

AGENDA FOR REGULAR MEETING

KERRVILLE CITY COUNCIL

TUESDAY, JULY 25, 2017, 6:00 P.M.

KERRVILLE CITY HALL COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

KERRVILLE CITY COUNCIL AGENDA
REGULAR MEETING, TUESDAY, JULY 25, 2017, 6:00 P.M.
CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION OFFERED BY REVEREND ALLEN NOAH, BARNETT CHAPEL

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:

3A. Minutes of the budget workshop held on June 21, 2017, and the regular meeting held June 27, 2017. (staff)

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

I do hereby certify that this notice of meeting was posted on the bulletin board at the City Hall of the City of Kerrville, Texas, and said notice was posted on the following date and time: July 21, 2017 at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig
City Secretary, City of Kerrville, Texas

3B. Resolution No. 27-2017 authorizing the use of internal combustion engines on Nimitz Lake upstream of the city's impoundment dam for the Kerrville Triathlon and the safety of competitors. (staff)

3C. Construction contract with Champion Infrastructure, LLC for the 2017 crack seal project in the amount of \$269,060.00 and authorize the City Manager to execute additional change orders which will not exceed a total contract value of \$285,000.00. (staff)

END OF CONSENT AGENDA

4. PUBLIC HEARINGS:

4A. Annexation and zoning of an 11.341 acre tract, being a portion of a certain 1131.78 acre tract, part of Comanche Trace, a golf and residential community, located in southwest Kerrville. (staff)

5. ORDINANCE, SECOND AND FINAL READING:

5A. Ordinance No. 2017-14 abandoning and vacating all right, title and interest in a fire lane easement, as located between and intersecting with both Bluff Ridge Drive and Glenview Drive and being dedicated to the public pursuant to the Forest West Four – Phase III Plat, a subdivision out of the Florentine Lara Survey No. 123, Abstract No. 225, and located within the City of Kerrville, Kerr County, Texas, according to the Plat thereof recorded in Volume 5, Page 45 of the Plat Records of Kerr County; said easement impacting Lot 8, Block 6, and Lot 7, Block 7, as specified on said Plat; finding that said dedicated right to the City is not required for future use as a fire lane easement; and ordering recording. (staff)

6. ORDINANCE, FIRST READING:

6A. Ordinance No. 2017-15 authorizing the City Manager to execute a commercial contract – unimproved property for an approximate 2.15 acre tract of land out of the Walter Fosgate Survey No. 120, Abstract No. 138, within the City of Kerrville, Kerr County, Texas, and more commonly known as the former city hall site located at 800 Junction Highway (SH27); authorizing the City Manager to execute a special warranty deed to convey this property and to take any other reasonable and necessary action to close on the sale of the property; repealing all conflicting ordinances; providing for severability, and declaring an effective date. (staff)

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

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Brenda Craig
City Secretary, City of Kerrville, Texas

7. CONSIDERATION AND ACTION:

7A. Deferred annexation agreement for property generally located at 2590 Junction Highway. (staff)

8. INFORMATION AND DISCUSSION:

8A. Presentation of Fiscal Year 2018 employee benefits to include health, dental, and vision. (staff)

8B. Budget and economic update. (staff)

9. APPOINTMENT TO BOARDS AND COMMISSIONS:

9A. Kerr Emergency 9-1-1 Network Board of Managers. (staff)

10. CITY MANAGER'S REPORT

11. ITEMS FOR FUTURE AGENDAS

12. 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, including the following:

12A. Sections 551.071 and 551.072:

Discuss the purchase, exchange, lease, sale, or value of real property, the public discussion of which would not be in the best interests of the City's bargaining position with third parties, regarding property interests related to the following:

- 800 Junction Highway, former city hall.

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

ADJOURNMENT.

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Brenda Craig
City Secretary, City of Kerrville, Texas

Agenda Item:

3A. Minutes of the budget workshop held on June 21, 2017, and the regular meeting held June 27, 2017. (staff)

This meeting is recorded and can be viewed on the city's website at www.kerrvilletx.gov.

CITY COUNCIL MINUTES
BUDGET WORKSHOP

KERRVILLE, TEXAS
JUNE 21, 2017

On June 21, 2017, the Kerrville City Council budget workshop was called to order at 10:00 a.m. by Mayor White in the city hall council chambers at 701 Main Street.

COUNCILMEMBERS PRESENT:

Bonnie White	Mayor
George Baroody	Mayor Pro Tem
Vincent C. Voelkel	Councilmember
Mary Ellen Summerlin	Councilmember
C. Warren Ferguson	Councilmember

COUNCILMEMBER ABSENT: None.

CITY CORE STAFF PRESENT:

Mark McDaniel	City Manager
Mike Hayes	City Attorney
E.A. Hoppe	Deputy City Manager
Brenda Craig	City Secretary
Sandra Yarbrough	Director of Finance
Kim Meismer	Director of General Operations
David Knight	Police Chief
Dannie Smith	Fire Chief
Kaitlin Berry	Public Information Officer

VISITORS PRESENT: List on file in city secretary's office for the required retention period.

DISCUSSION AND DIRECTION TO STAFF REGARDING THE PROPOSED FISCAL YEAR 2018 BUDGET

General Fund--Including but not limited to the following departments: City Council, City Secretary, City Attorney, Administration, Human Resources, Finance, Information Technology, Municipal Court, Police, Fire (Fire, Fire Marshal, Emergency Medical Services), Solid Waste, Planning, Inspections, Code Enforcement, Parks and Recreation (Tennis, Swimming Pool, Parks Maintenance, Kerrville Schreiner Park, Athletics Complex), Engineering, Streets, Library, and General Operations.

Mr. McDaniel stated that staff would begin to develop a strategic plan and preliminary FY2018 budget around the goals and priorities from the May 22 retreat; he noted the following:

General Fund Revenue:

- Balanced budget with \$26M in revenues and expenditures.

- Property tax revenue up 4.6% based on the preliminary role, certified role should be received by the end of July. 27% of assessed value increase was from new value; 73% of assessed value increase was due to reevaluation of existing properties.
- A 1¢ change in property tax would result in \$123,000 impact to property tax revenue.
- Sales tax revenue was forecasted to increase by 4.0% due to growth. A 1% change in growth equaled \$75,000 change in sales tax revenue.
- \$1.5 million for street maintenance, an increase of \$250,000 over FY2017.
- Included three (3) full time positions: construction inspector, evidence technician for body cameras, and one full time parks maintenance worker to replace three part-time positions.
- Estimated general fund reserve balance of 27% at FYE2018, goal by council policy was 25%.
- Property tax and sales tax accounted for 61.5% of the total revenue.
- Transfer from utility fund to the general fund included:
 - Reduced reimbursement from the water/sewer (W/S) fund based on revised allocation methodology.
 - Total transfer decreased 2% from \$1.90 million in FY2017 to \$1.86 million in FY2018.
 - New 2% street use fee (franchise fee), estimated at \$240,000 from the W/S fund; most cities have this fee.

Emergency Medical Services revenue was projected at \$2.4 million, an increase of \$100,000 above FY2017 due to proposed fee increase and growth, 2.8%.

Chief Smith provided a comparison of Kerrville EMS rates to other providers.

- Kerr County participated in funding the Fire and EMS operation at \$1.2 million annually with increases adjusted based on CPI. This was the fourth year of a ten year contract.
- The city began outsourcing EMS billing to Intermedix in 2016.

General Fund Expenditures:

- Public safety accounted for 49.2% of the general fund budget.
- Personnel was the largest expense category.
- Most departments would maintain current service levels and programs.
- Average 3% merit based pay increase for general government positions.
- Public safety personnel: In the past four years, pay increases were based on the 2013 compensation study, which resulted in an increase of 20.75% for police and 19.75% for fire, using a step plan with 4% raises every other year. Every 1% pay adjustment for public safety, including benefits, equaled \$100,000.
- The CPI increase was 1.7% this year.
- Group insurance was currently out for bid; may be an increase in FY2018.
- Departments that would have increased service levels were:
 - Streets: \$1.5 million for street maintenance plan (increase from \$1.25 million in FY2017).

- Parks: Full year of operations at sports complex including utilities, one time purchase of equipment (\$308,000); added one new maintenance position to the parks maintenance budget to replace three part-time position (\$6,000).
- Engineering: new construction inspector position (\$53,000).
- Police: new evidence technician position to support
- Public Information: Newsletter printing and distribution (\$4,000)
- Comprehensive Plan: \$75,000 in FY2018 general fund budget; \$300,000 accumulated during FY2016-2017, additional \$75,000 budgeted in the utility fund.
- Kerrville Sports Complex: Soccer side scheduled to open in fall 2017; baseball side to open in spring 2018.
- General Fund Debt Service: \$0.0735 of property tax revenue went directly to fund debt service (used to fund street improvements, parks, fire station, and two fire trucks).
- Debt service for the river trail and sports complex was funded by EIC sales tax revenue.

Council requested staff provide a list of budget amendments and transfers made during FY2017, and a list of vehicle and equipment replacements. Council reviewed general fund expenditures by line item.

ADJOURNMENT. The meeting adjourned at 12:45 p.m.

APPROVED: _____

ATTEST:

Bonnie White, Mayor

Brenda Craig City Secretary

This meeting is recorded and can be viewed on the city's website at www.kerrvilletx.gov.

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
JUNE 27, 2017

On June 27, 2017, the Kerrville City Council meeting was called to order at 6:00 p.m. by Mayor White in the city hall council chambers at 701 Main Street. The invocation was offered by Councilmember Place Four, Warren Ferguson, followed by the Pledge of Allegiance led by Kim Meismer.

COUNCILMEMBERS PRESENT:

Bonnie White	Mayor
George Baroody	Mayor Pro Tem
Vincent C. Voelkel	Councilmember
Mary Ellen Summerlin	Councilmember
C. Warren Ferguson	Councilmember

COUNCILMEMBER ABSENT: None.

CITY CORE STAFF PRESENT:

Mark McDaniel	City Manager
Mike Hayes	City Attorney
E.A. Hoppe	Deputy City Manager
Brenda Craig	City Secretary
Sandra Yarbrough	Director of Finance
Kim Meismer	Director of General Operations
David Knight	Police Chief
Dannie Smith	Fire Chief
Kaitlin Berry	Public Information Officer
Ashlea Boyle	Director of Parks and Recreation
Gordon Browning	Interim City Planner

VISITORS PRESENT: List on file in city secretary's office for the required retention period.

1. ANNOUNCEMENTS OF COMMUNITY INTEREST: were given.

2. RECOGNITIONS:

2A. Proclamation proclaiming July as National Park and Recreation Month.

3. VISITORS/CITIZENS FORUM:

1. Bruce Stracke appreciated the city and private foundations working together to create great public spaces; in particular, the Cailloux Foundation for creating the Peterson Plaza.

4. CONSENT AGENDA:

Ms. Summerlin moved to approve consent agenda items 4A through 4D; Mr. Ferguson seconded the motion, and the motion passed 5-0:

4A. Authorization to donate a surplus solid waste services vehicle previously purchased via an AACOG grant.

4B. Purchase John Deere Z930M Commercial ZTrak equipment from Secor Equipment Company through the Texas BuyBoard for the Kerrville Sports Complex in the amount of \$16,714.82.

4C. Resolution 21-2017, abandoning and terminating a twenty foot (20.0') drain right-of-way between Lots 29 and 30, Block 2 of Meadow View Estates, a subdivision with the City of Kerrville, Kerr County, Texas, and more generally located between the properties known as 303 and 305 Meadow View Lane; and ordering recording.

4D. Resolution No. 22-2017 abandoning and terminating a portion of a twenty foot (20.0') wide sewer easement, said portion located on Lot 28, Block 1 of Elm Creek, a subdivision within the City of Kerrville, Kerr County, Texas, the property more generally known as 316 Crestwood Drive; and ordering recording.

END OF CONSENT AGENDA

5. PUBLIC HEARINGS:

5A. Resolution No. 23- 2017 granting a Conditional Use Permit (CUP) for an approximate 2.31 acre tract of land within the City of Kerrville, Kerr County, Texas, with a street address of 2021 Arcadia Loop, and located within a Residential Cluster (RC) zoning district; by permitting said property to be used for a bed and breakfast; and making said permit subject to certain conditions and restrictions.

Mr. Browning noted the applicant, Howell Ridout, requested a CUP for a bed and breakfast for two adjoining properties: 2021 Arcadia Loop, and 2031 Arcadia Loop (5A and 5B). He confirmed that the Planning and Zoning Commission (P&Z) unanimously approved the CUP request.

Mayor White declared the public hearing open at 6:11 p.m. and the following person spoke:

1. Charlie McIlvain, CEO of the Convention and Visitors Bureau, stated that the construction, landscaping, and amenities for both properties were exceptional. The CVB Board endorsed both projects and encouraged council to grant the CUP.

No one else spoke; Mayor White closed the public hearing at 6:14 p.m.

Mr. Voelkel moved for approval of Resolution No. 23-2017; Ms. Summerlin seconded the motion and it passed 5-0.

5B. Resolution No. 24- 2017 granting a Conditional Use Permit for an approximate 2.07 acre tract of land within the City of Kerrville, Kerr County, Texas, with a street address of 2031 Arcadia Loop, and located within a Residential Cluster (RC) zoning district; by permitting said property to be used for

a bed and breakfast; and making said permit subject to certain conditions and restrictions.

Mr. Browning noted P&Z recommended approval.

Mayor White declared the public hearing open at 6:16 p.m. and the following person spoke:

1. Brian O'Connor, Executive Director of the Kerr Economic Development Corporation, noted the project construction and amenities integrated well with the neighborhood. Mr. Ridout preserved the site line to the river and respected the natural environment. This property would be a community asset.

No one else spoke; Mayor White closed the public hearing at 6:18 p.m.

Ms. Summerlin moved for approval of Resolution No. 24-2017; Mr. Ferguson seconded the motion and it passed 5-0.

5C. Resolution No. 25- 2017 granting a Conditional Use Permit for an approximate 1.69 acre tract of land located on Lot 1A and part of Lot 2, Block 1 of the Adams Subdivision, a subdivision within the City of Kerrville, Texas, and otherwise known as 1750 Junction Highway; said tract is located within the 4-W zoning district; by permitting said property to be used for "vehicle sales—used"; and making said permit subject to certain conditions and restrictions contained herein.

Mr. Browning noted the CUP would be in conjunction with the current business. The P&Z recommended approval of the CUP for vehicle sales used, with the restriction that sales be only on the area depicted on the map attached to the resolution, approximately 25,838 sq. ft., and that all parking areas be paved.

Mayor White declared the public hearing open at 6:21 p.m.; no one spoke, and Mayor White closed the public hearing at 6:21 p.m.

Mr. Baroody moved for approval of Resolution No. 25-2017; Mr. Voelkel seconded the motion and it passed 5-0.

6. CONSIDERATION AND POSSIBLE ACTION:

6A. Abandonment of emergency access easement between Bluff Ridge and Glen View

Jason and Heather McCormick, owners of the subject property, requested the city abandon the emergency access easement from Bluff Ridge to Glenview. The easement was established and a roadway constructed for emergency vehicle use only and had been in existence for 20 years. About 16 years ago the city council considered a similar request to abandon the easement; however, it never came to conclusion. The McCormicks were concerned about littering, public safety and liability issues as the easement was being used by the public as a cut through from Glenview to Bluff Ridge. This was private property and they requested the city remove the easement so the roadway could be closed to traffic and they could build their home. The McCormicks asked if the city kept the

fire lane easement, that the city maintain it for emergency vehicle access only and close the roadway to public traffic.

Fire Chief Smith noted in 1980 when the subdivision was built and the fire lane/roadway constructed, the area north of the fire lane was not developed. The intent was to provide alternate emergency access on an interim basis until the area north of the fire lane was constructed. The easement was very steep and narrow and was overgrown with vegetation, and the fire department had never used this easement. The fire department would not use the fire lane to access properties on Bluff Ridge as they had better access from the north and south.

The following persons spoke:

1. James Penland stated he was in favor of abandoning the easement. The property belonged to the McCormicks and the city had no use for it. People used it as a short cut to Westcrest, and it was a dangerous road. The city should abandon the easement and revert full use of the property to the owner; if not, the city should at least close it and stop vehicular and pedestrian traffic for public safety.

2. Linda Wagner noted the property at the bottom of the easement/road belonged to another owner and it was for sale; if the road was blocked, then persons would have to go around to access Bluff Ridge. Ms. Wagner opined: 1) the fire easement was a public easement by plat and benefited all tracts in the subdivision and the only way to remove the fire lane easement was by condemnation and replat, and that process would take a majority; 2) the concrete was not in disrepair; 3) the south side of the hill did not freeze as quickly as the north side; 4) in August 2001 the city council did not approve this issue and nothing had changed since that time; and 5) the McCormicks knew the fire lane was on the property when they bought it. She asked why residents were not notified that the city was planning to abandon the fire lane?

Chief Smith stated that typically both sides of a hill would freeze, and when there was ice, the city encouraged people to stay off the streets.

3. Bruce Stracke noted that city ordinance required that dead end streets over 600 ft. have an alternate exit; this is 770 ft.

4. Bill Faught noted in 2001 crash barriers were installed but were later removed. The grade on Bluff Ridge was 24% and should not have been approved. The road was stable and the concrete was not in disrepair. If the easement was abandoned, the concrete road might be destroyed. In 14 years he was unable to get out due to freezing weather only one time. The city should not abandon the easement and should allow them to use it to access their property during severe weather.

5. Mike Sigerman asked if the fire department maintained the access easement, would the public then have a legal right to drive it?

Mr. Hayes responded no.

6. Sherri Jones said it was private property; she would not want the city to take her property unnecessarily.

7. Carolyn Lipscomb stated if it was supposed to be a fire lane for emergency access by the fire department only, the city should post it as official use only. Mayor White noted it was posted as such.

Mr. Hayes noted the easement was established by plat as a fire lane easement to allow the city access, in particular the fire department. It was never intended or authorized for public use or access, but only for fire apparatuses during an emergency. No one had the right to use the fire lane easement but the city. The property owners have the right to file trespassing charges against people using it. If the city wanted to continue to use the easement as a fire lane, then the city should maintain it for that purpose. Further, abandoning and vacating the fire lane easement would have no impact on the sewer line.

Council also discussed the following:

- The hill was very steep, had a circular drive at the top of the hill, and housing was developed on both sides of the hill.
- The Bluff Ridge properties had access via Westcrest.
- Abandonment of the easement would also affect the property below the McCormicks.
- The easement was not for public access; the purpose was for emergency access only and signage was posted as such.
- The city only had an access easement; mowing and maintenance were the responsibility of the property owner.
- The minutes of the August 2001 meeting state that the fire chief said that the concrete drive was too steep for fire trucks and EMS units. At that time, the council voted unanimously to abandon the fire lane easement on first reading; however, there was not a second reading so the abandonment was not completed.
- A 25 ft. sanitary sewer line existed within the fire lane easement.

Also in the 2001 minutes staff recommended the city retain the 25 ft. sewer easement located within the fire lane.

Mr. Hoppe noted the sewer easement only overlapped a small portion of the fire lane easement, and the city would continue to maintain the sewer easement.

Mrs. McCormick stated that the sewer easement did not cross the concrete road on their property. The concrete road was not in the way of their proposed structure, and they may leave the concrete as their private driveway.

- Was the city required to provide notice to property owners?

Mr. Hayes stated the city was not required to notify the property owners.

However, it was noted that the fire chief had met with Bluff Ridge property owners, and staff had contacted them to advise them of this meeting.

- Mayor White stated if the city did not have a public use for the property, and the city did not abandon the easement, it would be almost as though the city

would be taking the property by eminent domain for a potential problem in the future.

- What would be the designated public use if it was no longer a fire lane? Was there another type of easement designation that would apply?

Mrs. McCormick stated they would not be agreeable to designating another type of easement. It was private property, not for public access. They did not want to be liable for public safety. Their purpose for purchasing the property was to build a home; they were not aware that the road was for public use when they purchased the land. If the city would not abandon the easement, then the city should maintain it and patrol it to keep people off of their property.

Ms. Summerlin moved to direct staff to prepare an ordinance to abandon the easement. Mr. Ferguson seconded the motion and it passed 4 to 1 with Councilmembers Summerlin, Ferguson, White and Baroody voting in favor of the motion and Councilmember Voelkel voting against the motion.

6B. Authorization to submit a funding application to the City of Kerrville, Texas Economic Improvement Corporation (EIC) in an amount not to exceed \$100,000 for an aquatics feasibility study for the Olympic Pool.

Ms. Boyle noted the Olympic Pool was built in 1970, and it had not had any significant improvements in the past 47 years. There were maintenance issues that needed to be addressed. Also, KISD and Schreiner University were interested in a year-round competitive aquatics facility and expressed interest in contributing to the project. EIC budgeted money in their FY2017 budget for a feasibility study. She requested authorization to submit a funding application to EIC to fund a feasibility study of the pool. The study could provide improvement options for a year-round competitive pool and recreational improvements. Ms. Boyle noted that EIC would also be asked to fund the renovations.

Mr. McDaniel noted that EIC would look at their budget on July 25 and council could defer action on this item until after budget discussions. Another option to fund renovations could be a bond issue.

Council also discussed the following:

- If the feasibility study was done now and renovations delayed, what would be the shelf life of the study? If the city is not going to fund the pool renovations for several years why do the feasibility study now?
- There were imminent projects and capital needs to be funded in the next few years, may be as much as \$6 million, and the city was approaching its debt limit. Also, there were \$29.7 million in other necessary projects.

The consensus of the council was to defer.

6C. Authorization to negotiate a professional services agreement for design of the H.E.B. Tennis Center improvements project.

Ms. Boyle noted eight firms submitted requests for qualifications (RFQ). Schrickel, Rollins and Associates had the most experience and was rated best by the city staff and the selection team (Hewitt Engineering, MDS Surveying, and Rock Engineering). Under state law, the city cannot ask the cost of professional services in an RFQ process. Ms. Boyle estimated the total cost of the tennis center project at \$1.5 million for design and construction. Staff would bring the construction contract back to council for approval.

Mr. Baroody moved to authorize staff to negotiate a professional services agreement for the design of the H.E.B. Tennis Center project. Ms. Summerlin seconded the motion and it passed 5-0.

7. INFORMATION AND DISCUSSION:

7A. Kerrville Festival of the Arts post event report. LuAnn Anderson, executive director of the event, estimated 6,000-6,500 attended the event held May 27-28 in downtown Kerrville. She estimated the economic impact of the event at approximately \$750,000.

7B. Budget and economic update.

Ms. Yarbrough gave the financial report year to date for the period ending May 31, 2017: general fund revenues totaled \$22,964,858 and expenditures \$18,397,324; water and sewer fund revenues totaled \$7,374,864 and expenditures \$7,398,997; hotel/motel fund revenues totaled \$760,398 and expenditures \$731,450. 32 permits for new residential construction and commercial new/remodel construction totaled \$16,535,838 year-to-date.

8. APPOINTMENTS TO CITY BOARDS AND COMMISSIONS:

8A. Mayor's Youth Advisory Council. Mayor White moved to appoint the following persons: Catharine Buchanan, Grace Guerriero, and Trey Layton. Ms. Summerlin seconded the motion and it passed 5-0.

9. CITY MANAGER'S REPORT

Mr. McDaniel discussed the following: launch of the city's new website; staff preparing for July 4th event; Chief Smith's and Ms. Meisner's handling of a Code Red situation with Atmos Gas; and Kaitlin Berry's last day with the city would be June 30, 2017.

Comp plan update: he requested each councilmember nominate six persons to serve on the committee. Persons interested in serving should contact a councilmember. A resolution would be on the August 8 agenda to make the appointments.

10. ITEMS FOR FUTURE AGENDAS

-Mr. Baroody requested MYAC members be included in the comp plan process.
-Ms. Summerlin noted she would be absent from the July 11 meeting as she would be acting as a consultant to the Council of Independent Colleges.

VISITORS/CITIZENS FORUM:

1. Ruth Spradling stated that with so much interest in athletics that the budget include other things as well.

2. Bruce Stracke stated his firm had submitted an offer for the purchase of the 800 Junction Highway property on two occasions. They received no response from the city other than the city ordered another appraisal. He requested to know what was the city's process.

Mayor White noted that staff would share information they received with the city council in executive session.

11. EXECUTIVE SESSION:

Ms. Summerlin moved for the city council to go into executive closed session under Sections 551.071 and 551.072 of the Texas Government Code; motion was seconded by Mr. Baroody and passed 5-0 to discuss the following:

11A. Sections 551.071 and 551.072:

- 800 Junction Highway, former city hall.

11B. Section 551.071:

- Reuse or reclaimed water distribution system.

At 7:49 p.m. the regular meeting recessed. Council went into executive closed session at 7:53 p.m. At 9:51 p.m. the executive closed session recessed and council returned to open session at 9:52 p.m. No action was taken in executive session.

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

No action taken in open session.

ADJOURNMENT. The meeting adjourned at 9:53 p.m.

