway 27.
2. Traffic along Harper Road (primarily residential) would experience needed relief.
3. There would be additional traffic relief on Sidney Baker and Junction Highway.

Benefits of Access Ramps

5. Economic development would be significantly enhanced:

1. Job creation from construction over the 10 year period.
2. Staffing newly created businesses.
3. Community would have an inventory of land available for business growth and relocation.
 1. Technology, health care, and educational applications.
4. Multi-family land for delayed “baby-boomers” .
5. Possible Corporate Meeting Center and Hotel in better location and at a much lower cost.

Cost of I-10 Access

6. The estimated construction cost of I-10 access as projected by our engineering group is:

Eastbound I-10 Improvements	\$4,600,000
Westbound I-10 Improvements	2,900,000
Town Creek Parkway	1,850,000
Design, Engineering, Surveying	1,122,000
Contingency 10%	<u>1,047,000</u>
Total	\$11,519,000

Exit Ramp Payback Assuming Different Absorptions

Year	Seven Year Absorption		Ten Year Absorption		Fifteen Year Absorption	
	Ramp Cost	Cumulative Tax Benefit	Ramp Cost	Cumulative Tax Benefit	Ramp Cost	Cumulative Tax Benefit
1	2,740,000	2,740,000	1,917,900	1,917,900	1,278,600	1,278,600
2	5,480,000	5,480,000	3,835,800	3,835,800	2,557,200	2,557,200
3	3,299,000	8,220,000	5,753,700	5,753,700	3,835,800	3,835,800
4	-	10,960,000	11,600	7,671,600	3,847,400	5,114,400
5	-	13,700,000	-	9,589,500	-	6,393,000
6	-	16,440,000	-	11,507,400	-	7,671,600
7	-	19,179,000	-	13,425,300	-	8,950,200
8	-	-	-	15,343,200	-	10,228,800
9	-	-	-	17,261,100	-	11,507,400
10	-	-	-	19,179,000	-	12,786,000
11	-	-	-	-	-	14,064,600
12	-	-	-	-	-	15,343,200
13	-	-	-	-	-	16,621,800
14	-	-	-	-	-	17,900,400
15	-	-	-	-	-	19,179,000
Totals	11,519,000	19,179,000	11,519,000	19,179,000	11,519,000	19,179,000

Pay Back - Months

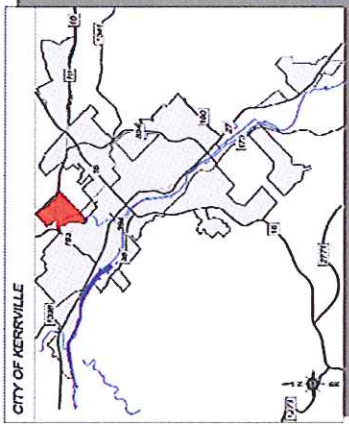
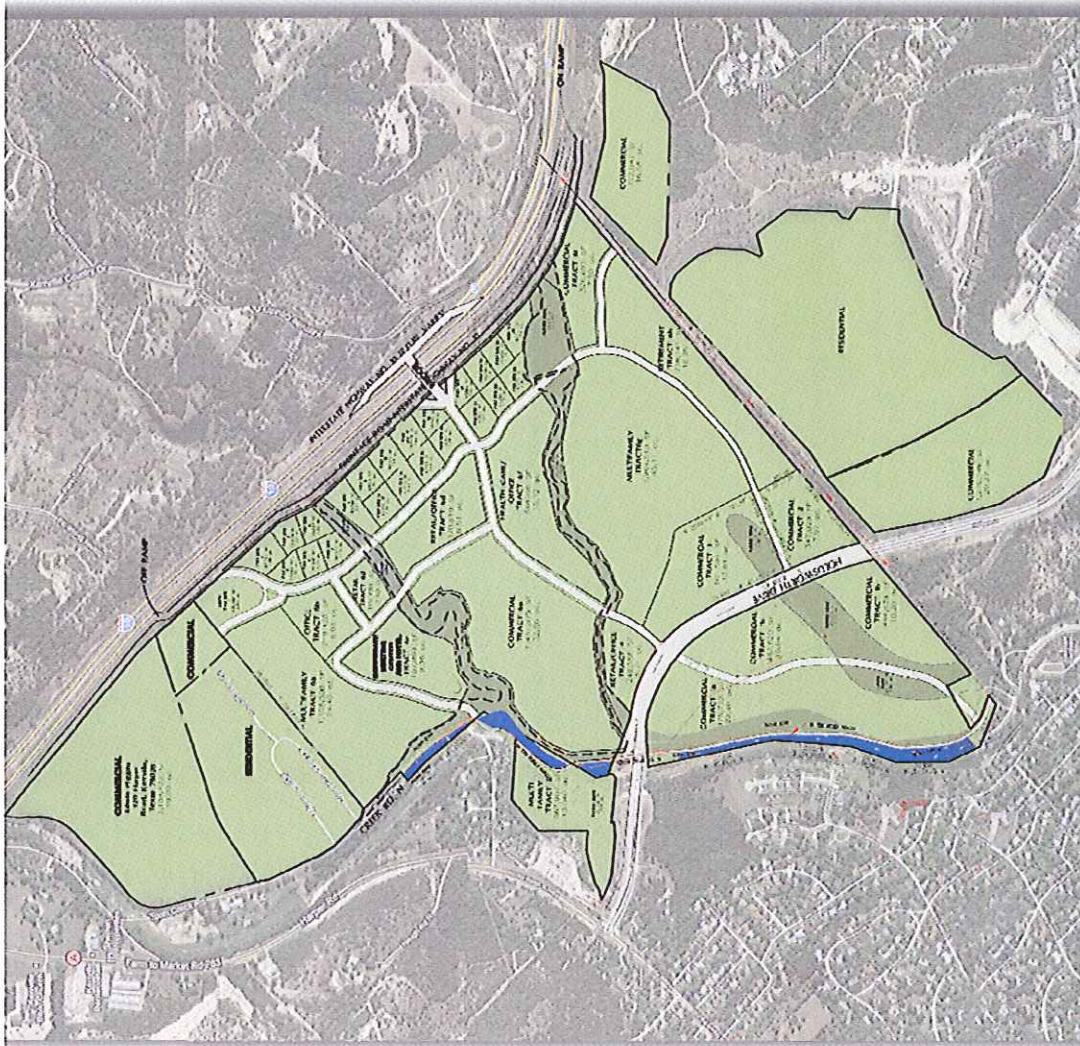
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36.0

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Contributors to this report:

1. Chuck Coleman, Town Creek Companies, LLC
2. Kit Corbin, Grubb & Ellis Company
3. Barry P. Middleman, Mdn Architects
4. Jeff Carroll, Matkin Hoover Engineering
5. Todd Gold, NAI REOC
6. Zeke Rizo, Mdn Architects
7. Alcide M. Longgoria, NAI REOC



LAND USE	
49.00 ac.	ADJACENT 49 AC. PROPERTY
82.60 ac.	MULTIFAMILY
21.65 ac.	OFFICE
15.12 ac.	HEALTH CARE/RETAIL/OFFICE
32.60 ac.	PADS SITES/HOTEL
9.36 ac.	CORPORATE MEETING CENTER/HOTEL
105.38 ac.	COMMERCIAL
16.95 ac.	RETIREMENT OF SPECIAL USE LAND
81.11 ac.	ADJACENT RESIDENTIAL
45.95 ac.	ADJACENT COMMERCIAL PROPERTY