APPROVED: _____

ATTEST:

Bonnie White, Mayor

Brenda Craig City Secretary

CITY COUNCIL MINUTES
BUDGET WORKSHOP

KERRVILLE, TEXAS
JUNE 21, 2017

On June 21, 2017, the Kerrville City Council budget workshop was called to order at 10:00 a.m. by Mayor White in the city hall council chambers at 701 Main Street.

COUNCILMEMBERS PRESENT:

Bonnie White	Mayor
George Baroody	Mayor Pro Tem
Vincent C. Voelkel	Councilmember
Mary Ellen Summerlin	Councilmember
C. Warren Ferguson	Councilmember

COUNCILMEMBER ABSENT: None.

CITY CORE STAFF PRESENT:

Mark McDaniel	City Manager
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VISITORS PRESENT: List on file in city secretary's office for the required retention period.

**DISCUSSION AND DIRECTION TO STAFF REGARDING THE PROPOSED
FISCAL YEAR 2018 BUDGET**

General Fund--Including but not limited to the following departments: City Council, City Secretary, City Attorney, Administration, Human Resources, Finance, Information Technology, Municipal Court, Police, Fire (Fire, Fire Marshal, Emergency Medical Services), Solid Waste, Planning, Inspections, Code Enforcement, Parks and Recreation (Tennis, Swimming Pool, Parks Maintenance, Kerrville Schreiner Park, Athletics Complex), Engineering, Streets, Library, and General Operations.

Mr. McDaniel stated that staff would begin to develop a strategic plan and preliminary FY2018 budget around the goals and priorities from the May 22 retreat; he noted the following:

General Fund Revenue:

- Balanced budget with \$26M in revenues and expenditures.
- Property tax revenue up 4.6% based on the preliminary role, certified role should be received by the end of July. 27% of assessed value increase was

from new value; 73% of assessed value increase was due to reevaluation of existing properties.

- A 1¢ change in property tax would result in \$123,000 impact to property tax revenue.
- Sales tax revenue was forecasted to increase by 4.0% due to growth. A 1% change in growth equaled \$75,000 change in sales tax revenue.
- \$1.5 million for street maintenance, an increase of \$250,000 over FY2017.
- Included three (3) full time positions: construction inspector, evidence technician for body cameras, and one full time parks maintenance worker to replace three part-time positions.
- Estimated general fund reserve balance of 27% at FYE2018, goal by council policy was 25%.
- Property tax and sales tax accounted for 61.5% of the total revenue.
- Transfer from utility fund to the general fund included:
 - Reduced reimbursement from the water/sewer (W/S) fund based on revised allocation methodology.
 - Total transfer decreased 2% from \$1.90 million in FY2017 to \$1.86 million in FY2018.
 - New 2% street use fee (franchise fee), estimated at \$240,000 from the W/S fund; most cities have this fee.

Emergency Medical Services revenue was projected at \$2.4 million, an increase of \$100,000 above FY2017 due to proposed fee increase and growth, 2.8%.

Chief Smith provided a comparison of Kerrville EMS rates to other providers.

- Kerr County participated in funding the Fire and EMS operation at \$1.2 million annually with increases adjusted based on CPI. This was the fourth year of a ten year contract.
- The city began outsourcing EMS billing to Intermedix in 2016.

General Fund Expenditures:

- Public safety accounted for 49.2% of the general fund budget.
- Personnel was the largest expense category.
- Most departments would maintain current service levels and programs.
- Average 3% merit based pay increase for general government positions.
- Public safety personnel: In the past four years, pay increases were based on the 2013 compensation study, which resulted in an increase of 20.75% for police and 19.75% for fire, using a step plan with 4% raises every other year. Every 1% pay adjustment for public safety, including benefits, equaled \$100,000.
- The CPI increase was 1.7% this year.
- Group insurance was currently out for bid; may be an increase in FY2018.
- Departments that would have increased service levels were:
 - Streets: \$1.5 million for street maintenance plan (increase from \$1.25 million in FY2017).
 - Parks: Full year of operations at sports complex including utilities, one time purchase of equipment (\$308,000); added one new maintenance position to the parks maintenance budget to replace three part-time position (\$6,000).
 - Engineering: new construction inspector position (\$53,000).

- Police: new evidence technician position to support
- Public Information: Newsletter printing and distribution (\$4,000)
- Comprehensive Plan: \$75,000 in FY2018 general fund budget; \$300,000 accumulated during FY2016-2017, additional \$75,000 budgeted in the utility fund.
- Kerrville Sports Complex: Soccer side scheduled to open in fall 2017; baseball side to open in spring 2018.
- General Fund Debt Service: \$0.0735 of property tax revenue went directly to fund debt service (used to fund street improvements, parks, fire station, and two fire trucks).
- Debt service for the river trail and sports complex was funded by EIC sales tax revenue.

Council requested staff provide a list of budget amendments and transfers made during FY2017, and a list of vehicle and equipment replacements. Council reviewed general fund expenditures by line item.

ADJOURNMENT. The meeting adjourned at 12:45 p.m.

APPROVED: _____
ATTEST: _____

Bonnie White, Mayor

Brenda Craig City Secretary

Agenda Item:

3B. Resolution No. 27-2017 authorizing the use of internal combustion engines on Nimitz Lake upstream of the city's impoundment dam for the Kerrville Triathlon and the safety of competitors. (staff)

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

SUBJECT: Resolution 27-2017 authorizing the use of internal combustion engines on Nimitz Lake upstream of the city's impoundment dam for the Kerrville Triathlon Festival

FOR AGENDA OF: July 25, 2017

DATE SUBMITTED: July 7, 2017

SUBMITTED BY: Ashlea Boyle
Director of Parks and Recreation

CLEARANCES: E.A. Hoppe
Deputy City Manager

E.A.H.

EXHIBITS:

1. Resolution 27-2017
2. General Event Information
3. Map of Swimming Event

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *[Signature]*

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

The 7th Annual Kerrville Triathlon Festival produced by High Five Events of Austin will be held September 22-24, 2017. The event will again consist of a sprint, quarter, and half ironman distance triathlons. The swimming portion of the triathlon will be in the Guadalupe River with the start and finish on the grounds of the former Family Sports Center at the northern end of Guadalupe Street. This will require use of watercraft equipped with internal combustion engines for course preparation (placement of buoys) as well as the monitoring and potential rescue of distressed swimmers.

Chapter 118 Article II Water Impoundment of the Kerrville Code of Ordinances Section 118-34 (4) allows the operation of watercraft equipped with an internal combustion engine when it is engaged in an activity that has been authorized by resolution of the city council.

RECOMMENDED ACTION

Staff recommends adopting Resolution No. 27-2017 authorizing High Five Events to operate watercraft equipped with internal combustion engines on Nimitz Lake for the course preparation as well as to ensure safety of the competitors for the Kerrville Triathlon Festival.

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 27 -2017**

**A RESOLUTION AUTHORIZING THE USE OF INTERNAL
COMBUSTION ENGINES ON NIMITZ LAKE UPSTREAM OF THE
CITY'S IMPOUNDMENT DAM FOR THE KERRVILLE TRIATHLON
AND THE SAFETY OF COMPETITORS**

WHEREAS, Chapter 118 of the City Code of Ordinances (the "Code") regulates and prohibits certain activities on Nimitz Lake, the lake upstream of the City's impoundment dam (the "Lake"); and

WHEREAS, one of the prohibited activities is the operation of internal combustion engines on the Lake; and

WHEREAS, under the Code, City Council may authorize an exception to this prohibition by adopting a resolution authorizing an activity which requires the use of an internal combustion engine on the Lake; and

WHEREAS, the organizer of a triathlon to be held in Kerrville and who would like to use the Lake for the swimming portion of its competition, is seeking an exception to the prohibition against combustible engines so that they may use boats with combustion engines to ensure the safety of competitors; and

WHEREAS, pursuant to this request and to promote and expand the recreational uses of the Lake, the City Council hereby finds that a public purpose exists to authorize the use of internal combustion engines on the Lake;

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

SECTION ONE. The City Council authorizes the use of internal combustion engines on the Lake, such authority subject to the following terms:

- a. the authority is granted to High Five Events, LLC, of Austin Texas, their agents, or representatives and no other person or group;
- b. the authority is valid from September 18, 2017, through October 1, 2017; and
- c. authority is limited to no greater than five (5) boats with such engines.

SECTION TWO. This Resolution and the authority granted hereby shall automatically expire and be revoked on October 2, 2017.

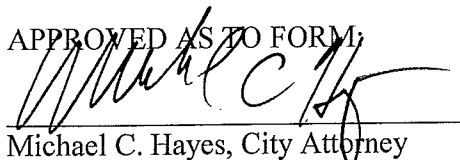
PASSED AND APPROVED ON this the _____ day of _____, A.D., 2017.

Bonnie White, Mayor

ATTEST:

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:


Michael C. Hayes, City Attorney



September 23 & 24, 2017

General Event Information

Schedule

The Kerrville Triathlon Festival consists of three different triathlon events, a kids fun run, and a two-day health and fitness expo. The festival schedule and event lineup is as follows:

Friday, September 22

3 PM to 7 PM Expo & Athlete Packet Pickup at Inn of the Hills

Saturday, September 23

7:30 AM Debra Zapata Sprint Distance Triathlon starts at Kerrville Bowling Center
(500 meter Swim, 14 mile Bike, 3.1 mile Run)
10:30 AM Debra Zapata Sprint Distance Triathlon ends at Louise Hays Park
11:00 AM Kids Fun Run at Louise Hays Park
12 PM to 5 PM Expo & Athlete Packet Pickup at Inn of the Hills

Sunday, September 24

7:30 AM Half Distance Triathlon starts at Kerrville Bowling Center
(1.2 mile Swim, 56 mile Bike, 13.1 mile Run)
8:30 AM Quarter Distance Triathlon starts at Kerrville Bowling Center
(1000 meter Swim, 29 mile Bike, 6.55 mile Run)
4:30 PM Triathlons end at Louise Hays Park

Course & Venues

The Kerrville Triathlon utilizes two outdoor venues because it is a split-transition event. The first transition area (T1) is located on the grounds of the Kerrville Bowling Center, at the intersection of Junction Hwy and Guadalupe St. The swim takes place in the Guadalupe river directly behind the Bowling Center. Athletes start the bicycle portion of the event from T1.

The bike course utilizes a loop through downtown Kerrville and then proceeds towards Center Point and southeastern Kerr county before returning downtown. The bicycle course finishes at Louise Hays Park. Louise Hays Park serves as the second venue for the event, hosting the second transition area (T2) and

the finish line. The run course starts at T2 in Louise Hays Park and uses the Kerrville River Trail between the Francisco Lemos St. bridge and Legion Crossing Rd at Kerrville-Schriener Park.

Attendance

2017 will be the 7th edition of the event. Approximately 1400 participants are expected over the two days of the event.

Park Use

Louise Hays Park

- Thursday, Sept. 21, 7 AM to 5 PM: Triathlon set up. Vehicle access restricted. Most parts of the park will remain open to pedestrians.
- Friday, Sept. 22, 7 AM to 8 PM: Triathlon set up. Vehicle access restricted.
- Saturday, Sept. 23, 5 AM to 1 PM: Park closed for triathlon.
- Sunday, Sept. 24, 5 AM to 6 PM: Park closed for triathlon
- Monday, Sept. 25. Final clean up. Park open.

Street Closures

Saturday, Sept. 23

- Guadalupe St. closed at Junction Hwy 5 AM to 9 AM
- Water St. closed between Sidney Baker St and Hwy 27 5 AM to 10 AM
- La Casa Dr. closed northbound 5 AM to 10:30 AM
- Park Ln. closed westbound 5 AM to 10:30 AM

Sunday, Sept. 24

- Guadalupe St. closed at Junction Hwy 5 AM to 9:30 AM
- Water St. closed between Sidney Baker St and Hwy 27 5 AM to 11:30 AM
- La Casa Dr. closed northbound 5 AM to 3 PM
- Park Ln. closed westbound 5 AM to 3 PM

Organizer

The Kerrville Triathlon is organized by High Five Events, based in Austin, TX.

Race Director

Dan Carroll

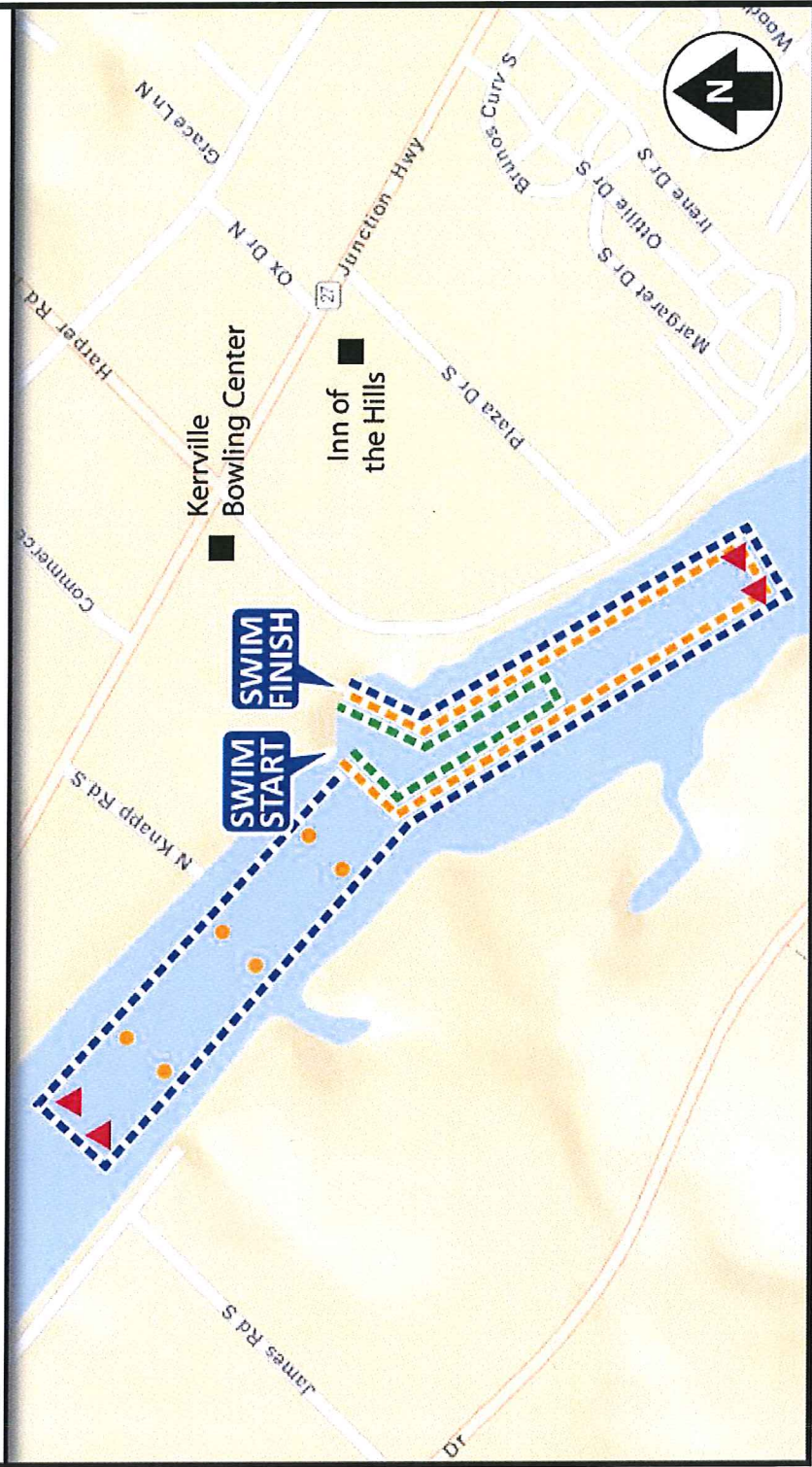
dan@highfiveevents.com

512-917-3579



SWIM COURSE

	Half	1.2 miles
	Quarter	1000 m
	Sprint	500 m



Agenda Item:

3C. Construction contract with Champion Infrastructure, LLC for the 2017 crack seal project in the amount of \$269,060.00 and authorize the City Manager to execute additional change orders which will not exceed a total contract value of \$285,000.00. (staff)

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

SUBJECT: Council authorization for the City Manager to execute a construction contract with Champion Infrastructure, LLC. for the 2017 Crack Seal Project in the amount of \$269,060 and authorize the City Manager to execute additional change orders which will not exceed a total contract value of \$285,000.

FOR AGENDA OF: July 25, 2017

DATE SUBMITTED: July 14, 2017

SUBMITTED BY: Kyle Burow, P.E., CFM
Director of Engineering

CLEARANCES: E.A. Hoppe
 Deputy City Manager

EXHIBITS: Bid Tabulation
Recommendation of Award
List of Crack Seal Street Segments

PAYMENT TO BE MADE TO: Champion Infrastructure, LLC
PO Box 1409
Salado, TX 76571

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

Expenditure	Current Balance	Amount	Account
Required:	in Account:	Budgeted:	Number:
\$285,000	\$775,522	\$1,250,665	01-861-207-01

REVIEWED BY THE FINANCE DIRECTOR:

The City hired Fugro Roadware, Inc. to develop a pavement condition survey and prioritized maintenance plan for roadways maintained by the City, and then later adopted the Pavement Management Program. As part of the adopted plan, total funding would amount to \$1.1 million for the first year (2016) and \$1.25 million for the second year (2017), which comprised various maintenance techniques including crack seal, slurry seal, mill and overlay, and full reconstruction.

The City consulted IDS Engineering Group in April 2017 to develop specifications for the Pavement Management Program Year 1 and Year 2 crack seal project. The project specifications were completed and the project was placed for advertisement with the bid opening being held June 29, 2017. Four bids were received with American Pavement Solutions, Inc. as the apparent low bid. However, American Pavement Solutions, Inc.

was disqualified for using an incorrect form in the bidding process, which may have affected their bid outcome.

The next apparent low bid was Champion Infrastructure, LLC. Staff, along with IDS Engineering, Inc., evaluated the contractor and recommend awarding the 2017 Crack Seal project to Champion Infrastructure, LLC. for the base bid for construction contract amount of \$269,060. Additionally, staff recommends authorizing the City Manager to execute additional change orders which will not exceed a total contract value of \$285,000.

In regards to the overall status of the Pavement Management program, the crack seal bids represent a significant savings over what was originally anticipated. With the low bids received on the recent projects, in addition to the carryover from the 2016 Street Maintenance program, city staff is proposing to utilize the remaining funds to accelerate and complete the reconstruction of Singing Wind Drive by the end of the 2017 paving season. This will be one of the first roadway reconstruction projects that the City has recently bid out, and staff is hopeful that this approach will assist in catching up on the growing reconstruction list that has traditionally been tasked to our internal staff crews.

RECOMMENDED ACTION

Authorize the City Manager to execute a construction contract with Champion Infrastructure, LLC. for the 2017 Crack Seal Project in the amount of \$269,060 and authorize the City Manager to execute additional change orders which will not exceed a total contract value of \$285,000.

Project Name : 2017 Crack Seal Project

Engineering Number: PW#16-007

Bid Opening: June 29, 2017

[illegible]



July 19, 2017

Mr. Kyle Burow, P.E., CFM
City of Kerrville
701 Main Street
Kerrville, TX 78028

Reference: 2017 Crack Seal Project- Bid Recommendation

Dear Mr. Burow:

IDS Engineering Group has reviewed the bid proposals for the above referenced project. There were four (4) bidders for the project. The apparent low bidder was disqualified for using an incorrect form in the bid process. The next apparent low bidder was Champion Infrastructure, LLC. It is recommended that Champion Infrastructure, LLC. be awarded the contract for the Base Bid amount of \$269,060.00. If there are any questions or concerns, please do not hesitate to contact us.

Sincerely,

A handwritten signature in blue ink that reads "Jess W. Swaim". The signature is fluid and cursive, with the first and last names being more prominent.

Jess Swaim, P.E.
Vice President

Section 070

CITY OF KERRVILLE

CONSTRUCTION CONTRACT

This agreement made this day by and between the City of Kerrville, Texas, called "City," and the undersigned "Contractor" as follows:

1. THE WORK

The Contractor shall perform all the work as required by this contract for:

City of Kerrville 2017 Crack Seal Project -The project includes applying Crack Seal to the following streets within the City of Kerrville, Texas:

Base Bid

Segment ID	Street	From	To	Pavement Area
RD-2333	5th St N	Ross St N		9,912.78
RD-2073	A St E	Live Oak St E	Water St E	9,119.25
RD-2095	A St E		Live Oak St E	4,667.22
RD-5636	A St E		A St N	1,728.58
RD-1944	Alamo Dr N	San Jacinto Dr N	San Jacinto Dr N	11,279.25
RD-3639	Alice St N	Methodist Encampment Rd N	Uvalde St N	12,904.19
RD-3535	Alice St N	Uvalde St N	Tanglewood Ln N	2,962.76
RD-5771	Antelope Trl E			2,242.00
RD-1441	Antelope Trl E		Riverhill Blvd E	38,626.75
RD-2145	Aransas St N	Jefferson St N		3,300.38
RD-2196	Aransas St N	A St N	Tivy St N & North St N	8,940.13
RD-2117	Aransas St N	Jefferson St N	E Main St N & Ross St N & B St N	12,152.28
RD-3345	Arcadia Loop S	Bear Creek Rd S		75,782.08
RD-1354	Arizona Ash Dr E	Dena Dr E	Waterfront Dr E	13,665.24
RD-860	Arrowhead Dr E	Peaks Cv E	Comanche Trace Dr E	10,684.44
RD-1297	Augusta Cir E		Riverhill Blvd E	7,966.35
RD-2416	Barbara Ann St N	Lytle St N	Ford St N	20,180.61
RD-2880	Blanks St N	Swigert St N		12,903.30
RD-3242	Bluebell Rd N		Creek Run N	2,580.39
RD-5663	Bow Dr N		E Main St N	2,208.60

Segment ID	Street	From	To	Pavement Area
RD-1524	Canyon Creek Ln E	St Andrews Loop E	St Andrews Loop E	9,621.99
RD-2387	Carol Ann Dr N	Mary Frances St N	Lytle St N	8,876.25
RD-2326	Carol Ann Dr N	Barbara Ann St N	Donna Kay Dr N	18,496.62
RD-5544	Club View Ct E		Ranch View Ct E	10,654.47
RD-5543	Club View Ct E			2,122.68
RD-862	Comanche Trace Dr E	Toscano Dr E	Double Eagle Dr E	7,040.36
RD-689	Comanche Trace Dr E	Stone Creek Dr E	Oak Park Dr E	6,481.66
RD-887	Comanche Trace Dr E	Toscano Crt	Mulligan Way E & Pinnacle Club Dr E	14,420.75
RD-5714	Comanche Trace Dr E	Stone Creek Dr E	Stone Creek Dr E	1,342.36
RD-928	Comanche Trace Dr E	Dry Hollow Dr E	Rock Barn Dr E	26,423.18
RD-856	Comanche Trace Dr E	Trace Cir E	Toscano Dr E	34,578.35
RD-950	Comanche Trace Dr E	Indian Wells Dr E	Indian Wells Dr E	9,484.29
RD-774	Comanche Trace Dr E	Kite Dr E	Club House Dr E	16,814.65
RD-3856	Coronado Dr N	Glen Rd N	West Ln N	42,177.41
RD-3323	Creek Run N		Bluebell Rd N	18,961.56
RD-3495	Crestwood Dr N	Timberway Ln N	Elmwood Dr N	7,637.76
RD-3524	Crestwood Dr N	Methodist Encampment Rd N	Aspen Dr N	10,786.77
RD-2088	Cully Dr S		Hill Country Dr S	15,951.81
RD-2213	Cully Dr S	Hill Country Dr S	Louise Hays Park Rd S	60,783.97
RD-3003	Degrasse Dr N	Gloucester Pt N	Yorktown Blvd N	9,070.92
RD-1321	Dena Dr E	Box Elder Dr E	Scarlet Dr E	6,067.44
RD-2280	Donna Kay Dr N	Lytle St N		4,948.56
RD-2290	Donna Kay Dr N		Lytle St N	4,167.72
RD-880	Double Eagle Cir E		Double Eagle Dr E	2,967.84
RD-879	Double Eagle Dr E	Double Eagle Cir E	Comanche Trace Dr E	8,841.69
RD-939	Dry Hollow Cir E		Dry Hollow Dr E	4,047.03
RD-1882	E Main St N	Bow Dr N	Westminster St N	19,970.55
RD-2099	E Main St N	Park St N		8,662.68
RD-5665	E Main St N	Bow Dr N	Bow Dr N	2,021.76
RD-2478	Earl Garrett St N	Myrta St N	Bulwer Ave N	29,880.84
RD-3320	Elm Ridge Rd N		Bluebell Rd N	18,174.78
RD-3454	Elmwood Dr N	Crestwood Dr N	Methodist Encampment Rd N	13,478.67

Segment ID	Street	From	To	Pavement Area
RD-1429	Englewood Dr E		Sand Bend Dr E	43,651.98
RD-5723	Englewood Dr E			11,768.22
RD-2107	Everett St N	2nd St N		5,370.30
RD-1893	F St N		Park St N	5,786.60
RD-5560	Fairway Dr E			4,164.24
RD-1476	Fairway Dr E			10,407.84
RD-2968	Fawn Dr N	Antler Dr N	Stadium Dr N	8,002.53
RD-2913	Fitch St N			3,002.94
RD-1460	Flanders Dr N	Jennings Blvd N	Goss St N	7,587.00
RD-2888	Florian Dr N		Fitch St N	2,737.80
RD-2438	Ford St N		Mary Frances St N	11,828.70
RD-2422	Ford St N	Donna Kay Dr N	Nancy Beth Dr N	9,241.83
RD-3079	Galbraith Ave N	Culberson Ave N	Jackson Rd N	35,320.05
RD-2944	Galbraith Ave N	W Main St N	W Water St N	8,963.19
RD-3768	Glen Rd N	Valley Dr N	West Ln N	7,315.38
RD-1548	Goss St N	Mesquite St N	Legion Dr N	12,907.45
RD-2662	Guadalupe St S	Plaza Dr S	Woodlawn Ave S	67,144.27
RD-2472	Hackberry Dr S	E Shady Dr S	Guadalupe St S	4,817.88
RD-2941	Harper St N	Patton Ave N		9,795.00
RD-1340	Highlands Dr E	Riverhill Blvd E	Larry Lee Dr E	45,323.28
RD-5565	Highpointe Ct E		Fairway Dr E	2,798.28
RD-1647	Highridge Dr E		Deerwood Dr E	13,569.12
RD-2180	Hill Country Dr S	Cully Dr S	Wesley Dr S	42,992.15
RD-2514	Hillcrest Ave N	Wheless Ave N	Myrta St N	10,893.15
RD-2555	Hillcrest Ave N	Moore St N	Wheless Ave N	10,734.66
RD-3326	Hummingbird Ln N	Jack Dr N	Virginia Dr N	14,547.73
RD-3259	Hummingbird Ln N	Virginia Dr N	Lois St N	15,705.97
RD-1466	Hunt St N		Clara St N	6,400.89
RD-3327	Jack Dr N	Hummingbird Ln N	Bobwhite Dr N	36,096.94
RD-3068	Jackson Rd N	Fairview Dr N	Bluebell Rd N	5,649.00
RD-3278	Jackson Rd N	Mockingbird Ln N	Cardinal Dr N	18,739.70
RD-3087	Jackson Rd N	Cypress Dr N	Fairview Dr N	7,217.35
RD-3100	Jackson Rd N	Woodcrest Dr N	Cypress Dr N	7,168.70
RD-3050	Jackson Rd N	Bluebell Rd N	Galbraith Ave N	14,145.95
RD-2186	Jefferson St N	Tivy St N		18,188.80
RD-2310	Jefferson St N	Washington St N	Earl Garrett St N	26,638.08
RD-2129	Jefferson St N	Aransas St N	Aransas St N	1,975.40
RD-2410	Jefferson St N	Clay St N	Quinlan St N	28,169.40

Segment ID	Street	From	To	Pavement Area
RD-2254	Jefferson St N		Washington St N	38,178.56
RD-1344	Kenwood Cir E		Englewood Dr E	7,362.36
RD-5696	Kite Dr E			2,563.68
RD-5693	Kite Dr E			2,972.70
RD-5674	La Cumbre Dr E			16,094.70
RD-2355	Lamar St N	Bulwer Ave N	Barnett St N	11,036.25
RD-3173	Leslie Dr N	Lloyd Dr N		40,333.26
RD-3471	Lime Creek Rd W		Caribou Ln W	7,383.42
RD-3380	Lime Creek Rd W	Fallow Dr W	Homestead Dr W	7,646.67
RD-3430	Lime Creek Rd W	Caribou Ln W	Fallow Dr W	7,429.86
RD-3292	Lois St N	Crestwood Dr N	Methodist Encampment Rd N	14,906.52
RD-5409	Lois St N			1,970.88
RD-3604	Lois St N			55,172.64
RD-3257	Los Cedros Loop N			4,989.33
RD-3255	Los Cedros Loop N			37,060.47
RD-2270	Lytle St N	Donna Kay Dr N	5th St N	5,455.08
RD-2341	Lytle St N	Barbara Ann St N	Nancy Beth Dr N	8,407.53
RD-2359	Lytle St N	Carol Ann Dr N	Barbara Ann St N	26,543.97
RD-2173	Lytle St N	3rd St N	2nd St N	11,455.56
RD-1263	Mack Holliman Dr E	Rlt Jons Dr E		39,751.78
RD-3211	Mae Dr N		Newton St N	15,477.48
RD-1621	Maple St N	Beech St N	Agarita St N	7,688.42
RD-1640	Maple St N	Agarita St N	Meeker Rd N	8,745.48
RD-1626	Meeker Rd N	Legion Dr N	Poplar St N	7,087.60
RD-1639	Meeker Rd N	Maple St N	Glenn McGinnis Dr N	2,999.82
RD-3638	Methodist Encampment Rd	Alice St N		7,279.38
RD-3449	Methodist Encampment Rd	Crestwood Dr N	Manor Dr N	4,937.28
RD-3602	Methodist Encampment Rd		McAllen Dr N	10,525.39
RD-3460	Methodist Encampment Rd	Jackson Rd N & Glen Rd N	Crestwood Dr N	15,784.57
RD-2628	Milton St S		Woodlawn Ave S	14,729.58
RD-3442	Morrow St N	Mathison St N	Leslie Dr N	12,761.84
RD-4090	Mountain Laurel Vw N	Glen View Dr N	Laurelwood Dr N	25,149.42
RD-893	Mulligan Way E	Mulligan Way Cir E	Pinnacle Club Dr E & Comanche Trace Dr E	5,584.41

Segment ID	Street	From	To	Pavement Area
RD-896	Mulligan Way E	Double Eagle Dr E	Mulligan Way Cir E	10,562.67
RD-2482	Nancy Beth Dr N	Ford St N		14,403.96
RD-2421	Nancy Beth Dr N	Lytle St N	Ford St N	28,911.87
RD-1205	Nora Dr E		Oak Hollow Dr E	6,240.24
RD-5407	North St N		Lytle St N	2,858.49
RD-2371	North St N	Earl Garrett St N	Schreiner St N	20,845.97
RD-2197	North St N	A St N	Tivy St N	17,059.22
RD-1145	Nugent Ave E		Mack Holliman Dr E	3,957.66
RD-2403	Oak St N	Myrta St N	Wheless Ave N	10,938.51
RD-1140	Oak Valley Dr E	Lammers St E		15,010.38
RD-1196	Oak Valley Dr E	Nugent Ave E	Oak Hollow Dr E	19,406.79
RD-5766	Oakland Hills Ln E			15,003.84
RD-3028	Old Oaks Path N	Morningside Dr N		9,803.43
RD-1240	Olympia Dr E		Oak Hollow Dr E	6,384.69
RD-1670	Overlook Dr E	Deerwood Dr E	Highridge Dr E	26,535.60
RD-3640	Panorama Dr N	Lazy Ln N	Methodist Encampment Rd N	12,289.20
RD-2744	Paragon Pl N		Quinlan Creek Dr N	17,829.99
RD-1991	Park St N	D St N	C St N	13,183.84
RD-3076	Pin Oak Way N			5,782.80
RD-1518	Preston Trail Loop E	Oakland Hills Ln E	Rolling Green Dr E	22,623.60
RD-2409	Quinlan St N	Jefferson St N	Quinlan St S	18,107.80
RD-2629	Quinlan St N		Charles St N	6,745.14
RD-5684	Ranch View Ct E			1,482.30
RD-1547	Richardson St N			7,679.92
RD-1267	Riverhill Blvd E	Rockwood Cir E	Turnberry Cir E & Spring Mill Dr E	17,462.89
RD-1318	Riverhill Blvd E	Wingedfoot Ln E	Augusta Cir E	11,586.55
RD-1305	Riverside Dr E	Carmichael St E	Old Riverside Rd E	1,861.56
RD-1302	Riverside Dr E	Cartuck St E	Carmichael St E	6,017.76
RD-1385	Rock Creek Dr E		Wingedfoot Ln E	5,326.80
RD-2183	Ross St N		2nd St N	6,668.46
RD-2171	Ross St N	2nd St N	1st St N	12,479.67
RD-1794	Sailing Way N	Singing Wind Dr N	Bridle Path N	24,550.68
RD-1920	San Jacinto Dr N	Alamo Dr N	Olympic Dr N	8,039.25
RD-1320	Scarlet Dr E	Dena Dr E	Old FM 689 E	5,705.40
RD-2413	Schreiner St N	Clay St N	Quinlan St N	23,314.35
RD-1763	Sendero Ridge Dr N	Jasper Ln N	Singing Wind Dr N & Meadowview Ln N	6,718.68

Segment ID	Street	From	To	Pavement Area
RD-2334	Short St N	Barnett St N	North St N	12,889.00
RD-3540	Sika Dr W	Caribou Ln W	Fallow Dr W	7,348.05
RD-1747	Singing Wind Dr N	Jasper Ln N	Meadowview Ln N & Sendero Ridge Dr N	43,666.29
RD-1765	Singing Wind Dr N	Meadowview Ln N & Sendero Ridge Dr N	Sailing Way N	8,643.94
RD-1998	Singing Wind Dr N	Tomahawk Trl N	Deer Trl N & Smokey Mountain Dr N	13,381.79
RD-1256	Spring Mill Dr E	Highlands Dr E	Lakewood Dr E	14,531.67
RD-1272	Spring Mill Dr E	Englewood Dr E	Riverhill Blvd E	7,449.30
RD-2153	Spring St E		Water St E	4,525.68
RD-1564	St Andrews Loop E	Bent Oak Ln E	Canyon Creek Ln E	17,858.61
RD-1513	St Andrews Loop E	Canyon Creek Ln E	Bent Oak Ln E	4,673.70
RD-668	Stone Creek Dr E	Stone Creek Cir E	Stone Creek Cir E	45,320.85
RD-2995	Summit Crest Dr N	Summit Top Dr N	Crown View Dr N	24,051.33
RD-2936	Summit Crest Dr N	Crown View Dr N	Crown Ridge Dr N	8,928.90
RD-2974	Summit Point Dr N		Summit Ridge Dr N	5,580.90
RD-5571	Summit Spur N		Vista Ridge Dr N	2,129.40
RD-5572	Summit Spur N	Vista Ridge Dr N		2,075.36
RD-3354	Temple Dr N	Hancock Dr N	Warbler Dr N	7,936.11
RD-2447	Tivy St N		Prescott St N	7,180.11
RD-5653	Tivy St N			1,543.36
RD-2358	Tivy St N	Myrta St N	3rd St N	11,046.51
RD-5534	Toscano Crt	Toscano Way E	Comanche Trace Dr E	5,564.97
RD-5699	Toscano Dr E	Toscano Way E	Comanche Trace Dr E	6,045.36
RD-5535	Toscano Way E			4,926.96
RD-831	Toscano Way E			15,284.70
RD-5381	Town Creek Rd N	Silver Saddle Dr N		33,076.56
RD-881	Trail Head Dr E	La Cumbre Dr E	Comanche Trace Dr E	14,807.07
RD-5408	Travis St N	Park St N		6,175.00
RD-3597	Uvalde St N	Tanglewood Ln N	Alice St N	5,727.24
RD-5788	Victory Ln N	Degrass Dr N		4,406.13
RD-3878	Village Dr N		Hilltop Rd N	20,404.44
RD-3260	Virginia Dr N	Hummingbird Ln N	Bobwhite Dr N	32,093.64
RD-2815	Vista View Cir N		Summit Spur N	5,093.55
RD-4072	W Crest Dr N	Trailwood Cir N	W Ridge Cir N	11,594.32
RD-2664	W Schreiner St N	Lawson St N	Paschal Ave N	11,916.80
RD-2531	W Water St S	Lowry St S	Water St S	27,646.15
RD-3502	Warbler Dr N	Overhill Dr N	Cardinal Dr N	7,134.75

Segment ID	Street	From	To	Pavement Area
RD-3802	Warbler Dr N		Quail Run N	14,116.14
RD-1952	Water St E	E St E	D St E	13,158.31
RD-2011	Water St E	C St E	B St E	13,295.21
RD-1837	Water St E	Travis St N	H St E	20,662.28
RD-2424	Water St S		Herzog St S	5,180.74
RD-2312	Water St S	Water St E	Clay St S	23,565.80
RD-3890	West Ln N	Meadow Ridge Dr N	Crest Rdg N	11,781.54
RD-1229	Westchester Cir E	Riverhill Blvd E		8,430.48
RD-3175	Wood Edge Ln N			10,818.80
RD-3428	Yorktown Blvd N		Lexington Ave N	15,381.25

The following are incorporated herein:

- a. General Requirements
- b. Technical Specifications
- c. Addenda issued prior to receipt of Bid
- d. Instructions to Bidders
- e. Proposal

Some of such documents may not be physically attached hereto but are on file at City Hall, and copies may be obtained upon request.

1. TIME

Construction substantial completion time will be 60 calendar days and 7 calendar days after for final completion from the date of written notice to proceed. Construction may begin within 7 days from contract award with notice to proceed granted in writing from the City Engineer or designated City representative.

Working days are defined in specification section 123.20. The project shall not be considered complete until all slurry seal applications have been accepted and is operational and performing to its intended purpose. The Contractor's obligations to the project however, are not complete and retainage will not be released until all disturbed areas within State highway or local right-of-way have been restored to preconstruction condition.

2. LIQUIDATED DAMAGES

Liquidated damages are hereby established for work which is not substantially complete in the amount of Three Hundred Dollars (\$300.00) per working day for each working day after the date established in the Notice to Proceed. The City may offset any such liquidated damages against any sums from time to time due by the City to Contractor.

The completion time assumes (2) two "bad weather days," days on which the work cannot proceed; therefore, the time for completion shall not be extended on account of bad weather until the said number of assumed "bad weather days" has been exceeded.

The time for completion shall not be extended except by written memorandum executed by the Contractor and the City Engineer.

The said amount per day is not a penalty but an agreed amount of actual damages which are difficult to calculate. Such damages include loss of staff time, answering complaints by citizens who have been inconvenienced by the work, City Council time, loss of use, and other damages difficult to reasonably anticipate or calculate.

3. PAYMENTS

The City shall pay the Contractor ninety-five percent (95%) of the portion of Contract Sum properly allocable to labor, materials, and equipment incorporated in the Work and ninety-five percent (95%) of the portion of the Contract Sum properly allocable to materials and equipment suitably stored at the site or at some other location agreed upon in writing, less the aggregate of previous payments made by the City, and, upon substantial completion of the entire Work, a sum sufficient to increase the total payments to ninety-five percent (95%) of the Contract Sum. All retainages from progress payments shall be withheld without liability for interest. Upon acceptance, the City shall make payment to Contractor such that one hundred percent (100%) of the Contract Sum has been paid.

4. LIABILITY INDEMNITY

THE CONTRACTOR AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY OF KERRVILLE, TEXAS, AND ALL OF THEIR RESPECTIVE OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, LOSSES, PROPERTY DAMAGES, AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEY'S FEES BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OF DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PROPERTY ON ACCOUNT OF ANY NEGLIGENT ACT OF THE CONTRACTOR, THE CITY OF KERRVILLE, TEXAS, OR ANY OF THEIR RESPECTIVE OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, OR SUBCONTRACTORS IN THE EXECUTION, SUPERVISION, AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS AGREEMENT, WHETHER OR NOT THE ACT OR OMISSION OF THE CITY OR ANY OF THEIR RESPECTIVE OFFICERS, EMPLOYEES, OR AGENTS WAS THE SOLE PROXIMATE CAUSE OF THE INJURY OR DAMAGE OR A PROXIMATE CAUSE JOINTLY AND CONCURRENTLY WITH THE NEGLIGENCE OF THE CONTRACTOR OR ITS OFFICERS, EMPLOYEES, AGENTS, CONTRACTORS, OR SUBCONTRACTORS, IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS AGREEMENT.

5. LIABILITY INSURANCE

Prior to the commencement of any work and not later than fifteen (15) days following the execution of this contract, the Contractor shall furnish the City copies of paid-up policies (to the City Risk Manager/City Hall) providing Liability and Workman's Compensation Coverage as follows minimum limits):

TYPE OF INSURANCE	LIMITS
a. Workman's Compensation covering all employees	Statutory
b. Employer's Liability	<u>\$100,000.00</u>
c. Comprehensive General Liability	
Bodily Injury & Property Damage (per occurrence)	<u>\$1,000,000.00</u>
Aggregate	<u>\$1,000,000.00</u>
(Premises/Operations Products/Completed Operations/Independent Contractors/Contractual Liability/Coverages may not be excluded). XCU must be supplied if any exposure.	
d. Business Automobile Liability covering owned vehicles, rented and non-owned vehicles and employee non-ownership	
Bodily Injury Property Damage (per occurrence)	<u>\$1,000,000.00</u>
Aggregate	<u>\$1,000,000.00</u>

The Commercial General Liability and the Automobile Liability policies shall name the City of Kerrville, Texas, as additional insured and all policies shall provide for a waiver of subrogation in favor of the City of Kerrville. The policy and any renewal certificate shall provide that the City be notified thirty (30) days prior to cancellation or modification of any coverage. Language to the effect that the company will "Endeavor" or "Attempt" to so notify the City of Kerrville is not sufficient. Renewal certificates must be received by the City at least ten (10) days prior to any cancellation date. Policies will be in effect until final acceptance or cancellation of this contract, unless otherwise specified. The City may, at its sole option, terminate this agreement and file a claim on the Contractor's bid bond if the Contractor fails to deliver the required policies and certificates within 15 days after execution of this contract.

It shall be the responsibility of the Contractor to insure that all Subcontractors comply with the same insurance requirements as the said Contractor

6. CASUALTY INSURANCE

In the event the work includes structures or buildings susceptible to damage by fire, windstorm, or other casualty, then the Contractor before being authorized to begin work shall furnish the City a duplicate original of an insurance policy naming the City of Kerrville as an additionally insured. Such insurance shall insure both the City of Kerrville and Contractor, during the term of the work, against loss by fire, windstorm, vandalism, theft, or other casualty. Such policy shall be in the total amount of this contract.

7. QUALITY OF WORK

All work shall be of good workmanship. Contractor shall comply with all applicable City of Kerrville Codes as well as all applicable professional and technical standards. Materials shall be of first quality.

8. CHANGES AND EXTRAS

No change of this Contract, whether for additional work, additional compensation, or other, shall be effective unless prior thereto a written change order has been authorized by the City Engineer. Employees of the City other than the City Engineer or Public Works Director do not have the authority to issue change orders.

9. ADDENDA

Contractor acknowledges the receipt of the following addenda:

1. Dated: 29 Jun 2017 Acknowledged by: Matthew Sargent
2. Dated: _____ Acknowledged by: _____

11. CONTRACT SUM

Proposal: Contractor agrees to provide all labor, materials, and all incidentals necessary to complete "The Work" for the following complete and in place Unit Prices:

ITEM NO.	APPROX. QUANTITY	UNIT	DESCRIPTION OF ITEM	UNIT PRICE	TOTAL AMOUNT
BASE BID					
100.1	1	LS	Mobilization, (Maximum 10% of Base Bid)	\$ <u>25,000.00</u>	\$ <u>25,000.00</u>
700.1	114,000	LBS.	Joint and Crack Sealing (with routing cracks)	\$ <u>1.79</u>	\$ <u>204,060.00</u>
530.1	1	LS	Barricades, Signs, and Traffic	\$ <u>40,000.00</u>	\$ <u>40,000.00</u>
TOTAL BASE BID				\$ <u>269,060.00</u>	

ITEM NO.	APPROX. QUANTITY	UNIT	DESCRIPTION OF ITEM	UNIT PRICE	TOTAL AMOUNT
ALTERNATE BID					
100.1	1	LS	Mobilization, (Maximum 10% of Base Bid)	\$ <u>17,000.00</u>	\$ <u>17,000.00</u>
700.1A	114,000	LBS.	Joint and Crack Sealing (without routing cracks)	\$ <u>1.25</u>	\$ <u>141,700.00</u>
530.1	1	LS	Barricades, Signs, and Traffic	\$ <u>30,000.00</u>	\$ <u>30,000.00</u>
TOTAL ALTERNATE BID				\$ <u>190,500</u>	

COMPLETED BY

DATE

Matthew Sargent
(Printed Name)

28 Jun 2017
(Date)

Project Manager
(Title)

Champion Infrastructure, LLC
(Company Name)

Sub-Contractors:

	NAME	ADDRESS	PHONE	WORK TO BE PERFORMED
1.	None			
2.				
3.				

(Attach additional sheet if required)

INSURANCE AGENT

	NAME	ADDRESS	PHONE	POLICY
1.	Watkins Insurance Group	3834 Spicewood Springs Rd	Austin 78759	512-452-8877 73APS066976
2.				
3.				

BONDING AGENT

	NAME	ADDRESS	PHONE	POLICY
1.	Watkins Insurance Group	3834 Spicewood Springs Rd	Austin 78759	512-452-8877
2.				
3.				

Signed this 29th day of June, 2017

Contractor

Attest: _____
Secretary (if by Corporation)

BY: Matthew Sargent

SEAL

Title: Project Manager

Business Address:

PO Box 1409

Salado, TX 76571

Phone: 254-681-8536

Fax: 866-412-4962

ACCEPTED THIS _____

_____ day of _____, 2016

By: _____

Mark L. McDaniel
City Manager
City of Kerrville, Texas.

ATTEST:

Brenda G. Craig
City Secretary

CITY SEAL

APPROVED AS TO FORM:

Michael C. Hayes
City Attorney



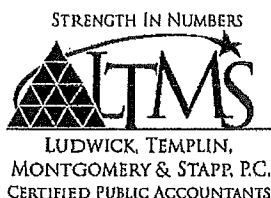
See the attached financial statement from an independent CPA.

The POC for Champion's banking is:

Frost Bank
Patty Martin
Relationship Specialist
1450 E. Whitestone Blvd
Cedar Park, tx 78613
512-473-4310
Patty.martin@frostbank.com

CHAMPION INFRASTRUCTURE, LLC
FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2016 AND 2015

TOGETHER WITH INDEPENDENT AUDITORS' REPORT THEREON



1949 SCOTT BOULEVARD
TEMPLE, TEXAS 76504
254.771.0061 - VOICE
254.771.1445 - FAX
WWW.LTMS-CPA.COM

INDEPENDENT AUDITORS' REPORT

To the Shareholders
Champion Infrastructure, LLC
Salado, Texas

We have audited the accompanying financial statements of Champion Infrastructure, LLC (a Limited Liability Company), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of income, retained earnings, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CHAMPION INFRASTRUCTURE, LLC**Balance Sheets****December 31, 2016 and 2015****ASSETS**

Current Assets	2016	2015
Cash and cash equivalents	\$ 801,375	\$ 725,557
Accounts receivable		
Trade, net of allowance for doubtful accounts of \$0 and \$0, respectively	1,243,552	703,872
Cost and estimated earnings in excess of billing on uncompleted contracts	1,746	205,920
Prepaid expenses	82,433	2,843
Total Current Assets	2,129,106	1,638,192
Property and Equipment		
Equipment	2,173,535	203,273
Vehicles	805,830	373,541
Software	26,124	25,201
Sweepers	572,107	388,116
Total Property and Equipment	3,577,596	990,131
Less: accumulated depreciation	(917,203)	(87,746)
Total Property and Equipment, net	2,660,393	902,385
Total Assets	\$ 4,789,499	\$ 2,540,577

The accompanying notes are an integral part of the financial statements

CHAMPION INFRASTRUCTURE, LLC
Statements of Income
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Contractor revenue	\$ 12,207,116	\$ 6,271,174
Direct costs	<u>8,428,115</u>	<u>4,217,830</u>
Gross Profit	3,779,001	2,053,344
General and administrative expenses	<u>1,859,597</u>	<u>382,953</u>
Operating Income	1,919,404	1,670,391
Other income (expense)		
Interest income	196	-
Gain (loss) on disposal of fixed asset	<u>(9,193)</u>	<u>24,245</u>
	<u>(8,997)</u>	<u>24,245</u>
Net Income	<u>\$ 1,910,407</u>	<u>\$ 1,694,636</u>

The accompanying notes are an integral part of the financial statements

CHAMPION INFRASTRUCTURE, LLC
Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
Net Income	\$ 1,910,407	\$ 1,694,636
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	836,173	64,110
(Gain) Loss on sale of fixed assets	9,193	10,302
Decrease (increase) in:		
Receivables	(539,680)	(398,527)
Costs and estimated earnings in excess of billings and uncompleted contracts	204,174	(205,920)
Inventory	-	62,374
Prepaid expenses	(79,590)	52,137
Increase (decrease) in:		
Payables	(39,215)	3,796
Billings in excess of costs and estimated earnings on uncompleted contracts	(22,914)	68,380
Accrued expenses	73,005	118,727
Net cash provided by operating activities	<u>2,351,553</u>	<u>1,470,015</u>
Cash Flows from Investing Activities		
Purchase of fixed assets	<u>(2,603,374)</u>	<u>(851,774)</u>
Net cash used by investing activities	<u>(2,603,374)</u>	<u>(851,774)</u>
Cash Flows from Financing Activities		
Proceeds from long-term debt	1,644,058	256,999
Payments on long-term debt	(371,778)	(38,672)
Shareholder distributions	<u>(944,641)</u>	<u>(273,026)</u>
Net cash provided (used) by financing activities	<u>327,639</u>	<u>(54,699)</u>
Net Increase in cash	75,818	563,542
Cash and cash equivalents - beginning of year	<u>725,557</u>	<u>162,015</u>
Cash and cash equivalents - end of year	<u><u>\$ 801,375</u></u>	<u><u>\$ 725,557</u></u>
Supplemental Disclosure:		
Noncash Investing Activities:		
Cash paid for interest	<u><u>\$ 44,087</u></u>	<u><u>\$ 36,562</u></u>

The accompanying notes are an integral part of the financial statements

CHAMPION INFRASTRUCTURE, LLC
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax

The Company is a limited liability company which provides for all federal income tax liability to flow through directly to individual shareholders for reporting on their individual tax returns. Therefore, there is no provision for federal income taxes in the financial statements. Provision for state franchise tax accrual are included if material in the accrued liabilities and general and administrative expenses in the accompanying financial statements. The federal income tax returns for the Company for 2015, 2014 and 2013 are subject to examination by the IRS, generally for three years after they were filed.