TOWN CREEK DEVELOPMENT KERRVILLE, TEXAS

11/24/2010



CITY OF KERRVILLE

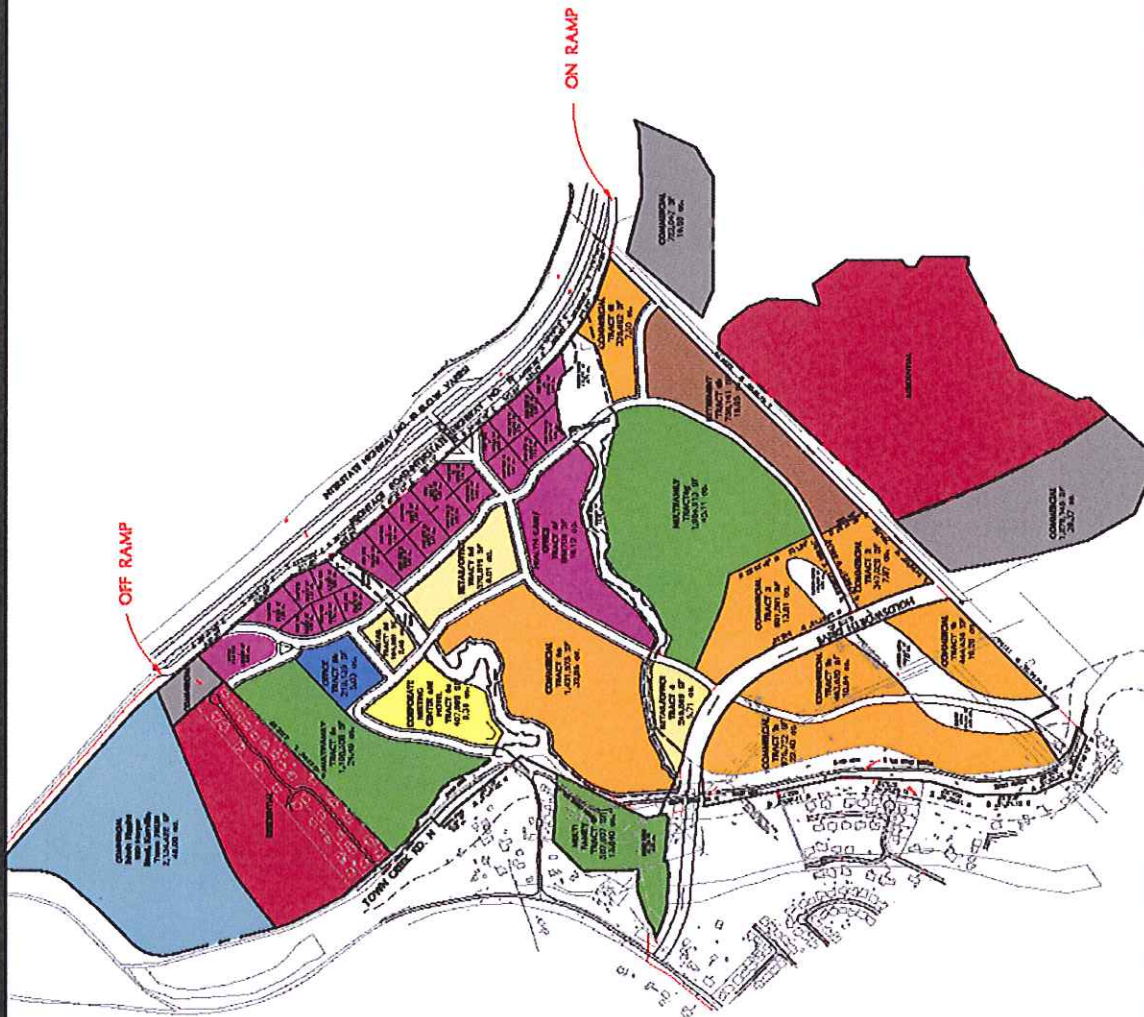


SITE LOCATION MAP



LAND USE

- ADJACENT 49 AC. PROPERTY
- MULTIFAMILY
- OFFICE
- HEALTH CARE/RETAIL/OFFICE
- PADS SITES/HOTEL
- CORPORATE MEETING CENTER/HOTEL
- COMMERCIAL
- RETIREMENT OF SPECIAL USE LAND
- ADJACENT RESIDENTIAL
- ADJACENT COMMERCIAL PROPERTY



SITE PLAN
SCALE: 1" = 300'
DATE: 11/10/10
BY: [Signature]

TOWN CREEK DEVELOPMENT

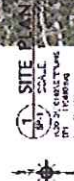
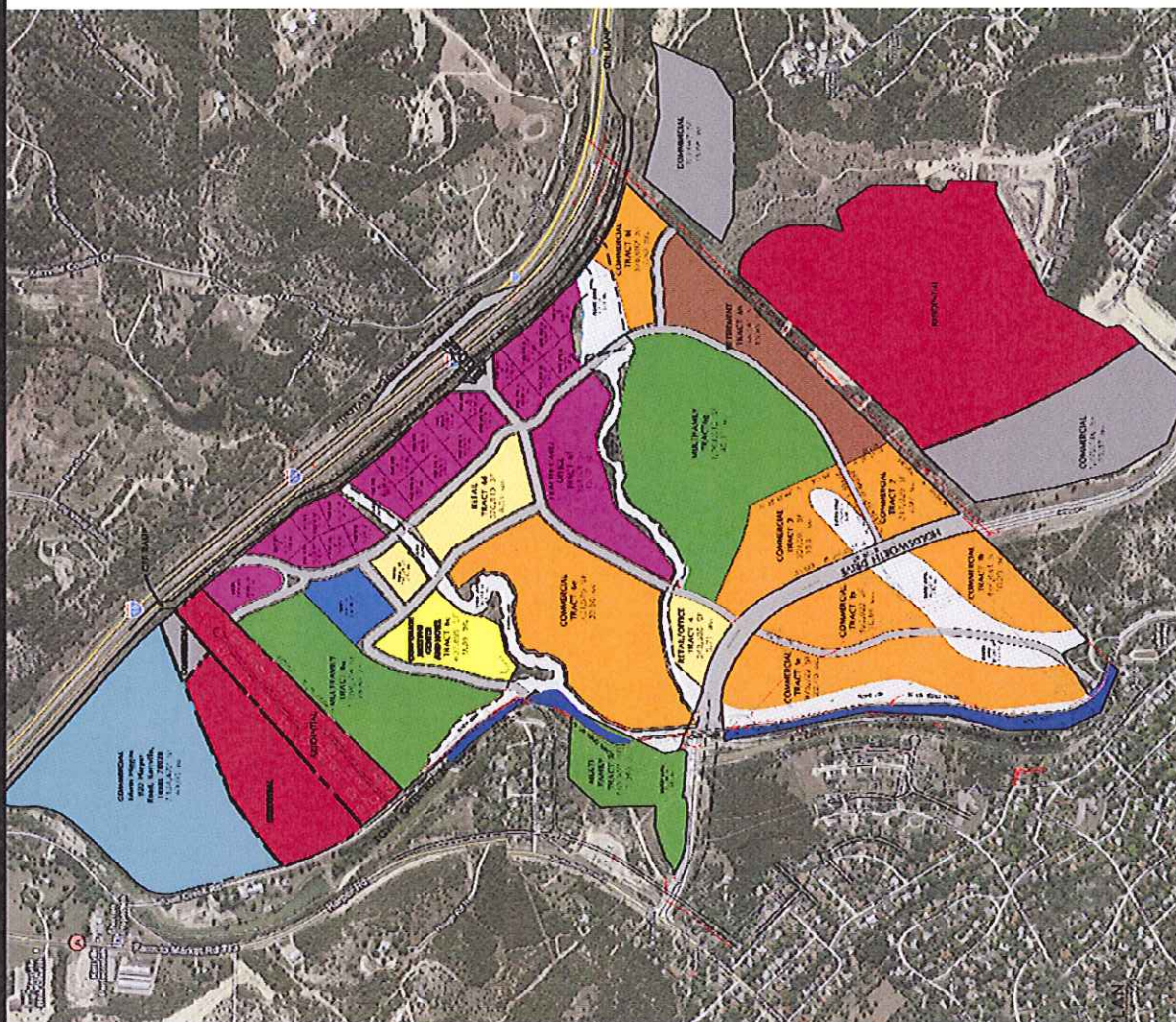
KERRVILLE, TEXAS