Revenue and Cost Recognition

Revenues from fixed-fee and modified fixed-price contracts are recognized on the percentage-of-completion method, measured by the cost-to-cost method. This method is used because management considers costs incurred to date to be the best available means of progress on these contracts. Revenues from cost-plus fee contracts and time-and-charge contracts are recognized on the basis of actual costs incurred during the period plus the fee earned.

Contract costs include all direct material, labor, and those indirect costs related to contract performance, such as indirect labor, equipment, supplies, tools, repairs, and depreciation. General and administrative costs are charged to expense as incurred. Provisions for estimated losses on incomplete contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability, including those arising from contract penalty provisions, and final contract settlements may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

Management believes that its estimates of the percentage-of-completion and earnings or losses on contracts are reasonable; however, due to the nature of the contracting business and the type of contracts, the current estimates of the percentage-of-completion and earnings or losses on contracts may differ materially from the ultimate results upon completion of the contracts.

Some contracts have certain milestone due dates that must be met, or the Company could be subject to penalties for liquidated damages if claims are asserted by the customer, and the Company is responsible for the delays. These contractual requirements generally relate to specified activities that must occur for a project by a specified date. Each contract defines the conditions under which a customer may make a claim against the Company for such damages. Management has determined that no claims for liquidated damages meet the criteria for accrual at December 31, 2016 and 2015.

Profit incentives are included in revenues when their realization is reasonably assured. An amount equal to contract costs attributable to claims is included in revenues when realization is probable and the amount can be reliably estimated.

The asset "Costs and estimated earnings in excess of billings" represents revenues recognized in excess of amounts billed on incomplete contracts. The liability "Billings in excess of costs and estimated earnings" represents billings in excess of revenues recognized on incomplete contracts.

CHAMPION INFRASTRUCTURE, LLC
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

NOTE 3 – CONTRACTS IN PROGRESS

The following is a summary of costs and estimated earnings on uncompleted contracts as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Costs incurred to date on uncompleted contracts	\$ 5,249,854	\$ 1,332,558
Estimated earnings on uncompleted contracts	<u>3,511,625</u>	<u>1,140,067</u>
	8,761,479	2,472,625
Less: Billings to Date	<u>(8,805,199)</u>	<u>(2,335,085)</u>
	<u>\$ (43,720)</u>	<u>\$ 137,540</u>

These amounts are classified in the accompanying balance sheet under the following captions:

	<u>2016</u>	<u>2015</u>
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 1,746	\$ 205,920
Billings in excess of costs and estimated earnings on uncompleted contracts	<u>(45,466)</u>	<u>(68,380)</u>
	<u>\$ (43,720)</u>	<u>\$ 137,540</u>

At December 31, 2016 and 2015, the total estimated costs to complete contracts in progress were approximately \$1,896,000 and \$4,173,000, respectively, and the total contract prices to be billed were approximately \$3,169,000 and \$6,782,000, respectively.

NOTE 4 – LINE OF CREDIT

For the years ending December 31, 2016 and 2015, the Company had one line of credit for \$300,000, and two lines of credit for \$400,000, respectively, with a bank at a prime rate. At December 31, 2016 and 2015, no amounts were outstanding on this line of credit. The lines of credit expired in December 2016. As of our report date, the Company has not renewed the line of credit.

CHAMPION INFRASTRUCTURE, LLC
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

NOTE 6 – COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Surety Bonds

The Company, as a condition of entering into some of its construction contracts, had outstanding surety bonds as of December 31, 2016 and 2015.

Environmental Laws and Regulations

The Company, as a contractor, is subject to certain environmental laws and regulations and is exposed to potential liabilities and compliance costs arising from its past and current handling, storing, and disposing of hazardous substances and hazardous wastes. While the Company's future expenditures for environmental matters are impossible to determine with any degree of certainty, it is management's opinion that such cost, if any, will not have a material adverse effect on the financial position of the Company. Management believes current practices and procedures used by its employees and subcontractors for the control and disposition of hazardous substances and materials comply with applicable environmental laws and regulations. Additionally, the Company has obtained insurance to mitigate costs in the event such expenditures become necessary.

NOTE 7 – CUSTOMERS AND CREDIT RISK

The Company grants credit, generally without collateral, to its customers who are located primarily in Texas. Management believes that its contract acceptance and billing and collection policies are adequate to minimize potential credit risk.

During 2016, one customer accounted for 94% of contract revenues, and two customers accounted for 100% of trade receivables.

During 2015, two customer accounted for 86% of contract revenues, and two customer accounted for 100% of trade receivables.

NOTE 8 – CHANGE IN ESTIMATED EARNINGS

During 2016, the Company experienced changes in job performances and conditions on contracts which were started in 2015 and completed in 2016. As a result of these changes, the final job profit was less than the original estimates. Had these changes been known as of December 31, 2015, the 2015 earned revenue would have been decreased by \$253,817 and 2016 earned revenue would have been increased by the same amount.

During 2015, the Company experienced changes in job performances and conditions on contracts which were started in 2014 and completed in 2015. As a result of these changes, the final job profit was more than the original estimates. Had these changes been known as of December 31, 2014, the 2014 earned revenue would have been increased by \$120,593 and 2015 earned revenue would have been decreased by the same amount.



Champion Infrastructure has been successfully performing TXDOT construction and maintenance projects since 2013. We started the company to get into the crack sealing business and have expanded into other maintenance pieces for TXDOT, including bridge lifting, sweeping, mowing and bridge preventive maintenance.

Our experience:

This past crack seal season (Oct 2016 – Apr 2017) we completed the following projects:

Bandera County (TXDOT)

Frio County (TXDOT)

Collin County (TXDOT)

Dallas County (TXDOT)

Jim Wells County (TXDOT)

Montgomery County (TXDOT)

Pflugerville (City)

Midland (City)

Tarrant County North and South (TXDOT)

Williamson County (TXDOT)

Bee County (TXDOT)

Brazos County (TXDOT)

Fort Bend County (TXDOT)

Nueces County (TXDOT)

Organization:

Champion Infrastructure is comprised of two owners Suzy and Aaron Thompson, Operations Manager (Keith Pollock), Project Manager (Matthew Sargent), superintendents, operators and laborers.

Champion has seven (7) work trucks, sixteen (16) truck mounted attenuators, twelve (12) kettles, arrow boards, flat bed trailers, skid steer, mowing tractors and street sweepers.



Champion Infrastructure has reviewed the proposed schedule and will be able to complete within the time frame provided in the contract. This includes an evaluation of our current and future project.

Digitally signed by
Matthew Sargent
Date: 2017.06.29
00:17:04 -05'00'

Matthew Sargent
Project Manager



Requirements for SC-3.1

Record of past performance:

Collin County (TXDOT)

Danny Murphy 972-542-2461, crack seal and mobilization, 222.49 lane miles in Collin county (some night work requiring police , \$163,743.00, 17 Jan 2017- 17 Feb 2017.

Dallas County (TXDOT)

Terry Blocker 214-320-6234, crack seal, mobilization and barricades, 39.0 lane miles in Dallas county (this was all night work and required police coordination), \$54,800.00, 02 Jan 2017 – 03 Jan 2017.

Jim Wells County (TXDOT)

Oscar Soliz 361-661-7072, crack seal, mobilization and barricades, 170.10 lane miles throughout three counties (Live Oak, Jim Wells, Kleberg), \$108,866.50, 28 Nov 2016 – 09 Feb 2017

Bee County (TXDOT)

Danny Kelly 361-780-3993, crack seal, mobilization and barricades, 156.4 lane miles throughout three counties (Bee, Karnes, and Goliad), \$100,098.50, 02 Jan 2017 – 18 Jan 2017

Fort Bend County (TXDOT)

Chris Patterson 281-238-7950, crack seal and mobilization, 1,000,000 linear feet of crack seal, \$93,001.00, 16 Jan 2017 – 22 Mar 2017.

AIA Document A310

Bid Bond

KNOW ALL MEN BY THESE PRESENTS, that we
Champion Infrastructure LLC

(Here insert full name and address or legal title of Contractor)

as Principal, hereinafter called Principal, and,
FCCI Insurance Company, 6300 University Parkway, Sarasota, FL 34240-8424

(Here insert full name and address or legal title of Surety)

a corporation duly organized under the laws of the State of Florida
as Surety, hereinafter called the Surety, are held and firmly bound unto
City of Kerrville

(Here insert full name and address or legal title of Corporation)

as Obligee, hereinafter called the Obligee, in the sum of
Ten Percent of The Total Amount Bid Dollars (\$ 10%),

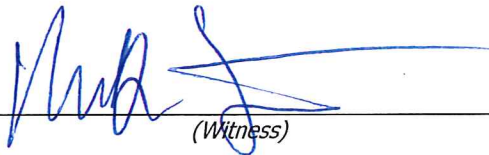
for the payment of which sum well and truly to be made, the said Principal and the said Surety,
bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally,
firmly by these presents.

WHEREAS, the Principal has submitted a bid for
City of Kerrville 2017 Crack Seal Project

(Here insert full name and address description of project)

NOW THEREFORE, if the obligee shall accept the bid of the principal and the principal shall enter into Contract with the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the obligee may in good faith contract with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 29th day of June, 20 17


(Witness)

Champion Infrastructure LLC
(Principal) (Seal)

{ Project Manager
(Title)


(Witness)

FCCI Insurance Company
(Surety) (Seal)

{ 
James F. Siddons Attorney-In-Fact



More than a policy. A promise.

GENERAL POWER OF ATTORNEY

Know all men by these presents: That the FCCI Insurance Company, a Corporation organized and existing under the laws of the State of Florida (the "Corporation") does make, constitute and appoint:

Sheila P Noxon; Patrick L Watkins; James F Siddons; April M Terbay; Joy Roberson

Each, its true and lawful Attorney-In-Fact, to make, execute, seal and deliver, for and on its behalf as surety, and as its act and deed in all bonds and undertakings provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed the sum of (not to exceed \$7,500,000): **\$7,500,000.00**

This Power of Attorney is made and executed by authority of a Resolution adopted by the Board of Directors. That resolution also authorized any further action by the officers of the Company necessary to effect such transaction.

The signatures below and the seal of the Corporation may be affixed by facsimile, and any such facsimile signatures or facsimile seal shall be binding upon the Corporation when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached.

In witness whereof, the FCCI Insurance Company has caused these presents to be signed by its duly authorized officers and its corporate Seal to be hereunto affixed, this 25TH day of September, 2016.

Attest:

Craig Johnson
Craig Johnson, President
FCCI Insurance Company

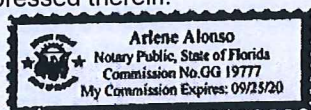


Thomas A. Koval Esq., EVP, Chief Legal Officer,
Government Affairs and Corporate Secretary
FCCI Insurance Company

State of Florida
County of Sarasota

Before me this day personally appeared Craig Johnson, who is personally known to me and who executed the foregoing document for the purposes expressed therein.

My commission expires: 9/25/2020



Arlene Alonso
Notary Public

State of Florida
County of Sarasota

Before me this day personally appeared Thomas A. Koval, Esq., who is personally known to me and who executed the foregoing document for the purposes expressed therein.

My commission expires: 9/25/2020



Arlene Alonso
Notary Public

CERTIFICATE

I, the undersigned Secretary of FCCI Insurance Company, a Florida Corporation, DO HEREBY CERTIFY that the foregoing Power of Attorney remains in full force and has not been revoked; and furthermore that the February 24, 2011 Resolution of the Board of Directors, referenced in said Power of Attorney, is now in force.

Dated this 29 day of June, 2017

Thomas A. Koval, Esq., EVP, Chief Legal Officer,
Government Affairs and Corporate Secretary



IMPORTANT NOTICE

To obtain information or make a complaint:

You may call FCCI Insurance Group's (FCCI)* toll-free telephone number for information or to make a complaint at 1-800-226-3224.

You may also write to FCCI Insurance Group Compliance Department e-mail at StateComplaints@fcci-group.com.

For Claims, you may write to FCCI Insurance Group Claim Department e-mail at newclaim@fcci-group.com.

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at 1-800-252-3439.

You may write the Texas Department of Insurance:

PO Box 149104

Austin TX 78714-9104

Fax: 1-512-490-1007

Web: <http://www.tdi.texas.gov>

E-mail: ConsumerProtections@tdi.texas.gov

PREMIUM OR CLAIM DISPUTES

Should you have a dispute concerning your premium or about a claim you should contact FCCI first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR BOND

This notice is for information only and does not become a part or condition of the attached documents.

*The FCCI Insurance Group includes the following insurance carriers: Brierfield Insurance Company, FCCI Advantage Insurance Company, FCCI Commercial Insurance Company, FCCI Insurance Company, Monroe Guaranty Insurance Company, and National Trust Insurance Company.

Agenda Item:

4A. Annexation and zoning of an 11.341 acre tract, being a portion of a certain 1131.78 acre tract, part of Comanche Trace, a golf and residential community, located in southwest Kerrville. (staff)

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

SUBJECT: Public hearing and consideration of a request for annexation and zoning of an 11.341 acre tract, being a portion of a certain 1131.78 acre tract in Volume 971, Page 698, Property Records of Kerr County, Texas. The said tract being part of Comanche Trace, a golf and residential community, located in southwest Kerrville.

FOR AGENDA OF: July 25, 2017

DATE SUBMITTED: July 20, 2017

SUBMITTED BY: Sabine Kuenzel
Ex. Dir. of Dev. Ser.

CLEARANCES: Mark McDaniel
City Manager

EXHIBITS: Location Map

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

This is the second of two required public hearings required for annexation of the subject property. The 11.341 acre tract is part of the 1131.78 acre tract known as Comanche Trace. The applicant's submittal of the preliminary plat of Comanche Trace Phase 13 triggered a request for voluntary annexation, per the development agreement between the City and the developer.

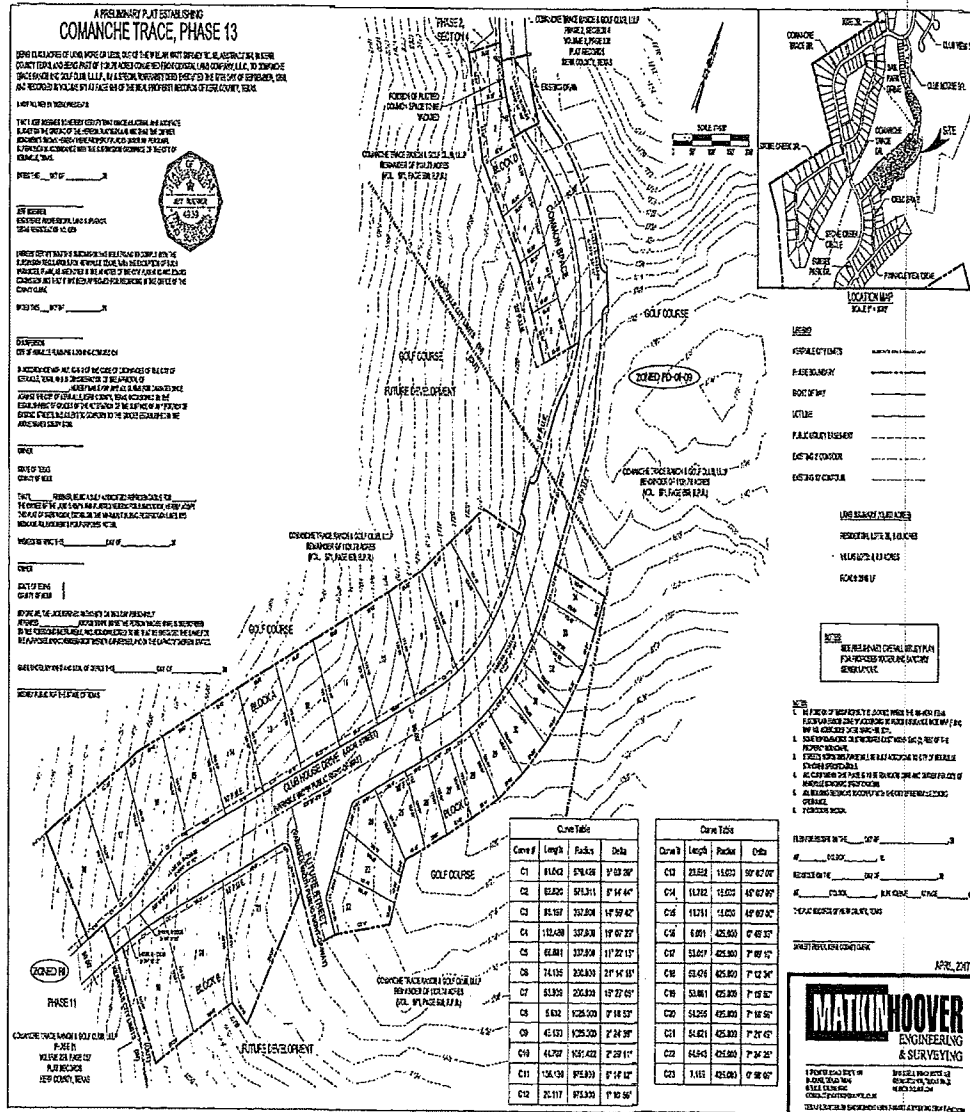
In keeping with the residential nature of the development, staff recommended a zoning classification of Planned Development District – Residential (PDD-Residential), to allow the development of 28 single family lots. This phase of Comanche Trace includes six (6) lots and part of Club House Drive (2.06 acres) previously annexed and zoned. If approved, the requested annexation will allow the connection of Comanche Trace Drive to be completed.

The Planning and Zoning Commission conducted a public hearing on this item at the June 1, 2017 regular meeting and recommended that the Council annex the subject tract and recommended a zoning designation of Planned Development District – Residential. The City Council held its first required public hearing on July 11, 2017. No citizen input was given.

RECOMMENDED ACTION

Staff and the Planning and Zoning Commission recommend that the Council hold the public hearing and receive public comments. No action is required.

Location Map



Agenda Item:

5A. Ordinance No. 2017-14 abandoning and vacating all right, title and interest in a fire lane easement, as located between and intersecting with both Bluff Ridge Drive and Glenview Drive and being dedicated to the public pursuant to the Forest West Four – Phase III Plat, a subdivision out of the Florentine Lara Survey No. 123, Abstract No. 225, and located within the City of Kerrville, Kerr County, Texas, according to the Plat thereof recorded in Volume 5, Page 45 of the Plat Records of Kerr County; said easement impacting Lot 8, Block 6, and Lot 7, Block 7, as specified on said Plat; finding that said dedicated right to the City is not required for future use as a fire lane easement; and ordering recording. (staff)

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

SUBJECT: Ordinance No. 2017-14, abandoning and vacating all right, title and interest to a fire lane easement between Bluff Ridge Drive and Glen View Drive

FOR AGENDA OF: July 25, 2017

DATE SUBMITTED: July 20, 2017

SUBMITTED BY: Dannie Smith
Fire Chief

CLEARANCES: Mark McDaniel
City Manager

EXHIBITS: Property owner request to abandon easement
Staff memorandum regarding recent neighborhood meeting

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO: N/A

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

At the June 27th City Council meeting the City Council directed staff to draft an Ordinance to remove the fire lane access easement between Bluff Ridge Drive and Glen View Road, per the request of the owner of Lot 8, Block 6 of the Forest West Four Subdivision Phase III. The City Council approved this ordinance on first reading on July 11, 2017, and this is the second of two required readings for the Ordinance.

This item was previously reviewed by the City in 2001. The Ordinance to remove the easement at that time was approved at the first reading on August 14, 2001. However, the minutes for the meeting of September 11, 2001 meeting state the following: "Staff reported the ordinance had been approved on first reading on August 14, and since then, residents of Bluff Ridge Drive requested the easement and concrete drive remain. Staff requested the ordinance be tabled to evaluate the request. Mrs. Sullivan moved to table the ordinance; motion was seconded by Mr. Roberts and passed 5-0." Staff has reviewed the minutes for the remainder of 2001, and the Ordinance was not brought back for a second reading.

The properties where the easement is located have remained vacant for the last 16 years. However, the owner of Lot 8, Block 6 now desires to develop the property for single family residential purposes. If adopted, the Ordinance would remove the easement from this property as well as the property directly downhill (104 Glen View Dr.) Staff was contacted by the owners of 104 Glen View, Ken and Debbie Becker. The Becker's also expressed a desire for the City to abandon the fire lane easement. They are excited to hear the City is

considering abandoning the easement. They believe this will increase their property value and they support the effort.

Once adopted, the City will file the Ordinance in the property records which will effectuate the abandonment & vacation of the easement, and thereby quitclaim the City's rights to the fire lane.

RECOMMENDED ACTION

Review and consider the Ordinance to remove the fire lane access easement between Bluff Ridge and Glen View.

Brenda Craig

From: noreply@civicplus.com
Sent: Friday, June 09, 2017 7:27 PM
To: Brenda Craig; Cheryl Brown; Mary Reyes; Ashlea Boyle; Charvy Tork
Subject: Online Form Submittal: Citizen Agenda Bill

Citizen Agenda Bill

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

SUBJECT OF REQUEST: Emergency Road Easement between Bluff Ridge and Glen View

AGENDA DATE: 6/27/2017

DATE SUBMITTED: 6/9/2017

REQUESTED/SUBMITTED BY: Jason McCormick

PHONE NUMBER: 830-370-6211

ORGANIZATION REPRESENTING: *Field not completed.*

MAILING ADDRESS: 1483 Junction Hwy

CITY: Kerrville

STATE: TX

ZIP: 78028

EMAIL ADDRESS: jasmacdylan@yahoo.com

EXHIBITS/INFORMATION: Re: Fire Lane Easement Forest West Four Subdivision
Dear Brenda Craig: We are now the owners of Lot 8, Block 6 of the Forest West Four Subdivision Phase III. As indicated on a copy of the recorded plat, there is a twenty-foot wide fire lane easement along the southwestern boundary of our lot, adjacent to lot 9. Currently there is a concrete drive existing within this easement that connects Bluff Ridge Drive with Glen View Road at the bottom of the

hill. This road is in disrepair and has not been maintained in sometime. This letter is to request that the City Council make a motion to abandon this easement. We have a letter that was addressed to the previous owner, Mr. Northington, dated July 17, 2001, notifying him that the City would be meeting on August 14, 2001 to make this same request. It is our understanding that this issue was discussed with the other residence in the neighborhood and for whatever reason the request was abandoned. We have met with the Fire Marshall, Chris Lee and the Fire Chief, Dannie Smith about the current and future need of this emergency fire lane. They have informed us that the lane itself is no longer needed nor would be used by the emergency department or vehicles to access this phase of our subdivision. Our plan for this lot is to incorporate this area into the property for building purposes. The top portion sits entirely on our property. It is currently not being used at all by the city but is being used by the residence as a walking path as well as drivers. Due to obvious liability, safety, and private property purposes we need to be able to restrict this area to trespassers. There are currently "Emergency Vehicles Only" signs posted at the top and the bottom. This road has not been maintained or used for more than a decade. The residents have adopted it as their personal road for walking, hanging out or driving. This has all be personally witnessed by us as well as testimonies from other residence. It has become problematic and needs to be addressed. The issue as it stands by us is that regardless of the City's plan for this road or its current use, it is still private property. If the city decides to keep the road available for emergency use then we need a plan for maintenance and trespassing issues. If the Cities decision is to abandon this road for any future use we need a formal decision so that we may post no trespassing signs and block off the area. Please let us know when we can get this on the agenda for a decision. We are beginning clearing of the lot and trying to proceed into planning for building and the fate of this road is imperative to moving forward.

(Section Break)

APPROVED FOR SUBMITTAL BY CITY MANAGER:



WILL THIS ITEM
REQUIRE CITY COUNCIL
TO AUTHORIZE THE
EXPEDITURE OF CITY
FUNDS?:

NO

**IF YES, STATE AMOUNT
REQUESTED:**

Field not completed.

**DESCRIPTION AND
DETAILS OF REQUEST:**

We are requesting that the City abandon the easement road between Bluff Ridge Dr and Glen View Rd. We have met with the Fire Marshall and Chief and they have evaluated and found that the road is no longer needed not **COULD** be used by the city for emergency road access.

**RECOMMENDED
COUNCIL ACTION:**

For the City of Kerrville to release all ownership and use of this easement.

Email not displaying correctly? [View it in your browser.](#)



**CITY OF KERRVILLE
FIRE/EMS**
87 CORONADO DRIVE
KERRVILLE, TEXAS 78028
830.257.8449 / WWW.KERRVILLETX.GOV



TO: Mark McDaniel, City Manager

FROM: Dannie Smith, Fire Chief

DATE: June 23, 2017

Cc: E.A. Hoppe, Deputy City Manager

SUBJECT: Bluff Ridge Fire Lane

On May 31, 2017, City Planner Gordon Browning, Fire Marshal Chris Lee and I met with 14 residents of Bluff Ridge Drive. The purpose was to address the residents' concerns, which are outlined in the attached letter dated May 19, 2017. Their concerns are with respect to the request from Mr. Jason McCormick, who owns the property located at 2100 Bluff Ridge. Mr. McCormick has asked the City to vacate and abandon its interest in the fire lane easement that goes across his property. The residents' concerns may be summarized as follows:

- The south end of Bluff Ridge culminates in what has been known to residents of Bluff Ridge as the "fire lane" – emergency entrance or exit for residents on this street in case of fire, an ambulance call, or icy conditions.
- The fire lane is also a popular walking site. The City has posted signs which say the "fire lane" is for emergency vehicles only.
- Several years ago, the residents here protested the City's arbitrary closing down this lane, and the City re-opened the lane.

During our research it was discovered these concerns date back to an August 14, 2001, City Council agenda item (attached). An item was on this agenda for the First Reading of an Ordinance vacating the fire lane easement located between Glen Road and Bluff Ridge. However, no Second Reading occurred which means the fire lane was never vacated and it remains today. Staff contacted staff members who worked on the issue at the time and they do not recall why a Second Reading failed to occur.

It was also discovered that the reasons for abandonment in 2001 as specified within the backup material for the agenda item, are consistent with those present today. The reasons are:

1. When Forest West Four Subdivision was platted in 1980, Westcrest Drive from the north to Bluff Ridge did not exist. At the time the only access to lots on Bluff Ridge Drive was from this temporary fire lane easement 1400 feet long. The fire lane was intended to provide alternate access on an interim basis until Westcrest Drive was constructed to the north of Bluff Ridge.
2. Currently the easement serves no purpose for emergency vehicles and is used as a one lane street, for which it was not designed.
3. The Fire Chief noted that the concrete driveway was too steep for fire trucks and EMS units.

An additional concern was expressed in the meeting May 31, 2017, by Barbara and James Penland (2108 Bluff Ridge). They believe the fire lane is a hazard and should be closed, or speed bumps installed. Their reasoning for this is: the high traffic volume, excessive speeds, narrowness of the lane and poor visibility due to the steep incline of the fire lane.

During the May 31st meeting we shared the following information with the group:

- KFD no longer uses the fire lane for emergencies or any response
- Today KFD has multiple access points to Bluff Ridge
- If Bluff Ridge is iced over KFD will not consider the fire lane as an option
- The Fire Lane is narrow and overgrown with vegetation
- The steep incline is difficult for longer modern vehicles
- Abandonment of the fire lane presents no public safety concern to KFD

After a thorough discussion with those in attendance from Bluff Ridge, 12 of 14 present remained convinced the fire lane is needed as an emergency exit, during icy conditions and as a walking trail. However, KFD has no public safety concerns with the abandonment of the fire lane. Our conclusion is the result of the information presented above on August 14, 2001, and May 31, 2017.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2017-14**

AN ORDINANCE ABANDONING AND VACATING ALL RIGHT, TITLE, AND INTEREST IN A FIRE LANE EASEMENT, AS LOCATED BETWEEN AND INTERSECTING WITH BOTH BLUFF RIDGE DRIVE AND GLENVIEW DRIVE AND BEING DEDICATED TO THE PUBLIC PURSUANT TO THE FOREST WEST FOUR – PHASE III PLAT, A SUBDIVISION OUT OF THE FLORENTINE LARA SURVEY NO. 123, ABSTRACT NO. 225, AND LOCATED WITHIN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 5, PAGE 45 OF THE PLAT RECORDS OF KERR COUNTY; SAID EASEMENT IMPACTING LOT 8, BLOCK 6, AND LOT 7, BLOCK 7, AS SPECIFIED ON SAID PLAT; FINDING THAT SAID DEDICATED RIGHT TO THE CITY IS NOT REQUIRED FOR FUTURE USE AS A FIRE LANE EASEMENT; AND ORDERING RECORDING

WHEREAS, pursuant to the Forest West Four - Phase III plat, a subdivision out of the Florentine Lara Survey No. 123, Abstract No. 225 (the “Plat”), and recorded on or about January 10, 1984, a twenty-five foot (25.0’) fire lane easement (“Easement”) was dedicated to the City; and;

WHEREAS, the Plat dedicated the Easement to the public for its specific purpose as a fire lane; and

WHEREAS, City staff, including the Fire Chief, has researched the dedication of the Easement and the City’s use thereof, and believes that the Easement is not required for its purpose; and

WHEREAS, a property owner who owns a property burdened by the Easement and has plans to develop that property, has asked the City to abandon and vacate the Easement; and

WHEREAS, as the Easement which is requested to be abandoned and vacated is not needed to provide emergency access for fire apparatus, City staff recommends that the City formally abandon and vacate this right-of-way property interest; and

WHEREAS, the City of Kerrville, Texas, is a home-rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the of the Texas Constitution and Chapter 9 of the Texas Local Government Code; and

WHEREAS, in order to avoid any future cost to the public required with respect to the future improvement and maintenance of said Easement, the City Council of the City of Kerrville, Texas, acting pursuant to state law and to facilitate the development of property, finds it to be in the public interest and advisable to abandon and vacate the right-of-way interest described herein and subject to the reservations and conditions which follow;

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

SECTION ONE. The facts and matters set forth in the preamble to this Ordinance are hereby found to be true and correct.

SECTION TWO. Subject to the conditions which follow in Section Three, the City Council hereby abandons, vacates, and quitclaims in favor of the abutting property owners, as appropriate, all of the City's right, title, and interest of the public in and to the fire lane easement shown on and dedicated to the public on the Forest West Four-Phase III plat, said plat as was filed on or about January 10, 1984, in Volume 5, Page 45 of the Plat Records of Kerr County, Texas, the Easement generally located between and intersecting with both Bluff Ridge Drive and Glenview Drive.

SECTION THREE. The abandonment and vacation of the fire lane easement is subject to all existing easements, whether apparent or non-apparent, aerial, surface, underground or otherwise owned by the City and/or third-parties, including the Twenty-Five Foot (25.0') wide sanitary sewer easement as previously dedicated to the public pursuant to the plat specified in Section Two, above, and that the City hereby expressly retains.

SECTION FOUR. The City Secretary is authorized and directed to prepare a certified copy of this Ordinance and furnish the same to abutting property owners, and in addition, record this Ordinance in the Official Public Records of Kerr County, Texas, which such recording shall serve as the quitclaim deed of the City of Kerrville, Texas, of all the right, title, or interest of the City in and to the fire lane easement, but only to that interest that the City Council may lawfully abandon and vacate and subject to the limitations and conditions of this Ordinance.

SECTION FIVE. The City Manager is authorized to execute any documents and take any other action necessary to complete the abandonment and vacation contemplated herein.

SECTION SIX. This Ordinance shall take effect upon its adoption and it is accordingly so ordained.

PASSED AND APPROVED ON FIRST READING, this the 11th day of July, A.D., 2017.

PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ day of _____, A.D., 2017.

Bonnie White, Mayor

ATTEST:

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:

Michael C. Hayes
Michael C. Hayes, City Attorney

Agenda Item:

6A. Ordinance No. 2017-15 authorizing the City Manager to execute a commercial contract – unimproved property for an approximate 2.15 acre tract of land out of the Walter Fosgate Survey No. 120, Abstract No. 138, within the City of Kerrville, Kerr County, Texas, and more commonly known as the former city hall site located at 800 Junction Highway (SH27); authorizing the City Manager to execute a special warranty deed to convey this property and to take any other reasonable and necessary action to close on the sale of the property; repealing all conflicting ordinances; providing for severability, and declaring an effective date. (staff)

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

SUBJECT: Ordinance No. 2017-15 authorizing the City Manager to execute a commercial contract – unimproved property for an approximate 2.15 acre tract of land out of the Walter Fosgate Survey No. 120, Abstract No. 138, within the City of Kerrville, Kerr County, Texas, and more commonly known as the former city hall site located at 800 Junction Highway (SH27); authorizing the City Manager to execute a special warranty deed to convey this property and to take any other reasonable and necessary action to close on the sale of the property; repealing all conflicting ordinances; providing for severability, and declaring an effective date.

FOR AGENDA OF: July 25, 2017

DATE SUBMITTED: July 14, 2017

SUBMITTED BY: E.A. Hoppe
E.A. Hoppe Deputy City Manager

CLEARANCES: Mark McDaniel
City Manager

EXHIBITS: Contract for sale of real property

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: *MP*

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

PAYMENT TO BE MADE TO: N/A

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

On July 11th, the City Council reviewed a Letter of Intent for the sale of City owned real property located at 800 Junction Highway. Staff and the City's contract real-estate agent have coordinated on the development of a real estate contract.

RECOMMENDED ACTION

Approve the contract for the sale of real property located at 800 Junction Hwy (SH 27).

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2017-15**

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE A COMMERCIAL CONTRACT – UNIMPROVED PROPERTY FOR AN APPROXIMATE 2.15 ACRE TRACT OF LAND OUT OF THE WALTER FOSGATE SURVEY NO. 120, ABSTRACT NO. 138, WITHIN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS, AND MORE COMMONLY KNOWN AS THE FORMER CITY HALL SITE LOCATED AT 800 JUNCTION HIGHWAY (SH 27); AUTHORIZING THE CITY MANAGER TO EXECUTE A SPECIAL WARRANTY DEED TO CONVEY THIS PROPERTY AND TO TAKE ANY OTHER REASONABLE AND NECESSARY ACTION TO CLOSE ON THE SALE OF THE PROPERTY; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY, AND DECLARING AN EFFECTIVE DATE

WHEREAS, the City of Kerrville (“City”), currently owns the property located at 800 Junction Highway, which was previously used as the site for City Hall (the “Property”); and

WHEREAS, pursuant to Section 253.014 of the Texas Local Government Code, the City previously entered into a contract with a broker to sell the Property; and

WHEREAS, the broker recently brought the City an offer for the Property, which was reviewed by City Council; and

WHEREAS, the proposed buyer has submitted a *Commercial Contract – Unimproved Property* to the City, which the broker and City staff reviewed and have now presented to City Council for its review and approval; and

WHEREAS, Section 253.001 of the Texas Local Government Code gives a city the authority to sell and convey land that it owns as a site for its city hall; and

WHEREAS, subsection (c) of Section 253.001 of the Texas Local Government Code requires City Council to adopt an ordinance directing the City Manager to execute the conveyance; and

WHEREAS, subsection (d) of Section 253.001 of the Texas Local Government Code requires “[t]he proceeds of the sale may be used only to acquire or improve property for the purposes for which the sold property was used”; and

WHEREAS, following its review and consideration, the City Council finds that it is in the public interest to authorize the City Manager to execute the *Commercial Contract – Unimproved Property* for the Property and to take any other reasonable and necessary action to close on the Property;

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

SECTION ONE. The City Manager is authorized to execute the *Commercial Contract – Unimproved Property*, as attached as **Exhibit A**, for the tract of land containing approximately 2.15 acres out of the Walter Fosgate Survey No. 120, Abstract No. 138, within the City of Kerrville, Kerr County, Texas, and more commonly known as the former City Hall site located at 800 Junction Highway (SH 27).

SECTION TWO. The City Manager is authorized to execute a Special Warranty Deed to convey the Property and to take any other reasonable and necessary action to close on the Property.

SECTION THREE. Following closing and the City's receipt of proceeds from the sale of the Property, the City Manager is directed to deposit the proceeds and to designate them for use only to acquire or improve property for the purposes for which the sold property was used, in compliance with state law.

SECTION FOUR. All ordinances or parts of ordinances in conflict with this Ordinance are repealed to the extent of such conflict.

SECTION FIVE. If any provision of the Ordinance, or the application thereof to any person or circumstances, shall be held invalid or unconstitutional by a Court of competent jurisdiction, such invalidity shall not affect the other provisions, or application thereof, of this Ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this Ordinance are declared to be severable.

SECTION SIX. The provisions of this Ordinance are effective upon final passage and approval by City Council.

PASSED AND APPROVED ON FIRST READING, this the ___ day of _____, 2017.


PASSED AND APPROVED ON SECOND AND FINAL READING, this the ___ day of _____, 2017.

ATTEST:

Bonnie White, Mayor

Brenda G. Craig, City Secretary

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

EXHIBIT A



TEXAS ASSOCIATION OF REALTORS® COMMERCIAL CONTRACT - UNIMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
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1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: City of Kerrville

Address: 701 Main St, Kerrville, TX 78028
Phone: 830-257-8000 E-mail: mike.hayes@kerrvilletx.gov
Fax: _____ Other: _____

Buyer: Hossein Hagigholam and or assigns

Address: 215 Junction Hwy, Kerrville, TX 78028
Phone: (830)257-2482 E-mail: hagi@mamacitas.com
Fax: _____ Other: _____

2. PROPERTY:

- A. "Property" means that real property situated in Kerr County, Texas at 800 Junction Hwy (address) and that is legally described on the attached Exhibit "A" or as follows: Walter Fosgate Survey #120, Abstract #138, 2.15 acres, more or less, see Exhibit "A" attached.

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- B. Seller will sell and convey the Property together with:

- (1) all rights, privileges, and appurtenances pertaining to the Property but limited to including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
(2) Seller's interest in all leases, rents, and security deposits for all or part of the Property; and
(3) Seller's interest in all licenses and permits related to the Property.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)
(If mineral rights are to be reserved an appropriate addendum should be attached.)

3. SALES PRICE:

- A. At or before closing, Buyer will pay the following sales price for the Property:

- (1) Cash portion payable by Buyer at closing \$ 688,000.00
(2) Sum of all financing described in Paragraph 4 \$ _____
(3) Sales price (sum of 3A(1) and 3A(2)) \$ 688,000.00

EXHIBIT A

Commercial Contract - Unimproved Property concerning 800 Junction Hwy

B. Adjustment to Sales Price: (Check (1) or (2) only.)

- ☒ (1) The sales price will not be adjusted based on a survey.
- ☐ (2) The sales price will be adjusted based on the latest survey obtained under Paragraph 6B.
- (a) The sales price is calculated on the basis of \$ _____ per:
- ☐ (i) square foot of ☐ total area ☐ net area.
- ☐ (ii) acre of ☐ total area ☐ net area.
- (b) "Total area" means all land area within the perimeter boundaries of the Property. "Net area" means total area less any area of the Property within:
- ☐ (i) public roadways;
- ☐ (ii) rights-of-way and easements other than those that directly provide utility services to the Property; and
- ☐ (iii) _____
- (c) If the sales price is adjusted by more than _____ % of the stated sales price, either party may terminate this contract by providing written notice to the other party within _____ days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the sales price will be made to the cash portion of the sales price payable by Buyer.

4. **FINANCING**: Buyer will finance the portion of the sales price under Paragraph 3A(2) as follows:

- ☐ A. Third Party Financing: One or more third party loans in the total amount of \$ _____ This contract:
- ☐ (1) is not contingent upon Buyer obtaining third party financing.
- ☐ (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TAR-1931).
- ☐ B. Assumption: In accordance with the attached Commercial Contract Financing Addendum (TAR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.
- ☐ C. Seller Financing: The delivery of a promissory note and deed of trust to Seller under the terms of the attached Commercial Contract Financing Addendum (TAR-1931) in the amount of \$ _____.

5. **EARNEST MONEY**:

- A. Not later than 3 days after the effective date, Buyer must deposit \$ \$25,000.00 as earnest money with Kerr County Abstract & Title (title company) at 712 Earl Garrett (address) Jarrod Hamil (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
- B. Buyer will deposit an additional amount of \$ _____ with the title company to be made part of the earnest money on or before:
- ☐ (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
- ☐ (ii) _____
- Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.

EXHIBIT A

Commercial Contract - Unimproved Property concerning 800 Junction Hwy

- C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY AND SURVEY:

A. Title Policy:

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
- (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
- ☐ (a) will not be amended or deleted from the title policy.
 - ☒ (b) will be amended to read "shortages in areas" at the expense of ☐ Buyer ☒ Seller.
- (3) Within 10 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey: Within 10 days after the effective date:

- ☒ (1) Buyer ~~will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer~~ no reimbursement (insert amount) of the cost of the survey at closing, if closing occurs.
- ☐ (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- ☒ (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. ~~If the existing survey is not acceptable to the title company, Seller, at Seller's expense, will obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to Buyer and the title company within 20 days after Seller receives notice that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for Seller to deliver an acceptable survey within the time required. Buyer will reimburse Seller~~ (insert amount) of the cost of the new or updated survey at closing, if closing occurs.

C. Buyer's Objections to the Commitment and Survey:

- (1) Within 10 days after Buyer receives the commitment, copies of the documents evidencing the title exceptions, and any required survey, Buyer may object in writing to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If Paragraph 6B(1) applies,

EXHIBIT A

Commercial Contract - Unimproved Property concerning 800 Junction Hwy

Buyer is deemed to receive the survey on the earlier of: (i) the date of Buyer's actual receipt of the survey; or (ii) of the deadline specified in Paragraph 6B.

(2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.

(3) Buyer's failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: N/A

B. Feasibility Period: Buyer may terminate this contract for any reason within 30 days after the effective date (feasibility period) by providing Seller written notice of termination. (Check only one box.)

☒ (1) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 100.00 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

☐ (2) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

C. Inspections, Studies, or Assessments:

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

(2) Buyer must:

- (a) employ only trained and qualified inspectors and assessors;
- (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
- (c) abide by any reasonable entry rules or requirements of Seller;
- (d) not interfere with existing operations or occupants of the Property; and
- (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

EXHIBIT A

Commercial Contract - Unimproved Property concerning 800 Junction Hwy

- (3) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

- (1) Delivery of Property Information: Within 10 days after the effective date, Seller will deliver to Buyer: (Check all that apply.)

- ☒ (a) copies of all current leases pertaining to the Property, including any modifications, supplements, or amendments to the leases;
- ☐ (b) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- ☒ (c) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- ☐ (d) copies property tax statements for the Property for the previous 2 calendar years;
- ☒ (e) plats of the Property;
- ☐ (f) copies of current utility capacity letters from the Property's water and sewer service provider; and
- ☒ (g) as shown on attached amendment "B"

- (2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: (Check all that apply.)

- ☐ (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
- ☐ (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied; and
- ☐ (c) deliver copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

- E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES:

- A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:

- (1) any failure by Seller to comply with Seller's obligations under the leases;
- (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
- (3) any advance sums paid by a tenant under any lease;
- (4) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and

EXHIBIT A

Commercial Contract - Unimproved Property concerning 800 Junction Hwy

(5) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.

B. Estoppel Certificates: Within 10 days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: Sue Tiemann

Brinkman Preferred

Agent: _____

Address: P O Box 294748

Phone & Fax: (830)315-7653

E-mail: sue.tiemann@gmail.com

License No.: 0294949

Cooperating Broker: Brinkman Commercial Properties

Bruce Stracke, broker

Agent: Carl Harvey Brinkman

Address: 821 Earl Garrett

Phone & Fax: (830)896-8888

E-mail: brucejohn@brinkmancommercial.com

License No.: 602820

Principal Broker: (Check only one box.)

☒ represents Seller only.

☐ represents Buyer only.

☐ is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

B. Fees: (Check only (1) or (2) below.)

(Complete the Agreement Between Brokers on page 13 only if (1) is selected.)

☐ (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

☒ (2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:

☒ 3.000 % of the sales price.

Cooperating Broker a total cash fee of:

☒ 3.000 % of the sales price.

The cash fees will be paid in Kerr County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

EXHIBIT A

Commercial Contract - Unimproved Property concerning 800 Junction Hwy

10. CLOSING:

A. The date of the closing of the sale (closing date) will be on or before the later of:

- (1) ☐ 10 days after the expiration of the feasibility period.
☒ September 5, 2017 (specific date).

(2) 7 days after objections made under Paragraph 6C have been cured or waived.

B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

C. At closing, Seller will execute and deliver, at Seller's expense, a ☒ general ☒ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:

- (1) with no liens, assessments, or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
(2) without any assumed loans in default; and
(3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

D. At closing, Seller, at Seller's expense, will also deliver to Buyer:

- (1) tax statements showing no delinquent taxes on the Property;
(2) an assignment of all leases to or on the Property;
(3) to the extent assignable, an assignment to Buyer of any licenses and permits related to the Property;
(4) evidence that the person executing this contract is legally capable and authorized to bind Seller;
(5) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply applicable tax law; and (ii) deliver the amount to the Internal Revenue Service (IRS) together with appropriate tax forms; and
(6) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and issuance of the title policy, all of which must be completed by Seller as necessary.

E. At closing, Buyer will:

- (1) pay the sales price in good funds acceptable to the title company;
(2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
(3) sign and send to each tenant in a lease for any part of the Property a written statement that:
(a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
(b) specifies the exact dollar amount of the security deposit;
(4) sign an assumption of all leases then in effect; and
(5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

EXHIBIT A

Commercial Contract - Unimproved Property concerning 800 Junction Hwy

12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*
see Addendum Exhibit "B"

13. SALES EXPENSES:

A. Seller's Expenses: Seller will pay for the following at or before closing:

- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
- (2) release of Seller's loan liability, if applicable;
- (3) tax statements or certificates;
- (4) preparation of the deed;
- (5) one-half of any escrow fee;
- (6) costs to record any documents to cure title objections that Seller must cure; and
- (7) other expenses that Seller will pay under other provisions of this contract.

B. Buyer's Expenses: Buyer will pay for the following at or before closing:

- (1) all loan expenses and fees;
- (2) preparation of any deed of trust;
- (3) recording fees for the deed and any deed of trust;
- (4) premiums for flood insurance as may be required by Buyer's lender;
- (5) one-half of any escrow fee;
- (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

A. Prorations:

- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
- (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

B. Rollback Taxes: If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of the Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

EXHIBIT A

Commercial Contract - Unimproved Property concerning 800 Junction Hwy

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(3) which Seller may pursue; or
(Check if applicable)
☐ enforce specific performance, or seek such other relief as may be provided by law.
- B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) extend the time for performance up to 15 days and the closing will be extended as necessary.
- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CONDEMNATION: If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- A. terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration paid under Paragraph 7B(1), will be refunded to Buyer; or
- B. appear and defend in the condemnation proceedings and any award will, at Buyer's election, belong to:
(1) Seller and the sales price will be reduced by the same amount; or
(2) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.
- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.

EXHIBIT A

Commercial Contract - Unimproved Property concerning 800 Junction Hwy

- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. ☐ Seller ☐ Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- ☐ A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TAR-1408).
- ☒ B. Except as otherwise provided in this contract, Seller is not aware of:
- (1) any subsurface: structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(10) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- ☒ A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- ☒ B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas.

EXHIBIT A

Commercial Contract - Unimproved Property concerning 800 Junction Hwy

If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.

- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.

D. Addenda which are part of this contract are: *(Check all that apply.)*

- ☒ (1) Property Description Exhibit identified in Paragraph 2;
- ☐ (2) Commercial Contract Financing Addendum (TAR-1931);
- ☐ (3) Commercial Property Condition Statement (TAR-1408);
- ☐ (4) Commercial Contract Addendum for Special Provisions (TAR-1940);
- ☐ (5) Notice to Purchaser of Real Property in a Water District (MUD);
- ☐ (6) Addendum for Coastal Area Property (TAR-1915);
- ☐ (7) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
- ☒ (8) Information About Brokerage Services (TAR-2501); and
- ☐ (9) _____

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

- E. Buyer ☒ may ☐ may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all obligations and liability of Buyer under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receipts this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

EXHIBIT A

Commercial Contract - Unimproved Property concerning 800 Junction Hwy

- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135 of the Texas Natural Resources Code requires a notice regarding coastal area property to be included as part of this contract.
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract.
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
- H. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."
26. **CONTRACT AS OFFER:** The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on _____, the offer will lapse and become null and void.