11/10/10



Town Creek Development Sites Planned and Acreage for Each

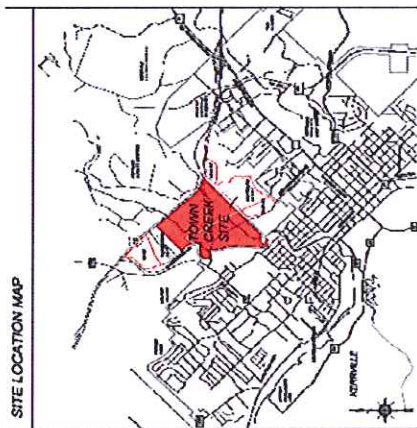
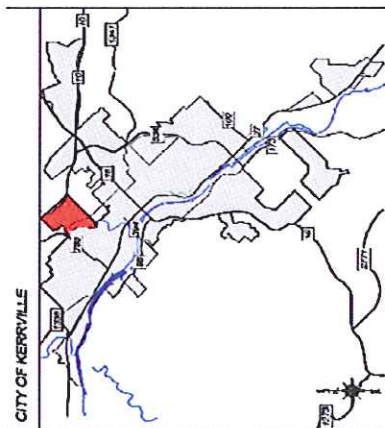
1. I-10 Retail Pad Sites.....32.68 acres
 23 sites for Hotel, Banks, Retail
 Food and Fast Food.
2. Three multi-family sites.....82.60 acres
3. Corporate Meeting Center9.36 acres
 And Hotel.
4. Office Tract – Multi Story.....5.03 acres
5. Three Retail Strip Centers.....16.62 acres
6. Seven Commercial Anchor.....105.38 acres
7. Retirement / Nursing Home.....16.95 acres
8. Health Care / Medical Office.....15.12 acres



TOWN CREEK DEVELOPMENT

KERRVILLE, TEXAS

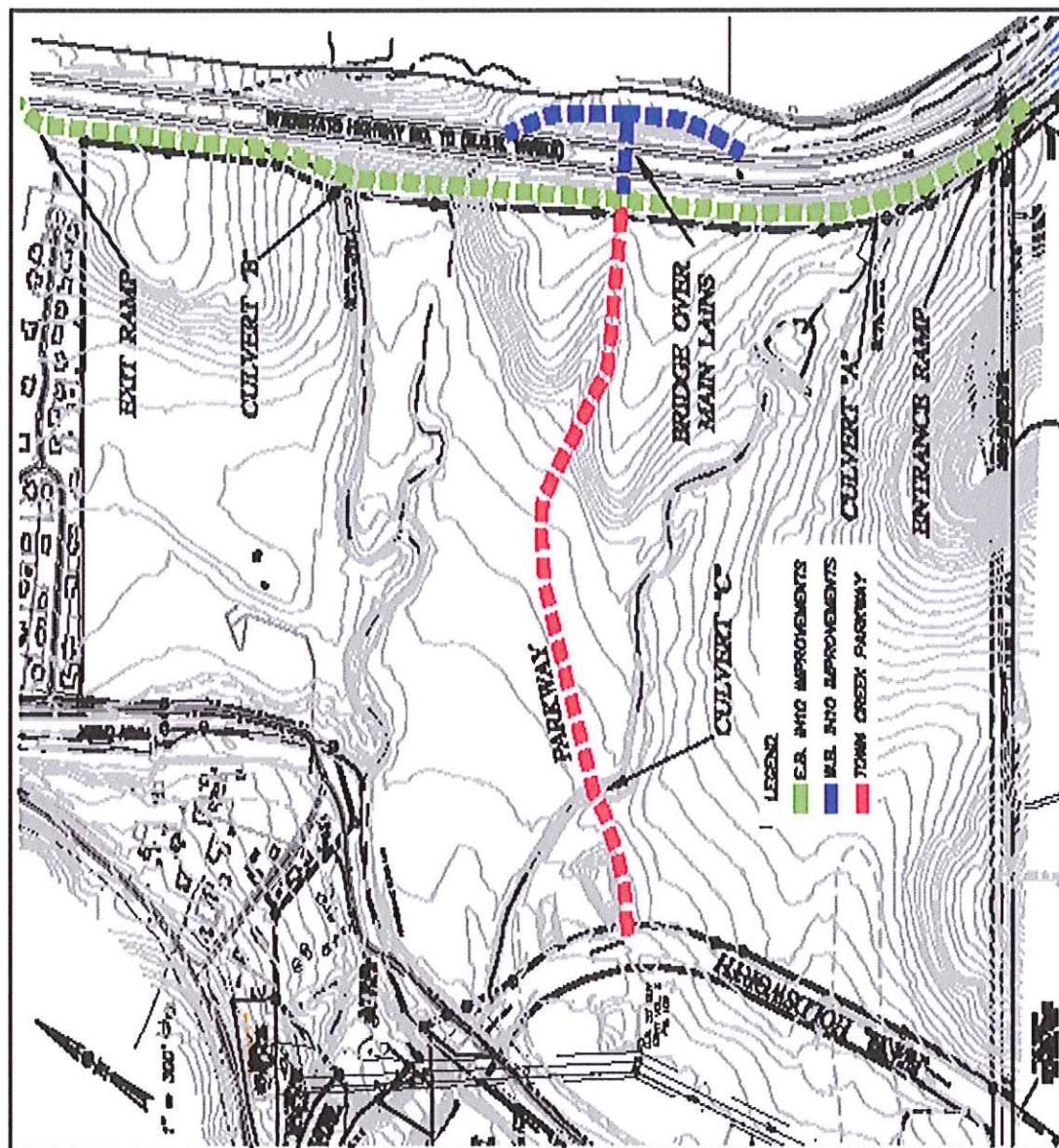
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LAND USE

ADJACENT 49 AC. PROPERTY
MULTI-FAMILY
OFFICE
HEALTH CARE/RETAIL/OFFICE
PADS SITES/HOTEL
CORPORATE MEETING CENTER / HOTEL
COMMERCIAL
RETIREMENT OF SPECIAL USE LAND
ADJACENT RESIDENTIAL
ADJACENT COMMERCIAL PROPERTY



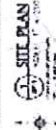
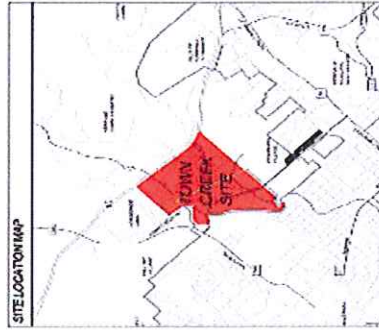
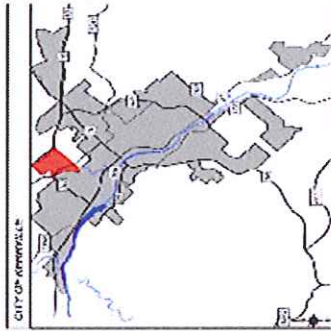