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. **CONSULT your attorney BEFORE signing.**

Seller: City of Kerrville

Buyer: Hossein Hagigholam and or assigns

By: _____
By (signature): _____
Printed Name: _____
Title: _____

By: [Signature]
By (signature): _____
Printed Name: _____
Title: _____

By: _____
By (signature): _____
Printed Name: _____
Title: _____

By: _____
By (signature): _____
Printed Name: _____
Title: _____

EXHIBIT A

Commercial Contract -Unimproved Property concerning 800 Junction Hwy

AGREEMENT BETWEEN BROKERS

(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay Burkman Commercial (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

☐ \$ _____, or
☒ 3 % of the sales price, or
☐ _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: Sue Tiemann

Cooperating Broker: Bruce Stracke

By: Sue Tiemann

By: _____

ATTORNEYS

Seller's attorney: _____

Buyer's attorney: _____

Address: _____

Address: _____

Phone & Fax: _____

Phone & Fax: _____

E-mail: _____

E-mail: _____

Seller's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Seller.
☐ Buyer sends to Seller.

Buyer's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Buyer.
☐ Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

- ☐ A. the contract on this day _____ (effective date);
☐ B. earnest money in the amount of \$ _____ in the form of _____ on _____.

Title company: _____

Address: _____

By: _____

Phone & Fax: _____

Assigned file number (GF#): _____

E-mail: _____

EXHIBIT A' Δ"

FEB 1 099

Kerr CAD

Property Search Results > 64074 CITY OF KERRVILLE for Year 2016

Property

Account

Property ID: 64074

Legal Description: ABS A0138 FOSGATE, SUR 120, TRACT (CITY HALL), ACRES 0.97

Geographic ID: 0138-0120-005000

Agent Code:

Type: Real

Property Use Code:

Property Use Description:

Location

Address: 800 JUNCTION HWY N
KERRVILLE, TX 78028

Mapco:

Neighborhood:

Map ID: L30

Neighborhood CD:

Owner

Name: CITY OF KERRVILLE
Mailing Address: 701 MAIN ST
KERRVILLE, TX 78028-5301

Owner ID: 14062

% Ownership: 100.0000000000%

Exemptions: EX-XV

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$211,265	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0

(=) Market Value: = \$211,265

(-) Ag or Timber Use Value Reduction: = \$0

(=) Appraised Value: = \$211,265

(-) HS Cap: = \$0

(=) Assessed Value: = \$211,265

DRAFT

Taxing Jurisdiction

Owner: CITY OF KERRVILLE

% Ownership: 100.0000000000%

Total Value: \$211,265

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	Central Appraisal District	0.000000	\$211,265	\$0	\$0.00
CKV	CITY OF KERRVILLE	0.562500	\$211,265	\$0	\$0.00
GKR	KERR COUNTY	0.467700	\$211,265	\$0	\$0.00
RLT	LATERAL ROADS	0.032300	\$211,265	\$0	\$0.00
SKV	KERRVILLE I.S.D.	1.180000	\$211,265	\$0	\$0.00
UGR	UPPER GUADALUPE RIVER AUTHORITY	0.024400	\$211,265	\$0	\$0.00
WHU	HEADWATERS GROUNDWATER CONSERVATION DISTRICT	0.007400	\$211,265	\$0	\$0.00
	Total Tax Rate:	2.274300			

Taxes w/Current Exemptions: \$0.00
 Taxes w/o Exemptions: \$4,604.80

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	F1	F1	0.9700	42253.00	0.00	0.00	\$211,265	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2017	\$0	\$211,265	0	211,265	\$0	\$211,265
2016	\$0	\$211,265	0	211,265	\$0	\$211,265
2015	\$0	\$211,265	0	211,265	\$0	\$211,265

EXHIBIT A
EXHIBIT 1A

PAGE 2 OF 9

2014	\$0	\$211,265	0	211,265	\$0	\$211,265
2013	\$664,510	\$211,265	0	875,775	\$0	\$875,775
2012	\$664,510	\$211,265	0	875,775	\$0	\$875,775
2011	\$664,510	\$211,265	0	875,775	\$0	\$875,775
2010	\$664,510	\$211,265	0	875,775	\$0	\$875,775
2009	\$664,510	\$211,265	0	875,775	\$0	\$875,775
2008	\$664,510	\$211,265	0	875,775	\$0	\$875,775
2007	\$664,510	\$13,095	0	677,605	\$0	\$677,605
2006	\$664,510	\$211,265	0	875,775	\$0	\$875,775
2005	\$664,510	\$211,265	0	875,775	\$0	\$875,775
2004	\$664,510	\$147,886	0	812,396	\$0	\$812,396
2003	\$664,510	\$147,886	0	812,396	\$0	\$812,396
2002	\$664,510	\$147,886	0	812,396	\$0	\$812,396
2001	\$664,510	\$147,886	0	812,396	\$0	\$812,396
2000	\$664,510	\$147,886	0	812,396	\$0	\$812,396
1999	\$664,510	\$147,886	0	812,396	\$0	\$812,396
1998	\$664,510	\$147,886	0	812,396	\$0	\$812,396

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	2/16/1984	WD	Warranty Deed	LCRA	CITY OF KERRVILLE	291	090	0

Questions Please Call (830) 895-5223

Website version: 1.2.2.11

Database last updated on: 5/1/2017 10:51 PM

© N. Harris Computer Corporation

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Kerr CAD

Property Search Results > 64075 CITY OF KERRVILLE for Year 2016

Property

Account			
Property ID:	64075	Legal Description:	ABS A0138 FOSGATE, SUR 120,TRACT (CITY HALL PARKING LOT),ACRES 1.3
Geographic ID:	0138-0120-010000	Agent Code:	
Type:	Real		
Property Use Code:			
Property Use Description:			
Location			
Address:	800 JUNCTION HWY N KERRVILLE, TX 78028	Mapsc:	
Neighborhood:		Map ID:	M30
Neighborhood CD:			
Owner			
Name:	CITY OF KERRVILLE	Owner ID:	14062
Mailing Address:	701 MAIN ST KERRVILLE, TX 78028-5301	% Ownership:	100.0000000000%
		Exemptions:	EX-XV

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$56,628	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
(=) Market Value:	=	\$56,628	
(-) Ag or Timber Use Value Reduction:	-	\$0	
(=) Appraised Value:	=	\$56,628	
(-) HS Cap:	-	\$0	
(=) Assessed Value:	=	\$56,628	

DRAFT

Taxing Jurisdiction

Owner: CITY OF KERRVILLE
% Ownership: 100.0000000000%
Total Value: \$56,628

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	Central Appraisal District	0.000000	\$56,628	\$0	\$0.00
CKV	CITY OF KERRVILLE	0.562500	\$56,628	\$0	\$0.00
GKR	KERR COUNTY	0.467700	\$56,628	\$0	\$0.00
RLT	LATERAL ROADS	0.032300	\$56,628	\$0	\$0.00
SKV	KERRVILLE I.S.D.	1.180000	\$56,628	\$0	\$0.00
UGR	UPPER GUADALUPE RIVER AUTHORITY	0.024400	\$56,628	\$0	\$0.00
WHU	HEADWATERS GROUNDWATER CONSERVATION DISTRICT	0.007400	\$56,628	\$0	\$0.00
Total Tax Rate:		2.274300			

Taxes w/Current Exemptions: \$0.00
Taxes w/o Exemptions: \$1,207.89

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	F1	F1	1.3000	56628.00	0.00	0.00	\$56,628	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2017	\$0	\$56,628	0	\$56,628	\$0	\$56,628
2016	\$0	\$56,628	0	\$56,628	\$0	\$56,628
2015	\$0	\$56,628	0	\$56,628	\$0	\$56,628

EXHIBIT A
EXHIBIT A

PAGE 4 of 9

2014	\$0	\$56,628	0	56,628	\$0	\$56,628
2013	\$0	\$56,628	0	56,628	\$0	\$56,628
2012	\$0	\$56,628	0	56,628	\$0	\$56,628
2011	\$0	\$56,628	0	56,628	\$0	\$56,628
2010	\$0	\$56,628	0	56,628	\$0	\$56,628
2009	\$0	\$56,628	0	56,628	\$0	\$56,628
2008	\$0	\$56,628	0	56,628	\$0	\$56,628
2007	\$0	\$17,550	0	17,550	\$0	\$17,550
2006	\$0	\$56,628	0	56,628	\$0	\$56,628
2005	\$0	\$56,628	0	56,628	\$0	\$56,628
2004	\$0	\$56,628	0	56,628	\$0	\$56,628
2003	\$0	\$56,628	0	56,628	\$0	\$56,628
2002	\$0	\$56,628	0	56,628	\$0	\$56,628
2001	\$0	\$56,628	0	56,628	\$0	\$56,628
2000	\$0	\$56,628	0	56,628	\$0	\$56,628
1999	\$0	\$56,628	0	56,628	\$0	\$56,628
1998	\$0	\$56,628	0	56,628	\$0	\$56,628

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	2/16/1984	WD	Warranty Deed	LCRA	CITY OF KERRVILLE	291	090	0

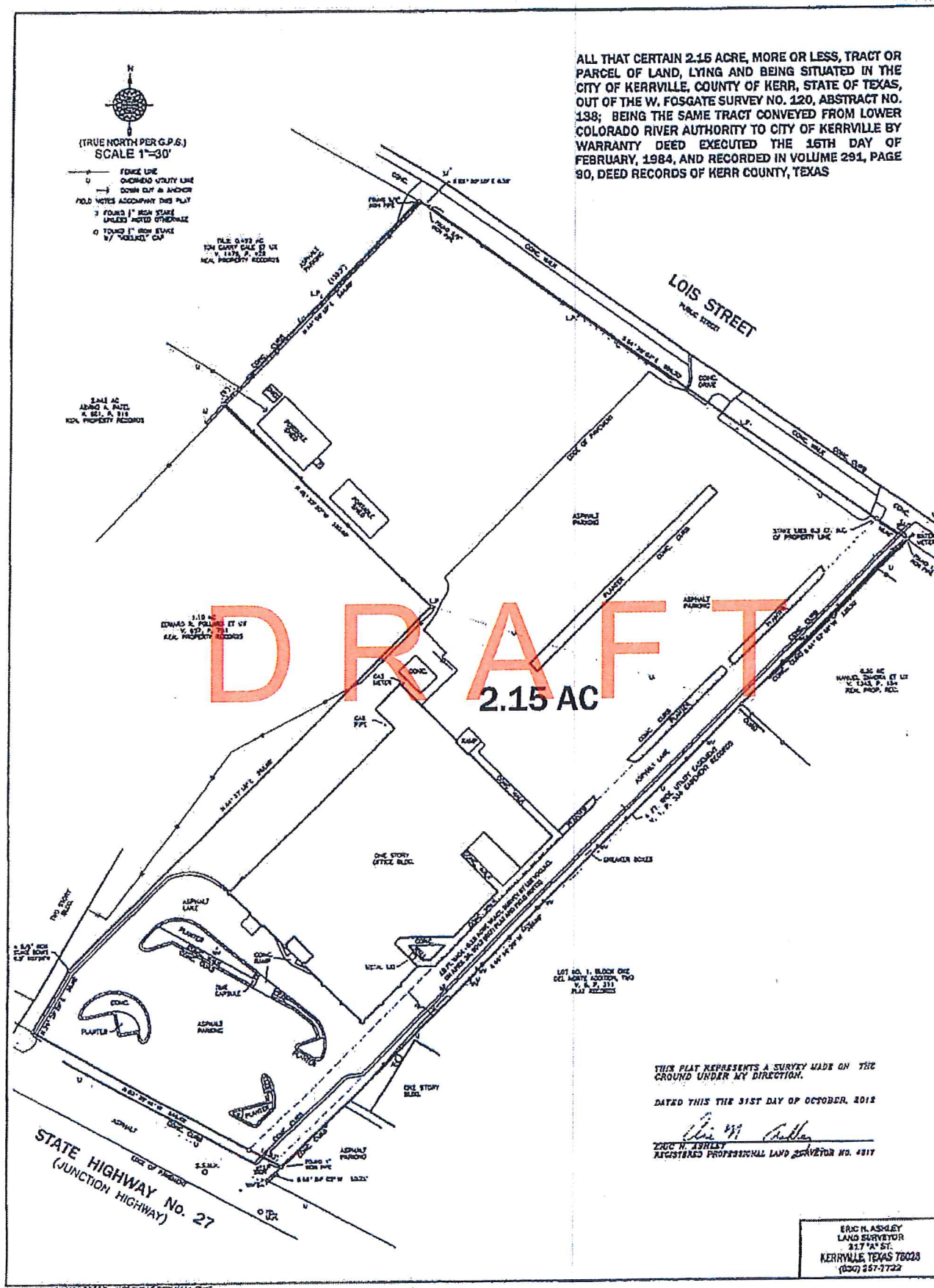
Questions Please Call (830) 895-5223

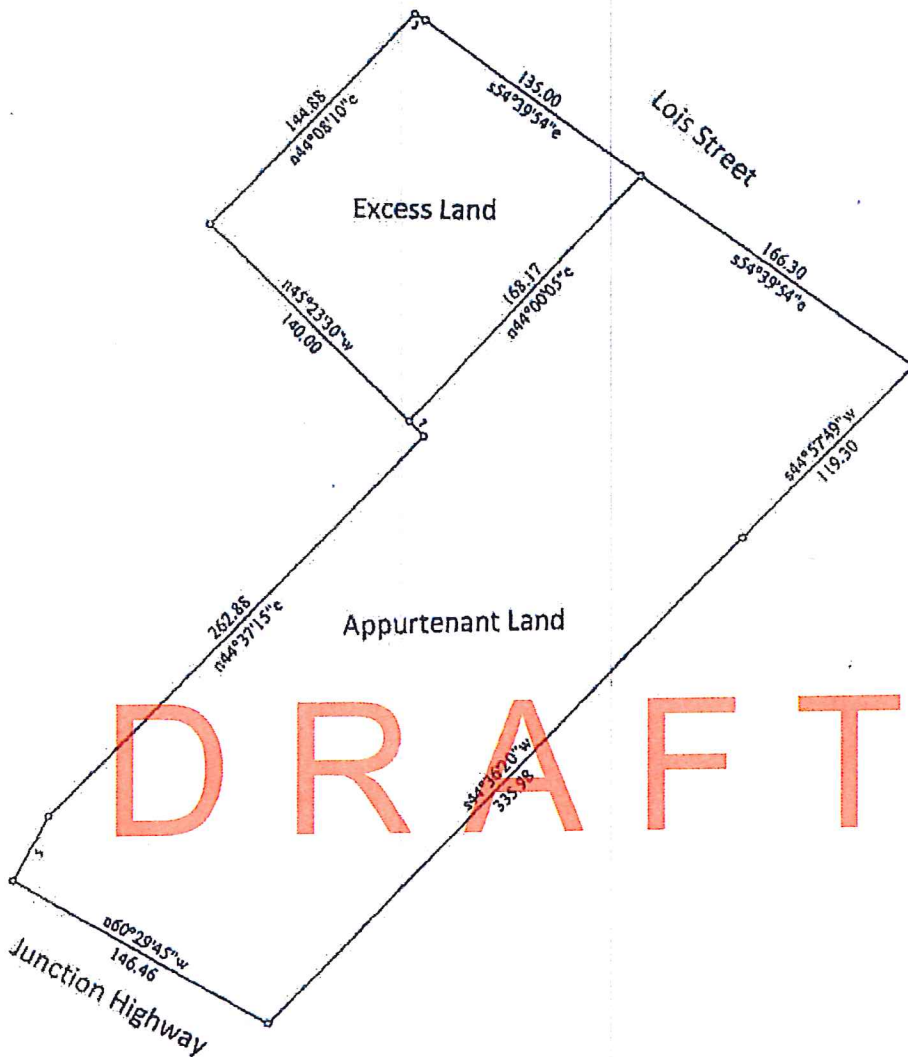
Website version: 1.2.2.11

Database last updated on: 5/1/2017 10:51 PM

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Title:		Date: 11-06-2012
Scale: 1 inch = 85 feet	File: Merged.des	
Tract 1: 1.647 Acres: 71750 Sq Feet: Closure = n47.3135e 0.00 Feet: Precision = 1/714544: Perimeter = 1247 Feet		
Tract 2: 0.503 Acres: 21918 Sq Feet: Closure = s33.3041w 0.00 Feet: Precision = 1/342206: Perimeter = 594 Feet		
001=s54.3954e 166.30	006=n44.3715e 262.88	011=n44.0810e 144.88
002=s44.5749w 119.30	007=n45.2330w 10.65	012=s59.2010e 6.36
003=s44.3620w 335.98	008=n44.0005e 168.17 ?	013=s54.3954e 135.00
004=n60.2945w 146.46	009=@8 Merge 1	014=s44.0000w 168.17
005=n29.2826e 36.88	010=n45.2330w 140.00	

EXHIBIT "A"

Page 1 of 1 EXHIBIT A

FIELD NOTES DESCRIPTION OF A 2.15 ACRE TRACT OF LAND
SITUATED IN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS

BEING ALL OF A CERTAIN TRACT OR PARCEL OF LAND CONTAINING 2.15 ACRES, MORE OR LESS, OUT OF THE WALTER FOSGATE SURVEY NO. 120, ABSTRACT NO. 138, IN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS; THE SAME PROPERTY CONVEYED FROM LOWER COLORADO RIVER AUTHORITY TO CITY OF KERRVILLE BY WARRANTY DEED EXECUTED THE 16TH DAY OF FEBRUARY, 1984, AND RECORDED IN VOLUME 291, PAGE 90, DEED RECORDS OF KERR COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½" iron pipe found in the southwest right-of-way line of Lois Street, a public street, for the east corner hereof, the north corner of that 0.30 acre tract conveyed to Manuel Zamora et ux by deed recorded in Volume 1345, Page 154, Real Property Records of Kerr County, Texas;

THENCE along the southeast line hereof: 1) S 44° 57' 49" W 119.30 ft. to a ½" iron stake found at the west corner of said 0.30 acre tract, the north corner of Lot No. 1, Block One, of Del Norte Addition, Two, a subdivision of record in Volume 6, Page 311, Plat Records of Kerr County, Texas; and 2) S 44° 36' 20" W 335.98 ft. to a 1" iron pipe found in the northeast right-of-way line of State Highway No. 27 (Junction Highway), for the south corner hereof, from which a ½" iron stake found at the west corner of said Lot No. 1 bears 10.21 ft. S 46° 24' 02" W;

THENCE with said right-of-way line of Highway No. 27, N 60° 29' 45" W 146.46 ft. to a ½" iron stake found at the south corner of that 1.10 acre tract conveyed to Edward R. Pollard et ux by deed recorded in Volume 857, Page 751, Real Property Records of Kerr County, Texas, for the southerly west corner hereof;

THENCE with the common line of said 1.10 acre tract: 1) N 29° 28' 26" E 36.88 ft. to a found ½" iron stake, from which a 5/8" iron stake bears 0.5 ft. S 03° 36' W; 2) N 44° 37' 15" E 262.88 ft. to a found ½" iron stake, the east corner of said 1.10 acre tract; and 3) N 45° 23' 30" W 150.65 ft. to a ½" iron stake found in the southeast line of that 2.442 acre tract conveyed to Arvind A. Patel by deed recorded in Volume 601, Page 816, Real Property Records of Kerr County, Texas, the north corner of said 1.10 acre tract, the northerly west corner hereof;

THENCE along the northerly northwest line hereof, N 44° 08' 10" E at 9 ft. passing the east corner of said 2.442 acre tract, the south corner of that 0.492 acre tract described as "Tract 2" in a deed to Tom Garry Cale et ux, recorded in Volume 1479, Page 429, Real Property Records of Kerr County, Texas, continuing for a total distance of 144.88 ft. to a 5/8" iron pipe found in the southwest right-of-way line of Lois Street, for the north corner hereof, the east corner of said 0.492 acre tract;

THENCE along the northeast line hereof, the southwest right-of-way line of Lois Street: 1) S 59° 20' 10" E 6.36 ft. to a found 3/8" iron pipe; and 2) S 54° 39' 54" E 301.30 ft. to the PLACE OF BEGINNING, containing 2.15 acres of land, more or less, within these metes and bounds. A plat of this survey has been prepared.

The foregoing field notes represent a survey
made on the ground under my direction.

Dated this the 31st day of October, 2012


Eric N. Ashley
Registered Professional Land Surveyor No. 4617
(Kerrville City Hall.fnd)

EXHIBIT A
EXHIBIT "A" PAGE 8 OF 9




Development Services Department
Planning | Engineering | Building Center | Compliance Center

September 22, 2016

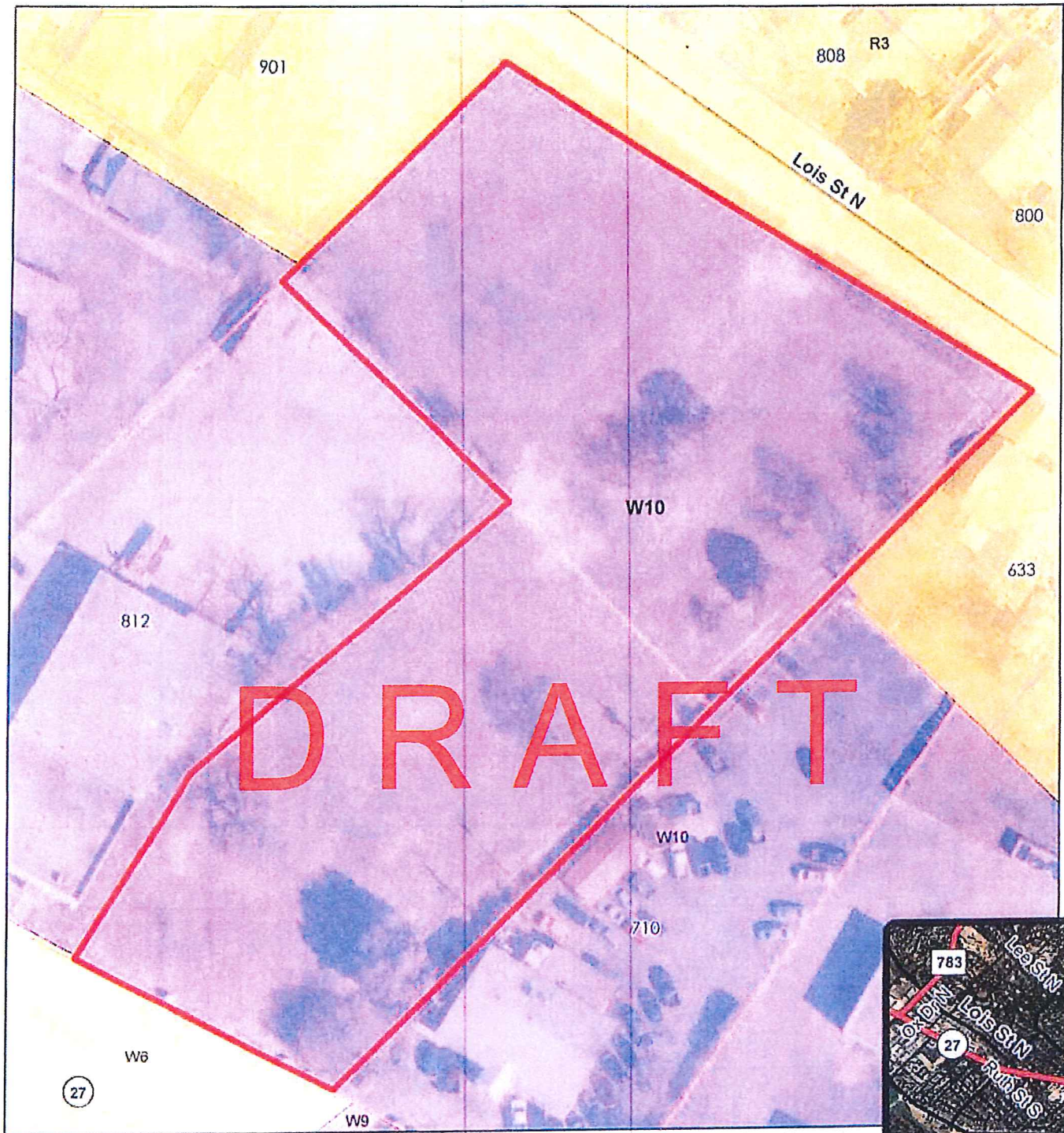
Re: Zoning Verification Letter

To Whom It May Concern,

The City of Kerrville has reviewed the property located at 800 Junction Highway (Tax ID # 64075) and has determined that the property's zoning district is "10-W" West Side 10 District. The subject property was originally zoned "C-2" Community Business Zone in accordance with the 1973 zoning code (Ordinance 73-20). Upon adoption of the 1997 Zoning Code (Ordinance 97-07), the subject property's zoning classification converted to the current "10-W" West Side 10 District. Attached is a zoning map for reference. Please feel free to contact me if you have any questions or concerns. Thank you.