MATKINHOVER
ENGINEERING
& SURVEYING

CONNECTIVITY PLAN
TOWN CREEK DEVELOPMENT
KERRVILLE, TEXAS

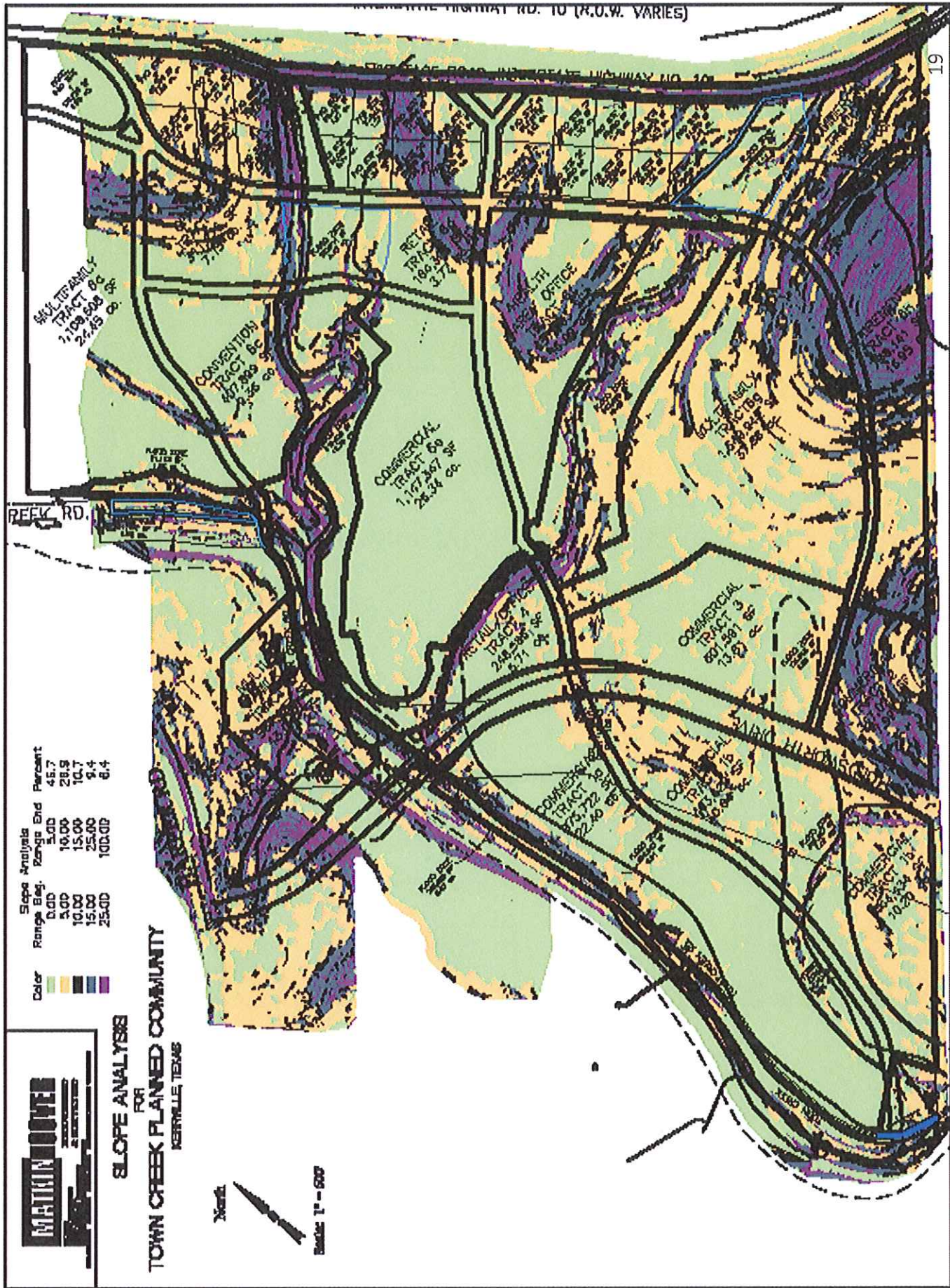
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Journal of Internal Medicine 247: 391–397



LAND USE	
MULTIFAMILY	
OFFICE	
HEALTH	
CARE/RETAIL/OFFICE	
PADS SITES/HOTEL	
CONVENTION CENTER	
COMMERCIAL	
RETIREMENT OF SPECIAL	
USE LAND	





Town Creek Development
Annual Tax Benefit Summary
 December 10, 2010

	Annual Tax Benefit			
	Ad Valorem	Sales Tax	Hotel/Motel 6%	Total
I. Quantified Annual Tax Benefit:				
City of Kerrville	\$ 2,328,075	\$ 4,843,576	\$ 306,600	\$ 7,478,251
EIC	-	2,421,788	-	2,421,788
Kerr County	1,838,869	2,421,788	-	4,260,657
Kerrville Independent School District	4,883,785	-	-	4,883,785
All Other	<u>134,097</u>	<u>-</u>	<u>-</u>	<u>134,097</u>
Annual Tax Benefit	<u>\$ 9,184,826</u>	<u>\$ 9,687,152</u>	<u>\$ 306,600</u>	<u>\$ 19,178,578</u>

Annual Ad Valorem Benefit - Summary
December 10, 2010

	Estimated Value	Current Tax Rate				Annual Total
		City	County	KISD	All Other	
		0.5625	0.4443	1.1800	0.0324	2.2192
			(A)		(B)	
Town Creek Development:						
I-10 Pad Sites	\$ 33,958,069	\$ 191,014	\$ 150,876	\$ 400,705	\$ 11,002	\$ 753,597
Multi Family	106,018,706	596,355	471,041	1,251,021	34,350	2,352,767
Convention	2,039,495	11,472	9,061	24,066	661	45,260
Office Tract	8,632,991	48,561	38,356	101,869	2,797	191,583
Retail	26,564,328	149,424	118,025	313,459	8,607	589,516
Commercial	99,723,068	560,942	443,070	1,176,732	32,310	2,213,054
Retirement	12,792,724	71,959	56,838	150,954	4,145	283,896
Health Care / Office	15,240,220	85,726	67,712	179,835	4,938	338,211
	304,969,601	1,715,454	1,354,980	3,598,641	98,810	6,767,885
Keystone Development:						
I-10 Frontage, 16.58 Acres	20,359,517	114,522	90,457	240,242	6,596	451,818
Holdsworth, 29.37 Acres	36,065,079	202,866	160,237	425,568	11,685	800,356
	56,424,596	317,388	250,694	665,810	18,282	1,252,175
Edwin Higgins Development:						
49 Acres	52,485,880	295,233	233,195	619,333	17,005	1,164,767
Annual Tax Benefit	\$ 413,880,077	\$ 2,328,075	\$ 1,838,869	\$ 4,883,785	\$ 134,097	\$ 9,184,827

Assumptions:

- (A) Includes County rate of .4121 and Lateral Roads rate of .0322 for combined total of 0.4443.
- (B) Includes UGRA of .0250 and WHU of .0074 for combined total of .0324.
- (D) Corporate Meeting Center and Hotel only reflects land value as a tracking method. Assumes the building may be given an economic incentive variance for ad valorem and sales taxes.
- (E) Based on the ad valorem tax value of Town Creek Development for retail application extended by Keystone's available square footage.

Town Creek Development
Annual Sales Tax Benefit - Summary
December 10, 2010

	State	City	EIC	County	Total
	6.25%	1.00%	0.50%	0.50%	8.25%
Town Creek Development: (A)					
	\$				\$
I-10 Retail Pad Sites	3,028,138	\$ 484,502	\$ 242,251	\$ 242,251	\$ 3,997,142
Retail Strip - 6d, 4	3,193,097	510,896	255,448	255,448	4,214,888
Commercial - Power					
Center	<u>15,009,578</u>	<u>2,401,533</u>	<u>1,200,766</u>	<u>1,200,766</u>	<u>19,812,643</u>
	21,230,813	3,396,930	1,698,465	1,698,465	28,024,673
Keystone Development: (B)					
	6,299,599	1,007,936	503,968	503,968	8,315,470
Higgins Development: (D)					
	<u>2,741,936</u>	<u>438,710</u>	<u>219,355</u>	<u>219,355</u>	<u>3,619,356</u>
	\$	\$	\$	\$	\$
	<u>30,272,348</u>	<u>4,843,576</u>	<u>2,421,788</u>	<u>2,421,788</u>	<u>39,959,499</u>
					22

(A) Estimated based on a site specific site plan. Building square footage for retail sites were used to

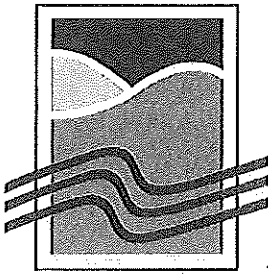
TOWN CREEK

Order of Magnitude Opinion of Probable Cost

11/15/2010				
Item	Description	Unit	Qty.	Price
I.	Eastbound Interstate 10 Improvements			
	Exit Ramp	LS	1	\$750,000
	Frontage Road	LF	5,000	\$250
	Utilities (water, sewer & electric)	LF	5,000	\$250
	Culvert "A"	LS	1	\$200,000
	Culvert "B"	LS	1	\$400,000
	Entrance Ramp	LF	1	\$750,000
				\$4,600,000
II.	Westbound Interstate 10 Improvements			
	Exit Ramp	LS	1	\$750,000
	40'x175' Overpass Bridge	SF	7,000	\$150
	Overpass Abutments	LS	2	\$175,000
	Entrance Ramp	LF	1	\$750,000
				\$2,900,000
III.	Towncreek Parkway (IH10 to Holdsworth)			
	Collector Road (4 lane)	LF	3,000	\$300
	Utilities (water, sewer & electric)	LF	3,000	\$250
	Culvert "C"	LS	1	\$200,000
				\$1,850,000
	Sub-Total=			\$9,350,000
IV.	Design Engineering & Surveying (12%)			
				\$1,122,000
	Sub-Total=			\$10,472,000
V.	Contingency (10%)			\$1,047,200
Project Total:				\$11,519,200

Notes:

1. Above OPC includes construction, engineering and surveying costs for street, drainage and utility improvements only. This estimate does not include other development costs such as, but not limited to property acquisition, community center features, landscaping, fencing, marketing, etc...
2. Quantities used in this OPC are preliminary and are NOT based on engineering design or construction plans. Final quantities may vary.
3. Unit prices used in this OPC were taken from recent contractor bids on similar projects; however, actual bid unit prices may vary significantly.



CITY OF KERRVILLE
OFFICE OF THE CITY MANAGER
800 Junction Highway
Kerrville, Texas 78028
830-257-8000 / www.kerrvilletx.gov

February 14, 2011

Economic Improvement Corporation
800 Junction Highway
Kerrville, Texas 78028

Dear EIC Board Members,

The City of Kerrville is proposing Phase 2 of the Harper Road Utility Extension Project to the Economic Improvement Corporation with a projected cost of \$1.2 million to fund the extension of water and waste water lines. This project will provide for the following:

- Installation of approximately 4,600 linear feet of 12" water main & appurtenances from the North end of Old Harper Road; thence west along the south line of Interstate I-10 R.O.W. to Harper Road (RM 783); thence south along both the east & west side of RM 783 to its intersection with Old Harper Road; thence, east along Old Harper Road to its intersection with Town Creek Road.
- Installation of 12" wastewater main from the North end of Old Harper Road; thence west along the south line of Interstate I-10 R.O.W. to the West side of Harper Road (RM 783); thence south along the west line of RM 783 to a property owned by the Kerrville Bible Church.
- Installation of 12" wastewater main from the intersection of Old Harper Road and Town Creek Road; thence Southwest along Old Harper Road to the west side of Harper Road (RM 783); thence North along the west line of RM 783 to the property North of the Northpoint Investors, LTD. property. In all, the sanitary sewer for this Phase 2 project includes approximately 3,000 linear feet of wastewater main & appurtenances.

The above project is depicted on the attached map as well as a unit breakdown of construction items. Additionally, a primary and secondary service area map for these utility lines is attached. For purposes of this application, the primary service area is the only area staff considered in analyzing the business development and retention.

Annexation for the purposes of this project will be determined by the development and redevelopment of the primary acres served. Timing and the manor of annexation would occur subject to negotiations between the City of Kerrville and the property owners.

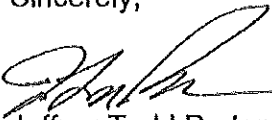
More specifically related to the properties served by phase two of the Harper Utility Extension project, and the economic (return on investment) analysis supporting EIC investment in the project, the following assumptions where made:

- The availability of utilities will trigger commercial development/redevelopment of property in the primary service area;
- Developed/redeveloped property served by utilities will be annexed at the time of hook up and added to the tax base of the City; and
- Timing of annexation of developed/redeveloped property will be defined by annexation agreements, and in some cases dependent upon the annexation of adjacent properties.

Though some currently developed properties will request utility service from the lines in order to upgrade their properties from well and septic tank services, no assumptions were made on the timing of annexation of these properties. Therefore, no assumptions where made on the timing of the addition of these properties to the tax base of the City within the economic analysis of the project. Attached is the return on investment analysis based on a 20 year payback scenario.

Thank you for your time and consideration of this project request. Should you need any additional information, please feel free to contact me at 830-792-8305.

Sincerely,



Jeffrey Todd Parton
City Manager



Year	Expenditures	Property Tax	Sales Tax	Total	Action
2011	-\$1,200,000	\$0	\$0	-\$1,200,000	Installation of water and sewer lines
2012	\$0	\$16,378	\$0	\$16,378	Opening of Entertainment Center, \$2m sales, \$3m property value
2013	\$0	\$16,378	\$29,680	\$46,058	
2014	\$0	\$16,378	\$29,680	\$46,058	
2015	\$0	\$19,746	\$29,680	\$49,426	Opening Commercial/Industrial Property, \$0 sales, \$600,000 property value
2016	\$0	\$20,339	\$29,680	\$50,019	
2017	\$0	\$20,339	\$29,680	\$50,019	
2018	\$0	\$40,945	\$29,680	\$70,625	Opening Gas/Retail, \$3m sales, \$3.6m property value
2019	\$0	\$40,945	\$74,940	\$115,885	
2020	\$0	\$40,945	\$74,940	\$115,885	
2021	\$0	\$42,173	\$74,940	\$117,113	
2022	\$0	\$42,173	\$74,940	\$117,113	
2023	\$0	\$42,173	\$74,940	\$117,113	
2024	\$0	\$42,173	\$74,940	\$117,113	
2025	\$0	\$42,173	\$74,940	\$117,113	Comments: Action in 2012 based upon developer input. Actions in 2015 and 2018 are staff projections, although the 2015 property is currently listed for sale. Property valuations projected to increase 3% in 2015, 2020, and 2025.
2026	\$0	\$43,438	\$74,940	\$118,378	
2027	\$0	\$43,438	\$74,940	\$118,378	
2028	\$0	\$43,438	\$74,940	\$118,378	
2029	\$0	\$43,438	\$74,940	\$118,378	
2030	\$0	\$43,438	\$74,940	\$118,378	
NPV	\$4,578	Total		\$537,807	
Prime Rate	3.25%				
IRR	3.29%				



**APPLICATION FOR 4B SALES TAX FUNDS
CITY OF KERRVILLE
ECONOMIC IMPROVEMENT CORPORATION**

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

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

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

APPLICATION

SECTION 1 - DEFINITIONS

Clawback- That provision in a Funding Agreement, which states how and to what extent any incentive payments from public funds must be repaid if the stated Performance Standards are not met.