Trenton Robertson, AICP, CFM
City Planner
City of Kerrville
830-258-1184
trent.robertson@kerrvilletx.gov

DRAFT



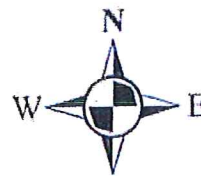
Zoning Verification

Location: ABS A0138 Fosgate, SUR 120

800 Junction Hwy

Property ID: 64075

Zoning: 10-W



0 25 50 100 Feet

SURVEY PLAT FOR 0.19 ACRE OF LAND, MORE OR LESS, OUT OF WALTER FOSGATE SURVEY NO. 120, ABSTRACT NO. 138 IN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS: PART OF A CERTAIN 2.27 ACRE TRACT CONVEYED FROM LOWER COLORADO RIVER AUTHORITY TO THE CITY OF KERRVILLE BY A WARRANTY DEED EXECUTED THE 16TH DAY OF FEBRUARY, 1984 AND RECORDED IN VOLUME 291 AT PAGE 90 OF THE DEED RECORDS OF KERR COUNTY, TEXAS



FIELD NOTES DESCRIPTION OF A 2.15 ACRE TRACT OF LAND
SITUATED IN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS

BEING ALL OF A CERTAIN TRACT OR PARCEL OF LAND CONTAINING 2.15 ACRES, MORE OR LESS, OUT OF THE WALTER FOSGATE SURVEY NO. 120, ABSTRACT NO. 138, IN THE CITY OF KERRVILLE, KERR COUNTY, TEXAS; THE SAME PROPERTY CONVEYED FROM LOWER COLORADO RIVER AUTHORITY TO CITY OF KERRVILLE BY WARRANTY DEED EXECUTED THE 16TH DAY OF FEBRUARY, 1984, AND RECORDED IN VOLUME 291, PAGE 90, DEED RECORDS OF KERR COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½" iron pipe found in the southwest right-of-way line of Lois Street, a public street, for the east corner hereof, the north corner of that 0.30 acre tract conveyed to Manuel Zamora et ux by deed recorded in Volume 1345, Page 154, Real Property Records of Kerr County, Texas;

THENCE along the southeast line hereof: 1) S 44° 57' 49" W 119.30 ft. to a ½" iron stake found at the west corner of said 0.30 acre tract, the north corner of Lot No. 1, Block One, of Del Norte Addition, Two, a subdivision of record in Volume 6, Page 311, Plat Records of Kerr County, Texas; and 2) S 44° 36' 20" W 335.98 ft. to a 1" iron pipe found in the northeast right-of-way line of State Highway No. 27 (Junction Highway), for the south corner hereof, from which a ½" iron stake found at the west corner of said Lot No. 1 bears 10.21 ft. S 46° 24' 02" W;

THENCE with said right-of-way line of Highway No. 27, N 60° 29' 45" W 146.46 ft. to a ½" iron stake found at the south corner of that 1.10 acre tract conveyed to Edward R. Pollard et ux by deed recorded in Volume 857, Page 751, Real Property Records of Kerr County, Texas, for the southerly west corner hereof;

THENCE with the common line of said 1.10 acre tract: 1) N 29° 28' 26" E 36.88 ft. to a found ½" iron stake, from which a 5/8" iron stake bears 0.5 ft. S 03° 36' W; 2) N 44° 37' 15" E 262.88 ft. to a found ½" iron stake, the east corner of said 1.10 acre tract; and 3) N 45° 23' 30" W 150.65 ft. to a ½" iron stake found in the southeast line of that 2.442 acre tract conveyed to Arvind A. Patel by deed recorded in Volume 601, Page 816, Real Property Records of Kerr County, Texas, the north corner of said 1.10 acre tract, the northerly west corner hereof;

THENCE along the northerly northwest line hereof, N 44° 08' 10" E at 9 ft. passing the east corner of said 2.442 acre tract, the south corner of that 0.492 acre tract described as "Tract 2" in a deed to Tom Garry Cale et ux, recorded in Volume 1479, Page 429, Real Property Records of Kerr County, Texas, continuing for a total distance of 144.88 ft. to a 5/8" iron pipe found in the southwest right-of-way line of Lois Street, for the north corner hereof, the east corner of said 0.492 acre tract;

THENCE along the northeast line hereof, the southwest right-of-way line of Lois Street: 1) S 59° 20' 10" E 6.36 ft. to a found 3/8" iron pipe; and 2) S 54° 39' 54" E 301.30 ft. to the PLACE OF BEGINNING, containing 2.15 acres of land, more or less, within these metes and bounds. A plat of this survey has been prepared.

The foregoing field notes represent a survey
made on the ground under my direction.

Dated this the 31st day of October, 2012

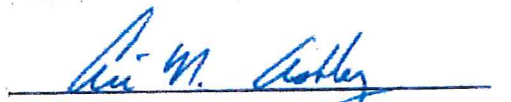

Eric N. Ashley
Registered Professional Land Surveyor No. 4617
(Kerrville City Hall.fnd)

EXHIBIT A

1259

WARRANTY DEED VOL 7291 PAGE 90

THE STATE OF TEXAS)
) (KNOW ALL MEN BY THESE PRESENTS:
THE COUNTY OF KERR)

That LOWER COLORADO RIVER AUTHORITY of the County of Travis and State of Texas, for and in consideration of the sum of Ten and No/100 Dollars and other valuable consideration to the undersigned paid by the Grantee herein named, the receipt of which is hereby acknowledged, has GRANTED, SOLD and CONVEYED and by these presents do GRANT, SELL and CONVEY unto CITY OF KERRVILLE, a municipal corporation, of the County of Kerr and State of Texas, all of the following described property in Kerr County, Texas, to-wit:

2.27 acres of land, more or less, being situated in Kerr County, Texas, out of and part of Survey No. 120 in the name of Walter Fosgate, Abstract No. 138, being described in two separate deeds.

1.3 acres of Survey No. 120, described in a deed recorded in Volume 101, Page 616 and 617, as follows:

BEGINNING at an iron pipe set in the N.W. line of that 5 acre tract of land heretofore conveyed to B.D. Powell by J. Carter Cavitt, et ux by Deed recorded in Vol. 89, Page 426, and marking the North corner of that 2.07 acre tract conveyed by said B.D. Powell to A.M. Biedenharn by deed recorded in Vol. 97, Page 15 (both of said references being to the Deed Records of Kerr County, Texas), which point is 340.96 feet N. 44 deg. 28' E. from the intersection of the N.W. line of said 5 acre tract with the North ROW line of Texas State Highway No. 27;

THENCE N. 44 deg. 28' E. 156.2 feet to an iron pin in the S. line of Lois Street (extended), and the West corner of that parcel conveyed by B.D. Powell, et ux to the City of Kerrville for street purposes by deed dated August 2, 1957, and recorded in Vol. 101, Page 524 of said Kerr County Deed Records;

THENCE with said street line, S. 60 deg. 11' E. 6.3 feet and S. 54 deg. 15' E. 301.5 feet to an iron pin at the intersection of said street line with the S.E. line of said 5 acre tract, 197.3 feet to an iron pipe set for the East corner of said 2.07 acre tract above mentioned;

THENCE N. 45 deg. W. 301.48 feet to the PLACE OF BEGINNING, and being a part of the 5 acre tract hereinbefore referred to.

0.97 acres of Survey No. 120, described in a deed recorded in Volume 101, Pages 617 and 618, as follows:

EXHIBIT A

VOL. 291 PAGE 91

BEGINNING at an iron pin set for the intersection of the North right-of-way line of Texas State Highway No. 27 with the Northwest line of Westland Place Addition to the City of Kerrville, Texas;

THENCE N. 60 deg. 11' W. 146.19 feet with the North right-of-way line of said Highway 27 to an iron pin set for the West corner of the herein described tract;

THENCE N. 29 deg. 49' E. 36.85 feet to an iron pin for corner;

THENCE N. 45 deg. E. 262.73 feet to an iron pin set for the North corner of the herein described tract;

THENCE S. 45 deg. E. 150.74 feet to an iron pin set for the East corner of the herein described tract in the Northwest line of Westland Place Addition to the City of Kerrville, Texas;

THENCE S. 45 deg. W. 260.00 feet with the Northwest line of said Westland Place Addition to the PLACE OF BEGINNING. The tract of land herein conveyed is a part of the same tract which was conveyed to A.M. Biedenbarn, Trustee, by B.D. Powell and wife, Lorene Powell by deed dated September 3, 1954, and recorded in Vol. 97, Page 15, Deed Records of Kerr County, Texas.

THIS CONVEYANCE IS MADE AND ACCEPTED SUBJECT TO:

1. City of Kerrville Zoning Ordinances
2. Four (4') foot utility easement to City of Kerrville, recorded in Vol. 1, Page 336, Easement Records, Kerr County, Texas;

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said Grantee, its successors and assigns forever; and it does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND all and singular the said premises unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

EXECUTED this 16th day of FEBRUARY, 1984.

LOWER COLORADO RIVER

AUTHORITY

Grantee's Address:
600 Main
Kerrville, Texas 78028

By

Elof H. Soderberg
Its GENERAL MANAGER
(Elof H. Soderberg)

EXHIBIT A

THE STATE OF TEXAS
THE COUNTY OF TRAVIS

VOL. 291 PAGE 92

BEFORE ME, the undersigned authority, on this day personally appeared ELDE H. SODERBERG, who is the GENERAL MANAGER of Lower Colorado River Authority, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for the purposes and consideration therein expressed, as the act and deed of said Lower Colorado River Authority, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 16th day of FEBRUARY, 1984.



Lisa A. Moore
Notary Public 4/1/87
State of Texas
LISA A. MOORE
Notary Public State of Texas

DRAFT

EXHIBIT A

130 AC. TRACT OF LAND
VOL. 101, PG. 616

N 44° 29' E 147.2 (calculated)

N 45° W 150.74'

0.97 AC. TRACT OF LAND
VOL. 101, PG. 617

PLAT
OF
27 AC. TRACT OF LAND
OUT OF
THE W. FOSGATE SUR.
120, ABSTRACT NO. 138
VOL. 101, PG. 616
VOL. 101, PG. 617

SCALE: 1" = 30'

N 45° E 262.73'

EXISTING BUILDING
(See detail)

EXISTING
PARKING LOT
23 SPACES

S 45° W 457.3'

N 29° 49' E 56.85'

R.O.W.

R.O.W.

N 60° 11' W 146.10'

60'

S H 27

15

STANDARD ABSTRACT AND TITLE CO.
P.O. Box 4311 Kerrville, Texas

1259, INDEXED
COMPARE

DD

Stone Colorado River Authority
to
City of Kerrville

DRAFT

FILED FOR RECORD

at 4:30 p.m. on Feb. 16, 1984

FEB 16 1984

PATRICIA DYE

County Clerk, Kerr County, Texas

By _____ Deputy

RECORDED
-RECEIVED'S CERTIFICATE IN FULL

Return to:

The City of Kerrville, Texas
Attention: City Council

Volume 85 Page 99
Kerrville, Texas

STATE OF TEXAS
COUNTY OF KERR
I hereby certify that this instrument was FILED on the date and at the time stamped
hereon by me and was duly RECORDED in the Volume and Page of the
Kerr County Texas as stamped herein by me



FEB 21 1984

Patricia Dye

COUNTY CLERK, KERR COUNTY, TEXAS

Agenda Item:


7A. Deferred annexation agreement for property generally located at 2590 Junction Highway. (staff)

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

SUBJECT: Deferred Annexation Agreement between the City of Kerrville and the owner of record of real property currently located within the extraterritorial jurisdiction of the City, addressed as 2590 Junction Highway (SH 27)

FOR AGENDA OF: July 25, 2017

DATE SUBMITTED: July 14, 2017

SUBMITTED BY: E.A. Hoppe
 Deputy City Manager

CLEARANCES: Mark McDaniel
City Manager

EXHIBITS: Deferred Annexation Agreement

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO: N/A

REVIEWED BY THE FINANCE DEPARTMENT:

SUMMARY STATEMENT

The owner of the property located at 2590 Junction Highway (SH 27) has petitioned the City to annex his Property into the City's corporate limits pursuant to Section 43.028 of the Texas Local Government Code. After consulting with the owner of the property, the primary purpose of the annexation request is to receive sewer services for the Rio Rancho restaurant located at the front of the commercial/retail complex.

The City currently has an adopted City Council policy that properties that desire to receive City utility services will request annexation into the City limits. Staff has evaluated the property and believes it may be beneficial for the City to defer near-term annexation of the overall property at this time and allow for the specific building where the Rio Rancho restaurant is located to receive sewer service at the out-of-city rate (1.5 times the adopted rate). The Deferred Annexation Agreement that has been drafted provides for this scenario.

In addition, the property owner will be fully responsible for the infrastructure extension necessary to receive sewer service. The restaurant will also need, if necessary, to upgrade their pre-treatment, grease trap, and other sewer connection infrastructure in order to meet the City's typical in-City sewer connection standards. The property owner currently receives water services from Aqua Texas, so they will also be responsible for providing those water bills to the City so that appropriate sewer bills can be generated from the water usage patterns.

RECOMMENDED ACTION

Authorize the City manager to finalize and execute a deferred annexation agreement for the property located at 2590 Junction Hwy (SH 27).

DRAFT 7/20/17

DEFERRED ANNEXATION AGREEMENT (2590 Junction Hwy)

STATE OF TEXAS

§

§

COUNTY OF KERR

§

This Deferred Annexation Agreement (the "Agreement") is made and entered into as of this _____ day of _____, 2017 ("Execution Date"), by and between the **CITY OF KERRVILLE, TEXAS**, ("City") and **EQUITY TRUST COMPANY**, FBO Richard A. Smith ("Owner"). City and Owner are referred to at times as "Party" or collectively as the "Parties".

WHEREAS, Owner is the owner of record of real property currently located within the extraterritorial jurisdiction of the City, which property is addressed as 2590 Junction Highway (SH 27) (the "Property"); and

WHEREAS, Owner has petitioned City to annex his Property ("Petition") into the City's corporate limits pursuant to Section 43.028 of the Texas Local Government Code, which Petition is attached as **Exhibit A**; and

WHEREAS, City Council has considered the petition, considered arguments for and against granting the petition, and finds that it is in the City's best interests to deny the petition, and instead, enter into this Agreement; and

WHEREAS, Owner, after due and careful consideration, accepts the terms and conditions specified within this Agreement due to the advantages and benefits resulting from the possibility of a deferred annexation of the Property; and

WHEREAS, City Council, after due and careful consideration, finds that the possibility of deferred annexation of the Property on the terms and conditions specified within this Agreement is in the best interest of the City to protect and provide for the public health, safety, morals, and general welfare;

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City and Owner agree as follows:

SECTION ONE. Denial of Annexation Petition. Owner submitted a petition for annexation of the Property, an approximate 2.55 acre tract as further described and depicted within

Exhibit A, and more commonly referred to as 2590 Junction Highway (SH 27). City, through action of City Council, hereby denies the Petition, thereby denying the annexation of the Property at this time. However, should City Council, in its sole discretion, desire to annex the Property at some future date, Owner agrees that by entering into this Agreement, Owner agrees to be voluntarily annexed at that time and will not dispute or challenge such annexation regardless of whether state law now or in the future gives him the right to do so. Should City Council act to authorize the initiation of annexation at some future time, City shall thereafter provide written notice to the Owner of such action. The annexation of the Property shall then occur pursuant to the terms of this Agreement and state law existing at the time of the Execution Date, including Section 43.028 of the Texas Local Government Code; in any event, the City's annexation shall not occur earlier than thirty (30) days following this notice to Owner.

SECTION TWO. Connection, Costs, Rate, Pre-treatment, Termination of Service.

- a. City, pursuant to the terms of this Agreement and in accordance with Resolution No. 91-144, agrees to provide wastewater service to the Property, but limited to that building currently existing on the Property, as depicted on the survey map attached as **Exhibit B**, and shown by the outline on Lot 2 ("Building"). City shall provide wastewater service to the Building regardless of the number of existing tenants or users. Besides the connection or connections from the Building, Owner may not connect additional buildings or space or change the use of the Building from its use as of the Execution Date, without prior written approval by the City. Any expansion or change in use without such approval may result in the City's termination of service to the Building.
- b. Owner shall, at his sole cost, provide for the extension of the wastewater line (main) to the Building in accordance with City law, submit a deposit to the City for the wastewater service in the amount of \$1,000.00, and pay for all other applicable fees, deposits, and costs charged by the City for such connection.
- c. Following connection and where the Property remains outside the City's limits, Owner shall pay the existing wastewater rate applicable to wastewater customers not within the City's limits. Pursuant to City's current Fee Schedule, the rate for such services located outside the City limits amount to 150% of the current rate charged for the same service within the City limits. The City may change such rate at any time.
- d. Owner shall ensure that the Property meets all pre-treatment, grease trap, and other City regulations for connecting to City wastewater services, including the City's regulations with respect to food establishments and waste discharges, as if the Property were located within the City. Pursuant to the City's regulations, Owner agrees to allow periodic inspections of the Property from the City, its health inspectors, its agents, or other inspectors to ensure that the installation, connection, use, and operation of the wastewater service complies with applicable law. In addition, Owner agrees to make

repairs to its Property and wastewater service connection as may be required by law.

- e. A violation of this Agreement may result in termination of service in accordance with City regulations.

SECTION THREE. Submission of Monthly Water Use. The Parties acknowledge that the Property is currently served with potable water service by a private water supply company. Because the City calculates each wastewater customer's monthly wastewater charge by multiplying the standard rate by the amount of potable water used each month, Owner shall install a submeter for the water service to the Building. Thereafter, Owner shall submit its monthly water usage for the Building, as calculated by the private water supply company by reading the submeter, to the City. Such submittal, in the form of a copy of Owner's bill from the water supply company, shall occur on or before the twentieth (20th) day of each month for the previous month's water usage. Owner shall submit such information to City via hand-delivery, U.S. mail, or email to the addresses provided below. Failure to submit the bill on or before this day may result in City applying a late penalty charge to the Owner, which amount may be taken from the deposit as provided for in Section Two, above. The City will calculate the late penalty charge by averaging the billing from the previous 3-month period and multiplying said amount by 125%.

SECTION FOUR. Easement(s) to City. Where necessary, Owner shall grant and convey to the City a general public utility easement(s) for the extension, construction, establishment, and maintenance of the City's wastewater utility and other public utilities. A copy of the General Public Utility Easement(s) is attached as **Exhibit C**. Owner shall execute and deliver the easement(s) to City within ten (10) days of City's request for conveyance.

SECTION FIVE. Service Conditions. Following connection to City's wastewater system (main), City shall provide wastewater service pursuant to the same terms, conditions, and requirements as are applied to all similarly situated areas and customers of City, subject to all the ordinances, regulations, and policies of City.

SECTION SIX. Term. The term of this Agreement is twenty (20) years from the Execution Date. The Parties may mutually agree to terminate this Agreement at any time by executing their written intent thereof.

SECTION SEVEN. Miscellaneous.

- (a) Notice. Any notice required by this Agreement shall be deemed to be delivered, whether or not actually received, when deposited in the United States Mail, postage pre-paid, certified mail, return receipt requested, addressed to either party, as the case may be, at the addresses contained below:

City: City of Kerrville
 701 Main Street

Kerrville, Texas 78028
Attn: City Manager (or designee)
Mark.mcdaniel@kerrvilletx.gov

Owner: Equity Trust Company, FBO Richard A. Smith
Equity Way
Westlake, OH 44145

- (b) Owner's Warranty of Capacity. Owner warrants and represents that he or she owns the Property and has the legal capacity and authority to enter into this Agreement. This Agreement constitutes the legal, valid, and binding obligation of Owner, enforceable against Owner in accordance with its terms. Owner has the absolute and unrestricted right, power, authority, and capacity to execute and deliver this Agreement and to perform its obligations under this Agreement.
- (c) City's Warranty of Capacity. City warrants and represents to Owner, its successors and assigns, that this Agreement has been duly adopted and that this Agreement is within the scope of the City's authority and the provisions of its charter and further that the City is duly authorized and empowered to enter into this Agreement. This Agreement constitutes the legal, valid, and binding obligation of City, enforceable against City in accordance with its terms. City has the absolute and unrestricted right, power, authority, and capacity to execute and deliver this Agreement and to perform its obligations under this Agreement.
- (d) Authority to Execute. The individuals executing this Agreement on behalf of the respective Parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the Party for which his signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the Party for whom the individual is signing this Agreement and that each individual affixing his signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.
- (e) Representations. Each signatory represents this Agreement has been read by the Party for which this Agreement is executed and that such Party has had an opportunity to confer with its counsel.
- (f) Assignment. This Agreement is assignable. Any person who sells or conveys any portion of the Property shall, prior to such sale or conveyance, give written notice of this Agreement to the prospective purchaser or grantee. If all or any portion of the Property is transferred, sold, or conveyed, Owner shall give notice immediately to City of the name, address, telephone number and contact person of the person or

entity acquiring an interest in the Property. This Agreement and all covenants, rights, benefits and privileges hereunder shall run with the land and shall be binding on and inure to the benefit of the Owner' successors and assigns. Any future conveyance of the Property shall contain the restrictions, conditions, and covenants and shall embody this Agreement by express reference. Notwithstanding the authority granted to assign this Agreement, nothing within this paragraph creates or is intended to create any right with respect to any person or entity that is not a party to this Agreement. Prior to connection to the wastewater service, Owner shall record this Agreement in the real property records of Kerr County, Texas, and provide proof thereof to City.

- (g) Entire Agreement. This Agreement contains the entire agreement between the Parties respecting the matters addressed herein, and supersedes all prior negotiations, agreements, representations, resolutions, and understandings, if any, by and/or between the Parties respecting such matters. This Agreement may be amended only by written agreement signed by each Party.
- (h) Nonwaiver of Rights. By entering this Agreement, neither Owner nor City waives any rights granted under any laws, nor do they make any admissions regarding the subject matter of this Agreement. Each Party specifically reserves any and all rights to pursue any action or remedy to protect its interests and rights. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver of such provision or of any other provision of this Agreement, and such Party shall have the right at any time(s) thereafter to insist upon strict performance of any and all of the provisions of this Agreement.
- (i) Venue. This Agreement shall be construed in accordance with the laws of the State of Texas and shall be performable in Kerr County, Texas.
- (j) Consideration. This Agreement is executed by the Parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.
- (k) Counterparts. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.
- (l) Additional Acts. The Parties agree to execute such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

- (m) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.
- (n) Savings/Severability. Any clause, sentence, provision, paragraph or article of this Agreement held by a court of competent jurisdiction to be invalid, illegal or ineffective shall not impair, invalidate or nullify the remainder of this Agreement, but the effect thereof shall be confined to the clause, sentence, provision, paragraph, or article so held to be invalid, illegal or ineffective.
- (o) Enforcement. This Agreement may be enforced by Owner or City through any proceeding at law or in equity. Failure to do so shall not be deemed a waiver to enforce the provisions of this Agreement thereafter.
- (p) Sovereign Immunity. The Parties agree that the City has not waived its sovereign immunity by entering into and performing its obligations under this Agreement.
- (q) Joint Venture. It is acknowledged and agreed by the Parties that the terms of this Agreement are not intended to and shall not be deemed to create any partnership or joint venture between the Parties.
- (r) Miscellaneous Drafting Provisions. This Agreement shall be deemed drafted equally by all Parties. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning and any presumption or principle that the language herein is to be construed against any Party shall not apply. Headings in this Agreement are for the convenience of the Parties and are not intended to be used in construing this document.
- (s) Incorporation of Recitals. The Recitals above are incorporated herein as if repeated verbatim.
- (t) Exhibits. The following exhibits, which are attached to this Agreement, are incorporated by reference and expressly made part of this Agreement as if copied verbatim:

Exhibit A – Petition for Annexation, including field notes and survey of the Property

Exhibit B – Depiction of Building

Exhibit C – Public Utility Easement

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective on the latest date as reflected by the signatures below, which shall then be reflected by the Execution Date.

CITY OF KERRVILLE, TEXAS:

By: _____
Mark McDaniel, City Manager
Date: _____

OWNER:

By: _____

Date: _____

ACKNOWLEDGEMENTS

STATE OF TEXAS §
COUNTY OF KERR §

BEFORE ME, the undersigned authority, on this day personally appeared Mark L. McDaniel, City Manager of the City of Kerrville, Texas, being the person whose name is subscribed to the foregoing instrument; he acknowledged to me he is the duly authorized representative for the City of Kerrville, Texas and he executed said instrument for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 2017.

NOTARY PUBLIC, STATE OF TEXAS

Printed Name: _____

My Commission Expires: _____

STATE OF TEXAS §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally _____, being the person whose name is subscribed to the foregoing instrument; he acknowledged to me that he has executed said instrument for the purposes and consideration herein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 2017.