Current Payroll- The company's total expenditure for all employees for the month immediately preceding this application multiplied by 12.

Employee Benefit- Incentives offered to employees and paid for by the employer such as health care coverage, vacation, etc. If an employee pays 30% of the cost, or more, it should not be considered a "benefit" for purposes of this application.

Full Time Job- The employment of a person for a minimum of 35 hours per week and offering that person all those benefits adopted by company policy for Full Time Employees. Major stockholders or immediate family members should not be included in this number when considering "New Full-Time Jobs Created."

Hourly Wage- The gross amount paid to the employee for each hour worked not including the Employer's portion of FICA or FWH. Benefits should not be included in this figure, but should be listed separately under the compensation per employee section of the application.

Part-Time Job- A person working less than 35 hours per week. Major stockholders or immediate family members should not be included in this category when completing the application under New Part-Time Jobs Created.

Funding Agreement- a written document designed to protect the interest of local taxpayers by putting a businesses' job creation or capital investment commitments in writing and by linking the payment of any financial incentive to the business fulfilling its written commitments (i.e. clawbacks).

Public Capital Project- Improvements owned and maintained by the City of Kerrville included in the Capital Improvement Plan and funded by the capital budget.

SECTION II - APPLICANT INFORMATION

Submittal Date: February 14, 2011

Company Information

Company Name/Organization: City of Kerrville

Address (City/State): 800 Junction Highway

Phone 830-257-8000

Kerrville, Texas 78028

City

State

Zip Code

Name of Company/Organization Contact on this project:

Todd Parton, City Manager

Contact Address (if different from above):

Phone 830-792-8305

Fax

City

State

Zip Code

Type of Business: Corporation _____ Partnership _____ Sole Proprietorship _____
Non Profit Organization ☒ Municipality/ Local Government

Year Business Started: Year _____ Location _____

Current Employment:

Permanent Full-Time 311 Permanent Part-Time 8

Average Production Wage \$38,896 annually

Full-Time Employees receive the following benefits: Health, Dental, Vision, Life, Long Term Disability and Retirement.

Financial Information Required:

- List of all company owners
- Current financial statements and tax returns for primary owners of shareholders

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

Annual Sales for Corporation / Company \$ _____

This Facility \$ _____

Local Sales Tax paid Annually \$ _____

Current Payroll \$ _____

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

No (X) Yes () Details:

SECTION III- PROJECT INFORMATION

Requested amount \$1,200,000.00 _____

Total Project Amount \$1,200,000.00 _____

This application is for a:

Business Development ()

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

Quality of Life Improvement ()

- Parks, Open Space ()
- Other ()

Capital Improvements for Public Infrastructure

- Utilities (X)
- Roadways ()
- Other ()

The proposed improvements are to be located within the following taxing district (s): City of Kerrville (X) Kerr County (X) Kerrville ISD (X) Ingram ISD () Center Point ISD ()

SECTION IV - PROJECT DESCRIPTION

Please attach a statement on company letterhead and signed by an officer of the company (1) fully explaining the nature and scope of the project; (2) describing the proposed site and existing improvements, if any; (3) describing all proposed improvements; and (4) providing a list of eligible improvements; (5) provide a list of major, fixed equipment along with manufacturer specifications and cost quote from the manufacturer.

Should this project be approved, the Economic Improvement Corporation may require performance criteria as a part of the funding agreement, in addition to this application. The funding agreement is between the Economic Improvement Corporation and the City of Kerrville. Said funding agreement will outline project costs, timelines, other information may be necessary to carry out the project in an efficient manner.

SECTION V – ECONOMIC IMPACT INFORMATION

Part A- Project Investment in Improvements

Total	\$ 1,200,000.00
Sq. Footage of New Building (s)	
Size of Parking	
Other	Water/ Wastewater Utility lines

Part B- Project Investment in Fixed Equipment

(New)\$	
Manufacturer of Equipment	
Anticipated Useful Life of Equipment	
Purchase Price \$	Installation Cost \$
Anticipated Delivery time from Date of Order	

Part C- Permanent Employment Estimates- (do not include owners, stockholders or their dependants)

Anticipated Number of New Full-Time Employees as a result of this project

Anticipated Number within 12 months of Completion of this project _____

Anticipated Number within 24 months of Completion of this project _____

Typical Job Descriptions or Job Titles

Anticipated starting salaries of these employees: (avg.) \$ _____/hour

Part D- Permanent Part-Time Employment Estimates-
(do not include owners, stockholders or their dependents)

Anticipated Number of New Part-Time Employees as a result of this project _____

Anticipated Number within 12 months of Completion of this project _____

Anticipated Number within 24 months of Completion of this project _____

Typical Job Descriptions or Job Titles of these employees: _____

Anticipated starting salaries of these employees: (avg.) \$ _____/hour

Part E- Payroll Impact

Within 12 months of Project Completion _____ Within 24 months of Project Completion _____

\$ _____
FTE X Avg. Wage X 40 hrs X 52 wks

\$ _____
PTE X Avg. Wage X 20 hrs X 52 wks

SECTION VI- OTHER ASSISTANCE

Has the Company applied for any State or Federal assistance on this project? No (X) Yes ()

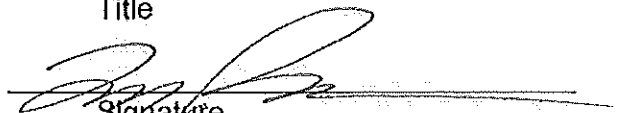
Describe:

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

____Jeffrey Todd Parton
Printed name

____2-14-2011____
Date

_City Manager____
Title

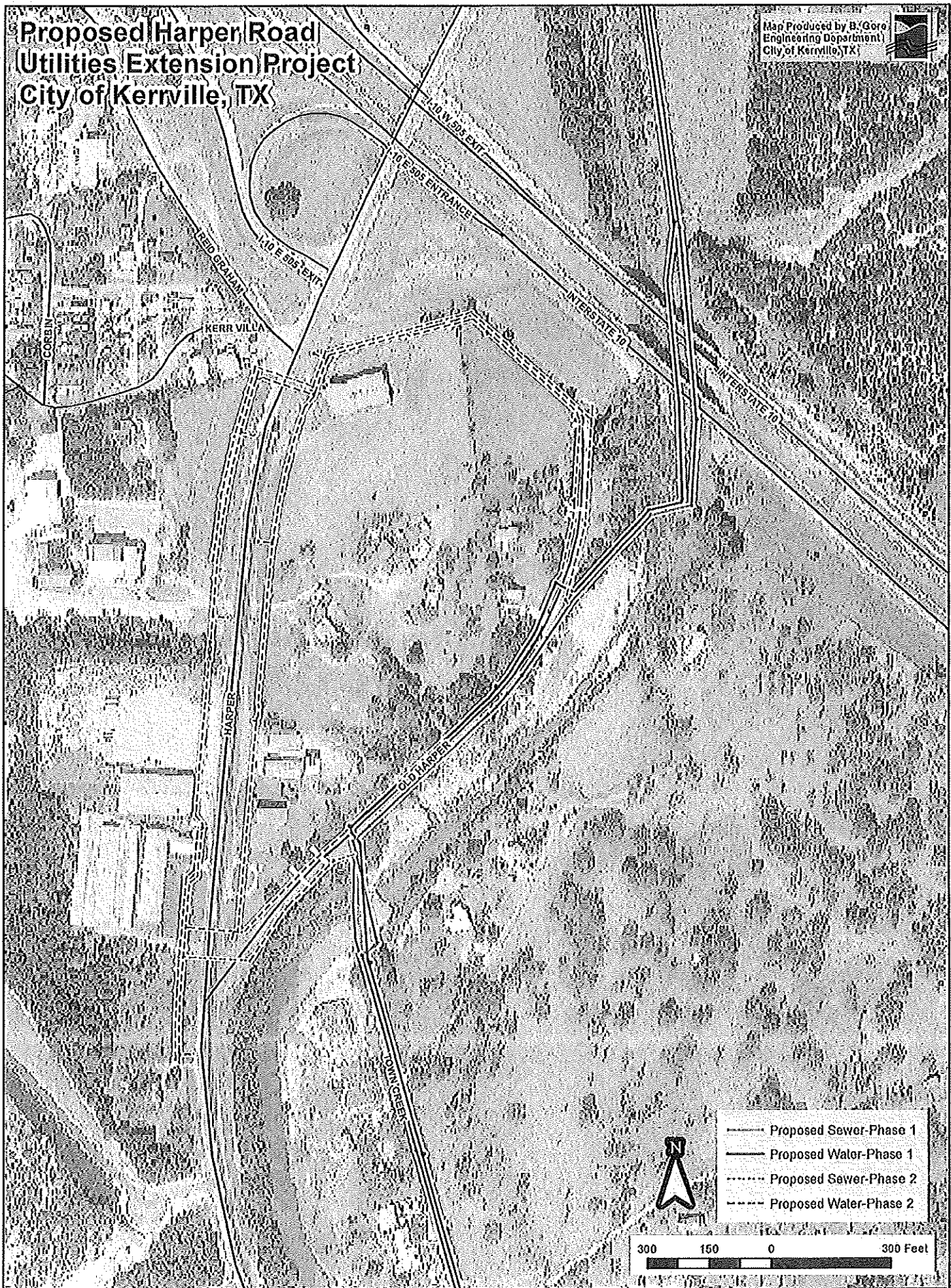

Signature

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

Amended 01-18-10

Proposed Harper Road (Utilities Extension) Project City of Kerrville, TX

Map Produced by B. Gore
Engineering Department
City of Kerrville, TX



City of Kerrville
Phase 2 of Harper Highway Water and Wastewater Extension
Old Harper Road/RM 783 Loop
Unit Breakdown of Construction Items

Part 1 - Water System

Item No.	Description	Quantity	Unit
1	Mobilization	1	ls
2	8-Inch Diameter PVC C-900 Class 200 SDR-14 Water Line, Open Cut	4,103	lf
3	8-Inch Diameter PVC C-900 Class 200 SDR-14 Water Line in 24" dia Steel Casing Bore and Jack Construction, INCLUDES CASING	175	lf
4	8-Inch Diameter PVC C-900 Class 200 SDR-14 Water Line, by Bore & Jack Construction	333	lf
5	8-Inch Diameter DIP Fire Hydrant Lead, Open Cut	216	lf
6	8-Inch Gate Valve & Box, complete in place, the sum of	28	ea
7	8-Inch Gate Valve & Box, complete in place, the sum of	9	ea
8	Fire Hydrant Assembly, complete in place, the sum of	9	ea
9	8-Inch Wet Connection to Existing Main, complete in place, the sum of	2	ea
10	1-Inch Water Service Connections, short and long side, complete in place, the sum of	3	ea
11	2-Inch Water Service Connections, short and long side, complete in place, the sum of	12	ea
12	Miscellaneous Fittings, complete in place, the sum of	1.6	tons
13	Trench Safety System	4,600	lf

Part 2 - Wastewater System

Item No.	Description	Quantity	Unit
14	Mobilization	1	ls
15	8-Inch Diameter PVC ASTM D-3034 DR-26 Wastewater Line, Open Cut	2576	lf
16	8-Inch Diameter PVC ASTM D-3034 DR-26 Wastewater Line in 24" dia Steel Casing, Bore and Jack, INCLUDES CASING	242	lf
17	4-Inch Diameter Wastewater Services, complete in place, the sum of	40	lf
18	8-Inch Diameter Wastewater Services, complete in place, the sum of	241	lf
19	Two way cleanouts, complete in place, the sum of	13	ea
20	48-Inch Diameter Wastewater Manholes, all depths, complete in place, the sum of	16	ea
21	48-Inch Diameter Wastewater Drop Manholes, all depths, complete in place, the sum of	1	ea
22	60-Inch Diameter Wastewater Drop Manholes, all depths, complete in place, the sum of	0	ea
23	Trench Safety System	3000	lf

Part 3 - Miscellaneous Items

Item No.	Description	Quantity	Unit
24	Trench Repair, including base and surface course, saw cut, complete in place, the sum of	500	lf
25	SR Fence, complete in place, the sum of	7500	lf
26	Rock Berm, complete in place, the sum of	0	lf
27	Standard Construction EOL, complete in place, the sum of	2	ea
28	Inlet Protection Barrier, complete in place, the sum of	0	ea
29	Traffic Control and Handling, complete in place, the sum of	1	ls
30	Hydromulch Seeding, complete in place, the sum of	250	sy
31	M&B Overlay at Parking Lot	160	sy
32	Materials Testing - Budget Allowed	1	ls
33	Contingency - Budget Allowed - To be used only when directed in writing by City Engineer, as approved	1	ea

KERR COUNTY AREA
CHRISTIAN ASSISTANCE MINISTRY

P.O. BOX 291352
KERRVILLE, TEXAS 78029-1352
(830) 257-4222

February 1, 2011

To: Economic Improvement Corporation
Ms.Mindy Wendele, Director , Business Programs
Mr. Mike Hayes, City Attorney

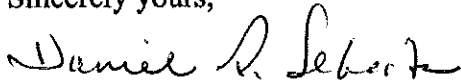
Re: Christian Assistance Ministry Application for EIC Funds

After having been made aware more fully of the basics for projects under 4b law, we wish to resubmit our application for EIC funds with a more complete picture of CAM's programs. Having initially focused on the Quality of Life aspects of the law, we wish to lay out the additional features of CAM's contribution to economic improvement through involvement in client job searches, job training, and creation of new jobs.

The expansion of CAM's building will provide additional office space to counsel clients with regard to retention of jobs, finding new jobs, and pointing them to the avenues for creating new jobs with partnering agencies. CAM has available funds to help clients create new jobs as seen in the project description.

We respectfully submit this application to assist CAM in its drive to match a challenge grant and enable our construction start-up by June 1, 2011.