NOTARY PUBLIC, STATE OF TEXAS

My Commission Expires: _____

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF KERRVILLE, TEXAS:

SEE EXHIBIT "A" (Field Notes) and
EXHIBIT "B" (Survey) attached hereto.

In accordance with Texas Local Government Code §43.028, Richard Smith hereby requests and petitions that the above-described property be annexed into the incorporated limits of the City of Kerrville, Texas.

By:  FOR RICHARD SMITH
Legally authorized signature

This instrument was acknowledged before me on the 1 day of June, 2017, for and on behalf of _____.



My Commission Expires: _____

Domingues & Assoc.

Professional Land Surveying Subdivision Design

Re: description of Midway Center, for annexation, Kerr County, Texas

All that certain tract or parcel of land, lying and being situated in the County of Kerr; State of Texas; being out of original Survey No. 125, Francisco Martinez, Abstract No. 247; being part of that 2.125 acre tract which was conveyed from C & E Persyn Limited Partnership, to South Semoran Professional Association, LLC, by deed dated July 6, 2006, of record in Volume 1536, page 410, in the Official Public Records of Kerr County, Texas, which tract is part of that 17.216 acre tract, which was conveyed from W. J. Lytle, Jr., to Edgar A. Stephens, William P. Clarkson and A. Edward Clarkson, by deed dated the 25th day of March, 1975, of record in Volume 178, page 618, of the Deed Records of Kerr County, Texas; and comprising all of the following tracts which are depicted on a plat of Midway Center unofficially recorded in the Office of the County Clerk, Kerr County, Texas:

Tract One, being all that 0.57 acre Lot 1, which was conveyed from J. V. Ward, to Alpha Enterprises, by deed dated the 24th day of November, 1981, of record in Volume 257, page 661, in the Deed Records of Kerr County, Texas;

Tract Two, being all that 0.57 acre Lot 2, which was conveyed from William P. Clarkson and A. Edward Clarkson, to Beta Enterprises, by deed dated the 30th day of November, 1982, of record in Volume 269, page 27, in the Deed Records of Kerr County, Texas;

Tract Three, being all that 0.43 acre Lot 1-A, which was conveyed from W. K. Montgomery, to Alpha Enterprises, by deed dated the 11th day of February, 1982, of record in Volume 257, page 656, in the Deed Records of Kerr County, Texas;

Tract Four, being all that 0.46 acre Lot 19, which was conveyed from J. H. Dunn, to Beta Enterprises, by deed dated the 1st day of December, 1982, of record in Volume 269, page 185, in the Deed Records of Kerr County, Texas;

Tract Five, being all that 4000 square foot, Cummings Lane, which was conveyed from Edgar A. Stephens, to Beta Enterprises, by deed dated the 5th day of November, 1985, of record in Volume 358, page 693, in the Deed Records of Kerr County, Texas;

Tract six, being all that Lot 2-A, which was conveyed from The Butlers Family Trust Dated 10/8/90 to Tyler G Enterprises, LLC., by deed of record under Clerk's File Number 16-08354, in the Official Public Records of Kerr County, Texas;

Which tracts were conveyed in three deed to Lone Star Ropers, LLC, and Equity Trust Company:

Tract One, from Tyler G Enterprises, LLC., to Lone Star Ropers, LLC, by deed dated February 17, 2017, of record under Clerk's File Number 17-01295, in the Official Public Records of Kerr County, Texas;

Tract Two, from South Semoran Professional Association, LLC., to Lone Star Ropers, LLC, by deed dated February 16, 2017, of record under Clerk's File Number 17-01296, in the Official Public Records of Kerr County, Texas;

Tract Three, from South Semoran Professional Association, LLC., to Equity Trust Company, Custodian FBO Richard A. Smith, by deed dated February 16, 2017, of record under Clerk's File Number 17-01297, in the Official Public Records of Kerr County, Texas; and subject tract being more particularly described by metes and bounds, as follows, to wit:

BEGINNING at a 1/2" iron stake (steel reinforcing bar) found marking the southeast corner of said 17.216 acre tract, the southeast corner of said Midway Center, being in the north right of way line of State Highway No. 27, which beginning corner is located a direction of S.81°00'44"W. a distance of 169.98 feet from a metal sounding in asphalt and also located according to deed recorded in Volume 257, page 661, approximately 3515 feet N.45°E. and 871 feet S.45°E. from the west or upper river corner of said Survey No. 125;

THENCE with the south line of said Lot 1 and Lot 2, the north line of said State Highway No. 27, a direction of S.80°14'55"W., for a distance of 200.00 feet [deed S.80°33'W. 100 and S.80°33'W. 100] to a 1/2" iron stake (steel reinforcing bar) found marking the southwest corner of said Lot 2, the southeast corner of Lot 3 of said Midway Center, located a direction of N.80°51'07"E., a distance of 100.63 from an iron stake with cap marked Voelkel;

THENCE with the west line of said Lot 2, the east line of said Lot 3, a direction of N.9°32'07"W., for a distance of 249.91 feet [deed N.9°15'W. 250] to a chain link fence corner post at the northwest corner of said Lot 2, the northeast corner of said Lot 3, the southwest corner of Lot 2-A of said Midway Center;

THENCE with the west line of said Lot 2-A, a direction of N.9°31'57"W. a distance of 186.19 feet [plat- 185.6'] to a 1/2" iron stake (steel reinforcing bar) found marking the northwest corner of said Lot 2-A, in the south line of said Cummings Lane;

THENCE with the north line of said Lot 2-A, the south line of said Cummings Lane, a direction of N.80°32'20"E. a distance of 99.87 feet to the southwest corner of said 4000 square foot, Cummings Lane;

THENCE with the west line of said 4000 square foot, Cummings Lane, and the west line of said Lot 19, a direction of N.9°33'05"W., at a distance of 40 feet, a 1/2" iron stake (steel reinforcing bar) found, continuing a total distance of 240.00 feet [plat- 200' and 40.0'] to a 1/2" iron stake (steel reinforcing bar) found marking the northwest corner of said Lot 19, for the northeast corner of Lot 18 of said Midway Center;

THENCE with the north line of said Lot 19, a direction of N.80°14'55"E., for a distance of 100.00 feet [plat- N.80°33'E. 100'] to the northeast corner of said Lot 19, located a distance of 4.6 feet, a direction of N.15°W. from a fence post;

THENCE with the east line of said Lot 19, and said 4000 square foot, Cummings Lane, a direction of S.9°33'05"E., at a distance of 200 feet a 1/2" iron stake (steel reinforcing bar) found marking the southeast corner of said Lot 19, continuing a total distance of 240.00 feet [plat- S.9°15'E. 200' and 40'] to the west side of a treated wood post, the northeast corner of Lot 1-A of said Midway Center, the southeast corner of said 4000 square foot, Cummings Lane;

THENCE with the east line of said Lot 1-A, and Lot 1, a direction of S.9°33'05"E., at a distance of 185.6 feet [plat- S.9°15'E. 185.6'] a 1/2" iron stake (steel reinforcing bar) found marking common east corner of Lot 1 and Lot 1-A, continuing a total distance of 435.60 feet, [deed S.9°15'E. 185.6' and S.9°15'E. 250'] to place of beginning.

Basis of bearings was derived from astronomic north observations using G.P.S. - R.T.K. system

Surveyed on the ground and field notes prepared by, Charles B. Domingues, Registered Professional Land Surveyor No. 1713.



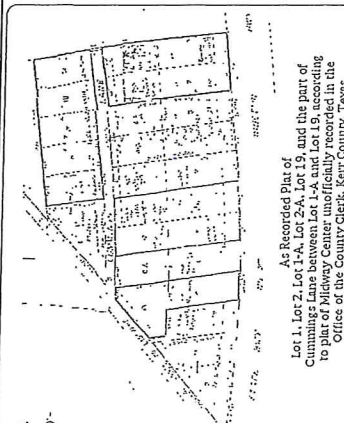
Charles B. Domingues

Registered Professional Land Surveyor No. 1713 Job No. 5042

Only those prints containing the raised seal should be considered official and relied upon by the user.

Domingues & Assoc.

P.O. Box 649 - Hunt, Tx. 78024 - Firm 100934-00 - 830/896 6900 - cdomingues@ktc.com



As Recorded Plat of
Lots 1, Lot 2, Lot 3-A, Lot 4, Lot 5, and the part of
Cummings Lane between Lot 3-A and Lot 19, according
to plat of Midway Center unofficially recorded in the
Office of the County Clerk, Kerr County, Texas

EXHIBIT NOTES:

This tract is subject to:
1. The plat of the City of Kerrville, Texas, recorded in Volume 15, page 759, in the
County Clerk's Office, Kerr County, Texas, which plat shows the location of the
subject property within the city limits of Kerrville, Texas.
2. The plat of the City of Kerrville, Texas, recorded in Volume 15, page 759, in the
County Clerk's Office, Kerr County, Texas, which plat shows the location of the
subject property within the city limits of Kerrville, Texas.
3. The plat of the City of Kerrville, Texas, recorded in Volume 15, page 759, in the
County Clerk's Office, Kerr County, Texas, which plat shows the location of the
subject property within the city limits of Kerrville, Texas.

I hereby certify that the plat above shown has been filed in compliance with the subdivision
regulations of Kerrville, Texas, and that the same is a true and correct copy of the
original plat as recorded in the Office of the County Clerk, Kerr County, Texas.

Michael Coward, J.C., Area Engineer

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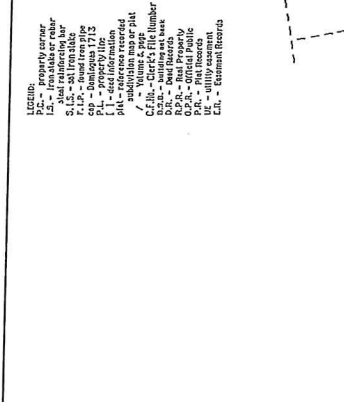
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Property/Deed Information:
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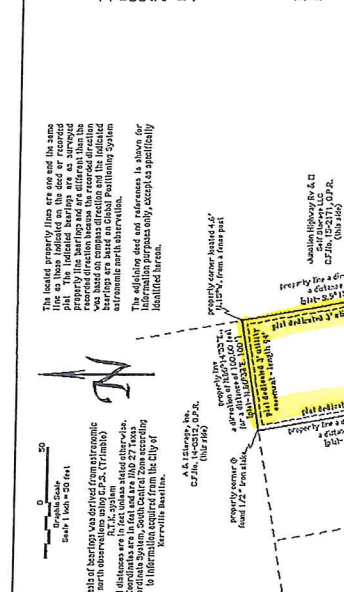
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Michael Coward, J.C., Area Engineer

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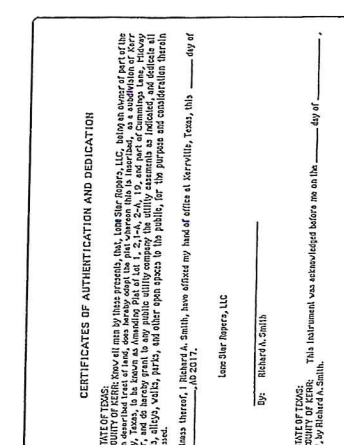
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Michael Coward, J.C., Area Engineer

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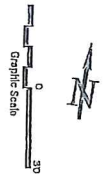
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Basis of bearings was derived from astronomical north observations using N.T.S.M. from Texas A.M. system. All distances in feet unless stated otherwise.



Junction Highway - State Highway No. 27

Dominguez & Assoc.
P.O. Box 649
Hunt, TX 75840-0649
Tel. 897/896 6900
ddominguez@aol.com
571m 506.400394-00

In The
State of Texas
County of Kerr

Part of Midway Center
Town & Country

I do hereby certify that the report represents a survey made on the ground.

Charles B. Dominguez, Surveyor No. 1773
State of Texas

Registered Professional Land Surveyor No. 1773
Only those parts containing the noted seal should be considered official and relied upon by the user.

The word certify is understood to be an expression of professional judgment by the surveyor, which is based on the knowledge, and information formed in the course of his performing the practice.

The located property lines are one and the same line as those indicated on the plat or recorded plat. The indicated bearings and distances are different than the recorded direction because the recorded direction was based on the compass direction and the indicated position on the ground was based on astronomical north observation.

DDA Job No. 5042

DRAFT

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

GENERAL PUBLIC UTILITY EASEMENT

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS
 COUNTY OF KERR §

That _____, and owner of the real property described herein and hereinafter referred to as "Grantor", whose address is _____, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, paid by the City of Kerrville, Texas, 701 Main Street, Kerrville, Texas, 78028, hereinafter called "Grantee", the receipt and sufficiency of which is hereby acknowledged, has granted, sold, and conveyed, and by these presents does hereby grant, sell, and convey unto Grantee, its successors and assigns, an easement for public utility purposes, including the right of ingress, egress, and regress therein, to erect, construct, reconstruct, install, place, repair, operate, use, inspect, modify, remove, replace, resize, and maintain certain water, wastewater, and/or other public utility lines and appurtenances, together with all lines, pipes, conduits, and other facilities, equipment, improvements, and appurtenances used in connection with such said public utilities as deemed necessary thereby by the Grantee, over, along, across, under, into, and through the following described property of the Grantor:

A twenty foot (20.0') wide general utility easement consisting of an approximate _____ acre of land out of the _____ Survey No. _____, Abstract No. _____, within the City of Kerrville, Kerr County, Texas; and part of Lot No. _____ of _____, a subdivision of Kerr County according to the plat of record filed in File No. _____ of the Official Public Records of Kerr County, Texas, said easement being more particularly described and depicted in Exhibit A, attached hereto and made a part hereof for all purposes (the "Easement").

The Easement is subject to the following terms and provisions:

1. Grantee shall have the right to do whatever may be requisite for the enjoyment of the rights herein granted, including the right to clear the Easement of brush and timber, and the right of egress from and ingress to the Easement.
2. Grantor shall have the right to fully use and enjoy the Easement for any purpose which shall not interfere with the rights herein granted to Grantee. Such use includes the right of Grantee to use the area within the Easement for right of way purposes. Grantor agrees not to interfere with Grantee's ability to use or maintain the Easement for any of the authorized purposes provided for herein. Interference includes but is not limited to physically modifying the Easement such as altering topography, installing fences, structures, rockeries, walls, or similar improvements which would prevent or limit access to the Easement; planting of difficult to

restore landscaping; piling or the storage of dirt, trash, garbage, debris, or other materials; however, nothing herein shall serve to prevent Grantor from using the property which is subject to the Easement, or any part thereof, as a private roadway, or from dedicating said property, or any part thereof, to a public authority for use as a public roadway. Grantor, upon the receipt of written notice from the Grantee, shall remove any cited interference from the Easement which prevents proper use of the Easement for the purpose intended herein. Grantee may grant written permission to the Grantor to physically modify the Easement upon receipt of written request.

3. Grantee, its successors, and assigns shall enjoy the rights, benefits and privileges herein conveyed until relinquished and released by written instrument executed by the Grantee.

TO HAVE AND TO HOLD the Easement, together with all the rights and appurtenances thereto in anywise belonging unto the said public generally for the purposes hereinabove recited.

WITNESS THE EXECUTION HEREOF on this _____ day of _____, 2017.

GRANTOR:

By: _____

Name: _____

Title: _____

Acknowledgment

THE STATE OF TEXAS §

§

COUNTY OF KERR §

This instrument was acknowledged before me on the _____ day of _____, 2016,
by _____, the _____, of _____.

Notary Public, State of Texas

APPROVED AND ACCEPTED:

Mark L. McDaniel, City Manager
City of Kerrville, Texas

AFTER RECORDING RETURN TO:
Office of City Secretary
City of Kerrville, Texas
City Hall, 701 Main Street
Kerrville, Texas 78028

Agenda Item:

8A. Presentation of Fiscal Year 2018 employee benefits to include health, dental, and vision. (staff)

TO BE CONSIDERED BY THE CITY COUNCIL

CITY OF KERRVILLE, TEXAS

SUBJECT: Presentation of FY2018 Employee Benefits.

FOR AGENDA OF: July 25, 2017

DATE SUBMITTED: July 18, 2017

SUBMITTED BY: Kimberly Meisner
Director of General Operations

CLEARANCES: Mark McDaniel
City Manager

EXHIBITS:

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

A presentation will be made to City Council regarding the FY2018 Employee Benefits. This item is for information and discussion only and no action is required at this time. This item is scheduled for action by the City Council, acting as the Employee Benefits Trust, on August 8, 2017.

RECOMMENDED ACTION

Discuss information provided during the presentation and provide feedback for consideration on August 8, 2017.

Agenda Item:

8B. Budget and economic update. (staff)

SUBJECT: Budget/Economic Update Ending June 30, 2017

FOR AGENDA OF: July 25, 2017 DATE SUBMITTED: July 12, 2017

SUBMITTED BY: Sandra Yarbrough
Director of Finance

CLEARANCES: Mark McDaniel
City Manager

EXHIBITS: Budget and Economic Update

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER:

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$.00	\$.00	\$.00	N/A

PAYMENT TO BE MADE TO:

REVIEWED BY THE DIRECTOR OF FINANCE:

SUMMARY STATEMENT

General Fund revenues received as of June 30, 2017 are \$24,563,236 or 88.64% of budget with expenses at \$20,245,193 or at 73.06% of budget. Property tax collections were 99.90% of budget and 3.24% over same period in prior year. The bulk of property tax was collected by the January 31 deadline; collections in the following months will be in smaller increments and considered delinquent with penalty and interest also due. Sales tax collections are at 77.47% of budget and 5.03% over same time period in prior year. June sales tax collections reflect local retail sales in April. Both revenues and expenses for the General Fund increased over the prior year due to the budget amendments approved by city council on January 24, 2017 for the sale of earthen fill material from a General Fund asset and allocated such funds received to the General Capital Improvement Fund for future capital improvements and on April 25, 2017 to transfer a portion of funds above the self-imposed 25% reserve fund balance to the General Fixed Asset Replacement Fund for future appropriations to replacement of vehicles and equipment.

Water and Sewer Fund revenues received as of June 30, 2017 are \$8,430,146 or 69.71% of budget with expense at \$8,357,464 or 69.11% of budget. Water sales are 66.77% of budget and 5.33% over same period prior year. Sewer service is at 71.92% of budget and 2.86% over same time period in prior year. Both water and sewer sales are expected to increase with landscape watering during the warmer months and depending on the amount of rainfall received.

Hotel Motel Fund revenue received as of June 30, 2017 is \$875,310 or 79.66% of budget with expenses at \$768,950 or 71.86% of budget. June occupancy tax collections were

Budget and Economic Update

Month ending June 30, 2017

	Current Month	Y-T-D Total	Budget @ 75%	Prior Year To-Date	% change vs prior year
General Fund					
Total Revenues	\$ 1,395,631	\$ 24,563,236	88.64%	\$ 20,363,510	20.62%
Property tax	\$ 106,681	\$ 8,985,101	99.90%	\$ 8,703,009	3.24%
Sales tax	\$ 523,949	\$ 4,990,713	77.47%	\$ 4,751,643	5.03%
Total Expenditures	\$ 1,935,190	\$ 20,245,193	73.06%	\$ 16,353,628	23.80%
Water and Sewer Fund					
Total Revenues	\$ 944,218	\$ 8,430,146	69.71%	\$ 8,329,242	1.21%
Water Sales	\$ 519,672	\$ 3,840,093	66.77%	\$ 3,645,691	5.33%
Sewer Service	\$ 466,329	\$ 3,994,000	71.92%	\$ 3,882,824	2.86%
Total Expenditures	\$ 870,058	\$ 8,357,464	69.11%	\$ 7,505,837	11.35%
Hotel/Motel Fund					
Total Revenues	\$ 113,998	\$ 875,310	79.66%	\$ 778,939	12.37%
Total Expenditures	\$ 231,250	\$ 768,950	71.86%	\$ 707,850	8.63%

Community Investment Plan	Project Budget	Current Month	P-T-D Expense	Project Budget Balance
Kerrville Sports Complex	\$ 10,500,000	\$ 1,563,271	\$ 9,352,719	\$ 1,147,281
Landfill Permitting	\$ 757,895	\$ 32,059	\$ 274,601	\$ 483,294
Oxidation Ditch WWTP	\$ 1,487,745	\$ 7,125	\$ 7,125	\$ 1,480,620
Reuse System	\$ 23,003,000	\$ 669,049	\$ 7,406,073	\$ 15,596,927
River Trail	\$ 6,000,000	\$ 601	\$ 5,204,567	\$ 795,433
Sports Complex Field House	\$ 2,196,000	\$ 185,791	\$ 747,435	\$ 1,448,565
Tennis Center	\$ 1,500,000	\$ 125	\$ 125	\$ 1,499,875
THM/Tank Repaint	\$ 1,764,100	\$ 6,000	\$ 777,014	\$ 987,086
Utility Construction Building	\$ 1,450,000	\$ 15,234	\$ 1,258,296	\$ 191,704

Development Activities:			Housing - May (Source: Kerrville Board of Realtors)	
Residential	Commercial		511 active residential listings; 88 residential sales June 2017	
Oct 6	\$ 1,523,000		\$24,816,325 total residential sales dollars June 2017	
Nov 4	\$ 1,500,000		\$101,210,096 total residential sales dollars Y-T-D 2017	
Dec 4	\$ 500,000			
Jan 4	\$ 3,500,000			
Feb 3	\$ 254,000			
Mar 4	\$ 6,644,950			
Apr 2	\$ 63,888			
May 5	\$ 2,550,000			
June 11	\$ 8,630,707			
YTD 43	\$ 25,166,545			
			Unemployment - May (Source: Texas Workforce Commission)	
			National	4.1%
			Texas	4.4%
			Local	3.6%
			Utility Accounts Billed - June:	
			Water - Residential units - 10,970; Commercial units - 1,558; Irrigation - 512	
			Sewer- Residential units - 10,789; Commercial units - 1,281	
			Garbage - Curbside - residential only - 8,075	

Agenda Item:

9A. Kerr Emergency 9-1-1 Network Board of Managers. (staff)

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

SUBJECT: Appointment to the Kerr Emergency 9-1-1 Network Board

FOR AGENDA OF: July 25, 2017

DATE SUBMITTED: July 19, 2017

SUBMITTED BY: Chief David Knight 

CLEARANCES: Mark McDaniel
City Manager

EXHIBITS: Board List

AGENDA MAILED TO:

APPROVED FOR SUBMITTAL BY CITY MANAGER: 

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

PAYMENT TO BE MADE TO:

REVIEWED BY THE FINANCE DIRECTOR:

SUMMARY STATEMENT

Consider appointment to the following board:

Kerr Emergency 9-1-1 Network Board: One regular member position that will be vacated by the resignation of the current City representative to the Kerr Emergency 9-1-1 Network board, Mr. Paul Huchton.

Lt. Mary Krebs is the Support Services Division Lieutenant for the Kerrville Police Department and directly oversees the Communications Center and dispatch operations for public safety communications. Police Chief David Knight recommends that Lt. Mary Krebs be appointed.

RECOMMENDED ACTION

Consider appointment.

Kerr Emergency 9-1-1 Network Board of Managers And Staff as of May 2017

Mr. Paul Huchton

Board Chairman

Member Representing the City of Kerrville

205 Sparkman Dr.
Kerrville, Texas 78028
830-377-6662
830-257-2711 (fax)

Paul.huchton@kerrvilletx.gov

Original Appointment 01/2013

Current Term Expires: 04/2019

Mr. Wm. "Rusty" Henderson

Non-Voting Member

Windstream Communications

812 Water St.
Kerrville, TX 78028
830-257-9155

William.r.henderson@windstream.com

Mr. Robert Neuman

Board Vice-Chairman

Member Representing Kerr County

405 Alvin Dr.
Kerrville, Texas 78028
830-896-1791

Robert.neuman@kerrcad.org

Original Appointment 09/2014

Current Term Expires: 12/2018

Mr. Byron Griffin

Member Representing the City of Ingram, Chief of Police

230 Highway 39
Ingram, TX 78025
830-367-2636

bgriffin@ingramtx.com

Original Appointment: 03/2017

Current Term Expires: 03/2019

Mr. Mark Del Toro

Executive Director

Board Ex-Officio Secretary

819 Water Street, Ste. 70
Kerrville, TX 78028

mdeltoro@kerr911.org

830-792-5911 (O)

830-739-5912 (C)

830-792-5923 (fax)

Mr. Ronald Vick

Member Representing Kerr County

1845 Foothills Dr.
Kerrville, Texas 78028
830-792-4111
830-257-7080 (fax)

rvick@ft.newyorklife.com

Original Appointment 10/2004

Current Term Expires: 05/2019

Mr. Nick LaMontia

GIS/Address Coordinator

830-792-5911 (O)
830-792-5923 (fax)

nick@kerr911.org

Mr. Gerald "Jerry" Vincent

Member Representing Kerr Area Rural Fire Association

728 Elp Pass II Road
Center Point, Texas 78010
830-634-7814

gcv1@hctc.net

Original Appointment: 07/2008

Current Term Expires: 09/2018