Sincerely yours,



Daniel R. Sebesta
Vice-President in Charge of Operations

KERR COUNTY AREA
CHRISTIAN ASSISTANCE MINISTRY
P.O. BOX 291352
KERRVILLE, TEXAS 78029-1352
(830) 257-4222

PROJECT DESCRIPTION

The project entails the expansion and renovation of a small warehouse facility existing to serve as a storage and distribution center for food and clothing provided to over 8,000 annual client visits of low income families in Kerr County to enhance their quality of life

AND

houses an office for partnering with the San Antonio Food Bank to enlist persons 18 years and older to enroll in a 16 week culinary school leading to the creation of a new job (CAM provides expenses of travel and other costs for students from \$15,000 Oswalt Fund); project enables CAM to provide a safe and adequate office for assisting clients with job searches and by offering counseling, identifying job opportunities, helping to facilitate securing of jobs by partnering with agencies such as Reliable Staffing and Work Force Solutions Alamo, and training groups such as Christian Women's Job Corp and Christian Men's Job Corp. CAM's Oswalt Fund is also available for purchase of tools or other low cost equipment to assist clients in getting work and retaining jobs. As has been done before, CAM provides clothing for persons going to job interviews, provides work clothes, and for convenience of workers has extended opening hours from 4:00 to 6:00 on Mondays to go with the daily opening hours from 2:00 to 4:00 Monday through Friday.

The expansion of the CAM facility has been made necessary by the continuing growth of the need for food and assistance. 23,739 people received food in 2010. There were 8567 client visits (1218 new in 2010) in which food and/or financial assistance and clothing were given. A 3400 square foot addition to the existing building, a parking lot expansion to over 50 spaces for the safety of our clients and volunteers, a new roof on the existing building, and renovation of the existing building as funds are available are all planned. CAM purchased adjacent property last year to enable space for the new parking area at a cost of almost \$120,000. CAM reserves and deferred payment on a loan made this necessary acquisition possible.

The expanded building will provide adequate space for storage for the 15 to 25 thousand pounds of food ordered monthly from the San Antonio Food Bank along with the food which comes in regularly from Churches, individuals, and food drives, and for the clothing stored and displayed for the likes of 7810 persons who received clothing last year. The clothing is used, recycled, if you will, and displayed nicely for "shopping." Furthermore, food from WalMart every Monday nearing "best by" dates is distributed, food which until recent months was disposed of. Honoring the principle of good stewardship of resources and recycling, CAM becomes a storage and distribution center to help the needy as much as possible with all that is made available.

Attachment – Christian Assistance Ministry

Additional Information Requested

How grant will be spent

The requested \$50,000 will be applied to new construction of 3400 square feet

*Cost estimate for project is \$600,000 – Source of Funds

Cailloux Foundation - \$200,000 challenge grant has been awarded

Stevens Foundation - \$25,000 - received

Trull Foundation - \$20,000 - \$10,000 received, balance in 2011

Avery Foundation - \$10,000 - received

Peterson Foundation - \$150,000 requested – oral support given

CAM Churches Pledged - \$60,000

CAM Churches given to date - \$17,000

Individuals, misc. - \$10,200 – received

Sterling Turner Foundation- application pending – Board meeting in April

Mabee Foundation – application pending – Board meeting in April

*Includes renovation, some of which can be deferred if funds not available

Time Line for Completion

June 1, 2011 – Begin construction

December 31, 2011 – Construction completed

CAM does have means to pay for expenses upfront

Board of Directors list is attached with signatures of support for application

Neva Pratt and Daniel R. Sebesta will initially act as project managers

SECTION II - APPLICANT INFORMATION

Submittal Date: February 1, 2011

Company Information

Company Name/Organization:

Kerr County Area Christian Assistance Ministry (CAM)

Address (City/State): 624 Clay Street Phone 830-257-4222

Fax 830-257-0275

<u>Kerrville</u>	<u>TX</u>	<u>78028</u>
City	State	Zip Code

Name of Company/Organization Contact on this project:

Daniel R. Sebesta

Contact Address (if different from above):

Phone 830-896-4064

710 Cardinal Drive Fax

<u>Kerrville</u>	<u>TX</u>	<u>78928</u>
City	State	Zip Code

Type of Business: Corporation ☐ Partnership ☐ Sole Proprietorship ☐
☒ Non Profit Organization

Year Business Started: Year 1987 Location 624 Clay Street

Current Employment:

Permanent Full-Time 0 Permanent Part-Time 0

Average Production Wage NA

Full-Time Employees receive the following benefits:

Financial Information Required:

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

Annual Sales for Corporation / Company \$ NA

This Facility \$

Local Sales Tax paid Annually \$

Current Payroll \$

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

No (x) Yes () Details:

SECTION III- PROJECT INFORMATION

Requested amount \$50,000

Total Project Amount \$600,000

This application is for a:

Business Development ()

- Expansion of Existing Facility (x) or
- New Construction ()
- Other ()

Quality of Life Improvement (x)

- Parks, Open Space ()
- Other (x)

Capital Improvements for Public Infrastructure

- Utilities ()
- Roadways ()
- Other ()

The proposed improvements are to be located within the following taxing district (s): City of Kerrville (x) Kerr County () Kerrville ISD () Ingram ISD () Center Point ISD ()

SECTION IV - PROJECT DESCRIPTION

Please attach a statement on company letterhead and signed by an officer of the company (1) fully explaining the nature and scope of the project; (2) describing the proposed site and existing improvements, if any; (3) describing all proposed improvements; and (4) providing a list of eligible improvements; (5) provide a list of major, fixed equipment along with manufacturer specifications and cost quote from the manufacturer.

Should this project be approved, the Economic Improvement Corporation may require performance criteria as a part of the funding agreement, in addition to this application. The funding agreement is between the Economic Improvement Corporation and the City of Kerrville. Said funding agreement will outline project costs, timelines, other information may be necessary to carry out the project in an efficient manner.

SECTION V – ECONOMIC IMPACT INFORMATION

Part A- Project Investment in Improvements

Total	\$ 600,000
Sq. Footage of New Building (s)	3,400
Size of Parking	50 spaces
Other Renovation of Existing Building	5,000 sq. ft.
(extent of renovation depends upon funds available)	

Part B- Project Investment in Fixed Equipment

(New)\$ _____
Manufacturer of Equipment _____
Anticipated Useful Life of Equipment _____
Purchase Price \$ _____ Installation Cost \$ _____
Anticipated Delivery time from Date of Order _____

Part C- Permanent Employment Estimates- (do not include owners, stockholders or their dependants)

Anticipated Number of New Full-Time Employees as a result of this project NA

Anticipated Number within 12 months of Completion of this project _____

Anticipated Number within 24 months of Completion of this project _____

Typical Job Descriptions or Job Titles

Anticipated starting salaries of these employees: (avg.) \$ _____ /hour

Part D- Permanent Part-Time Employment Estimates-
(do not include owners, stockholders or their dependents)

^{NA}
Anticipated Number of New Part-Time Employees as a result of this project _____

Anticipated Number within 12 months of Completion of this project _____

Anticipated Number within 24 months of Completion of this project _____

Typical Job Descriptions or Job Titles of these employees: _____

Anticipated starting salaries of these employees: (avg.) \$ _____ / hour

Part E- Payroll Impact ^{NA}

Within 12 months of Project Completion _____ Within 24 months of Project Completion _____

\$ _____
FTE X Avg. Wage X 40 hrs X 52 wks

\$ _____
PTE X Avg. Wage X 20 hrs X 52 wks

SECTION VI- OTHER ASSISTANCE

Has the Company applied for any State or Federal assistance on this project? No (x) Yes ()
Describe:

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

Daniél R. Sebesta

Printed name

2-1-11

Date

Vice-President for Operations

Title

Daniél R. Sebesta

Signature

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

Amended 01-18-10